



Report of the
Comptroller and Auditor General
of India

for the year ended March 1998

Government of Haryana
No.3 (Civil) of 1999



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TABLE OF CONTENTS

	Reference to	
	Paragraph	Page(s)
Prefatory Remarks		(viii)
OVERVIEW		(ix)-(xxii)
Chapter-I		
ACCOUNTS OF THE STATE GOVERNMENT		
Introduction	1.1	1-2
Price trends	1.2	3
Summarised financial position	1.3	3-15
Financial position of the State	1.4	16-19
Revenue Receipts	1.5	19-22
Revenue Expenditure	1.6	22-27
Capital Expenditure	1.7	27-29
Deficit	1.8	30-31
Public Debt	1.9	31-34
Ways and Means Advances and Overdraft	1.10	34-35
Incomplete Capital Works	1.11	35
Performance of Government of Haryana during VIII Plan (1992-97)	1.12	35-36
Indicators of financial performance of the State Government	1.13	36-43
Chapter-II		
APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE		
General	2.1	44
Results of appropriation audit	2.2	45-57
Personal Ledger Accounts	2.3	57-61

	Reference to	
	Paragraph	Page(s)
Chapter-III		
CIVIL DEPARTMENTS		
Animal Husbandry Department		
Working of Animal Husbandry Department	3.1	62-86
Police Department		
Manpower Management	3.2	87-105
Civil Aviation Department		
Non-recovery of cost of spare parts issued to aviation clubs	3.3	106
Finance Department		
Non-submission of utilisation certificates of discretionary grants	3.4	107
Medical and Health Department		
National Malaria Eradication Programme	3.5	108-121
Purchase of defective hydraulic chairs with dental units	3.6	122-123
Revenue Department		
Inadmissible payment of cash compensation to manufacturing units/industry owners	3.7	123
Fictitious payment of gratuitous relief	3.8	124
Drawal of funds without requirement	3.9	125-126
Technical Education Department		
Outstanding inspection reports	3.10	126-128
Women and Child Development Department		
Failure to train office bearers of Mahila Mandals	3.11	129-130
General		
Misappropriations, defalcations, etc.	3.12	130-131
Write off of losses, etc.	3.13	131

	Reference to	
	Paragraph	Page(s)
Chapter-IV		
WORKS EXPENDITURE		
Public Works Department		
Public Health Branch		
Urban Water Supply and Sewerage Schemes	4.1	132-149
Buildings and Roads Branch		
Avoidable payment of interest	4.2	150-151
Extra expenditure due to re-tendering	4.3	151-152
Excess payment in construction of a bridge piers and abutments	4.4	152-153
Outstanding audit observations	4.5	153-156
Irrigation Branch		
Inordinate delay in correcting the level of Garhi minor	4.6	156-157
Irregular retention of money out of Government account resulting in loss of interest	4.7	157-158
Failure of the Sprinkler Irrigation Scheme and wastage of Government funds	4.8	158-159
Unjustified lining of a seasonal channel	4.9	159-160
Unfruitful expenditure on silt clearance	4.10	160-161
Chapter-V		
STORES AND STOCK		
Industrial Training and Vocational Education Department		
Stores and stock	5.1	162-166

	Reference to	
	Paragraph	Page(s)
Chapter-VI		
FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS		
General	6.1	167-170
Agriculture Department Haryana State Agricultural Marketing Board		
Wasted expenditure on defective road works	6.2	171-172
Misutilisation of funds	6.3	172-173
Unfruitful expenditure due to non-acquisition of land and execution of work without transfer of land	6.4	173-174
Higher Education Department (Maharshi Dayanand University)		
Nugatory expenditure due to payment of idle wages	6.5	174-176
Irrigation Department (Command Area Development Authority)		
Command Area Development Programme	6.6	177-193
Rural Development Department (District Rural Development Agency)		
Wasteful expenditure on horticulture scheme	6.7	193-195
Unfruitful expenditure due to non-installation of pump sets	6.8	195-196
Town and Country Planning Department (Haryana Urban Development Authority) and Public Works Department		
Land acquisition and transfer of land and utility thereof	6.9	197-209
Loss due to non-recovery of rebate	6.10	209-210

	Reference to	
	Paragraph	Page(s)
Chapter-VII		
COMMERCIAL ACTIVITIES		
General	7.1	211-212
Printing and Stationery Department		
Pilferage of paper	7.2	212-213
Transport Department (Haryana Roadways)		
Accidents in Haryana Roadways	7.3	214-222
Purchase of sub-standard engine oil	7.4	222-223

		Page(s)
APPENDICES		
Appendix-I	List of Indices/ratios and basis for their calculation	225
Appendix-II	Unnecessary supplementary grants	226
Appendix-III	Excessive supplementary grants/ appropriations	227
Appendix-IV	Insufficient supplementary grants/ appropriations	228
Appendix-V	Unutilised provision and surrender thereof	229
Appendix-VI	Unutilised Provisions	230-237
Appendix-VII	Non-receipt of explanations for savings/ excesses	238-241
Appendix-VIII	Statement showing the names of DDOs whose PLAs had been checked	242
Appendix-IX	Statement showing the details of PLAs operated with/without consultation with AG	243
Appendix-X	Details showing year-wise targets/ achievements of AI and Calf Born	244
Appendix-XI	Details showing area sown and harvested at the Farm/Projects	245
Appendix-XII	Details indicating population, number of operational staff and crime cases	246
Appendix-XIII	Detail of officials suspended and reinstated without any punishment	247
Appendix-XIV	Details of Class IV/Contingent paid staff deployed at the residences of the departmental officers	248
Appendix-XV	Range-wise details of Class IV posts created by Government	249
Appendix-XVI	Details showing DDO-wise engagement of daily wage workers	250-251

		Page(s)
Appendix-XVII	Death cases occurred due to mosquito borne diseases	252
Appendix-XVIII	Statement showing cases of misappropriations, defalcations, etc. under investigation	253
Appendix-XIX	Details of machinery and equipment purchased in excess of norms	254-255
Appendix-XX	Statement showing names of bodies and authorities; the accounts of which had not been received	256-261
Appendix-XXI	Rush of expenditure in last quarter/March of years 1991-97	262-263
Appendix-XXII	Details of irrigation potential created and utilised upto 1996-97	264
Appendix-XXIII	Details of depot-wise accidents	265
Appendix-XXIV	Details of depot-wise compensation	266
Appendix-XXV	Details of operational revenue loss and the expenditure incurred on repairs on accidented vehicles during 1992-98	267
Appendix-XXVI	Glossary of abbreviations	268-270

Prefatory Remarks

This Report No.3 for the year ended 31 March 1998 has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1997-98 together with other points arising from the audit of financial transactions of Government of Haryana. It also includes certain points of interest arising from the Finance Accounts for the year 1997-98.

The Report containing the observations of Audit on Statutory Corporations and Government Companies and the Report containing the observations of Audit on Revenue Receipts are being presented separately.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during 1997-98 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports, matters relating to the period subsequent to 1997-98 have also been included, wherever considered necessary.

OVERVIEW

The Report includes two Chapters on Finance and Appropriation Accounts of the Government of Haryana for the year 1997-98 and five other Chapters comprising 6 reviews and 32 paragraphs, based on the audit of certain selected programmes and activities and financial transactions of Government. A synopsis of findings contained in the Report is presented in this Overview.

1. Accounts of the State Government

- During 1997-98, total revenue receipts and expenditure of Government of Haryana on revenue account were Rs 5,897.78 crore and Rs 6,617.17 crore respectively resulting in a revenue deficit of Rs 719.39 crore. Even after adjusting the capital surplus of Rs 389.67 crore, there was a net deficit of Rs 329.72 crore in the Consolidated Fund of the State. Borrowed funds constituted 19 *per cent* of the receipts on Consolidated Fund of the State.
- Revenue receipts decreased from Rs 6,048.33 crore in 1996-97 to Rs 5,897.78 crore in 1997-98. The share of tax revenue (Rs 2,368.63 crore) and non-tax revenue (Rs 2,631.11 crore) in total revenue receipts was 40 *per cent* and 45 *per cent* respectively in 1997-98. Tax revenue increased from Rs 2,143.12 crore in 1996-97 to Rs 2,368.63 crore in 1997-98 registering an increase of only 11 *per cent*. During 1993-97, percentage growth in the tax revenue ranged between minus 1 and 19. Non-tax revenue, however, decreased by Rs 501.56 crore during 1997-98 over the previous year mainly due to ban of single digit lotteries in the State.
- Out of total arrears of revenue for Rs 256.72 crore as of March 1998, Rs 84.55 crore (33 *per cent*) were outstanding for more than five years.
- Interest payments (Rs 820.33 crore) consumed 34.63 *per cent* of tax revenue and constituted 12 *per cent* of revenue expenditure of the State Government.
- Capital expenditure of the State Government increased from Rs 446.65 crore in 1996-97 to Rs 492.21 crore in 1997-98 registering an increase of 10 *per cent*.

- Government made investments of Rs 34.61 crore in Statutory corporations (Rs 12.54 crore), Government companies (Rs 16.43 crore), Co-operative banks and societies (Rs 5.64 crore) in 1997-98. Dividend received from total investment of Rs 1,898.07 crore at the end of 1997-98 was Rs 2.38 crore (0.13 *per cent*). In the case of 7 loss making companies in which Government had invested Rs 55.29 crore up to 1997-98, the accumulated losses amounted to Rs 71.72 crore.
- Total revenue received from the seven major irrigation projects during 1997-98 was Rs 26.01 crore against the cumulative expenditure of Rs 289.31 crore. Net loss in these projects constituted 22 *per cent* of the cumulative outlay as of March 1998.
- During 1993-98 the non-plan revenue expenditure increased from Rs 2,966.11 crore to Rs 5,972.15 crore (101 *per cent*) while plan capital expenditure increased from Rs 251.56 crore to Rs 481.11 crore (91 *per cent*) during the same period.
- Fiscal deficit, being the excess of revenue and capital expenditure (including net loans given) over the revenue receipts, was Rs 1,127.54 crore during 1997-98.
- The internal borrowings increased from Rs 411.62 crore in 1996-97 to Rs 726.25 crore in 1997-98. 91.58 *per cent* of internal borrowings were consumed in repayment of principal and payment of interest in 1997-98. Similarly, 95.93 *per cent* of receipt of Rs 2,276.96 crore in Small Savings, Provident Funds, Reserve Funds, Deposits, etc. was utilised for repayment of principal and payment of interest. The total indebtedness of the State increased from Rs 4,132 crore in 1993-94 to Rs 7,631 crore in 1997-98 indicating an increase of 85 *per cent*.
- The assets of the State Government increased by 29 *per cent* over the period of five years while the liabilities have grown by 84 *per cent* during the same period. The slow growth in Assets since 1996-97 was mainly due to application of large part of net available borrowings towards meeting the revenue deficits which adversely affected Capital formation. During 1996-97 and 1997-98 the total available net borrowings and receipts from Public Accounts were Rs 848.19 crore and Rs 1,098.55 crore and these funds were applied for Revenue Deficit of Rs 718.67 crore and Rs 719.39 crore respectively. Thus scope of application of these funds towards the creation of assets was severely affected.

(Paragraphs 1.1 to 1.12)

Indicators of financial position of the State

- There was negative Balance of Current revenue (BCR) during 1996-98 and State failed to generate any surplus from current revenue for funding its Annual Plans in these years.
- Interest payments consumed 9.1 to 10.3 *per cent* of revenues during the last 5 years.
- Borrowed funds were used increasingly for purposes other than Capital Outlay.
- Ratio of total tax receipt to Gross State Domestic Product (GSDP) declined during the last 5 years indicating that the State preferred to borrowing than taxation to meet the deficits.
- Return on investment was negligible at less than 1 *per cent*.
- Availability of Capital borrowings for investment declined during the last 5 years leaving less scope to generate revenues to meet rising commitments.
- Debt Vs GSDP ratio remained stable indicating that the State's ability to meet its debt obligations remained unaffected over the years.
- Ratio of Primary deficit (PD) to Fiscal deficit (FD) increased due to increased commitment for interest payment. Consequently there was less availability of borrowed funds for capital investment.
- Ratio of Revenue Deficit (RD) over FD increased by nearly 86 *per cent* during 1996-98 over that of 1995-96. This indicated that more and more borrowings were applied to meet revenue expenditure.
- Liabilities overtook the assets from 1996-97 and there was further decline in the position in 1997-98.

(Paragraph 1.13)

2. Appropriation Audit and control over expenditure

- There was overall saving of Rs 2,678.92 crore. Out of these amounts Rs 2,165.89 crore were surrendered on the last day of the year, indicating poor financial and budgetary management.
- Supplementary provisions of Rs 61.97 crore obtained in four cases during the year was unnecessary since the expenditure in these cases was less than the original provisions. In other eight cases, additional funds were required for Rs 67.81 crore while supplementary provisions were made for Rs 121.56 crore. On the other hand in nine cases, the supplementary provisions of Rs 600.64 crore proved insufficient leaving an uncovered excess expenditure of Rs 137.94 crore.
- In 11 cases involving grants/appropriations, the expenditure exceeded the budget provisions by Rs 137.95 crore; the excess required regularisation under Article 205 of the Constitution of India.
- Explanations for excesses or savings in respect of Appropriation Accounts for the year 1997-98 were not received in respect of 271 heads/sub-heads involving 34 Heads of departments. Of these 34 Heads of departments, 25 did not furnish explanations for variations in respect of Appropriation Accounts even for the year 1996-97.

(Paragraphs 2.2.2 to 2.2.13)

3. Working of Animal Husbandry Department.

The Animal Husbandry Department aims at the genetic improvement of milch animals, provision of improved and balanced feed and fodder and to ensure proper health cover for milch and other animals including poultry, piggery, sheep, etc.

A review of some aspects of the working of Animal Husbandry Department revealed the following:

- 91 *per cent* of the total expenditure of the department was on establishment cost.

- Persistent savings ranged from 35 to 100 *per cent* under 3 sub-heads and persistent excesses ranged from 9 to 137 *per cent* under 3 sub-heads (9 schemes) over the budget estimates during 1995-96 to 1997-98, indicating ineffective budgetary control. Director prepared Budget estimates without adequate information. Expenditure control mechanism was grossly ineffective.
- Director of Animal Husbandry did not submit detailed bills for Rs 6.58 crore drawn by him through Abstract Contingent Bills for the purchase of medicines, equipment, fodder/feeds, etc. during 1995-98. Inordinate delay in submitting detailed bills raised doubt about the genuineness of the expenditure.
- Implementation of various schemes including Centrally sponsored schemes were not adequately monitored by the Director. Number of calves born declined by 15 *per cent* during 1995-98. Artificial Insemination programme was mismanaged and not monitored.
- Temperature maintenance kits, gas jars and liquid nitrogen gas were not provided in the veterinary institutions during 1995-98 in the districts test-checked. Nearly 68 *per cent* of the hospitals and dispensaries in Hisar district and 96 *per cent* in Kaithal district did not have microscopes.
- As the production targets for green fodder and fodder seeds was not monitored, these fell short of target by 25 to 31 *per cent*.
- Government Live-Stock Farm, Hisar, State Cattle Breeding Project, Hisar and Seed Farm, Hisar failed to harvest 3,168 acres area under various crops during 1995-98 and consequently Rs 76 lakh were lost. The possibility of unauthorised harvesting and its exclusion from accounts can not be ruled out. No responsibility was fixed for the loss.
- In the live stock farm at Hisar and the seed farm, Rs 15.88 crore were lost due to short yield of fodder and fodder seed during 1995-98.
- Though Rs 38 lakh were spent on the salary of the staff in the State Hatchery, Rohtak which was to produce 60 thousand chicks/broilers during 1995-98, there was no production of chicks at all.
- In the egg marketing units at Rohtak and Ambala collection of eggs was minimal during 1995-98. At Karnal unit, only 37 *per cent* of the target in collection of eggs was met during 1997-98. The project was mismanaged.

- In 6 districts only 30 *per cent* feed subsidy was provided for female calves. Resultantly female calves were underfed.
- Machinery and equipment worth Rs 2.02 crore purchased under 'National Bull Production Programme' and 'Extension of Frozen Semen Technology' (Centrally sponsored schemes) were lying idle. 209 defective castrators were not replaced, the nitrogen plant remained unoperational and bull station was not constructed. The schemes were mismanaged.
- Under the 'Rinder Pest Eradication' scheme village searches to detect Rinder pest disease were to be covered for all the villages in the State every year. But only 15 to 46 *per cent* of the villages were covered during 1995-97.
- Veterinary Live Stock Development Assistants were engaged in 5 Administrative Offices to discharge clerical duties.
- 200 new veterinary dispensaries had no Veterinary Live-Stock Development Assistants and were non-functional.
- Secretary of the Department failed to obtain information regarding actual condition of veterinary institutions from the departmental officers.

(Paragraph 3.1)

4. Manpower Management of Police Department

For maintaining law and order in Haryana, which has a population of 164.64 lakh, there were 175 Police Stations and 287 Police Posts as of 31 March 1998. Against the sanctioned strength of 34,739, actual strength of police personnel as on 31 March 1998 was 32,399.

Test-check of records relating to 15 drawing and disbursing officers (DDOs) covering the period from 1995-96 to 1997-98 revealed as under:

- Expenditure on establishment constituted on average 87 *per cent* of the total expenditure of the department.
- In 19 districts of the State the number of crimes increased from nearly 55 thousand in 1995 to one lakh in 1997 (86 *per cent*). Deployment of police force in various districts were not made according to crime rate. Norms for deployment of police officials were not revised since 1934. Deployment of police force widely varied from district to district.

- For purpose of amendment in Police Rules, a post of officer on Special Duty (OSD Rules) had been in existence for the last 21 years, yet the rules were yet to be amended despite the posting of officers to the job.
- Nearly 400 guards/gunmen/commandos were deployed with Government officers Ministers/ex-ministers, MPs/ex-MPs, MLAs/ex-MLAs and private persons without following prescribed procedure.
- Large number of contingent daily wage employees were unauthorisedly deployed at the residences of serving and retired departmental officers. Against entitlement of 10 orderlies, 29 orderlies were posted (as on May 1998) with the officers of DGP's office, Panchkula.
- 581 class IV posts had to be created by the Government to regularise contingent daily wage employees in 1997-98.
- Nearly 1,500 daily wage workers were unjustifiably employed on continuous basis during 1995-98 in 36 offices in violation of Government orders costing the exchequer Rs 6.52 crore in 3 years. Superintendents of Police at Karnal, Rohtak, Hisar, Gurgaon, Faridabad, Ambala, Sirsa, Kurukshetra, Kaithal and SP Railways, Ambala Cantt. employed unduely large contingent of daily wage workers.
- Nearly 360 unauthorised categories of staff like dhobies, barbers and tailors, etc. were employed in Police Department and Rs 3.48 crore were paid as salaries etc. to them during 3 years ending March 1998.
- Forensic Science Laboratory (FSL), Madhuban could not analyse large number of cases referred to them due to shortage of staff. Out of these, nearly 3,000 cases were more than 1 year old. The evidence material collected became unsuitable for genetic testing due to long delay in testing. While important posts were not filled up, non-operational staff including support staff was posted in abundance.
- Police Training College was functioning indifferently and mandatory courses for promotion of Constables and ASIs were not held during the last 3 years.

(Paragraph 3.2)

5. National Malaria Eradication Programme

National Malaria Eradication Programme, an ongoing programme, was modified in 1977 and modified plan of operation was introduced in rural and

urban areas for effective control of malaria and prevention of deaths caused by malaria.

