

**Report of the
Comptroller and Auditor General of India
on
Social, General and Economic Sectors
(Non-Public Sector Undertakings)
for the year ended 31 March 2019**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Himachal Pradesh
Report No. 2 of the year 2021

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Comptroller and Auditor General of India**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2019 has been prepared for submission to the Governor of the State of Himachal Pradesh under Article 151 (2) of the Constitution of India.

The Report contains significant results of performance audit and compliance audit of the departments/ autonomous bodies of the Government of Himachal Pradesh under the Social, General and Economic Sectors (Non-Public Sector Undertakings) conducted in terms of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Services) Act, 1971.

The instances mentioned in this Report are those which came to notice in the course of test audit done during the year 2018-19 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2018-19 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

Overview

This Report contains two performance audits on (i) Working of Horticulture Department and (ii) Solid Waste Management in Urban Areas and 14 compliance audit paragraphs, involving a total financial implication of ₹ 203.01 crore. Some of the significant audit findings are mentioned below:

Performance Audits

Working of Horticulture Department

Performance Audit on 'Working of Horticulture Department' included an examination of the elements of planning process, management of finances, execution of horticulture schemes/activities and internal control systems. Audit noticed deficiencies in planning, financial management, uneconomic and ineffective execution of various horticulture development activities, including creation of infrastructure, supply of improved varieties of plants, post-harvest management and ineffective internal control. The financial implication of this audit intervention is ₹ 97.03 crore. The significant audit findings are as under:

The Department did not formulate State Horticulture Policy/ Strategic Plan with clear milestones for development of horticulture in the State.

(Paragraph 2.1.6.1)

Department was ineffective in controlling overall, as well as per acre, decline in fruit production during 2014-19.

(Paragraph 2.1.6.2)

Twelve *per cent* of the allocated funds (2014-19) were not utilised, while three *per cent* of the amount booked as expenditure was parked in saving Bank accounts of 19 drawing and disbursing officers and not actually expended.

(Paragraphs 2.1.7.1 and 2.1.7.2)

State Disaster Response Fund of ₹ 21.60 crore was irregularly diverted towards subsidy, on pesticides, provided to horticulturists.

(Paragraph 2.1.7.3)

In ten out of twelve physically verified Plant Cum Demonstration Orchards (PCDOs), 31 *per cent* area was without plantation, four PCDOs did not have nurseries and eight had inadequate irrigation facilities.

(Paragraph 2.1.9.1)

Fruit processing units established utilising subsidy of ₹ 3.21 crore remained non-functional.

(Paragraph 2.1.12 (iii))

Difference in cost and quantity of pesticides, improper maintenance of data, and non-conducting of internal audit reflected ineffective internal control.

(Paragraphs 2.1.14.1 to 2.1.14.3)

Solid Waste Management in Urban Areas

Solid Waste Management refers to the collection, segregation, storage, transport, processing and disposal of solid waste. The responsibility of providing solid waste management services (collection, segregation, storage, transportation, processing, and disposal) in urban areas of the State is vested with Urban Local Bodies and the Department of Urban Development. Performance Audit on 'Solid Waste Management in Urban Areas' brought out deficiencies in collection, segregation, storage, transport, processing and disposal of solid waste. While the financial implication of this audit intervention is ₹ 19.06 crore, the significant audit findings are as follows:

Plan documents did not assess resource-gap in institutional and financial capacity, and did not address issues relating to segregation, processing and disposal of solid waste.

(Paragraph 2.2.5)

Inadequate funds were made available for projects of capital nature, while available funds were not fully utilised; and there were shortcomings in collection of user charges.

(Paragraph 2.2.6)

There were shortcomings in door-to-door waste collection, waste collection through community bins and modern underground bins in all 16 test-checked ULBs, resulting in overflow, littering and open dumping of waste.

(Paragraph 2.2.7)

Waste in segregated form was neither being collected from the waste generators nor were there any facilities for segregation at secondary level or at the time of transport.

(Paragraph 2.2.8)

Deficiencies in transportation of waste included lack of capacity in vehicles used for transporting waste to handle segregated waste, and 73 *per cent* of the vehicles were un-covered in the 16 test-checked ULBs.

(Paragraph 2.2.9)

Biodegradable and non-biodegradable waste processing plants had been constructed in only 11 ULBs and one ULB respectively; however, none of the facility was fully functional.

(Paragraph 2.2.10)

Sanitary landfill facilities for safe disposal of solid waste had not been created in any of the 54 ULBs of the State, and mixed waste was being dumped in open dump sites.

(Paragraph 2.2.11)

Entities responsible for monitoring of solid waste management were not discharging their functions, resulting in non-functional monitoring mechanism and non-adherence to rules.

(Paragraph 2.2.14)

Compliance Audit

Animal Husbandry Department

Embezzlement of Government money

In Animal Husbandry Department, Government receipts and beneficiary share had neither been accounted for in the cash book nor deposited in the Government account resulting in embezzlement of ₹ 99.71 lakh.

(Paragraph 3.1)

Education Department

Embezzlement of funds in Himachal Pradesh University

Failure of authorities of Himachal Pradesh University to carry out periodic reconciliations and exercise necessary checks for comparing receipts in the registers/ records with those appearing in Bank statements, resulted in embezzlement of ₹ 1.13 crore.

(Paragraph 3.2)

Irregular expenditure on testing of school uniform cloth

Testing of school uniform cloth was awarded directly to a laboratory, in violation of Financial Rules and principles of financial propriety and economy in public procurement, which resulted in irregular and uneconomical expenditure of ₹ 1.62 crore and extension of undue favour to the laboratory.

(Paragraph 3.3)

Unfruitful expenditure on construction of building

Contravention of approved building plan by executing agency and lack of monitoring by the Education Department led to denial of civic amenities to staff quarters which remained non-functional for more than 49 months, resulting in unfruitful expenditure of ₹ 2.27 crore.

(Paragraph 3.4)

General Administrative Department

Undue favour and avoidable/wasteful expenditure on hiring of transport helicopter

Undue favour was extended to M/s Pawan Hans Limited (PHL) by inserting and modifying conditions that excluded other bidders, allowing PHL to qualify technical evaluation ignoring the serious issue of its poor safety record, and allowing extension of contract despite unsatisfactory service delivery. Further, unjustified and arbitrary award of 10 *per cent* annual increase in rates resulted in avoidable expenditure of ₹ 18.39 crore, while adjustment of excess/deficit flying hours on yearly basis, instead of over the term of contract, led to wasteful expenditure of ₹ 6.97 crore on unutilized flying hours.

(Paragraph 3.5)

Industries Department

Mis-utilisation of Grant-in-Aid

Lack of monitoring and inaction on the part of the Department had resulted in non-recovery of financial assistance and penalty of ₹ 1.29 crore under National/ State Mission on Food Processing Scheme.

(Paragraph 3.7)

Labour and Employment Department

Non-utilisation of funds and unfruitful expenditure on infrastructure

Himachal Pradesh Building and Other Construction Workers Welfare Board did not formulate action plan for utilisation of fund with systematic assessment of requirements. Consequently, 86 *per cent* of funds collected, and assets created at an expenditure of ₹ 24.15 crore for skill development institute and labour accommodation remained unutilised.

(Paragraph 3.8)

Public Works Department

Undue favour to contractor on suspended work of road

Extension of undue favour to the contractor amounting to ₹ 2.88 crore on account of non-obtaining of performance guarantee, payment for unauthorised execution of excavation work at significantly high rates, non-recovery of useful stones, non-recovery of compensation, and less deduction of security deposit in respect of suspended work of road.

(Paragraph 3.11)

Revenue Department

Mis-utilisation of State Disaster Response Fund (SDRF) for inadmissible work

The State Executive Committee was not ensuring proper utilisation of money drawn from SDRF, resulting in mis-utilisation of ₹ 14.63 crore by Deputy Commissioners on inadmissible works of repair and restoration without any damage by disaster/ calamity.

(Paragraph 3.12)

Technical Education Department

Infructuous expenditure and blocking of funds due to non-construction of building of Polytechnic

Failure of the Department to check feasibility of site before diversion of land for construction of Polytechnic and delay in identification of land at alternative site, resulted in infructuous expenditure of ₹ 99.91 lakh, and blocking of ₹ seven crore and non-construction of Polytechnic for more than nine years.

(Paragraph 3.13)

Town and Country Planning and Urban Development Departments

Planning and Regulation of Construction

The objective of planned and sustainable development of land in the State could not be achieved as the regulatory framework governing construction were made applicable to only 11 *per cent* of the available area. Development Plans were either not prepared in advance or not implemented, as envisaged. This, coupled with poor application of Rules and Regulations by the authorities concerned, proved ineffective in preventing as well as taking actions with respect to unauthorised constructions. Keeping in view the fragile and seismically sensitive eco-system, such unauthorised constructions could be a source of disaster, in the event of a natural calamity in the State.

(Paragraph 3.14)

Chapter-I
Introduction

CHAPTER-I INTRODUCTION

1.1 Budget and application of resources

There are 46 departments and 50 autonomous bodies in the State. The status of budget estimates and actual expenditure by the State Government during 2014-19 is given in **Table-1.1** below:

Table-1.1: Budget and Expenditure of the State Government during 2014-19

(₹ in crore)

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue Expenditure										
General Services	8,344	7,604	9,207	8,788	10,135	9,728	11,230	11,009	13,331	11,438
Social Services	7,913	7,451	9,676	7,980	11,388	9,610	11,884	10,337	13,488	11,482
Economic Services	5,413	4,723	6,407	5,525	7,314	5,996	7,734	5,697	9,082	6,512
Others	3	9	5	10	5	10	9	10	11	10
Total (1)	21,673	19,787	25,295	22,303	28,842	25,344	30,857	27,053	35,912	29,442
Capital Expenditure										
Capital Outlay	1,993	2,473	2,991	2,864	3,241	3,499	3,531	3,756	4,298	4,583
Loans and advances disbursed	367	474	397	463	428	3,290	448	503	448	468
Repayment of Public Debt	1,511	8,260	1,503	3,948	2,229	3,943	3,105	3,500	3,184	4,673
Public Accounts disbursements	2,978	8,844	2,978	10,577	3,103	12,351	3,303	13,043	3,303	14,493
Closing Cash balance	--	(-) 739	--	216	--	316	--	183	--	53
Total (2)	6,849	19,312	7,869	18,068	9,001	23,399	10,387	20,985	11,233	24,270
Grand Total	28,522	39,099	33,164	40,371	37,843	48,743	41,244	48,038	47,145	53,712

Source: Annual Financial Statements and Finance Accounts of State Government.

During 2014-19, the total expenditure¹ of the State increased from ₹ 22,734 crore to ₹ 34,493 crore at an annual average rate of 12 per cent. Revenue expenditure increased by 49 per cent from ₹ 19,787 crore to ₹ 29,442 crore and capital expenditure increased by 85 per cent from ₹ 2,473 crore to ₹ 4,583 crore. During 2014-19, revenue expenditure constituted 79 to 87 per cent and capital expenditure 11 to 13 per cent of the total expenditure.

¹ Total expenditure includes revenue expenditure, capital outlay and loans and advances.

1.2 Grants-in-aid from the Government of India

The Grants-in-aid (GIA) from the Government of India (GoI) increased from ₹ 7,178 crore in 2014-15 to ₹ 15,117 crore in 2018-19 and by ₹ 2,023 crore (15 per cent) in 2018-19 over the previous year, as shown in **Table 1.2**

Table-1.2: Grants-in-aid from Government of India

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan Grants	1,199	8,524	8,877	--	--
Grants for State Plan Schemes	4,333	756	1,188	--	--
Grants for Central Plan Schemes	31	38	44	--	--
Grants for Centrally Sponsored Schemes	1,615	1,978	3,055	--	--
Centrally Sponsored Schemes	--	--	--	3,590	4,010
Finance Commission Grant	--	--	--	8,889	8,831
Other Transfer/ Grants to State/ Union Territories with Legislature	--	--	--	615	2,276
Total	7,178	11,296	13,164	13,094	15,117
Percentage of increase/ decrease over previous year	13.68	57.37	16.54	(-) 0.53	15.45

(Source: Finance Accounts for the respective years) *Finance Commission Grants include post devolution revenue deficit grant, grants for local bodies and SDRF which was earlier depicted as Non-plan grants in State Accounts.

In addition, the GoI has been transferring substantial funds directly to the State implementing agencies for implementation of various schemes. The GoI decided to route these funds through State Budget from 2014-15 onwards. However, during 2018-19, the GoI transferred ₹ 962.08 crore directly to various implementing agencies/Non-Government Organisations of the State (**Appendix-1.1**).

1.3 Persistent savings

During the last five years, in 20 grants there were 24 cases where persistent savings occurred (₹ one crore or more in each case) (**Appendix-1.2**) out of which three cases (₹ 100 crore or more in each case) are depicted in the **Table-1.3** below:

Table 1.3: List of grants with substantial persistent savings during 2014-19

(₹ in crore)

Sl. No.	Grant number and name	Amount of Savings				
		2014-15	2015-16	2016-17	2017-18	2018-19
Revenue-Voted						
1.	08-Education	385.37	1,076.22	864.96	665.02	955.16
2.	09-Health and Family Welfare	151.89	366.81	295.90	211.66	330.85
3.	20-Rural Development	109.86	228.23	121.61	402.93	383.93

Source: Appropriation Accounts of respective years.

1.4 Planning and conduct of Audit

The audit process commences with a risk assessment of various departments, autonomous bodies, schemes/ projects, considering the criticality/ complexity of activities, level of delegated financial powers, internal controls, concerns of stakeholders and previous audit findings. Based on this risk assessment, the scope of audit is decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Reports (IRs) containing audit findings are issued to the heads of the offices with request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India and these Audit Reports are submitted to the Governor of Himachal Pradesh under Article 151(2) of the Constitution of India.

During 2018-19, compliance audit of 1,086 drawing and disbursing offices of the State and 21 autonomous bodies was conducted by the Office of the Principal Accountant General (Audit), Himachal Pradesh under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. In addition, two² performance audits were also conducted and forwarded to the concerned Administrative Secretaries.

1.5 Recoveries at the instance of Audit

Audit findings involving recoveries that came to notice in the course of test audit of accounts of the departments of the State Government were referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action, under intimation to audit.

Against recovery of ₹ 3.85 crore pointed out in 4,400 cases, the DDOs concerned had accepted recovery of ₹ 2.83 crore in 4,372 cases, however, recovery of ₹ 1.04 crore in 2,794 cases only was effected during 2018-19 as detailed in **Table-1.4** below:

Table-1.4: Recoveries pointed out by Audit and accepted / effected by the departments

(₹ in crore)

Department	Particulars of recoveries noticed	Recoveries pointed out in audit during 2018-19		Recoveries accepted during 2018-19		Recoveries effected during 2018-19	
		Number of cases	Amount involved	Number of cases	Amount involved	Number of cases	Amount involved
Miscellaneous Departments	Overpayment of pay, medical reimbursement etc.	4,400	3.85	4,372	2.83	2,794	1.04

² Working of Horticulture Department and Solid Waste Management in Urban Areas.

1.6 Lack of responsiveness of the Government to Audit

The heads of offices and next higher authorities are required to report their compliance to the Principal Accountant General (Audit) within four weeks of receipt of Inspection Reports (IRs). However, 38,630 audit observations contained in 8,853 IRs were outstanding as on 31st March 2019 as given in **Table-1.5** below:

Table-1.5: Outstanding Inspection Reports/ Paragraphs

(₹ in crore)

Sl. No.	Name of Sector	Inspection Reports	Paragraphs	Amount involved
1.	Social Sector	6,136	28,313	36,017
2.	General Sector	1,447	6,555	8,044
3.	Economic Sector (Non-PSUs)	1,270	3,762	7,451
	Total	8,853	38,630	51,512

A detailed review of the IRs issued to 105 Drawing and Disbursing Officers (DDOs) upto September 2018 pertaining to Rural Development Department, indicated that 1,437 paragraphs issued through 414 IRs and having financial implications of about ₹ 1,339.30 crore remained outstanding as on 31 March 2019. Of these, 410 paragraphs of 218 IRs having financial implication of ₹ 135.26 crore pertained to the period 1975-2009. The year-wise status of these outstanding IRs and paragraphs is detailed in **Appendix-1.3** and the types of irregularities are indicated in **Appendix-1.4**.

The departmental officers failed to take action on observations contained in IRs within the prescribed time frame, resulting in erosion of accountability. It is recommended that the Government should ensure prompt and proper response to audit observations.

1.7 Follow-up on Audit Reports

According to the Rules and Procedure for the Public Accounts Committee, all administrative departments were to initiate *suo moto* action on all compliance audit paragraphs and performance audits featuring in the Audit Reports of the Comptroller and Auditor General of India, regardless of whether these are taken up for examination by the Public Accounts Committee or not. They are also to furnish detailed notes, duly vetted by audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the State Legislature.

The status regarding non-receipt of Action Taken Notes (ATNs) on the paragraphs included in the Audit Reports upto the period ended 31 March 2019, as on

31 March 2020 is given in **Table-1.6** below:

Table-1.6: Status regarding non-receipt of ATNs on the paragraphs included in the Audit Reports

Audit Report	Year	Department(s)	Date of presentation of Audit Report in the State Legislature	Due date for receipt of ATNs	ATNs pending as of 31 st March 2020
Social, General and Economic Sectors (Non-PSUs)	2012-13	Tribal Development	21.02.2014	20.05.2014	01
	2013-14	Health and Family Welfare	10.04.2015	09.07.2015	01
		Tribal Development			01
	2014-15	SC, OBC and Minority Affairs	07.04.2016	06.07.2016	01
	2015-16	Home	31.03.2017	30.06.2017	02
		IPH			03
	2016-17	Information Technology	05.04.2018	04.07.2018	01
		Horticulture			01
		Home			01
	2017-18	Miscellaneous Departments	14.12.2019	13.03.2020	--
State Finances	2017-18	Finance and Miscellaneous Departments	14.12.2019	13.03.2020	All Chapters

1.8 Non-submission of Accounts / Separate Audit Reports (SARs) of Autonomous Bodies and placement of SARs before the State Legislature

Audit of accounts in respect of 14 Autonomous Bodies in the State has been entrusted to the Comptroller and Auditor General of India. Out of 14 Autonomous Bodies, only three (Himachal Pradesh Legal Services Authority, Shimla; District Legal Services Authority, Shimla and District Legal Services Authority, Solan) had submitted their accounts for the year 2018-19. The remaining 11 entities had not submitted their accounts, despite delay of one year as of September 2019. Details of period upto which accounts were rendered, issuance of Separate Audit Reports and their placement in the State Legislature are given in **Appendix-1.5**.

1.9 Year-wise details of performance audits and paragraphs included in Audit Reports

As per the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their responses to performance audit reports/ compliance audit paragraphs within six weeks.

Year-wise detail of performance audits and compliance audit paragraphs included in the Audit Reports for the last three years, along with their money value, is given in **Table-1.7** below:

Table-1.7: Performance audits and Compliance Audit Paragraphs that appeared in Audit Reports 2015-18

(₹ in crore)

Year	Performance Audits		Compliance Audit Paragraphs		Replies received	
	Number	Money value	Number	Money value	Performance Audits	Paragraphs
2015-16	5	343.99	13	67.62	--	4
2016-17	4	318.11	26	595.88	--	5
2017-18	2	341.17	21	114.52	2	20

The matter regarding furnishing of replies was taken up with the concerned Secretaries of the departments and also brought to the notice of the Chief Secretary in October 2020. The status of replies received in respect of Audit Reports 2015-18 is shown in the foregoing **Table 1.7**.

The current Audit Report for the year ended 31 March 2019 includes two performance audits (₹ 116.09 crore) and 14 compliance audit paragraphs (₹ 86.92 crore) involving a total money value ₹ 203.01 crore. Replies were received in the case of one performance audit (Solid Waste Management in Urban Areas) and nine compliance audit paragraphs (December 2020) which have been suitably incorporated in this Report.

Chapter-II
Performance Audit

CHAPTER-II PERFORMANCE AUDIT

Horticulture Department

2.1 Working of Horticulture Department

Performance Audit on 'Working of Horticulture Department' showed deficient planning, weak financial management, uneconomic and ineffective execution of various horticulture development activities, including creation of infrastructure, supply of improved varieties of plants, post-harvest management and ineffective internal control. While the total financial implication of this audit intervention is ₹ 97.03 crore, some of the significant audit findings are as follows:

Highlights

- *The Department did not formulate State Horticulture Policy/ Strategic Plan with clear milestones for development of horticulture in the State.*
(Paragraph 2.1.6.1)
- *Department was ineffective in controlling overall, as well as, per acre decline in fruit production during 2014-19.*
(Paragraph 2.1.6.2)
- *Twelve per cent of the allocated funds (2014-19) were not utilized while three per cent of the amount booked as expenditure was parked in saving Bank accounts of 19 drawing and disbursing officers and not actually expended.*
(Paragraphs 2.1.7.1 and 2.1.7.2)
- *State Disaster Response Fund of ₹21.60 crore was irregularly diverted towards subsidy, on pesticides, provided to horticulturists.*
(Paragraph 2.1.7.3)
- *In ten out of twelve physically verified Plant Cum Demonstration Orchards (PCDOs), 31 per cent area was without plantation, four PCDOs did not have nurseries and eight had inadequate irrigation facilities.*
(Paragraph 2.1.9.1)
- *The department could not utilise 43 per cent of the funds received under Horticulture Mission for North East and Himalayan States (now a part of Mission for Integrated Horticulture) for supply of imported improved planting material even after 13 years of receipt depriving the horticulturist of the intended benefits.*
(Paragraph 2.1.9.3)
- *Targets to provide training to the field functionaries (who were the first point of contact) were neither fixed nor covered under training programme during 2014-17. Similarly, no training was provided to field functionaries during 2018-19, although targets were fixed.*
(Paragraph 2.1.11)
- *Eight fruit processing units were performing below the target set (Physical performance) to the extent of 60 to 80 per cent during 2014-19. Fruit*

processing Unit, Rajgarh was operating without requisite licence from the Food Safety and Standard Authority of India for approximately 14 years.

(Paragraph 2.1.12 (i))

- *Fruit processing units established utilising subsidy of ₹3.21 crore remained non-functional.*

(Paragraph 2.1.12 (iii))

- *Difference in cost and quantity of pesticides, improper maintenance of data, and non-conducting of internal audit reflected ineffective internal control.*

(Paragraphs 2.1.14.1, 2.1.14.2 and 2.1.14.3)

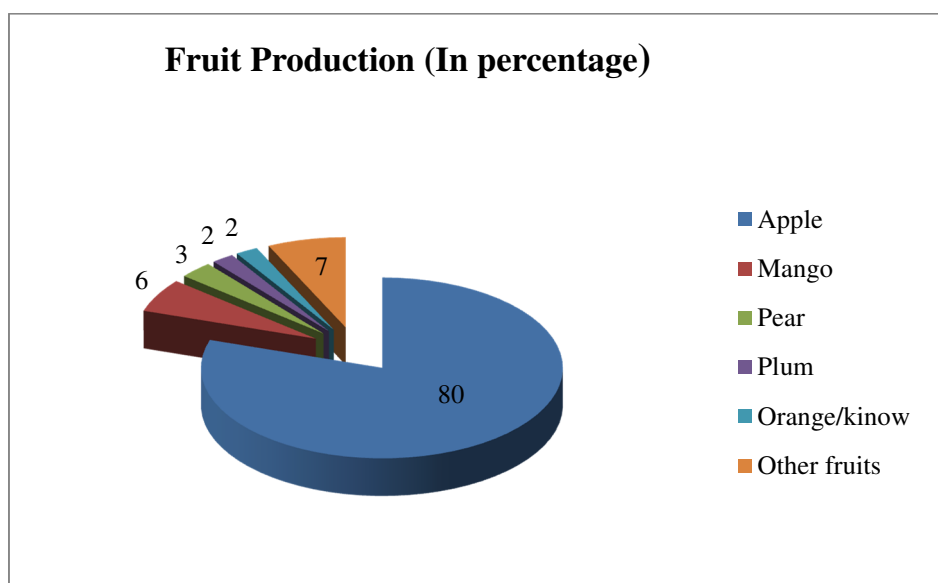
2.1.1 Introduction

Himachal Pradesh is predominantly an agricultural State where agriculture provides direct employment to about 70 per cent of the population. The State's agriculture is dominated by high value horticultural commodities, which account for about 44 per cent of the total cropped area. Horticulture Sector's annual contribution to the State economy is about seven per cent of the State Gross Domestic Product. The area covered under horticulture had increased from 2.24 lakh hectares to 2.32 lakh hectares (four per cent) during 2014-19. However, except for the year 2015-16, fruit production and productivity showed decreasing trend during the years 2014-19.

Expenditure of ₹ 1,686.20 crore was booked by the Horticulture Department during 2014-19 on the State and the GOI schemes. This constitutes one per cent of the total expenditure incurred by the Government of Himachal Pradesh during 2014-19.

The average production of different fruits in the last five years (2014 to 2019) is depicted in **Chart-2.1** below:

Chart-2.1: Average production of different fruits in the last five years



The State Horticulture Department (Department) came into existence in September 1970. The main objectives of the Department included diversification of traditional

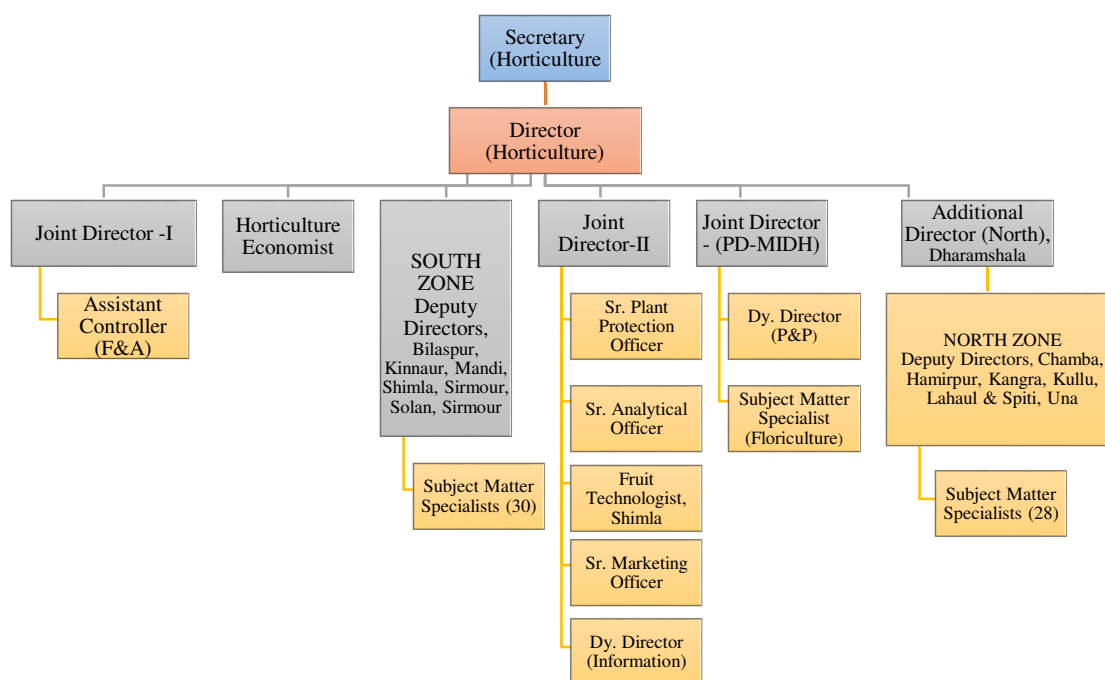
farming or agriculture to commercial market oriented farming¹, promotion of environment friendly farming suitable to agro-climatic conditions prevailing in the State and creating conditions, infrastructure, services and facilities to bring qualitative and quantitative increase in productivity of horticulture crops and promotion of ancillary activities², thereby improving the quality of life of the rural population. To achieve these objectives, the Department implemented 34 State components/ schemes and seven Government of India (GOI) schemes in the Horticulture Sector (**Appendix-2.1**).

The activities of the Department include development of horticulture infrastructure³, area expansion, distribution of improved varieties of plants, horticulture production support services⁴, training and extension services, and post-harvest management.

The 'Performance audit' of the Working of the Horticulture Department included an examination of the elements of planning process, management of finances, execution of horticulture schemes/ activities and internal control system.

2.1.2 Organisational set up

The Department functions under the administrative control of the Principal Secretary/ Secretary (Horticulture). The functionaries include specialists such as Fruit Technologists⁵ and Subject Matter Specialists⁶ (Fruit Canning Units), and the department has presence up to blocks/circle level. Organogram of the Department of Horticulture is depicted below:



¹ Cash crops: Fruits, vegetables, flowers, mushroom, medicinal/aromatic plants, etc.

² Floriculture, Apiculture and Mushroom cultivation.

³ Progeny-cum-Demonstration Orchards/ Nurseries for production of improved plants, establishment of plant health clinics, creation of water resources, buildings for Department, etc.

⁴ Leaf analysis and supply of plant protection material and other inputs to horticulturists.

⁵ Dhaulakuan, Nagrota Bagwan, Shamshi and Shimla.

⁶ Fruit Canning Units: Bilaspur, Rekongpeo, Rajpura and Rajgarh; Mushroom: Palampur and Chambaghat and Apiculture: Kangra and Shimla.

2.1.3 Audit Objectives

The objectives of the audit were to ascertain whether:

- planning for implementation of the schemes, as per guidelines of the State/ Government of India schemes, was adequate and effective in increasing the production and productivity of horticulture crops;
- prudent financial management existed;
- execution of activities was economical, efficient and effective; and
- internal control and monitoring mechanisms were effective.

2.1.4 Audit Scope and Methodology

The Performance Audit, covering the period 2014-15 to 2018-19, was undertaken from June 2019 to October 2019. Audit covered the offices of the Director of Horticulture and nine out of 38 drawing and disbursing officers (Deputy Directors of four (out of 12) districts⁷; Senior Plant Protection Officer, Shimla; Fruit Technologist, Dhaula kuan (out of four) and three (out of eight) SMSs⁸). In addition, 11 (out of 35) blocks⁹ in the selected districts were also selected. The selection was based on SRSWOR¹⁰ method of sampling and geographical categorisation¹¹ of horticulture in the State.

Out of total expenditure of ₹ 1,686.20 crore incurred by the Department during 2014-19, expenditure of ₹ 711.47 crore under above units was test-checked. Records relating to three (out of seven) Government of India Schemes¹² and 11 (out of 34) State Schemes¹³ as well as main activities of the Department were also test-checked.

The 'Entry conference' was held in September 2019 with the Secretary (Horticulture) to discuss the audit objectives, criteria, scope and methodology. Audit findings were discussed in an 'Exit conference' with the Secretary (Horticulture) in July 2020 and views of the Government have been incorporated as appropriate in this Report.

2.1.5 Audit Criteria

The audit criteria used for the conduct of the Performance Audit were derived from the following sources:

- Guidelines of State/ Centrally Sponsored Schemes;
- Notifications and instructions issued by State/ GOI from time to time for implementation of State and Centrally Sponsored Schemes;

⁷ Kangra, Kinnaur, Shimla and Solan.

⁸ Fruit Canning Unit: Rajgarh, Mushroom: Chambaghat and Apiculture: Shimla.

⁹ Kangra: four; Kinnaur: two; Shimla: three and Solan: two.

¹⁰ Simple Random Sampling Without Replacement.

¹¹ Zone-I: Low hills and valley areas near plains (Hamirpur, Solan and Una), Zone-II: Mid hills sub temperate (Bilaspur, Kangra, Mandi and Sirmour), Zone-III: High hills and valleys in the interiors (Chamba, Kullu and Shimla) and Zone-IV: Cold and dry zone (Kinnaur and Lahaul and Spiti).

¹² Mission for Integrated Development of Horticulture, Rashtriya Krishi Vikas Yojana and Pradhan Mantri Krishi Sinchai Yojana.

¹³ Apiculture Development, Buildings, Establishment/ Maintenance of Government Orchards/ Nurseries, Floriculture Development, Fruit Processing, Horticulture Development, Plant Protection, Marketing and Quality Control, Mushroom Development, Plant Nutrition and Training and Extension.

- Departmental Manual/ Policies/ Rules and Regulations and
- Himachal Pradesh Financial Rules, 2009 and Himachal Pradesh Treasury Rules, 2007.

Audit findings

2.1.6 Planning

Planning is the basic framework of a scheme/programme on which the success of the programme depends. Planning covers formulation of policy/ long-term master plan, survey and estimation of requirement, preparation of annual action plan, convergence with other agencies, etc. Audit observed the following deficiencies in the planning process:

2.1.6.1 Non-Formulation of Strategic Plan with clear milestones for development of horticulture

The State did not formulate a horticulture policy to lay down the roadmap for development of the sector. The GOI guidelines on Mission for Integrated Development of Horticulture (MIDH), 2014, provide for preparation of Strategic/Perspective Plan and road map for overall development of horticulture in the State. The Plan was to form the basis for organizing baseline surveys and feasibility studies in districts to determine status of horticulture production, potential and demand, post-harvesting facilities and upcoming challenges for preparing annual action plans.

Audit observed that:

- The Department prepared Annual Action Plans (AAPs) for various State Schemes during 2014-19, however, the desired outcomes were not identified in the plan;
- Data used for plan was relating to average production and area under fruit crops was based on the anticipated achievements/data available of the previous years, however, this was not based on any scientific system;
- Base line survey and feasibility studies to ascertain the status of horticulture production potential and demand, were not conducted (October 2019) and there was no assurance that initiatives proposed in AAPs and selection of beneficiaries and budget estimates were realistic and based on ground realities.

In the absence of a Horticulture Policy/ Strategic Plan, and AAP based on unscientific data, the extent of achievement of the horticulture development could not be measured.

The Director, Horticulture agreed (December 2019) that baseline survey could not be conducted due to non-availability of funds. During the exit conference, the Secretary (Horticulture) stated (July 2020) that State Horticulture Policy was being formulated.

2.1.6.2 Unscientific fruit production data / data collection techniques

The Department collects data of production of apple through departmental staff deputed at three district exit points / barriers¹⁴ and from the field offices on the basis of estimation. The total production is worked out after adding the domestic apple consumption and processing within the State (approximately 10 per cent of the total

¹⁴ Shimla: Kuddu, Solan: Parwanoo, Bilaspur: Swarghat

produce). The data for apple being transported through other exit points¹⁵ of the State was not maintained by the department.

Further, as ascertained from 11 (out of 35) Blocks of four test-checked districts¹⁶, the Horticulture Extension Officers (HEOs) /Horticulture Development Officers (HDOs) did not maintain any actual fruit production data in respect of apple and other fruits. They provide presumptive and visual based data after contacting only the leading/ progressive horticulturists, falling under respective blocks of the districts. The Blocks report the consolidated production data to the Deputy Directors (DDs), the DDs after consolidation, report the data to the Directorate for further compilation. The Director of Horticulture compiles the data reported by the districts without any further validation (as detailed in Paragraphs 2.1.14.2). Resultantly, the data maintained by the Department was not accurate.

Further, during the period 2014-15 to 2018-19, as per departmental figures, the area under horticulture had increased from 2.24 lakh hectares to 2.32 lakh hectares but the production had decreased from 7.52 lakh Metric Tonnes (MTs) to 4.95 lakh MTs. The per hectare productivity also decreased from 4.00 MTs to 2.44 MTs, as depicted in **Table-2.1.1** below:

Table-2.1.1: Area coverage and production under horticulture during 2014-19

Year	Area (in lakh hectares)	Production (in lakh MTs)	Productivity (MTs per hectare)
2014-15	2.24	7.52	4.00
2015-16	2.27	9.29	4.80
2016-17	2.29	6.12	3.12
2017-18	2.31	5.65	2.84
2018-19	2.32	4.95	2.44

Source: Departmental figures.

The Department stated (June 2019) that the decrease in production was due to drought condition, hailstorm and fluctuating temperature as fruit cultivation in the State is done mainly under rain fed conditions and the department was providing 80 *per cent* subsidy to the horticulturists on anti-hail nets.

Audit noticed that the department had not prepared any plan to identify localised challenges or mitigating strategies to overcome natural calamities through adoption of new technology such as provision of drip irrigation and sprinklers, installation of anti-hail guns covering all areas and awareness for installation of anti-hail nets. Further, in the absence of reliable data and data collection techniques as mentioned before, any planning or strategy would not be effective.

During the exit conference (July 2020), the Secretary (Horticulture) while admitting the use of data collection techniques, stated that the Department has started using electronic platform for entry/ exit vehicle data and remote sensing techniques for collection of data related to apple production.

It was further stated that fruit production was less due to meagre research activities and adoption of traditional techniques by the farmers. The Department was importing high

¹⁵ Paonta Sahib, Nalagarh, Mehatpur, Sansarpur Terrace, Indora and Damtal.

¹⁶ Bhedu Mahadev, Indora, Nagroa Surian and Rait blocks in Kangra District, Kalpa and Pooh blocks in Kinnaur District, Mashobra, Chirgaon and Narkanda blocks in Shimla District, and Dharampur and Kandaghat blocks in Solan District.

yielding varieties of seeds/plants of various fruits and research activities were being enhanced through involvement of Dr. YSP University of Horticulture, Nauni and CSK University of Agriculture, Palampur and positive results are expected.

2.1.7 Financial Management

Financial management involves arrangement and utilization of funds according to prioritisation of activities in an efficient and effective manner so as to accomplish the objectives of the organisation. Deficiencies noticed by audit in the financial management are discussed in the following sub-paragraphs:

2.1.7.1 Under-utilisation of State funds

The status of outlay and expenditure under the State schemes, during the years 2014-19, is depicted in **Table-2.1.2** below:

Table-2.1.2: Details of approved outlay and expenditure under the State schemes during 2014-19

(₹ in crore)					
Year	Original Outlay	Additional Outlay	Total	Total Expenditure	Shortfall in utilization
2014-15	178.17	28.10	206.27	189.32	(-) 16.95
2015-16	188.51	107.41	295.92	281.05	(-) 14.87
2016-17	229.60	64.54	294.14	274.80	(-) 19.34
2017-18	355.38	67.42	422.79	305.49	(-) 117.30
2018-19	416.08	29.43	445.51	417.17	(-) 28.34
Total	1,367.74	296.90	1,664.63	1,467.83	(-) 196.80

Source: Departmental figures.

It was observed that:

- (i) Additional outlay of ₹ 67.42 crore made during the year 2017-18 remained entirely unutilised, while overall, 11.84 *per cent* of budget was not utilised during 2014-15 to 2018-19. This reflected unrealistic budget estimation;
- (ii) The expenditure booked by the treasury did not reflect actual expenditure, as ₹ 19.18 crore received under different State Plan Component/ Schemes¹⁷ was parked in saving Bank accounts of 12 DDOs including four test checked DDOs. Possibility of funds parked in savings Bank accounts by the remaining DDOs could not be ruled out.

During the exit conference (July 2020), the Secretary agreed that there was lack of planning at the Directorate level and funds could not be utilised due to having been received late and the issue of land clearances. In respect of parking of funds, it was stated that these funds would be adjusted towards other viable schemes/ works, where required. The contention however, was not supported by any documentary evidence (October 2020).

2.1.7.2 Under-utilisation of GOI funds

Outlines of three GOI schemes being implemented by the Department are shown in **Appendix-2.2**. The Guidelines under the GOI schemes¹⁸ provide for preparation of

¹⁷ Himachal Pushp Kranti Yojna, Mukhya Mantri Madhu Vikas Yojna, Mukhya Mantri Kiwi Protsahan Yojna, Mukhya Mantri Green House/ Poly house Renovation Scheme, Anti hail Net Scheme, Power tiller and Power sprayer.

¹⁸ Mission for Integrated Development of Horticulture (MIDH), Rashtriya Krishi Vikas Yojana (RKVY) and Pradhan Mantri Krishi Sinchai Yojna (PMKSY).

Annual Action Plans (AAPs) based on which funds are released by the GOI. As per the GOI instructions, the implementing agency was to maintain proper accounts of expenditure and submit statement of audited accounts and utilisation certificates (UCs) to the GOI as soon as possible, after the close of the financial year.

Details of utilisation of funds under the GOI schemes during 2014-19 is depicted in **Table-2.1.3** below:

Table-2.1.3: Utilisation of funds available under GOI schemes during 2014-19

(₹ in crore)

Year	Funds proposed			Availability of funds					Funds utilised (per cent)
	Centre share	State share	Total	OB	Receipts				
					Centre share	State share	Interest	Total	
2014-15	90.80	0.80	91.60	4.66	59.41	0.80	0.15	65.02	24.66 (38)
2015-16	49.17	19.46	68.63	40.36	30.51	15.12	0.79	86.78	59.26 (68)
2016-17	46.31	4.59	50.90	27.52	37.27	4.31	0.69	69.79	39.49 (57)
2017-18	51.28	4.49	55.77	30.30	43.29	5.53	0.76	79.88	38.15 (48)
2018-19	45.04	6.38	51.42	41.73	32.90	6.32	0.74	81.69	44.65 (55)
Total	282.60	35.72	318.32		203.38	32.08	3.13		206.21

Source: Departmental figures.

Audit noticed that:

- (i) Though the utilisation of funds under GOI schemes ranged between 38 per cent to 68 per cent, however, GOI consistently short released funds (₹ 79.22 crore) to the extent of 28 per cent during the years 2014-19.
- (ii) Further, the funds shown utilised did not represent the correct picture as:
 - Although the schemes did not mandate retention of scheme funds in Bank accounts, scrutiny of records of the 19 DDOs (out of 39) including four test checked DDOs showed that, ₹ 33.68 crore was lying unutilized in the Banks as of March 2019 under the GOI schemes (**Appendix-2.3**). There was possibility of drawing the funds by the remaining 20 DDOs and keeping the same in their savings Bank accounts.
 - Department had incorrectly submitted UCs to the GOI of ₹ 42.99 crore, against the total funds of ₹ 43.27 crore received under Rashtriya Krishi Vikas Yojana (RKVY) during 2014-19, as there was a closing balance of ₹ 5.68 crore still remaining in the saving Bank accounts of 18 DDOs.

During the exit conference, the Secretary while admitting (July 2020) the lack of planning, attributed the above to delayed receipt of funds (December) and harsh weather conditions hampering utilization of the funds in the respective financial year. The reply did not explain the incorrect reporting of utilization of funds to the GOI, and lack of contingent planning to streamline utilization of funds in advance.

2.1.7.3 Diversion of State Disaster Response Fund towards subsidy on Pesticides

As per the revised norms for assistance under the State Disaster Response Fund (SDRF), the funds provided under National Disaster Response Fund were to be utilised to provide relief to the victims of cyclone, drought, earthquake, fire, flood, hailstorm, etc.

It was seen that the Senior Plant Protection Officer (SPPO), on the directions of the Directorate, diverted ₹ 21.60 crore out of ₹ 26.16 crore under SDRF during 2014-19,

towards providing subsidy on pesticides (Plant Protection Material) to horticulturists in the State, which was not covered under the norms of SDRF.

During the exit conference (July 2020), the Secretary stated that necessary instructions to follow the guidelines have since been issued.

2.1.7.4 Diversion of interest on central scheme towards State revenue

As per the GOI instructions (April 2015), the interest earned on the Grants-in-aid under RKVY from the period 2014-15 was to be taken as part of the GIA and unspent balance was to be adjusted against future year instalments by obtaining revalidation sanction from the GOI. The Director of Agriculture also issued (March 2016) instructions that no interest earned under the RKVY funds was to be deposited in the State Revenue Receipt Head.

Audit noticed that contrary to the GOI instructions, *ibid*, out of interest of ₹ 0.55 crore earned from RKVY funds and available¹⁹, three DDOs²⁰ irregularly diverted ₹ 0.28 crore towards State revenue (2014-19) and deposited in treasuries of State Government, while a balance ₹ 0.27 crore was kept in a Bank account.

During the exit conference the Secretary admitted (July 2020) the facts and stated that Department had been instructed to deposit the interest in proper head of accounts.

2.1.8 Horticulture infrastructure development

For overall development of horticulture including production of plants, providing technical assistance services, post-harvest management, processing and marketing of horticulture produce, etc., a network of infrastructural facilities was to be created. The deficiencies noticed by audit in this area are discussed in the succeeding paragraphs.

2.1.8.1 Establishment of Plant Health Clinics

As envisaged under Mission for Integrated Development of Horticulture (April 2014), Plant Health Clinics (PHCs) were to be set up with facilities to diagnose biotic/ abiotic stress and plant nutritional status besides facilitating eco-friendly control measures, management of diseases and plant health, etc. Accordingly, ₹ 5.75 crore²¹ was received from the GOI including state share during 2014-19 for establishment of 23 PHCs²² (at a cost of ₹ 0.25 crore each) in the State.

Funds were released (2014-19) to the concerned DDs for construction of the PHCs without defining a timeline for completion. Audit noted that out of 23, construction of 14 PHCs²³ was completed at a cost of ₹ 3.50 crore, construction of four PHCs for which ₹ 0.53 crore was released to the executing agency(EA)²⁴ was not started for want of encumbrance free land and revision of estimates by the executing agency due to higher cost of site development, etc. The construction of the remaining five PHCs

¹⁹ Opening balance as on 31.03.2014: ₹ 0.23 crore, Earned during 2014-19: ₹ 0.32 crore.

²⁰ Kinnaur, SMS (Mushroom) Chambaghat, Solan.

²¹ 2014-15: ₹ 2.50 crore; 2015-16: ₹ 1.25 crore, 2016-17: ₹ 0.75 crore, 2017-18: ₹ 1.00 crore and 2018-19: ₹ 0.25 crore.

²² Amb, Anni, Banikhet, Bhoranj, Chamba, Dehra, Dharampur, Ghumarwin, Hamirpur, Kangra, Karsog, Kunihar, Nahan, Nihal, Nurpur, Poanta Sahib, Rampur, Rohru, Sarkaghat, Sulah, Sundernagar, Theog and Una.

²³ Amb, Anni, Bhoranj, Chamba, Dharampur, Ghumarwin, Hamirpur, Kangra, Kunihar, Nihal, Nurpur, Rohru, Sulah and Una.

²⁴ Himachal Pradesh State Industrial Development Corporation.

was in progress, an expenditure of ₹ 0.75 crore had been incurred. Thus, out of total available funds, ₹ 0.97 crore was yet to be utilised (December 2019).

It was seen that only nine PHCs²⁵ of the 14 constructed PHCs were functional, while five PHCs were non-functional due to non-availability of technical staff/ three phase electricity connection and non-handing over of the PHCs by the executing agency. Thus, the department could not create the intended infrastructure.

During the exit conference, the Secretary stated (July 2020) that out of 23 PHCs, 19 were fully functional and four would be constructed within the financial year. However, the reply was not supported (October 2020) with details of 19 fully functional PHCs and it did not explain the delay in construction of remaining 4 PHCs.

2.1.8.2 Blockade of funds

Rule 2.10 (b) (5) of the Himachal Pradesh Financial Rules (HPFRs), 1971 and Rule 5.71 (c) of the Himachal Pradesh Treasury Rules (HPTRs), 2007 stipulate that no money should be drawn from treasury unless it is required for immediate disbursement.

Audit noticed that the Department had released ₹ 11.96 crore (1999-2019) in installments to the executing agencies (EAs) for construction of 38 office and residential buildings in the State at an estimated cost of ₹ 29.82 crore (1999-2019). Status of execution of works is detailed in **Table-2.1.4** below:

Table-2.1.4: Details of execution of works

No. of buildings	Status	Estimated cost	Funds released	Number of buildings		
				Lack of encumbrance free land	Insufficient funds	Funds available / Work not started
26	Not started	23.08	7.92	14	8	4
12	In progress	6.74	4.04	-	7	5
38		29.82	11.96	14	15	9

(₹ in crore)

It was seen that funds released were blocked in projects where land was not encumbrance free, while there were other projects in progress which had insufficient funds. As a result, ₹ 11.96 crore (**Appendix-2.4**) remained blocked without any of the buildings reaching completion. At the same time, the department had incurred expenses for hiring office accommodation and paying house rent to its employees.

During the exit conference, the Secretary agreed and stated (July 2020) that due to lack of land clearances, these works could not be completed and these funds would be adjusted towards other viable works.

2.1.9 Production and distribution of plants

With a view to increase fruit production and productivity, the Department was to bring additional area under fruit cultivation by distributing fruit plants to the fruit growers.

²⁵ Amb, Chamba, Hamirpur, Kangra, Kunihar, Nurpur, Rohru, Sulah, Una.

2.1.9.1 Progeny-cum-demonstration orchards/ nurseries

The Department was maintaining 92 Progeny-cum-demonstration orchards (PCDOs) having 67 nurseries in the State, as of July 2019. The major objectives of these units included demonstration of latest technology; and multiplication and supply of disease free and quality plants to the horticulturists.

During physical verification (July-October 2019) of 12²⁶ (out of 35) PCDOs/ nurseries (**Appendix 2.5**) by audit along with departmental representatives in the test checked districts, it was noticed that against 64.50 hectare area of these PCDOs, 20.05 hectare (31 *per cent*) was lying without plantation in 10 PCDOs.



Dried and non-bearing plants in PCDO, Pooh (Kinnaur) Area without plantation at PCDO Rajhana (Shimla)

It was also observed that during 2014-19, on an average 27 horticulturists had visited the seven PCDOs for demonstration/purchase of plants whereas there was no evidence of any horticulturists visiting the remaining five PCDOs as the records were not maintained (2 PHCs) or there were no plantations (3 PHCs).

Four (out of 12) test checked PCDOs did not have nurseries and eight had inadequate/seasonal irrigation facilities, resultantly, the department failed to multiply and supply disease free and quality plants to the horticulturists of the area. This was also evident in the beneficiary survey (**Paragraph 2.1.16**) as only 48 *per cent* of the horticulturists were satisfied with the planting material availability through the department.

Thus, the main objective of demonstration of latest technology, multiplication and supply of disease free and quality plants to the horticulturists remained unachieved in almost all the PCDOs/ nurseries. During the exit conference the Secretary stated (July 2020) that 37 Detailed Project Reports for providing irrigation facilities in PCDOs had been prepared and to improve the working of PCDOs/ nurseries, the Department had constituted Nursery Management Society for the upkeep of these establishments.

2.1.9.2 High mortality rate in plants distributed to the horticulturists

To cover the additional area under horticulture, improved varieties of fruit plants are arranged and distributed by the Department from private nurseries, production in the departmental nurseries and import from horticulturally advanced Countries. The additional area to be covered under horticulture is calculated by the Department based on overall plantation and distribution of different species of fruit plants and finalised taking into consideration the mortality of fruit plants up to the month of September every year.

²⁶ Kangra: 02, Kinnaur: 03, Shimla: 04 and Solan: 03.

The details of overall achievement against physical targets for coverage of additional area and plants distributed to the horticulturists through departmental/ private nurseries during 2014-19 are depicted in **Table-2.1.5** below:

Table-2.1.5: Details of expenditure incurred and achievement against physical targets for area coverage and plants distribution during 2014-19

Year	Expenditure (₹ in crore)	Coverage of additional area (in hectares)				Plants distribution (in lakh number)	
		Targets	Achievements			Targets	Achievements
			Area covered	Mortality	Survival		
2014-15	3.77	3000	9410	5764 (61)	3646 (39)	22	26
2015-16	2.80	3000	6605	4158 (63)	2447 (37)	22	21
2016-17	2.94	3000	6292	3889 (62)	2403 (38)	22	21
2017-18	3.68	3000	5147	3497 (68)	1650 (32)	22	15
2018-19	2.06	2004	5836	4549 (78)	1287 (22)	17	19
Total	15.25	14004	33290	21857	11433	105	102

Source: Departmental figures. Note: Figures in parenthesis indicated percentage.

Audit noticed that though the coverage was over and above the target, survival rate of plants remained between 39 and 22 *per cent*. This indicates that quality plants were not provided to the growers/ horticulturists.

Further, the department did not maintain post distribution data (like mortality in specific areas or plants) of success and failure of the distributed plants for taking remedial measures for next cycles.

During the exit conference, the Secretary stated (July 2020) that it was only one-time aberration and happened in a particular area due to unsuitable climate. It was further stated that mortality rate had decreased during the last year (2017-18). The contention is not tenable in view of the data on mortality, which shows a consistent increase up to the year 2018-19.

2.1.9.3 Non-utilisation of funds for import of improved planting material

The GOI provides assistance under Horticulture Mission for North East and Himalayan States (HMNEH) (now a part of Mission for Integrated Horticulture) to the State for supply of imported improved planting material.

The Department received (June 2007) ₹ 3.83 crore under HMNEH/ MIDH from the GOI for import of improved planting material from horticulturally advanced countries. Out of this,

- The Department spent ₹ 0.64 crore on import of plants (Apple: 10,000 plants, Walnut: 389 plants) during 2012-13 and 2015-16;
- ₹ 3.06 crore²⁷ was released to Dr. Y.S. Parmar University of Horticulture and Forestry (UHF), Nauni for procurement of planting material from horticulturally advanced countries. However, no Memorandum of Understanding was signed with the UHF;
- The UHF, Nauni procured planting material²⁸ for ₹ 1.41 crore during 2016-17 and refunded (February 2017) the balance to the Department. Out of balance of ₹ 1.78 crore, an amount of ₹ 0.13 crore was utilised for development of Post

²⁷ April 2015: ₹ 0.50 crore and October 2015: ₹ 2.56 crore.

²⁸ Apple: 24443 plants and Pear: 4872 plants.

Entry Quarantine (PEQ) facilities and further maintenance of plant material at the PEQ sites.

The department could not utilise 43 *per cent* of the total amount (February 2020) even after 13 years of receipt, indicating that the department did not identify alternate methodology for procurement of improved planting material, and deprived the horticulturists of the intended benefits.

Further, the department had not made any follow-up or obtained feedback from the horticulturists to whom planting material was distributed during 2012-13 and 2015-16 which would have attained fruit bearing stage, to see the improvement in fruit production and its mortality/survival.

The Project Director (MIDH) stated (February 2020) that the tenders for purchase of imported planting material have been floated (January 2020). However, no specific studies for impact assessment of already distributed plants had been conducted by the Department.

2.1.10 Integrated Pest Management

In order to control pest population while safeguarding human and environmental health and ensuring economic viability, 'Promotion of Integrated Pest Management' was implemented in the State through use of Biological Control²⁹.

2.1.10.1 Non-assessment of impact of Integrated Pest Management

The State Government established Bio-Control Laboratory (BCL) at Rajhana (Shimla) during the year 2002 for rearing, releasing different Bio-agents³⁰ in fields and creating awareness amongst the orchardists of the State by organising training camps at BCL and in the fields.

The details of production and distribution of bio-agents to the horticulturists and training organised by the BCL during the period 2014-15 to 2018-19 are depicted in **Table-2.1.6** below:

Table-2.1.6: Details of production and distribution of bio-agents during 2014-19

Year	Bio-agents (in lakh numbers)		Exp. (₹ in crore)	Area (in hectares)		Horticulturists trained (in numbers)
	Production	Distribution		Target	Achievement	
2014-15	67.67	62.82	0.14	100	80	112
2015-16	75.18	57.67	0.20	100	102	108
2016-17	107.04	68.55	0.17	100	101	114
2017-18	122.13	102.98	0.17	100	143	324
2018-19	210.63	173.77	0.25	100	159	444
Total	582.65	465.79	0.93	500	585	1,102

Source: Departmental figures.

Audit noticed that:

- Although production and distribution of bio-agents increased three times and achievement of area covered doubled during 2014-19, the target area for coverage was not revised. This indicated that department had not planned for phased increase in coverage of area, and that actual coverage of area was achieved without any proper plan.

²⁹ Biological Control is an action of parasites, predators or pathogens in maintaining another organism population density at a lower average than would occur in their absence.

³⁰ Bio- agents are microbes or insects that help in biological control.

- The Department had not fixed targets to train the horticulturists regarding identification, production, utilisation and evaluation of bio-control agents, as such the adequacy of dissemination of technology could not be ascertained.
- Training as well as bio-agents were provided to individual horticulturists instead of covering whole village/cluster, without ensuring that the area, where bio-agents were distributed, was free from usage of pesticides/insecticides.
- The Department had not assessed the impact of biological control in the area covered to ascertain the benefits derived. Feedback was obtained telephonically by the department from the beneficiaries and no record was maintained.
- Level of awareness was dismal, as only three *per cent* of the horticulturists surveyed by audit expressed awareness about bio-control agents and trainings imparted in this regard.

The Senior Plant Protection Officer admitted the facts and stated (March 2020) that the monitoring was not done due to lack of technical manpower, coordination between extension agency and bio-control laboratory. During the exit conference, the Secretary also emphasized (July 2020) over the need for a policy to check usage of pesticides and also stated that this aspect would be included in draft State Horticulture Policy.

2.1.10.2 Short collection of samples of pesticides/insecticides

Under Section 20 of Central Insecticide Act, 1968, Insecticide Inspectors are required to take 12 to 15 samples of any insecticide/pesticide from the registered distributors within the jurisdiction specified in the notification every year in *Kharif* and Rabi seasons. These samples were required to be sent for analysis to the State Pesticides Testing Laboratory at Shimla to ensure quality of the samples drawn.

The Department assigned targets for sample collection every year to the field officers, which were not based on any fixed norms. It was seen that during 2014-19, against the target of 920 samples assigned, only 491 samples (53 *per cent*) were collected. Further, the department did not maintain the results of all samples tested in four test checked districts. Thus, due to short collection of the samples and lack of test result records, assurance on the quality of pesticides/insecticides supplied to the orchardists could not be obtained.

The Senior Plant Protection Officer (SPPO) stated (July 2019) that the targets could not be achieved due to shortage of staff especially Horticulture Development Officer (HDO). The reply was not acceptable as 92 HDOs were in position in the State out of which only 12 HDOs were designated as Insecticide Inspector (one in each district). Moreover, if calculated on average monthly basis, less than two samples were to be collected against which less than one sample was collected which was very less and was not justifiable.

2.1.11 Training and extension activities

Paragraph 7.33 of MIDH guidelines envisaged training of horticulturists, entrepreneurs, departmental field functionaries³¹ for adoption of high yielding varieties of crops and farming system at State level and outside the State.

³¹ Subject Matter Specialists, Horticulture Development Officers, Horticulture Extension Officers, Skilled Grafters, Bee keepers, etc. are the main field functionaries.

The details of achievement against financial and physical targets of training imparted to the beneficiaries/ horticulturists and field functionaries of the Department during 2014-19 are depicted in **Table-2.1.7** below:

Table-2.1.7: Training imparted to the beneficiaries/ horticulturists and field functionaries during 2014-19

A. Training under MIDH (in numbers)										
Year	Training/exposure visits of horticulturists				Training to field functionaries					
	Targets		Achievement		Targets		Achievement			
2014-15	1,452		1,323 (91)		NF		Nil			
2015-16	1,241		1,051(85)		NF		Nil			
2016-17	350		370 (105)		NF		Nil			
2017-18	1,000		590 (59)		1,550		520 (34)			
2018-19	950		220(23)		1,550		Nil			
B. Training to horticulturists under State Plan (Horticulture Training and Extension) Scheme (Beneficiaries in lakh)										
Expenditure (₹ in crore)	2014-15		2015-16		2016-17		2017-18		2018-19	
	T	A	T	A	T	A	T	A	T	A
1.37	0.46	0.74	0.46	0.38	0.46	0.40	0.46	0.52	0.48	0.57

Source: Departmental figures. Note: NF=Not Fixed. Figure in parenthesis indicate percentage.

Audit noticed that:

- The Department failed to achieve the targets fixed for providing training/ exposure visits of horticulturists under MIDH except for the year 2016-17.
- Targets to provide training to its field functionaries (who were the first point of contact) were neither fixed nor covered under training programme during 2014-17. Similarly, no training was provided to field functionaries during 2018-19, although targets were fixed.
- Only 27 per cent of the horticulturists surveyed by audit were satisfied with the training etc. imparted by the department.

The Project Director (MIDH) attributed (June 2019) the shortfall to non-availability of funds during the year 2014-17. The reply is not acceptable as even when funds were available (2017-18), shortfall was observed.

2.1.12 Post-Harvest Management

Apart from raising of fruit plantation and production of fruits, the Department was also responsible for post- harvest management i.e. processing of fruits and taking the produce to the consumers through various marketing processes and channels. It was observed that the department did not implement post-harvest management effectively, as follows:

- Eight fruit processing units³² established for utilisation of marketable surplus fruits and vegetables were performing below the target set (Physical performance) to the extent of 60 to 80 per cent during 2014-19. Reasons attributed by the department were shortage of storage, staff and old infrastructure.
- One Fruit processing unit, FCU, Rajgarh was operating without requisite licence from the Food Safety and Standard Authority of India for

³² Four Fruit Technologists Units (Dhaulakuan, Nagrota Bagwan, Naubahar, Shamshi) and four Fruit Canning Units (Nihal, Rajgarh, Rajpura, Reckong Peo).

approximately 14 years. Reason attributed was rejection of the application, due to issues in the water pollution report. Audit noticed that products (3,446 litres of apple juice sold under departmental brand name 'Himcu' between February 2016 and May 2019) from the same unit were not approved (July 2016) for marketing by the Project Director (Coordination) on the basis of test report of Food Microbiology and Quality Control Composite Laboratory (FMQCCL), Navbahar, owing to its bitter taste. It was further seen that the unit sold off 29 per cent of such stock before obtaining the test result, 36 per cent of the stock was sold, despite the adverse report and balance stock was gradually disposed off for processing of vinegar/sale to public. The department accepted (October 2019) the facts but did not explain the sale of substandard fruit juice failing in quality testing.

- (iii) The GOI, Ministry of Food Processing Industries, had sanctioned (2010-13) subsidy of ₹ 6.41 crore for establishment of three fruit processing units³³ by the entrepreneurs through State Small Farmers Agri-Business Consortium (SFAC) under Horticulture Mission for North East and Himalayan States (now a part of Mission for Integrated Development of Horticulture). First instalment of ₹ 3.21 crore was released³⁴ between 2010 and 2013 and the second instalment was to be released by State Horticulture Mission after receipt of joint inspection team³⁵ (JIT) report of satisfactory completion of the project and commencement of commercial production. The joint inspection (2014-15) found all the units non-functional and ineligible for the subsidy. In spite of the GOI instructions (August 2015), the Department had not initiated action for recovery from the defaulting units. Failure to initiate timely action for recovery of subsidy from the defaulter units, resulted in extension of undue favour of ₹ 3.21 crore to the defaulting entrepreneurs. The Project Director (MIDH) stated (December 2019) that out of three, two units were at the completion stage, while the third unit (M/s Regal Snacks, Una) was still non-functional. Notices were issued (June 2019) to both entrepreneur as well as Banker for recovery of the subsidy. The reply was not acceptable as the subsidy was sanctioned in 2010-13 and the action should have been taken against the defaulter units in time.

2.1.13 Research and Development

2.1.13.1 Non-evaluation of the research and development projects

The State Level Executive Committee (SLEC) approved 20 Research and

³³ Regal Snacks, Una (2010): ₹ 4.00 crore; Belu Fruit Processing Industries Manali (2013): ₹ 1.21 crore and Mangla Fruit Processing Industries, Manali (2013): ₹ 1.20 crore.

³⁴ Regal Snacks, Una (2010): ₹ 2.00 crore; Belu Fruit Processing Industries Manali (2013): ₹ 0.60 crore and Mangla Fruit Processing Industries, Manali (2013): ₹ 0.60 crore.

³⁵ Project Director (MIDH) as Chairman and six members including Refrigeration Engineer (HPMC), Principal Scientist University of Horticulture and Forestry (Post Harvest Management), Deputy General Manager (HPMC), Fruit Technologist/ Senior Marketing Officer and Subject Matter Specialist of Horticulture Department and Concerned Banker.

Development Projects³⁶ for ₹ 4.65 crore under MIDH during 2015-17 and released ₹ three crore to the State during 2015-17. The funds were released to research institutions³⁷ towards 20 Projects.

Audit observed that:

- The Government of India abolished (2017-18) all the projects without citing any reason and the balance funds of ₹ 1.65 crore was not released to the State Government.
- The Department directed (May 2017) the concerned research institutions to close the projects where funds were exhausted and continue other projects till utilisation of the available funds.
- As per Utilisation Certificates received from the Research Institutions for the period 2015-18, all the projects were completed and an amount of ₹ 0.20 crore (out of ₹ three crore) was the unutilised balance.

The Department did not evaluate the outcomes of the completed projects for addressing the issues of the horticulturists. In the absence of evaluation and implementation of research findings, entire funding and research efforts may prove to be a futile exercise.

During the exit conference the Secretary admitted (July 2020) that there was slow progress in execution of the projects and the Department would wait for evaluation reports from the research institutions.

2.1.14 Internal Control Mechanism

Internal control mechanism is a management tool to provide reasonable assurance for efficient and effective operations, reliability of financial reporting and compliance of applicable rules, regulations, etc. The deficiencies noted in this regard are discussed in succeeding paragraphs.

2.1.14.1 Non-reconciliation of cost and quantity of pesticides/insecticides

To save the orchards from pests and diseases, the Horticulture Department arranges supply of various pesticides, insecticides for further distribution to the horticulturists.

The Senior Plant Protection Officer (SPPO), Shimla is the nodal officer for purchase of the pesticides/insecticides and further supply to the other field offices. Audit noticed that the SPPO had not reconciled the data of procurement and distribution of pesticides/insecticides to the field offices. There was huge variation in data in the quantity of pesticide/ insecticide issued by SPPO and quantity received by the concerned Deputy Directors Horticulture (DDsH) as well as in quantity sold by DDsH,

³⁶ Evaluation of nitrogen fertiliser source in apple and their effects on soil properties, plant architectural engineering and drip irrigation schedule for higher productivity and quality, standardisation of agro techniques for re-plantation of declining orchards of apple, development and standardisation of growing schedule for year round cultivation of high value exotic vegetables in low hills, integration refinement and validation of prophylactic and curative management technology white root rot of apple, etc.

³⁷ Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni (13 projects:), Chaudhary Sarwan Kumar Himachal Pradesh Krishi Vishvavidyalaya, Palampur (three projects), Regional Horticulture Research and Training Station, Mashobra (two projects) and IARI Regional Station, Katrain (two projects).

which ranged between 12 to 43,789 Kg/L and 8 to 63,757 Kg/L respectively. The details are shown in **Appendix-2.6**. The cost of pesticides and horticulturist's share received from field offices during the period 2014-15 to 2018-19 was not being maintained and updated regularly in SPPO, Shimla. Thus, the actual subsidy paid by the Government and the sale amount received from the horticulturists could not be verified in audit. It was deficient internal control as the department did not have accurate figures of receipt and distribution across the test checked units.

The SPPO stated (May 2020) that reconciliation will be done.

2.1.14.2 Improper maintenance of data

In four test-checked districts³⁸, data of additional area covered and plants distribution reported by the Blocks/ Districts and Directorate is depicted in **Table-2.1.8**:

Table-2.1.8: Details of additional area covered and plants distributed during 2014-19
(Area in hectares and plants in lakh numbers)

Year	Data reported by Blocks to Districts		Data reported by Districts to Directorate		Data reported by Directorate to Government	
	Additional Area	Plants	Additional Area	Plants	Additional Area	Plants
2014-15	2686.65	9.94	2884.01	11.60	2927	10.88
2015-16	2279.46	9.03	2725.15	9.80	2601	10.16
2016-17	2477.37	8.76	2473.33	9.21	1930	8.87
2017-18	1841.13	7.46	2344.17	8.28	1871	7.72
2018-19	1881.94	6.52	2065.47	7.13	1281	7.95
Total	11166.55	41.71	12492.13	46.02	10610	45.58

Source: Departmental figures.

As is evident from the above table, figures of additional area covered and plants distributed as reported by the three agencies (Blocks, Districts and Directorate) did not match which shows that either the data was not based on factual position or was manipulated and hence was not reliable. Further, the Deputy Director Horticulture, Shimla had not maintained block-wise records of data of additional area covered and plants distribution. Lack of proper data is indicative of the fact that different methodologies were used to arrive at the data and there was no validation of the data collected.

The reply of the department was awaited (November 2020).

2.1.14.3 Internal Audit

The Department had established Internal Audit Wing (IAW) consisting of one Assistant Controller Finance and Accounts Officer (ACFA) and the Section Officer (SO) who were responsible for conducting internal audit. Audit noticed that against 190 audits³⁹ to be conducted on an annual basis in respect of 38 field units, only four audits of four field units were conducted during the years 2014-19. This shows that assurance on proper maintenance of accounts of expenditure incurred had not been obtained.

The ACFA stated (June 2019) that due to shortage of staff and additional work relating to Projects allotted to the existing officers, internal audit could not be done. The reply was not acceptable as it was the duty of the ACFA and SO to conduct the internal audit, which is an essential assurance mechanism for the management.

³⁸ Kangra, Kinnaur, Shimla, and Solan.

³⁹ 38 DDOs for five years.

2.1.15 Human Resource Management

Against 2,425 sanctioned posts of 62 different categories of staff as on March 2019, the department had 1,639 (68 *per cent*) persons in position. The vacant posts (786) included Class-I (183), Class-II (4), Class-III (256), Class-IV (343). Audit observed that out of 786 vacant posts, there was shortage of 645 (82 *per cent*) technical and support staff⁴⁰ in the department as of March 2019, which resulted in non-functional Plant Health Clinics, improper functioning of Progeny-cum-Demonstration Orchards/nurseries, short collection of pesticides samples, under-performance of fruit processing units, and non-conducting of internal audit of various field offices (**Paragraphs 2.1.8.1, 2.1.9.1, 2.1.10.2, 2.1.12 (i), 2.1.14.3**).

The Director stated (December 2019) that the posts lying vacant shall be filled up after obtaining approval of the competent authority.

2.1.16 Beneficiary survey

Beneficiary survey was conducted (September – October 2019) by Audit as part of Performance Audit, to assess the impact of scheme interventions and extension services provided by the Department, by undertaking field visits in conjunction with departmental officials and use of structured questionnaires. The survey of 700 horticulturists, selected randomly, in 11 blocks of four districts⁴¹ was conducted. As per their responses given in **Table-2.1.9**, the satisfaction level of certain parameters was low.

Table-2.1.9: Details of responses of beneficiary survey

Sl. No.	Parameters	Response (per cent)		
		Yes	No	No response
1.	Satisfied with working of horticulture department	50	31	19
2.	Awareness of horticulture schemes/activities	57	40	3
3.	Availability of planting material, plant protection material	48	44	8
4.	Organisation of trainings, seminars, workshops, exposure visits etc. for beneficiaries	27	48	25
5.	Availability of cold storage	1	82	17
6.	Awareness of usage of bio-agents and trainings thereof	3	76	20
7.	Collection of fruit production data from the farmers by departmental staff	24	70	6

Feedback from the beneficiaries was taken and the following is a summary of key suggestions:

- Need for more awareness camps and hands-on training.
- Regular follow-up visits by departmental officials in the field to fill gaps.
- Creation of marketing infrastructure and market linkage for easy aggregation and accessibility to all.
- Guidance and technical trainings for specialised exotic crops, off season crops, improved variety fruits.

⁴⁰ Horticulture Economist, Subject Matter Specialist, Horticulture Development Officers, Assistant HDOs/Horticulture Extension Officers, Section Officer, Assistant Research Officer, Statistical Assistant, Laboratory Assistant, Junior Technician, Bee-keeper, Head mali/skilled grafter, Beldar.

⁴¹ Bhedu Mahadev, Indora, Nagroa Surian and Rait blocks in Kangra District, Kalpa and Pooh blocks in Kinnaur District, Mashobra, Chirgaon and Narkanda blocks in Shimla District, and Dharampur and Kandaghat blocks in Solan District.

2.1.17 Conclusions

Horticulture, an important component of State's economy of Himachal Pradesh was not given due importance by the State Government. Horticulture Department was working without a State Horticulture Policy and Long Term Master Plan detailing strategies and clear milestones for development of horticulture in the State. The data collection techniques were not reliable and maintenance of records was improper due to which the reliability of the data of actual fruit production, coverage of additional area and distribution of plants could not be ascertained in audit. The Budget estimates were prepared without assessment of the requirement at field units with reference to their utilization capacity which resulted in sub-optimal utilisation and parking of funds in the saving Bank accounts.

There were cases of non-construction and non-operational Plant Health Clinics affecting the benefit of advisory services to the horticulturists. The Department had not procured adequate improved variety plants, in spite of availability of sufficient funds.

Fruit processing units were performing below the set targets. Non-compliance to statutory provision resulted in sale of sub-standard fruit products by Fruit Canning Unit, Rajgarh.

The Horticulture Research and Development projects were shown completed but the benefits were not ascertained as the evaluation of projects was not done.

The Internal control mechanism was not effective as there were instances of non-reconciliation/data mismatch in distribution of pesticides/insecticides, additional area covered vis-à-vis plants distributed between the various field functionaries.

2.1.18 Recommendations

The Government may consider:

- (i) *Formulation of a State policy/ long-term master plan and preparation of annual action plan based on baseline surveys and feasibility studies;*
- (ii) *Studying global practices to identify areas for improvement for increasing the yield, production, variety of fruit plants along with robust and competitive marketing strategy;*
- (iii) *Adopting scientific methods for maintaining data on yield and production of horticulture produce;*
- (iv) *Developing stock of high yielding varieties of fruit plant locally through horticulture and agriculture universities in the State and maintaining Progeny cum Demonstration Orchards / Nurseries effectively as these are crucial for horticulture development;*
- (v) *Strengthening training and extension activities and evaluating/ documentation of the completed research projects and disseminate/ implement the results to the horticulturists; and*
- (vi) *Strengthening of internal audit/control mechanisms by deputing adequate staff, to enforce compliance to statutory obligations, effectively.*

The audit findings were referred to the Government in June 2020, their reply is awaited.

Urban Development Department

2.2 Solid Waste Management in Urban Areas

The responsibility of providing solid waste management services (collection, segregation, storage, transportation, processing, and disposal) in urban areas of the State is vested with Urban Local Bodies and the Department of Urban Development. The Municipal Solid Waste Rules, 2000 and Solid Waste Management Rules, 2016 contain detailed provisions on solid waste management in urban areas. The total financial implication of this Performance Audit on 'Solid Waste Management in Urban Areas' is ₹ 19.06 crore. Some of the significant findings are mentioned in the highlights below:

Highlights

- *Plan documents did not assess resource-gap in institutional and financial capacity, and did not address issues relating to segregation, processing and disposal of solid waste.*
(Paragraph 2.2.5)
- *Inadequate funds were made available for projects of capital nature, while available funds were not fully utilised; and there were shortcomings in collection of user charges.*
(Paragraph 2.2.6)
- *There were shortcomings in door-to-door waste collection, waste collection through community bins and modern under-ground bins in all 16 test-checked Urban Local Bodies resulting in overflow, littering and open dumping of waste.*
(Paragraph 2.2.7)
- *Waste in segregated form was neither being collected from the waste generators nor were there any facilities for segregation at the secondary level or at the time of transport.*
(Paragraph 2.2.8)
- *Deficiencies in the transportation of waste included lack of capacity to handle segregated waste in vehicles used for transporting waste, and 73 per cent of the vehicles were un-covered in the 16 test-checked Urban Local Bodies.*
(Paragraph 2.2.9)
- *Biodegradable and non-biodegradable waste processing plants had been constructed in only 11 Urban Local Bodies and one Urban Local Body, respectively; however, none of the facility was fully functional.*
(Paragraph 2.2.10)
- *Sanitary landfill facilities for safe disposal of solid waste had not been created in any of the 54 Urban Local Bodies of the State, and mixed waste was being dumped in open dump sites.*
(Paragraph 2.2.11)
- *Entities responsible for monitoring of solid waste management were not discharging their functions, resulting in non-adherence to rules.*
(Paragraph 2.2.14)

2.2.1 Introduction

Solid Waste Management refers to the collection, segregation, storage, transport, processing and disposal of solid waste. Solid waste can broadly be divided into three categories: biodegradable, non-biodegradable and domestic hazardous waste. Approximately 342.35 MT¹ (metric tonnes) of solid waste is generated per day in the urban areas of the State.

The 74th Constitution Amendment Act, 1992 has devolved the function of solid waste management in urban areas to municipalities (ULBs). The State Government has enacted the Himachal Pradesh Municipal Act 1994, giving effect to the provisions of the 74th Constitution Amendment Act, 1992 to devolve the function of solid waste management in urban areas to all 54 ULBs in the State. Solid Waste Management Rules, 2016 (previously Municipal Solid Wastes (Management and Handling) Rules, 2000) notified by Government of India (GoI) describe the process to be adopted for solid waste management. Solid waste is to be collected from waste generators in segregated form (i.e. biodegradable waste, non-biodegradable waste and domestic hazardous waste) through door-to-door collection. The collected waste is to be transported through covered vehicles to secondary storage facilities/ materials recovery facility (MRF) to facilitate segregation, sorting and recovery of recyclable material. The segregated biodegradable and non-biodegradable waste are to be then transported to their respective processing facilities such as composting plants or waste-to-energy plants. Finally, the residual solid waste not suitable for recycling or further processing is to be safely disposed of in sanitary landfills, specifically designed to prevent pollution of groundwater, soil or air. The solid waste management process has been depicted diagrammatically in **Appendix-2.7**.

As per Solid Waste Management Rules, the responsibility framework for solid waste management in urban areas involves four entities: waste generators (households and other establishments), local authorities of urban areas (Urban Local Bodies or ULBs), Department of Urban Development and State Pollution Control Board. Waste generators are required to collect waste in segregated form and hand over the segregated waste to authorised waste collectors, paying user fees as may be prescribed by ULBs. The ULBs are responsible for collection, storage, transport, processing and disposal of solid waste and for charging user fees from waste generators. The Department of Urban Development is responsible for strategy formulation and planning for the entire State; and monitoring implementation of solid waste management activities by ULBs. The State Pollution Control Board is responsible for monitoring compliance with standards on quality of ground water, ambient air, leachate, compost, incineration standards, etc. The responsibility framework has been depicted diagrammatically in **Appendix-2.8**.

¹ As estimated by the Directorate of Urban Development, Government of Himachal Pradesh (February 2017).

2.2.2 Audit objectives

The objective of this performance audit was to evaluate performance in respect of the following aspects of solid waste management in urban areas:

- Planning and direction;
- Financial management;
- Collection, segregation, storage, transport, processing and disposal of solid waste; and
- Monitoring.

2.2.3 Audit criteria

The following sources were referred to for deriving audit criteria:

- Municipal Solid Wastes (Management and Handling) Rules, 2000;
- Solid Waste Management Rules, 2016;
- Himachal Pradesh Municipal Solid Waste Management Strategy, 2015;
- Action Plan for Municipal Solid Waste Management in Himachal Pradesh, 2017;
- State Strategy on Solid Waste Management, May 2019; and
- Circulars and orders issued by the authorities concerned.

2.2.4 Audit scope and methodology

The performance audit covered all stakeholders involved in management of solid waste in urban areas – Department of Urban Development, 16² out of 54 ULBs (for examination of various stages of the solid waste management process) and Himachal Pradesh State Pollution Control Board (HPSPCB). The methodology included scrutiny of records, joint physical inspections and survey using standardized questionnaire. The audit was undertaken in two phases – March 2018 to July 2018 and February 2020 to July 2020 (to ascertain updated status and action by the State Government in respect of draft audit findings issued in October 2018). The period covered by Audit was 2014-19.

The 'Entry conference' was held on March 23, 2018 with the Additional Chief Secretary (ACS), Urban Development to discuss the audit objectives, criteria, scope and methodology. The draft report was issued to the State Government in June 2020. Audit findings were discussed in an exit conference with the Secretary, Urban Development in August 2020. The response of the Government has been incorporated, as appropriate in this Report.

² Both Municipal Corporations in the State, *viz.* Shimla and Dharamshala; 12 (Baddi, Bilaspur, Chamba, Hamirpur, Kullu, Mandi, Nahan, Ner chowk, Paonta, Solan, Sundernagar and Una) out of 31 Municipal Councils in the State (39 *per cent* of total Municipal Councils selected on the basis of highest population); and two (Baijnath Paprola and Jawali) out of 21 NPs (10 *per cent* of total NPs on the basis of their population being more than 10,000).

Audit Findings

2.2.5 Planning and Direction

2.2.5.1 Strategy and Action Plan Documents

As per the Solid Waste Management Rules, 2016, Department of Urban Development was required to prepare solid waste management strategy for the State and every ULB was required to prepare a solid waste management plan in line with the State strategy. The Department had prepared a State Strategy on Solid Waste Management (2015, revised in May 2019) and an Action Plan for Municipal Solid Waste Management in Himachal Pradesh (2017) covering all 54 ULBs in the State. All 54 ULBs had prepared (March 2019) their respective solid waste management action plans.

The following shortcomings were observed in the documents:

- (i) *Institutional and financial resources* – The documents did not make any assessment of the institutional and financial resource-gap with reference to existing and required resources for solid waste management. In the absence of this, the additional funding and manpower requirements were not assessed which was reflected in deficient financial management and manpower shortages (detailed in paragraphs 2.2.5.2 and 2.2.6).
- (ii) *Segregation* – The documents did not offer any details on logistical arrangements for segregation of waste such as providing separate bins to waste collectors for collecting segregated waste, facilities for storing segregated waste, vehicles having separate compartments for transporting segregated waste, etc. This was concerning in view of the existing lack of capacity for collecting, storing and transporting solid waste in segregated form (as detailed in Paragraph 2.2.8).
- (iii) *Processing* –The strategy and action plan documents (2015, 2017) prepared by the Department envisaged setting up of cluster-wise waste processing plants. However, the revised strategy document (2019) moved away from the cluster-approach stating that land parcels were not available, and instead envisaged setting up of biodegradable waste processing facilities at ULB-level without specifying whether land was identified/ available. No mention of non-biodegradable waste processing facilities was made. This was a matter of concern in view of the absence of such facilities across the State (as detailed in Paragraph 2.2.10).
- (iv) *Disposal* – The strategy and action plan documents (2015 and 2017) prepared by the Department envisaged creation of cluster-wise sanitary landfills to cater to the needs of all ULBs in the State. However, the revised strategy document (2019) made no mention of sanitary landfills. This was a matter of concern as in the absence of sanitary landfills, waste would be continued to be dumped unscientifically at open dump sites in all ULBs (as detailed in Paragraph 2.2.11).

The above deficiencies in planning inevitably resulted in poor implementation, as detailed in paragraphs 2.2.6 to 2.2.14.

The Government stated (October 2020) that the plan documents provided for sorting of recyclable and combustible dry (non-biodegradable) waste for channeling to recycling industry and cement plants respectively. During the exit conference, the Secretary stated that zero-landfill concept would be introduced. The assertions of the department do not, however, address the issue of processing/ disposal of non-recyclable-non-combustible waste and other residual waste. Further, the other issues raised by Audit were not addressed.