A review of the implementation of the programme for the period 1992-98 in the offices test-checked revealed as under:

- Incidence of malaria steeply increased during 1993 to 1996.
- Annual Parasite Incidence (API) in the State was to be brought down to 0.5 by 2000 AD. Achievement of this target was a remote possibility as the level was nearly more than 13 times higher in 1996 than this rate.
- Susceptibility test of vector was not conducted by the Zonal Malaria Officers of the State since 1992.
- Spray operations did not cover 44 to 94 *per cent* of the targetted population in the high risk areas.
- In five districts 9.23 lakh population was not covered by fortnightly surveillance by multipurpose health workers. Regular surveillance was not monitored effectively.
- Large number of population was not covered for collection of blood smears to detect cases of malaria during 1992 to 1995.
- In two districts examination of 1.10 lakh blood smears were delayed upto one month.
- In six districts radical treatment to malaria positive cases was delayed.
- There was reported excessive use of anti malaria drugs worth Rs 28.45 lakh during 1995 to 1997. Genuineness of such excess consumption was doubtful.
- Insecticides worth Rs 48.48 lakh were unnecessarily purchased as these were not required or indented.
- Spray operations, entomological survey and prompt treatment of malaria positive cases were not effectively monitored by the Director.

(Paragraph 3.5)

6. Urban Water Supply and Sewerage Schemes

To provide safe drinking water to a population of 32.23 lakh in 80 towns and to facilitate proper disposal of sullage, etc. in 44 towns (population 27.61 lakh) in the State, 512 water supply and 219 sewerage schemes were taken upto the end of 1997-98. For water supply, the service level in terms of litre per capita per day (lpcd) was targetted to be raised to 80 *per cent* of the norms fixed in November 1966 whereas for sewerage facilities, the service level in terms of area coverage was to be raised to 50 *per cent* in the above mentioned towns by the end of VIII Five Year Plan.

Test-check of records in 12 of the 39 Public Health divisions relating to these schemes for the years 1992-93 to 1997-98 revealed as under:

- During 1992-98, 34 to 74 *per cent* of the total expenditure was incurred during last quarter of the years in 12 divisions and 20 to 56 *per cent* of the total available funds were spent in the month of March.
- During 1992-98, actual expenditure for maintenance works overshoot the budget provision by nearly Rs 32 crore through unauthorised diversion of funds from capital/loan head of accounts.
- Municipalities did not repay Rs 49.61 crore (inclusive of interest of Rs 36.03 crore) of loans advanced to them by the State Government for execution of various schemes.
- Municipalities did not contribute their share of 5 *per cent* (amounting to Rs 9.86 crore) towards expenditure on urban water supply and sewerage schemes.
- The State Sanitary Board did not prescribe any time limit for completion of work and did not monitor the completion of schemes. Nearly one third of the 512 water supply schemes and 219 sewerage schemes taken up since November 1966 to March 1998 were incomplete.
- Rs 38.25 crore were spent on 140 works during 1992-98 without technical sanction to cost estimates.
- Only in 9 out of 80 towns, where urban water supply schemes were in operation, the targetted service level (in terms of litre per capita per day (lpcd)) was achieved by March 1998. In 62 towns achievement ranged between 40 and 80 *per cent* and in 9 towns it was below 40 *per cent*.

- Water supply scheme in Kanina town constructed at a cost of Rs 97 lakh was not utilised as adequate water was not available from water source.
- In 12 divisions Rs 4.40 crore were outstanding on account of water charges and in 8 of the 12 divisions test-checked, Rs 0.43 crore on account of sewerage charges were outstanding for recovery pertaining to the period 1992-98.
- Sewerage/sullage in Patiala chowk area of Jind Town, was being thrown in an open area as the Public Health Division, Jind did not acquire land for the Sewerage scheme.
- Under the scheme 'providing sewerage treatment plant in Jind town (excluding Patiala chowk area)' the sullage was disposed of in an open area as the Forest Department did not agree for such disposal in the forest land.
- Sullage water of master sewerage scheme for Sirsa town was released into Ghaggar river and polluted the river water and also that of Southern Ghaggar Canal, a source of drinking water for nearby villages. This resulted in an epidemic in parts of Sirsa District during 1995-98.

(Paragraph 4.1)

7. Command Area Development Programme

The main objective of Command Area Development Programme (CADP), a Centrally sponsored programme, launched in 1974-75 in Haryana was to bridge the gap between the irrigation potential created and that utilised and to improve productivity with selected irrigated commands on sustainable basis. The programme was implemented by Command Area Development Authority (CADA), Haryana.

Test-check of records in 6 of the 13 divisions of CADP and 4 of the 8 Command Area Development Agencies for the period 1991-92 to 1997-98 revealed as under:

- Though irrigation potential was created for 329.71 thousand hectare of land up to 1996-97, irrigation potential was utilised only in 187.74 thousand hectare (57 per cent) in nine Command areas.
- In 3 divisions Rs 11.42 crore were spent on construction of 267 Water Courses for irrigating 42.8 thousand hectare of land. But only 1.41 per cent of these could be used due to non-availability of adequate water.

- Nearly 500 water courses were damaged in patches but no action was taken for their repair.
- Water management subsidy of Rs 17.42 lakh was paid to 87 farmers' associations though no water courses were handed over to them. All the associations were non-functional.
- Against the norms of 20 *per cent* expenditure on establishment ranged from 25 to 72 *per cent* during 1995-98 in three command areas.

(Paragraph 6.6)

8. Land Acquisition, transfer and utility thereof

In Haryana, land for the purpose of developing residential sectors/colonies, industrial estates and commercial activities in Urban Area is acquired by Haryana Urban Development Authority (HUDA) through Land Acquisition Collectors (LACs) and for roads, canals and buildings, etc. by the concerned Public Works/Civil Departments through the Land Acquisition Officers (LAOs) under the provisions of Land Acquisition Act, 1894 (as amended by Act 68 of 1984).

Important points noticed during the test-check of records relating to land acquisition, transfer of land and utility thereof for the period 1992-98 in the offices of four LACs of HUDA, three LAOs of B&R Branch and one LAO of Irrigation Branch of Public Works Department (PWD) are summarised below:

- Four Land Acquisition Officers and two Estate Officers of HUDA and four Land Acquisition Officers of PWD made avoidable payment of interest of Rs 13 crore.
- Trees/structures, etc. worth Rs 4.70 crore, acquired along with the land, were not accounted for and were not auctioned by HUDA.
- Out of 31 thousand acres of land acquired by HUDA during 1977-98 5.1 thousand acres of land in eight towns of Haryana had not been developed. One thousand acres of land could not be transferred for residential, commercial and industrial purposes as the lay out plans were not finalised.
- HUDA allotted land to 'HUDA and Town and Country Planning Employees Welfare Organisation' (HEWO) in 1994 at a cost of Rs 8.42 crore but made no recovery from the Society as the mode of payment was not settled.

- 216.30 acres of land acquired by HUDA during 1991-92 at a cost of Rs 2.86 crore for residential/ commercial purposes, could not be utilised as the land was flood prone.

(Paragraph 6.9)

9. Accidents in Haryana Roadways

Haryana Roadways, a commercially run undertaking of Transport Department, has the objectives of providing efficient, adequate and coordinated transport service to the public. Test-check of records in 11 of the 20 depots pertaining to accidents in Haryana Roadways for the period from 1992-98 revealed as under.

- Due to accidents involving vehicles of Haryana Roadways during 1992-98, 2,224 human lives and substantial operational revenue was lost.
- Due to increasing number of accidents, payment of compensation increased from Rs 1.69 crore in 1992-93 to Rs 10.65 crore in 1997-98.
- Rs 46.80 lakh of compensation was to be paid in 8 cases during 1993-97 as the drivers did not possess valid driving licences at the time of accidents.
- During 1992-98, 2,907 vehicles involved in accidents was detained in workshops for repairs for 61,492 days and Rs 6.44 crore were spent on their repairs. Operational revenue of Rs 7.14 crore was lost due to detention of these vehicles in workshops.

(Paragraph 7.3)

10. Other points of interest

- Civil Aviation Department did not recover the cost of spare parts worth Rs 46.87 lakh from three aviation clubs.

(Paragraph 3.3)

- Due to defective supply of 10 hydraulic chairs for dental treatment, Government suffered a loss of Rs 11.38 lakh.
(Paragraph 3.6)
- Subsidy of Rs 39.34 lakh was paid by District Revenue Officers, Kaithal and Hisar to 1,659 beneficiaries without following due procedure during November 1995 to February 1996.
(Paragraph 3.8)
- Funds were released for imparting training without monitoring the progress by the Women and Child Development Department which resulted in blockade of Rs 18.16 lakh.
(Paragraph 3.11)
- Chandigarh Provincial Division, Panchkula did not pay instalments of cost of land and ground rent on due dates and consequently Government suffered a loss of Rs 17.83 lakh as the penal interest.
(Paragraph 4.2)
- In Refinery Works Division, Panipat excess payment of Rs 8.79 lakh was made to contractor for well sinking of 12.20 metres though only 9 metres were sunk.
(Paragraph 4.4)
- Defective execution of work in tail reaches of Garhi Minor and inordinate delay in taking remedial action for levelling the bed level of the minor resulted in avoidable expenditure of Rs 28.09 lakh.
(Paragraph 4.6)
- In Water Services Division, Gurgaon money received for execution of a deposit work was kept outside the Government account in violation of codal provisions and resulted in a loss of interest of Rs 18.51 lakh.
(Paragraph 4.7)
- A Sprinkler Irrigation Scheme executed by Lift Water Services (Mechanical) Division, Bhiwani during 1987-90 at a cost of Rs 3.42 crore was abandoned as the farmers were not responsive to running and maintenance of sprinkler sets.
(Paragraph 4.8)

- Due to improper survey of the actual condition of the road, preparation of defective estimates and execution of technically unsound work, Haryana State Agricultural Marketing Board suffered a loss of Rs 26.90 lakh.

(Paragraph 6.2)

- Haryana State Agricultural Marketing Board utilised Rs 33.63 crore on activities not connected with the development of market committees.

(Paragraph 6.3)

- Haryana Roadways suffered a loss of Rs 1.50 crore on the purchase of engine oil of grade other than that recommended by the manufacturer of the chassis.

(Paragraph 7.4)

CHAPTER - I ACCOUNTS OF THE STATE GOVERNMENT

1.1 Introduction

1.1.1 Structure of the Government Accounts

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part-I Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans are credited to the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund and no amount can be withdrawn from the Fund without authorisation from the State Legislature. Expenditure is classified under two main heads, i.e. Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.) ,

Part-II Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.10 crore.

Part-III Public Account

Receipts and disbursements in respect of Small Savings, Provident Funds, Deposits, Reserve Funds, Suspense, Remittances, etc. which do not form part of the Consolidated Fund are accounted for in Public Account and are not subject to vote by the State Legislature.

1.1.2 Annual Accounts

The accounts of the State Government are compiled annually by the Accountant General (Accounts and Entitlement), Haryana. These are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts.

The Finance Accounts deal with the details in all parts of Government accounts. They represent the accounts of receipts and outgoings from the

Consolidated Fund of State and Public Accounts along with the accounts of public debt and other liabilities as recorded in the accounts.

They are presented in two parts, Part I containing Summarised Statements and Part II containing Detailed Accounts and Other Statements. Apart from the summary of all the transactions in the Government Accounts, the Finance Accounts contain the following statements:

- (a) Summary of debt position
- (b) Loans and Advances by the Government
- (c) Guarantees given by the Government
- (d) Summary of Balances
- (e) Distribution of charged and voted expenditure.

These are supported by detail statements of Revenue Receipts, Revenue and Capital Expenditure. Investments made by the Government and detailed account of debt liabilities and other public accounts transactions as well as account of the Contingency Fund.

The Appropriation Accounts on the other hand, present the details of amounts actually spent by the State Government *vis-à-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

1.1.3 Audit Report

The Finance Accounts and the Appropriation Accounts as well as various transactions in these accounts are audited by the Comptroller and Auditor General of India (CAG) in accordance with CAG's (Duties, Powers and Conditions of Service) Act, 1971. CAG certifies the accounts and also submits separate Audit Reports to the Governor of the State in terms of Article 151 of the Constitution of India.

CAG's Reports in respect of Government of Haryana for the year ended 31 March 1998 are structured as under :

Report No.	Containing observations on
1 of 1998	Government of Haryana: Revenue Receipts
2 of 1999	Government of Haryana: Commercial
3 of 1999	Government of Haryana: Civil

1.2 Price trends

The trend of prices is dependent mainly on monetary and fiscal policies pursued at national level. The wholesale price index in the State was not exactly comparable with the price index at national level due to variation in the basket of commodities taken to calculate national level index and State level index.

The wholesale price index at State level calculated on the basis of mainly agricultural commodities (Base 1980-81) on a point to point basis decreased from 18 *per cent* during 1996-97 to 16.2 *per cent* in 1997-98. The wholesale price index of primary articles (base 1981-82=100) at the national level on point to point basis revealed an increase of 3.1 *per cent* in 1997-98 as against the increase of 7.9 *per cent* in 1996-97 (Based on Economic Survey of Haryana 1997-98). The observations on the Accounts and transactions should be seen in the context of these prices.

1.3 Summarised financial position

The financial position of the Government of Haryana as on 31 March 1998, emerging from the Appropriation Accounts and the Finance Accounts for the year 1997-98 supplemented by the additional information collected separately and the abstract of Receipts and Disbursements for the year is given in the following statements:

I. Summarised Financial Position of the

Amount as on 31 March 1997	Liabilities	Amount as on 31 March 1998 (Rupees in crore)
1,163.93	Internal Debt -	1,388.38
966.11	Market loans bearing interest	1,133.38
0.84	Market loans not bearing interest	0.89
55.00	Loans from Life Insurance Corporation of India	51.61
135.58	Loans from other Institutions, etc.	202.50
6.40	Ways and Means Advances	-
3,576.34	Loans and Advances from the Central Government -	4,149.71
238.05	Pre 1984-85 Loans	216.57
2,056.26	Non-Plan loans	2,424.09
1,228.34	Loans for State Plan Schemes	1,457.49
33.18	Loans for Central Plan Schemes	32.25
20.51	Loans for Centrally Sponsored Plan Schemes	19.31
10.00	Contingency Fund	10.00
1,784.55	Small Savings, Provident Funds, etc.	2,093.20
267.11	Deposits	239.86
212.79	Reserve Funds	239.12
	Remittance Balances	0.98
7,014.72		8,121.25

Government of Haryana as on 31 March 1998

Amount as on 31 March 1997	Assets	Amount as on 31 March 1998
		(Rupees in crore)
5,184.82 (+) 3.41@	Gross Capital Outlay -	5,680.44
1,865.90	Investment in shares of Companies, Corporations, etc.	1,898.07
3,318.92	Other Capital Outlay	3,782.37
1,206.89	Loans and Advances	1,122.83
736.05	Loans for Power Projects	572.75
418.28	Other Development Loans	490.84
52.56	Loans to Government Servants, etc.	59.24
0.16	Advances	0.16
14.09	Remittances balances	-
65.31	Suspense and Miscellaneous balances	88.36
(-)12.60	Cash -	(-) 41.59
(-)0.73	Cash in Treasuries and Local Remittances	(-) 2.39
2.37	Departmental Balances	5.31
0.07	Permanent Cash Imprest	0.07
59.11	Cash Balance Investment and other Reserve Fund Investment	63.21
(-)73.42	Deposits with Reserve Bank of India	(-) 107.79
556.05	Deficit on Government Account	1,271.05
	Accumulated deficit up to March 1997	556.05
	Deficit of the current year	719.39
	Other adjustments	(-) 4.39(b)
7,014.72		8,121.25

@ Rs 3.41 crore on account of conversion of accrued dividend and interest into share capital

(b) Rs 0.98 crore represents adjustment made under the head 8680 Miscellaneous Government Accounts as per foot note at page 197 of Finance Accounts 1997-98 plus Rs 3.41 crore as per footnote @ above.

Explanatory Notes

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus or deficit had been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.
3. Although a part of revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.
4. Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government Account with the result that the cumulative position of such surplus or deficit is not ascertainable. The balancing figure of Rs.475.01 crore as on 31 March 1983 was, therefore, treated as cumulative surplus for drawing up the first instalment of financial position for 1983-84 which took the place of a Balance Sheet.
5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of other states and others pending settlement. The balance under Suspense and Miscellaneous had increased from Rs.65.31 crore as on 31 March 1997 to Rs.88.36 crore as on 31 March 1998.
6. There was a difference of Rs. 3.23 crore under the head 'Deposits with Reserve Bank' between the figures reflected in accounts: Rs.107.79 crore and those intimated by the Reserve Bank of India (RBI) : Rs.104.56 crore. The difference was under reconciliation with RBI (September 1998).

II. Abstract of Receipts

RECEIPTS		
		(Rupees in crore) Section- A
I.	Revenue Receipts	5,897.78*
	Tax Revenue	2,368.63
	Non-Tax Revenue	2,631.11
	State's Share of Union Taxes and Duties	539.31
	Non-Plan Grants	31.20
	Grants for State Plan Schemes	144.54
	Grants for Central and Centrally Sponsored Plan Schemes	182.99
II.	Revenue deficit	719.39
	Total Section-A-Revenue	6,617.17
		Section B
III.	Opening Cash Balance including Permanent Advance and Cash Balance Investment and Reserve Fund Investment	(-) 12.60
IV	Recoveries of Loans and Advances	522.35
	From Power Projects	479.93
	From Government Servants	31.18
	From Others	11.24

* Includes receipt of Rs. 1,697.80 crore on account of State Lotteries under major head - 0075.

and Disbursements for the year 1997-98

DISBURSEMENTS					
(Rupees in crore)					
		Non-Plan	Plan	Total	
I.	Revenue Expenditure				6,617.17*
	General Services	3,241.96**	18.73	3,260.69	
	Social Services	1,190.03	386.65	1,576.68	
	Economic Services	1,539.66	239.64	1,779.30	
	Grants-in-aid and contribution	0.50	-	0.50	
	Total	5,972.15	645.02	6,617.17	6,617.17
	Others				
II.	Capital Outlay				492.21*
	General Services	-	23.00	23.00	
	Social Services	-	129.74	129.74	
	Economic Services	11.10	328.37	339.47	
III.	Loans and Advances Disbursed				438.29
	For Power Projects			316.63	
	To Government Servants			38.16	
	For Others			83.50	
IV.	Revenue deficit brought down				719.39
V.	Repayment of Public Debt				730.35
	Internal Debt other than Ways and Means Advances			241.21	
	Ways and Means Advances			260.59	
	Repayment of Loans and Advances to Central Government			228.55	

* These are net figures exclusive of recoveries adjusted in reduction of expenditure.

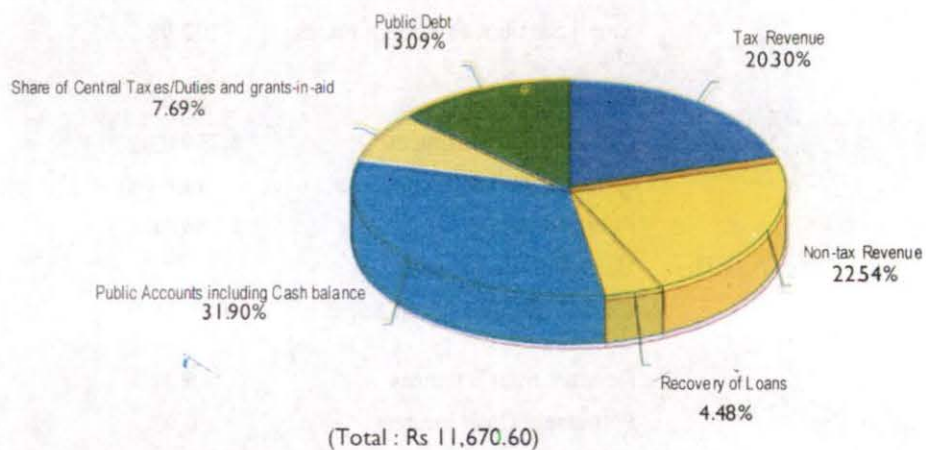
** Includes expenditure of Rs. 1,673.04 crore on State Lotteries under major head - 2075.