2.2.5.2 Institutional capacity

The Department of Urban Development and ULBs should have sufficient institutional capacity for discharging its planning, directing, coordinating and monitoring responsibilities. As per Solid Waste Management Rules, 2016 Department of Urban Development is required to plan for SWM activities in the State and to monitor implementation of SWM activities by ULBs. At the ULB level, the Himachal Pradesh Municipal Services Act, 1994 provides that a sanitary supervisor and inspector should be posted to monitor work of safai karamcharis deputed for waste collection, street sweeping, etc.

Audit observed the following shortcomings in this regard:

- (i) At the level of the Department, all work relating to solid waste management was being handled by only one official (of the rank of Sanitation Expert) in a project management unit (PMU) created under Swachh Bharat Mission-Urban (SBM-U). This was clearly inadequate and the lack of institutional capacity meant that the Department was not able to properly discharge its planning and monitoring responsibilities as is evident from the deficiencies in the strategy and plan documents (highlighted in para 2.2.5.1), non-receipt of solid waste management action plans from ULBs until March 2018, and non-receipt of annual reports from ULBs.
- (ii) There was significant shortage (March 2020) of manpower/ functionaries in the ULBs as detailed in the following **Table-2.2.1**:

Table-2.2.1: Details of manpower in ULBs

Sl. No.	Name of Post	Sanctioned Strength	In Position	Vacant
1.	Executive Officer	31	15	16 (52)
2.	Secretary	21	10	11 (52)
3.	Sanitary Inspector	33	26	07 (21)
4.	Sanitary Supervisor	43	21	22 (51)
5.	Safai Karamchari	2,794	2,842 [#]	--
	Total	2,922	2,914	

Source: Data supplied by the Director, Urban Development

Note: Position in respect of S.No.1 to 4 is for all 54 ULBs of the State; position in respect of Sl. No. 5 is for the 16 test-checked ULBs

Through contractor: 1,656; Through society (in Shimla): 850; Own staff of ULBs: 336

The significant percentage of vacancies at the supervisory levels, i.e. sanitary inspector (21 *per cent*) and supervisor (51 *per cent*) adversely impacted overall management of solid waste and waste collection in particular (Paragraph 2.2.7).

During the exit conference, the Secretary stated (August 2020) that requisition for filling of vacant posts had been sent to Himachal Pradesh Public Service Commission.

2.2.5.3 Public awareness activities

As per the Swachh Bharat Municipal Solid Waste Management Manual, 2016, ULBs were required to raise awareness of stakeholders through regular meetings with households, establishments, industries, elected representatives, municipal functionaries, media, etc.

Scrutiny of records showed the following –

- (i) During 2014-19, 16 test-checked ULBs had received ₹ 1.38 crore under Swachh Bharat Mission-Urban (SBM-U) for Information, Education and Communication (IEC) activities. Out of this amount, ₹ 0.35 crore (25 *per cent*) was lying un-utilised (April 2019).
- (ii) Most of the expenditure was incurred on one-time events and no sustained mass awareness programme, multi-media campaign or regular meetings with households, establishments, industries, etc. was carried out to educate waste generators about their duties and responsibilities.

The inadequate focus on public awareness meant that stakeholders were not made aware about the key issues of segregation of waste at source, non-littering, etc. This was reflected in the instances of littering and non-segregation of waste at source as detailed in paragraphs 2.2.7.4 and 2.2.8.1.

2.2.6 Financial Management

2.2.6.1 Financing of solid waste management activities

The activities/ projects relating to solid waste management in urban areas were being financed through own funds of ULBs (including user charges), grants received from State/ Central Finance Commissions (SFC and CFC) for delivery of basic services (14th CFC has not distinguished between operation and maintenance and capital expenditure within the component of basic services), Centrally Sponsored Schemes such as JNNURM and SBM-U, and external aid. The detailed ULB-wise status of

finances is shown in the following **Table-2.2.2:**

Table 2.2.2: Detail of funds received for recurring and capital expenditure (2014-19)

(₹ in crore)

Name of ULB	Recurring expenditure				Expenditure on specific works/ projects of capital nature				
	Total Receipts	Total Expenditure	Unutilised funds	Expenditure on Solid Waste Management (SWM)	Source and Purpose	Total Receipts	Exp.	Unutilised Funds	Remarks
Baddi	38.84	38.84	-	11.48 (30)	-	-	-	-	-
Bajjnath	10.45	0.93	9.52 (91)	0.85 (91)	-	-	-	-	-
Bilaspur	15.45	16.67	-	3.40 (20)	-	-	-	-	-
Chamba	25.61	21.51	4.10 (16)	3.94 (18)	13th FC, Construction of composting pits	0.89 (2013-15)	0.69	0.20	Abandoned due to site dispute
Dharamshala	58.63	42.37	16.26 (28)	3.99 (9)	Director, Urban Development, Modern Underground Bins	6.01 (2016-17)	6.01	-	Completed
Hamirpur	8.71	8.71	0	1.66 (19)	-	-	-	-	-
Jawali	6.74	1.72	5.02 (74)	0.58 (34)	-	-	-	-	-
Kullu	34.41	34.35	-	10.16 (30)	-	-	-	-	-
Mandi	46.27	46.17	-	14.46 (32)	-	-	-	-	-
Nahan	13.23	9.51	3.72 (28)	5.37 (56)	-	-	-	-	-
Ner-chowk	14.63	4.98	9.65 (66)	0.48 (10)	-	-	-	-	-
Paonta Sahib	33.06	33.55	-	6.94 (21)	12th FC, Construction of composting pits	0.51 (2005-06)	0.13	0.38	Composting pits constructed on river bank; washed away; new pits being constructed
					Director, Urban Development, Modern Underground Bins	3.44 (2016-17)	1.55	1.89	36 out of 80 bins purchased (28 installed, 8 lying in MC premises)
Shimla	NA	NA	NA	NA	European Union, Construction of waste reduction centre	0.13 (2012)	0.00	0.13	Not Started
					JNNURM, Construction of sanitary landfill	3.00 (2013-15)	0.40	2.60	Not Started
Solan	109.69	109.69	-	27.29 (25)	12th FC, Purchase of machinery and equipment, processing plant, IEC activities etc.	1.60 (2007)	0.81	0.79	Dustbins purchased; boundary wall of dumping site constructed
Sundernagar	34.64	32.07	2.57 (7)	2.22 (7)	Director, Urban Development, Modern Underground Bins	3.44 (2016-17)	3.44	-	Completed
Una	44.84	16.42	28.42 (63)	4.07 (25)	-	-	-	-	-
Total	495.20	417.49	-	96.89	-	19.02	13.03	5.99	-

Source: Departmental figures.

NA – Data not available.

Figures in parenthesis indicate percentage.

The test-checked ULBs had incurred expenditure of recurring nature (payment of salaries, contractor charges, transport charges, etc.) on solid waste management activities to the extent of, on an average, 23 *per cent* of their total expenditure. This figure was particularly high in the case of two ULBs (Bajjnath: 91 *per cent* and Nahan: 56 *per cent*). Further, expenditure had also been incurred out of funds received for specific works/ projects of capital nature.

(i) *Unutilised funds under recurring expenditure –*

Out of the total funds/ income available with the ULBs, funds amounting to ₹ 79.42 crore (ranging between seven and 91 *per cent* of total funds/ income) remained unutilised with 10 test-checked ULBs. These funds could have been either used for meeting recurring expenditure or allocated for capital works/ projects relating to solid waste management.

(ii) *Expenditure on specific works/ projects of capital nature –*

Out of the 16 test-checked ULBs, six ULBs had received funds of ₹ 19.02 crore for capital projects/ machinery and equipment. Further, of the funds received, only ₹ 13.03 crore (of which ₹ 11 crore was spent on modern underground bins) had been spent by these six ULBs whereas the remaining ₹ 5.99 crore remained unutilised. Except for the work of modern underground bins, most of the other works/ projects such as construction of sanitary landfill, waste reduction centre, composting pits were either not started or remained incomplete.

(iii) *Additional sources of funding –*

Additional sources of financing such as 25 *per cent* viability gap funding (VGF) under Swachh Bharat Mission–Urban (SBM-U) for public-private-partnership (PPP) projects, funding under the Corporate Social Responsibility (CSR) from Industries, etc. could have helped support in fiscal outlays on creating infrastructure for management of solid waste. Audit observed that during 2014-19, none of the 16 test-checked ULBs had prepared any Detailed Project Reports for obtaining VGF under SBM-U or funding under CSR for solid waste management projects, indicating lack of initiative on part of the ULBs and the Department.

The above observations indicated that financing of solid waste management activities remained one area of concern, particularly in so far as expenditure on capital projects for solid waste management was concerned.

During the exit conference, the Secretary stated (August 2020) that apart from funding from Central/ State Finance Commissions and Schemes, user charges had also been prescribed in all ULBs to enhance their financial capacity. The reply may be seen in view of the fact that user charges by itself are grossly insufficient to cover requirement of funds for solid waste management activities, particularly for capital-intensive infrastructure-creation projects.

2.2.6.2 Collection of user charges

As per the Solid Waste Management Rules, 2016 and by-laws notified by the Department, ULBs were required to prescribe and collect user fees from waste generators on their own or through authorised agencies.

While all the 16 test-checked ULBs had prescribed user charges, only in 11³ ULBs, the user charges were being collected directly by the ULBs or by the outsourced agencies/ Society responsible for door-to-door waste collection.

Audit observed the following shortcomings:

(i) Non-collection of user charges –

User charges were not being collected by five ULBs (Baddi, Baijnath Paprola, Chamba, Dharamshala and Jawali), thereby foregoing an important source of income.

(ii) Non-assessment of user charges due –

In the remaining 11 ULBs, user charges were being collected without any assessment of amount due/ recovered from waste generators and establishment-wise ledgers (manual or computerised) had not been maintained. Thus, ULBs were not in a position to verify the correctness and completeness of recovery of user charges. This was a matter of concern in case of Hamirpur, Nahan, Shimla and Solan where the ULBs were directly or indirectly involved in collection of user charges and were incurring expenditure on door-to-door waste collection.

In the Municipal Corporation, Shimla, the Municipal Corporation had provided resource gap funding of ₹ 20.37 crore to SEHB Society⁴ responsible for waste collection during 2013-20. However, the Municipal Corporation had been releasing funds to the Society merely on the basis of monthly abstracts of receipts and expenditure submitted by the Society, without any supporting documents. Thus, there was an un-mitigated risk that the Society may under-report its receipts in order to obtain more funds than required from the Municipal Corporation.

(iii) Short-collection of user charges –

In two urban areas (Nahan and Solan), the ULBs had collected user charges of only ₹ 0.71 crore against a minimum realisable amount of ₹ 3.58 crore⁵ (as assessed by Audit on the basis of available records) during 2013-20 (upto December 2019). While the ULBs attributed the short-collection to refusal of households in depositing user charges, it was observed that these ULBs had not assessed the amount realisable and not taken any action against households to recover the user charges.

³ Bilaspur, Hamirpur, Kullu, Mandi, Nahan (since July 2019), Ner Chowk, Paonta, Shimla, Solan, Sundernagar, and Una.

⁴ Shimla Environment, Heritage Conservation and Beautification (SEHB) Society, responsible for door to door collection and lifting of garbage from households in Shimla.

⁵ Amount was calculated on the basis of number of households (i.e. residential households, commercial, government establishments, hotel etc.) multiplied by minimum user charges (₹ 50 in MC Solan and actual user charges in MC Nahan) establishment-wise and number of months.

The Government stated (October 2020) that directions had been issued (May 2019) to all ULBs to ensure that user charges are collected before making payments to the contractor(s) wherever waste-collection work had been outsourced. The fact, however, remains that the ULBs were not in a position to verify the correctness/ completeness of recovery of user charges. It is evident from the above that the ULBs efforts in generating own revenue is poor as they are not enforcing their mandate.

2.2.7 Collection of solid waste

2.2.7.1 Door-to-door collection

As per the Solid Waste Management Rules, 2016, door-to-door collection of solid waste is to be undertaken by the ULBs. A system of door-to-door collection of waste was in operation in all the 16 test-checked ULBs through outsourcing to private agencies/ Society which were to ensure collection of waste by designated waste collectors. Rates and frequency of collection are decided by the ULBs and included in the agreement signed between the Executive Officer and the contractors.

Audit observed the following:

- (i) None of the 16 test-checked ULBs had any mechanism to ensure that the waste collectors (private agencies/ Society) were collecting waste as per the prescribed schedule. No reports on the number, category and frequency of households and establishments covered by waste collectors was obtained from the private agencies/ Society by the respective ULBs.
- (ii) In a survey (March - June 2018) conducted by Audit of 2,156 households in 12 test-checked ULBs, only 84 households (four *per cent*) reported that they were not satisfied with the frequency/ quality of waste collection services. The high degree of satisfaction seemed to suggest that the system was working at an acceptable level. However, despite the apparently satisfactory door-to-door collection services, Audit observed a number of instances of littering and dumping of waste in open as detailed in paragraph 2.2.7.4 indicating that some waste generators and waste collectors were not depositing and collecting waste as per the rules/ prescribed schedule.

During the exit conference, the Secretary stated (August 2020) that 100 *per cent* door-to-door collection of waste had been prescribed. The fact, however, remains that there were several instances of littering and dumping of waste in the open observed during audit indicating that instructions issued by the department were not being strictly implemented/ enforced.

2.2.7.2 Collection through community bins

In 11⁶ out of 16 test-checked ULBs, there was a system of collection through community bins (in addition to door-to-door collection). The Solid Waste Management Rules, 2016 prescribe a schedule for clearing of bins depending on its capacity. A total

⁶ All test-checked ULBs except NP Baijnath Paprola (from September 2019), Bilaspur (from August 2016), Hamirpur (from August 2019), Ner Chowk and Solan (from September 2019).

of 908 community bins were available in these 11 test-checked ULBs. Scrutiny of records and physical inspection revealed the following:

- (i) None of the 11 ULBs had any mechanism to ensure that the bins were being cleared as per prescribed schedule, and no reports on the frequency of clearing of bins had been obtained from the private agencies/ Society or maintained by the ULBs.
- (ii) Audit observed several instances of waste overflowing from bins during the course of joint physical inspection in five urban areas viz. Baddi, Nahan, Shimla, Paonta and Sundernagar indicating that the frequency of clearing of bins was not regular.
- (iii) In four ULBs (Baddi, Chamba, Nahan and Paonta), it was observed that some bins were in broken condition, resulting in waste being littered in the surroundings.
- (iv) Except for dumper bins, other bins were invariably uncovered and the waste was exposed to the open atmosphere creating hazardous sanitary conditions.

Photographs are shown below:



Overflowing bin near ward No.3 near Barber Shop, Hamirpur Road, Una (17.02.2020)



Broken dumper in ward No. 1 Sultanpur, Chamba (11.03.2020)

The Government stated (October 2020) that community bins were being discouraged and phased out gradually and door-to-door collection was being encouraged. The reply does not address the problem of collection of waste from unorganized areas, floating populations (e.g. tourists) and other areas which are not covered by the system of door-to-door collection.

2.2.7.3 Collection through modern underground bins

In three (Dharamshala, Paonta and Sundernagar) out of the 16 test-checked ULBs, there was a system of collection of waste through “modern underground bins”, involving two underground bins for storing segregated biodegradable and non-biodegradable waste. As of March 2020, 248 bins (Dharamshala: 140; Sundernagar: 80 and Paonta: 28) had been installed at a cost of ₹ 10.74 crore (₹ 4.33 lakh per bin) at 124 locations by the contracted agency. Scrutiny of records revealed the following issues:

- (i) **Non-supply, non-installation and non-utilization of bins:** In Paonta, only 36 bins had been supplied against the requirement of 80 bins. Out of these, only 28 bins had been installed (March 2017 - March 2018) but were not being used as tipper truck for clearing the bins had not been supplied (as detailed in point (ii) below).

The other eight bins were lying idle in the premises of the Municipal Council which attributed (February 2020) the same to non-availability of site. This indicated that the system of modern underground bins had been started without analysing feasibility of their installation. Expenditure of ₹ 1.56 crore on the 36 idle bins remained unfruitful.

- (ii) **Non-supply of tipper trucks for clearing of bins:** In Sundernagar, only one tipper truck had been provided by the contracted agency instead of two tipper trucks stipulated in the agreement, thereby posing problems for clearing of bins. In Paonta, tipper truck for clearing of bins had not been provided by the contracted agency resulting in non-starting of services and installed bins remaining idle (as detailed in point (i) above).
- (iii) **Non-installation of bin leveling system and overflowing of bins:** As per agreement, the bins were to have a bin-leveling system to provide real-time information on the level of waste in the bins. However, bin leveling system had not been installed in any of the bins in the three ULBs. Consequently, the level of waste in the bins could be assessed only through physical checks. Further, no record had been maintained by the ULBs to ensure that the contracted agency was clearing the bins at regular intervals. The bins were observed to be overflowing at various places.
- (iv) **Broken/ uncovered bins:** In two urban areas (Dharamshala and Sundernagar), some of the installed bins did not have any covers, thus exposing the waste to the atmosphere thereby creating unhygienic conditions and also posing the risk of stray animals or small children falling into the bins (depth approximately two metres or more).

Photographs are shown below:



Bins lying idle in the yard of Municipal Council, Paonta (06.02.2020)



Overflowing bins in Ward No. 11, Dharamshala (17.03.2018)



Broken/ uncovered bins in Dharamshala (12.03.2020)

The Director, Urban Development did not furnish any plan of action for initiating corrective action.

2.2.7.4 Littering and dumping of waste

The Solid Waste Management Rules, 2016 prohibit littering of waste. As per the by-laws adopted by ULBs, fines can be imposed for littering and dumping of waste. The scrutiny of records and information made available by the department revealed the following:

- (i) Nineteen out of 54 ULBs⁷ had not installed any litter bins at public places, as of March 2020, to avoid littering of waste.
- (ii) In five⁸ out of 16 test-checked urban areas, community bins had been removed which resulted in littering and dumping of waste as floating populations, households and other establishments of these urban areas had no facility except door-to-door collection for depositing waste.
- (iii) Littering and dumping of waste was observed at several locations in 15⁹ out of 16 ULBs during joint physical inspection in February-July 2020.

Photographs are shown below:



Open dumping of waste in ward No. 08, Baddi (13.02.2020)



Open littering of waste in open in ward No. 4 near railway crossing, Una (17.02.2020)

The Government stated (October 2020) that door-to-door waste collection was being ensured in all ULBs from all waste generators to prevent any littering of waste. The reply does not consider the possibility that waste would also be generated by floating populations and areas not covered by door-to-door waste collection services, as is evident from the fact that widespread littering and dumping of waste was noticed during joint physical inspection.

2.2.8 Segregation, storage and material recovery/ recycling of solid waste

2.2.8.1 Segregation at source

As per the Solid Waste Management Rules, 2016, ULBs were responsible for collection of solid waste from waste generators in segregated form. Audit observed the following:

- (i) Waste collectors in 15 ULBs (all test-checked ULBs except Hamirpur) were not collecting waste in segregated form but in single bags. Thus, the waste was being mixed at the point of collection itself.
- (ii) In the 11 test-checked ULBs having community bins, it was observed that the bins had no facility for storing segregated waste. Thus, waste was being deposited in mixed form in community bins.

⁷ Bilaspur, Ghumarwin, Talai, Chamba, Chowari, Bhota, Hamirpur, Dehra, Joginder nagar, Karsog, Ner chowk, Chaupal, Jubbal, Rohru, Theog, Nahan, Baddi, Mehatpur Basdehra and Santokhgarh.

⁸ Baijnath Paprola (from September 2019), Bilaspur (from August 2016), Hamirpur (from August 2019), Ner Chowk and Solan (from September 2019).

⁹ Baddi, Baijnath Paprola, Bilaspur, Chamba, Dharamshala, Jawali, Kullu, Mandi, Nahan, Ner Chowk, Paonta, Solan, Shimla, Sundernagar and Una.

- (iii) In two ULBs (Dharamshala and Sundernagar) where separate modern underground bins were being used, waste was found to be deposited in mixed form (in Dharamshala, during physical inspection) and reported as being deposited in mixed form (in Sundernagar, in a survey conducted by Audit).

The Government stated (October 2020) that the ULBs were being instructed to improve the status of segregation at source while focusing on behavioral change in waste generators through Information, Education and Communication (IEC) activities.

2.2.8.2 Segregation at secondary level –

In view of non-segregation at source as discussed in the foregoing paragraph, facilities for segregation of waste at a secondary level (ward level, locality level, town level, etc.) should have been set up, so that waste could be segregated by informal or authorised waste pickers. Audit observed the following:

- (i) No facility for segregation of waste at secondary level had been set up in any of the 16 test-checked ULBs.
- (ii) In two (Hamirpur and Nahan) out of 16 ULBs, segregation into biodegradable and non-biodegradable waste was being undertaken at dump (waste disposal) sites by waste pickers engaged through outsourcing agencies. Composting pits had been constructed at these sites into which biodegradable waste was being deposited. However, such segregation at the final stage of the solid waste management process was not effective or sustainable as the volume of waste was too huge for proper segregation as discussed in the paragraph 2.2.10.1 (i).

The Government stated (October 2020) that the ULBs covered small areas and no secondary storage/ segregation facility was required as the waste was directly being transported to Material Recovery Facility (MRF). The reply is not acceptable as none of the test-checked ULBs had set up functional MRFs as of date of audit (Paragraph 2.2.8.3 below) and waste pickers were found to be sorting and collecting recyclables at dump sites.

2.2.8.3 Recycling/ Material Recovery –

As per the Solid Waste Management Rules, 2016 every ULB was required to set up material recovery facilities for sorting of recyclable materials by waste pickers. Audit observed the following:

- (i) None of the 16 test-checked (February-July 2020) ULBs had constructed any material recovery facility for sorting of recyclables.
- (ii) Physical inspection (February –July 2020) by audit showed that in 13 ULBs (all except Baijnath Paprola, Jawali and Ner Chowk), waste pickers were sorting and collecting recyclables including plastic, glass, metal and other items from dump (waste disposal) sites. Further, polythene waste was also being segregated at these dump sites and transported to cement factories by the ULBs.

Thus, even though material recovery facilities had not been constructed, some attempts seemed to have been made for sorting and reusing of recyclables.

The Government stated (October 2020) that 41 ULBs had established MRF and were registering rag-pickers/ scrap dealers for sorting recyclables for being channeled to recycling industry, and combustible dry waste was being sorted and channeled to cement industries. The reply is not tenable as it was not clear as to how such facilities had been set up in the short period between February-July 2020 and August 2020. Further, as already pointed out, none of the test-checked ULBs had set up MRF facility as of date of audit.

2.2.8.4 Storage facilities –

As per the Solid Waste Management Rules, 2016, every ULB was required to set up secondary storage facility for temporary storage of waste without exposure to open atmosphere. Audit observed the following:

- (i) None of the 16 test-checked ULBs had constructed secondary storage facilities with provision for storing segregated waste at the ward or street level.
- (ii) In the absence of secondary storage facilities, waste was being temporarily stored in community bins, dumper bins, open bins, open cage-like structures and open areas at the street and ward level in all 16 test-checked ULBs. Except dumper bins which were covered, all the other structures/ areas were uncovered and waste was exposed to the atmosphere. A photograph of open cage-like structures in Shimla is shown below:



A photograph of open cage-like storage structure in Summer Hill, Shimla. While the structure is covered from the top, it remains exposed to rain and wind from the sides, causing foul odour and insanitary conditions. Most of the waste was dumped outside the structure (28.03.2018)

The waste stored temporarily in the structures/ areas caused not only foul odour and unhygienic conditions but was also vulnerable to littering by animals/ birds, rain and wind, thereby posing the risk of vector-borne and other diseases.

2.2.9 Transport of solid waste

The Solid Waste Management Rules, 2016 define transportation of collected solid waste as conveyance of solid waste from one location to another through specially designed and covered transport system.

There were 192 vehicles viz. tractors, tipper trucks, dumper placers, tricycles, three-wheelers, etc. available with the 16 test-checked ULBs for transporting of waste. Audit observed the following shortcomings:

- (i) 191 vehicles were not equipped to handle segregated waste (e.g. through separate compartments). The tipper trucks used for transporting waste from modern underground bins did not have the capacity to handle segregated waste defeating the purpose of providing separate underground bins for storing segregated waste.
- (ii) 141 (73 *per cent*) out of the 192 vehicles (i.e. except 25 pick-up vans, one truck (Solan) and 25 dumper placers) were not covered.

Photographs are shown below:



An uncovered tipper truck transporting waste in Shimla (28 March 2018)



Uncovered tipper truck collecting waste from modern underground bin in Dharamshala (17 March 2018)

The above shortcomings meant that waste was being transported in mixed form and in uncovered vehicles, causing foul odour, littering and unhygienic environment.

The Government stated (October 2020) that all the vehicles used for transporting waste were using tarpaulin covers to transport the waste in covered manner. However, records of the department and photographs taken during joint physical inspection did not support the above contention.

2.2.10 Processing of solid waste

As per the Solid Waste Management Rules, 2016, the ULBs are required to facilitate construction, operation and maintenance of solid waste processing facilities and other associated infrastructure, adopting suitable technology¹⁰ for biodegradable waste, and waste to energy processes¹¹ for combustible/ non-biodegradable waste.

2.2.10.1 Biodegradable waste

Biodegradable waste should be processed through bio-methanation, microbial composting, vermi-composting, anaerobic digestion or any other biological processing method.

(i) Non-availability of processing facility for biodegradable waste

- a) Records of the Director, Urban Development showed that facility for processing of biodegradable waste had not been setup in 43 (80 *per cent*) out of the 54 ULBs.

¹⁰ Using bio-methanation, microbial composting, vermi-composting, anaerobic digestion, etc.

¹¹ Including refuse derived fuel (RDF).

- b) In the 11 ULBs where 11 such facilities existed, it was found that eight were non-functional and three were partially functional, as of March 2020, as shown in **Table-2.2.3**:

Table-2.2.3: Details of biodegradable waste processing plants

Sl. No.	ULB	Year of sanction	Cost (₹ in crore)	Type of Plant	Capacity (MT/day)	Status of plant
1.	Solan	1999-2000	1.60	Aerobic composting	20 MT/ day	Non-functional
2.	Una	1998-99	0.50	Pit composting	5-6 MT/ day	Non-functional
3.	Chamba	2006 and 2008	0.97	Pit composting	8-9 MT/ day	Non-functional
4.	Kangra/ Nagrota	1998-99	0.50	Pit composting	8-9 MT/ day	Non-functional
5.	Dharamshala	1998-99	0.50	Aerobic composting	6 MT/ day	Non-functional
6.	Santokhgarh	2005-06	0.51	Pit composting	8-9 MT/ day	Non-functional
7.	Bilaspur	2010	0.15	Pit composting	6 MT/ day	Non-functional
8.	Manali	2003-04	2.00	Pit composting	20 MT/ day	Partially-functional; non-functional since March 2018
9.	Kullu	1999-2000	1.69	Bio-conversion	20 MT/ day	Partially-functional
10.	Hamirpur	2005-06	0.50	Pit composting	8-9 MT/ day	Partially-functional
11.	Nahan	1999-2000	0.49	Pit composting	9 MT/ day	Partially-functional
Total			9.41			

- Non-functioning of the plants at Sl. No. 1 to 8 of the above Table was attributable mainly to non-supply of segregated biodegradable waste as input. No biodegradable waste had been processed in these plants during 2014-19 (since March 2018 in the case of plant at Sl. No. 8) against an approximate processing capacity of 1.22 lakh MT over the period. Expenditure of ₹ 6.73 crore on these non-functional plants remained largely unfruitful.
- The plants at Sl. No. 9 to 11 of the above Table had been made partially-functional by supplying segregated biodegradable waste from dump (waste disposal) sites as input. However, such segregation at the last stage was not effective as only 0.12 lakh MT (18 per cent) had been processed during 2014-19 against an approximate processing capacity of 0.68 lakh MT over the period.

Thus, there was no fully-functional facility for processing biodegradable waste in the State.

The Government stated (October 2020) that pit composting facility had been developed/ made operational in 37 ULBs (including 11 out of the 16 ULBs test-checked by Audit). However, the veracity of this claim was not supported by any documentary evidence.

2.2.10.2 Non-biodegradable solid waste

Non-biodegradable solid waste is to be processed through waste-to-energy processes such as refuse derived fuel (RDF) for generating energy or supply as feedstock to solid waste based power plants or cement kilns.

(i) Non-availability of processing facility for non-biodegradable wastes

Records of the Director, Urban Development showed that except for one waste-to-energy plant located in one ULB (Shimla), there were no facilities for processing of non-biodegradable waste in the remaining 53 ULBs. Further scrutiny showed that even the waste-to-energy plant in Shimla was non-functional as detailed in point (ii) below. Thus, there was no functional facility for processing non-biodegradable waste in the State.

The Government stated (October 2020) that non-recyclable non-biodegradable waste was being sorted and combustible portion was being channeled to cement plants. However, the reply does not address the issue of processing of the non-combustible portion left behind after such sorting and channeling.

(ii) Non-functional Waste-to-Energy Plant in Shimla

The Municipal Corporation, Shimla signed (March 2016) an agreement with M/s Elephant Energy Private Limited (M/s EEPL) for operating a Waste to Energy Plant in Shimla (at Bhariyal). The plant was to receive solid waste generated from Shimla city as input and convert the same into RDF to be used as fuel to produce gas for generating power. Power generated from the plant was to be purchased by Himachal Pradesh State Electricity Board as per power-purchase-agreement with M/s EEPL.

The scrutiny of records of the Municipal Corporation, Shimla and interview with the Site Manager (M/s EEPL) of the plant showed that the plant was effectively non-functional. Only one out of the two lines for producing RDF was functional (December 2017) and against 90 MT/ day of waste received in the plant, only 60 MT/ day of waste was being converted into RDF. However, even the RDF produced could not be processed by the gasifiers owing to very high oxygen content, attributable mainly to unsegregated waste being received in the plant.

Thus, the plant remained non-functional (as of August 2020) even after lapse of more than 44 months from the stipulated date (16 December 2016) of commissioning of the project. The unprocessed waste and the unused RDF were being dumped at the dump site near the plant and in the plant premises as shown in photographs below:



Unprocessed waste and RDF at dump site and within plant premises at Bhariyal, Shimla (20.12.2018)

The Health Officer, Municipal Corporation, Shimla and the Additional Director, Urban Development confirmed (July and August 2020) the facts.

(iii) Non-start of work of waste processing and disposal facility in Mandi

A project for setting up of waste processing and disposal facility in Mandi was sanctioned (August 2013) for ₹ 2.50 crore by the Central Pollution Control Board (CPCB). The work was to be completed within 18 months from the release of first installment.

The scrutiny of records of Municipal Council, Mandi and Himachal Pradesh State Pollution Control Board (HPSPCB) showed that work had not been started as of May 2018, due to funds not being released by the CPCB for the project. This was due to delayed submission¹² of revised DPR by the Municipal Council to CPCB, non-receipt of authorisation for the site from HPSPCB due to poor site selection¹³ and delay in receipt of environment clearance from the State-level Environment Impact Assessment Authority.

The Executive Officer, Municipal Council, Mandi stated (July 2020) that the work would be started after receiving funds from the CPCB.

Thus, waste being collected in the 54 urban areas of the State was not being processed and was being dumped at disposal sites without processing.

2.2.11 Disposal of solid waste

As per the Solid Waste Management Rules, 2016, the ULBs were required to undertake safe disposal of waste in sanitary landfills in accordance with prescribed specifications and ensure that only non-usable, non-recyclable, non-biodegradable, non-combustible and non-reactive inert waste is disposed of in the sanitary landfills.

¹² Sent in January 2018.

¹³ At a distance of approximately 10 metres from the national highway and 150 metres from the river Beas, whereas Rules stipulated that a landfill site should be at a distance of at least 200 meters from highways and 100 meters from rivers.

2.2.11.1 Non-construction of sanitary landfills

The department of Urban Development was responsible for facilitating establishment of sanitary landfills for towns/ groups of towns.

The scrutiny of records of the Director, Urban Development showed that no sanitary landfill had been set up in any of the 54 ULBs.

During the exit conference, the Secretary, Urban Development stated (August 2020) that the department was planning a zero-landfill framework by reducing waste generation and reusing/ recycling maximum volume of waste. The reply does not address the issue of disposal of non-recyclable-non-combustible waste and other residual waste in a zero-landfill framework.

2.2.11.2 Disposal of waste in open dumpsites

As per the Solid Waste Management Rules, 2016, the ULBs were to stop dumping of waste at dump sites without following principles of sanitary landfilling. The National Green Tribunal order (December 22, 2016) had prohibited open burning of waste and strict action against defaulting ULBs.

- (i) ***Open dumping of waste*** – In the absence of sanitary landfills, solid waste being collected was being dumped unscientifically in the open at dump sites. Data provided by the 16 test-checked ULBs showed that 2.28 lakh MT of unsegregated solid waste was dumped unscientifically in open dump sites during 2014-19.

Photographs are shown below:



Dumping site at Salogra, Solan (31.01.2020)



Dumping site at Kenduwal, Baddi (13.02.2020)

- (ii) ***Burning of waste*** – Joint physical inspections showed instances of burning of waste in six test-checked ULBs (Baddi, Bilaspur, Jawali, Una, Hamirpur and Mandi) as shown in the photographs below:



Burning of waste in ward No. 04, Baddi (13.02.2020)



Burning of waste at dumpsite at Bindravani, Mandi (22.05.2018)

- (iii) **Location of dump sites** – As per the applicable Rules, a landfill site should be at a distance of at least 100 metres from river and 200 metres from the highways. Joint physical inspection (February–July 2020) showed that dump sites, in 13 out of 16 test-checked ULBs, were located near water bodies or highways and in two ULBs near habitations. Details are given in **Table-2.2.4** below:

Table-2.2.4: Details regarding location of dump sites in 15 test-checked ULBs

ULB	Location of dump site
Baddi	Near <i>khud</i> at Kenduwal village.
Bajnath Paprola	Near Bajnath bridge beside <i>nallah</i> which drains into tributary of Beas river.
Bilaspur	At Khairian village adjacent to Govind Sagar lake; dump site has no retaining wall.
Chamba	Old dump site beside Ravi river (site not in use but remains filled with waste).
Dharamshala	Near HRTC workshop on forest land causing public nuisance.
Jawali	Beside the main bus stand causing public nuisance.
Hamirpur	At Dugneri on steep slope descending into tributary of Beas river.
Kullu	At Pirdi near Beas river.
Mandi	At Binderavani, 10 metre away from National Highway, and 50 metre above Beas river.
Ner Chowk	At Binderavani, 10 metre away from National Highway, and 50 metre above Beas river.
Paonta	Beside Yamuna river.
Una	At Rampur village, beside Swan river.
Shimla	At Bhariyal on steep slope descending into <i>nallah</i> from which water body originates; lift water supply, and irrigation scheme (Shilli Baggi), and water supply scheme (Jubberhatti) located about 1.50 km downstream.
Solan	At Salogra, beside the National Highway; NGT order to shift the site 50 metre further away has not been implemented so far; as per HPSPCB report, quality of natural water sources near dump site is poor, and the water is not fit for drinking.
Sundernagar	At Chandpur, near source of water bodies.

The data on ground water quality near these dump sites had not been collected by the ULBs or the HPSPCB. The dumping of waste at open dump sites, posed a high pollution threat to ground water from leachates and surface runoff, and high risk of diseases particularly to waste pickers and workers at these sites.

Neither did the Director, Urban Development nor did the Secretary, Urban Development address the above significant issues, in their reply/ exit conference.

2.2.12 Other types of waste

As per the SWM Rules, 2016, street sweepings and waste from drains are to be transported directly to sanitary landfills and separate provisions are to be made for domestic hazardous wastes and waste from slaughter houses. Audit observed the following:

- (i) None of the 16 test-checked ULBs had made arrangement for direct transport of street sweepings to waste disposal sites and management of domestic hazardous waste. Such waste was being mixed with the solid waste in community bins/ transporting vehicles collected from households/ establishments.
- (ii) 15 test-checked ULBs (except Municipal Corporation, Shimla) had not made any arrangement for separate management of waste from authorised slaughter houses. All such wastes were being mixed with the solid waste being collected from households/ establishments and being dumped at dump sites.

The absence of system for management of other types of waste, as detailed above, resulted in its mixing with the waste collected from households/ establishments which hampered downstream processes of waste management.

The Government stated (October 2020) that the Department was developing domestic hazardous waste collection kiosks for collection of hazardous waste.

2.2.13 Worker welfare and protection

2.2.13.1 Safety of workers

As per Municipal Solid Waste (Management and Handling) Rules, 2000, manual handling of wastes, if necessary, should be carried out under proper precautions for safety of workers. Audit observed the following:

- (i) 13¹⁴ of the 16 test-checked ULBs had not provided personal protective equipment (gloves, gum boots, face masks, etc.) to workers engaged in handling solid waste. Even the other three test-checked ULBs (Baddi, Paonta and Shimla) had provided personal protective equipment to workers only occasionally during 2014-20.
- (ii) In five¹⁵ test-checked ULBs, workers handling solid waste at dump sites were residing within the area of the dump sites, posing serious risk to their health.

The Executive Officers of the test-checked ULBs stated (February-July 2020) that the respective contractors would be directed to provide safety equipment and conduct periodic health checkups of workers.

¹⁴ Baijnath Paprola, Bilaspur, Chamba, Dharamshala, Hamirpur, Jawali, Kullu, Mandi, Nahan, Ner Chowk, Solan, Sundernagar, and Una.

¹⁵ Dharamshala, Hamirpur, Kullu, Solan and Sundernagar.

2.2.13.2 Social security

(i) *Employees Provident Fund (EPF) scheme*

The EPF Scheme, 1952, provides that every eligible employee shall be entitled/required to become a member of the Fund, and employer and employee EPF contribution shall be deposited with the EPF Commissioner.

- **Non-providing of EPF facility** – In ten¹⁶ test-checked ULBs, the EPF facility was not being provided to the workers engaged through contractors; these ULBs were releasing payment to the contractors without ensuring the same.
- **Non-depositing of EPF contribution** – In one ULB (Shimla), amount of ₹ 0.60 crore¹⁷ had not been deposited with the EPF Commissioner as of March 2018 despite recovery notices issued by the Recovery Officer. In another ULB (Mandi), EPF contribution of ₹ 2.37 lakh¹⁸ had been deducted from wages of outsourced workers by the ULB, but not deposited with the EPF Commissioner.

The Executive Officers of the ULBs stated (February-July 2020) that directions would be issued to contractors for registration of workers under the scheme and deduction and deposit of EPF contributions would be ensured.

(ii) *Employees' State Insurance scheme*

The Employees State Insurance Scheme is designed to protect employees against impact of sickness, maternity, disablement, death due to employment injury and to provide medical care to insured persons and their families. The Scheme is financed by contributions from the employers and the employees.

- **Non-providing of ESI facility** – In 14 test-checked ULBs (except Kullu and Shimla), ESI facility was not being provided to contractual workers; these ULBs were releasing payment to the contractors, without ensuring the same.
- **Non-deduction of ESI contribution** – One ULB (Shimla) had not ensured deduction of contribution of ₹ 94.38 lakh¹⁹ by the SEHB Society.

The Executive Officers of ULBs stated (February-July 2020) that directions would be issued to contractors for registration of workers under the schemes and deduction and depositing of contributions would be ensured.

(iii) *Public Liability Insurance*

The Public Liability Insurance Act, 1991 provides for public liability insurance for persons affected by accidents occurring while handling hazardous substance.

¹⁶ Baddi, Baijnath Paprola, Bilaspur, Chamba, Dharamshala, Mandi, Ner Chowk, Solan, Sundernagar and Una.

¹⁷ Out of total contribution of ₹1.99 crore (June 2010 to December 2013).

¹⁸ For 2016-17.

¹⁹ For June 2012 to June 2016.

In one ULB (Shimla), workers had been engaged for handling of mixed solid waste (including hazardous substances) at the waste-to-energy plant. However, there was no clause for insuring the workers under the Public Liability Insurance Act in the agreement signed between the Municipal Corporation and the contractor (M/s EEPL). The Health Officer, Municipal Corporation, Shimla confirmed (July 2020) the facts.

2.2.14 Monitoring

2.2.14.1 Monitoring at ULB level

As per the Solid Waste Management Rules, 2016 quarterly review of solid waste management was to be undertaken by the Deputy Commissioner and corrective measures were to be taken in consultation with the Commissioner of the municipal administration, Director of Local Bodies and the Secretary-in-charge of the Department.

Audit noticed that quarterly review of solid waste management had not been conducted in any of the 16 test-checked ULBs, during 2014-19. The Executive Officers of the test checked ULBs confirmed the facts and stated (March-June 2018) that a monitoring committee under the chairmanship of Commissioner would be constituted. Audit observed that starting from January 2020, review meetings chaired by the respective Deputy Commissioners to monitor solid waste management functions were being conducted in all the 16 test-checked ULBs.

The Government stated (October 2020) that a software was being used to monitor monthly progress. The fact, however, remains that despite monitoring as claimed by the department, waste was found to be overflowing in bins, littered in the open, and dumped in open dump sites.

2.2.14.2 Non-monitoring of environmental quality standards by the ULBs and the HPSPCB

According to the Rules, the ULBs were to ensure adherence to standards of water quality, ambient air quality and leachates in/ around landfill sites or dumpsites and standards relating to composting at waste processing facilities. The HPSPCB was required to monitor compliance with standards relating to sanitary landfills, water quality, ambient air quality, composting, leachates, incineration, etc. in respect of waste processing facilities and disposal sites.