RECEIPTS			(Rupees in crore)
V.	Public Debt Receipts		1,528.17
	Internal Debt other than Ways and Means Advances	472.06	
	Ways and Means Advances	254.19	
	Loans and Advances from the Central Government	801.92	
VI	Public Accounts Receipts		3,734.90
	Small Savings, Provident Funds, etc.	516.63	
	Reserve Funds	77.86	
	Deposits and Advances	1,751.77	
	Suspense and Miscellaneous	322.79	
	Remittances	1,065.85	
Total			5,772.82

* DISBURSEMENTS		
(Rupees in crore)		
VI.	Public Accounts Disbursements	3,434.17
	Small Savings, Provident Funds, etc.	207.98
	Reserve Funds	51.53
	Deposits and Advances	1,779.02
	Suspense and Miscellaneous	344.86
	Remittances	1,050.78
VII.	Cash Balance at end	(-)41.59
	Cash in Treasuries and Local Remittances	(-) 2.39
	Departmental Balances .	5.31
	Permanent Cash Imprest	0.07
	Cash Balance Investment and other Reserve Fund Investment	63.21
	Deposits with Reserve Bank of India	(-) 107.79
Total		5,772.82

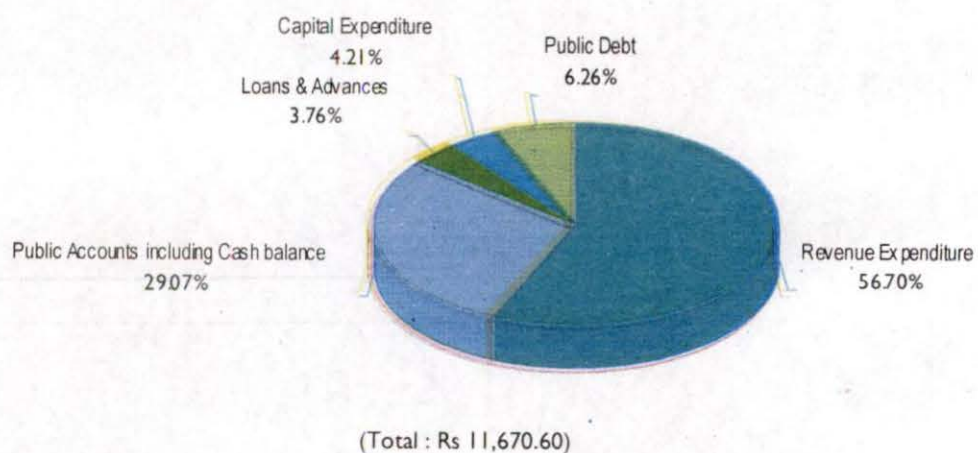
Receipts

1997-98



Disbursement

1997-98



III. Sources and Application

Sources			(Rupees in crore)
1.	Revenue Receipts		5,897.78
2.	Recoveries of loans and advances		522.35
3.	Increase in Public Debt		797.82
4.	Net receipts from Public Accounts		300.73
	(i) Increase in Small Savings, Provident Funds, etc.	308.65	
	(ii) Increase in Reserve Funds	26.33	
	(iii) Increase in Deposits and Advances	(-)27.25	
	(iv) Effect on Remittance Balances	15.07	
	(v) Effect on Suspense and Miscellaneous Balances	(-)22.07	
5.	Decrease in closing cash balance		28.99
Total			7,547.67

of funds for the year 1997-98

Application		(Rupees in crore)
1.	Revenue Expenditure	6,617.17
2.	Capital Expenditure	492.21
3.	Loans for Development and other purposes	438.29
Total		7,547.67

An analysis of the management of the finance of the State Government during 1997-98 relating it to the position obtaining in the earlier four years is contained in the following paragraphs:

1.4 Financial position of the State

1.4.1.(i) Revenue receipts of the State Government were Rs.5,897.78 crore against which revenue expenditure was Rs.6,617.17 crore resulting in a revenue deficit of Rs.719.39 crore constituting 12.20 *per cent* of the revenue receipts.

(ii) The total revenue receipts of the State Government (Rs 5,897.78 crore) comprised tax revenue (Rs.2,368.63 crore), non-tax revenue (Rs.2,631.11 crore), State's share of Union taxes and duties (Rs.539.31 crore) and grants-in-aid from the Central Government (Rs.358.73 crore). The main sources of tax revenue were Taxes on Sales, Trade etc. (Rs 1,552.69 crore), Taxes on Goods and Passengers (Rs 331.21 crore), Stamp Duty and Registration Fees (Rs 301.67 crore) and non-tax revenue came mainly from Miscellaneous General services (Rs 1,697.83 crore), Road Transport (Rs 319.60 crore) and interest receipts (Rs 237.07 crore).

(iii) The revenue expenditure of Rs 6,617.17 crore was on General Services (49 *per cent*), Social Services (24 *per cent*) and Economic Services (27 *per cent*). The Non-plan expenditure constituted 90 *per cent* of the total revenue expenditure. Salary payments constituted approximately 33 *per cent* of the Non-Plan revenue expenditure.

(iv) Over the five years period ending March 1998, while the revenue receipts grew by 69 *per cent*, revenue expenditure shot up by 95 *per cent*.

(v) The capital expenditure of the State Government was Rs.492.21 crore which was distributed among General Services (5 *per cent*), Social Services (26 *per cent*) and Economic Services (69 *per cent*).

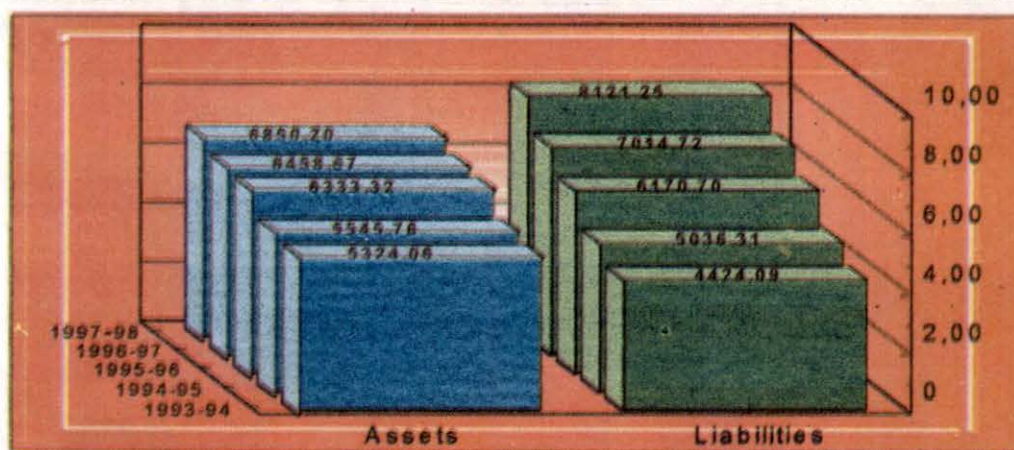
(vi) Public Debt of the State Government increased by Rs.797.82 crore during 1997-98 over the previous year thereby pushing up the burden of interest payment and servicing of debt. The interest payments (Rs.820.33 crore) constituted 12.40 *per cent* of the revenue expenditure of the State.

1.4.2 Assets and Liabilities of the State

The assets comprising capital investments and loans advanced and the total liabilities of the State Government during the five year period (1993-98) were as follows:

At the end of	Assets	Liabilities	Surplus (+) /deficit (-) on Government Accounts
(Rupees in crore)			
1993-94	5,324.06	4,424.09	+899.97
1994-95	5,545.76	5,036.31	+509.45
1995-96	6,333.32	6,170.70	+162.62
1996-97	6,458.67	7,014.72	-556.05
1997-98	6,850.20	8,121.25	-1,271.05

Assets grew by 29 per cent while liabilities grew by 84 per cent over the period of four years (Rupees in crore)



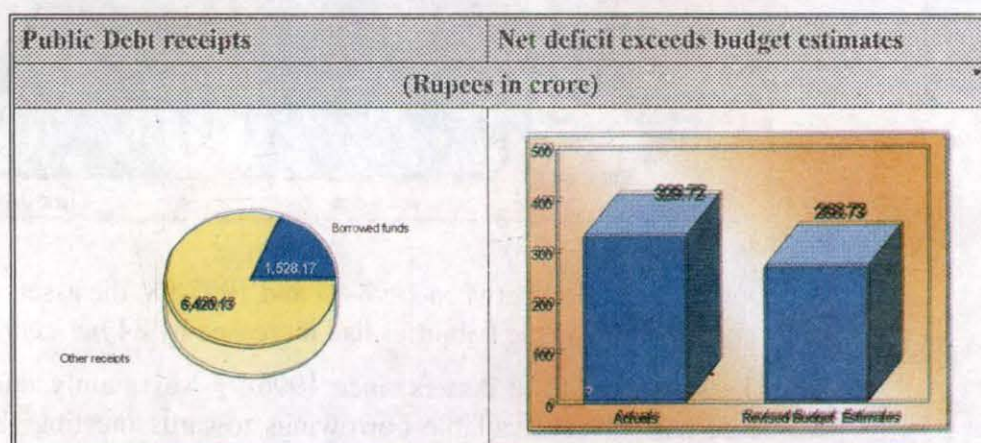
During the period between 1993-94 and 1997-98, the assets had grown by 29 per cent whereas the liabilities had increased by 84 per cent.

The slow growth in Assets since 1996-97 was mainly due to application of large part of net available borrowings towards meeting the revenue deficits which adversely affected the Capital formation. For example, in 1996-97 and 1997-98 the total available net borrowings and receipts from Public Accounts were Rs 848.19 crore and Rs 1,098.55 crore. During these years these funds were applied for Revenue Deficit of Rs 718.67 crore and Rs 719.39 crore respectively. Thus scope of application of these funds towards the creation of assets was severely affected (vide Statement No.3 of Chapter I).

1.4.3. Consolidated Fund

The receipts and expenditure under the Consolidated Fund of the State for 1997-98 along with previous financial year were as under:

Receipts (Rupees in crore)			Expenditure (Rupees in crore)		
Revenue Account					
1996-97		1997-98	1996-97		1997-98
6,048.33	Revenue Receipts	5,897.78	6,767.00	Revenue Expenditure	6617.17
718.67	Deficit	719.39			
6,767.00	Total	6,617.17	6,767.00	Total	6617.17
Capital Account					
-	Capital Receipts	-	446.65	Capital Expenditure	492.21
460.51	Recoveries of Loans and Advances	522.35	394.61	Loans and Advances Disbursed	438.29
943.23	Receipts booked as Public Debt	1,528.17	442.51	Repayment of Public Debt	730.35
..	Capital Deficit	-	119.97	Capital Surplus	389.67
1,403.74	Total	2,050.52	1,403.74	Total	2,050.52
598.70	Deficit in Consolidated Fund	329.72			



Receipts in the Consolidated Fund of State increased from Rs 7,452.07 crore in 1996-97 to Rs.7,948.30 in 1997-98 which constituted an increase of 6.66 per cent. The Public Debt Receipts (borrowed funds) constituted 19 per cent of the receipts on the Consolidated Fund during 1997-98. Under Article 293 (1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such

limits, if any, as may from time to time be fixed by an Act of the Legislature of the State. No law had so far been passed by the State Legislature laying down any such limit.

The surplus of Rs 389.67 crore under capital section was used towards revenue expenditure. The deficit on the consolidated fund of State decreased by 45 *per cent* over the previous year.

1.5 Revenue Receipts

Revenue receipts consist of tax revenue and other revenues. Tax revenue comprises proceeds of taxes and other duties levied by the State Government that mainly consist of interest and dividends on investments made by the Government, fees and other receipts for services rendered by the Government.

1.5.1. Trend of revenue receipts during the period of five years (1993-98) was as under:

Year	Revised Budget Estimates	Actual Revenue Receipts	Increase(+)/ Decrease(-) over the previous year	Percentage of growth(+)/ shortfall(-) over the previous year
(Rupees in crore)				
1993-94	3,541.43	3,481.45	(+) 1,103.81	(+) 46
1994-95	6,836.56	5,882.41	(+) 2,400.96	(+) 69
1995-96	5,022.55	5,014.73	(-) 867.68	(-) 15
1996-97	6,215.19	6,048.33	(+) 1,033.60	(+) 21
1997-98	5,716.80	5,897.78	(-) 150.55	(-) 2

Revenue receipts increased from Rs.3,481.45 crore in 1993-94 to Rs.5,897.78 crore in 1997-98 which constituted an increase of 69 *per cent*. It decreased by 2 *per cent* in 1997-98 as compared to the previous year. The decrease in receipts was mainly due to ban on single digit lotteries and less receipt of taxes and duties from Haryana Urban Development Authority.

1.5.2 Tax revenue

The trend of tax revenue during the last five years (1993-98) was as under:

Year	Revised Budget Estimates	Tax Revenue (Actuals)	Percentage growth(+)/shortfall(-) over the previous year	Percentage of revenue receipts
	(Rupees in crore)			
1993-94	1,611.51	1,588.91	10	46
1994-95	1,821.13	1,887.85	19	32
1995-96	2,082.50	2,168.96	15	43
1996-97	2,166.41	2,143.12	(-)1	35
1997-98	2,413.42	2,368.63	11	40

Tax revenue increased from Rs.2,143.12 crore in 1996-97 to Rs.2,368.63 crore in 1997-98 registering a marginal increase of only 11 *per cent*. However, as a percentage of total revenue receipts, it increased by 5 *per cent* over the same period. During the period 1993-98, it increased from Rs 1,588.91 crore in 1993-94 to Rs 2,368.63 crore in 1997-98 registering increase of 49 *per cent*. However, as a percentage of total revenue receipts, it decreased from 46 *per cent* in 1993-94 to 40 *per cent* in 1997-98, thereby showing a decline of 6 *per cent*.

1.5.3 Non-Tax Revenue

Growth of non-tax revenue during the last five years ending March 1998 was as under:

Year	Revised Budget Estimates	Non-Tax Revenue (Actuals)*	Percentage growth(+)/shortfall(-) over the previous year	Percentage of revenue receipts
	(Rupees in crore)			
1993-94	1,349.53	1,340.55	(+) 191	39
1994-95	4,414.20	3,473.42	(+) 159	59
1995-96	2,202.85	2,186.81	(-) 37	44
1996-97	3,139.19	3,132.67	(+) 43	52
1997-98	2,230.18	2,631.11	(-) 16	45

During 1997-98 non-tax revenue decreased by Rs 501.56 crore (16 *per cent*) over the previous year. As a percentage of total revenue receipts, the decrease was 7 *per cent* over the previous year. The decrease in non-tax revenue

* Includes receipts on account of State Lotteries 1993-94 : Rs. 840.16 crore, 1994-95 : Rs. 2,562.65 crore, 1995-96 : Rs. 1,487.50 crore, 1996-97 : Rs. 2,355.66 crore and 1997-98 : Rs. 1,697.80 crore.

during 1997-98 was mainly due to ban on single digit lotteries in the State. However, over the 5 years period 1993 to 1998, non-tax revenue increased by 96 per cent.

1.5.4 State's share of Union taxes and duties and grants-in-aid from the Central Government

Trend of State's share of Union taxes and duties and the Central grants-in-aid for the last five years was as under:

Year	State's share of		Grants-in-aid	Total	As a percentage to	
	net proceeds of taxes on income other than corporation tax	Union Excise Duties			Revenue Receipts	Revenue Expenditure
	(Rupees in crore)					
1993-94	95.53	186.92	269.54	551.99	16	16
1994-95	106.48	210.66	204.00	521.14	9	8
1995-96	139.41	221.06	298.49	658.96	13	12
1996-97	167.50	264.39	340.65	772.54	13	11
1997-98	261.41	277.90	358.73	898.04	15	14

The aggregate of State's share of Union Excise Duties, Income Tax and grants from the Central Government increased from Rs 772.54 crore in 1996-97 to Rs 898.04 crore in 1997-98 registering an increase of 16 per cent. However, as a percentage of revenue receipts it increased from 13 per cent in 1996-97 to 15 per cent in 1997-98. Over a period of five years ending 1997-98 it increased from Rs 551.99 crore in 1993-94 to Rs 898.04 crore in 1997-98 which constituted increase of 63 per cent. However, as a percentage of total revenue expenditure it decreased from 16 to 14 per cent over the same period.

1.5.5 Arrears of revenue

The position of arrears of revenue pending collection as intimated by some of the departments during the last five years was as under:-

Year	Arrears of revenue
	(Rupees in crore)
1993-94	216.60
1994-95	241.38
1995-96	241.53
1996-97	217.95
1997-98	256.72

The arrears of revenue pending collection increased by 19 *per cent* from Rs 216.60 crore in 1993-94 to Rs 256.72 crore in 1997-98. Out of Rs 256.72 crore, Rs 185.62 crore were on account of arrears of Taxes on Sales, Trades, etc., Rs 35.73 crore on account of Taxes and Duties on Electricity, Rs 12.77 crore on account of Taxes on Goods and Passengers, Rs 12.11 crore on account of State Excise and Rs 10.49 crore under other miscellaneous heads of revenue.

The arrears outstanding for more than five years (Rs 84.55 crore) constituted 33 *per cent* of the total arrears.

1.6 Revenue Expenditure

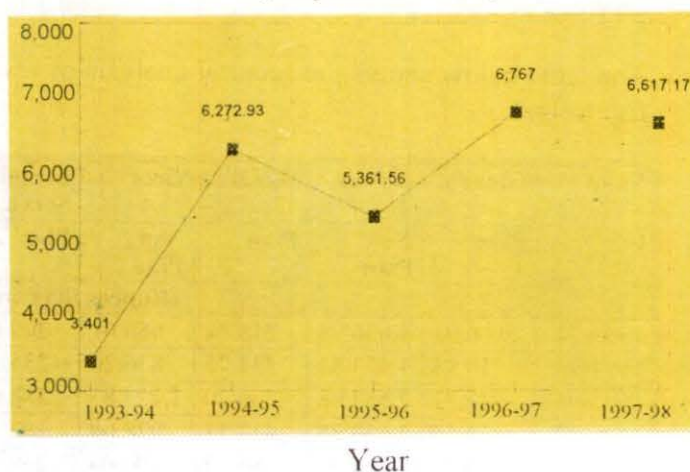
Revenue expenditure is incurred towards running of Government departments and various services, interest payments on debt incurred by the Government, subsidies, etc. Broadly speaking, expenditure which does not result in creation of assets is treated as revenue expenditure. All grants given by the State Government to various institutions are treated as revenue expenditure.

1.6.1 The trend of revenue expenditure of the State during the five years period ending 1997-98 was as under:

Year	Revised Budget Estimates			Actuals			Increase (+)/ decrease (-) over the previous year
	(Rupees in crore)						
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
1993-94	528.29	3,004.93	3,533.22	434.89	2,966.11	3,401.00	(+) 1,021.66
1994-95	636.95	6,652.43	7,289.38	577.99	5,694.94	6,272.93	(+) 2,871.93
1995-96	732.79	4,716.09	5,448.88	667.15	4,694.41	5,361.56	(-) 911.37
1996-97	838.75	6,044.00	6,882.75	725.81	6,041.19	6,767.00	(+) 1,405.44
1997-98	966.15	5,381.94	6,348.09	645.02	5,972.15	6,617.17	(-)149.83

Revenue expenditure decreased from Rs 6,767.00 crore in 1996-97 to Rs 6,617.17 crore in 1997-98.

(Rupees in crore)



The decrease in revenue expenditure was due mainly to decrease in expenditure on State lotteries due to ban on single digit lotteries by the Government resulting in less payment of prizes. This was also due to less subsidy to farmers, less grant-in-aid to Mewat Development Board, less grant of investment subsidy to industrial units, etc. This was partially off set by increase in expenditure on interest payments, increase on pay and allowances due to revision of pay scales, etc., more assistance to Haryana State Electricity Board and payment of more energy charges by Irrigation Department.

Over the five years span, the revenue expenditure increased from Rs 3,401.00 crore in 1993-94 to Rs 6,617.17 crore in 1997-98 which constituted an increase of 95 *per cent*. Staff cost accounted for approximately to Rs 1951.20 crore* which constituted 33 *per cent* of total Non-Plan revenue expenditure (Rs 5,972.15 crore) during 1997-98. Expenditure on staff cost during 1996-97 was approximately Rs 1,438.44 crore representing 24 *per cent* of Non-Plan revenue expenditure (Rs 6,041.19 crore).