Audit noticed that during 2014-19, none of the 16 test-checked ULBs had conducted any quality tests to ensure adherence to the standards specified in the Rules. Further, it was noticed that in spite of open dumping of waste, the HPSPCB had not conducted tests for assessment of water quality, ambient air quality and leachates in any of the test-checked ULBs.

Thus, neither did the ULBs nor did the HPSPCB monitor the adverse environmental impact of open dumping of waste.

The Executive Officers of test-checked ULBs confirmed the facts and stated (February-July 2020) that compliance with quality standards would be ensured in future.

2.2.15 Conclusions

The management of solid waste by the ULBs of the State was not effective in controlling disposal of waste in a scientific manner and keeping the urban areas clean. Data upkeep with respect to frequency and extent of solid waste collection, segregation and disposal was found deficient in some ULBs while it was completely lacking in few other ULBs. Further, in order to finance the regular Solid Waste Management activities, regular fixation, revision and collection of user charges was not consistently followed by the ULBs, while funds available for capital expenditure was not being fully spent, adversely affecting the creation of required infrastructure. The overall performance of ULBs in Solid Waste Management is detailed in **Appendix 2.9**.

Further, the State Government had notified (August 2014, March 2016) ULBs service level benchmarks (SLBs)²⁰ for solid waste management and need for measuring/achieving the SLBs on various indicators for release of performance grant, as per recommendations of Finance Commission. In spite of these instructions, data on achievement on various indicators for the period 2014-19 was available with the Directorate of Urban Development/ published by some ULBs only for some years. The GoI had not released performance grant of ₹ 32.44 crore²¹ for the period 2016-20. Further, as observed from available data for 11 (out of 16 test-checked) ULBs, achievement against six²² indicators (**Appendix 2.10**) was reported by some ULBs to be much higher/ better (instances detailed in footnote²³) than the status observed during audit (**Appendix 2.9**), particularly in respect of the aspects of segregation, material recovery and disposal of solid waste. The variation between the achievement reported by the ULBs and position observed during audit indicated that the ULBs were not acknowledging deficiencies in the various stages of the solid waste management process.

As a consequence of the serious deficiencies in collection, segregation, storage, processing and disposal of solid waste highlighted in this report, unsegregated and unprocessed solid waste was being littered and unscientifically dumped in open “dump sites”, an unsustainable practice posing risks to human health and the environment.

²⁰ Notified by the State Government in accordance with standards specified in Handbook on Service Level Benchmarks (SLBs) published by Ministry of Urban Development (MoUD).

²¹ Against performance grant of ₹ 40.35 crore recommended by 14th Finance Commission for 2016-20 (2016-17: ₹ 7.91 crore; 2017-18: ₹ 8.95 crore; 2018-19: ₹ 10.17 crore and 2019-20: ₹ 13.32 crore), GoI had released performance grant of only ₹ 7.91 crore during 2016-17.

²² Six out of eight SLBs were compared with audit findings, excluding “extent of cost recovery in SWM services” and “efficiency in redressal of customer complaints”.

²³ Extent of segregation of solid waste reported by ULBs (in *per cent*): Kullu (73), Mandi (90), Nahan (50), Shimla (70), Solan (60), and Sundernagar (80) whereas no segregation was observed during audit; Extent of MSW recovered reported by ULBs (*per cent*): Kullu (93), Nahan (100), Shimla (90), Solan (80) and Sundernagar (80) whereas *no* partial material recovery was observed during audit; Extent of Scientific Disposal of MSW reported by ULBs (*per cent*): Baddi (75), Mandi (80), Nahan (75), Shimla (80), Solan (90) and Sundernagar (70) whereas waste was being dumped unscientifically in dump sites.

2.2.16 Recommendations

In view of the observations made by audit, it is recommended that the department may ensure that ULBs:

- (i) Put in place a mechanism for regular collection of user charges for financing recurring as well as capital expenditure for strengthening infrastructure;*
- (ii) Strengthen waste collection system with reporting and monitoring regarding collection, segregation and disposal of solid waste;*
- (iii) Strengthen waste segregation mechanism by collecting waste in segregated form, placing separate waste collection and storage bins for bio-degradable and non-biodegradable waste, and transporting bio-degradable and non-biodegradable waste in segregated form or in separate vehicles;*
- (iv) Perform in accordance with the Service Level benchmarks (SLBs) for the Management of solid waste;*
- (v) Consider adopting penal measures as a deterrent against irregular disposal of waste, sensitize public through suitable Information Education Communication campaigns;*
- (vi) Setup waste processing facilities and sanitary landfills in accordance with the applicable rules and standards.*

Chapter-III
Compliance Audit

CHAPTER-III COMPLIANCE AUDIT

Animal Husbandry Department

3.1 Embezzlement of Government money

Government receipts and beneficiary share had neither been accounted for in the cashbook nor deposited in the Government account, resulting in embezzlement of ₹ 99.71 lakh.

Rule 3 of Himachal Pradesh Financial Rules, 2009 provides that all money received by or on behalf of the Government shall be brought into the Government Account immediately and the Head of the Department shall obtain from the subordinates, monthly account and returns in such form as may be prescribed. Further, withdrawal from the Government account must be supported with relevant vouchers.

The Department of Animal Husbandry receives cash on account of various services relating to livestock development being provided to the beneficiaries. The sale proceeds therefrom and beneficiary share is to be accounted for and credited into the Government account. The Deputy Director, Animal Husbandry (Breeding), Solan (DDAH) was operating two¹ savings Bank accounts for receiving funds under various schemes and depositing the sale proceeds and beneficiary share into the account of the Director, Animal Husbandry-cum-Member Secretary, Himachal Pradesh, Poultry and Livestock Development Board (LDB) at State Bank of India, branch Boileauganj (Shimla).

The audit scrutiny (August 2018) of the records of the Deputy Director, Animal Husbandry (Breeding), Solan (DDAH) revealed the followings:

1. An amount of ₹ 41.40 lakh on account of artificial insemination, castration fee, sale of imported semen and registration fee was received by the DDAH, Solan during March 2016 and March 2018, but the same was not accounted for as receipt in the cash book. Out of this ₹ 12.09 lakh was directly deposited in the account of the LDB and the remaining amount of ₹ 29.31 lakh was not deposited in any of the Bank accounts. Subsequently, ₹ 29.31 lakh² pertaining to other schemes³ was transferred from the savings Bank account of the DDAH to the Bank account of the LDB, instead of depositing the cash received by cashier/accountant. No bills/ vouchers indicating the purpose/details etc. for the drawl of funds were found on record. Thus, ₹ 29.31 lakh received by the cashier/accountant were embezzled and subsequently made good from the funds pertaining to other schemes.

¹ State Bank of India, Solan and IndusInd Bank, Solan in the name of Assistant Director (Extension), Solan.

² Details of amount diverted from schemes: 2016-17 - ₹ 8,68,823, 2017-18 - ₹ 17,68,773 and 2018-19 - ₹ 2,93,380.

³ Backyard Poultry Scheme, Garbit Pashu Ahaar Scheme, Krishak Bakri PalanYojna etc.

2. DDAH withdrew ₹ 50 lakh (IndusInd Bank, Solan: ₹ five lakh and SBI, Solan: ₹ 45 lakh) during April 2016 to January 2018 on twelve occasions (range: ₹ 0.11 lakh to ₹ 9.50 lakh) through self-cheques. The said amount was neither accounted for in the cash book nor any vouchers in support of depositing the same into the Government account or justifications were produced to audit. This had resulted in embezzlement of ₹ 50 lakh through cash withdrawal, without supporting vouchers.
3. Under Backyard Poultry scheme, chicks are supplied by the Central Poultry Farm, Nahan (CPF) as per demand of field units for further distribution to beneficiaries. The sale proceeds collected by the Veterinary units after distribution of chicks, was to be deposited with the CPF, Nahan. During December 2016 to March 2018, sale proceeds of ₹ 10.61 lakh under the scheme, by various field units under the jurisdiction of DDAH, was deposited with the DDAH for further deposit with the CPF, Nahan. The receipts (TR-5) for ₹ 9.25 lakh only were issued and ₹ 1.36 lakh (received on 24 March 2018) were received without issuing any formal receipt. The whole amount of ₹ 10.61 lakh was neither accounted for in the cash book nor was it deposited in any Bank account. Further, an equal amount of ₹ 10.61 lakh was subsequently transferred from the savings Bank account at SBI, Solan to CPF, Nahan. Thus, amount of ₹ 10.61 lakh on account of sale proceeds of chicks, was embezzled by the cashier/superintendent.
4. Under Garbhit Pashu Aahar scheme, three kgs ration per day is to be provided to pregnant cow/ buffalo during last trimester (total 2.70 quintal for 90 days) and 50 per cent subsidy is given to the scheduled caste beneficiaries on this account. The amount of beneficiary share collected by the Veterinary units was required to be deposited into the account of the DDAH for further payment to feed suppliers. During 2016-18, an amount of ₹ 7.20 lakh (2016-17: ₹ 2.40 lakh for 92 beneficiaries and 2017-18: ₹ 4.80 lakh for 180 beneficiaries) on account of beneficiary share was deposited by various field units with the DDAH and receipts (TR-5) for the same were also issued to the concerned units. However, this amount was neither accounted for in the cash book nor deposited in any Bank account. Whereas, an equal amount was subsequently transferred from the SBI, Solan savings Bank account to the Himachal Pradesh Agro Industries, Parwanoo (feed supplier), resulting in embezzlement of ₹ 7.20 lakh, received as beneficiary share.
5. Under Krishak Bakri Palan Yojna (launched in 2017-18), 60 per cent subsidy is provided to the below poverty line beneficiaries and beneficiary share is to be deposited in the Government account. During 2017-18, beneficiary share of ₹ 2.58 lakh was deposited (February 2018) by the field units with the DDAH, however, no receipt (TR-5) was issued to the concerned units. This amount was neither accounted for in the cash book nor deposited in any of the savings Bank account, as of August 2018 resulting in embezzlement of ₹ 2.58 lakh.

Audit observed non-adherence to the established financial rules/procedures and lack of control mechanism had resulted in embezzlement of ₹ 99.71 lakh. Instances due to non-observance of control mechanism are detailed below:

- Cash book was not depicting the actual financial position as receipts were not being entered into and relevant vouchers in support of the transactions were not being maintained;
- Ledger accounts were not being maintained, despite directions from the higher authorities. Advance released for further utilisation was shown as final expenditure. Reconciliation of accounts was not carried out;
- Financial transactions in cash exceeding ₹ 10,000 were being made by issuing self-cheques in spite of Government directions for direct transfer of funds through RTGS;
- Internal audit of the DDAH had not been carried out by the departmental functionaries.

A departmental enquiry was conducted in May 2018 and total embezzlement of ₹ 79.98 lakh was pointed out including penal interest, out of which ₹ 57.93 lakh had been recovered.

The DDAH stated (July 2020) that departmental inquiry had been conducted and ₹ 57.93 lakh out of total embezzled amount of ₹ 79.98 lakh had been recovered from the concerned dealing assistant and the balance amount is being recovered on a monthly basis. Administrative action was also recommended against the defaulting officials.

The reply is not acceptable as audit had pointed out embezzlement of ₹ 99.71 lakh on the basis of test-check of available records and still ₹ 41.78 lakh is recoverable. Further, no administrative action against the defaulting officials had been taken by the Department, as of October 2020.

The failure of control mechanism at various levels in the Department, resulted in embezzlement of ₹ 99.71 lakh, while possibility of similar cases in other units dealing with cash transactions cannot be ruled out.

The Government may ensure compliance to financial rules and strengthen internal control mechanism to avoid loss of Government money. Further comprehensive enquiry for the period prior to audit should be undertaken (as audit findings are for test-checked period only) so that action for recovery of total embezzled amount may be initiated, besides initiating action against the defaulters.

The audit findings were referred to the Government in May 2020, their reply had not been received (December 2020).

Education Department

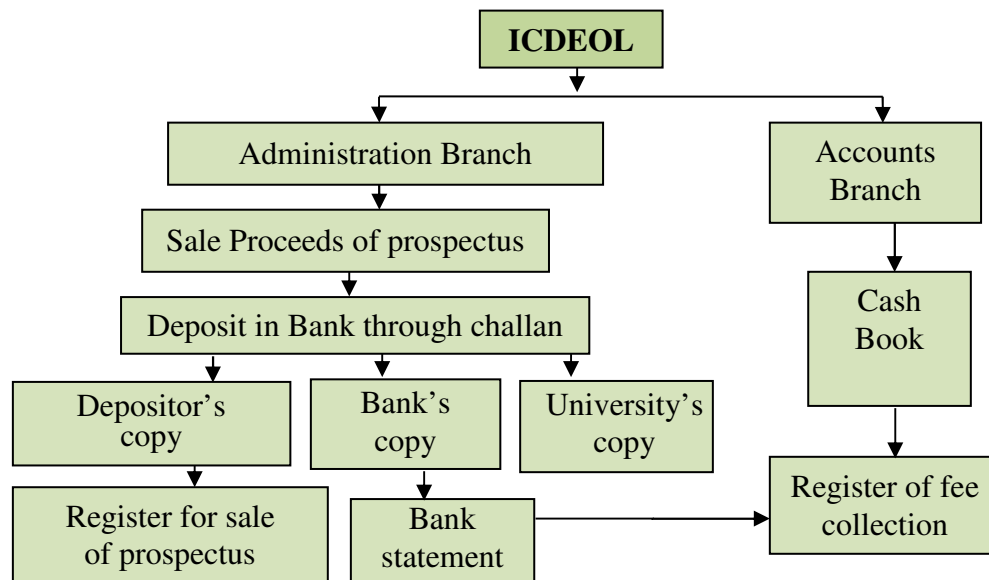
3.2 Embezzlement of funds in Himachal Pradesh University

Failure of authorities of Himachal Pradesh University to carry out periodic reconciliations and exercise necessary checks for comparing receipts in the registers/ records with those appearing in Bank statements, resulted in embezzlement of ₹ 1.13 crore.

The Himachal Pradesh University Accounts Manual, 1976 provides for maintenance of cash book by every officer responsible for receiving money on behalf of the University. All moneys received on account of the University shall forthwith be

deposited in State Bank of India for credit to the University's Account. The Principal/ Head of Department may delegate his authority to one of the officials of the Department but the responsibility will be that of the Head of the Department. At the end of each month the total of the receipts during that month should be reconciled with the Bank statement.

At the International Centre for Distance Education and Open Learning (ICDEOL) of the University, prospectus for admission in Under-Graduate and Post-Graduate programmes were sold in cash by the officials of the Administrative branch. The officials are entrusted with the job to deposit the sale proceeds in University's Bank account by filling three copies of challans- Depositor's copy, University's copy and Bank's copy. The Depositor's copies of the challans are used for accounting for the total receipts from sale of prospectus by the Administrative branch. The University's copies of the challans and Bank statements (obtained from the Bank) are used for making entries in the fee collection Register by the Accounts branch. The system is depicted in the following chart:



The scrutiny (November and December 2018) of records of the Director, ICDEOL showed that in contravention of the University Accounts Manual, the ICDEOL had neither maintained cash book nor undertaken reconciliation of the receipts of sale of prospectus with the Bank during 2011-18. Audit carried out cross verification of the Depositor's copies of challans and Registers for sale of prospectus maintained by Administrative branch and University's copies of challans and Bank statements kept by the Accounts branch for the period 2011-18.

The audit scrutiny revealed that the Senior Assistant dealing with the sale of prospectus had entered different amounts (in figures) in the Depositor's copies, University's copies and Bank's copies of challans. This was done by writing lesser amounts (in figures) in all copies of the challans at the time of depositing the same in the Bank, and later adding one more digit to the amounts (in figures) written in the Depositor's copies of challans to make it at par with the amounts actually received on account of sale of prospectus and thereafter entering the same amount in the Register for sale of prospectus. It was observed that in all copies of the challans, the amount deposited was not written in words either by the depositing official or by the Bank's

cashier leaving scope for manipulation. An illustrative example is shown in **Appendix-3.1**.

Thus, the actual amounts deposited in the Bank as per University's copies of challans and Bank statements maintained by the Accounts branch were lesser than the amounts actually received on account of sale of prospectus, and the official misappropriated ₹ 1.13 crore during 2011-18 by fraudulently short-depositing amounts in the Bank as detailed in **Table-3.2.1**.

Table-3.2.1: Short deposit of receipts from sale of prospectus in the University's Bank account by ICDEOL during 2011-18 (Appendix-3.2)

(₹ in lakh)			
Year	Amount actually received and claimed as deposited in the Bank as per Depositor's copies of challans and sale of prospectus Registers (maintained in Administration branch)	Amount actually deposited in the Bank as per University's copies of challans and bank statements (maintained in Accounts branch)	Amount short deposited and misappropriated
2011-12	18.07	2.93	15.14
2012-13	20.02	2.03	17.99
2013-14	22.47	3.83	18.64
2014-15	29.79	4.29	25.50
2015-16	24.75	5.45	19.30
2016-17	12.10	2.10	10.00
2017-18	8.03	2.03	6.00
Total	135.23	22.66	112.57

Source: Records of Himachal Pradesh University.

The embezzlement was attributable to inoperative internal controls, non-maintenance of cash book, non-reconciliation of receipts with the Bank, lack of coordination and non-reconciliation of receipts on monthly basis by the authorities (Section Officers, Assistant/ Deputy Registrars) in the Administration and Accounts branches, and non-monitoring by the Director, ICDEOL as regards monthly reconciliation of receipts by the officials concerned.

The Government stated (October 2020) that FIR was lodged (November 2018) in this regard after the matter was brought to attention⁴ and a departmental inquiry was initiated against the official, on the basis of which the said official was dismissed (February 2020) from service. Further, all cash transactions in ICDEOL have been discontinued and all fees and funds including from sale of prospectus are being collected online from the session 2018-19 onwards. An amount of ₹ 16.20 lakh has been recovered from the official and steps would be taken to recover the balance embezzled amount. However, no reasons were furnished for the prescribed internal

⁴ Audit of Himachal Pradesh University was conducted in November and December 2018 during which audit memoranda (Dated: 01, 03, 26 and 30 November 2018 and 05 December 2018) were issued.

controls being inoperative and FIR was under investigation with the Police, as of October 2020.

Thus, non-maintenance of cash book and failure of the University authorities to carry out periodic reconciliations and exercise necessary checks for comparing receipts in the registers/ records with those appearing in the Bank statements during 2011-18, resulted in embezzlement of ₹ 1.13 crore. Possibility of similar weaknesses in controls in one or more sections dealing with cash transactions cannot be ruled out.

University authorities may investigate the matter for previous years also, as audit findings are for test-checked period only, so that action for recovery of embezzled amount may be initiated, besides administrative action against the defaulters may be initiated. Further, prescribed internal controls may be made operative in the University to avoid such cases.

3.3 Irregular expenditure on testing of school uniform cloth

Testing of school uniform cloth was awarded directly to a laboratory in violation of Financial rules and principles of financial propriety and economy in public procurement, which resulted in irregular and uneconomical expenditure of ₹ 1.62 crore and extension of undue favour to the laboratory.

The Himachal Pradesh Financial Rules (HPFRs), 2009 provide that every officer authorised for procuring goods shall be responsible for efficiency and economy in public procurement besides ensuring fairness, transparency and competitiveness. The procurement of estimated value of ₹ 10 lakh or above shall be made through advertised tender system.

Under the 'Atal School Vardi Yojana⁵' the State Government provides free-of-cost school uniform cloth to all students⁶ of Government schools. The specifications of the school uniform cloth are defined by an Empowered Committee constituted by the State Government. The cloth⁷ is procured by the Himachal Pradesh State Civil Supplies Corporation (HPSCSC) through an advertised tender process, in which samples of the cloth as per pre-defined specifications, along with quality assurance certificates and test analysis reports from accredited⁸ laboratories (pre-despatch testing) are to be submitted by the bidders along with their technical bids. An additional system of testing (post-despatch testing) of the cloth after receipt of supply is also prescribed in which samples⁹ of the cloth, selected randomly from amongst the batches received by each indenting officer, are to be got tested independently by HPSCSC from an accredited laboratory.

⁵ Merged scheme of Atal School Uniform Yojana (launched in 2012) and Mukhya Mantri Vardi Yojana (launched in 2016-17).

⁶ Students of classes 1st to 10th, extended to students of classes 11th and 12th from 2016-17, twice (April and October) every year.

⁷ In four sets: Set No. 1 (for boys from classes 1st to 5th) - shirt and trouser; Set No. 2 (for boys from classes 6th to 10th) - shirt and trouser; Set No. 3 (for girls from classes 1st to 5th) - kamiz and salwar; Set No. 4 (for girls from classes from 6th to 10th) - kamiz, salwar and dupatta.

⁸ Accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL).

⁹ A minimum of one set and a maximum of 0.05 per cent of the total supplied sets.

The scrutiny (November 2018) of records in the office of the Director, Elementary Education revealed that:

- For the year 2015-16, HPSCSC empanelled (June to November 2015) three accredited testing laboratories through invitation of expression of interest (EoI) for testing of school uniform cloth. The details of rates (per set) finalised with the three laboratories and the testing work assigned during 2015-16 are given in **Table-3.3.1**.

Table-3.3.1: Details of rates of laboratories for testing of uniform cloth

Laboratory	Rates per set (in ₹)				Remarks	No. of samples assigned for analysis/ testing
	Set No. 1	Set No. 2	Set No. 3	Set No. 4		
M/s Spectro Analytical Labs Ltd., New Delhi	4,900	4,900	4,900	4,900	L-1	120
M/s Testtex India Laboratories Pvt. Ltd., Mumbai	6,950 (42)	6,950 (42)	6,950 (42)	6,950 (42)	L-2	128
M/s Shriram Institute for Industrial Research, New Delhi	23,285 (375)	23,285 (375)	23,826 (386)	27,075 (453)	L-3	125

Note: Figures in parentheses denote percentage by which rates were higher than L-1 rates.

It can be seen from **Table-3.3.1** that with reference to the rates of M/s Spectro Analytical Labs Ltd. (L-1), the rates of M/s Shriram Institute for Industrial Research, New Delhi (L-3) were about five times higher. However, instead of awarding the work of testing to Spectro Analytical Labs Ltd. (L-1) on the basis of lowest rates, the work was awarded by the HPSCSC to all the three labs during 2015-16 without any justification. Reasons for empanelment of three laboratories instead of L-1 were not on records.

- For 2016-17 and 2017-18, the Empowered Committee, disregarding the Financial rules and considerations of propriety, economy, fairness and transparency, decided (March 2016) to directly award the work of both pre and post-despatch testing of samples to M/s Shriram Institute for Industrial Research, New Delhi without adopting any tendering/ empanelment process on the grounds that the laboratory had a reputation and credibility for fair testing; the basis for arriving at such conclusion was not on record. In doing so, the Empowered Committee also ignored the conflict of interest clearly evident in awarding the work of post-despatch testing (to be done by HPSCSC) to the same lab (M/s Shriram Institute for Industrial Research, New Delhi) undertaking pre-despatch testing (to be done by the cloth supplying firm).

From the above, it is evident that the Financial rules and economy considerations were by-passed in order to extend undue favour to the laboratory (M/s Shriram Institute for

Industrial Research, New Delhi) which charged the highest rates (by a substantial margin), resulting in irregular expenditure of ₹1.62 crore¹⁰.

The Government stated (October 2020) that the three laboratories were selected (for 2015-16) as per the decision of the Empowered Committee on the basis of Expression of Interest and the laboratories were not necessarily to be empanelled on L-1 basis as rates were not the sole criterion, but one of the important criteria. The laboratories were technically qualified for empanelment for 2015-16, 2016-17 and onwards, and the work was awarded to M/s Shriram Institute for Industrial Research, New Delhi (L-3) as the laboratory had a reputation and credibility for fair testing. The reply is not acceptable as all empanelled laboratories fulfilled all technical requirements and it cannot be reasoned that only one of the laboratories had reputation/ credibility for fair testing; and rates should have formed the only objective basis for awarding the work. Moreover, even if rates were not the sole criterion, other criteria should have been specified and put on record for transparency and objectivity in the award process. Not doing so constituted contravention of the Financial rules and disregard for principles of financial propriety and economy in public procurement besides, extending undue favour to one laboratory during 2016-18.

The State Government may ensure award of tenders strictly as per the applicable financial rules and economy considerations.

3.4 Unfruitful expenditure on construction of building

Contravention of approved building plan by executing agency and lack of monitoring by the Department led to denial of civic amenities to staff quarters which remained non-functional for more than 49 months, resulting in unfruitful expenditure of ₹ 2.27 crore.

As per Section 242 of the Himachal Pradesh Municipal Corporation (HPMC) Act, 1994, no building can be erected in the municipal area without the sanction of the Commissioner of the Municipal Corporation. Sections 244 to 246, of the Act, *ibid* provide for addition and alteration of the approved plan with the prior sanction of the Commissioner. Section 257 of the Act, *ibid* stipulates submission of completion report to the Commissioner and states that no person shall occupy any erected building until completion certificate is submitted and permission is granted by the Commissioner. Section 254 of the Act, *ibid* provides for denial of civic amenities including water and sewerage connections in case of violation of the provisions of the Act, *ibid*. As per the State Government instructions (November 2003), the user Department will be responsible for ensuring that there is no change in scope of work/ specifications and the executing agency will be responsible for drawing up of estimate of the work and its execution.

During the scrutiny (November 2018) of records of the office of the Director, Higher Education, it was observed that the State Government had accorded (March 2010) administrative approval and expenditure sanction (AA/ES) of ₹ one crore for

¹⁰ 2015-16: ₹ 38.89 lakh; 2016-17: ₹ 81.25 lakh; and 2017-18: ₹ 41.84 lakh.

construction of two blocks of staff quarters¹¹ at Shimla. Revised AA/ES of ₹ 2.27 crore for the work was accorded (November 2014) after approval (February 2014) of the building plan by Municipal Corporation (MC), Shimla. The Director, Higher Education released (between June 2010 and August 2016) ₹ 2.27 crore to the Executive Engineer, Public Works Department (PWD), Division No.-III Shimla for undertaking construction. The PWD completed (September 2016) construction of the staff quarters after incurring expenditure of ₹ 2.27 crore.

The records showed, however, that the PWD had deviated from the approved building plan without seeking prior permission of the Commissioner, Municipal Corporation, Shimla. When the completion plan (with modified building plan) was sent (February 2018) by the Education Department to the Municipal Corporation, Shimla for accepting completion of the buildings and granting no-objection certificate (NOC) for civic amenities, Municipal Corporation, Shimla pointed out (April and June 2018) certain major deviations¹². In this regard, scrutiny of the building plans showed that whereas the original building plan consisted of two independent rectangular blocks (at right angles to each other), the modified building plan showed the two blocks as being joined at the edge to create a single L-shaped building. This was also in violation of the National Building Code¹³ which states that buildings having plans with shapes like 'L' shall preferably be separated into rectangular parts by providing separation sections at appropriate places, and that separation of adjoining structures or parts of the same structure is required for structures having different total heights or storey heights to avoid collision during an earthquake.

While the Executive Engineer, PWD Division No.-III was responsible for non-adherence to the building plan approved by the Municipal Corporation, Shimla, the Director, Higher Education was responsible for lack of monitoring as regards execution as per the approved plan and taking over the staff quarters without highlighting the deviations. In view of non-adherence to the approved building plan, the Municipal Corporation, Shimla had not granted completion certificate/ NOC and not provided civic amenities for more than 49 months (as of October 2020), as a result of which the staff quarters could not be put to use and the expenditure of ₹ 2.27 crore incurred remained unfruitful, and exposed to depreciation.

The State Government stated (October 2020) that the staff quarters could not be allotted because of non-issue of NOC by the Municipal Corporation, Shimla and deviation had to be made due to non-availability of suitable strata during excavation for laying the foundations of the extreme columns of each block. However, this contention is not acceptable as the matter for executing deviations should have been

¹¹ Type-I: 06 sets and Type-II: 06 sets at Glen Hogen (adjoining O/o Directorate of Education, Shimla).

¹² Block to block distance of five metres was not maintained; orientation/ position of blocks was not as per approved plan and additional storey in the form of basement floor was constructed in type-II block.

¹³ Notified by the Bureau of Indian Standards.

highlighted and modified building plan should have been sent for approval of the Municipal Corporation, Shimla before construction.

The Department may ensure and monitor construction as per approved plan and modified plan, if required, should be got approved before executing deviations. Corrective actions in consultation with the Municipal Corporation, Shimla for utilisation of the building as per law may be taken.

General Administration Department

3.5 Undue favour and avoidable / wasteful expenditure on hiring of transport helicopter

- A. Undue favour was extended to M/s Pawan Hans Limited (PHL) by inserting and modifying conditions that excluded other bidders, allowing PHL to qualify technical evaluation ignoring the serious issue of its poor safety record, and allowing extension of contract despite unsatisfactory service delivery.**
- B. Unjustified and arbitrary award of 10 per cent annual increase in rates resulted in avoidable expenditure of ₹ 18.39 crore, while adjustment of excess/deficit flying hours on yearly basis instead of over the term of contract, led to wasteful expenditure of ₹ 6.97 crore on unutilized flying hours.**

The Himachal Pradesh Financial Rules (HPFRs) provide that every officer authorised for procurement shall be responsible for efficiency and economy in public procurement besides ensuring fairness, transparency and competitiveness.

The Government of Himachal Pradesh (GoHP) decided (July 2011) to hire transport helicopter¹⁴ on wet-lease basis¹⁵ for multi-use¹⁶. A civil aviation expert¹⁷ from the Directorate General of Civil Aviation (DGCA), Government of India was engaged for rendering technical advice, who provided (February 2012) a draft tender document to the department. Following multiple rounds of tendering¹⁸ (February 2012 to October 2012), the tender was awarded (October 2012) to M/s Pawan Hans Helicopter Limited (PHL) at a rate of ₹ 3.38 lakh per flying hour for a minimum 40 flying hours per month, with 10 per cent annual increase in the rate, for a term of five years (January 2013 to December 2017). The contract was extended¹⁹ (September 2017) for a further period of two years (January 2018 to December 2019) at a rate of ₹ 3.30 lakh per flying hour for a minimum 40 flying hours per month.

The scrutiny of records (August 2018) of the General Administration Department (GAD) and additional information obtained from the department, revealed the following:

¹⁴ Twin-engine large / heavy-duty transport helicopter with carrying capacity of more than 15 passengers.

¹⁵ A leasing arrangement whereby the lessor provides aircraft, complete crew, maintenance, and insurance to the lessee which pays by hours operated and any other duties, taxes, etc.

¹⁶ VIP duty, emergency evacuation and relief operation.

¹⁷ Capt. Irshad Ahmed, Flight Operations Inspector (Helicopters), DGCA, GoI.

¹⁸ Tender documents issued in February 2012; pre-bid meeting with interested bidders in March 2012 and modifications to tender documents issued; tender evaluation in April 2012 - cancelled due to qualifying of single firm in technical bid; tender documents revised and retendering in July 2012; tender evaluation in August 2012 and award in October 2012.

¹⁹ After fresh tenders were called (June 2017) and cancelled (August 2017).

A. Undue favour to PHL

The following irregularities were noticed in the course of tendering and award of the contract:

a. Condition relating to age of helicopters:

- i. The initial tender (February 2012), was cancelled as only one bidder had qualified technically. PHL did not qualify in this round.
- ii. The revised tender documents (July 2012) introduced a condition stipulating that helicopter must not be more than three years old, without any justification for arriving at the figure of three years. PHL emerged successful in this round.
- iii. The agreement signed (October 2012) with PHL, did not include clause regarding helicopter not being more than three years old, and there was no safeguard against PHL supplying an older helicopter.
- iv. Subsequently, in the fresh tender called (June 2017) in view of expiring contract with PHL, the condition regarding age of helicopter was modified to “not more than ten years old”, again without any justification, which was questioned by an interested party²⁰ on the basis that such helicopters had a life span of almost 30 years.

The above indicates that conditions regarding age of helicopter were arbitrarily added and modified which went in favour of PHL.

b. Extension of contract with PHL

- i. As the contract with PHL was expiring in December 2017, fresh tender was issued in June 2017 for hiring of transport helicopter services from January 2018. Apart from PHL, only one other firm²¹ participated. The bid submitted by the other firm (dated 7 August 2017) was opened (“inadvertently”) on 9 August 2017 whereas date of opening of tender was 10 August 2017. PHL had submitted its bid on 9 August 2017, i.e. same day on which bid submitted by other firm was opened. The other firm had quoted rate of ₹ 3.35 lakh per flying hour whereas PHL quoted marginally lower rate of ₹ 3.30 lakh per flying hour. The other firm raised objections and tender was cancelled (August 2017).
- ii. However, PHL was granted (September 2017) extension of further two years at a rate of ₹3.30 lakh per flying hour for a minimum 40 flying hours per month by the Cabinet Committee ignoring the questionable circumstances in which previous tender was cancelled, without allowing retendering already initiated in August 2017, or giving the other firm opportunity to offer more competitive rates.

c. Ignoring safety and service record of PHL –

- i. **Safety record** –PHL was technically disqualified in previous round of tendering (April 2012) on account of poor safety record, this was ignored just three months later in the tender of July 2012.

²⁰ M/s Skyone Airways Private Limited.

²¹ M/s Skyone Airways Private Limited.

- ii. **Service record** – During the contract period of 2013-2017, the service record of PHL had remained unsatisfactory (**Appendix 3.3**). However, while extending contract with PHL for further two years (from January 2018), the Cabinet Committee ignored the poor service record of PHL. No penalty clause was inserted in the agreement to safeguard against poor services.

The Secretary, GAD stated (September 2020) that the decision for relaxing conditions on safety record was taken in the Council of Ministers' Meeting and the services of PHL were extended after 2017 because it was economical.

The reply is not acceptable as it did not provide any justification for fixing and changing the condition regarding age of helicopter first to three years (in July 2012), and then to ten years (in June 2017). Further, it did not explain the circumstances under which the tender in August 2017 was cancelled and retendering after cancellation was not done.

Thus, undue favour was extended to PHL by inserting and modifying condition regarding age of helicopter, cancelling tender and extending contract ignoring the poor safety and service record of PHL.

B. Avoidable / wasteful expenditure

a. Allowing 10 per cent annual increase over fixed monthly charges

- i. The DGCA expert had recommended (February 2012) that rates should be quoted as fixed monthly charges for a minimum guaranteed 40 flying hours per month for the entire contract period and no separate fluctuation charges should be payable. The comparison with another State (Government of Arunachal Pradesh) showed that tender document issued (2016) for hiring of similar transport helicopter services also had provision for fixed rates.
- ii. The department decided to allow a ten *per cent* annual increase on basic per flying hour rate after discussion with bidders in the pre-bid meeting. This was done without any detailed costing or use of empirically-derived formula to factor upward/ downward movement in prices, or taking cognizance of the fluctuating trend (**Appendix 3.3, Table No. 2**) in price of Aviation Turbine Fuel (ATF), one of the major cost components, during the period preceding the contract (June 2008 to December 2011).
- iii. Consequently, the department paid between ₹ 3.80 lakh and ₹ 5.58 lakh per flying hour (inclusive of taxes) to PHL for the transport helicopter services during the contract period (2013 to 2017) (**Appendix 3.3, Table No. 5**). Had the department awarded the contract at fixed monthly charges per flying hour for the entire contract period as advised by the expert, it would have saved an amount of ₹ 18.39 crore (**Appendix 3.3, Table No. 1**). Alternatively, had the department linked the per flying hour rate to ATF rates, the savings could have been even greater as ATF prices decreased during the contract period (**Appendix 3.3, Table No. 3**).

- iv. The above is also corroborated by the fact that the GoHP was hiring transport helicopter services in 2012 (before execution of contract with PHL) at the rate of ₹ 1.86 lakh per flying hour and in January 2018, the contract with PHL was extended (for two years) at a much lower rate of ₹ 3.30 lakh without any provision for annual increase of 10 *per cent*. As such, hiring the services at higher rate due to allowing annual increase was not justified.

The Secretary, GAD stated (August 2018, December 2019, September 2020) that it was not possible to presume beforehand that oil prices would decrease in coming years due to which 10 *per cent* enhancement was accepted. The reply is not acceptable because the fact of uncertainty in the price of ATF was acknowledged and thus fixed increase of 10 *per cent* would not be justified.

b. Adjustment of excess/deficit flying hours on yearly basis instead of over the term of contract

- i. The DGCA expert had advised (February 2012) that actual hours flown should be computed at the end of the term of agreement and lessee should pay for extra hours flown beyond 40 hours per month, at the end of the term of agreement.
- ii. However, after discussions in the pre-bid meeting (March 2012), the department decided that carrying forward of monthly deficit or excess flying hours shall be adjustable on yearly basis i.e. within one year.
- iii. The records showed that there was short utilization of the committed number of flying hours in three out of five years of the contract period (**Appendix 3.3, Table No. 4**). Had the deficit flying hours been adjustable over the term of the contract, the department would have been able to adjust the deficit flying hours in three out of the five years against the excess flying hours in the remaining two years. The decision of the department to compute excess/deficit flying hours at the end of each year meant that it had to pay not only for the deficit flying hours in each of the three years, but also for the excess flying hours in each of the remaining two years.
- iv. Thus, the department had to incur expenditure of ₹ 7.48 crore instead of ₹ 0.51 crore for unutilized flying hours resulting in wasteful expenditure of ₹ 6.97 crore²².

The Secretary, GAD stated (September 2020) that yearly settlement of excess/deficit was allowed taking into account past practice and the requirement of annual maintenance of record and settling of liabilities. The reply is not acceptable as the previous contract had a condition for utilization of excess-deficit flying hours during

²² ₹ 6.97 crore = ₹ 7.48 crore (actual additional payment) - 13.33 (Total excess/deficit hour) * ₹ 3.80 lakh per flying hour = (₹ 7.48 - ₹ 0.51 crore).

the term of the agreement, and unutilized flying hours for 2011-12 had been carried forward to 2012-13.

Recommendation: The State Government should formulate a policy for hiring of transport helicopter keeping in view recommendations of experts, past trend and experience, in order to ensure that public funds are used prudently.

Horticulture Department

3.6 Loss due to defective agreement

Release of 80 per cent advance payment to the suppliers without securing its financial interests and non-incorporation of clauses to withhold/ recover payment for defective material, resulted in loss of ₹ 1.47 crore.

Rule 108 of the Himachal Pradesh Financial Rules, 2009 stipulates that payment for services rendered or supplies made shall be released only after the services have been rendered or supplies made and where it is essential to make advance payment, the amount shall not exceed 30 per cent of the contract value to the private contractor and 40 per cent of contract value to a State/ Central Government organisation or a Public Sector Undertaking. Appropriate clauses for financial security and quality of material to be supplied should also be included in the agreement.

The Project Director (PD), Horticulture Development, entered into (April 2017) three agreements with foreign firms for supply of 1,53,450 improved plant material comprising of clonal rootstocks, grafted feathered and whip nursery fruit plants of different species under a World Bank funded project.

The agreement conditions included:

- On shipment and submission of certain documents, 80 per cent payment was to be released. The balance 10 per cent payment was to be released on acceptance of order and 10 per cent after plantation of material.
- Material to be shipped in containers (without transshipment²³) up to final destination.
- 1⁰C - 2⁰C temperature to be maintained during shipment/ inland transportation and data to be maintained, using three data loggers in each container.
- Pre-despatch inspection at the place of origin and screening for pathogens on arrival of consignment by post quarantine authority would be carried out.
- The plants should be free from soil and pests.
- The rootstock and scion wood should be free from all known viruses.

Audit scrutiny (November 2018) and subsequent information collected showed that during pre-despatch inspection (April 2017) carried out at place of origin, plants were found in good condition. However, out of 1.53 lakh plants ordered/ received and planted, 0.38 lakh plants (25 per cent) dried/ died after one month of plantation

²³Transshipment is the shipment of goods or containers to an intermediate destination, before being taken to the final destination.

(August-September 2017) resulting in loss of ₹ 1.47 crore, as detailed in **Table-3.6.1**.

Table-3.6.1: Details of loss in plantation

Name of firm	Name of plant	Quantity ordered	Contract value (₹ in lakh)	Advance payment on shipment (₹ in lakh)/ Date of payment	Balance payment (₹ in lakh) /Date of payment	Plants actually planted at Post Entry Quarantine site ²⁴	Dead plants	Rate per plant (in ₹)	Cost of dead plants (₹ in lakh)
M/s SRLA Pepinieres Coulie, France	Walnut	11,800	106.61	88.60 (11.07.17)	22.93 (28.08.17)	11,800	6,878 (58%)	945	65.00
M/s Gariba, Italy	Apple	46,400	152.22	120.50 (17.07.17)	30.04 (30.07.17)	46,230	9,350 (20%)	317	29.64
	Pear	1,100				1,102	543 (49%)	317	1.72
M/s Vitafruit Trading, Italy	Apple (whip)	93,750	218.73	179.17 (01.06.17)	16.20 (03.11.17)	93,653	20,714 (22%)	242	50.13
	Apple (feathered)	400				400	20 (5%)	403	0.08
Total:		1,53,450	477.56	388.27	69.17	1,53,185	37,505 (24%)		146.57

In order to ensure survival of planting material, the State Government issued necessary guidelines and constituted three Committees²⁵. Audit scrutiny of records pertaining to planting material received from three firms indicated the following:

I. M/s SRLA Pepinieres Coulie, France (11,800 walnut planting material)

1. The consignment was held up (July 2017) at Mumbai port as quarantine authorities found soil and slug infection in the planting material and overall health was not good.
2. Original Phytosanitary certificate²⁶ that was mandatory was not produced to team of scientists of Forest Research Institute, Dehradun (FRI) who also found substantial contamination with soil, spotted live slugs, fungal growth and lesions on the roots and stems of the planting material, thereby decided to reject the consignment. However, the Project Director, Horticulture Development Project replied (July 2017) that these observations were physical and not based on results of laboratory, and treatment for which was available in the country and requested FRI to review its decision in view of loss to the project as 80 per cent payment had already been released to the firm.
3. On arrival (August 2017) of the planting material at Baddi presence of soil and snails in violation of Quarantine Regulations, 2003 and absence of required data loggers in violation of the contract was noticed in the containers. Some of the bundles of the planting material were found dried in the containers.

²⁴ Difference in the number of quantity ordered and quantity planted was not on record/provided by Department.

²⁵ 1. For carrying inspection of Planting material on arrival, 2. For Handling the planting material at cold store, and 3. For Overseeing and supervising the plantation operations in PCDOs during PEQ period. In case mortality went beyond 1 per cent disciplinary action was to be taken against the defaulting officers/ officials.

²⁶ An inspection certificate issued by a competent governmental authority to show that a particular shipment has been treated to be free from harmful pests and plant diseases. The Phytosanitary Certificate must be issued before the customs clearance for export and import.

4. In spite of above mentioned observations all the planting material, 11,800 walnut, was planted (August 2017) at Post Entry Quarantine (PEQ) site, Bajaura, district Kullu and 6,878 (58 *per cent*) plants were found dead in October 2017.

II. M/s Gariba, Italy (46,230 apple and 1,102 pear planting material)

1. Data of the loggers on the containers could not be retrieved on arrival of planting material at Baddi in August 2017.
2. Planting material in the containers was found slightly sprouted.
3. All the planting material was planted (August-September 2017) at PEQ site, Bajaura, district Kullu. Out of 46,230 apple and 1,102 pear plantation received, 9,350 (20 *per cent*) apple and 543 (49 *per cent*) pear plants were found dead in November 2017.

III. M/s Vitafruit Trading, Italy(94,053 apple planting material)

1. On arrival (June 2017) of the plants at final destination Baddi, only 32,860 plants were found acceptable by the committee and rest of the plants which were in sprouting condition due to exposure to higher temperature (up to 20 degree) were rejected. The committee recommended to hand-over the already sprouted plants back to the supplier.
2. However, instead of returning/ rejecting the sprouted plants, 94,053 plants were accepted and planted (June-July 2017) at PEQ site, Bagthan, district Sirmaur. Out of these, 22 *per cent* (20,734) plants were found dead in September 2017.

It is evident from the above that the project authorities failed to safeguard the financial interest of the state and accepted contaminated plant material. No action was taken to recover the loss from the supplier despite violation of agreement conditions and high rate of mortality of plants received.

The Secretary stated (October 2020) that the Contract Agreement was executed on the basis of special condition of the contract, envisaged in the standard bid document of the World Bank which stipulates that the 80 *per cent* payment has to be made to the supplier on shipment of goods from abroad which cannot be termed as advance payment and the provision of performance security was kept in the contract for any defective planting material and the provisions of the HPFR, 2009 were not applicable. The reply is not acceptable as the standard bidding document does not mention anything specific to perishable/live materials and hence should not be applied to import of plants. Further, performance security (five *per cent*) was not sufficient to safeguard against supply of defective/contaminated planting material.

Thus, the department failed to ensure its interest due to release of 80 *per cent* advance payment and non-incorporation of suitable clauses to withhold/ recover payment for defective material. It also released 20 *per cent* balance payment to the suppliers despite receipt of improper material. Thus, acceptance of defective material by the department resulted in loss of ₹ 1.47 crore.

The State Government should ensure incorporation of suitable clauses in the agreement to protect its financial interests in case of default.

Industries Department

3.7 Mis-utilisation of Grant-in-Aid

Lack of monitoring and inaction on the part of the department had resulted in non-recovery of financial assistance and penalty of ₹ 1.29 crore under National/ State Mission on Food Processing Scheme.

The Ministry of Food Processing Industries, Government of India launched (2012-13) National Mission on Food Processing (NMPF) scheme for implementation through the States and UTs. The scheme was delinked from Central assistance and continued as State Mission on Food Processing (SMFP) by the State Government from 2015-16 onwards. The objective of scheme was to promote facilities of post-harvest operations including setting up of food processing industries, to support self-help groups in achieving Small and Medium Enterprises status and to raise the standard of food safety and hygiene, thereby providing better support system to organized food processing sector.

Under this scheme, financial assistance in two equal instalments in the form of Grant-in-Aid (GIA) is provided for 33.33 *per cent* for cost of plant and machinery and technical civil works subject to maximum of ₹ 75 lakh. The first instalment (50 *per cent* of eligible amount) is provided in advance on production of required documents. The second instalment (remaining 50 *per cent*) is to be released after start of production subject to verification by the State Mission Directorate of SMFP, and after utilisation of first instalment and submission of requisite documents. The implementation schedule for the project was 12 months, from the date of approval. The State Mission Directorate is required to ensure physical verification of the projects and concurrent evaluation at every stage to assess performance and to submit monthly progress reports to the State Government. The State Level Empowered Committee (SLEC) was authorised to recall the grant as arrear of land revenue in case of mis-utilisation of grants by the applicants. In case of breach of the surety bond filed by obligator, he was required to refund the entire amount of GIA along with penal interest of 10 *per cent* per annum.

The scrutiny (August and December 2019) of the records of the Offices of the District Industries Centres (DICs) Kullu and Nahan showed that 1st instalment of financial

assistance amounting to ₹ 86.89 lakh was released to four beneficiaries as detailed in **Table-3.7.1.**

Table-3.7.1: Details of financial assistance released to beneficiaries

(Amount in ₹)

Sl. No.	Name of beneficiary	Eligible amount sanctioned by the SLEC	First instalment (date of release)	Date of physical verification & Date of issue of 1 st notice	Delay from date of release of 1 st instalment till the date of audit	Penal interest @ 10 per cent per annum	Total recovery (First instalment + penalty)	Remarks
1.	M/s Lavender Dairy & Milk Products Vill. Neerpur Kala Amb	56,70,000	28,35,000 (23.10.2013)	11.07.2014 & 22.09.2017	74 months	17,48,250	45,83,250	The unit was found closed during physical verification.
2.	M/s Sidharth Industries, VPO, Mohal	8,25,000	3,72,000 (30.05.2014)	01.12.2016 & 28.06.2017	63 months	1,95,300	5,67,300	Production has not started as of May 2020.
3.	M/s Lug Valley Trout Fish farm Vill. Rujag PO Bhutti	55,89,000	27,94,500 (05.03.2014)	03.12.2016 & 28.06.2017	65 months	15,13,687	43,08,187	
4.	M/s Maa Bhawneswari Industry Dobhi PO Puid	53,76,000	26,87,500 (16.12.2016)	Nil & 13.11.2018	32 months	7,16,667	34,04,167	
Total:		1,74,60,000	86,89,000			41,73,904	1,28,62,904	

It is evident from the above that all four units had taken the subsidy, however, none of them had started any production till the date of audit. Audit scrutiny revealed that the department conducted the mandatory physical verification with a delay ranging between 18 to 22 months (three cases) and the notices of recovery were issued after delay of one to three years after the issue of subsidy. However, no amount had been recovered till October 2020.

Thus, lack of monitoring and inaction on the part of the department had resulted in non-recovery of financial assistance and penalty of ₹ 1.29 crore under National/ State Mission on Food Processing Scheme.

The Director of Industries stated (October 2020) that notices were issued to recover the subsidy amount from these units. Further, all the concerned General Managers, District Industries Centres had also been directed to recover the 1st instalment amount.

The reply is not acceptable, as mere issuance of recovery notices cannot relieve the department of its responsibility. Lack of monitoring and control mechanism and delayed action by the department had resulted not only in mis-utilisation of Government funds but also defeated the purpose of the scheme.

The audit finding was referred to Government in May 2020, their reply had not been received (December 2020).

The State Government may strengthen internal control mechanism to achieve intended objectives of the scheme and take suitable action for recovery of grant-in-aid from the defaulters.

Labour and Employment Department

3.8 Non-utilisation of funds and unfruitful expenditure on infrastructure

Himachal Pradesh Building and Other Construction Workers Welfare Board did not formulate action plan for utilisation of fund with systematic assessment of requirements. Consequently, 86 per cent of funds collected, and assets created at an expenditure of ₹ 24.15 crore for skill development institute and labour accommodation remained unutilised.

The objective of the Himachal Pradesh Building and Other Construction Workers Welfare Board (constituted in March 2009) is to register and extend financial benefits to building and other construction workers under various welfare schemes²⁷. A total of 1,77,833 workers were registered with the Board as of 31 August 2020. As per the Building and Construction Workers Welfare Cess Act (1996) and Cess Rules (1998) employers engaged in building and other construction works are required to pay cess at the prescribed rate²⁸ to the Board. As per directions (July 2013) of the Ministry of Labour and Employment, Government of India, the Board shall spend every year at least 20 per cent of the balance cess at the beginning of the financial year on activities relating to skill development of registered workers and their dependents.

The scrutiny (February 2019) of records of the Himachal Pradesh Building and Other Construction Workers Welfare Board revealed the following issues:

i. ***Inadequate expenditure on welfare and skill development activities–***

Against available funds of ₹ 686.44 crore²⁹ during 2014-19, the Board had incurred total expenditure of only ₹ 93.61 crore (14 per cent) leaving unspent funds of ₹ 592.83 crore, as of March 2019. Expenditure on labour welfare schemes/ activities (**Appendix-3.4**) during above period was ₹ 84.13 crore (12 per cent of available funds).

The Board had not formulated any policy/ action plan for skill development of registered workers and their dependents. During 2014-19, the Board had not spent any funds on skill development except releasing ₹ 15.14 crore (merely four per cent of the stipulated amount of ₹ 385.37 crore³⁰ as per directions of July 2013, *ibid*) for construction of a Skill Development Institute.

²⁷ Maternity benefit, pension, advance for construction of house, disability pension, loans for purchase of tools, payment of funeral assistance, payment of death benefit, medical assistance, financial assistance for education, financial assistance for marriage, family pension, bicycle to women workers, skill development allowance, health insurance scheme, etc.

²⁸ The present rate of cess is one per cent of the cost of construction incurred by the employer.

²⁹ Opening balance 2014-15: ₹ 246.75 crore (Receipts during 2014-19: ₹ 439.69 crore).

³⁰ Calculated as sum of 20 per cent of balance cess at the beginning of financial years 2014-19, viz. 20 per cent of sum of ₹ 246.75 crore (2014-15), ₹ 322.11 crore (2015-16), ₹ 383.62 crore (2016-17), ₹ 458.59 crore (2017-18) and ₹ 515.76 crore (2018-19).

ii. ***Unfruitful expenditure on Skill Development Institute –***

The Board approved (January 2015) and released ₹ 15.14 crore³¹ (during August 2015 and May 2017) for construction of a Skill Development Institute at Palkwah, Una district without formulated action plan regarding courses, curricula, target group of beneficiaries, faculty, and utilisation of skill and training. It was observed that even though construction of the institute had been completed by HPSIDC³² in September 2017, the Board had neither formulated any action plan for making it functional nor taken possession of the building, as of July 2019. Thus, the building remained idle since September 2017 and expenditure of ₹ 15.14 crore remained unfruitful.

iii. ***Unfruitful expenditure on labour transit hostels –***

The Board accorded (February and July 2014) approval of ₹ 8.92 crore for construction of workers' transit hostels at two locations³³ viz. Dulehar (in Una district) and Ghansot (in Solan district) and released ₹ 9.01 crore³⁴ to HPSIDC (between February 2014 and October 2017) for construction of the transit hostels. The HPSIDC completed the construction of transit hostel at Dulehar in May 2016 after expenditure of ₹ 4.55 crore, and at Ghansot in July 2017 after expenditure of ₹ 4.46 crore. However, neither of the transit hostels had been made functional/ put to use as of February 2020. It was observed that the Board had not conducted assessment of workers likely to stay in the transit hostels, and all the registered workers taken into account at the time of submitting the proposals were either MNREGS³⁵ workers (Dulehar: 330 and Ghansot: 90) or other local workers (Dulehar: Nil and Ghansot: 233) who would normally not stay in transit hostels. Thus, the transit hostels remained idle since May 2016 and July 2017 and total expenditure of ₹ 9.01 crore incurred on their construction remained unfruitful.

It was evident from the above that the Board had not prepared any action plan for utilising the available funds on welfare schemes for building/ other construction workers and 86 per cent of funds remained unutilised during 2014-18. Moreover, expenditure of ₹ 24.15 crore incurred by the Board on infrastructure creation without having an action plan remained unfruitful as the created infrastructure was not put to use even after lapse of 21 to 44 months, since the construction.

The Government stated (October 2020) that:

- The expenditure was inadequate because of the less number of registered workers and efforts were being made to maximize registration of the workers;

³¹ August 2015: ₹ 1.00 crore; February 2016: ₹ 2.50 crore; May 2016: ₹ 1.50 crore; September 2016: ₹ 5.00 crore, February 2017: ₹ 5.00 crore and May 2017: ₹ 0.14 crore.

³² Himachal Pradesh State Industrial Development Corporation.

³³ At Dulehar in Una district (February 2014: ₹ 4.46 crore) and Ghansot in Solan district (July 2014: ₹ 4.46 crore).

³⁴ Hostel at Dulehar: ₹ 4.55 crore (February 2014: ₹ 0.50 crore; November 2014: ₹ 0.75 crore; July 2015: ₹ 1.00 crore; February 2016: ₹ 2.22 crore and October 2016: ₹ 0.08 crore) and hostel at Ghansot: ₹ 4.46 crore (July 2014: ₹ 0.50 crore; April 2016: ₹ 1.00 crore; May 2016: ₹ 1.50 crore; October 2016: ₹ 1.00 crore and October 2017: ₹ 0.46 crore).

³⁵ Mahatma Gandhi National Rural Employment Guarantee Scheme.

- The Board is striving hard for utilisation of Skill Development Institute and recoupage of expenditure incurred on construction. The matter of optimum utilisation of the Institute is under the consideration of the Government; and
- Despite advertisements and awareness about the transit hostels the workers are not coming forward to use these facilities.

The fact, however, remains that the Board had constructed the Skill Development Institute and workers' transit hostels without any action plan for its utilisation.

The Board may prepare an action plan for utilising the available funds and assets on welfare schemes of construction workers.

Planning Department

3.9 Mis-utilisation of Sectoral Decentralised Planning funds

In violation of scheme guidelines for Sectoral Decentralised Planning (SDP), allocation of ₹ 80.23 lakh meant for development work was diverted for work within religious places.

The Sectoral Decentralised Planning (SDP) is a programme of the State Government wherein five *per cent* of approved plan outlays on specified development heads³⁶ are pooled and placed at the disposal of districts. As per SDP guidelines (2004), Deputy Commissioners (DCs) of districts are competent to accord administrative approval and expenditure sanction for development works under the programme after prior approval of the 'District Planning, Development and Twenty-Point Programme Review Committee' (Committee). The guidelines prescribe³⁷ that expenditure on works within premises of temples/ religious places is not permissible.

The issue of mis-utilisation of SDP funds in respect of five³⁸ districts was highlighted in the previous Audit Report³⁹ in which it was pointed out that DCs had sanctioned works 'near' temple premises, whereas the works were executed within the temple premises. The scrutiny of records (September 2018 to July 2019) of the office of the DCs of two other districts viz. Mandi and Solan showed that these type of irregularities were still persisting. The DCs had sanctioned and released funds of ₹ 80.23 lakh⁴⁰ during 2015-19 for execution of 53 works⁴¹ within temples/ religious premises without prior approval of the Committee, in violation of the programme guidelines. Execution of these works, not being permissible as per guidelines out of SDP allocations, was irregular. Persistent irregularity without any corrective action was indicative of lack of due diligence and wilful violation of guidelines.

³⁶ Social and Water Conservation, Integrated Rural Energy Programme, Community Development, Minor Irrigation, Flood Control, Cottage and Small Industries, Roads and Bridges, Primary Education, General Education, Allopathy, Ayurveda, Rural Water Supply, SCs/STs/OBCs Welfare and Social Welfare.

³⁷ Paragraph 30 of SDP Guidelines provides certain items/works not permissible out of SDP funds which include expenditure on any work within the premises of temples.

³⁸ Bilaspur, Chamba, Kangra, Shimla and Una.

³⁹ Para 3.13 of Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2018.

⁴⁰ Mandi: ₹ 57.73 lakh (44 works) and Solan: ₹ 22.50 lakh (nine works).

⁴¹ Construction of *sarail*/ community halls/ *bhawans* (52) and installation of solar lights (one).

In reply, the District Planning Officer, Mandi stated (February 2019) that works within religious premises had been sanctioned on the recommendation of public representatives. The District Planning Officer, Solan stated (July 2019) that works within temples/ religious places were sanctioned in the larger public interest. The replies are not acceptable as the programme guidelines clearly prohibit works within temples/ religious premises.

Audit findings were referred to the Government in May 2020, their reply had not been received (December 2020).

The Government may ensure sanction of SDP funds strictly for works of developmental nature, as envisaged in scheme guidelines.

3.10 Sanctioning of inadmissible works under *Vidhayak Kshetra Vikas Nidhi Yojana*

District authorities sanctioned inadmissible works for religious places amounting to ₹ 2.32 crore under *Vidhayak Kshetra Vikas Nidhi Yojana* in disregard of guidelines.

The *Vidhayak Kshetra Vikas Nidhi Yojana* (VKVNY) provides for execution of development works for creation of permanent assets recommended by Members of Legislative Assembly (MLAs) for their Constituencies based on locally felt needs through respective Deputy Commissioners (DCs). The scheme guidelines prohibit, *inter alia*, sanction and release of funds for works within places of religious worship and on land belonging to or owned by religious faiths/ groups.

The scrutiny (March 2016 to October 2018) of records of four⁴² districts showed that the DCs had sanctioned and released (between October 2013 and March 2018) funds of ₹ 2.32 crore⁴³ for execution of 146 works of construction of community *bhawans/ sarai bhawans/* protection walls/ kitchen sheds, etc. within places of religious worship (**Appendix-3.5**). While 12 works of ₹ 0.40 crore in Kinnaur district were specifically sanctioned for religious places, the remaining 134 works had been sanctioned by using word 'near' with places of religious worship while according sanction with the intent to show such religious places as a landmark in the sanction orders; however, verification from corresponding records viz. proposals from user groups and land records maintained in the offices of the field functionaries showed that these works had been sanctioned for execution on land belonging to religious places, which was prohibited under the scheme.

Similar irregularities have been highlighted in the previous Audit Reports⁴⁴. However, corrective action for past audit findings had not been taken and continued persistence of such irregularities was indicative of lack of due diligence on the part of district authorities as regards scrutinising the admissibility of proposed works and wilful violation of scheme guidelines.

⁴² Chamba, Kangra, Kinnaur and Sirmaur.

⁴³ Chamba: ₹ 0.67 crore (32 works); Kangra: ₹ 0.85 crore (64 works); Kinnaur: ₹ 0.40 crore (12 works); and Sirmaur: ₹ 0.40 crore (38 works).

⁴⁴ Para No. 3.14 of Audit Report No. 4 of 2019 on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2018 and Para No. 3.6 of Audit Report No. 3 of 2013 on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2013.

In reply, the District Planning Officers (DPOs), Chamba and Sirmaur districts, Credit Planning Officer, Kangra and Project Officer ITDP, Kinnaur stated (March 2018 to December 2019) that the works in question were community assets and had been sanctioned to provide benefit to the community as a whole rather than a particular community/ group and on the recommendations of MLAs concerned. The replies are not acceptable as sanction of works pertaining to religious places has been explicitly prohibited under VKVNY and are indicative of lack of control mechanism in the department.

The matter was referred to the Government in May 2020, but their reply had not been received (December 2020).

The State Government may review such cases in the remaining districts to ensure that these instances do not recur and responsibility in the administrative set up may be fixed.

Public Works Department

3.11 Undue favour to contractor on suspended work of road

Extension of undue favour to the contractor amounting to ₹ 2.88 crore on account of non-obtaining of performance guarantee, payment for unauthorised execution of excavation work at significantly high rates, non-recovery of useful stones, non-recovery of compensation, and less deduction of security deposit in respect of suspended work of road.

Instructions of Engineer-In-Chief (2012) provide that any item varying more than (+) five *per cent* must be got approved by the Executive Engineer from the competent authority in the shape of financial implication immediately, when necessity of such deviation/variation comes to his notice during execution of a work.

In order to improve transport facilities in Dharampur area of Mandi district, "Construction of balance work of Proun Rangar Kharoun Saklana road km 0/0 to 10/585" was approved (August 2015) for ₹ 5.41 crore under NABARD RIDF-XXI⁴⁵ and was technically sanctioned for ₹ 5.07 crore. The work (construction of retaining wall, breast wall, cross drainage work, road-side drains, parapets, sign boards, kilometre stones, providing water bound macadam grades I, II and III, and tarring) was awarded (August 2016) to a contractor⁴⁶ for ₹ 5.15 crore and stipulated to be completed within two years.

The scrutiny of records (September 2019) of HPPWD B&R Division, Dharampur revealed the following:

- **Short receipt of performance guarantee ₹ 0.22 crore** – As per Rule 107 of Himachal Pradesh Financial Rules, (2009), performance guarantee of an amount between five and 10 *per cent* of the contract value is to be obtained from the successful contractor on the award of the contract. However, against minimum

⁴⁵ National Bank for Agriculture and Rural Development; Rural Infrastructure Development Fund.

⁴⁶ Sh. Sanjeev Bhandari, Govt. Contractor, Village – Grauhi, P.O. – Bhararoo, Tehsil – Joginder Nagar, District – Mandi.

amount of performance guarantee of ₹ 0.26 crore (@ five per cent of ₹ 5.15 crore), an amount of only ₹ 0.04 crore was accepted as earnest money deposit from the contractor, thereby extending undue favour of ₹ 0.22 crore to the contractor.

- ***Non-execution of awarded items and suspension of work*** – Items in the scope of work (construction of retaining wall, breast wall, cross drainage work, road-side drains, parapets, providing water bound macadam grades I, II and III, and tarring) constituting 96 per cent of the award amount were not executed and mostly excavation work (*detailed in the next point*) was done by the contractor. The contractor had stopped work since December 2016 (only four months after award of work) and machinery had been taken away from the site.
- ***Payment of ₹ 1.86 crore for unauthorized execution of excavation work at significantly high rates*** –
 - ***Payment for unauthorised execution of excavation work*** – As per the scope of work, there was a provision of 8,632.58 cu.m. costing ₹ 0.17 crore for excavation work which was to be executed by the contractor. However, the contractor had undertaken excavation of 1,02,752.98 cu.m. thereby executing a quantity of 94,120.40 cu.m. (nearly 11 times in excess of the provision) unauthorisedly. Subsequently, when the contractor presented (March 2017) first running account bill of ₹ 2.45 crore, the department informed (May 2017) the contractor that he had submitted a fake bill in view of impossibility of bed-cutting (up to 7 m deep at 0/000 km of the already motorable road) and unnecessary cutting work without any justification. Despite these observations, the department made advance payments on hand receipts⁴⁷ and passed running account bills⁴⁸ of the contractor without any justification. Against the provision of ₹ 0.17 crore for excavation work (3.31 per cent of award amount ₹ 5.15 crore) in the contract, expenditure of ₹ 2.03 crore (39.42 per cent) was incurred. Thus, undue favour of ₹ 1.86 crore⁴⁹ was extended to the contractor by making advance payments on hand receipts and passing running account bills in respect of unauthorised work executed by the contractor. There was no record of any inspection conducted by the departmental officials during execution, which eventually would have avoided the extra/unauthorised excavation. This indicates lack of monitoring on the part of the department.
 - ***Award of excavation work at significantly high rates***– Further, it was observed that in the estimates submitted for technical sanction to NABARD, the weighted average rate for excavation worked out to ₹ 126.08 per cu.m.⁵⁰

⁴⁷ ₹ 0.50 crore (January 2018), ₹ 0.45 crore (undated) and ₹ 0.35 crore (undated).

⁴⁸ First running account bill for ₹ 0.56 crore (January 2019), second running account bill with cumulative amount of ₹ 2.27 crore (April 2019).

⁴⁹ ₹ 2.03 crore paid to the contractor for excavation work (1,02,752.98 cu.m.) minus provision of ₹ 0.17 crore in the award (for 8,632.58 cu.m.).

⁵⁰ Weighted average of rates of excavation for different quantities of different types of soil: (₹ 84.95*2079.67 cu.m + ₹ 134.45*5683.52 cu.m + ₹ 212.55*439.76 cu.m) / (2079.67+5683.52+439.76) = ₹ 126.08 cu.m.

However, the excavation work was awarded to the contractor at an aggregate rate of ₹ 198 per cu.m. which was higher than the weighted average rate by ₹ 71.92 per cu.m. (57 per cent). Despite the award letter clearly stipulating that high rate items should not be executed above the quantities taken in detailed notice inviting tender (scope of work), the department allowed the contractor to execute the high rate item of excavation nearly 11 times in excess of the scope of work. Had the excavation work been awarded at the weighted average rate of ₹ 126.08 per cu.m, an amount of ₹ 1.19 crore⁵¹ would have been payable to the contractor for excess excavation and amount of ₹ 0.67 crore⁵² could have been saved.

Thus, the Department, despite the high rate of the item, made advance payments on hand receipts, passed the running account bills and released payments to the contractor for unauthorised execution of excavation work.

- **Non-recovery of useful stones, ₹ 0.23 crore** – As per scope of work, recovery of useful stone of 641.64 cu.m. @ ₹ 300 per cu.m. was to be effected on pro-rata basis for the quantity of cutting (excavation) in earth work. Accordingly, ₹ 0.02 crore was due to be recovered on account of useful stone in excavation of 8,632.58 cu.m. However, excavation to the extent of 1,02,752.98 cu.m. was shown as executed by the contractor and proportionately, an amount of ₹ 0.23 crore i.e. @ ₹ 300 per cu.m. for 7,637.39 cu.m.⁵³ of useful stone, should have been recovered. However, the department did not recover any amount from the contractor on account of useful stone, thereby extending undue favour of ₹ 0.23 crore to the contractor.
- **Non-recovery of compensation, ₹ 0.51 crore** – The department, invoking penal clause in the agreement for non-completion of work within the stipulated time period, levied (April 2018) compensation of ₹ 0.51 crore against the contractor. However, the amount had not been recovered, as of September 2019.
- **Less deduction of security deposit, ₹ 0.06 crore** – Security deposit of ₹ 0.11 crore (@ five per cent of gross amount of ₹ 2.27 crore paid to contractor) was required to be deducted from the running account bills of the contractor. However, the department had deducted security deposit amount of only ₹ 0.05 crore at the time of passing the bills, thereby extending undue favour of ₹ 0.06 crore to the contractor.

It is evident from the above that the department had extended undue favour to the contractor with overall financial implication of ₹ 2.88 crore⁵⁴. Against award amount of ₹ 5.15 crore, payment of ₹ 2.27 crore (44 per cent) had already been made to the contractor, whereas only four per cent of awarded work had been executed and major items of work constituting 96 per cent of the award amount were not executed. It was not clear as to how these major items of work would be completed within the approved amount of ₹ 5.41 crore, entailing the risk of project failure. The work, stipulated to be

⁵¹ (102752.98-8632.58)*126.08= ₹ 1.19 crore.

⁵² (₹ 1.86-₹ 1.19)= ₹ 0.67 crore.

⁵³ (641.64/8632.58)*102752.98 = 7637.39 cu.m.

⁵⁴ ₹ 0.22 cr + ₹ 1.86 cr + ₹ 0.23 cr+ ₹ 0.51 cr+ ₹ 0.06 cr = ₹ 2.88 crore.

completed by August 2018, was lying suspended since December 2016 and the intended objective of improving road connectivity in the area remained unachieved.

The Engineer-in-Chief stated (November 2020) that as per agreement, there was no provision of taking performance guarantee from the contractor, extra excavation had been carried out as per actual requirement and DPR prepared was faulty, higher excavation rates had been awarded by the negotiation committee chaired by the Chief Engineer, keeping in view market rates and verbal requests from the contractor, useful stone recovery was not mentioned in the agreement, however the matter was being taken up with higher authorities for initiating action; compensation of ₹ 0.51 crore for non-completion of work has been waived by the Superintending Engineer. The reply is not acceptable as non-obtaining of performance security was a violation of provisions of the Himachal Pradesh Financial Rules. The extra excavation was undertaken without approval from the competent authority and the department had itself objected to its unnecessary and unauthorized nature. No reasons have been furnished for making advance payments on hand receipts and passing of running account bills, in disregard of the objections raised previously by the department for execution of unauthorised work by the contractor. Further, the basis for accepting higher rates by the negotiation committee has not been furnished to audit. Moreover, the higher rates were accepted for a very small quantity of excavation work, and allowing the contractor to undertake work nearly 1,100 *per cent* above scope without approval is unacceptable and in contravention of the terms of the award letter. Further, no justification has been provided for waiver of compensation.

Audit findings were referred to the Government in June 2020, their reply had not been received (December 2020).

The Department may strengthen monitoring mechanisms to safeguard financial interest of the State Government and ensure recovery of the due amount from the contractor.

Revenue Department

3.12 Mis-utilisation of State Disaster Response Fund (SDRF) for inadmissible works

The State Executive Committee was not ensuring proper utilisation of money drawn from SDRF, resulting in mis-utilisation of ₹ 14.63 crore by Deputy Commissioners on inadmissible works of repair and restoration without any damage by disaster/ calamity.

The Government of India (GoI) guidelines of September 2010 (revised in July 2015) on administration of the State Disaster Response Fund (SDRF) stipulate that SDRF is to be used only for providing immediate relief to victims of specified disasters/ calamities. The guidelines further stipulate that the State Executive Committee (SEC), chaired by the Chief Secretary of the State Government, shall ensure that the money drawn from the SDRF is actually utilised for the purposes for which the SDRF has been set up, expenditures are incurred only on specified items as per norms, and funds are not diverted towards inadmissible expenditure. The funds from SDRF are allocated by the State Government to various Deputy Commissioners (DCs) and departments for utilisation with reference to the GoI guidelines on items of expenditure and norms of assistance from SDRF, which state that assistance for repair of State Government

buildings, viz., office buildings, residential quarters, etc., is not covered under the SDRF.

The scrutiny of records (between September 2018 and December 2019) relating to works sanctioned under the SDRF revealed that:

- In six districts⁵⁵, the DCs had sanctioned and released (between April 2015 and March 2019) funds of ₹ 7.55 crore for execution of 416 works of repair and renovation of Government offices and residential buildings, court premises, playgrounds, etc. in violation of the aforementioned guidelines/ instructions. These cases of mis-utilisation from the SDRF had no justification as no damage to the sanctioned works had been incurred due to disaster/ calamity.
- In two districts⁵⁶, the DCs had sanctioned (between October 2018 and June 2019) ₹ 3.83 crore for execution of 244 repair and restoration works without obtaining assessment reports of damages due to natural calamities from the concerned revenue authorities, which was in contravention of the provisions of the SDRF guidelines.
- In Sirmaur district, the DC sanctioned and released (between April 2018 to August 2018) ₹ 3.25 crore to 13 executing agencies (EAs) for repair and restoration works in the district without obtaining the details of works and assessment reports of damages from the concerned revenue authorities. The funds were released in lump sum in anticipation of requirement in violation of the SDRF guidelines. The DC had not ensured the utilisation of the amount for the intended purpose/ relief works under the SDRF after release of the funds with reports of damages from the concerned revenue authorities. This was fraught with the risk of mis-utilisation of SDRF.

The SEC, which was required to ensure proper utilisation of the SDRF, had not prescribed any control/ reporting mechanism in respect of relief works sanctioned under the SDRF resulting in mis-utilisation of the SDRF by the district authorities. The State Government is sending utilisation certificates of the SDRF to the GoI, on release basis.

The district level authorities concerned⁵⁷ stated (September 2018 to March 2020) that the works were sanctioned in emergent cases to prevent further loss to public/ Government property and the works were sanctioned without damage assessment report on the basis of panchayat resolution. The reply is not acceptable as expenditure on preventive repair or strengthening of Government offices and residential buildings, etc. was not covered under the SDRF. Further, the issue of mis-utilisation of money

⁵⁵ Chamba (21 works: ₹ 0.93 crore), Hamirpur (38 works: ₹ 0.52 crore), Kullu (53 works: ₹ 0.65 crore), Mandi (145 works: ₹ 2.57 crore), Sirmaur (13 works: ₹ 0.33 crore) and Solan (146 works: ₹ 2.55 crore).

⁵⁶ Bilaspur (138 works: ₹ 1.94 crore) and Solan (106 works: ₹ 1.89 crore).

⁵⁷ Assistant Controller (Finance and Accounts), Bilaspur; Additional Deputy Commissioner, Chamba; District Revenue Officers, Kullu and Hamirpur; Deputy Commissioner, Sirmaur at Nahan and District Planning Officer, Solan.

from the SDRF had been raised in various Audit Reports⁵⁸. In case of Audit Reports for 2014-15 and 2016-17, the Public Accounts Committee in its recommendations (September 2019) had directed to release the funds strictly as per guidelines/ norms of the SDRF. In spite of this, the State Government and district authorities had not taken any corrective action to adhere to the guidelines.

Audit findings were referred to the Government in May 2020, their reply had not been received (December 2020).

The Government may enforce provisions of the guidelines while sanctioning and approving expenditure under the SDRF.

Technical Education Department

3.13 Infructuous expenditure and blocking of funds due to non-construction of building of Polytechnic

Failure of the Department to check feasibility of site before diversion of land for construction of Polytechnic and delay in identification of land at alternative site, resulted in infructuous expenditure of ₹ 99.91 lakh, and blocking of ₹ seven crore and non-construction of Polytechnic for more than nine years.

Under the 'Sub-Mission on Polytechnics under the Coordinated Action for Skill Development' the Government of India (GoI) had sanctioned and released central assistance of ₹ seven crore⁵⁹ to the State Government for setting up of New Polytechnic in Lahaul and Spiti district. As per the GoI instructions (January 2009), the assistance was subject to the condition that land for the Polytechnic would be provided free of cost by the State Government. The State Government notified (March 2011) establishment of Government Polytechnic at Udaipur in Lahaul and Spiti district. The Polytechnic started functioning from Session 2013-14 at Sundernagar⁶⁰ on a temporary basis.

The scrutiny (July 2019) of records of the Director, Technical Education, Vocational and Industrial Training (TEVIT), Sundernagar showed that for setting up of the Polytechnic at Udaipur, the Department had identified (August 2009) land measuring 25-01 bigha (2.0273 hectare) at *khasra* numbers 24/12/1 (14-19 bigha) and 8/1 (10-02 bigha) in Muhal Demarcated Protected Forest Phatgahar in Udaipur Tehsil, without ascertaining/ ensuring feasibility, as detailed below:

- i. The land at *khasra* number 24/12/1 (14-19 bigha) was in the possession of Border Road Organisation (BRO)/ General Reserve Engineer Force (GREF). This fact was stated (May 2012) by the Environment Engineer, Himachal Pradesh State Pollution Control Board, Kullu while issuing no objection certificate for purchase of the land. Rather than ensuring evacuation of the land from BRO/ GREF before taking

⁵⁸ Audit Report on Social, General and Economic Sectors (Non-PSUs) for the years 2014-15 (Para 3.26), 2016-17 (Para 3.22) and 2017-18 (Para 3.17).

⁵⁹ June 2009: ₹ 2.00 crore and September 2011: ₹ 5.00 crore.

⁶⁰ At Government Engineering College, Sundernagar, Mandi district (nearly 300 kms from Udaipur, Lahaul and Spiti).

up the matter further, the Department went ahead with seeking forest clearance from the Ministry of Environment and Forests (MoEF), GoI which accorded (July 2012) in-principle approval for diversion of the above forest land for non-forestry purpose in terms of the Forest Conservation Act, 1980. The Directorate of Technical Education, Vocational and Industrial Training deposited/ remitted (November 2012) ₹ 99.91 lakh⁶¹ with the *Ad hoc* Compensatory Afforestation Fund Management and Planning Authority (CAMPA)/ State Forest Department on account of net present value (NPV), compensatory afforestation (CA), etc. Subsequently, on grounds of national security, the diverted land at *khasra* number 24/12/1 (14-19 *bigha*) could not be got evacuated from the BRO/ GREF.

- ii. The land at *khasra* number 8/1 (10-2 *bigha*) was found to be unsuitable for any construction as it was on the bank of the river Chenab and its end had a steep slope. The Department had not checked feasibility/ suitability of the land earlier while seeking diversion.

Eventually, after lapse of over four years, the Department identified (April 2017) a new site at Kukumseri for construction of the proposed Polytechnic. The Principal, Government Polytechnic, Udaipur at Sundernagar requested (July 2017) the Forest Department for refund/ adjustment of the amount of ₹ 99.91 lakh already paid to the *Ad hoc* CAMPA/ State Forest Department in November 2012 against the charges involved for diversion of the forest land at the new site at Kukumseri. The Forest Department, however, stated (August 2017) that the Forest Conservation Act, 1980 did not provide for exchange of forest land proposed for diversion in lieu of land earlier approved in-principle by the MoEF, GoI. Thus, expenditure of ₹ 99.91 lakh incurred towards cost of land at previous site was rendered infructuous. The grant of ₹ seven crore was lying unutilised with the Directorate of Technical Education (₹ 6.50 crore) and the Public Works Department (₹ 0.50 crore) as of September 2020.

Subsequently, the case for transfer of the land for the site at Kukumseri also did not fructify and the Sub Divisional Officer (Civil), Udaipur had proposed (August 2018) another site for the purpose and the process for its transfer was in progress, as of September 2020.

The failure of the Department to check feasibility of identified land prior to obtaining clearance for diversion of forest land resulted in infructuous expenditure of ₹ 99.91 lakh. Besides, central assistance of ₹ seven crore remained blocked for more than nine to eleven years, while the objective of opening Polytechnic in the tribal district of Lahaul and Spiti could not be achieved.

The State Government, stated (October 2020) that the selected land was in the possession of BRO/ GREF and case for acquisition/ diversion of land at alternative site

⁶¹ Deposited in *Ad hoc* CAMPA account (₹ 99.42 lakh) at Union Bank of India Sundernagar, New Delhi (SB344902010105419 through RTGS) and remitted to the Divisional Forest Officer, Lahaul Forest Division at Keylong (₹ 0.49 lakh) through Bank Draft No. 447411 dated 27 November 2012.

was under process. The Department did not furnish reasons for diversion of unsuitable land and inordinate delay in identification of alternative site between November 2012 and September 2020.

The State Government may ensure selection of site free from all encumbrances and its feasibility before conceptualising projects for timely and intended benefits. The State Government may also take up for refund of amount of ₹ 99.91 lakh paid for diversion of land, in possession of BRO/ GREF with MoEF, GoI.

Town and Country Planning and Urban Development Departments

3.14 Planning and Regulation of Construction

Planning and regulatory frameworks governing construction were applicable to a limited area of the State. The objective of planned development was nullified as intended development plans were either not prepared or were not implemented. The Regulation was ineffective as rules/ regulations were not correctly applied by the Regulatory Authorities, action was not taken on unauthorised construction and mechanisms for detecting unauthorised construction were deficient.

3.14.1 Introduction

With a view to plan and regulate systematic and sustainable construction and land use, the Government of Himachal Pradesh (GoHP) enacted Himachal Pradesh Town and Country Planning Act, 1977 (HPTCP Act) and notified Himachal Pradesh Town and Country Planning Rules, 1978 (HPTCP Rules). Under the HPTCP Act and Rules, areas are to be notified as “planning areas” which may include both “urban” and non-urban/ “rural” areas. The Town and Country Planning Department is required to prepare “development plans” for these notified planning areas with proposals for planned development. Regulation of construction in the notified areas is to be done with reference to regulatory provisions contained in development plans (where prepared) or general regulations contained in the HPTCP Rules. In urban areas falling within planning areas, regulation is the responsibility of the Urban Local Bodies, whereas in non-urban/ rural areas, the responsibility of regulation is vested with the Town and Country Planning Department.

3.14.2 Scope and Methodology

The scope of audit included 10 planning areas⁶² selected using a combination of stratified random sampling and judgmental sampling methods with population as criteria. Audit covered the offices responsible for planning and regulation of construction and land use in these planning areas – Directorate of TCP alongwith its subordinate offices viz. six⁶³ Divisional TCP offices and four⁶⁴ Sub-Divisional TCP offices, and 11 ULBs viz. both⁶⁵ Municipal Corporations and nine⁶⁶ Municipal

⁶² Chamba, Dalhousie, Dharamshala, Kullu, Mandi, Nahan, Shimla, Solan, Sundernagar and Una.

⁶³ Kangra, Kullu, Mandi, Nahan, Shimla and Solan.

⁶⁴ Chamba, Manali, Sundernagar and Una.

⁶⁵ Municipal Corporations Dharamshala and Shimla.

⁶⁶ Municipal Councils Chamba, Dalhousie, Kullu, Manali, Mandi, Nahan, Solan, Sundernagar and Una.