1.6.2 Trend analysis of sectoral expenditure

In the Government accounts, the transactions are accounted under various heads, which in turn, are grouped into three sectors viz. General Services, Social Services and Economic Services. Specific functions or services are grouped into a specific sector e.g. Education, Sports, Art and Culture, Health and Family Welfare, Water Supply and Sanitation, Housing and Urban Development etc. are grouped under Social Services. Similarly, Agriculture, Animal Husbandry, Rural Development, Irrigation and Flood Control, Energy, Industry and Minerals, Transport Communication, Science, Technology and Environment, Tourism, etc. are included in the Economic Services. The General Services include the expenditure on organs of the State, Collection of Taxes on commodities and services, Fiscal Services, Interest payments,

* Based on compilation of salary expenditure from the paid vouchers by the office of the Accountant General (A&E) during March 1997 and April 1998.

Administrative Services and pensions, etc. The sectoral expenditure, therefore, broadly indicates expenditure on the group of specific functions and services.

The table below shows the sectoral analysis of revenue expenditure during last five years:

Year	General Services		Social Services		Economic Services		Total**	
	Plan	Non Plan***	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan
(Rupees in crore)								
1993-94	6.91	1,636.98	218.34	656.61	209.64	666.68	434.89	2,960.27
1994-95	10.94	3,473.84	331.75	836.26	235.30	1,378.18	577.99	5,688.28
1995-96	12.32	2,553.08	366.20	1,223.83	288.63	908.59	667.15	4,685.50
1996-97	14.19	3,653.28	417.11	978.69	294.51	1,401.78	725.81	6,033.75
1997-98	18.73	3,241.96	386.65	1,190.03	239.64	1,539.66	645.02	5,971.65

It would be seen that the Plan expenditure of the State increased considerably over a period of five years 1993-98 from Rs 6.91 crore to Rs 18.73 crore on General Services, from Rs 218.34 crore to Rs 386.65 crore on Social Services and from Rs 209.64 crore to Rs 239.64 crore on Economic Services. Further, non-plan expenditure also increased considerably from Rs 1,636.98 crore to Rs 3,241.96 crore on General Services, from Rs 656.61 crore to Rs 1,190.03 crore on Social Services and from Rs 666.68 crore to Rs 1,539.66 crore on Economic Services from 1993-94 to 1997-98.

1.6.3. Interest payments

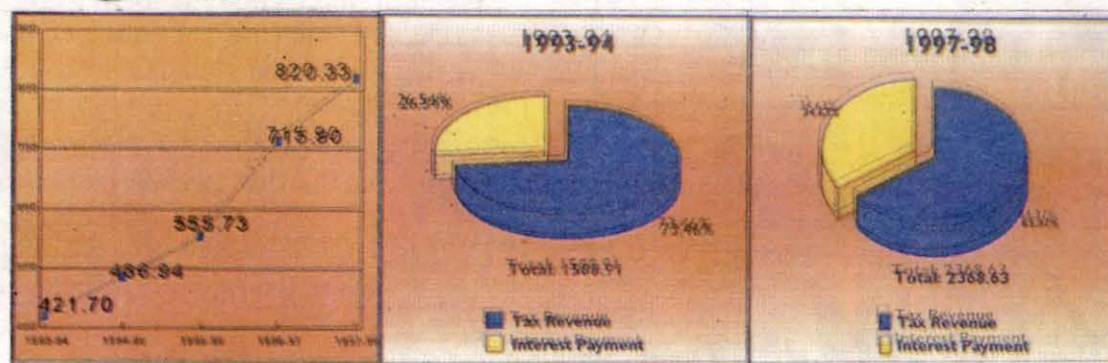
Trend of interest payments during the last five years was as under:

Year	Interest paid on					Percentage of interest payment with reference to tax revenue
	Internal Debt	Loans received from Central Government	Small Savings, Provident Funds, etc.	Others	Total	
	(Rupees in crore)					
1993-94	89.82	209.88	114.36	7.64	421.70	26.54
1994-95	105.87	246.56	125.15	9.36	486.94	25.79
1995-96	109.18	293.39	142.55	10.61	555.73	25.62
1996-97	133.54	393.23	176.87	12.26	715.90	33.40
1997-98	163.34	441.78	201.80	13.41	820.33	34.63

** Excludes grants-in-aid and contributions given as compensation and assignments to local bodies and Panchayati Raj Institutions as these do not fall under any specific group

*** Includes expenditure on State Lotteries - 1993-94 : Rs. 809.59 crore, 1994-95 : Rs. 2,492.27 crore, 1995-96 : Rs. 1,457.49 crore, 1996-97 : Rs. 2,274.41 crore and 1997-98 : Rs. 1,673.04 crore

Increase in interest payment Consumes major part of tax revenue
(Rupees in crore)



Expenditure on interest payments of Rs 820.33 crore in 1997-98 constituted 12 per cent of the total revenue expenditure. Interest payments increased from Rs 715.90 crore in 1996-97 to Rs 820.33 crore in 1997-98, which constituted an increase of 15 per cent. The increase in interest payment was mainly due to payment of increased interest on loans received from Central Government (Rs 48.55 crore), Internal Debt (Rs 29.80 crore) and State Provident Funds (Rs 24.93 crore). Over the period of five years i.e. 1993-94 to 1997-98 increase in the percentage of interest payments was 95 per cent.

1.6.4. Financial assistance to local bodies and others

The quantum of assistance provided to different local bodies during the last five years ended 1997-98 was as under:

Sr. No.	Name of body	1993-94	1994-95	1995-96	1996-97	1997-98
(Rupees in crore)						
1	Educational Institutions (including Universities)	37.04	47.55	90.25	94.48	101.55
2	Panchayati Raj Institutions	52.76	45.16	31.71	53.78	50.11
3	Municipal Councils/ Corporation	4.34	8.91	13.68	170.70	102.46
4	Other institutions (including statutory bodies)-	102.23	144.91	160.62	77.36	60.14
	Total	196.37	246.53	296.26	396.32	314.26
5.	Percentage growth over previous year	7	26	20	34	(-) 21
6.	Revenue Receipts	3,481.45	5,882.41	5,014.73	6,048.33	5,897.78
7.	Percentage of assistance to Revenue Receipts	6	4	6	7	5
8.	Revenue Expenditure	3,401.00	6,272.93	5,361.56	6,767.00	6,611
9.	Percentage of assistance to Revenue Expenditure	6	4	6	6	

Financial assistance to local bodies and other institutions decreased from Rs 396.32 crore in 1996-97 to Rs 314.26 crore in 1997-98. However, over a period of five years it increased from Rs 196.37 crore in 1993-94 to Rs 314.26 crore in 1997-98 registering an increase of 60 *per cent*. Municipal Councils/Corporation were the major beneficiaries whose share increased from Rs 4.34 crore in 1993-94 to Rs 170.70 crore in 1996-97 and to Rs 102.46 crore in 1997-98. Comparatively assistance to *Panchayati Raj* Institutions was almost static around Rs.50 crore (barring 1995-96) during all these years.

The assistance during 1993-94 to 1997-98 ranged between 4 and 7 *per cent* of Revenue Receipts and 4 to 6 *per cent* of the Revenue Expenditure.

1.6.5 Loans and Advances by the State Government

(i) The State Government had been advancing loans to Government companies, corporations, autonomous bodies, co-operatives, non-government institutions, etc., for developmental and non-developmental activities. The position of such loans for the last five years from 1993-94 to 1997-98 was as under:

	1993-94	1994-95	1995-96	1996-97	1997-98
	(Rupees in crore)				
Opening balance	970.44	1,292.08(a)	1,229.53	1,272.79(b)	1,206.89
Amount advanced during the year	289.36	336.77	382.07	394.61	438.29
(i) For Energy sector	230.01	299.01	322.73	307.35	316.63
(ii) Others	59.35	37.76	59.34	87.26	121.66
Amount recovered during the year	31.96	399.32	28.81	460.51	522.35
(i) From Energy sector	--	373.12	--	423.30	479.93
(ii) Others	31.96	26.20	28.81	37.21	42.42
Closing balance	1,227.84	1,229.53	1,582.79	1,206.89	1,122.83
Net addition (+)/ reduction (-)	(+)257.40	(-)62.55	(+)353.26	(-) 65.90	(-) 84.06
Interest received and credited to revenue	5.74	360.39	112.69	116.91	107.90

(a) Includes Rs.64.24 crore adopted *pro forma* due to allocation of balances from Punjab under the Punjab Re-organisation Act, 1966.

(b) Excludes Rs.310 crore transferred *pro forma* to capital section due to conversion of loan into share capital.

The major portion of loans advanced by the State Government was consumed by the energy sector which received between 72 and 89 *per cent* of such loans between the years 1993-94 to 1997-98.

(ii) Recoveries in arrears

According to the orders issued by the Government, the administrative departments are required to intimate to the Accountant General (Accounts and Entitlement) office by July each year the arrears in recovery of principal and interest of loans of which the detailed accounts are maintained by the departmental officers at the end of preceding March. During 1997-98, 130 statements were due from 14 departmental officers out of which only 14 statements were received. According to these statements recovery of Rs.16.53 crore (principal Rs.9.64 crore and interest Rs 6.89 crore) was in arrears as on 31 March 1998.

1.7 Capital Expenditure

1.7.1 Assets are created out of capital expenditure. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government (i.e. Public Sector Undertakings, corporations, etc.) and loans and advances. Trend of capital expenditure for the last five years was as under:

Year	Revised Budget Estimates	Capital Expenditure			Percentage increase (+)/ decrease (-) over the previous year	Percentage of capital expenditure with reference to total expenditure
		Plan	Non-Plan	Total		
		(Rupees in crore)				
1993-94	314.46	251.56	51.36	302.92	(+) 33	8
1994-95	256.82	241.43	(-)34.85	206.58	(-) 32	3
1995-96	324.91	343.58	(-)57.71	285.87	(+) 38	5
1996-97	442.65	481.82	(-)35.17	446.65	(+) 56	6
1997-98	484.65	481.11	11.10	492.21	(+) 10	7

Capital expenditure increased from Rs.302.92 crore in 1993-94 to Rs.492.21 crore in 1997-98 constituting increase of 62 *per cent*. Plan component of the capital expenditure remained almost the same during 1996-97 and 1997-98.

1.7.2 Sector wise trend analysis of capital expenditure during the five years ending 1997-98 was as under:

Sr. No.	Year	General Services		Social Services		Economic Services		
		Plan	Non - plan	Plan	Non - plan	Plan	Non -plan	Total
		(Rupees in crore)						
1	1993-94	6.81	0.03	70.46	-	174.29	51.33	302.92
2	1994-95	6.21	0.03	90.61	-	144.61	(-)34.88	206.58
3	1995-96	8.19	0.03	94.16	-	241.23	(-) 57.74	285.87
4	1996-97	17.68	0.03	193.80	-	270.34	(-) 35.20	446.65
5 +	1997-98	23.00	-	129.74	-	328.37	11.10	492.21

Plan expenditure on General Services increased from Rs 17.68 crore to Rs 23.00 crore and on Economic Services from Rs 270.34 crore to Rs 328.37 crore from 1996-97 to 1997-98, whereas it decreased from Rs 193.80 crore to Rs 129.74 crore on Social Services during the same period. The decrease was mainly under water supply and sanitation.

1.7.3 Investments and returns

During 1997-98, Government invested Rs 34.61 crore in share capital of Statutory Corporations (Rs 12.54 crore), Government Companies (Rs 16.43 crore) and Co-operative Banks and Societies, etc. (Rs 5.64 crore). On the other hand, investments of Rs 2.44 crore were retired during the year in respect of co-operative institutions. Thus the net investment was Rs 32.17 crore.

The total investment by Government in Statutory Corporations, Government companies and Joint Stock companies, Co-operative Banks and Societies and bodies along with dividends/interest received at the end of years during 1993-98 was as under:

		1993-94	1994-95	1995-96	1996-97	1997-98
(Rupees in crore)						
(i)	Total investment of the State	1,444.94	1,463.75	1,523.84	1,865.90	1,898.07
(ii)	Dividend received	0.95	7.02	3.15	4.53	2.38
(iii)	Percentage of dividend	0.07	0.48	0.21	0.24	0.13

The total investment of the State Government increased from Rs 1,444.94 crore in 1993-94 to Rs 1,898.07 crore in 1997-98 which constituted an increase of 31 *per cent*. The share of dividend decreased from Rs 4.53 crore

in 1996-97 to Rs 2.38 crore in 1997-98 registering an decrease of 47 *per cent* thereby reducing the dividend income to a negligible 0.13 *per cent*.

1.7.4 Companies where accumulated loss was more than the investment

There were 20 Government companies as of March 1998. Total investment in 20 companies at the end of March 1998 was Rs 173.10 crore. Of these, nine companies had finalised their accounts upto 1997-98 and the finalisation of accounts in respect of remaining 11 companies were in arrears (September 1998) to the extent of one to six years.

The accumulated loss of seven Government companies out of 20 companies was Rs.71.72 crore as per the accounts finalised by these companies for various years from 1991-92 to 1997-98. As against this, investment in these companies as on 31 March 1998 was Rs 55.29 crore. Of these; in four Government Companies, the accumulated loss was more than the investment as detailed below:

Sr. No.	Name of the Company	Investment up to 1997-98	Accumulated	
			Loss	Up to
		(Rupees in crore)		
1	Haryana State Minor Irrigation (Tubewells) Corporation Limited	10.89	44.23	1991-92
2	Haryana Dairy Development Corporation Limited	5.57	7.56	1997-98
3	Haryana Tanneries Limited	0.67	7.21	1997-98
4	Haryana State Handloom and Handicraft Corporation Limited	2.60	3.26	1995-96

The investment in Statutory Corporations increased from Rs 1,523.28 crore in 1996-97 to Rs 1,535.82 crore in 1997-98 which constituted a marginal increase of nearly one *per cent*.

1.7.5 Negative return from Irrigation Projects

Total revenue received from the seven major irrigation projects during 1997-98 was Rs 26.01 crore as against the cumulative expenditure of Rs 289.31 crore. Net loss in these projects constituted 22.11 *per cent* of the cumulative outlay as of March 1998 (vide Statement No.3 of Finance Accounts of Government of Haryana – 1997-98)

1.8 Deficit

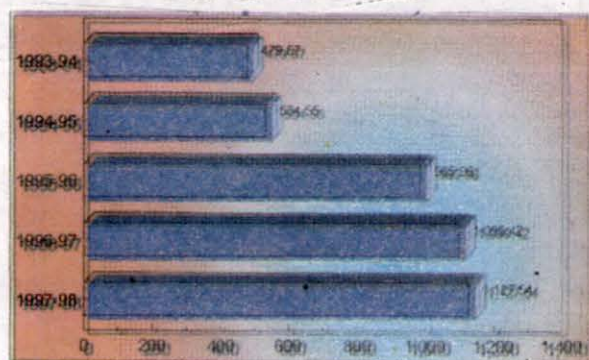
1.8.1 Fiscal Deficit

The fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received).

Position of fiscal deficit for the last five years was as under:

Year	Fiscal deficit (Rupees in crore)	Increase in percentage from previous years
1993-94	479.87	8.07
1994-95	534.55	11.39
1995-96	985.96	84.44
1996-97	1,099.42	11.51
1997-98	1,127.54	2.56

**Trend of fiscal deficit
(Rupees in crore)**



It would be seen from the above table that the fiscal deficit had been continuously increasing since 1993-94. Over a period of five years it had risen from Rs 479.87 crore in 1993-94 to Rs 1,127.54 crore in 1997-98. The rising trend in fiscal deficit during 1993-98 was attributable mainly to larger interest payments, increase in payment of dearness allowance, increase in

expenditure due to transfer of works of urban water supply and sanitation from Municipalities to Public Health Department, more assistance to Haryana State Electricity Board (HSEB), purchase of more buses by Haryana Roadways, decrease in grant-in-aid from Central Government for Centrally sponsored schemes, payment of arrears of energy charges of water supply and sanitation schemes paid in 1994-95, more expenditure on relief measures due to floods in the State and decrease in State excise receipts due to introduction of prohibition in the State.

1.8.2 Revenue deficit

The revenue deficit is the gap between revenue receipts and revenue

expenditure. Trend of revenue deficit/surplus for the last five years was as under:

Year	Budget estimates	Revised estimates	Actual Revenue deficit (-)/ Surplus (+)	Revenue deficit as a percentage of fiscal deficit
(Rupees in crore)				
1993-94	(+) 43.67	(+) 8.21	(+) 80.45	---
1994-95	(-) 512.27	(-) 452.82	(-) 390.52	73
1995-96	(-) 44.39	(-) 426.33	(-) 346.83	35
1996-97	(-) 153.17	(-) 667.56	(-) 718.67	65
1997-98	(-) 713.46	(-) 631.29	(-) 719.39	64

Trend of revenue deficit/surplus over five years



The revenue deficit increased from Rs 390.52 crore in 1994-95 to Rs 719.39 crore in 1997-98 which constituted increase of 84 *per cent*. The increasing revenue deficit indicated that more borrowings were required which in turn pushed the interest burden.

The Budget estimates of the revenue deficit for the last three years were not realistic, the actual

revenue deficit was more than even the revised budget estimates during 1996-97 and 1997-98. During 1997-98, the actual revenue deficit increased by 14 *per cent* over revised budget estimates.

1.9 Public Debt

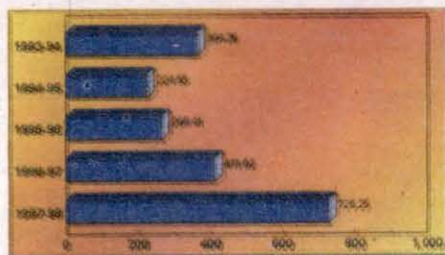
Public debt comprises internal debt and loans and advances from the Central Government. It has vital link with all aspects of Public Finance, taxation and expenditure policies, budget surplus and deficits, trade and development expenditure and economic growth.

The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law has been passed by the State Legislature laying down any such limit.

1.9.1 Internal Debt

Position of internal debt of the State Government for the last five years was as under:

Year	Addition during the year	Debt servicing + payment of interest			Percentage of Col. 3 to Col. 2
1.	2	3			4
		(Rupees in crore)			
		Principal	Interest	Total	
1993-94	364.26	195.66	89.82	285.48	78.37
1994-95	224.55	149.03	105.87	254.90	113.52
1995-96	266.41	156.00	109.18	265.18	99.54
1996-97	411.62	231.77	133.54	365.31	88.75
1997-98	726.25	501.80	163.34	665.14	91.58



It would be observed that there was increase in internal debt from Rs 364.26 crore in 1993-94 to Rs 726.25 crore in 1997-98. (99 per cent). The discharge of internal debt (including interest) during 1997-98 was 91.58 per cent of the additions during the year. As a result, the net amounts available for investment or spending on

current activities was only marginal.

1.9.2 Other liabilities

Apart from the borrowing accounted for in the Consolidated Fund of the State, there are Small Savings, Provident Funds, Reserve Funds and Deposits which are kept in a separate Public Account. The balances of Public Account are carried forward annually. These amounts add substantially to the liability of the State Government.

Trend of these liabilities for the last five years was as under:

Year	Opening balance	Addition during the year	Repayment of Principal	Payment of Interest	Total (Col.4 +5)	Closing balance (Col.2+3-4)	Percent age of Col. 6 to Col. 3
1	2	3	4	5	6	7	8
(Rupees in crore)							
1993-94	1,212.63	1,413.02	1,236.64	122.00	1,358.64	1,389.01	96.1
1994-95	1,389.01	1,566.13	1,349.19	134.52	1,483.71	1,605.95	94.7
1995-96	1,605.95	1,769.48	1,500.06	153.16	1,653.22	1,875.37	93.4
1996-97	1,875.37	2,101.33	1,759.67	189.13	1,948.80	2,217.03	92.7
1997-98	2,217.03	2,276.96	1,969.23	215.21	2,184.44	2,524.76	95.9

It would be seen that the net inflow of these funds which was 4 *per cent* of the additions in 1993-94 continued to be same during 1997-98.