Councils (MCs). The methodology of audit included scrutiny of records pertaining to the period from 2016 (or earlier wherever required) to 2019 and joint physical inspections. Audit was conducted between June 2019 and February 2020.

Audit Findings

3.14.3 Limited applicability of Act and Rules

Section 1 of the HPTCP Act states that: (i) the Act extends to the whole of the State, and (ii) the Act shall come into force on such date as the State Government may notify for different areas and for different provisions. Thus, the Act and Rules made thereunder would only become applicable after executive orders/ notifications of the State Government.

In this regard, it was observed that between 1977 and 2018, the State notified 90 areas (55 “planning areas” and 35 “special areas”) where general regulations of HPTCP Rules or provisions of development plans (where prepared) on planning and regulation were applicable. As of June 2019, the HPTCP Act and Rules were applicable to only 2,041 sq.km. (11 *per cent*)⁶⁷ out of the total 18,640 sq.km.⁶⁸ of urban and rural area of the State.

The State Government stated (November 2020) that constitution of Planning/ Special Areas is being done after including rural and peri-urban areas beyond the limits of already urbanised areas. The fact, however, remained that most of the rural and peri-urban area of the State still remained beyond purview of the Act/ Rules, *ibid*.

3.14.4 Planning

3.14.4.1 Notification of areas and preparation of plans

Section of Act	Area	Plan	Audit Observation
1	2	3	4
13(1), 66(1) & 18	<p>“Planning Area” – To be notified by State Government and limits defined.</p> <p>“Special Area” – To be notified by State Government for planned development in certain areas.</p>	<p>“Development plan” –</p> <ul style="list-style-type: none"> To be prepared for every “planning area” and “special area” by Director, TCP and Special Area Development Authority respectively. Should contain following details –allocation of land for residential, industrial, commercial or agricultural purposes; open spaces (parks and gardens, green belts, zoological gardens and play grounds); public institutions and offices; pattern of National and State highways connecting region, ring roads, etc.; location for airports, railway stations etc.; proposals for general landscaping and preservation of natural areas; amenities and utilities; regulations for sectoral plan. 	<ul style="list-style-type: none"> 55 planning areas and 35 special areas constituted/ notified after periods ranging between two months and 41 years from notification of HPTCP Act. Development plans for 30 planning areas and 29 special areas were not prepared (June 2019). Development Plans for 25 planning areas and six special areas were prepared and notified after periods ranging from one year to 31 years from date of notification of Planning Area.

⁶⁷ Planning Area: 891.64 sq. km. (urban area: 251.48 + rural area: 640.16); Special Area: 1,148.92 sq. km. (urban area 108.47 sq. km. + rural area 1,040.45 sq. km.).

⁶⁸ Worked out by reducing 37,033 sq. km. of forest area from total 55,673 sq. km. area of the State.

1	2	3	4
21	<p>“Sector” – Refers to an area within a planning area for which detailed sectoral plan is to be prepared.</p>	<p>“Sectoral plan”–</p> <ul style="list-style-type: none"> • To be prepared by Director, TCP. • Should elaborate upon details of land-use contained in development plans, provide details of land liable to be acquired for public purposes, areas reserved for agriculture, public and semi-public spaces, open spaces, parks/ gardens, green belts, playgrounds and recreational areas, street patterns, etc. 	<ul style="list-style-type: none"> • Only four sectoral plans (Jakhoo and Bhattakufer sectors of Shimla, Hiranagar sector of Hamirpur, Brow sector of Rampur) were prepared (1999), record of which was not available. • No sectoral plan prepared in respect of any of the 31 notified development plans as of December 2019, even though one to 39 years had elapsed since their notification.

In the absence of development plans (30 planning areas and 29 special areas) and sectoral plans, the manner in which land was to be used, developed or conserved, etc. was not specified, leaving scope for unplanned development.

The State Government stated (November 2020) that preparation of development plans is a lengthy process. The reply is not acceptable as plans had not been prepared for inordinately long periods.

3.14.4.2 Development plans

As detailed above, 31 development plans in respect of 25 planning areas and six special areas had been notified. The scrutiny of records of Director, TCP showed the following:

(i) Preparation of development plans after large-scale development –

The scrutiny of 11⁶⁹ development plans pertaining to nine test-checked areas showed that scope of planning was reduced in view of large proportion of the area already developed prior to preparation of the plans:

- 100 per cent in Dalhousie plan area;
- Between 50 per cent and 75 per cent in eight⁷⁰ planning areas, and;
- Between 27 per cent and 40 per cent in two⁷¹ planning areas.

The above indicated that these areas largely developed in an unplanned manner.

⁶⁹ Chamba, Dalhousie, Dharamshala, Kullu-Bhuntar Agglomeration, Kullu (Left-Out Area), Manali Agglomeration, Mandi, Nahan, Solan, Sundernagar and Una; does not include Interim Development Plan for Shimla prepared in 1979.

⁷⁰ Chamba, Dharamshala, Kullu-Bhunter Agglomeration, Kullu (Left-Out Area), Manali Agglomeration, Nahan, Solan and Sundernagar.

⁷¹ Mandi and Una.

(ii) Phasing and review of development plans –

The development plans envisaged a system of review after each phase (period of five years) of the plan to assess the position of implementation of proposals and modify the plan depending on need/ new requirements.

Test-check of 17 development plans in the Directorate, TCP revealed the following:

- Institutional mechanism for review after each phase had not been established by the TCP Department.
- In the case of nine⁷² development plans, one to three phases had already elapsed as of June 2019 but none of the plans had been reviewed.
- In the case of two development plans viz. Dharamshala and Una, the plans had expired but new plans were not prepared for long periods (Dharamshala: no development plan between 2001 and 2018; Una: no development plan since 2011).

Thus, progress as regards implementation of proposals was not monitored and changed requirements, if any, were not considered for mid-course correction.

(iii) Status of implementation of proposals in development plans –

The 31 development plans notified between 1979 and 2019 contained phase-wise development proposals (roads, water, public amenities etc.) which were to be implemented through creation of institutional mechanisms, land acquisition and land pooling, etc.

The following was observed regarding implementation of these development plans –

• **Non-creation of prescribed institutional mechanism for implementation –**

The HPTCP Act provided for establishment of Town and Country Development Authority (TCDA) for implementing proposals in the development plan, preparing town development schemes, acquisition and development of land.

However, the State Government had neither constituted TCDA even after lapse of more than 42 years since notification of the HPTCP Act, nor did it entrust TCP department or any other department/ body with necessary powers for implementing development proposals, acquisition and development of land, etc. as envisaged in development plans. As such, there was no institutional mechanism for implementation of proposals for the planned development.

• **Non-implementation of development proposals –**

- In the test-checked planning areas, there was no progress as regards implementation of the proposals (developing parking lots, warehousing sites, land for commercial complexes, fruit/ vegetable markets, etc.) contained in the development plans, and no efforts were made for utilisation of land in line with the land-use proposed for various development and other activities (residential, commercial, agriculture, etc.).

⁷² Bilaspur, Chamba, Dalhousie, Kullu-Bhunter Agglomeration, Kullu (Left-Out Area), Manali Agglomeration, Mandi, Nahan and Solan.

- Further, in seven⁷³ out of 12 test-checked development plans, development proposals also envisaged land acquisition, land pooling and reconstitution, sub-division of land and creation of serviced land. However, no action had been taken in respect of the above proposals.

Thus, lack of action on implementation of development proposals rendered the exercise of preparing development plans infructuous.

3.14.4.3 Areas excluded from planning area

Audit observed that the State Government had issued various notifications to exclude some areas from planning areas while some areas were not being considered as part of planning area by the TCP department, as detailed in the **Table-3.14.1**.

Table-3.14.1: Details of exclusion of areas from planning areas

Sl. No.	Name of planning area	Date of notification of planning area	No. of areas excluded/ not considered part of planning area	Area excluded (in hectares)	Remarks
1.	Chamba	05.07.1986	03 settlements (not considered part of planning area <i>w.e.f.</i> 2010)	492	Mugla, Karian and Sultanpur settlements (outside jurisdiction of MC Chamba) remained outside scope of planning/ regulation without notification for exclusion
2.	Dalhousie*	30.07.1986	01 revenue village (excluded <i>w.e.f.</i> 29.05.2004)	Not available	Banikhet revenue village remained outside scope of planning/ regulation
3.	Hamirpur	28.01.1997	81 villages excluded (<i>w.e.f.</i> 01.08.2012); 46 villages re-included (<i>w.e.f.</i> 13.01.2014)	3,147	35 excluded villages remained outside scope of planning/ regulation
4.	Manali Agglomeration*	20.06.2005	01 area (not considered part of planning area <i>w.e.f.</i> June 2005; considered <i>w.e.f.</i> April 2015)	Not available	Development plan contained contradictory provisions regarding both inclusion and exclusion of Shuru area; clarification on area never being excluded was issued in April 2015; area considered outside scope of planning/ regulation for ten years
5.	Rampur	01.05.1986	03 villages (excluded <i>w.e.f.</i> 01.08.2012)	809.90	Villages remained outside scope of planning/ regulation
6.	Sundernagar*	04.03.2014	17 villages (excluded <i>w.e.f.</i> 22.08.2016)	2,520.60	Villages remained outside scope of planning/ regulation

*Test checked planning areas.

⁷³ Chamba, Dharamshala, Kullu-Bhuntar Agglomeration, Kullu (Left-Out Area), Manali Agglomeration, Mandi and Sundernagar.

The above exclusions and non-consideration of areas as planning areas without any notification, resulted in unplanned development in these areas. This was evident in the case of Banikhet revenue village (excluded from Dalhousie planning area), Shuru area (in Manali Agglomeration) and Karian settlement (not considered part of Chamba planning area) where joint physical verification (October 2019 to December 2019) showed that multi-storeyed commercial buildings including hotels (exceeding the upper limit on height of buildings prescribed for planning areas) had been constructed without provision for dedicated parking (mandatory in planning areas), set-backs, etc. as discussed below:



Karian settlement (Chamba planning area)
(13.12.2019)

- 50 buildings of Karian settlement inspected (main bazaar alongside NH)
- 12 buildings under-construction without planning permission
- Five buildings had more than four storeys (three storeys permissible)
- Parking facility not available in any of the buildings despite feasibility of approach road
- 25 buildings were constructed in a row without leaving space as per norms
- Set-back distance of 5 metres from edge of road on either side not maintained



Shuru area (in Manali Agglomeration) having multi-storeyed commercial buildings
(17.10.2019)

- 12 commercial buildings in Shuru area inspected
- In 11 buildings, number of storeys ranged from five storeys to eight storeys (four-storeys permissible)
- Parking floor not available in 10 buildings despite feasibility of approach road
- Set-back distances not as per regulations of development plan (5 metres from edge of road) in any of the 12 buildings

The department replied that the exclusions were made on the basis of proposals from field offices and Political Representatives of the areas.

The reply did not address the issue of accountability in case of occurrence of any hazardous incident due to deviations made in constructions with respect to regulations, applicable to planning areas.

3.14.5 Regulation

The regulatory framework prescribed by the HPTCP Act and Rules is applicable only to areas notified as “planning/ special areas”. The framework includes regulations contained in development plans (if prepared) or general regulations stipulated under the Rules, covering procedure for grant of planning permissions, land-use change, regularisation of deviations under composition and retention policies, etc. Regulatory powers have been vested in the Director, TCP and the ULBs.

3.14.5.1 Planning Permissions

Planning permission from competent authorities in TCP department and the ULBs is mandatory before undertaking any kind of land development. Audit observations relating to grant of planning permissions are detailed below:

A. Lack of institutional capacity

The TCP department and the ULBs were responsible for: (i) processing applications received from person(s) intending to undertake construction and according planning permission after verification of documents, technical scrutiny of documents/ plan, site visit, etc., and (ii) enforcement of regulations and detection/ action on cases of unauthorised construction.

Audit observed that the institutional capacity for discharging these primary functions was inadequate as detailed (status as of March 2019) in the **Table-3.14.2**.

Table-3.14.2: Details of institutional capacity of the TCP and the ULBs

Sanctioned posts/ persons-in-position		Category of officials / staff involved		Audit Observation
TCP	ULBs	TCP	ULBs	
96/ 81	28/ 22	<i>Technical</i> – Draughtsman/ Junior Engineer, Planning Officer, Assistant Town Planner, Town and Country Planner, State Town Planner <i>Administrative</i> – Director, TCP	<i>Technical</i> – Draughtsman/ Junior Engineer <i>Administrative</i> – Commissioner/ Executive Officer of ULB	<ul style="list-style-type: none"> • The ULBs had not been provided adequate manpower for processing of planning permission cases (2,254 cases processed by the ULBs against 2,008 by field offices of TCP department during 2016-19). • ULBs had only one level of technical check viz. Draughtsman/ Junior Engineer. • Four⁷⁴ out of 10 test-checked ULBs (except the Municipal Corporation Shimla) also had Municipal/ Assistant Engineer but the planning permission cases were not being routed through such officials.

As shown in the table above, the ULBs in particular did not have the institutional capacity for processing of planning permission cases leading to inadequate checks and grant of planning permissions in contravention of rules/ regulations as discussed subsequently under Paragraph 3.14.5.1 (C).

B. Non-disposal of cases of planning permission

Section 31 of HPTCP Act provides that if a decision on granting or refusing permission is not communicated to an applicant within two months from the receipt of application, such permission shall be deemed to have been granted to the applicant, on the date immediately following the date of expiry of two months.

Audit observed that in five out of 10 test-checked areas, action for granting/ refusing planning permission had not been initiated by the ULBs in 512⁷⁵ out of 1,965 cases⁷⁶

⁷⁴ MCs: Dharamshala; Kullu; Solan and Una.

⁷⁵ MCs: Dharamshala: 393; Chamba: 06; Nahan: 24; Sundernagar: 61 and Una: 28.

⁷⁶ MCs: Dharamshala: 470; Chamba: 199; Nahan: 537; Sundernagar: 479 and Una: 280.

received during 2016-19 for periods ranging between two and 43 months (as of August to December 2019). In the Municipal Corporation, Dharamshala, cases were pending for disposal since the year 2001.

This meant that permission was legally deemed to have been granted to the applicants and in case of unauthorised construction being undertaken no legal action would be possible under the Act against the applicants.

The State Government attributed (November 2020) the delay to shortage of technical staff.

C. Non-application of rules/ regulations in grant of planning permission

The planning permission was to be granted by the authorities with reference to rules/ regulations in respect of demarcation report, no-objection certificate from the HPPWD/ Fire Services, furnishing of structural stability certificates (SSCs), hill-cutting, plinth height, set-backs, floor area ratio, number of storeys/ building height, parking, solar passive building design, rainwater harvesting structures/ tanks, as detailed in **Appendix-3.6**.

Test-check of 834 (11 *per cent*) out of 7,580 cases of planning permissions granted by authorities in 11 selected areas, revealed that in 649 cases (78 *per cent*) planning permissions were granted in contravention of rules/ regulations, as detailed in the table below:

Provision of Rules/ Regulations	Audit Observation
1.	2.
Demarcation Report	In 383 cases ⁷⁷ (46 <i>per cent</i>), planning permission was accorded on the basis of self-declaration or affidavit from applicants instead of demarcation report required to be issued by revenue authorities.
NOC from HPPWD	In 42 cases ⁷⁸ (five <i>per cent</i>), planning permission was accorded without no-objection certificate from HP Public Works Department (HPPWD).
NOC from Fire Services	In 198 cases ⁷⁹ (24 <i>per cent</i>), building height of 15 metres or above was allowed without no-objection certificate from the Fire Department.
Hill cutting	In 19 ⁸⁰ cases (two <i>per cent</i>) (applicable in 767 out of 834 test-checked cases), hill cutting was allowed in excess (between 0.80 metres and 13.50 metres in one stretch) of prescribed limit. In 59 cases (seven <i>per cent</i>) land contouring was not shown (Municipal Council Nahan).
Plinth height	In 23 cases ⁸¹ (three <i>per cent</i>), height of plinth level was allowed in excess (between 0.1 metres and 7.11 metres) of prescribed limits.
Set-backs	In 89 cases ⁸² (11 <i>per cent</i>), set-backs below prescribed requirement were allowed, resulting in haphazard construction.

⁷⁷ Chamba: 34; Dalhousie: 11; Dharamshala: 83; Kullu: 31; Manali: 21; Mandi:108; Nahan: 63 and Una: 32.

⁷⁸ MC Dharamshala: 02; TCP Kullu: 06; MC Nahan : 05 and MC Una: 29.

⁷⁹ Dalhousie: 15; Dharamshala: 54; Kullu: 23; Manali: 34; Nahan: 11; Shimla: 28; Solan: 14; Sundernagar: 09; and Una: 10.

⁸⁰ Dalhousie: 03; Dharamshala: 11 and Shimla: 05.

⁸¹ SDTP Dalhousie: 02; MC Dharamshala: 19 and MC Shimla: 02.

⁸² Chamba: 05; Dalhousie: 02; MC Dharamshala: 02; MC Kullu: 01; MC Mandi: 03; MC Nahan: 31; MC Shimla: 01; Sundernagar: 09 and MC Una: 35.

1.	2.
Floor Area Ratio (FAR)	In 46 cases ⁸³ (six <i>per cent</i>), FAR higher (by between 0.07 and 1.23) than prescribed parameters was allowed.
Storeys/ Building height	In 168 cases ⁸⁴ (20 <i>per cent</i>) height of buildings/ number of storeys was not restricted, as per regulations.
Parking	In 69 cases ⁸⁵ (eight <i>per cent</i>), planning permission was accorded without parking provision, despite feasibility of approach road.
Solar passive building designs	In 358 cases ⁸⁶ (43 <i>per cent</i>), planning permission was accorded without specification of solar passive design and place of installation in drawings.
Rain Water Harvesting Structure (RWHS)	In 93 cases ⁸⁷ (11 <i>per cent</i>), planning permission was accorded without RWHS being proposed, or without defining capacity, or capacity being lower (by between 82 and 24,283 litres) than prescribed requirement.
Relaxation allowed by the Director, TCP	In eight cases (of private and Government buildings), the Director, TCP allowed relaxation between 23 and 72 <i>per cent</i> in set-backs, 12 and 34 <i>per cent</i> in height of buildings, 13 and 74 <i>per cent</i> in height of floors, and three storeys in number of storeys. No justification for such relaxation, on account of site conditions or public interest was found, on record.

- Allowing of hill-cutting, plinth height, height/ number of storeys of buildings in excess of norms was a risk in view of hilly and high seismic zones in the State.
- Allowing construction of buildings without mandatory parking implied that vehicles would be parked alongside roads resulting in traffic jams.
- Non-ensuring of solar passive provision and RWHS indicated inadequate focus on sustainable development.

Thus, authorities were not applying prescribed rules for planned/ regulated construction.

3.14.5.2 Unauthorised constructions

As per provisions of the HPTCP Act, any land development undertaken without obtaining planning permission or by way of deviation from approved planning permission is deemed to be unauthorised. Unauthorised constructions are liable under Section 39 of HPTCP Act for stopping, sealing, compounding, demolition and prosecution of the person in default.

⁸³ MC Chamba: 02; MC Dharamshala: 10; MC Mandi: 02; MC Nahan: 13; MC Shimla: 12 and MC Sundernagar: 07.

⁸⁴ Dharamshala: 44; Kullu: 05; MC Nahan: 38; TCP Solan: 05; MC Chamba: 10; MC Mandi: 16; MC Solan: 28 and Shimla: 22.

⁸⁵ Divisional Office, Shimla: 09; MC Nahan: 23; MC Sundernagar: 11 and MC Una: 26.

⁸⁶ Chamba: 37; Dalhousie: 12; Dharamshala: 29; Kullu: 22; Manali: 32, Mandi: 108; Nahan: 25; Shimla: 09; Solan: 02; Sundernagar: 21; and Una: 61.

⁸⁷ Dalhousie: 03; Dharamshala: 21; Mandi: 05; Nahan: 26; Sundernagar: 07 and Una: 31.

Audit findings relating to unauthorised construction are discussed in the following paragraphs:

A. Inadequate institutional mechanisms

The scrutiny of records of the Directorate, TCP and test-checked ULBs revealed the following deficiencies in institutional mechanisms for detecting cases of unauthorised construction:

Mechanism	Audit Finding
Reporting mechanisms	<ul style="list-style-type: none"> • TCP department – Reports/ returns on regularisation cases, unauthorised construction, etc. were being submitted by the field offices of TCP department to Directorate, TCP. • ULBs – <ul style="list-style-type: none"> ○ Eight ULBs⁸⁸ had not maintained registers showing position/ status of unsafe buildings, regularisation cases, unauthorised construction, forest violations, encroachment cases, complaint cases. ○ Directorate, TCP had delegated powers of regulation of construction/ land use to the ULBs in respect of urban areas without any reporting mechanism on status of planning permissions, unauthorised construction, regularisation of unauthorised construction, etc.
Test-check of planning permissions	<ul style="list-style-type: none"> • TCP department– As per directions (March 2015) of the Director, TCP, Assistant Town Planner was to test-check 20 <i>per cent</i> of cases decided by Planning Officers, and Town and Country Planner was to test-check 10 <i>per cent</i> cases decided by Planning Officers/ Assistant Town Planners. Audit found that no test-check had been done at any stage. • ULBs – No system of test-check of planning permission cases was in existence in the ULBs.
Field inspections to detect unauthorised constructions	<ul style="list-style-type: none"> • TCP department – As per instructions (February 2018) of the Director, TCP, field officials of TCP department shall carry out inspections in planning areas/ special areas once a week to detect unauthorised constructions. Audit observed that although inspection schedules had been prepared, no record of site visits or inspection notes was available indicating either that inspections were not being undertaken or that outcomes of inspections were not being recorded/ followed-up. • ULBs – No system of periodic inspections to detect unauthorised construction was in existence in the ULBs.

Thus, regulatory and internal control mechanisms were either non-existent (especially in the ULBs) or functioning inadequately. This led to deficiencies in identifying unauthorised construction, action on unauthorised construction, unsafe buildings, encroachment on Government/ ULB land, etc. as discussed in subsequent paragraphs 3.14.5.2 (B) and 3.14.5.3.

⁸⁸

MCs: Chamba, Dharamshala, Mandi, Nahan, Shimla, Solan, Sundernagar and Una.

The State Government stated (November 2020) that process to fill up vacant technical posts was being initiated, and efforts were being made to check unauthorised construction.

B. Status of action on cases of unauthorised construction

In view of inadequate mechanisms, cases of unauthorised construction came to notice through retention policies, complaints from the public, and random field visits by officials.

(i) Cases identified under retention policies –

The State Government had notified nine retention policies between 1997 and 2017 for regularisation of cases of unauthorised construction. The details of cases received, retained, rejected and closed under such retention policies are detailed below:

- *Eight retention policies between 1997 and 2009* – 8,198 cases were received out of which 2,108 cases were retained, 2,489 cases were rejected and 3,601 cases were not considered as these pertained to periods not covered under such policies or construction was beyond limits stipulated under the respective retention policies. However, no action had been initiated by the TCP department/ ULBs in respect of the 2,489 rejected cases and 3,601 cases not considered for retention.
- *Retention policy of 2016-2017* – The policy notified through the HPTCP (Amendment) Bill, 2016 was quashed (December 2017) by the Himachal Pradesh High Court, against which a review petition had been filed (June 2019) by the State Government. However, 8,782 cases of unauthorised construction had been received following notification of the policy, in respect of which no action had been initiated by the TCP department/ ULBs, as of June 2019.

The frequent notification of retention policies for regularisation of unauthorised construction and lack of action on rejected/ not considered cases afforded a sense of impunity as regards unauthorised construction and undermined the regulatory framework. This issue had been pointed out through the Audit Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2016 (Paragraph 2.4) also, however, no corrective action had been taken, as of June 2019.

The State Government stated (November 2020) that cases received under retention policies were regularised as per provisions of the Act/ Rules. The reply does not address the issue of cases not accepted under retention policies, on which no action had been taken.

(ii) Other cases of unauthorised construction –

The scrutiny of records of the Directorate, TCP and test-checked ULBs and joint physical inspections undertaken by Audit, revealed cases where action had not been taken in respect of unauthorised construction, violation of provisions of Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, and unauthorised

development/ encroachment on land belonging to the Government/ ULBs, as detailed in **Table-3.14.3**.

Table-3.14.3: Details of unauthorised development on Government/ ULBs land

Category 1.	Audit Observation 2.
<p><i>Notices issued but further action not taken</i></p> <p>(Non-compliance with first notice within 15 days renders person liable for stopping, sealing, compounding, demolition, and prosecution)</p>	<p><i>ULBs –</i></p> <ul style="list-style-type: none"> • Notices served in respect of 2,229 cases of unauthorised construction in test checked ULBs⁸⁹ (2016-19). • Only 12 unauthorised constructions regularised/ demolished. • No further action taken in the remaining 2,217 cases, as of March 2019. <p><i>Directorate, TCP –</i></p> <ul style="list-style-type: none"> • Notices served in respect of 10,727 cases of unauthorised construction in non-urban planning areas (2016-19)⁹⁰. • Only 23 unauthorised constructions regularised/ demolished. • No further action taken in the remaining 10,704 cases, as of July 2019.
<p><i>Unauthorised construction of Government buildings</i></p>	<ul style="list-style-type: none"> • Construction of 50⁹¹ multi-storeyed Government buildings undertaken without planning permission. • Ex-post facto regularisation not accorded by the TCP department and observations issued (2005-17) to respective departments. • Observations of TCP department remained unattended (as of June 2019) and buildings remained unauthorised. • All these unauthorised buildings had been provided civic amenities.
<p><i>Unauthorised development/ encroachment on Government/ ULB land</i></p>	<ul style="list-style-type: none"> • <i>Municipal Corporation, Dharamshala –</i> <ul style="list-style-type: none"> ○ In Dharamkot to lower Bhagsunag cluster of Dharamshala, 10 out of 13 physically inspected hotels/ under construction buildings had covered <i>nallah</i> (on Government land) with concrete slabs for parking; one hotel had constructed five storeys against approval of four storeys; no action had been taken by the ULB. • <i>Municipal Council, Kullu –</i> <ul style="list-style-type: none"> ○ DC Kullu allotted (1984) forest land (at Hanumani Bagh) for Tibetan settlement allowing construction of temporary houses; State Intelligence Bureau reported (February 2016) construction of <i>pucca</i> houses, however, except for serving (April 2019) four notices, no action was taken by Municipal Council, Kullu. ○ ULB land allotted to vendors (between Bus Stand and Sarvari <i>Khud</i>); tin structures were raised by vendors on allotted land without permission; while 21 notices were served (March 2018) to vendors; no further action was taken. • <i>Municipal Council, Manali –</i> <ul style="list-style-type: none"> ○ ULB land allotted to vendors (behind Bus Stand); vendors raised semi-<i>pucca</i> structures on allotted land without permission; two notices were served (for structures near Hotel Diamond); no further action was, however, taken.

⁸⁹ All test-checked ULBs except Shimla and Solan where data was not provided.

⁹⁰ Opening balance on 1st January 2016: 8,670; and fresh cases from 1st January 2016 to March 2019: 2,057.

⁹¹ Kullu: 07; Mandi: 28; Shimla: 09 and Solan: 06.

1.	2.
<p>Violation of AMASR Act</p> <p>(No construction allowed within 100 metres (prohibited area) of identified monuments; for construction up to 200 metres beyond (regulated area), sanction required from ASI)</p>	<ul style="list-style-type: none"> • In Chamba town, ASI had declared eight monuments⁹² as protected. • ASI served 66 notices to stop/ remove unauthorised construction near protected monuments during 2012-19; work had already been completed in five cases; complaints were filed in 61 cases by the police; no record of action taken maintained by the Municipal Council, Chamba. • Three notices pertained to Government construction; planning permission had been accorded without seeking sanction from ASI. • One notice pertained to construction of parking (located 120 metres away from a protected monument) by the MC Chamba; MC Chamba sought (August 2013) sanction from designated authority (Director, Language and Culture) as per ASI directions (June 2013), but did not wait for sanction and continued the construction work.

Photographs are shown below:



Uanauthorised construction (Tibetan colony) at Kullu on Government land (21.09.2019)



Covered *nallah* on Government land (Bhagsunag to Dharamkot road) (21.09.2019)

By not taking action to stop/ seal/ compound/ demolish/ initiate prosecution in cases of unauthorised construction, the TCP department and the ULBs had diluted regulatory controls and allowed unauthorised construction to continue with impunity.

(iii) Results of Joint survey undertaken by Audit –

In order to ascertain the extent of unauthorised construction, Audit undertook a joint survey of 670 buildings in selected areas during August - December 2019. The findings are discussed below –

- In 618 (92 per cent) buildings, there was no provision for parking in spite of vehicular approach being available.

⁹² Bajreshwari, Bansi Gopal, Chamunda Devi, Hari Rai, Shri Lakshmi Narayan, Shri Sita Ram, Champawati temples and Rock Sculptor depicting Sita, Rama, Hanuman, etc.

- In 33 (five per cent) buildings (in Manali, Mandi and Chamba), parking floors were converted into receptions, habitable rooms and gyms, etc.



Parking floor converted into reception in hotel at Manali (17.10.2019)



Construction without set-backs in main bazaar area of Chamba (05.12.2019)

- In 453 (68 per cent) buildings, front set-back was not left as per regulations.
- In 84 (13 per cent) buildings, number of storeys exceeded permissible limits.



Building with no. of storeys exceeding permissible limits in Dalhousie (03.10.2019)



Tree covered within building in Dharamshala (21.09.2019)

- In 30 (four per cent) buildings, either trees were covered within buildings or distance of two metres from trees as per regulations was not left.

C. Arbitrary rates charged for regularisation of unauthorised construction –

Audit observed that four out of 11 test-checked ULBs were charging fees for regularisation of unauthorised construction on a case-to-case basis at arbitrary rates ranging between ₹ 1,600 and ₹ 16,000 per sq.m. Out of the 189 test-checked cases pertaining to these ULBs, there were 39 cases⁹³ in which higher amount (totalling ₹ 17.14 lakh) was charged and three cases⁹⁴ in which lower amount (total ₹ 0.89 lakh) was charged. This entailed risk of corruption in charging of fees for regularisation of unauthorised deviations.

⁹³ MC Dharamshala: 11 cases (₹ 6.89 lakh); Nahan: 01 case (₹ 2.63 lakh); MC Shimla: 23 cases (₹ 7.03 lakh) and Una: 04 cases (₹ 0.59 lakh).

⁹⁴ Dharamshala: 01 (₹ 0.75 lakh) and Nahan: 02 (₹ 0.14 lakh).

3.14.5.3 Action on Unsafe Buildings

As per the provisions of Municipal Corporation/ Council Acts, Municipal Commissioner/ Executive Officer can undertake surveys and direct any building in dangerous/ unsafe condition to be vacated forthwith/ within a period, specified in such order.

Audit observed the following:

- ***Inaction on buildings declared to be unsafe*** – None of the 11 test-checked ULBs had conducted any survey of buildings in unsafe/ dangerous condition. In one ULB (Shimla), 84 buildings had been declared unsafe (2010 onwards) 11 to 93 months after residents had informed the ULB about its condition. Out of these 84 buildings, 12 buildings were re-constructed, 18 buildings were vacated and four buildings were demolished. However, no action had been taken in respect of the remaining 50 buildings which were still occupied (July 2019). Thus, ULBs had not given due importance to the issue of safety of buildings/ inhabitants.

Thus, planning permissions were granted in contravention of rules, mechanisms for detecting unauthorised construction were inadequate and action on unauthorised construction was not taken.

3.14.6 Conclusions

The objective of planned and sustainable development of land in the State could not be achieved as even after four decades of enactment of the HPTCP Act, only 11 *per cent* of available area could be brought under the planning and regulatory framework governing construction. There were irregular constructions in areas excluded from planning area, which were capable of posing a hazard due to deviations made. Areas already developed were taken into a planning area, which did not fulfill the requirements of construction in planned area, as such haphazard and unsustainable constructions took place. In areas where planning frameworks were applicable, development plans were either not prepared in time or were not implemented.

The department was ineffective in monitoring unsafe buildings, granting planning permissions, detecting unauthorised construction etc. Consequently, unsustainable constructions have mushroomed throughout the State, posing a challenge to the fragile ecosystem in the State, which lies in a sensitive seismic zone, and in case of a natural calamity, such unplanned development have a potential of becoming a source of major disaster.


3.14.7 Recommendations

In view of the audit findings, the State Government may consider:

- Preparation of a State-wide master plan for extending the Himachal Pradesh Town and Country Planning Act, 1977 to the entire State to ensure planned and regulated development.***
- Notification of Town and Country Development Authority as mandated in the Himachal Pradesh Town and Country Planning Act.***


- (iii) *Focusing on areas with potential for growth for prior preparation of plans and create suitable institutional mechanism for implementation of development proposals within defined timeframes.*
- (iv) *Framing guidelines to be followed with respect to exclusion of areas from planning area, and assigning responsibility to a local body/ authority to regulate the same against any unauthorised construction activity.*
- (v) *Reviewing the provision of deemed permission after two months of application, as that in audit view has facilitated unauthorised construction in a large manner.*

Shimla
Dated: 25th June, 2021


(Ritu Dhillon)
Principal Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
Dated: 30th June, 2021


(Girish Chandra Murmu)
Comptroller and Auditor General of India

Appendices

Appendices

Appendix-1.1

(Refer paragraph 1.2; page 2)

Statement showing funds transferred directly to the Implementing Agencies in the State by the GoI under Programme/ Schemes during 2018-19

(₹ in crore)

Government of India Scheme	Implementing Agency	GoI release during 2018-19
Assistance to voluntary org for programme relating to aged	Ministry of Social Justice and Empowerment	23.18
Assistance to voluntary org for welfare of SCs	Ministry of Social Justice and Empowerment	63.04
Panchayat Sashaktikaran Abhiyan	HP Panchayati Raj Training & Capacity Building Society	18.62
Capacity Building for Service Providers	Food Craft Institute, Dharamshala	0.10
	Institute of Hotel Management, Kufri	0.91
	Institute of Hotel Management, Hamirpur	141.50
Assistance to the State for Developing Export	HP State Industrial Development Corporation Ltd.	28.07
Disha Programme for Women in Science	CSK Himachal Pradesh Krishi Vishvavidyalaya	3.70
	Dr. Y.S. Parmar University of Horticulture and Forestry	1.92
	Indian Institute of Technology, Mandi	82.58
	Institute of Himalayan Bio-resource	1.82
Agriculture	Live Stock Health and Disease Control CASP	7.46
	Mission for Horticulture Development	23.75
	National Project on Management of Soil Health	3.38
	National Rain Fed area Authority	8.00
	Submission on Agriculture Extension	12.49
	Submission on Agriculture Mechanisation	14.62
	Submission on Seed and Planting Material	8.16
	Helicopter Services in North East	2.50
	India Reserve BNS Non-plan	4.37
	Scheme for safety of Women	3.59
	Labour and Employment	Organs of Election
Rural Development	Indira Gandhi National Old age pension	36.31
	National Nutrition Mission	41.53
Agriculture	Rashtriya Gokul Mission	17.29
HP Power Transmission Corporation	Green Energy Corridors-Grid	51.47
Indian Institute of Management Sirmaur	Setting up of new IIMS	28.23
GIA to NGOs for STs including Coaching and Allied Scheme and Award for exemplary	Buddhist Culture Society of Dey Gompa	0.17
	The Institute of Studies in Buddhist Philosophy and Tribal Cultural Society, TABO	0.20
	Ramdha Buddhist Society	0.18
	Himalayan Buddhist Cultural Association, Manali, Himachal Pradesh	0.67
Grid Interactive Renewable Power MNRE	Himachal Pradesh Energy Development Agency	29.48
	Indian Institute of Technology, Mandi	0.75
	SBI Shimla	2.50
Transport Subsidy Scheme	HP State Industrial Development Corporation Ltd.	94.67
Higher Education Scheme	Indian Institute of Advanced Study	15.06
Others	--	166.74
Total		962.08

Source: Finance Accounts.

Appendix-1.2

(Refer paragraph 1.3; page 2)

Statement of various grants with persistent savings (₹ one crore or more in each case) during 2014-19

(₹ in crore)

Sl. No.	Grant Number	Name of Grant/Appropriation	Persistent savings				
			2014-15	2015-16	2016-17	2017-18	2018-19
Revenue (VOTED)							
1.	03	ADMINISTRATION OF JUSTICE	4.52	12.53	9.82	10.14	25.20
2.	04	GENERAL ADMINISTRATION	10.12	17.03	11.62	13.13	18.83
3.	07	POLICE AND ALLIED ORGANISATIONS	9.14	73.42	37.08	81.89	143.83
4.	08	EDUCATION	385.37	1076.22	864.96	665.02	955.16
5.	09	HEALTH AND FAMILY WELFARE	151.89	366.81	295.90	211.66	330.85
6.	14	ANIMAL HUSBANDARY, DAIRY DEVELOPMENT AND FISHERIES	6.72	35.36	35.18	43.67	68.34
7.	15	PLANNING AND BACKWARD AREA SUB PLAN	11.64	31.40	28.40	16.81	30.57
8.	16	FOREST AND WILDLIFE	3.39	33.23	57.50	85.36	130.31
9.	18	INDUSTRIES, MINERALS, SUPPLIES AND INFORMATION TECHNOLOGY	5.20	12.23	8.46	11.45	96.03
10.	19	SOCIAL JUSTICE AND EMPOWERMENT	1.06	47.43	20.78	55.55	28.84
11.	20	RURAL DEVELOPMENT	109.86	228.23	121.61	402.93	383.93
12.	21	CO-OPERATION	5.26	8.45	10.23	3.54	3.61
13.	24	PRINTING AND STATIONERY	1.45	2.21	6.02	2.81	1.19
14.	25	ROAD AND WATER TRANSPORT	1.41	1.43	1.06	2.10	2.25
15.	27	LABOUR EMPLOYMENT AND TRAINING	61.81	63.72	71.98	199.27	39.93
16.	29	FINANCE	581.48	228.94	97.70	266.88	956.41
17.	30	MISCELLANEOUS GENERAL SERVICES	4.80	13.99	13.00	7.51	8.97
18.	31	TRIBAL DEVELOPMENT	14.36	129.65	177.85	242.88	325.72
19.	32	SCHEDULED CASTE SUB PLAN	17.15	32.62	321.15	405.83	390.87
Capital (VOTED)							
20.	09	HEALTH AND FAMILY WELFARE	6.44	6.01	2.93	4.77	8.94
21.	13	IRRIGATION, WATER SUPPLY AND SANITATION	8.96	270.58	185.72	88.76	151.79
22.	29	FINANCE	5.49	5.20	1.51	7.98	6.27
23.	31	TRIBAL DEVELOPMENT	7.17	17.38	20.88	58.21	82.25
24.	32	SCHEDULED CASTE SUB PLAN	9.27	108.95	99.31	132.87	154.08

Source: Appropriation Accounts of respective years.