1.9.3 Loans and Advances from the Central Government

Position of loans and advances from the Government of India for the last five years was as under:

Year	Additions during the year	Repayment + Interest			Net flow	Percentage of Col. 3 to Col. 2
1	2	3			4	5
		Principal	Interest	Total		
(Rupees in crore)						
1993-94	303.95	92.22	209.88	302.10	1.85	99.39
1994-95	412.41	86.64	246.56	333.20	79.21	80.79
1995-96	805.67	92.46	293.39	385.85	419.82	47.89
1996-97	531.60	210.73	393.23	603.96	(-)72.36	113.61
1997-98	801.92	228.55	441.78	670.33	131.59	83.59

During 1997-98, 84 *per cent* of loans and advances received from the Central Government were utilised for the repayment of loans and payment of interest.

1.9.4 Guarantees given by the State Government

Under Article 293 of the Constitution of India, the State Government may give guarantees within such limits, if any, as may be fixed by the State Legislature by Law. No law prescribing the limit had so far been enacted. The position regarding the amount of guarantees given by the Government for repayment of loans, payment of interest thereon and sums outstanding at the end of the years 1993-94 to 1997-98 was as under:

Position at the end of the year	Amount guaranteed (Principal only)	Amount Outstanding	
		Principal	Interest
	(Rupees in crore)		
1993-94	4,295.58	1,855.99	0.12
1994-95	3,238.26	1,810.56	0.14
1995-96	4,754.54	2,361.67	0.15
1996-97	5,543.43	2,601.50	0.15
1997-98	6,452.72	3,150.39	0.17

Outstanding guarantees of the State Government increased from Rs 1,855.99 crore in 1993-94 to Rs 3150.39 crore in 1997-98 which constituted an increase of 70 *per cent*. Government does not charge any guarantee fee.

1.9.5 Total indebtedness of the State

The trend of total indebtedness of the State during the last five years was as under:

Year	Internal Debt	Loans and advances from Central Government	Other liabilities (Small Savings, Provident Funds, etc.)	Total
(Rupees in crore)				
1993-94	798	2,217	1,117	4,132
1994-95	874	2,542	1,317	4,733
1995-96	984	3,256	1,538	5,778
1996-97	1,164	3,576	1,785	6,525
1997-98	1,388	4,150	2,093	7,631

The total indebtedness of the State increased from Rs 4,132 crore in 1993-94 to Rs 7,631 crore in 1997-98 which constituted increase of 85 per cent.

1.10 Ways and Means Advances and Overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily cash balance of Rs 30 lakh. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdraft from time to time. The limit was Rs 50.40 crore for ordinary and Rs 9.60 crore for special ways and means advances from 1 April 1997 to 31 March 1998. If even after the maximum advance has been given, there is a shortfall in the minimum cash balance, the shortfall is left uncovered. Overdraft is taken if the State has minus balance after availing of the maximum advance.

The extent to which the State Government maintained the minimum balance with the Bank during the period 1997-98 was as under:-

Year	Number of days on which minimum balance was maintained		Number of days on which overdraft was taken
	Without obtaining any advance	By obtaining ways and means advances	
1993-94	333	16	16
1994-95	362	3	-
1995-96	363	3	-
1996-97	352	11	2
1997-98	336	22	7

The position of ways and means advances and overdraft taken by the State Government and interest paid thereon during 1993-94 to 1997-98 was as under:

Year	Ways and Means advances			Overdraft		
	Advance taken during the year (gross)	Advance outstanding at the end of the year	Interest paid	Taken during the year (gross)	Outstanding at the end of the year	Interest paid
(Rupees in crore)						
1993-94	74.84	-	0.16	60.85	-	0.05
1994-95	2.14	-	*	-	-	-
1995-96	8.05	-	**	-	-	-
1996-97	94.19	6.40	0.11	39.30	-	0.03
1997-98	165.75	-	0.27	49.14	-	0.09

1.11 Incomplete Capital Works

As per information supplied by the State Government, there were six projects (estimated cost: Rs.10.72 crore) remaining incomplete as of March 1998.

1.12 Performance of Government of Haryana during the VIII Plan (1992-97)

1.12.1 Introduction

An analysis was made in audit of the performance of the Government of Haryana regarding allocation of funds of the Annual Plans during the VIII Five Year Plan(1992-97) and utilisation thereof. Results of this analysis are discussed below:

1.12.2 Pattern of financing the State Plans

- (i) There are two sources of financing the annual plan expenditure (a) State's own contribution and (b) Central contribution/ support.
- (ii) State's own contributions are projected by the State Government on certain basic assumption such as balance of current revenue(BCR), contribution from the State Undertakings, balance from the State Provident

* Rs 0.19 lakh only.

**Rs 0.57 lakh only.

fund, miscellaneous capital receipts, loans from small savings and additional resource mobilisation (ARM).

Central contribution/support consists of (a) central support for market borrowings and negotiated loans and other finances, and (b) annual plan assistance (APA) consisting of loans and grants-in-aid.

(iii)[†] The annual plan outlays are revised by the Planning Commission, if necessary, based on the revised projections made by the State Government.

Scrutiny of the various aspects of financing the Annual Plan and utilisation revealed the following:

1.12.3. Actual expenditure less than the revised outlay

While the size of Annual Plans were revised downward at the Revised outlay stage during 1992-97, State failed to meet even this revised outlay as indicated below:

Year	Original outlay (annual plan)	Revised outlay	Actual expenditure [*]	Percentage decrease	
				Column no. 4 over 2	Column no. 4 over 3
1	2	3	4	5	6
(Rupees in crore)					
1992-93	830.00	804.57	748.11	10	7
1993-94	924.12	839.08	806.89	13	4
1994-95	1,035.84	1,019.06	979.71	5	4
1995-96	1,257.00	1,225.00	1,120.05	11	9
1996-97	1,434.65	1,370.02	1,244.42	13	9
Total	5,481.61	5,257.73	4,899.18	11	7

On the overall basis, the actual plan expenditure was 11 *per cent* less than the original allocation and 7 *per cent* less than the revised allocation during 1992-97. Thus, the approved and revised State Plans were over pitched. This does not account for inflation which has substantially eroded real outlays.

1.13 Indicators of financial performance of the State Government

In the context of discussion of the financial position of the Government vide Paragraphs 1.1 to 1.11 an attempt was made to examine the financial health of the Government in the light of certain defined indicators.

^{*} As supplied by the State Government.

A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity, it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity, it would be pertinent to examine the flexibility of the means of financing and finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to Annual Development Plans and are provided for mostly in the State Budget. Broadly, it can be stated that Non-Plan expenditure represents Government maintaining the existing level of activity, while Plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, vulnerability, flexibility, and transparency. These terms can be defined as follows:

(a) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(b) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden.

(c) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and, therefore, vulnerable to sources of funding outside its control or influence, both domestic and international.

(d) Transparency

There is also the issue of financial information provided by the Government. This consist of Annual Financial Statement (Budget) and the Accounts.

As regards the budget, the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards accounts, timeliness in submission for which milestones exist and completeness of accounts would be the principal criteria.

* There are exceptions to this, notably transfer of Plan to the Non-Plan at the end of Plan period.

Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility and Vulnerability which can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. A list of such indices/ratios and the method of working out the ratios are indicated in the Appendix-I.

The following table indicates the behaviour of these ratios over the period 1993-94 to 1997-98. The implications of these ratios for the state of financial health of the State Government are discussed in the paragraphs which follow the table:

	1993-94	1994-95	1995-96	1996-97	1997-98
SUSTAINABILITY					
BCR (Rupees in crore)	280.00	(-) 4.00	92.00	(-)304.00	(-)402.00
Interest ratio	0.91	0.002	0.063	0.082	0.103
Capital Outlay/Capital Receipts	0.68	0.23	0.31	0.38	0.29
Total Tax Receipts/GSDP	0.09	0.09	0.09	0.08	0.07
State Tax Receipts/GSDP	0.08	0.08	0.08	0.06	0.06
ROI/Investment	0.0007	0.0048	0.0020	0.0027	0.0011
FLEXIBILITY					
Capital repayments/Capital borrowings	0.28	0.37	0.23	0.42	0.37
Total Tax Receipts/GSDP	0.09	0.09	0.09	0.08	0.07
State Tax Receipts/GSDP	0.08	0.08	0.08	0.06	0.06
Debt/GSDP	0.21	0.21	0.22	0.21	0.20
VULNERABILITY					
Revenue Deficit (Rupees in crore)	-	391.00	347.00	719.00	719.00
Fiscal Deficit (Rupees in crore)	480.00	535.00	986.00	1099.00	1128.00
Primary Deficit (Rupees in crore)	58.00	48.00	430.00	383.00	308.00
Primary Deficit/Fiscal Deficit	0.12	0.09	0.44	0.35	0.27
Revenue Deficit/Fiscal Deficit	*	0.73	0.35	0.65	0.64
Outstanding guarantees/Revenue Receipts	0.53	0.31	0.47	0.43	0.53
Assets/liabilities	1.20	1.10	1.03	0.92	0.84

BCR – Balance from Current Revenues, ROI – Return on Investments, GSDP – Gross State Domestic Product

* Surplus of Rs 80.45 crore.

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts minus Plan assistance grants minus Non-Plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting Plan expenditure.

BCR was positive upto 1995-96 except for a small negative amount in 1994-95. Thereafter it worsened drastically and was heavily negative in the next two years upto 1997-98. This indicated that the State had no surplus from current revenues for funding its Annual Plans in these years. The main reason for the negative BCR in 1996-97 was increase in Non-Plan expenditure by Rs 1,347 crore mainly due to expenditure on Lotteries, enhanced budgetary support to HSEB and increase in interest payments. In 1997-98, the negative balance was mainly due to decrease in receipts from sale of Lotteries while the expenditure did not appreciably decrease.

(ii) Interest ratio

Interest ratio is defined as

$$\frac{\text{Interest payment}-\text{Interest receipts}}{\text{Total revenue receipts}-\text{Interest receipts}}$$

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts.

This ratio increased from 0.091 in 1993-94 to 0.103 in 1997-98 which indicated lesser availability of revenue receipts for programme spending and was therefore contra indicator to sustainability.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one is not sustainable in the long term in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance.

This ratio sharply declined during 1993-98. The increase in the ratio in 1996-97 over that of 1995-96 was mainly attributable to conversion of old loans into equity for State Electricity Board and did not involve induction of fresh capital. The decreased availability of capital should also be considered in the context of Capital Projects remaining incomplete (as discussed in Paragraph no. 1.11) and the insignificant return on Capital Investment (as discussed in Paragraph no. 1.7.3).

(iv) Tax receipts Vs Gross State Domestic Product

Tax receipts consist of State taxes and State's share of Central taxes. The latter can also be viewed as Central taxes paid by people living in the State. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility.

This ratio of State Tax receipts to GSDP declined during 1996-98 from the previous years indicating that rate of growth of taxation was negative compared to the position in 1995-96. It also suggests poor tax compliance as a result of which a lesser *per cent* of GSDP is collected as taxes. Despite a very low and declining ratio and despite steep increase in revenue deficit and fiscal deficit during these years, the State preferred borrowing (which comes at a cost) than taxation to meet the deficits. This is unsustainable for the State's financial condition.

(v) Return on Investment

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability.

The return was negligible being less than 1 *per cent*. Even while return was low, the rate of return declined since 1995-96 indicating a further negative trend.

(vi) Capital repayments vs Capital borrowing

This ratio would indicate the extent to which the capital borrowings are available for investment. The lower the ratio, the higher the availability of capital for investment.

This ratio increased from 0.28 in 1993-94 to 0.42 in 1996-97 and then declined to 0.37 in 1997-98 indicating less availability of borrowed funds for investment over the years and therefore a negative trend. This had an adverse impact on the State's flexibility to generate revenues for meeting rising commitments for the developmental needs.

(vii) Debt vs. Gross State Domestic Product

GSDP is the total internal resource base of the State Government, which can be used to service the debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and, therefore, represents increasing risk for the lender.

There was no appreciable change in the ratio over the years. This indicated that the ability of the State to bear the debt burden remained unchanged.

(viii) Revenue Deficit/Fiscal Deficit

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings etc. Evidently, the higher the revenue deficit, more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance revenue expenditure. Thus the higher the ratio the worse off the State because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State.

This ratio improved over the years due to availability of funds from increased borrowings and recovery of loans during 1996-97 and 1997-98 (as discussed in Paragraph nos. 1.6.5 and 1.9.5).

(ix) Primary deficit vs Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio, the less the availability of funds for capital investment.

There was a significant increase in this ratio due to very steep increase in borrowings from 1995-96 onwards. The borrowed funds were employed to finance the loss of the Public Sector Undertakings (PSUs) (as discussed in Paragraph no. 1.7.4) even as the Capital Projects remained incomplete (as discussed in Paragraph no. 1.11). Further, the major Irrigation Projects failed to generate any profit (as discussed in Paragraph no. 1.7.5). Consequently the ability of the State to raise fresh borrowings were limited.

(x) Guarantees vs. Revenue receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should, therefore, be compared with the ability of the Government to pay viz., its revenue receipts. Thus, the ratio of total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government.

This ratio significantly increased since 1994-95 indicating exposure of its revenues to higher risk.

(xi) Assets vs. Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be contra indicator to solvency.

This ratio declined from a solvent position to a position of weakness. This was indicative of its increased reliance on borrowed funds to meet its revenue expenditure and decreased availability of borrowed funds for creation of assets (as discussed in Paragraph 1.4.2).

(xii) Budget

There was no delay in the submission of the budget and its approval. The details are given below:

Budget	Month of the submission	Month of approval
1993-94	March 1993	March 1993
1994-95	March 1994	March 1994
1995-96	March 1995	March 1995
1996-97	March 1996	March 1996
1997-98	March 1997	March 1997

The extent of variations in the budget estimates and revised estimates is given in the following table:

(1) Receipts

Year	Budget Estimates	Revised Estimates	Variations	Percentage of variation
	(Rupees in crore)			
1993-94	5,338.35	6,315.30	976.95	18.30
1994-95	8,080.29	10,547.42	2,467.13	30.53
1995-96	9,055.76	10,449.35	1,393.59	15.39
1996-97	9,868.78	11,587.87	1,719.09	17.42
1997-98	14,452.47	11,458.09	(-)2,994.38	20.72

(2) *Expenditure*

Year	Budget Estimates	Revised Estimates	Variations	Percentage of variation
(Rupees in crore)				
1993-94	5,344.31	6,335.52	991.21	18.55
1994-95	8,076.91	10,511.64	2,434.73	30.14
1995-96	9,070.27	10,389.58	1,319.31	14.55
1996-97	9,923.26	11,619.52	1,696.26	17.09
1997-98	14,472.00	11,348.90	(-3,123.10)	21.58

Chapter II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also on the quality of budgetary procedure and control over expenditure. This indicated defective budgeting and inadequate control over expenditure, as evidenced by persistent resummptions (surrenders) of significant amounts every year vis-à-vis the final modified grant and a significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

Conclusion

The State moved from a position of positive balance from the current revenues to a drastically heavy negative balance from 1996-97 which increased further in 1997-98. The major shortcoming of the State was in poor tax compliance since ratio of State taxes to GSDP fell by two percentage points. In the event the State did not have the ability to finance ambitious Development Plans. Despite shortfalls and substantial savings (see Appropriation Accounts) in certain key areas these severely aggravated deficits and made Haryana's financial position unsustainable.

CHAPTER – II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2. General

2.1 The summarised position of actual expenditure during 1997-98 against grants/appropriations was as under :

Sr. No.	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual Expenditure	Saving(-)/Excess(+) (Percentage)
(Rupees in crore)						
I	Revenue Voted	7,285.03	726.11	8,011.14	5,930.34	(-) 2,080.80 (26)
	Charged	909.12	0.88	910.00	829.98	(-) 80.02 (9)
II	Capital Voted	1,182.72	51.93	1,234.65	886.37	(-) 348.28 (28)
	Charged	2.10	2.00	4.10	2.19	(-) 1.91 (47)
III	Public Debt Charged	951.56	--	951.56	730.35	(-) 221.21 (23)
IV	Loans and Advances Voted	372.34	13.21	385.55	438.85	(+) 53.30 (14)
	Total	10,702.87	794.13	11,497.00	8,818.08**	(-) 2,678.92 (23)

* These are gross expenditure inclusive of recoveries adjusted in reduction of expenditure viz. Revenue expenditure : Rs 143.15 crore, Capital expenditure : Rs 396.35 crore and Loans and Advances : Rs 0.56 crore.

Out of this, Rs 2.72 crore kept under Personal Ledger Accounts (General Managers, Haryana Roadways, Faridabad : Rs 1.73 crore and Ambala : Rs 0.01 crore; Director, Land Records: Rs 0.40 crore and Principal, State Community Development Training Centre, Nilokheri : Rs 0.06 crore) and in the form of Bank drafts of Rs 0.52 crore by Director, Secondary Education as had come to notice of audit during test-check of records of these departments.

2.2 Results of appropriation audit

2.2.1 The overall saving of Rs 2,678.92 crore was the net result of saving of Rs 2,816.87 crore in 43 cases and excess of Rs 137.95 crore in 11 cases as shown below :

	Saving		Excess		Net Saving	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
	(Rupees in crore)					
Voted	2,163.85 (In 17 grants)	348.30 (In 10 grants)	83.05 (In 7 grants)	53.32 (In 2 grants)	2,080.80	294.98
Charged	81.60 (In 12 appropriations)	223.12 (In 4 appropriations)	1.58 (In 2 appropriations)	--	80.02	223.12

2.2.2 Supplementary provision

The overall supplementary provision of Rs 794.13 crore obtained (March 1998) during 1997-98 constituted 7.42 *per cent* of the original provision of Rs 10,702.87 crore as compared to 30.56 *per cent* of the last year. The overall saving of Rs 2,678.92 crore represented 23 *per cent* of the total amount of grants/appropriations including supplementary provision which indicated that the estimates for grant, etc. were not realistic.

In four grants, supplementary provision of Rs 61.97 crore obtained in March 1998 proved unnecessary in view of final saving of Rs 94.72 crore under these grants and also the expenditure did not come up even to the level of original budget provision. Relevant details are given in Appendix II. In other six grants and two appropriations additional funds of Rs 121.56 crore were supplemented against the requirement of Rs 67.81 crore. Relevant details are given in Appendix III.

Supplementary provision of Rs 600.64 crore obtained under other eight grants and one appropriation proved insufficient leaving an uncovered excess expenditure of Rs 137.94 crore as detailed in Appendix IV.

2.2.3 Excess over grants/appropriations

In Revenue Section, there was a total excess of Rs 83,05,59,604 in seven grants and Rs 1,57,89,870 in two appropriations. In Capital Section, there was a total excess of Rs 53,31,70,867 in two grants. These excesses (details

given below) require regularisation under Article 205 of the Constitution of India.

Sr. No.	Number and name of Grant/ Appropriation	Total grant/ appropriation	Expenditure	Excess
(In rupees)				
1.	Revenue(Voted)			
2.	2 - General Administration	76,13,35,000	76,81,29,335	67,94,335
3.	3 - Home	2,90,83,32,000	3,03,85,58,752	13,02,26,752
3.	5 - Excise and Taxation	27,18,55,000	28,34,25,541	1,15,70,541
4.	8 - Buildings and Roads	1,32,45,07,000	1,46,23,94,559	13,78,87,559
5.	9- Education	8,09,58,28,000	8,55,17,96,573	45,59,68,573
6.	15- Irrigation	10,27,26,00,000	10,32,50,38,039	5,24,38,039
7.	18 - Animal Husbandry	61,29,04,000	64,85,77,805	3,56,73,805
Total		24,24,73,61,000	25,07,79,20,604	83,05,59,604
(Charged)				
1.	3 - Home	5,00,85,000	6,58,74,760	1,57,89,760
2.	20- Forest	12,50,000	12,50,110	110
Total		5,13,35,000	6,71,24,870	1,57,89,870
Capital(Voted)				
1.	7 - Other Administrative Services	3,00,000	4,82,635	1,82,635
2.	25- Loans and Advances by State Government	3,85,55,62,000	4,38,85,50,232	53,29,88,232
Total		3,85,58,62,000	4,38,90,32,867	53,31,70,867

2.2.4. Unutilised provision and surrender thereof

According to Punjab Budget Manual as applicable to Haryana, all savings should be surrendered as soon as the possibility of saving is foreseen from the trend of expenditure. Savings should not be held in reserve for possible future excess expenditure. In the accounts for the year 1997-98, it was noticed that against final savings of Rs 2,816.87 crore in 43 cases, Rs 2,165.89 crore were surrendered on the last day of the financial year viz 31 March 1998. Out of Rs 2,165.89 crore, Rs 1,370.76 crore were surrendered under the scheme 'Expenditure on payment on agents, prizes money etc.' below major/minor head "2075-Miscellaneous General Services - 103-State Lotteries" due to ban (October 1997) on the sale of single digit lotteries. Surrenders of funds on the last day of the financial year deprived the Government of the opportunity to utilise the funds on other schemes and indicated poor budgeting and poor financial management.

(i) In 13 cases savings of Rs 2,004.12 crore were surrendered partially against the available savings of Rs 2,729.80 crore. Further, in four other cases, the entire savings aggregating Rs 5.91 crore remained unsurrendered as detailed in Appendix V.

(ii) In five voted grants, Rs 80.78 crore were surrendered in excess of the savings. Besides, in six voted grants and one appropriation Rs 16.81 crore were surrendered although the expenditure exceeded the budget provision and no savings were available. Relevant details are given below:

(a) Surrender of funds more than available saving

Sr.No.	Number and name of Grant	Saving	Amount surrendered	Excess fund surrendered
(Rupees in crore)				
1.	Revenue (Voted) 4 - Revenue	4.08	9.41	5.33
2.	11- Urban Development	12.38	13.01	0.63
3.	13- Social Welfare and Rehabilitation	10.52	11.41	0.89
4.	23- Transport	0.15	0.38	0.23
5.	Capital (Voted) 15 -Irrigation	30.22	103.92	73.70
	Total	57.35	138.13	80.78

(b) Surrender of funds inspite of excess expenditure

Sr.No.	Number and name of Grant/Appropriation	Excess expenditure	Amount surrendered
(Rupees in crore)			
	Revenue (Voted)		
1.	2 - General Administration	0.68	1.16
2.	3 - Home	13.02	0.45
3.	9 - Education	45.60	10.80
4.	15 - Irrigation	5.24	0.05
5.	18 - Animal Husbandry	3.57	0.07
	(Charged)		
6.	3 - Home	1.58	0.13
	Capital (Voted)		
7.	25 - Loans and Advances by State Government	53.30	4.15
	Total	122.99	16.81

2.2.5 Inadequate/injudicious re-appropriation

Re-appropriation of funds should be made only when it is known or anticipated that re-appropriation from the unit for which funds are to be transferred will not be utilised in full or that savings can be effected in the re-appropriation of the unit. In 9 cases, the re-appropriations turned out to be injudicious/inadequate as the expenditure exceeded the total provision by more than Rs 5 crore in each case as given below:

Sr. No.	Number and name of Grant	Major/Minor Head of Account, etc.	Total provision	Total expenditure
			(Rupees in crore)	
1.	Injudicious re-appropriations 3-Home	2055- Police 109- District Police O 138.29 S 27.54 R - 0.80	165.03	172.22
2.	15-Irrigation	4701- Capital Outlay on Major and Medium Irrigation 01- Major Irrigation Commercial 225- Rehabilitation of existing channels O 50.54 R - 9.06	41.48	65.56
3.		223- Construction of new minor Units III O 5.39 R - 5.39	-	9.85
4.	Inadequate re-appropriations 9-Education	2202- General Education 01- Elementary Education 101- Government Primary Schools (a)- Classes I to V O 148.04 S 10.06 R 4.48	162.58	187.35
5.		02 - Secondary Education 109 - Government Secondary School Teaching Staff including other Establishment O 210.10 S 10.74 R 0.88	221.72	247.60

Sr. No.	Number and name of Grant	Major/Minor Head of Account, etc.	Total provision	Total expenditure
			(Rupees in crore)	
6.	10- Medical and Public Health	2215- Water Supply and Sanitation 01- Water Supply 101- Urban Water Supply Programmes Maintenance charges O 3.00 R 0.50	3.50	11.31
	15-Irrigation	2701- Major and Medium Irrigation 01- Major Irrigation Commercial 001- Direction and Administration A Irrigation Execution O 65.63 S 1.83 R 3.90	71.36	94.21
8.		Special Revenue Staff O 12.60 S 0.90 R 0.22	13.72	19.47
9.		4701- Capital Outlay on Major and Medium Irrigation 01- Major Irrigation Commercial 209- Improvement/reconditioning/remodelling of old/existing channels O 31.80 R 10.49	42.29	53.02

- 'O' Stands for original grant
 'S' Stands for supplementary grant
 'R' Stands for re-appropriation, withdrawals or surrender by a competent authority.

2.2.6 Substantial savings in grants/appropriations

Substantial savings in the schemes under the respective Grant or Appropriation varying from 15 to 100 *per cent* indicated that the expenditure could not be incurred as estimated, anticipated and planned. It was also indicative of poor budgeting and/or shortfall in performances and the purpose for which the original grant or appropriation was provided suffered. Relevant details where the total saving of Rs 10 crore or more over the grant plus supplementary, if

any, are indicated below :

Sr. No.	Number and name of Grant	Major/Minor Head of Account, etc.	Total provision	Saving (Per cent)
			(Rupees in crore)	
1.	6- Finance	2049 - Interest Payments 04 - Interest on Loans and Advances from Central Government	148.26	21.85 (15)
2.		101 - Interest on Loans for State/ Union Territory Plan Schemes Block Loans 01 - Interest on Internal Debt 200 - Interest on other Internal Debts Loans from State Bank of India and other Banks	24.40	11.40 (47)
3.	8- Buildings and Roads	5054 - Capital Outlay on Roads and Bridges 03 - State Highways 337 - Road Works	90.00	85.74 (95)
4.		4202 - Capital Outlay on Education, Sports, Art and Culture 02 - Technical Education 104 - Polytechnics Engineering/ Technical Colleges and Institutes	22.08	12.53 (57)
5.	10- Medical and Public Health	2215 - Water Supply and Sanitation 01 - Water Supply 101 - Urban Water Supply Programmes - Energy Charges	32.00	15.18 (47)
6.		4215 - Capital Outlay on Water Supply and Sanitation 02 - Sewerage and Sanitation 101 - Urban Sanitation Services Sewerage Treatment	72.25	42.66 (59)
7.	14- Food and Supplies	4408 - Capital Outlay on Food Storage and Warehousing 01 - Food 101 - Procurement and Supply Grain Supply Scheme Advances	474.32	124.90 (26)
8.	15- Irrigation	2701 - Major and Medium Irrigation 01 - Major Irrigation Commercial 001 - Direction and Administration B - Multipurpose River Projects Execution	14.73	11.69 (79)

Sr. No.	Number and name of Grant	Major/Minor Head of Account, etc.	Total provision	Saving (Per cent)
			(Rupees in crore)	
9.		103 - Jui Canal Project Energy Charges	17.50	17.50 (100)
		4701 - Capital Outlay on Major and Medium Irrigation		
		01 - Major Irrigation Commercial		
10		227 - Construction of Hathnikund Barrage	50.26	50.26 (100)
11.		207 - Mewat Lift Irrigation Scheme	24.60	24.60 (100)
12.		113 - Modernisation and Lining of Canal System	35.00	21.65 (62)
13.		110 - Sutlej Yamuna Link Project	16.66	16.65 (100)
14.		228 - Institutional Strengthening such as data collection Planning Design and Admn. etc.	11.38	11.38 (100)
		4702 - Capital Outlay on Minor Irrigation		
15.		800 - Other expenditure Subsidy to Haryana State Minor Irrigation Tubewell Corporation Lining of Water Courses Rehabilitation of Water Courses, Augmentation of Tubewells	60.71	38.79 (64)
	17- Agriculture	2705 - Command Area Development		
16.		102 - Mewat Development Board Mewat Development Project International funds for Agriculture Development Rome	16.62	16.62 (100)
	21- Community Development	2515 - Other Rural Development programmes Panchayat Department		
17.		101 - Panchayati Raj (v) - Grants-in-aid to Panchayati Raj Institution on the recommenda- tion of 10th Finance Commission	30.99	15.50 (50)

It would be seen from the data tabulated that 100 *per cent* provision of Rs 137.02 crore remained unutilised in respect of six schemes under grant no. 15-Irrigation (5 cases) and 17-Agriculture (1 case).

2.2.7 Unutilised budget provisions

Provisions of Rs 219.49 crore was made by the Finance Department in respect of 64 schemes. However, these provisions proved unnecessary as no

expenditure could be incurred by the respective departments due to reasons as indicated against each scheme mentioned in Appendix VI.

Out of Rs 219.49 crore, in twenty five cases* of 10 grants Rs 36.59 crore were re-appropriated on 31 March-1998 to utilise under other schemes. In five other cases** the provisions were augmented through either supplementary grant or re-appropriation orders, even then total provisions could not be utilised. In respect of 15 schemes***, non-utilisation of funds (Rs 90.84 crore) were pointed out in 1996-97, even then the provision of Rs 76.84 crore had been made during 1997-98 and remained unutilised.

2.2.8 Defective budgeting

According to Budget Manual, the estimates of expenditure should be framed as accurately as possible. Provisions should be made under proper sub-heads. Lump sum provisions in the budget should be avoided as far as possible. Scrutiny of the Appropriation Accounts for the year 1997-98 revealed defective budgeting in the following cases:

(i) Grant No. 7- Other Administrative Services

Lump sum provisions for meeting expenditure on account of payment of 'dearness allowance instalments' and 'bonus' to employees were being made under the head "2075-Miscellaneous General Services - 800 - Other expenditure" every year since 1991-92 which were being surrendered on the last day of each financial year. The expenditure on these objects under the respective sub-head/scheme either was met through supplementary grant or funds re-appropriated from other schemes where savings available in the respective financial year.

During 1997-98, lump sum provision of Rs 128.60 crore were again made under the head "2075-Miscellaneous General Services - 800 - Other expenditure" (i) for meeting expenditure on account of revision of dearness allowance (Rs 68.60 crore) and (ii) payment of bonus (Rs 60 crore). The entire provision was surrendered on the last day of the financial year viz 31 March 1998. This provision should have been made under the concerned heads of accounts of respective departments to meet the liability of increased dearness allowance and payment of bonus to employees.

The irregularity was brought to the notice of the Finance Department every year since 1992 but correct procedure had not been followed (November 1998).

* Serial numbers 1 to 4, 7 to 9, 12, 13, 16, 36, 37, 45, 48, 49, 52, 53, 56 and 58 to 64 of Appendix VI

** Serial Numbers 7, 10, 15, 34 and 35 of Appendix VI.

*** Serial numbers 4, 6, 9 to 11, 14, 15, 19, 24, 29, 38, 41, 42, 47 and 55 of Appendix VI.

Similarly, a lump sum provision of Rs 500 crore was made under the head "2075-800 - pay revision liability as per recommendation of Fifth Pay Commission" during 1997-98. Since the Pay Commission recommendations were implemented late (January 1998), the amount (Rs 500 crore) was neither surrendered nor utilised for meeting the excess expenditure under the respective major heads through supplementary estimates.

(ii) Grant No.15-Irrigation

(a) Under the Head of account "2701-Major and Medium Irrigation- 01-Major Irrigation-Commercial - 800-Other expenditure", provision was being made every year since 1987-88 for payments of interest on 'Irrigation Projects' and 'Multipurpose River Project' (MPRP). It was pointed out in previous Reports that in accordance with the provision of note (2) below the major head "2701" in the 'List of Major and Minor heads of Account of Central and State Receipts and Disbursement', the provision should have been made under the Head of Account "2701-01-Name of Irrigation Project (Each Project is a minor head)".

However, during 1997-98 also, Rs 93.05 crore were provided under the Head of Account 2701-01-800-Other expenditure-Interest Charges on Capital (i) Interest on Irrigation Projects (Rs 91.34 crore) and (ii) Interest on MPRP (Rs 1.71 crore), whereas the provisions should have been made under the Head of Account "2701-01-Name of Irrigation Project".

(b) In one case the budget provision of Rs 18 crore was made under the Head of Account '2701- Major and Medium Irrigation - 02 - Major Irrigation - Non Commercial-800-other expenditure-Improved upgradation, operation and maintenance of channels', whereas the expenditure of Rs 20.19 crore had been shown against the Head of Account '2701-01-Major Irrigation - Commercial - 800 - Other expenditure - Improved upgradation, Operation and Maintenance of Channels'.

Reasons for saving of provision under 'Non-commercial' and incurring of expenditure without provision under 'Commercial' heads had not been intimated (November 1998).

2.2.9 Trend of recoveries and credits

Under the system of gross budgeting followed by the State Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates. The anticipated amount of such recoveries during 1997-98 was Rs 566.70 crore (Revenue : Rs 26.62 crore and Capital : Rs 540.08 crore).

In 6 grants* of the Revenue Section, the actual recoveries (Rs 143.15 crore) were more than the estimated recoveries (Rs 26.62 crore) by Rs 116.53 crore. Out of these in 2 grants**, no estimated recoveries were made in the budget estimates for the year 1997-98 whereas recoveries of Rs 101.75 crore was made.

Similarly, in Grant No. 22 - Co-operation of the Capital Section, no estimated recoveries were made in the budget estimates for the year 1997-98 whereas recoveries of Rs 2.44 crore were made. Further, in 2 grants***, the actual recoveries of Rs 366.58 crore were less than the estimated recoveries of Rs 512.18 crore by Rs 145.60 crore.

Less recoveries of Rs 145.57 crore under Grant No. 14 - Food and Supplies in the Capital Section were mainly attributed to less recovery of advances because of less disbursement of advances as there was shortfall in procurement of wheat.

2.2.10 New service/new instrument of service

Expenditure on any item coming under 'New Service/ New Instrument of Service', if not included in the budget, should not be incurred without obtaining the specific approval of the Legislature in the form of supplementary demand for grant. The expenditure so incurred is in contravention of the provisions contained in Article 205 (i) (a) of the Constitution of India. In case of urgency, such an expenditure can be met out of advance from the Contingency Fund of the State pending authorisation by the Legislature.

Scrutiny of re-appropriation orders issued by the Finance Department in March 1998 revealed that Rs 1.74 crore were made available under the four schemes. Against this only Rs 0.32 crore were spent in 3 schemes during 1997-98.

These schemes had no specific approval from the Legislature and as such allotment of funds through re-appropriation orders and expenditure thereagainst in 3 schemes were in contravention of the provision contained in Article 205 (i)(a) of the Constitution of India. Further, the new scheme "Strengthening of Dispensary for MLA Hostel, Chandigarh" under the major head "2210-Medical and Public Health" had not been opened in accordance with nomenclature of the scheme. The scheme should have been opened under the sub-major/minor head "01-Urban Health Services - Allopathy - 110-Hospitals and Dispensaries" instead of "03 - Rural Health Services etc."

*4- Revenue, 8 Buildings and Roads, 10-Medical and Public Health, 14- Food and Supplies, 15- Irrigation and 23- Transport.

** 8- Buildings and Roads and 15-Irrigation.

*** 14-Food and Supplies and 25-Loans and Advances by State Government.

Relevant details are given below:

Sr. No.	Name of Scheme	Amount (Rupees in crore)	
		Provision	Expenditure
1.	2070- Other Administrative Services. 115- Guest Houses, Government Hostel etc New Secretariat Canteen Sector-17, Chandigarh	0.21	0.21
2.	2210- Medical and Public Health 03- Rural Health Services-Allopathy 110- Hospitals and Dispensaries (XXV)-Strengthening of Dispensary for MLA Hostel, Chandigarh.	0.06	0.06
3.	04- Rural Health Services- Other System of Medicine 101- Ayurveda-Additional Medicines	0.05	0.05
4.	4701- Capital Outlay on Major and Medium Irrigation 01- Major Irrigation-Commercial 231- Land Payment for Irrigation Development and Canal Colony	1.42	-
	Total	1.74	0.32

2.2.11 Persistent savings

Persistent savings of 10 *per cent* or more were noticed in the following Grants/Appropriations.

Sr. No.	Number and name of Grant/Appropriation	Percentage of savings to total provision/Amount of saving (Rupees in crore)		
		1995-96	1996-97	1997-98
	Revenue (Voted)			
1.	19 - Fisheries	48 (5.12)	49 (5.26)	20 (1.33)
2.	21 - Community Development	17 (12.26)	29 (24.79)	31 (29.18)
	(Charged)			
3.	7 - Other Administrative Services	47 (0.09)	67 (0.15)	32 (0.07)
4.	10 - Medical and Public Health	96 (0.12)	21 (0.01)	65 (0.04)
5.	17 - Agriculture	46 (0.05)	100 (0.12)	100 (0.12)
	Capital (Voted)			
6.	8 - Buildings and Roads	35 (32.74)	26 (19.40)	67 (118.42)
7.	15 - Irrigation	28 (51.22)	20 (50.72)	10 (30.22)

Sr. No.	Number and name of Grant/Appropriation	Percentage of savings to total provision/Amount of saving (Rupees in crore)		
		1995-96	1996-97	1997-98
	(Charged)			
8.	10 - Medical and Public Health	100 (0.10)	100 (0.10)	100 (0.10)
9.	Public Debt	69 (546.42)	30 (191.08)	23 (221.21)

Out of saving of Rs 29.18 crore relating to Grant No.21- Community Development (Revenue – voted), a huge provision Rs 25.92 crore was not utilised due to release of less funds by the State Government (Rs 16.50 crore) and Government of India (Rs 9.42 crore). Further, out of Rs 118.42 crore relating to Grant No. 8-Buildings and Roads (Capital – voted), Rs 117.96 crore were not utilised due to non-sanction of new works of State Highways (Rs 85.58 crore), new bridges (Rs 9.35 crore) and new works by the client departments (Rs 23.03 crore).

2.2.12 Non-receipt of explanations for savings/excesses

After close of the accounts for the financial year, detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and the resultant variation were sent (October 1998) by the Accountant General (Accounts and Entitlement) to the Controlling Officers requiring them to explain variation. Such explanations for variations in respect of Appropriation Accounts for the year 1997-98 were not received (November 1998) in the cases of 271 heads/sub-heads in which there were excesses or savings. 34 Heads of departments as mentioned in the Appendix VII dealing with these heads/sub-heads had not furnished reasons for excesses or savings.

Of the 34 Heads of Departments, 25* did not furnish explanations for variations in respect of Appropriation Accounts even for the year 1996-97.

2.2.13 Excess expenditure over the budget provision

Scrutiny of Detailed Appropriation Accounts for the year 1997-98 revealed that field offices of the Director General of Prisons (DGP) had incurred an excess expenditure of Rs 1.21 crore against the available funds of Rs 9.92 crore under the major head "2056-Jail". DGP stated (August 1998) that excess expenditure was mainly due to steep hike in prices of essential commodities which were mandatory to supply to the prisoners and increase in number of prisoners during the year. Besides, the Finance department had allocated less funds, at the time of making "Budget Estimates" and "Revised Budget

* Serial Nos. 1 to 3, 5 to 8, 10, 11, 14 to 21, 23, 24, 26 to 30 and 32 of Appendix VII

Estimates" as detailed below:

	Funds proposed	Funds allocated	Less allocated
	(Rupees in crore)		
Original Budget Estimates	11.77	9.17	2.60
Revised Budget Estimates	11.85	9.92	1.93

On this being pointed out (October 1998) the Finance Department stated (October 1998) that funds were allocated to the Jail Department according to financial position of the State. The reply was not tenable as the Finance Department could have arranged funds of mandatory expenditure of the Jail Department through supplementary demand in March 1998 as the department had already brought to the notice of the Finance Department for their additional provision in time.