Appendix-1.3

(Refer paragraph: 1.6; page 4)

Year-wise break up of outstanding Inspection Reports and Paragraphs as on 31 March 2019 of selected Drawing and Disbursing Officers

(₹ in crore)

Period	Rural Development Department		
	IRs	Paragraphs	Amount
Upto March 2009	218	410	135.26
2009-10	28	74	43.78
2010-11	20	45	80.64
2011-12	20	64	80.22
2012-13	24	81	71.45
2013-14	23	118	135.65
2014-15	31	143	107.82
2015-16	25	145	256.21
2016-17	20	173	255.41
2017-18	5	184	172.86
Total	414	1,437	1,339.30

Appendix-1.4

(Refer paragraph: 1.6; page 4)

Statement showing irregularities commented upon in the outstanding Inspection Reports and Paragraphs as on 31 March 2019

(₹ in crore)

Sl. No.	Types of Irregularities	Rural Development Department	
		Paragraphs	Amount
1.	Withdrawal of funds in advance of requirements/ blocking of funds	280	375.36
2.	Non-adjustment of advances	23	0.41
3.	Excess/ unauthorised/ irregular expenditure for want of sanctions	169	41.59
4.	Wasteful/ infructuous/ unfruitful expenditure	136	131.35
5.	Diversion of funds	32	15.62
6.	Overpayments, non-recovery of rent/ advances/ miscellaneous recoveries	78	9.02
7.	Non-production of actual payees receipts	28	5.78
8.	Outstanding loans	62	3.24
9.	Idle machinery/ equipment including vehicles	04	0.07
10.	Non-accounting/ shortage of stores	49	73.85
11.	Misappropriation of stores/ cash/ funds	51	11.92
12.	Incomplete abandoned works	119	165.80
13.	Loss/ theft/embezzlement/ defalcations, avoidable expenditure, etc.	43	23.84
14.	Non-production of UCs	24	33.94
15.	Non-disposal of unserviceable articles of stores	07	0.33
16.	Non-reconciliation with treasuries/ banks	27	27.15
17.	Non-utilisation of grants-in-aid	44	82.43
18.	Non-deposit/ refund of interest/ unspent amounts in treasuries/ sanctioning authority	61	39.50
19.	Miscellaneous irregularities	200	298.10
Total		1,437	1,339.30

Appendix-1.5

(Refer paragraph: 1.8; page 5)

Statement showing submission of accounts by Autonomous Bodies and placement of SARs in the State Legislature

Sl. No.	Name of body	Period of entrustment	Year upto which accounts were rendered	Delay in submission of accounts	Period upto which SAR issued	Period upto which SAR placed in the Legislature	Year for which accounts are due and delay in submission of accounts
1.	Himachal Pradesh State Veterinary Council, Shimla	2005-06 Onwards	2017-18	2 months 17 days	2017-18 (17.10.2018)	2015-16 (15.03.2017)	2018-19
2.	Himachal Pradesh Legal Services Authority, Shimla	--	2018-19	--	2013-14	2013-14	--
3.	District Legal Services Authority, Hamirpur	--	2017-18	--	2013-14	2013-14	2018-19
4.	District Legal Services Authority, Una	--	2017-18	--	2013-14	2013-14	2018-19
5.	District Legal Services Authority, Nahan	--	2017-18	--	2013-14	2013-14	2018-19
6.	District Legal Services Authority, Chamba	--	2017-18	--	2013-14	2013-14	2018-19
7.	District Legal Services Authority, Bilaspur	--	2017-18	--	2013-14	2013-14	2018-19
8.	District Legal Services Authority, Shimla	--	2018-19	--	2013-14	2013-14	--
9.	District Legal Services Authority, Solan	--	2018-19	--	2013-14	2013-14	--
10.	District Legal Services Authority, Kullu	--	2017-18	--	2013-14	2013-14	2018-19
11.	District Legal Services Authority, Kinnaur at Rampur	--	2017-18	--	2013-14	2013-14	2018-19
12.	District Legal Services Authority, Dharamshala at Kangra	--	2017-18	--	2013-14	2013-14	2018-19
13.	District Legal Services Authority, Mandi	--	2017-18	--	2013-14	2013-14	2018-19
14.	Himachal Pradesh Building and Other Construction Workers' Welfare Board, Shimla	2009-10	2015-16 to 2017-18	2015-16 (2 years) 2016-17 (1 year)	2014-15	2014-15	2018-19

Appendix-2.1

(Refer paragraph 2.1.1; page 9)

Component/ Scheme-wise details of expenditure incurred by Horticulture Department during 2014-19

(`in crore)

Sl. No.	Name of Component/ Scheme	Expenditure
Component/ State Schemes		
1.	Directorate and administration	42.45
2.	Building/ raw material	78.32
3.	District and field Staff	108.70
4.	Pensioners of Horticulture Department	6.07
5.	Grant-in-Aid to Dr. Y.S. Parmar Horticulture & Forestry University	488.11
6.	Other Maintenance Expenditure	0.36
7.	Loan to HPMC	48.09
8.	Apple Scab Subsidy	0.21
9.	Subsidy on Plastic Crates	4.00
10.	Horticulture Development Project	140.31
11.	Apiculture Scheme	12.25
12.	Floriculture Development	6.24
13.	Mushroom Development	12.83
14.	Establishment/maintenance of Government Orchards/Nurseries	36.44
15.	Fruit Plant Nutrition	5.13
16.	Fruit Processing Scheme	26.70
17.	Horticulture Development Scheme (S00N)	89.41
18.	Plant Protection Scheme	4.94
19.	Training and Extension/ farmers	98.83
20.	Import of Good Quality Root Stocks	12.00
21.	Marketing and Quality Control	83.42
22.	Mukhyamantri Kiwi Protsahan Yojna	3.99
23.	Nursery Promotion Scheme	0.10
24.	Yuvaon ko Podhon ki Chhatai, Chip Budding aur Spray Ka Prashikshan	2.47
25.	Weather Based Crop Insurance Scheme	57.63
26.	Economics and Statistics (SOON)	0.29
27.	Fruit Plant Distribution	0.008
28.	Protected cultivation scheme State share	12.03
29.	Mukhya Mantri Greenhouse renovation	1.00
30.	Prakritik Kheti khushaal kissaan	1.00
31.	Himachal Pushp Kranti Yojna	10.00
32.	Mukhya Mantri Madhu Vikas Yojna	10.00
33.	Subsidy on Anti Hail Net	24.00
34.	30-Expenditure on distribution of implements & machinery (SOON)	0.14
35.	Micro Irrigation Scheme (S30N)	0.86
36.	Rashtriya Krishi Vikas Yojna (S50N/S10N)	6.54
37.	Pradhan Mantri Krishi Sanchayee Yojna (S10N)	4.79
38.	On farm water management (S10N)	0.05
39.	Mission for Integrated Development of Horticulture state share	27.61
40.	Special centre assistance (9-SOON)	0.51
Total		1,467.83
GOI Schemes		
41.	Mission for Integrated Development of Horticulture/ Horticulture Mission for North Eastern Himalayan States	152.77
42.	National Mission for Micro Irrigation/ On Farm Water Management/ Pradhan Mantri Krishi Sinchayai Yojna	10.75
43.	Rashtriya Krishi Vikas Yojna	38.41
44.	Economics and Statistics (COON)	0.93
45.	Expenditure on Horticulture scheme under special centre assistance (9-AOOS)	6.02
46.	Special Centre Assistance to Tribal Area Sub Plan (30-41)	4.73
47.	Special Centre Assistance to Scheduled Caste Sub Plan (13-17 AOON)	4.76
Total		218.37
Grand Total		1,686.20

Source: Departmental figures.

Appendix- 2.2

**(Refer paragraph 2.1.7.2; page 13)
Outlines of Government of India schemes**

Name of the Scheme	Outlines
Mission for Integrated Development of Horticulture (MIDH)	<p>Mission for Integrated Development of Horticulture was launched by GOI in April 2014 with the objectives</p> <ul style="list-style-type: none"> • to promote holistic growth of horticulture sector which includes research, technology promotion, extension, post-harvest management, processing and marketing. • to enhance horticulture production, augment farmers' income and strengthen nutritional security. • to improve productivity by way of quality germplasm, planting material and water use efficiency through Micro Irrigation. • to support skill development and create employment generation opportunities for rural youth in horticulture and post-harvest management, especially in the cold chain sector.
Rashtriya Krishi Vikas Yojana (RKVY)	<p>To spur growth in the Agriculture and allied sectors, the GOI launched Rashtriya Krishi Vikas Yojana in the XIth Five Year Plan (2007-12) with the objectives of incentivising the States to increase public investment in agriculture and allied sector and bringing about quantifiable changes in the production and productivity.</p>
Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	<p>The Pradhan Mantri Krishi Sinchayee Yojana was launched on 1st July, 2015 with the objective to achieve convergence of investments in irrigation sector at field level. National Mission for Micro Irrigation launched in January 2006 also became a part of the PMKSY. The scheme aims at providing end-to-end solutions in irrigation supply chain, viz., water resources, distribution network, farm level applications and improving water use efficiency.</p>

Appendix-2.3

(Refer paragraph 2.1.7.2; page 14)

Unutilised funds lying in banks of different DDOs under GOI Schemes as on
31 March 2019

(₹ in crore)

Sl. No.	Name of the DDO	MIDH	RKVY	PMKSY
1	SMS(Hort.), Kotkhai, Shimla	0.40	0.61	0
2	Fruit Technologist, FCU, Nagrota Bagwan, Kangra	0	0.16	0
3	SMS(Hort.), FCU, Rajpura, Chamba	0	0.21	0
4	Fruit Technologist, Navbahar, Shimla	0	0.47	0
5	SMS(Hort.), FCU, Nihal, Bilaspur	0	0.05	0
6	SMS(Hort.) Spiti at Kaza	0.14	0	0
7	SMS(Hort.), Kotkhai, Shimla	0.17	0.36	0
8	SMS(Hort.), Karsog, Mandi	0.11	0.06	0.08
9	SMS(Hort.), Rampur, Shimla	0.51	0.37	0.22
10	DDH, Sirmaur at Nahan	2.72	0.42	0.31
11	DDH, Mandi	3.72	0.48	1.14
12	DDH, Chamba	1.46	0.49	0.40
13	DDH, Una	1.52	0.04	0.27
14	DDH, Hamirpur	1.18	0.09	0.22
15	SMS(Hort.), Spiti at Kaza	0.02	0	0
16	DDH, Kangra	2.53	0.22	1.09
17	DDH, Shimla	4.48	1.09	1.04
18	DDH, Kinnaur	0.89	0.28	0.43
19	DDH, Solan	2.40	0.27	0.56
	Total:	22.25	5.67	5.76
	Grand Total	33.68		

Appendix-2.4

(Refer paragraph 2.1.8.2; page 16)

Status of construction works

(A) Details of work which did not start

(₹ in lakh)

Sl. No.	Name of work/building	Estimated cost	Funds received	Funds released to the agency	Date of funds released to agency	Balance funds yet to be released to the agency	Reasons for non-start
1.	2.	3.	4.	5.	6.	7.	8.
1.	Residential building of DDH Mandi at PCDO Jhamar IV	26.74	26.74	26.74	2009 to 2017-18	0	Work not started by executing agency
2.	Office building at Yangthang	0	1.23	1.23	2009 to 2018-19	0	Land not available
3.	Residential Quarter Type-V for Director	32.96	32.96	32.96	03/2009 to 03/2011	0	Land not available
4.	Office cum residence of HDO, PCDO Khadralla	14.47	14.47	14.47	03/2010 to 10/2013	0	Work not started
5.	Office cum residence of HDO, Tikker	14.47	14.47	14.47	03/2010 to 09/2012	0	Work not started
6.	Office cum residence Type-III for HEO PPC Kalbog	13.78	13.78	13.78	03/2010 to 09/2012	0	FCA approval awaited
7.	Office cum residence Type II building for HDO Jubbal	18.95	18.95	18.95	05/2010 to 10/2013	0	Land to be transferred from DRDA
8.	Residential building Type-II SMS FCU Reckong Peo	87.00	14.30	14.30	07/2010 to 08/2014	72.70	Insufficient funds
9.	Office cum residence Type-III, HEO, PPC Batargalu	13.64	9.65	9.65	03/2011 to 01/2015	3.99	Land title not clear
10.	Office cum residential Building for HEO PPC Kuddu Type-III	13.64	10.65	10.65	03/2011 to 01/2015	2.99	Land transfer case in progress
11.	Office cum residential Type-III for HEO PPC Mahasu Ki	13.64	13.64	13.64	03/2011 to 09/2012	0	Final approval of FCA case awaited.

1.	2.	3.	4.	5.	6.	7.	8.
12.	Office cum residential building at Marog	11.26	11.26	11.26	03/2011 to 08/2017	0	FCA case under process
13.	Office cum residential Type-III building for HEO PPC Tharola	13.64	13.64	13.64	03/2011 to 09/2012	0	FCA case under process
14.	Office cum residential Type-III building for HEO PPC Gumma Kotkhai	13.64	13.64	13.64	03/2011 to 12/2014	0	NOC received for land transfer
15.	Residential/ building Type IV Quarter for DDH Kangra	52.21	52.21	52.21	07/2011 to 06/2019	0	Work not started
16.	Office cum residential building Type-III (Anu)	34.8	16.57	16.57	11/2011 to 03/2015	18.23	Insufficient funds
17.	Residential Quarters for staff of JDH/DHHP	619.54	238.18	238.18	12/2011 to 03/2019	381.36	Land not available
18.	Training hall, F.T. Shamshi, Kullu	56.34	32.03	32.03	Mar-12	24.31	Insufficient funds
19.	Fruit Processing Unit, Dhaulakuan	250.58	30.00	30.00	03/2012 to 06/2019	220.58	Insufficient funds
20.	Construction of Centre Store Spillover	40.95	26.66	26.66	07/2014 to 2018-19	14.29	Insufficient funds
21.	Construction of Centre Store Sangla	0	0.53	0.53	07/2014 to 08/2017	0	Land not available
22.	Office cum residential building at PPC Jalog	112.02	17.00	17.00	04/2015 to 04/2018	95.02	FCA case under process
23.	SMS Karsog	126.25	57.68	57.68	03/2016 to 09/2019	68.57	Land not available
24.	Residential building Type-IV SMS Palampur	99.74	21.00	21.00	07/2017 to 07/2019	78.74	Insufficient funds
25.	Farmers hostel at SMS Mushroom Development Project Chambaghat	424.80	21.00	21.00	01/2018 to 10/2018	403.8	Insufficient funds
26.	Construction of Compost Unit at Chambaghat	203.27	70.00	70.00	Jan-19	133.27	Insufficient funds
	Total(A)	2,308.33	792.24	792.24		1,517.85	

Source: Departmental figures.

(B) Details of work which are in progress

(₹ in lakh)

Sl. No.	Name of work/ building	Estimated cost	Funds received	Funds released to the agency	Date of funds released to agency	Balance funds yet to be released to the agency	Reasons for under progress
1.	Residential accommodation for staff (Type-III -18 Quarters, Type-II 2 Quarters.)at Reckong Peo	89.81	47.64	34.43	11/1999 to 08/2017	55.38	Insufficient funds
2.	Construction work of centre store at Spillow now at Pooh	40.93	16.18	5.30	2001 to 2018-19	35.63	Insufficient funds
3.	Fencing work at PCDO Kilba	42.16	21.71	21.71	2008-2019	20.45	Insufficient funds
4.	Residential building of HDO/HEO block at Balh at PCDO Bhangrotu	27.86	27.86	27.86	2010 to 2017-18	0	Incomplete
5.	Residential building of HDO/HEO at PCDO Samrahan	27.86	27.86	27.86	2010 to 2017-18	0	Incomplete
6.	Accommodation Type-II building for HDO PCDO Annu	23.84	23.84	23.84	05/2010 to 03/2013	0	Incomplete
7.	Type-II for HDO PPC Khaneti, Kotkhai	13.64	13.64	13.64	03/2011 to 10/2013	0	Incomplete
8.	Residential buildings at DDH Nahan at Haripur Mohalla	53.11	28.48	28.48	01/2012 to 04/2019	24.63	Insufficient funds
9.	Office cum store building of SMS Sunder Nagar	78.99	78.99	78.99	2013 to 2016-17	0	Incomplete
10.	Office cum residence Plant Nutrition Lab, Thanedhar	92.85	74.85	74.85	03/2014 to 04/2018	18.00	Insufficient funds
11.	Office SMS (Apiculture), Kangra	96.92	73.00	48.00	10/2015 to 03/2019	48.92	Insufficient funds
12.	Office cum residential building PPC Bannuna	85.68	18.70	18.70	08/2017 to 02/2019	66.98	Insufficient funds
Total(B)		673.65	452.75	403.66		269.99	
Grand Total (A+B)		2,981.98	1,244.99	1,195.9		1,787.84	

Source: Departmental figures.

Appendix-2.5

(Refer paragraph 2.1.9.1; page 17)
 Details of area used in PCDOs/ nurseries, demonstration to the horticulturists, staff position and irrigation facilities during 2014-19

Sl. No.	District	PCDO/ Nursery	Area (in hectare)			Horticulturists visited the PCDO for demonstration	Status of staff		Irrigation facility
			Total area	Area used for nursery	Area without plantation		SS	PIP	
1.	Kangra	Jachh	4.20	1.00	1.00	Nil	12	05	Adequate
		Palampur	11.34	3.00	2.00	155	07	06	Adequate
2.	Kinnaur	Boktu	4.72	1.06	Nil	45	11	05	Inadequate
		Giaboung	4.40	0.64	Nil	Nil	08	04	Adequate
		Pooh	10.00	0.80	4.60	120	09	05	Inadequate
3.	Shimla	Baragaon	3.16	0.16	1.16	04	03	03	Inadequate
		Chopal	8.45	Nil	6.20	Nil	05	03	Inadequate
		Kumarsain	1.44	Nil	0.72	Nil	03	01	Inadequate
		Rajhana	1.60	Nil	0.60	Nil	03	01	Inadequate
4.	Solan	Chail	6.80	Nil	2.13	95	05	03	Inadequate
		Gaura	2.33	1.40	0.64	248	04	04	Adequate
		Patta Mehlog	6.06	0.40	1.00	290	07	05	Seasonal
		Total	64.50	8.46	20.05	957	77	45	

Source: Departmental figures.

Appendix-2.6

(Refer paragraph-2.1.14.1; page 24)

Details of insecticides / pesticides procured, sold and balance as of March 2019

As per records of SPPO, Shimla								
DDH Shimla (₹ in lakh)								
Year	Opening balance		Quantity issued		Quantity sold by DDH		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	0	0.00	229152	884.04	225934	869.88	3218	14.16
2015-16	3218	14.16	236255	861.45	235113	889.48	4360	21.36
2016-17	4360	21.36	190827	866.96	185695	849.83	9491	43.38
2017-18	9491	43.38	200277	808.79	198060	801.09	11708	51.07
2018-19	11708	51.07	227212	876.88	143943	540.11	94976	387.83
DDH Kinnaur (₹ in lakh)								
Year	Opening balance		Quantity issued		Quantity sold by DDH		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	0.00	0.00	25484	85.80	25484	85.80	0.00	0.00
2015-16	0.00	0.00	22451	97.98	22451	97.98	0.00	0.00
2016-17	0.00	0.00	26777	109.82	26096	107.44	682	2.38
2017-18	682	2.38	27671	123.39	26580	114.73	1772	11.02
2018-19	1772	11.02	26500	106.75	10957	41.26	17315	76.50
DDH Solan (₹ in lakh)								
Year	Opening balance		Quantity issued		Quantity sold by DDH		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	0.00	0.00	1620	4.62	1620	4.62	0.00	0.00
2015-16	0.00	0.00	1361	4.38	1361	4.38	0.00	0.00
2016-17	0.00	0.00	777	2.25	777	2.25	0.05	0.00
2017-18	0.05	0.00	1479	4.63	1312	4.01	168	0.62
2018-19	168	0.62	1226	3.95	128	0.29	1265	4.28
DDH Kangra (₹ in lakh)								
Year	Opening balance		Quantity issued		Quantity sold by DDH		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	0	0.00	890	2.89	854	2.79	36	0.10
2015-16	36	0.10	780	2.70	771	2.67	45	0.13
2016-17	45	0.13	350	1.14	348	1.14	47	0.14
2017-18	47	0.14	815	2.63	763	2.45	99	0.31
2018-19	99	0.31	355	1.00	129	0.34	325	0.97

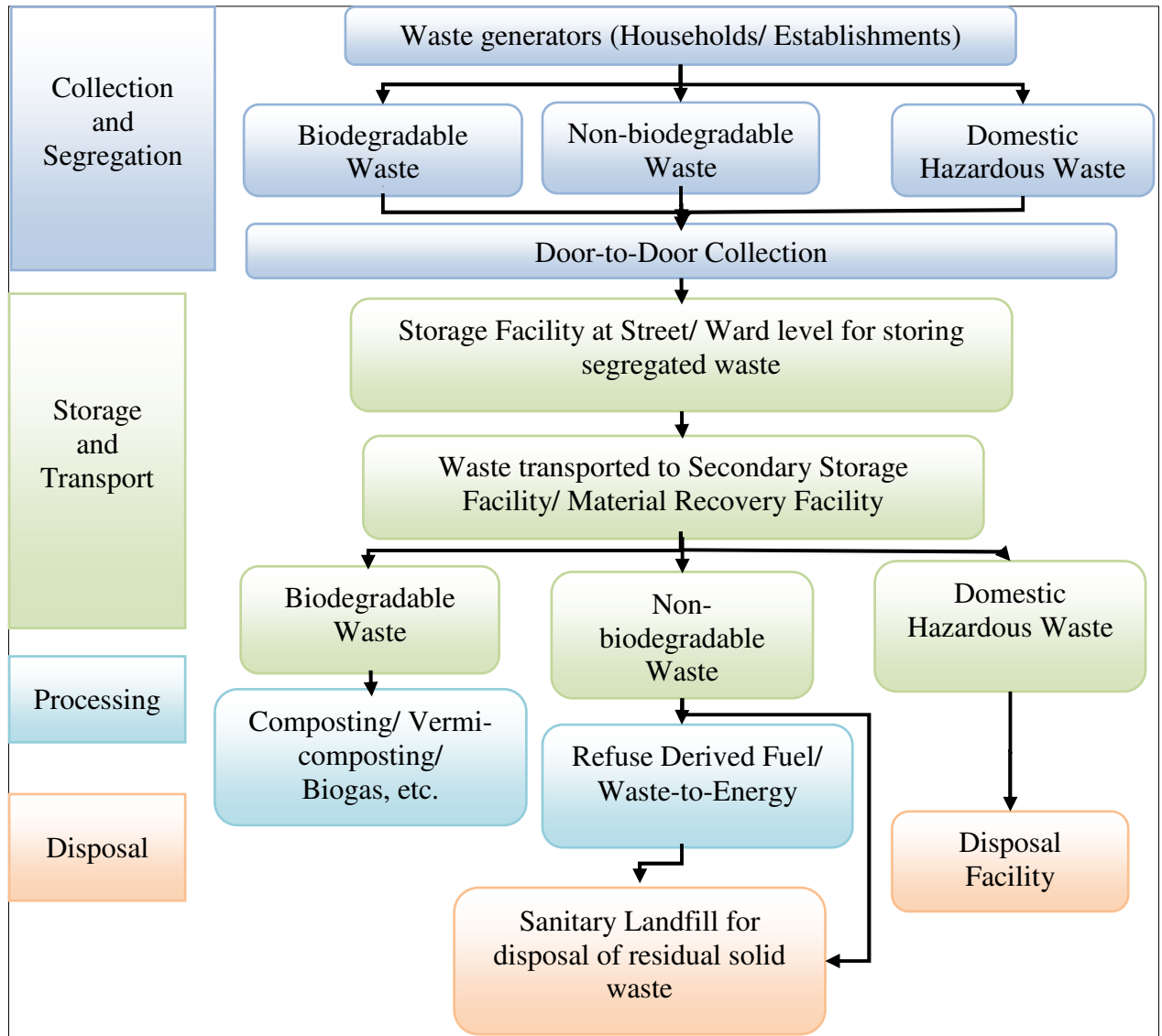
As per records of concerned DDSh								
DDH Shimla (₹ in lakh)								
Year	Opening balance		Quantity received		Quantity sold		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	86250	270.39	193784	945.75	187005	795.93	75949	286.43
2015-16	75949	286.43	212842	843.88	199547	794.06	70875	249.85
2016-17	70875	249.85	222206	849.05	199857	1020.92	65741	283.98
2017-18	65741	283.98	234441	886.66	199110	594.79	85593	323.44
2018-19	85593	323.44	271001	903.34	207700	690.99	183410	508.36
DDH Kinnaur (₹ in lakh)								
Year	Opening balance		Quantity received		Quantity sold		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	0	0.00	35498	108.08	15898	57.47	19600	50.61
2015-16	19600	50.61	22551	100.02	9848	42.70	12703	57.32
2016-17	12703	57.32	26277	108.58	12695	47.64	13582	60.94
2017-18	13582	60.94	27671	122.52	10417	40.87	17254	81.65
2018-19	17254	81.65	34212	140.00	11690	48.24	22522	91.76
DDH Solan (₹ in lakh)								
Year	Opening balance		Quantity received		Quantity sold		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	3	0.006	1250	3.00	1220	2.95	33	0.06
2015-16	33	0.06	1710	4.86	1707	4.82	36	0.10
2016-17	36	0.10	1259	4.09	1295	4.20	0	0.00
2017-18	0	0.00	777	2.25	711	2.11	65	0.15
2018-19	65	0.15	1279	4.25	1196	3.84	149	0.56
DDH Kangra (₹ in lakh)								
Year	Opening balance		Quantity received		Quantity sold		Closing balance	
	Kg/L	Value	Kg/L	Value	Kg/L	Value	Kg/L	Value
2014-15	11	0.03	1030	4.21	1027	4.19	3	0.01
2015-16	3	0.01	780	3.36	779	3.35	1	0.003
2016-17	1	0.003	350	1.53	348	1.52	2	0.005
2017-18	2	0.005	715	2.99	701	2.93	14	0.06
2018-19	14	0.06	343	1.37	204	0.77	139	0.60

Source: Departmental figures.

Appendix-2.7

(Refer paragraph 2.2.1; page 28)

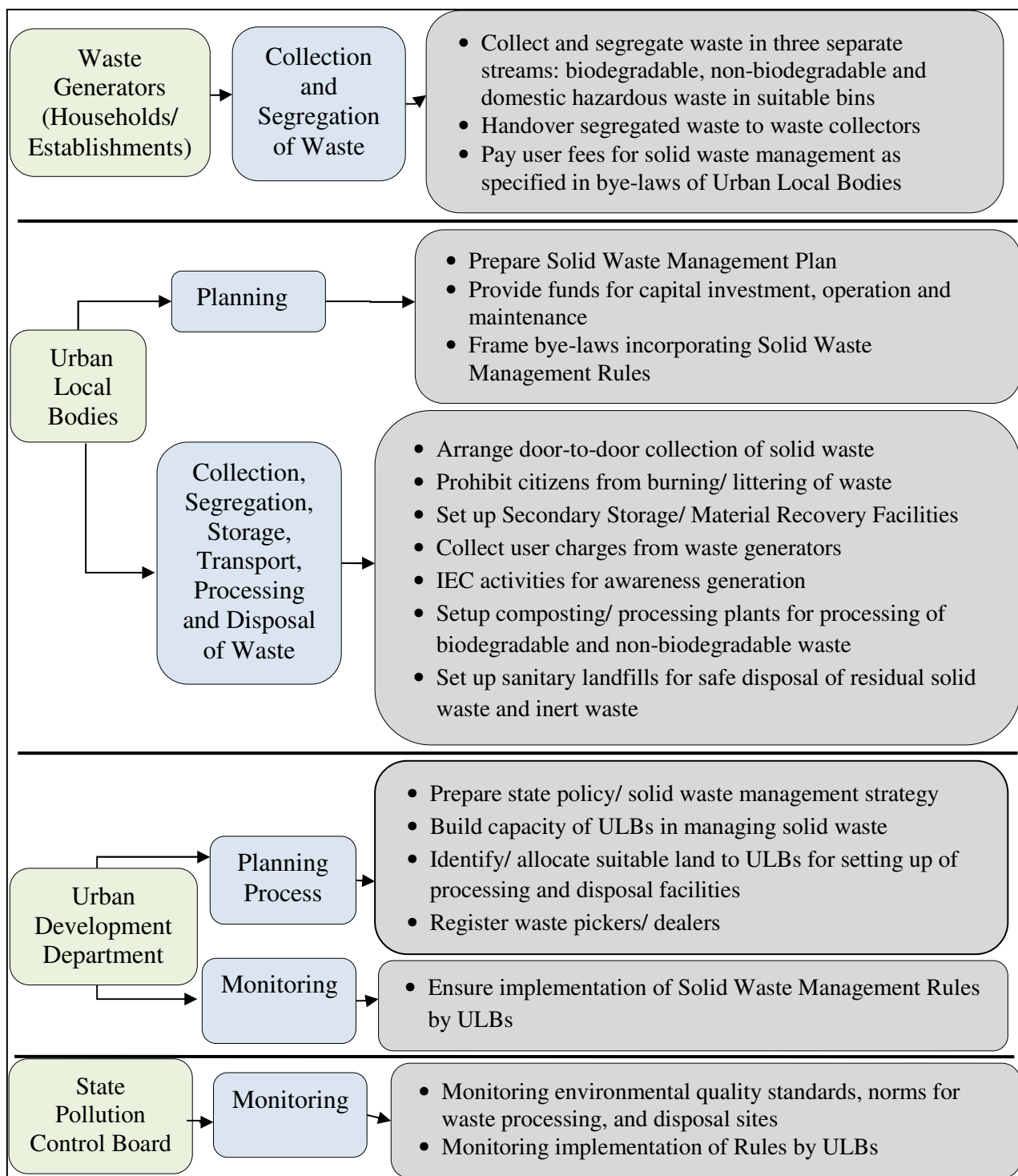
Flow chart showing handling of solid waste at various stages



Appendix-2.8

(Refer paragraph 2.2.1; page 28)

Flow chart showing responsibility framework for management of solid waste



Appendix-2.9

(Refer paragraph 2.2.15; page 51)

Summarised position of solid waste management in the test-checked ULBs

LB	Collection				Segregation	Recycling /Material Recovery	Storage	Transport	Processing		Disposal
	Door-to-door collection of waste	Community / Modern Underground Bins	Litering of waste	Collection of user charges					Biodegradable	Non-biodegradable	
Baddi	No reporting mechanism for ensuring waste collection as per schedule. However, as per beneficiary survey door-to-door collection was reported to be satisfactory	Broken, overflowing, uncovered	Yes	No collection	None	No facility; partially at dump site	73 per cent vehicles uncovered; 99 per cent vehicles not equipped to handle segregated waste	No secondary storage facility at street or ward level	None	None	Open dumping at dump site
Bajjnath-Paprola		None	Yes	No collection	None	None			None	None	
Bilaspur		None	Yes	Collection without assessment	None	No facility; partially at dump site			Non-functional	None	
Chamba		Broken, overflowing, uncovered	Yes	No collection	None	No facility; partially at dump site			Non-functional	None	

Dharamshala	Broken, overflowing, uncovered	Yes	No collection	None	No facility; partially at dump site	Non-functional	None
Hamirpur	None	No	Collection without assessment	At source	No facility; partially at dump site	Partially functional	None
Jawali	Uncovered	Yes	No collection	None	None	None	None
Kullu	Uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	Partially functional	None
Mandi	Uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	None	None
Nahan	Broken, overflowing, uncovered	Yes	Short collection without assessment	None	No facility; partially at dump site	Partially functional	None
Ner Chowk	None	Yes	Collection without assessment	None	None	None	None
Paonta	Broken, overflowing, uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	None	None
Shimla	Broken, overflowing, uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	None	Non-functional
Solan	None	Yes	Short collection without assessment	None	No facility; partially at dump site	Non-functional	None
Sundernagar	Broken, overflowing, uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	None	None
Una	Uncovered	Yes	Collection without assessment	None	No facility; partially at dump site	Non-functional	None

Appendix-2.10

(Refer paragraph 2.2.15; page 51)

Achievement of Service Level Benchmarks under Solid Waste Management in respect of test-checked ULBs

Indicator		Household Level Coverage	Efficiency in Collection of Solid Waste	Efficiency in Collection of SWM Charges	Extent of Segregation of MSW (Municipal Solid Waste)	Extent of MSW Recovered	Extent of Scientific Disposal of MSW
SLB (per cent)		100	100	90	100	80	100
Sl. No.	ULBs (Year)	Achievement (per cent)					
1.	Baddi (2018-19)	80	76	10	35	18	75
2.	Bajnath-Paprola*	-	-	-	-	-	-
3.	Bilaspur (2017-18)	100	85.7	0	0	0	0
4.	Chamba*	-	-	-	-	-	-
5.	Dharamshala (2018-19)	0	25.33	61.18	18.21	11.35	0
6.	Hamirpur (2018-19)	32.1	89.5	21	58	12	0
7.	Jawali*	-	-	-	-	-	-
8.	Kullu (2018-19)	99.79	86.78	0	73.33	93.33	0
9.	Mandi (2018-19)	90	90	70	90	20	80
10.	Nahan (2018-19)	85	55	0	50	100	75
11.	Ner Chowk (2018-19)	12	98	0	0	0	0
12.	Paonta*	-	-	-	-	-	-
13.	Shimla (2018-19)	95	90	85	70	90	80
14.	Solan (2018-19)	100	100	90	60	80	90
15.	Sundernagar (2017-18)	10.8	90	30	80	80	70
16.	Una*	-	-	-	-	-	-

Source: Information provided by/ available on website of Urban Development Department

* Data not available in public domain

Appendix-3.1

(Refer paragraph: 3.2; page 57)

Illustrative example of relevant records

H.P.U. COPY
H.P. UNIVERSITY, SHIMLA
State Bank of India
Summer Hill, Shimla-5
(To be filled in by candidates)

Date: 4/12/2017
Name of the candidate: Babu Raju
(In BLOCK LETTERS)
Address: 1, 2, 3, 4, 5
Class: Roll No.: Deptt.:
Fee deposited for: Sale of Prospectus
Purpose Code: 01320
Amount (in Figures) Rs. 4000
Particulars of Amount tendered (Rupees)
x 1000 each 4000
Total 4000
Less Return 0
Net Amount 4000
(In words) Rupees
(Signature of Depositor)
Receipt No.
Rupees
(Signature of Bank Cashier)

Himachal Pradesh University - Fee Collection Centre
Receipts Details

Sl. No.	Name	Amount	Centre
2007-021529	ARCHANA SHARMA	53170	COMP1
2007-021530	TANUJA SHARMA	57790	COMP1
2007-021531	LALIT BHARMA	57790	COMP1
2007-021532	SHREYANSA	57790	COMP1
2007-021533	DAVYA DOLMA	57790	COMP1
2007-021534	MESHADEVI	57790	COMP1
2007-021535	BHIMLADIVI	55100	COMP1
2007-021536	SUMAN BALA	55100	COMP1
2007-021537	SANJEEV	52800	COMP1
2007-021538	HEMANTI	52800	COMP1
2007-021539	SHIV DAVAL	52780	COMP1
2007-021540	MANOJ KUMAR	52780	COMP1
2007-021541	ARITA KUMARI	52780	COMP1
2007-021542	SUNDEEP SINGH	51720	COMP1
2007-021543	SHIVA	51720	COMP1
2007-021544	POORNAM	52720	COMP1
2007-021545	CHABI MAN LAWOEEPTHTPU	52280	COMP1
2007-021546	BAKESH	52480	COMP1
2007-021547	HEMLATA	52720	COMP1
2007-021548	HANJANA JAWEWAL	52480	COMP1
2007-021549	ABHIN MEHTA	52720	COMP1
2007-021550	SACHIN	52800	COMP1
2007-021551	ASHAM BATA	52480	COMP1
2007-021552	VIRENDER KUMAR	52800	COMP1
2007-021553	PARESH KUMAR	52780	COMP1
2007-021554	RAM KUMAR	52780	COMP1
2007-021555	APPOORVA THAKUR	52800	COMP1
2007-021556	VIRENDER KUMAR	52780	COMP1
2007-021557	SUREEKA DEVI	53120	COMP1
2007-021558	SHEETAL	52540	COMP1
2007-021559	AVEL SHARMA HPU	53120	COMP1
2007-021560	BABURAM HPU	53120	COMP1
2007-021561	BABURAM HPU	53120	COMP1
2007-021562	HARVADAGEVI	52940	COMP1
2007-021563	SHIKHA	52720	COMP1
2007-021564	ENQUARY SECTION HPU	53220	COMP1

Total Fee Collected: 117717

University's copy of challan: showing amount deposited as ₹4,000. Extra space between '4' and the three '0's may be noted. Amount is not filled in words.

Bank statement: highlighted item shows amount deposited as ₹ 4,000.

DEPOSITOR'S COPY
H.P. UNIVERSITY, SHIMLA
State Bank of India
Summer Hill, Shimla-5
(To be filled in by candidates)

Date: 4/12/2017
Name of the candidate: Babu Raju
(In BLOCK LETTERS)
Address: 1, 2, 3, 4, 5
Class: Roll No.: Deptt.:
Fee deposited for: Sale of Prospectus
Purpose Code: 01320
Amount (in Figures) Rs. 40000
Particulars of Amount tendered (Rupees)
x 1000 each 40000
Total 40000
Less Return 0
Net Amount 40000
(In words) Rupees
(Signature of Depositor)
Receipt No.
Rupees
(Signature of Bank Cashier)

Register of sale of prospectus

Sl. No.	Name	Date	Amount
1.	21552	4-12-17	40,000/-
2.	2172	4-12-17	40,000/-
3.	22370	4-12-17	40,000/-
4.	2266	12-2-11	40,000/-
5.	2220	11-2-11	40,000/-
6.	2220	8-2-11	40,000/-
7.	22720	18-2-11	40,000/-
8.	2220	21-2-11	40,000/-
9.	2220	22-2-11	40,000/-
10.	2224, 2324, 2324	23-2-11	40,000/-
11.	220535	23-2-11	40,000/-
12.	22227	23-2-11	40,000/-
13.	22247	30-2-11	40,000/-
14.	2244	2-8-11	40,000/-
15.	2235	2-8-11	40,000/-
16.	22470, 22470	6-8-11	40,000/-
17.	22840	9-8-11	40,000/-
18.	22006	10-8-11	40,000/-
19.	4103	12-8-11	40,000/-
20.	22125	14-8-11	40,000/-
21.	2226, 227	19-8-11	40,000/-
22.	22358	19-8-11	40,000/-
23.	2251	19-8-11	40,000/-
24.	22386	24-8-11	40,000/-
25.	22367	25-8-11	40,000/-
26.	26133	26-8-11	40,000/-
27.	22425	28-8-11	40,000/-
28.	22080	1-9-11	40,000/-
29.	22087	3-9-11	40,000/-
30.	227200	5-9-11	40,000/-

Depositor's copy of challan: showing amount deposited as ₹ 40,000; extra '0' added later. Amount is not filled in words.

Register for sale of prospectus: first highlighted item showing amount deposited as ₹ 40,000.

Appendix-3.2

(Refer paragraph: 3.2; page 57)

**Statement showing details of amounts short-deposited in the bank account of HPU by ICDEOL,
HPU Shimla against receipts from sale of UG/ PG/ B.Ed./ M.Ed. prospectus**

UG/PG Academic Year 2011-12

(Amount in ₹)

Sl. No./ Fee Collection Register Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1.	2.	3.	4.	5.	6.
1/166	21557	04.07.2011	40,000	4,000	36,000
2/184	21725	06.07.2011	40,600	4,600	36,000
3/199	22518	11.07.2011	16,000	6,000	10,000
4/209	22634	12.07.2011	40,000	4,000	36,000
5/220	22278	13.07.2011	13,600	3,600	10,000
6/247	22719	18.07.2011	50,000	5,000	45,000
7/329	23248	23.07.2011	20,200	2,200	18,000
8/481	23944	30.07.2011	14,800	4,800	10,000
9/611	4755	03.08.2011	70,000	7,000	63,000
10/763	24840	09.08.2011	70,000	7,000	63,000
11/784	25006	10.08.2011	60,000	6,000	54,000
12/837	25325	16.08.2011	17,000	7,000	10,000
13/858	5226	17.08.2011	80,000	8,000	72,000
14/886	25359	18.08.2011	60,000	6,000	54,000
15/902	5555	19.08.2011	40,000	4,000	36,000
16/939	25961	25.08.2011	70,000	7,000	63,000
17/968	26133	26.08.2011	40,600	4,600	36,000
18/1003	26425	29.08.2011	40,000	4,000	36,000
19/1048	26750	01.09.2011	18,000	8,000	10,000
20/1114	27019	03.09.2011	19,000	9,000	10,000
21/1193	27389	06.09.2011	17,800	7,800	10,000
22/1272	27559	07.09.2011	17,000	7,000	10,000
23/1453	27927	09.09.2011	18,000	8,000	10,000
24/1486	28111	12.09.2011	14,200	4,200	10,000
25/1487	6227	13.09.2011	60,600	6,600	54,000
26/1502	6414	14.09.2011	18,000	8,000	10,000
27/1720	29777	16.09.2011	40,000	4,000	36,000
28/1739	6835	17.09.2011	20,600	2,600	18,000
29/1750	7045	19.09.2011	50,200	5,200	45,000
30/1777	7118	20.09.2011	14,800	4,800	10,000
31/1800	28471	21.09.2011	13,200	3,200	10,000

1.	2.	3.	4.	5.	6.
32/1819	28657	22.09.2011	20,800	2,800	18,000
33/1930	29232	27.09.2011	13,600	3,600	10,000
34/1946	29418	28.09.2011	30,400	3,400	27,000
35/2007	29871	03.10.2011	18,000	8,000	10,000
36/2060	8297	05.10.2011	60,500	6,500	54,000
37/2180	8791	12.10.2011	12,200	2,200	10,000
38/2191	30440	13.10.2011	16,000	6,000	10,000
39/2204	30606	14.10.2011	13,200	3,200	10,000
40/2285	31090	19.10.2011	71,000	7,000	64,000
41/2324	31221	20.10.2011	61,200	6,200	55,000
42/2362	31502	24.10.2011	14,200	4,200	10,000
43/2488	10312	14.11.2011	10,800	1,800	9,000
44/2495	31947	16.11.2011	20,200	2,200	18,000
45/2502	32485	21.11.2011	10,600	1,600	9,000
46/2503	36499	23.11.2011	15,200	5,200	10,000
47/2509	33783	02.12.2011	20,600	2,600	18,000
48/2511	34241	07.12.2011	10,800	1,800	9,000
49/2537	35442	20.12.2011	40,200	4,200	36,000
50/2565	35753	22.12.2011	30,600	3,600	27,000
51/2580	035927	23.12.2011	12,800	2,800	10,000
52/2607	36190	26.12.2011	14,200	4,200	10,000
53/2646	36501	28.12.2011	18,200	8,200	10,000
54/2732	37557	06.01.2012	50,600	5,600	45,000
55/3196	733	27.01.2012	13,500	3,500	10,000
56/3001 wrong Sl. No. given	6208	21.03.2012	11,400	1,400	10,000
57/3916	6269	27.03.2012	11,600	1,600	10,000
58/46	9704	23.04.2012	19,000	9,000	10,000
		Total	17,45,600	2,85,600	14,60,000

B.Ed./ M.Ed. Academic Year 2011-12

Sl. No./ Fee Collection Register Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1/87	17248	30.04.2011	20,100	2,100	18,000
2/102	17921	09.05.2011	30,600	3,600	27,000
3/146	21320	30.06.2011	10,200	1,200	9,000
		Total	60,900	6,900	54,000

UG/PG Academic Year 2012-13

Sl. No./ Fee Collection Register Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1/85	17468	18.07.2012	15,400	5,400	10,000
2/291	12395	19.07.2012	1,11,200	1,200	1,10,000
3/376	18208	26.07.2012	14,000	4,000	10,000
4/564	18937	02.08.2012	15,000	5,000	10,000
5/659	14274	06.08.2012	19,000	9,000	10,000
6/660	14454	07.08.2012	1,00,000	10,000	90,000
7/665	14618	08.08.2012	19,600	9,600	10,000
8/681	14806	09.08.2012	1,15,000	5,000	1,10,000
9/746	14595	24.08.2012	1,11,000	11,000	1,00,000
10/807	17377	03.09.2012	80,000	8,000	72,000
11/830	15941	04.09.2012	17,600	7,600	10,000
12/849	16122	05.09.2012	16,400	6,400	10,000
13/950	16963	11.09.2012	16,000	6,000	10,000
14/956	17157	12.09.2012	13,400	3,400	10,000
15/968	17370	13.09.2012	16,600	6,600	10,000
16/974	17522	14.09.2012	13,800	3,800	10,000
17/1067	000369	25.09.2012	19,000	9,000	10,000
18/1086	21660	27.09.2012	1,10,600	10,600	1,00,000
19/1098	21867	28.09.2012	12,200	2,200	10,000
20/1109	22092	01.10.2012	15,200	5,200	10,000
21/1117	22314	03.10.2012	16,000	6,000	10,000
22/1150	22539	04.10.2012	70,200	7,200	63,000
23/1226	23014	08.10.2012	15,000	5,000	10,000
24/1234	23232	09.10.2012	14,000	4,000	10,000
25/1262	23950	15.10.2012	1,20,500	2,500	1,18,000
26/1273	24180	17.10.2012	12,200	2,200	10,000
27/1322	24943	25.10.2012	13,200	3,200	10,000
28/1363	25716	02.11.2012	12,400	2,400	10,000
29/1442	23721	27.11.2012	1,12,500	2,500	1,10,000
30/1448	28767	29.11.2012	1,11,600	1,600	1,10,000
31/1460	29400	04.12.2012	10,800	1,800	9,000
32/1516	30401	13.12.2012	1,12,200	2,200	1,10,000
33/1539	30523	14.12.2012	11,400	1,400	10,000
34/1624	31113	19.12.2012	13,000	3,000	10,000
35/1649	31282	20.12.2012	1,11,500	1,500	1,10,000
36/1671	31460	21.12.2012	11,600	1,600	10,000
37/1879	32502	29.12.2012	20,000	2,000	18,000
38/1974	32895	01.01.2013	30,000	3,000	27,000
39/2223	26971	09.01.2013	13,600	3,600	10,000
40/2852	27923	28.01.2013	12,600	2,600	10,000
41/2953	28274	01.02.2013	11,200	1,200	10,000
42/N.A.	39140	28.03.2013	1,11,500	1,500	1,10,000
43/64	35577	24.04.2013	1,10,400	400	1,10,000
44/71	35725	25.04.2013	11,800	1,800	10,000
45/82	36034	29.04.2013	11,400	1,400	10,000
		Total	19,51,600	1,94,600	17,57,000

B.Ed./ M.Ed. Academic Year 2012-13

Sl. No./ Fee Collection Register Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1/55	10820	25.04.2012	13,600	3,600	10,000
2/60	9996	26.04.2012	12,700	2,700	10,000
3/86	10653	03.05.2012	11,800	1,800	10,000
4/NA	17200	17.07.2012	12,000	0	12,000
		Total	50,100	8,100	42,000

UG/ PG Academic Year 2013-14

Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1.	46909	19.08.2013	1,30,000	30,000	1,00,000
2.	52374	20.08.2013	1,60,000	60,000	1,00,000
3.	47115	21.08.2013	1,38,000	38,000	1,00,000
4.	48147	29.08.2013	1,56,500	56,500	1,00,000
5.	49242	04.09.2013	1,49,000	49,000	1,00,000
6.	50540	10.09.2013	1,50,000	50,000	1,00,000
7.	51337	16.09.2013	1,15,000	15,000	1,00,000
8.	52040	18.09.2013	1,11,000	11,000	1,00,000
9.	52281	19.09.2013	1,07,000	7,000	1,00,000
10.	52637	20.09.2013	1,10,600	10,600	1,00,000
11.	54093	27.09.2013	1,18,000	18,000	1,00,000
12.	57689	30.09.2013/ 01.10.2013	1,13,000	13,000	1,00,000
13.	57933	04.10.2013	1,18,000	8,000	1,10,000
14.	58241	08.10.2013	1,06,000	6,000	1,00,000
15.	56185	11.10.2013	1,10,500	1,500	1,09,000
16.	56543	15.10.2013	1,02,700	2,700	1,00,000
17.	57205	22.10.2013	1,20,400	2,400	1,18,000
18.	27247	05.02.2014	1,10,200	1,200	1,09,000
19.	64357	26.02.2014	20,600	2,600	18,000
		Total	22,46,500	3,82,500	18,64,000

UG/ PG Academic Years 2014-18

Sl. No.	Bank Receipt No.	Date	Amount claimed deposited into University's bank account as per the copy of the fee receipt (Depositor's copy) submitted by Sh. Babu Ram	Actual amount deposited into the University's bank account as per the copy of the fee receipt (University's copy) directly obtained by the Accounts branch from the bank	Sale proceeds short deposited
1.	2.	3.	4.	5.	6.
1.	70523	25.07.2014	1,26,000	26,000	1,00,000
2.	71311	30.07.2014	1,32,000	32,000	1,00,000
3.	71764/71762	01.08.2014	1,24,000	24,000	1,00,000
4.	707	06.08.2014	1,23,000	23,000	1,00,000
5.	834	07.08.2014	1,31,000	31,000	1,00,000
6.	72691	08.08.2014	1,22,000	22,000	1,00,000
7.	72907	11.08.2014	1,36,000	36,000	1,00,000
8.	73395/ (Fee Reg. Sl. No. 445)	14.08.2014	1,37,000	37,000	1,00,000
9.	74496	27.08.2014	1,33,000	33,000	1,00,000
10.	74608	28.08.2014	1,41,000	41,000	1,00,000
11.	74827	29.08.2014	1,36,000	36,000	1,00,000
12.	3844	03.09.2014	1,06,000	6,000	1,00,000
13.	75857	11.09.2014	1,15,000	15,000	1,00,000
14.	76055	12.09.2014	1,11,000	11,000	1,00,000
15.	76577	17.09.2014	1,12,000	12,000	1,00,000
16.	79028	24.09.2014	1,09,600	9,600	1,00,000
17.	79166	25.09.2014	1,08,000	8,000	1,00,000
18.	1313	26.09.2014	13,500	3,500	10,000
19.	80137	10.10.2014	1,13,000	3,000	1,10,000
20.	92028	29.12.2014	1,03,600	3,600	1,00,000
21.	93093	08.01.2015	1,12,000	2,000	1,10,000
22.	93709/9379 (Fee Reg. Sl. No.31)	16.01.2015	1,02,100	2,100	1,00,000
23.	95513	06.02.2015	1,01,750	1,750	1,00,000
24.	95766	09.02.2015	1,01,750	1,750	1,00,000
25.	5031	19.02.2015	12,800	2,800	10,000
26.	5212	20.02.2015	1,02,800	2,800	1,00,000
27.	6693/6653	02.03.2015	1,02,100	2,100	1,00,000
28.	8199	16.03.2015	11,400	1,400	10,000
		Sub-Total (2014-15)	29,79,400	4,29,400	25,50,000

1.	2.	3.	4.	5.	6.
1.	5671	23.07.2015	1,80,000	80,000	1,00,000
2.	21318	25.07.2015	1,50,000	50,000	1,00,000
3.	22098	30.07.2015	1,40,000	40,000	1,00,000
4.	22228/22218	31.07.2015	1,23,000	23,000	1,00,000
5.	22576	04.08.2015	1,60,000	60,000	1,00,000
6.	23094	06.08.2015	1,80,000	80,000	1,00,000
7.	23193	07.08.2015	1,56,000	56,000	1,00,000
8.	23343	10.08.2015	1,61,000	61,000	1,00,000
9.	26154	01.09.2015	1,30,000	30,000	1,00,000
10.	26634	07.09.2015	1,20,000	20,000	1,00,000
11.	7781	19.02.2016	1,20,000	20,000	1,00,000
12.	7945	20.02.2016	1,10,000	10,000	1,00,000
13.	40558	24.02.2016	1,04,000	4,000	1,00,000
14.	8352	26.02.2016	1,02,400	2,400	1,00,000
15.	40869	29.02.2016	1,12,800	2,800	1,10,000
16.	8728	03.03.2016	1,01,200	1,200	1,00,000
17.	8827	04.03.2016	1,01,600	1,600	1,00,000
18.	9756	16.03.2016	1,11,600	1,600	1,10,000
19.	10114/10119	21.03.2016	1,11,200	1,200	1,10,000
		Sub-Total (2015-16)	24,74,800	5,44,800	19,30,000
1.	20745	18.08.2016	1,50,000	50,000	1,00,000
2.	56034	07.09.2016	2,50,000	50,000	2,00,000
3.	56499	12.09.2016	2,50,000	50,000	2,00,000
4.	58098	26.09.2016	2,50,000	50,000	2,00,000
5.	34555	04.01.2017	1,04,000	4,000	1,00,000
6.	64288/64686	07.03.2017	1,03,500	3,500	1,00,000
7.	42193	07.04.2017	1,02,500	2,500	1,00,000
		Sub-Total (2016-17)	12,10,000	2,10,000	10,00,000
1.	71018	31.07.2017	1,55,000	55,000	1,00,000
2.	72041	14.08.2017	1,50,000	50,000	1,00,000
3.	74504	05.09.2017	1,20,000	20,000	1,00,000
4.	63677	03.01.2018	1,17,000	17,000	1,00,000
5.	63952	06.01.2018	1,20,000	20,000	1,00,000
6.	89938	01.03.2018	1,41,000	41,000	1,00,000
		Sub-total (2017-18)	8,03,000	2,03,000	6,00,000
		Grand Total All academic years 2011-18	1,35,21,900	22,64,900	1,12,57,000

Appendix 3.3

(Refer paragraph: 3.5; page 64)

Table No. 1 Details regarding avoidable expenditure on hiring of transport helicopter

(Amount in ₹)

Col. No.	1	2	3	4	5	6	7 Col. No. (2 * 6)	8 Col. No. (5 - 7)
Sl. No.	Year	Flying Hours for payment	Service Tax %	Rates Applied per hour	Annual amt. Paid*	Rate without enhancement	Total Amount without enhancement	Excess
1.	2013	578.30	12.36	379758 (337984+ ST 41774)	21,96,14,051	379758 (337984+ ST 41774)	21,96,14,051	--
2.	2014	464.04	12.36	417734 (371782+ ST 45952)	19,38,56,541	379758 (337984+ ST 41774)	17,62,22,902	1,76,33,639
3.	2015 (Jan 15 to May 2015)	200	12.36	455709 (405580+ ST 50129)	23,52,69,328	379758 (337984+ ST 41774)	7,59,51,600	5,24,96,602
4.	2015 (June 15 to Dec 15)	277.24	14.00	462361 (405580+ ST 56781)		385302 (337984+ ST 47318)	10,68,21,126	
5.	2016 (Jan 16 to May 16)	200	14.50	503089 (439379 + ST 63710)	23,87,05,472	386992 (337984+ ST 49008)	7,73,98,400	5,51,77,452
6.	2016 (June 16 to Dec 16)	273.05	15.00	505286 (439379+ ST 65907)		388682 (337984 + ST 50698)	10,61,29,620	
7.	2017 (Jan 17 to June 17)	240	15.00	544153 (473179+ ST 70976)	25,96,09,989	388682 (337984 + ST 50698)	9,32,83,680	5,85,64,875
8.	2017 (July 17 to Dec 17)	270.20	18.00	558348 (473177+ ST 85171)		398821 (337984 + ST 60837)	10,77,61,434	
Total:					1,14,70,55,381		96,31,82,813	18,38,72,568

*Departmental figures

Table No. 2 Trend in Aviation Turbine Fuel (ATF) prices (before execution of contract)

Year	Average Yearly ATF Price at Delhi (per Kilolitre)	Percentage change in ATF prices with respect to 2008 price
2008 (June-Dec)	58,481	-
2009 (Jan-Dec)	34,401	-41.17
2010 (Jan-Dec)	40,900	-30.00
2011 (Jan-Dec)	57,046	-2.45
2012 (Jan-Dec)	66,370	+13.48

Table No. 3 Trend of Aviation Turbine Fuel (ATF) prices (during period of contract)

Year	Average Yearly ATF Price at Delhi (per Kilolitre)	Percentage change in ATF prices with respect to 2013 price
2013 (Jan-Dec)	69,275	-
2014 (Jan-Dec)	69,794	0.75
2015 (Jan-Dec)	47,563	-31.34
2016 (Jan-Dec)	44,446	-35.84
2017 (Jan-Dec)	51,958	-24.99

Table No. 4: Utilization of flying hours

Year	Committed flying hours	Actual flying hours utilized	Payment made for (in flying hours)	Excess (+)/deficit (-)*	Additional payment for unutilized hours (₹ in crore)
2013	464.22	578.30	578.30	+115.03	-
2014	464.04	387.40	464.04	-76.24	3.18
2015	477.24	428.20	477.24	-49.04	2.27
2016	473.05	432.30	473.05	-40.35	2.03
2017	472.55	510.22	510.22	+37.27	-
Total:				-13.33 hours	7.48

*Departmental figures.

Table No. 5: Rate per flying hour

Year	2013	2014	2015		2016		2017	
			Jan-May	Jun-Dec	Jan-May	Jun-Dec	Jan-Jun	Jul-Dec
Rate per flying hour (₹ in lakh)	3.38	3.72	4.06	4.06	4.39	4.39	4.73	4.73
Total rate per flying hour including service tax (₹ in lakh)	3.80	4.18	4.56	4.62	5.03	5.05	5.44	5.58

Unsatisfactory Services: PHL was served (March 2015) show cause notice for termination of agreement as helicopter had not been provided consistently between January 2013 and March 2015 even after repeated reminders. Yet another show cause notice for termination of the agreement was issued (March 2017) for continuing poor services from February 2016 to March 2017. A complaint was also made (March 2017) by the Resident Commissioner, Pangri for unsatisfactory services. However, no action was taken to levy any penalty (there was no penalty clause in the agreement) or to terminate the contract with PHL before expiry of the agreement in December 2017.

The service record of the transport helicopter during January 2018 to December 2019 also showed that the helicopter remained grounded in August 2018 for 3 days, September 2018 for 12 days, October 2018 for 20 days, November 2018 for 30 days, December 2018 for 5 days, and for more than two months from April 2019. Moreover, several complaints were made during the period for non-providing of satisfactory services. It may be mentioned that transport helicopter services were most essential during the winter season for providing evacuation / emergency services to people in snow-bound areas. However, no action was taken to terminate the agreement and no penalty could be levied.

Appendix-3.4

(Refer paragraph: 3.8; page 71)
Scheme-wise details of expenditure incurred by Building and Other Construction
Workers Welfare Board for 2014-19

(Amount in ₹)

Sl. No.	Name of Scheme	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Maternity Benefit	9,15,000	19,250	12,34,500	11,31,000	32,97,000
2.	Pension	0	0	0	0	2,59,500
3.	Advance for purchase or reconstruction of house	0	0	0	0	0
4.	Disability Pension	0	4,30,000	11,500	17,500	7,000
5.	Loan for the purchase of Tools	0	0	0	0	0
6.	Payment of the Funeral Assistance	1,40,000	24,00,000	3,55,000	0	1,14,43,334
7.	Payment of Death Benefit	1,70,000	14,42,197	57,75,000	67,25,374	0
8.	Medical Assistance to beneficiaries	2,38,516	1,53,80,600	28,13,554	41,25,122	59,19,876
9.	Financial assistance for education	1,19,80,000	2,63,14,800	2,24,21,451	2,01,42,603	8,66,89,465
10.	Financial assistance for marriage	78,76,000	17,89,556	4,59,81,342	4,96,80,736	8,00,86,309
11.	Financial assistance for bicycle	18,24,957	3,50,00,000	31,13,123	2,74,25,237	80,22,157
12.	Financial assistance for Stove Assistance	66,63,719	0	0	0	0
13.	General Welfare Activities (Workers Publicity)	0	0	0	0	7,56,519
14.	GIS	3,20,000	0	0	0	0
15.	Skill Development	0	3,21,44,100	47,578	0	0
16.	Relief Fund	0	0	0	0	0
17.	RSBY/PMJJBY/PMSBY	80,444	0	0	5,74,436	34,65,828
18.	Transit Hostel	0	4,89,000	0	1,73,186	71,601
19.	Expenses on creches at work site	0	0	0	0	8,31,400
20.	Washing Machine	0	30,36,157	2,99,44,041	1,104,15,131	1,67,36,000
21.	Induction Heater	0	26,00,000	2,67,92,222	2,60,18,804	51,06,879
22.	Solar Lantern	0	11,56,200	5,53,195	5,66,38,160	2,09,13,803
23.	Store Charges	0	0	1,50,022	17,23,730	9,55,550
24.	Others	0	0	0	0	3,27,416
	Total	3,02,08,636	12,22,01,860	13,91,92,528	30,47,91,019	24,48,89,637
	Grand Total					84,12,83,680

Appendix-3.5

(Refer paragraph: 3.10; page 74)

**Statement showing the details of works sanctioned for religious places under
Vidhayak Kshetra Vikas Nidhi Yojana**

(Amount in ₹)

Sl. No.	Name of work	Sanction No. & date	Executing Agency (BDO)	Amount
I. District Kinnaur at Reckongpeo				
1.	C/o Narenas Temple, Tangi	5706-12 Dt. 12.6.2017	Pooh	1,82,000
2.	C/o Hirma Mata Temple, Kaphor (Chora)	5706-12 Dt. 12.6.2017	Nichar	10,00,000
3.	C/o Jai Shri Satya Narayan Mandir, Thanag, Sungra	6206-12 Dt. 08.8.2017	Kalpa	3,00,000
4.	C/o Langar Bhawan at Bodh Temple (Mikhand)	6368-74 Dt. 21.8.2017	Pooh	3,00,000
5.	C/o Protection wall around the Modh Temple (Bari)	6518 Dt. 11.9.2017	Nichar	50,000
6.	C/o Main gate at Narayan Temple (Bari)		Nichar	3,00,000
7.	C/o Laah Devta Wayuda Temple, Sungra		Nichar	3,00,000
8.	C/o Bodh Temple, Kandar		Nichar	2,00,000
9.	C/o Community Centre at Nagni Mata (ChotaKasba)	6649-57 Dt. 25.9.2017	Nichar	6,00,000
10.	C/o Usha Mata Temple, Nichar	1584-92 Dt. 22.6.2018	Nichar	2,00,000
11.	C/o Community Bhawan at Narayan Mandir, Bari	9019-25 Dt.1.10.2014	Nichar	3,00,000
12.	C/o Community Bhawan at Satya Narayan Mandir, Thanang (Sungra)	9019-25 Dt.1.10.2014	Nichar	3,00,000
Total (I)				40,32,000

II. District Kangra				
Sl. No.	Name of work	Scheme No.	Executing agency (BDO)	Amount
1.	C/o Community Bhawan near Mata Kripa Sundari, Bir	VKV/2015/917	Bajjnath	2,00,000
2.	C/o Railing and Fencing near Shiv Mandir, Fatahar (Samlotu)	VKV/2015/855	Bajjnath	50,000
3.	C/o Toilet near old Mahavir Temple	VKV/2015/114	Bhawarna	50,000
4.	C/o Toilet and Bathroom near Bharari Mata Mandir	VKV/2015/559	Bhawarna	70,000
5.	C/o Sarai near temple of Mata Kalholi under Bharaka ward	VKV/2015/317	Bhawarna	1,25,000
6.	C/o Rain shelter near Gugga mandir, Amb Salhetter	VKV/2015/423	Dehra	1,50,000
7.	C/o Retaining wall near mata mandir in vill. Gharella	VKV/2015/397	Dehra	30,000
8.	Completion of community bhawan near Trimurti mandir, Chhidnala upper Paisa	VKV/2015/586	Dehra	1,00,000
9.	C/o Kitchen shed near Shiv mandir, W.No. B in G.P. Tang	VKV/2015/723	Dharamshala	1,00,000
10.	C/o Boundary wall Sarai near mandir, Sajwan	VKV/2015/741	Fatehpur	2,00,000

11.	C/o Sarai near Peer Baja Village, Baroda	VKV/2015/1194	Indora	1,50,000
12.	C/o Retaining wall to protect park near Shiv Mandir, Kathgarh	VKV/2015/740	Indora	5,00,000
13.	C/o Khushti Akhada and Stadium near Peer Baba, Hadoli	VKV/2015/1	Indora	2,00,000
14.	C/o Sarai near Gurudwara Sahib, mohalla Tattan in village Raja khara	VKV/2015/183	Indora	1,50,000
15.	C/o Stage near Nagni mata mandir, ward no. 3	VKV/2015/485	Indora	50,000
16.	C/o Community hall near shri Krishna sabha bhawan	VKV/2015/219	Kangra	2,45,000
17.	C/o Community centre near Sita Ram Mandir for 11 th floor	VKV/2015/970	Kangra	3,00,000
18.	C/o Sarai near Sheetla Mata Mandir, Sadarpur	VKV/2015/579	Kangra	3,00,000
19.	Completion of Guru Ravi Das Bhawan in Harijan Basti, ward no. 7	VKV/2015/235	Kangra	70,000
20.	C/o shed near Jakhu Mandir ward, no. 3	VKV/2015/778	Kangra	1,20,000
21.	C/o Sarai near Shiv Mandir in village Amb, W. No. 4	VKV/2015/799	Lambagaon	1,00,000
22.	C/o Steel shed at Naina devi temple in Gram Panchayat, Patialkar	VKV/2015/11	N. Bagwan	1,00,000
23.	Completion of Guru Ravi Dass Sarai, W.No. 15c Basti, Patialkar	VKV/2015/1007	N. Bagwan	60,000
24.	C/o Shed near Shiv Mandir, Ghiora	VKV/2015/1080	Nurpur	80,000
25.	C/o Protection work near Shiv Mandir, Baldoon	VKV/2015/1169	Nurpur	1,10,000
26.	C/o Protection work near Pracheen mandir, Shivdwala	VKV/2015/1074	Nurpur	1,10,000
27.	C/o Shed near Gurudwara, ward no. 7	VKV/2015/1125	Nurpur	50,000
28.	C/o Langer varamdarh near nalahru Mahadev Mandir	VKV/2015/32	Panchrukhi	1,00,000
29.	C/o Sarai near Laxmi Narayan mandir in vill. Gurehad, Ward no.5	VKV/2015/664 (Sanction cancelled)	Panchrukhi	1,50,000
30.	C/o Sarai in mandir odder	VKV/2015/260	Panchrukhi	1,25,000
31.	C/o Shed near Guru Ravidas Mandir S.C. Basti, Village Amdreta, W. No. 3	VKV/2015/786	Panchrukhi	2,00,000
32.	C/o Shed near Shiv Mandir Ram Baih Amni	VKV/2015/599	Pragpur	80,000
33.	C/o Langar Shed near Kart, Gugga Mandir W. No. 3	VKV/2015/597	Dehra	25,000
34.	C/o Shed near Chamnda Mata Mandir, W. No. 3	VKV/2015/962	Rait	40,000
35.	C/o Shed near Mata Mandir Bajhred, W. No. 4	VKV/2015/952	Rait	50,000
36.	C/o Courtyard to community Bhawan near Shiv Mandir, Gadiara.	VKV/2015/706	Sullah	1,00,000
37.	C/o Community Centre near Gorkh Nath Mandir, Nath Mohalla G.P. Cantt Area	VKV/2015/1214	Dharamshala	2,00,000
38.	C/o Boundary Wall near G.P. Mandehad	VKV/2015/430	Bajnath	1,00,000

39.	C/o Shed near Hanuman mandir Pantehar Sevdar Dharm Chand	VKV/2015/454	Bajjnath	30,000
40.	C/o Kitchen for Guru Ravi Dass Mandir at Resehar	VKV/2015/89	Bhawarna	50,000
41.	Completion of Sarai near Balmiki Mandir lohana, G.P. Lohana	VKV/2015/473	Palampur	1,00,000
42.	C/o Completion of parking near Shani Mandir Dohru Mohalla, G.P. Aima	VKV/2015/477	Bhawarna	1,50,000
43.	C/o Shed near Shiv Mandir village Rehar Bharal	VKV/2015/257	Dehra	1,00,000
44.	Completion of rain shelter near Shiv Mandir, Purtiala	VKV/2015/277	Dehra	1,00,000
45.	Completion of rain shelter in Purtiala, Mandir	VKV/2015/1174	Dehra	50,000
46.	Completion of rain shelter near Mandir, Lakhwal	VKV/2015/1175	Dehra	1,00,000
47.	C/o Rain shelter near Shivaji Temple in village Gharna	VKV/2015/1176	Dehra	1,00,000
48.	C/o Sarai near Gurudwara, Manwal Jattan	VKV/2015/381	Dehra	1,50,000
49.	C/o Sarai near Mata Mandir, Kangar	VKV/2015/383	Dehra	2,00,000
50.	C/o Danga near Shani Dev Mandir	VKV/2015/392	Indora	80,000
51.	Completion of Sarai in Gurudwara Singh Sabha, Palampur	VKV/2015/229	Palampur	1,00,000
52.	C/o Hall near Shiv Mandir, Lakhmandal	VKV/2015/121	N. Bagwan	3,00,000
53.	C/o Shed near Shiv Temple W.No. 8 Chhatroli	VKV/2015/938	Nurpur	2,50,000
54.	C/o Shed near Shiv Temple W.No. 9 Chhatroli	VKV/2015/939	Nurpur	75,000
55.	C/o Kitchen & Toilet in Sarai near Shiv Mandir odder	VKV/2015/77	Lambagaon	1,00,000
56.	Completion of Sarai in Satya Narayan Mandir, Ward No. 5	VKV/2015/224	Panchrukhi	1,50,000
57.	C/o Sarai near Ravi Dass Mandir, Majhenu	VKV/2015/783	Panchrukhi	80,000
58.	C/o Shed near Community Bhawan Gugga Mandir, ward no.3 Dhiman Basti	VKV/2015/348	Pragpur	1,00,000
59.	C/o Shed near Nag Mandir, W.No. 5	VKV/2015/820	Rait	2,00,000
60.	C/o Community Bhawan near Mandir in Village Gadiyara	VKV/2015/143	Sullah	1,50,000
61.	C/o Community Bhawan near Ravi Mandir, Bhedu Mahadev	VKV/2015/613	Sullah	5,00,000
62.	C/o Community Sarai near Baba Ravi Dass Mandir, Ward no. 2	VKV/2015/724	Bhawarna	1,00,000
63.	C/o Shed near Pracheen Shiv Mandir, Dahog, Ward No. 2	VKV/2015/1114	Dehra	50,000
64.	C/o Sarai near Gugga Mandir W. No.7	VKV/2015/1255	Pragpur	2,00,000
Total (II)				85,05,000

(III) District Sirmaur at Nahan				
Sl. No.	Name of the Scheme	Year	Executing Agency	Amount
1.	C/o Sanjha Prangan at Demana near Shirgul Mandir	2016-17	BDO, Shillai	1,00,000
2.	C/o Sanjha Prangan near Shirgul Mandir, Chandni	2016-17	BDO, Paonta Sahib	1,00,000
3.	C/o Sarai near Gugga Madi ward no. 4 village Salani	2016-17	BDO, Nahan	2,00,000
4.	C/o Shed near Gugga Madi village Rigadwala	2016-17	BDO, Nahan	1,00,000
5.	C/o Community Bhawan near Ma Nagarkoti in village Jajhad Saroga	2016-17	BDO, Nahan	1,00,000
6.	C/o Shed at Idgah in village Tokiyon	2016-17	BDO, Paonta Sahib	1,00,000
7.	C/o Sarai near the Temple village Bhrampur	2016-17	BDO, Paonta Sahib	1,00,000
8.	C/o Sarai near the temple of Sh. Shidh Baba BalakNath Temple	2016-17	BDO, Paonta Sahib	1,00,000
9.	C/o Shed near the Temple of Baba Balak Nath and Chandi Temple village Sainwala, Mubarikpur	2016-17	BDO, Paonta Sahib	1,00,000
10.	C/o Sanjha Prangan Bhatudi near temple	2016-17	BDO, Shillai	2,00,000
11.	C/o Community Bhawan near Mata Temple in village Belwali	2016-17	BDO, Paonta Sahib	2,00,000
12.	C/o Boundary Wall Community Bhawan near Ravidas Temple, Jamnighat	2016-17	BDO, Paonta Sahib	1,00,000
13.	C/o Sanjha Angan near Shirgul Devta Mandir at village Ranwa	2016-17	BDO, Sangrah	1,00,000
14.	C/o Sanjha Prangan near Shiv Mandir, Manal	2017-18	BDO, Shillai	1,00,000
15.	C/o Sanjha Prangan near Shirgul Mandir, Nichla Bandli	2017-18	BDO, Shillai	1,00,000
16.	C/o Sanjha Prangan Khatwad near Parshuram Mandir	2017-18	BDO, Paonta Shahib	1,00,000
17.	C/o Sanjha Prangan at Chandroli near Guga Mandir	2017-18	BDO, Shillai	1,00,000
18.	C/o Kitchen Shed near Dumeshwar Mandir, Dimber	2017-18	BDO, Rajgarh	1,00,000
19.	C/o Puliya on Rasta from Bramsthan Village Surla	2017-18	BDO, Nahan	20,000
20.	Completion of Kitchen and Store Shirgul Mandir, Rajgarh	2017-18	BDO, Rajgarh	50,000
21.	C/o Sanjha Prangan near Guga Mandir, Koti	2017-18	BDO, Shillai	1,00,000
22.	C/o Sanjha Prangan at Shiv Mandir, Timbki	2017-18	BDO, Shillai	1,00,000
23.	Completion of Community Bhawan near Thod Mandir	2017-18	BDO, Rajgarh	1,00,000
24.	C/o Prangan near Shirgul Mandir, Badol	2017-18	BDO, Sangrah	50,000
25.	Construction of Community Bhawan near Kali Mata Mandir	2017-18	BDO, Rajgarh	1,00,000
26.	Construction of Chabutra near Goga Mandir, Shargaon	2017-18	BDO, Rajgarh	1,00,000
27.	Construction of Sanja Prangan near Shirgul Mandir	2017-18	BDO, Paonta Sahib	2,00,000
28.	Construction of Stair Rasta near Shir Mandir, Amarpur Mohalla	2017-18	M.C. Nahan	50,000
29.	Construction of Kitchen Shed near Kangra Mata Mandir, Bhalag	2017-18	BDO, Rajgarh	1,00,000
30.	Construction of Sanjha Prangan near Guga Madi, Harijan Basti, Palwari	2017-18	BDO, Shillai	50,000

31.	Construction of Community Center near Maharishi Balmiki Temple	2017-18	P.O. DRDA Sirmaur	1,00,000
32.	Construction of Community Shed near Chureshwar Temple, Ward No. 05	2017-18	M.C. Nahan	1,50,000
33.	Construction of Shed near Mata Madanan in Ward No. 13	2017-18	M.C. Nahan	50,000
34.	Construction of Community Prangan near Temple Mahasu Village Kulah	2017-18	BDO, Shillai	2,50,000
35.	Construction of Gate near Shiv Mandir Shringi	2017-18	BDO, Pachhad	1,00,000
36.	Construction of Community Bhawan and Ravi Dass Temple, Village Koorn	2017-18	BDO, Nahan	1,00,000
37.	Construction of Sanjha Angan near Shirgul Maharaj Mandir, Gehal	2017-18	BDO, Sangrah	50,000
38.	Construction of Sanjha Angan near Sirgul Maharaj Mandir, Deuri	2017-18	BDO, Sangrah	50,000
Total (III)				39,70,000

(IV) District Chamba				
Sl. No.	Name of work	Scheme ID	Constituency	Amount Sanctioned
1.	C/o Shed near Jawala Mata Mandir at village Badaie	VKV/2015/57	Bhattiyat	1,00,000
2.	C/o Bath room toilet at Devi Naag Mandir, Garnota	VKV/2015/83	Bhattiyat	2,00,000
3.	C/o Community Bhawan near Nag mandir village Angels	VKV/2015/74	Bhattiyat	4,00,000
4.	C/o Ravidas Community Bhawan at Mehlahk data Phase-I	VKV/2015/50	Bharmour	2,00,000
5.	C/o Play ground near Kali Mata Temple, Degalad	VKV/2015/70	Bharmour	1,00,000
6.	C/o Kitchen shed at Bhalei temple	VKV/2015/2	Dalhousie	6,00,000
7.	C/o Community kitchen shed and store near Shakti temple, Brangal	VKV/2015/195	Dalhousie	2,50,000
8.	C/o Community Bhawan near chowki Mata Mandir, Sudali	VKV/2016/78	Bhattiyat	3,10,000
9.	C/o Community Bhawan at village Garh near Lakhdata temple	VKV/2016/107	Bhattiyat	3,00,000
10.	C/o Community Hall at Devi Dehra near Lalpa Mata Mandir	VKV/2016/284	Dalhousie	2,50,000
11.	C/o Stage near Triandi Mandir	VKV/2016/285	Dalhousie	1,25,000
12.	C/o Community Toilets near Kassa temple	VKV/2016/25	Chamba	1,00,000
13.	C/o Mela ground near Hadinga Mata Mandir at Upper Gudda	VKV/2016/86	Chamba	1,00,000
14.	C/o Community Bhawan near Nag Temple Bhojn	VKV/2016/243	Chamba	1,00,000
15.	C/o Slab sarai near Sharda Mata temple, Devi Dehra	VKV/2016/271	Chamba	50,000
16.	C/o Sarai Bhawan at village near Bhadra Kali Temple	VKV/2016/159	Dalhousie	3,00,000
17.	C/o Shed near Nag Mandir, Salooni	VKV/2016/279	Dalhousie	5,00,000
18.	C/o Kitchen shed near lakh data temple, Dhevi diyara	VKV/2017/79	Bhattiyat	1,00,000
19.	C/o Sarai shelter near Baba Lakh Data Temple	VKV/2017/166	Dalhousie	3,00,000

20.	Improvement of Pohlani Mata temple at Pukhri	VKV/2017/223	Dalhousie	4,50,000
21.	C/o Community Hall at nidhar nag mandir, village Khalandar	VKV/2017/224	Dalhousie	3,50,000
22.	C/o Mela ground Dhar near Chound mata temple	VKV/2017/257	Bharmour	50,000
23.	C/o Mela ground near Chanja Mata mandir	VKV/2017/268	Bharmour	50,000
24.	C/o Community toilets near Nag temple, Laladi	VKV/2017/149	Dalhousie	1,50,000
25.	C/o Community Bhawan near Kangandi Mata temple	VKV/2017/69	Chamba	4,00,000
26.	C/o Community Hall near Pathooda Nag temple, GP Singhi	VKV/2018/82	Chamba	1,00,000
27.	Addition & Alteration of community bhawan near Shiv Temple at Hardaspura	VKV/2018/3	Chamba	1,00,000
28.	C/o Slaib at lower lalakhari near lawala Mata temple Math	VKV/2018/45	Chamba	1,00,000
29.	C/o Mela ground at Samela near Nag temple	VKV/2018/44	Chamba	1,50,000
30.	C/o Rain shelter near Sarda Mata temple Devi Dehra	VKV/2018/53	Chamba	2,00,000
31.	C/o Sarai Bhawan near Kali Mata temple, Booga	VKV/2018/74	Chamba	1,00,000
32.	C/o Playground/ mela maidan near Shiv Shakti Temple, Bharari	VKV/2018/77	Chamba	1,00,000
Total (IV)				66,85,000
Grand Total (Statements I, II, III and IV)				2,31,92,000

Appendix-3.6

(Refer para 3.14.5.1 (C); page 89)

Detail of regulations as per Himachal Pradesh Town and Country Planning Act/ Rules and development plans

Regulations	Provisions as per Appendix of Rules/ Relevant paras of DPs																																
Parking	One parking floor shall be mandatory wherever feasible.																																
Solar passive building designs	Solar passive building design for all Government/ public/ semi-public institutional buildings in urban and urbanisable areas, residential colonies and apartments, etc. The map for the proposed building should accompany a statement giving detail of specifications of solar passive heating and cooling system, day lighting features, solar photovoltaic panels, energy efficient and other renewable energy devices as shown in the drawing and proposed to be installed where required. Rule 14 of Rules, stipulates that all the appendices were to be considered in addition to regulations of the DP.																																
Rain Water Harvesting Structure (RWHS)	Minimum capacity of RWHS shall be worked out @ 20 liters per sqm. of the roof top area. DPs of Dalhousie, Nahan provides for RWHS but capacity of such tank not prescribed. DP Dharamshala (roof top area above 200 sq. metre), Kullu-Bhunther, Mandi, Nahan and Sundernagar provides that RWHS shall be proposed @ 20 litre per sqm. of the roof top area where roof top area exceeds 200 sqm.																																
Storeys / Building Height	<p>Para 18 of DP Nahan restricts height according to nature of the building i.e. residential, commercial, etc. and width of path. Appendix-1 stipulates that height shall be related to width of abutting path i.e. >3.00 metres and non-vehicular (10 metres); >3.00 metres but vehicular (13 metres) and between 3.00 metres and 5.00 metres (15 metres).</p> <p>Provisions of DP Solan, Mandi and Chamba are detailed below:</p> <table border="1"> <thead> <tr> <th>Name of development area</th> <th>Classification of area</th> <th>Road width (in metres)</th> <th>No. of storeys + parking permissible</th> </tr> </thead> <tbody> <tr> <td>Solan</td> <td>Semi built up</td> <td>5</td> <td>4 + 1</td> </tr> <tr> <td>-do-</td> <td>-do-</td> <td>< 5</td> <td>3</td> </tr> <tr> <td>-do-</td> <td>Other Area</td> <td>< 7</td> <td>4+1</td> </tr> <tr> <td>-do-</td> <td>-do-</td> <td>3 to 5</td> <td>3 + 1</td> </tr> <tr> <td>-do-</td> <td>-do-</td> <td>5 to 7</td> <td>3½ + 1</td> </tr> <tr> <td>Mandi</td> <td>----</td> <td>< 3 and non-vehicular</td> <td>3 (10 metres maximum)</td> </tr> <tr> <td>Chamba</td> <td>Core Area</td> <td>----</td> <td>2/ Existing</td> </tr> </tbody> </table>	Name of development area	Classification of area	Road width (in metres)	No. of storeys + parking permissible	Solan	Semi built up	5	4 + 1	-do-	-do-	< 5	3	-do-	Other Area	< 7	4+1	-do-	-do-	3 to 5	3 + 1	-do-	-do-	5 to 7	3½ + 1	Mandi	----	< 3 and non-vehicular	3 (10 metres maximum)	Chamba	Core Area	----	2/ Existing
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Floor Area Ratio (FAR)	FAR of 1.50 to 1.75 considering nature of building and available plot area. DPs of different PAs provide for different FARs depending upon the area of the plot and nature of the building.																																
Plinth height	Maximum plinth height (Para 18 of Dalhousie) in case of plot on hill slope as 3.50 metres and in case of flat land maximum height of plinth shall be 0.60 metres. Para 10.4.8 of interim development plan Shimla and Rules provide plinth level as two metres.																																
Set-backs	Set-backs of different sizes of plots on all four sides ranging between one metre and 12 metres (front), none and seven and half metre (left), one and half metre and seven and half metre (right) and one metre and six metre (rear).																																
Hill cutting	Maximum hill cut of 3.50 metre height shall be permissible. No building shall be built to abut against an earth cutting including a toe wall supporting an earth cutting, maximum 1.00 metre distance shall be maintained.																																
Demarcation Report	Applicant shall make an application in Form 11 or 12, as the case may be, after the boundaries of the land in question are marked by Revenue Authorities.																																
NOC from Fire Services	Firefighting provisions and specifications shall be as per National Building Code (NBC) of India, 2005. Para 2.25 of NBC stipulates that buildings of or above 15 metre height are considered high rise buildings which shall be provided with the fire protection measures. Section 15 A of the Himachal Pradesh Fire Fighting Service Act, 1984 provides that all building plans in respect of buildings of above 15 metres of height, industrial units and commercial establishments dealing with or using explosive and highly inflammable substances shall require NOC from the Director of Fire Services or Chief Fire Officer, as the case may be, on the basis of recommendations of Divisional Fire Officer or Station Fire Officer concerned.																																
NOCs from HPPWD	For plots abutting highways, bye-pass and HPPWD's scheduled roads, NOCs from the HPPWD shall be mandatory in the cases where plot is directly abutting to these roads and there is direct access through connecting bridge and by constructing ramps to such roads.																																
Structural Stability Certificate (SSC)	Structural Stability Certificate (SSC) shall be furnished by the applicant at the time of applying for permission and before putting the building into use. The SSC shall be given by the Structural Engineer. Registration/empanelment as Structure Engineer (SE) would be required (September 2016) with the TCP. Further notification (February 2017) states that whereby Government allowed category "A" registered private professionals to get registered as SE for issuing SSC in all cases except high rise buildings and also serving Government officers/ officials possessing relevant qualification of SE can also issue SSC.																																
Powers of relaxation to Director	As per para 28 of General Regulations under HPTCP Rules, Director, TCP is empowered to accord relaxation in: (i) set-backs and height of floors/ buildings in the case of Government projects in the public interest, and (ii) set-backs and height of floors in the case of private buildings.																																

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