Finance Department

2.3 Personal Ledger Accounts

According to financial rules, money received at the treasury for deposit in the Public Account by virtue of any statutory provisions or of any general or special orders of the Government are held in the custody of the Government. The deposits according to its nature are classified under the major head '8443-Civil Deposits' as (i) Revenue Deposits, (ii) Civil Courts Deposits, (iii) Personal Deposits, (iv) Deposits of Educational Institutions, (v) Other Deposits, etc. The accounts kept at the treasury is of the nature of a banking deposit account and are called Personal Ledger Accounts (PLAs). For the opening of a banking account with the treasury under the head 'Personal Deposits' permission shall be granted by the competent authority only after consultation with the Accountant General (A&E) and the authority (Administrative Department) is satisfied that the accounts are properly maintained and are subject to audit. In cases where PLAs under 'Personal Deposits' are created by debit to the Consolidated Fund, the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. Such PLAs may be opened next year again, if necessary, in the usual manner.

During 1997-98, 251 PLAs were operative in 21 treasuries under the head '8443-Civil Deposits-106-Personal Deposits'. As on 31 March 1998, a credit balance of Rs. 80.16 crore was shown available against these PLAs. Rupees 963.41 crore were deposited and Rs. 937.60 crore withdrawn under this head during 1997-98. The deposits and withdrawal from 16 PLAs (out of 69 PLAs)

under "Personal Deposits" relating to 4 treasuries* having closing balance of Rs. 8.00 crore as on 31 March 1998 (details given in the Appendix- VIII) were checked in detail. Results of findings are given in the succeeding paragraphs :

(i) Opening of PLAs without consultation with AG

Of the 251 PLAs operative in the State during 1997-98, only 54 PLAs were opened with the consultation of the Accountant General (Accounts and Entitlement) (A.G.). Thus, 197 PLAs were opened without consultation with A.G. The treasury officers should not have entertained the opening and operation of such PLAs. Treasury-wise details of PLAs operated with/without consultation with A.G. during 1997-98 were as given in the Appendix - IX.

(ii) Non-closure of PLAs

Financial rules envisage closure of PLAs at the end of the financial year. In four treasuries, none of the nine PLAs which were created by debit to the Consolidated Fund of the State was closed at the end of the financial year, instead these PLAs were carried forward by DDOs for years together between one and seven years without getting them renewed every year.

(iii) Non-reconciliation of difference in PLAs

DDO of each PLA was to ensure that balance in his PLA as per his books agrees with that appearing in the records of the treasury office and AG office. But none of the DDOs having PLAs, had reconciled these balances with A.G. as of October 1998. Further, as per financial rule a pass book should be kept for each personal deposit account. It should be sent to the treasury officer at least once a month and balanced. The treasury officer is responsible for seeing that the entries are correctly made and agreed with treasury accounts. The said procedure was not being adopted by Superintendent, Jail (WES), Ambala and Superintendent, Central Jail (PP), Ambala resulting in non-reconciliation of figures with the figure of the treasury office.

Absence of reconciliation was fraught with the risks of overpayment or fraudulent payment as the treasury records might indicate some balance which may not have actually been lying with them resulting in overpayment, etc.

(iv) Non-submission of plus and minus memos

In accordance with the Treasury Rules, all the Treasuries were required to send Plus and Minus Memoranda of all PLAs in a prescribed format to Accountant General (Accounts and Entitlement). No treasury submitted these memoranda to the Accountant General during 1997-98 and of earlier years as prescribed.

* Ambala, Chandigarh, Faridabad and Karnal.

(v) *Irregular retention of amount under PLAs*

(a) General Managers of Haryana Roadways, Ambala, Chandigarh and Faridabad were authorised by the Administrative Department with the concurrence of A.G. to operate PLAs for transactions relating to special booking and passenger tax of other states. It was noticed in audit that Rs.2.04 crore drawn from the Consolidated Fund of the State for the purpose of construction of buildings, purchase of land, fleet, diesel etc. between March 1992 and March 1998 had been kept under PLAs to avoid lapse of funds. The details were as under:

Sr. No.	Name of Depot	Period of withdrawal	Amount drawn	Amount lying in PLAs
			(Rupees in lakh)	
1.	General Manager, Haryana Roadways, Ambala	March 1997	3.40	2.06
		March 1998	1.14	1.14
2.	General Manager, Haryana Roadways, Chandigarh	March 1996	4.62	9.62
		April 1996	8.00	
3	General Manager, Haryana Roadways, Faridabad	March 1992	5.53	5.53
		March 1996	12.00	12.00
		March 1998	692.21	173.34
	Total			203.69

(b) Director, Food and Supplies, Haryana, Chandigarh (Director) was authorised to operate PLA for transactions relating to foodgrains. It was noticed in audit that Central assistance of Rs.40 lakh drawn by Director in March 1994 was placed (March 1994) at the disposal of 11 Additional Deputy Commissioners (ADCs), District Rural Development Agencies (DRDAs) for disbursement to beneficiaries for modernising 350 village huller mills. ADCs (DRDAs) after utilising Rs. 13.47 lakh had returned Rs 26.53 lakh* between November 1996 and June 1997 to Director which was kept by him under PLA.

* Ambala:Rs 4.21 lakh (Rs.8 lakh-Rs.3.79 lakh), Hisar :Rs.0.05 lakh (Rs.0.20 lakh-Rs.0.15 lakh), Jind:Rs 3 lakh(Rs.3.20 lakh-Rs.0.20 lakh), Kaithal: Rs.1.73 lakh(Rs.3.50 lakh-Rs. 1.77 lakh), Karnal: Rs.4.80 lakh (Rs.6.50 lakh-Rs 1.70 lakh), Kurukshetra: Rs 2.70 lakh (Rs 3.50 lakh -Rs.0.80 lakh), Panipat:Rs.2.07 lakh (Rs.3.50 lakh-Rs.1.43 lakh), Rohtak : Rs.0.30 lakh, Sirsa:Rs.0.93 lakh (Rs.1 lakh - Rs 0.07 lakh), Sonipat: Rs 0.99 lakh (Rs.3.50 lakh-Rs 2.51 lakh) and Yamunanagar: Rs.5.75 lakh (Rs 6.70 lakh - Rs 0.95 lakh).

On the instance of audit, Director had refunded (November 1998) Rs. 26.02 lakh to the Government of India.

(c) Principal, State Community Development Training Centre, Nilokheri authorised to operate PLA, had drawn Central assistance of Rs.45.88 lakh (March 1995:Rs 39.97 lakh and March 1998: Rs 5.91 lakh) for conducting training programme for Panchayati Raj Functionaries and kept it under the head "106-Personal Deposits". Out of this, Rs. 31.71 lakh were utilised leaving an unspent balance of Rs 14.17 lakh in PLA as of November 1998.

(d) Director, Animal Husbandry had drawn Rs 1.10 crore in March 1997 for implementing the scheme "National Bull Production-100 per cent centrally sponsored" to avoid lapse of budget grant. The amount was placed (April 1997) at the disposal of Chief Superintendent, Government Live stock Farm, Hisar (GLF) who kept it under PLA opened without the concurrence of A.G.(A&E). Out of this Rs.88 lakh were distributed (November 1997) to 22 *Gaushalas*.

Government of India while revalidating the unspent funds during 1996-97 under the scheme stated (February 1997) that no future revalidation would be done in respect of the amounts remaining unutilised during 1996-97. Scrutiny of records of GLF revealed (January 1998) that Rs. 22 lakh were still lying (August 1998) in PLA. Besides Director, Animal Husbandry had submitted (October 1997) the utilisation certificate of Rs.1.10 crore to the Government of India. Comments of Director, Animal Husbandry were awaited (August 1998).

Thus in all these cases Rs 2.67 crore kept under PLAs by these aforesaid departments was irregular and in contravention of financial rules. While the amount of Rs 2.04 crore should have been refunded to Consolidated Fund at the end of respective financial year, Rs 0.63 crore were required to surrender to Government of India as unutilised Central assistance within the time frame.

(vi) *Unauthorised retention of receipts under PLAs*

The receipts of Rs.89.77 lakh * collected between 1992-93 and 1997-98 on account of sale of high speed diesel, miscellaneous receipts, sale of spare parts, motor accidental claim and recovery due to sale of wheat was required to be credited to the relevant Receipt Heads of the respective department whereas these had been kept unauthorisedly under the head "8443-Civil Deposits-106-Personal Deposits" by the respective DDOs.

On this being pointed out (June-July 1998) in audit, General Manager, Haryana Roadways, Faridabad and District Food and Supplies Controller,

* General Managers, Haryana Roadways, Chandigarh (Rs.50.21 lakh), Faridabad (Rs. 32.66 lakh) and Karnal (Rs 3.33 lakh) and District, Food and Supplies Controller, Ambala (Rs3.57 lakh).

Ambala stated (June-July 1998) that the receipts will be credited to the relevant Receipt Heads. Replies from other two depots were awaited (August 1998).

(vii) Irregular operation of PLA under 'Civil Deposits'

For implementation of Centrally sponsored scheme for strengthening of Revenue Administration and updating of Land Records, Rs.87.50 lakh were drawn in March 1998 by Director, Land Records. Out of this Rs 40 lakh were kept (March 1998) in PLA under the head "108-Public Works Deposits" by Director without having any authority to operate this head of account. This was done only to avoid lapse of budget grant.

Thus the amount withdrawn without immediate requirement and keeping it under PLA was irregular and in contravention of the financial rules.

The matter was referred to the Government in September 1998; their reply had not been received(November 1998).

CHAPTER-III Civil Departments

Animal Husbandry Department

3.1 Working of Animal Husbandry Department

3.1.1. Introduction

The Animal Husbandry Department aims at the genetic improvement of milch animals, provision of improved and balanced feed and fodder and to ensure proper health cover for the milch and other animals including poultry, piggery, sheep, etc. During 1995-98, the department was implementing 98 schemes, out of which 12 were Centrally Sponsored and the rest were funded by the State Government.

3.1.2. Organisational set up

Commissioner and Secretary to the Government of Haryana, Animal Husbandry Department, was responsible (at Secretariat level) for ensuring the implementation of the policy decisions, plan programmes and other schemes of the Government by the Animal Husbandry Department. Director was the Head of the Department as well as Controlling Officer.

At District level, there was one Deputy Director, Animal Husbandry, to supervise the implementation of various programmes, schemes, activities in the field at sub division and village level. Besides, there was one State Cattle Breeding Project, Hisar, one Government Live Stock Farm, Hisar, one Seed Farm, Hisar, one Veterinary Vaccine Institute at Hisar.

3.1.3. Audit coverage

Some aspects of the working of the department and the field formation including Directorate of Animal Husbandry for the period 1995-96 to 1997-98 were reviewed through test-check of records in the Directorate of Animal Husbandry and offices of 30 Drawing and Disbursing Officers (DDOs) including the records of 78 Hospitals, 113 Civil Veterinary Dispensaries, 30 Stockman Centres, one State Cattle Breeding Project, one Seed Farm and one Government Live Stock Farm in 8* districts (out of 78 DDOs in 19 districts of the State) from October 1997 to May 1998. Of the total 98 schemes, 8 State

The abbreviations used in this review have been listed in the Glossary in Appendix - XXVI (Page 268-270).

* Ambala, Fatehabad, Hisar, Jhajjar, Kaithal, Panchkula, Rohtak, and Yamunanagar.

schemes and 4 Centrally sponsored schemes were test checked. About 23 *per cent* of the total expenditure was covered under test-check. The audit findings are discussed in the succeeding paragraphs.

3.1.4. Highlights

Establishment expenditure was 91 *per cent* of the total expenditure of the department. Non-plan expenditure exceeded the original budget provision by 22 to 28 *per cent* during 1995-1998.

(Paragraph 3.1.5(ii))

Persistent savings occurred from 35 to 100 *per cent* under 3 sub-heads and persistent excesses ranged from 9 to 137 *per cent* under 3 sub-heads (9 schemes) over the budget estimates during 1995-96 to 1997-98, indicating ineffective budgetary control. Director prepared budget estimates without adequate data base and information. Expenditure control mechanism was ineffective. No timely action was taken to reconcile the departmental expenditure with Accountant General's figures.

(Paragraph 3.1.6)

Director of Animal Husbandry drew Rs 6.58 crore on 145 abstract contingent bills for the purchase of medicines, equipment, fodder/feeds, etc. from government treasury at Chandigarh during 1995-98 but did not submit detailed contingent bills. Inordinate delay in submission of bills raises doubts about the genuineness of utilisation of funds.

(Paragraph 3.1.7)

There was no evidence of any action taken by the Directorate on the physical progress reports relating to performance of individual schemes, programmes and projects, received from field offices.

(Paragraph 3.1.8)

Implementation of various schemes were not adequately monitored by the Director. Number of calves born declined by 15 *per cent* during 1995-98. The Artificial Insemination programme was mismanaged and not monitored. The Centrally Sponsored Schemes were poorly monitored.

(Paragraph 3.1.9(a) & 3.1.14)

No temperature maintenance kits were provided in the veterinary institutions of 4 districts during 1995-98. Of the 185 veterinary institutions in Hisar district, 37 were not provided gas jars. In Kaithal district, out of 114 veterinary institutions, 75 and 86 institutions were not provided gas jars and liquid nitrogen gas respectively. 68 per cent of the hospitals and dispensaries in Hisar district and 96 per cent in Kaithal district did not have microscopes since 1995-96.

(Paragraph 3.1.9(b))

Due to insufficient production of fodder at State Cattle Breeding Project, there was shortfall in supply of fodder to the milch cows resulting in weakness, debility, etc. making them prone to various infections leading to their increased death rates.

(Paragraph 3.1.10 (i))

Under State Cattle Breeding Project, the average milk yield declined from 2,549 litres per cow per annum in 1994-95 to 2,181 litres in 1996-97.

(Paragraph 3.1.10 (iii))

The department did monitor the production targets for green fodder during 1995-98. Production of fodder seed during these years fell short of target by 25 to 31 per cent.

(Paragraph 3.1.11(a))

Government Live-Stock Farm, Hisar, State Cattle Breeding Project, Hisar and Seed Farm, Hisar did not harvest 3,168.5 acre area under various crops during 1995-98 and Rs 76 lakh were lost consequently. No responsibility was fixed for the loss.

(Paragraph 3.1.11(b))

In the live stock farm at Hisar and the seed farm, there was loss of Rs 15.88 crore due to short yield of fodder and fodder seed during 1995-98.

(Paragraph 3.1.11(c))

The State Hatchery, Rohtak was to produce 60 thousand chicks/broilers during 1995-98, but actual production was 'nil' though Rs 38 lakh were spent on the salary of the staff.

(Paragraph 3.1.12(a))

At Rohtak egg marketing unit, as against 6.20 lakh eggs only 0.40 lakh eggs were collected. At Ambala unit, no egg was collected during 1995-98. At Karnal unit, shortfall in collection of eggs increased from 33 in 1996-97 to 63 per cent in 1997-98. The project was mismanaged.

(Paragraph 3.1.12(b))

In 6 districts against requirement of 10,141.29 quintals of feed subsidy, only 3,076.31 quintals (30 per cent) was provided for female calves. Thus, female calves were grossly under-fed.

(Paragraph 3.1.13)

Machinery and equipment worth Rs 2.02 crore purchased under two Centrally sponsored schemes ('National Bull Production Programme' and 'Extension of Frozen Semen Technology') during 1995-98 were lying idle. 209 defective castrators were not replaced, the nitrogen plant remained nonoperational and bull station was not constructed.

(Paragraph 3.1.14 (i)(b) (d) & (iii))

Director drew Rs 1.10 crore for disbursement of grants to *Gaushalas* under National Bull Production Programme and kept it in Personal Ledger Accounts. This delayed progeny testing on herds in selected breeds of cows kept at *Gaushalas*.

(Paragraph 3.14 (i) (c))

Under the 'Rinderpest Eradication' scheme village searches to detect Rinderpest disease were to be covered for all the 6,988 villages in the State every year. Only 1,058 villages in 1995-96 and 3,187 villages in 1996-97 were actually covered.

(Paragraph 3.1.16(ii))

10 Veterinary Live Stock Development Assistants were posted in 5 Administrative Offices to discharge clerical duties.

(Paragraph 3.1.16(iii))

200 new veterinary dispensaries were opened without Veterinary Live-Stock Development Assistants.

(Paragraph 3.1.17)

Secretary of the Department failed to ensure that the actual condition of veterinary institutions were reported by the departmental officers.

(Paragraph 3.1.19)

3.1.5. Financial management and budgetary procedure

Budgetary procedure and budget allocations

(i) The Director of Animal Husbandry was the head of the department. There were 78 drawing and disbursing officers under him. Budget proposals for major, minor works and schedule of new expenditure, are scrutinised by the Secretary, Animal Husbandry Department and sent to the Finance Department whereas the remainder of the budget is generally sent to the Finance Department direct by the Head of the Department. The head of the department was required to forward the budget estimates of his department to the Finance Department by first week of November every year including their original estimates of the current year, accounts of the previous two years, actuals of the current year for first six months, actuals of the previous year for last six months, etc.

It was noticed in audit that the information regarding actuals of previous two years, first six months of the current year and the last six months of previous year in Form BM-2 were not included in the annual budget proposals forwarded to the Finance Department. Finance Department did not enforce compliance of the requirement of furnishing such information by these departments. Thus the basis of framing the estimates were not known. Department did not inform reasons of non-compliance with the prescribed procedure.

(ii) Details of budget provision and actual expenditure during 1995-96 to 1997-98 were as under:

Year	Department's budget proposal	Budget provision			Expenditure	Variation in relation to original plus supplementary budget Saving(-)/ Excess (+)
		Original	Supplementary	Final grant		
	(Rupees in crore)					
1995-96	50.92	40.48	4.02	44.49	46.66	(+) 2.16
1996-97	68.57	49.49	4.56	54.99	59.04	(+) 4.99
1997-98	68.20	54.30	1.96	58.01	61.62	(+) 5.36
Total	187.69	144.27	10.54	157.49	167.32	(+) 12.51

The expenditure in 1995-96, 1996-97 and 1997-98 in respect of Major Head 2403 - Animal Husbandry was below the budget provision proposed by department by 8,14 and 10 *per cent* respectively. This indicated that the estimates proposed by the department were consistently overpitched in disregard of the actual trend of expenditure.

Of the total expenditure of Rs 167.32 crore during 1995-96 to 1997-98, expenditure on establishment was Rs 151.80 crore (91 *per cent*) and on stores etc. Rs 15.52 crore (9 *per cent*).

Non-plan expenditure during 1995-96 to 1997-98 was in excess by 22 to 28 *per cent* over the original budget provision mainly due to non-inclusion of provision for increases in dearness allowance, interim relief, bonus, higher standard pay scales and selection grades to employees. Scrutiny of records/budget proposal in Directorate of Animal Husbandry also revealed that the Finance Department applied cuts to the department's proposed budget without any recorded reasons. Government stated (September 1998) that the reduction in budgetary demands was primarily due to resource crunch in the State as a whole. However, such cuts were not of much use as the department had to obtain additional funds at the Revised Estimate stage.

3.1.6. Deficiencies in budget estimates

According to the procedure laid down in paragraphs 3.4 to 3.6 of the Punjab Budget Manual, two copies of the Appendix to the volume of the budget estimates relating to the number of posts and scales of pay with abstract statement in form BM-3 were required to be sent by the Controlling Officer to the office of the Accountant General (A&E) for checking the number of posts and pay scales indicated therein. The Director did not send the above referred Appendix to the budget estimates to the Accountant General (A&E) office

during 1995-96 to 1997-98. Scrutiny of budget estimates revealed that budget estimates in respect of following sub-heads of account /programmes were not accurate as these were substantially reduced at the stage of final grant in each year which was indicative of defective budgeting:

(a) *Persistent savings*

Sr. No.	Head of Account/sub head/schemes etc.	Year	Original budget allocation	Final grant	Actual expenditure	Saving/ variance with reference to original budget	Percentage variance
			(Rupees in lakh)				
	2403- Animal Husbandry						
(i)	101-Veterinary Services and Animal Health						
	Strengthening and expansion of Haryana Veterinary Vaccine Institute, Hisar (Plan)	1995-96 1996-97 1997-98	75.00 50.00 25.00	9.76 15.35 17.20	9.76 15.22 2.20	65.24 34.78 22.80	87 70 91
	Continuance and Strengthening of check posts & vigilance units for eradication of Rinderpest (NR) Non-plan	1995-96 1996-97 1997-98	42.53 49.05 51.05	20.53 21.10 33.18	19.54 20.51 32.94	22.99 28.54 18.11	54 58 35
(ii)	102-Cattle and Buffalo Development						
	Extension of Frozen Semen technology for Cattle and Buffalo development outside operation flood project (Plan)	1995-96 1996-97 1997-98	50.00 60.00 60.00	7.25 22.98 --	7.25 22.98 --	42.75 37.02 60.00	86 62 100
(iii)	107-Fodder and Feed Development						
	Strengthening of Fodder Seed for production of foundation/certified seed 50:50	1995-96 1996-97 1997-98	16.00 16.00 14.00	-- -- --	-- -- --	16.00 16.00 14.00	100 100 100

Reasons for saving under scheme 'Strengthening and expansion of Haryana Veterinary Vaccine Institute, Hisar' were neither on record with the Directorate nor identifiable in audit as the Director (being controlling officer) did not maintain expenditure register in form BM-28 reflecting the progress/details of expenditure. This showed that the department did not take

timely action to reconcile the expenditure figures with the Accountant General (A&E).

Though check posts under the scheme 'Continuance and strengthening of check posts and vigilance units for eradication of Rinderpest (non-plan)' were abolished and the staff for the scheme was diverted to other schemes the department continued to provide for the salaries of such diverted staff irregularly under the above mentioned scheme during 1995-96 to 1997-98. Test-check of budgetary proposals (Form BM-10) for 1997-98 revealed that provision of salaries against 83* vacant posts in various cadres was included in the budget provision. Due to irregular provision for vacant posts, original budget grants to the extent of Rs.22 lakh, Rs 27.95 lakh and Rs.17.87 lakh were surrendered during 1995-96, 1996-97 and 1997-98 respectively through re-appropriations.

The savings under the Centrally sponsored scheme 'strengthening of fodder seed for production of foundation/certified seed' were attributed (October 1998) by the Director to the fact that administrative approval for the scheme was not accorded by the State Government during 1995-96 to 1997-98.

(b) Persistent excesses

In the following cases, actual expenditure substantially exceeded the original budget grants:

Sr. No.	Head of Account/ sub head/ scheme	Year	Original budget allocation	Final grant	Actual expenditure	Excess/ variance with reference to original budget	Percentage variance over original budget
(Rupees in lakh)							
2403- Animal Husbandry							
101-Veterinary Services and Animal Health							
(i)	Opening of new Veterinary Dispensaries (Plan)	1995-96 1996-97 1997-98	145.00 160.00 170.00	188.08 242.38 277.75	191.30 240.60 278.39	46.30 80.60 108.39	32 50 64
(ii)	Continuance of Veterinary Hospitals and Dispensaries (NR) (Non-plan)	1995-96 1996-97 1997-98	434.25 525.95 587.45	493.84 597.00 678.70	533.69 666.17 734.51	99.44 140.22 147.06	23 27 25
(iii)	Opening of new Veterinary Dispensaries NR (Non-plan)	1995-96 1996-97 1997-98	194.10 230.50 299.86	231.85 281.52 343.75	245.71 332.30 337.62	51.61 101.80 37.76	27 44 13

* Veterinary Surgeons:5, VLDAS:54, Vaccine Messengers:5, Steno typists:1, Clerks:2, Drivers:2, Attendants:5, Peons:6 and Chowkidars:3

Sr. No.	Head of Account/ sub head/ scheme	Year	Original budget allocation	Final grant	Actual expendi- ture	Excess/ variance with refere- nce to original budget	Perce- ntage variance over original budget
(Rupees in lakh)							
(iv)	Conversion of Veterinary Dispensaries/ SMCs into Hospital-cum- Breeding Centres (Non-plan)	1995-96 1996-97 1997-98	230.55 250.54 323.35	248.34 309.17 398.99	295.94 383.60 420.97	65.39 133.06 97.62	28 53 30
102-Cattle and Buffalo Development							
(v)	Key village scheme and artificial insemination Programme (R) Non-plan	1995-96 1996-97 1997-98	86.39 101.44 112.00	103.65 117.82 125.30	108.42 136.26 144.61	22.03 34.82 32.61	26 34 29
(vi)	Establishment of State Cattle Breeding Project Hisar (NR) (Non- plan)	1995-96 1996-97 1997-98	122.85 159.07 217.65	153.81 180.55 238.09	166.57 195.92 238.10	43.72 36.85 20.45	36 23 9
(vii)	Integrated Cattle Development Project (ICDP) Karnal and Gurgaon (including Frozen Semen Bank, Gurgaon) to serve Delhi Milk Scheme (Non- plan)	1995-96 1996-97 1997-98	215.90 231.40 244.60	246.31 288.75 345.78	265.33 317.80 360.89	49.43 86.40 116.29	23 37 48
(viii)	Scheme for expansion of existing State (ICDP) and Establishment of ICDP Narnaul (NR) (Non-plan)	1995-96 1996-97 1997-98	143.40 153.90 155.50	196.40 235.40 254.33	215.05 268.07 367.87	71.65 114.17 212.37	50 74 137
107-Fodder and Feed Development							
(ix)	Expansion of Fodder and feed Production Unit/ Silo Pits and Supply of mini fodder kits (Plan)	1995-96 1996-97 1997-98	24.40 27.00 13.00	37.69 37.25 15.86	37.69 37.25 15.86	13.29 10.25 2.86	54 38 22

As per the reasons furnished by the Director, Animal Husbandry the excess expenditure over original budgetary allocations was mainly attributable to grant of DA/interim relief, bonus, selection grade scales and non-practicing allowance to veterinary doctors. Under the scheme 'Expansion of existing and establishment of ICDP, Narnaul' the huge increase in expenditure was

attributed to purchase of cryon jars and equipment without adequate provision of funds.

(c) Expenditure Control

Director, being the Controlling Officer for the Animal Husbandry Department, was responsible for monitoring the progress of expenditure against each major/minor/sub-head in respect of all the drawing and disbursing officers in the department. To ensure proper control over the approved/allocated budget grants, a register of expenditure was required to be maintained in form BM-28 by the Controlling Officer indicating the disbursing officer-wise allotment of funds and actual expenditure under each unit of appropriation/sub-heads, etc.

Though the 78 DDOs in the department were sending monthly expenditure statements to the Controlling Officer, the expenditure register was not maintained by the Directorate. Director replied (May 1998) that expenditure register from the year 1998-99 had been started.

3.1.7. Non-submission of detailed contingent bills

Director drew Rs 6.58 crore on Abstract Contingent (AC) bills during 1995-98 but did not submit detailed contingent bills.

Director had drawn Rs 6.58 crore on 145 Abstract Contingent (AC) bills during 1995-96 to 1997-98 from Haryana Treasury Chandigarh, as indicated below but Detailed Contingent (DC) bills in gross violation of rules were not submitted to Accountant General (A&E) as of August 1998 for adjustment of AC bills:

Year	Amount drawn	Purpose of drawal
(Rupees in lakh)		
		Purchase of :
1995-96	121.27	Medicines 31.04
		Equipment 59.18
		Fodder/Feed 19.91
		Miscellaneous 11.14
		121.27
1996-97	418.43	Medicines 128.21
		Equipment 42.23
		Fodder/Feed 1.85
		Miscellaneous 246.14
		418.43
1997-98	118.29	Medicines 109.24
		Miscellaneous 9.05
Total	657.99	118.29

Director failed to exercise any checks to ensure adjustment of advances as no register of advances was maintained by the department during 1995-96 to 1997-98. Inordinate delay in submission of detailed bills raises doubt about the genuineness of utilisation of funds. The matter should be investigated by the Government to fix responsibility for this lapse.

Programme Management

3.1.8. Planning and control system

The functions relating to planning, management and monitoring of various programmes/schemes in the Directorate were handled mainly by the following branches:

- Planning
- Budget
- Purchase
- Animal health
- Breeding and poultry/piggery development
- Statistical branch

Each branch was headed by a Joint Director. Formulation of annual action plans, fixation of targets under various programmes and schemes were entrusted to Planning, Animal Health, Breeding and Poultry/piggery development branches. Budgetary/ accounting functions and monitoring/evaluation of schemes were looked after by Budget branch and Statistical branch respectively. Purchase branch was responsible for the procurement and distribution of medicines and other material.

For control of expenditure, monthly expenditure statements were to be sent by DDOs to the Directorate for monitoring by Budget branch. Physical progress reports under the schemes were sent by the scheme implementing agencies in the field every month, quarterly and annually to the Statistical branch in the Directorate for the purpose of monitoring and evaluation of the performance of individual schemes, programmes and projects. There was no evidence of any action taken on the reports of physical progress received from field offices.

The irregularities and deficiencies noticed in the management and implementation of programmes/schemes test-checked in audit are discussed in the succeeding paragraphs.

3.1.9. Cattle buffalo development programme

Artificial insemination

Targets for artificial insemination in cows and buffaloes for 1996-97 and 1997-98 and for calf born for 1995-96 were not fixed and thus these activities were not monitored.

(a) This activity was covered under Cattle Buffalo Development Programme which consisted of 19 schemes. There were 2,216* veterinary institutions in the State like dispensaries and hospitals which undertook artificial insemination (AI) for cows and buffaloes for improving high yielding breeds. Targets and achievements of AIs and calf born during 1995-96 to 1997-98 for the State as a whole are given in Appendix - X.

Targets for artificial insemination in cows and buffaloes for 1996-97 and 1997-98 and that of calf born for 1995-96 were not fixed and hence these activities were not monitored by the department.

There was a shortfall in AIs done in cows in 7 districts** and in buffaloes in 10*** districts during the year 1995-96.

Lower achievements were attributed to irregular supply of semen/liquid nitrogen gas, non-availability of proper AI equipment, etc.

(b) Liquid nitrogen (LN₂) gas jars, liquid nitrogen gas, microscopes, etc. were the essential requirements for carrying out artificial insemination in cows/ buffaloes. In the following districts, these items were not provided by Directorate of Animal Husbandry to the veterinary institutions during 1995-96 to 1997-98.

Sr. No.	District	Number of veterinary institutions	Number of institutions not provided with			
			LN2 Jars	LN2 gas	Microscopes	Temperature maintenance kits
1.	Ambala	133	NA	NA	NA	133
2.	Hisar	185	37	NA	125	185
3.	Kaithal	114	75	86	109	114
4.	Panchkula	45	NA	NA	NA	45

NA:-Not available

* Civil Veterinary Hospitals : 164, Hospital-cum-Breeding Centres:382, Civil Veterinary Dispensaries:859, Stockman Centres:751, and Regional Artificial Insemination Centres: 60

** Faridabad, Gurgaon, Hisar, Kaithal, Karnal, Rohtak and Sirsa

*** Faridabad, Gurgaon, Hisar, Jind, Kaithal, Karnal, Kurukshetra, Rewari, Rohtak and Sonapat

(c) Department did not compile the Milk yield of the improved breed of calves born out of AIs, when grown up as cows and buffaloes though required in the schemes in the districts test-checked. Hence the impact of the scheme on production of milk was not assessed on reliable basis.

3.1.10. Breeding Programme

State Cattle Breeding Project

There was a shortfall in providing fodder and feed to the herd strength at State Cattle Breeding Project, Hisar by 32 to 41 per cent and 29 to 64 per cent respectively during 1995-98.

State Cattle Breeding Project, Hisar was set up in 1974, with the main object of producing good quality exotic bulls to meet their demands from within the State and also to supply bulls to other states in India for cross breeding of indigenous cows with exotic breeds. During 1995-96 to 1997-98, Rs 7.12 crore were spent on the project while income from sale of bulls, milk, fodder, etc. was Rs 0.55 crore.

(i) Inadequate feeding of herd

The quantities of fodder and mineral concentrate ration (MCR) required and actually provided to the cattle under the Project during 1995-96 to 1997-98 was as indicated below:

Year	No. of cattle at year end	Fodder			Feed mineral concentrate ration (MCR)		
		(a) Requirement	(b) Actually provided	(c) Short feeding	(a) Requirement	(b) Actually provided	(c) Short feeding
		(In thousand quintals)			(In quintals)		
1995-96	607	115	73	42	3,830	1,535	2,295
1996-97	624	122	72	50	4,135	1,475	2,660
1997-98	653	125	85	40	4,045	2,856	1,189

Shortfall in fodder given to cows in milk during 1995-96 to 1997-98 ranged between 32 and 41 *per cent* and in feed, ranged between 29 and 64 *per cent*.

The Project Director stated (September 1998) that the shortfall in supply of fodder and mineral concentrate ration to the herd was due to insufficient production of fodder at the Project. He admitted that lack of optimum level of

nutrition resulted in weakness, debility and reduced weight at birth making them prone to various infections leading to their increased death rates.

(ii) Deep freezing of semen

Two liquid nitrogen gas (LN2 gas) plants installed in 1980 at the Project had the capacity of providing 6 litres of liquid nitrogen gas per hour. Both these plants remained out of order during 1995-98 and could not be repaired for want of spares. The production of liquid nitrogen gas, therefore, was nil during 1995-96 and negligible thereafter i.e. 0.3 litre per hour during 1996-97 and 0.7 litre per hour during 1997-98. To meet the requirement of LN2 gas for deep freezing of collected semen, the Project purchased 53,923 liters of LN2 gas from the market at an expenditure of Rs 4.86 lakh (up to December 1997).

(iii) Milk production

Dairy Section of the Project had 94 to 132 average number of cows in milk during 1994-95 to 1996-97. A scrutiny of annual progress reports of the Project revealed that average milk yield at the Project declined from 2,549 litres per cow per annum in 1994-95 to 2,181 litres in 1996-97. However, in the year 1997-98, the milk yield increased to 2,693 litres per cow. Decline in average milk yield during 1994-97 was attributable as per department mainly to providing feed and fodder concentrate ration to cows in lesser quantities than required as discussed in sub para (i) above.

The Project Director stated (September 1998) that the performance of the Project had suffered mainly due to allotment of less budget and non-replacement of worn out farm machinery. The Project Director further stated that there was no monitoring staff (except one Programme Assistant) posted at Project and hence the Project was not monitored.

Thus, the failure to increase the number of calves born, low level of artificial insemination, failure to provide adequate fodder and feed to the cattle and the decline in the yield of the cows indicated all round mismanagement and failure in monitoring of the programme. The matter should require investigation and necessary follow up action to improve the situation.

3.1.11. Fodder and Feed Development Programme

(a) Fodder and Seed Production

At Seed Farm, Hisar, shortfall in fodder seed production ranged from 25 to 31 per cent during 1995-98.

The department undertook 6 schemes under the Fodder and Feed Development Programme and incurred an expenditure of Rs.7.74 crore during 1995-96 to 1997-98.

To popularise green fodder amongst farmers and providing good quality fodder seed, the department established a Seed Farm at Hisar with a total area of 700 acres of which an area of 636 acre was under cultivation. The department did not fix production targets of green fodder during the above period. Targets and achievements of fodder seed production and actual production of green fodder of the farm were as under:-

Year	Fodder Seed			Fodder
	(a) Targets	(b) Achievements	(c) Percentage of shortfall	
	(In quintals)			
1995-96	2,500	1,887	25	7,611
1996-97	2,500	1,925	23	8,682
1997-98	2,500	1,729	31	5,284
Total	7,500	5,541		21,577

Shortfall towards achievement of fodder seed production ranged between 25 and 31 *per cent* during 1995-98. The reasons for shortfall were attributed by the Superintendent Seed Farm, Hisar to non-availability of proper farm machinery, fund constraints and unfavourable weather conditions. Reply was neither specific nor supported by any documentary evidence and hence not reliable.

(b) Less harvesting of sown area

During 1995-96, 1996-97 and 1997-98, Government Live-Stock Farm, Hisar (Sectors I & II), State Cattle Breeding Project Hisar and Seed Farm, Hisar sown 5,337.5 acre, 1,963.5 acre and 4,427.5 acre area under various crops against which 3,791 acre, 1,545.5 acre and 3,223.5 acre area respectively was harvested. Thus, 1,546.5 acre, 418 acre and 1,204 acre area was less harvested during 1995-96, 1996-97 and 1997-98 respectively (vide Appendix - XI).

Reasons for less harvesting of cropped area were neither asked for by the Director nor intimated by the concerned Farms/Projects to the Director, Animal Husbandry Department. Though the annual progress reports were submitted to the Director during 1995-96 to 1997-98, he failed to enquire and examine the reasons for low harvesting.

Taking an average per acre yield of 60 quintals for green fodder (obtained at Seed Farm, Hisar) production of 1.90 lakh quintals of green fodder was expected from the unharvested area during 1995-96 to 1997-98. Based on the average market rate of Rs 40 per quintal, the loss worked out to approximately Rs 76 lakh. The Project Director, State Cattle Breeding Project Hisar, the Superintendent, Seed Farm, Hisar and the Superintendents, Government Live-Stock Farm, Hisar attributed (September 1998) short harvesting to only vague

and general reasons like damage/destruction by heavy rains, drought, hail storms, etc.

The reply was not tenable as it did not clarify the specific reasons of low harvesting of 1,546.5 acre, 418 acre and 1,204 acre area during 1995-96, 1996-97 and 1997-98 respectively. Since there was nothing on record to show that loss of crops due to natural factors were surveyed or estimated, possibility of unauthorised harvesting and its exclusion from accounts cannot be ruled out. The huge loss of the Project was not investigated and responsibility fixed. Government needs to do the same.

(c) Decline in crop yield

Per acre yield of various crops at Government Live-Stock Farm (GLF), State Cattle Breeding Project (SCBP), Hisar and Seed Farm, Hisar was less than the production norms fixed by Chaudhary Charan Singh Haryana Agricultural University (CCSHAU), Hisar for the State.

Against the expected total production of 34.63 lakh quintals of fodder (33.85 lakh quintals) and fodder seed (0.78 lakh quintals) as per CCSHAU production norms during 1995-98, actual production was 10.39 lakh quintals (fodder: 10.24 lakh quintals and fodder seed: 0.15 lakh quintals) 30 *per cent*. Loss due to short yield of fodder 23.61 lakh quintals and fodder seed 0.63 lakh quintals was Rs 15.88 crore.

The Superintendent, GLF Hisar, Seed Farm, Hisar and the Project Director, SCBP Hisar attributed (September 1998) the decline in crop yield to non-supply of fertilizers and pesticides according to norms and absence of proper farm machinery. The reply indicated that the Director did not take timely action to investigate the reasons and to arrest the decline. No responsibility was fixed for the huge loss due to low production.

3.1.12. Poultry Development Programme

(a) Supply of chicks/broilers to poultry breeders

At State Hatchery, Rohtak, not a single chick was hatched during 1995-98 though Rs 38 lakh were spent on staff salaries etc. during this period

Under the Poultry Development Programme, there were 3 schemes against which Rs 1.96 crore were spent during 1995-96 to 1997-98. The department was maintaining one Poultry Farm at Ambala and 3 State Hatcheries at Bhiwani, Hisar and Rohtak with the object of producing improved female chicks/broilers for supplying the same to the poultry breeders on subsidised rates. The targets and achievements of these Farm/Hatcheries in terms of

supply of chicks/broilers were as under :

Sr. No.	Name of Unit	1995-96		1996-97		1997-98	
		Poultry Farm/Hatchery	Target	Achievement	Target	Achievement	Target
		(Figures in lakh)					
1.	Ambala	0.80	0.78	0.40	0.26	0.40	0.41
2.	Bhiwani	0.20	0.26	0.40	0.24	0.20	0.23
3.	Hisar	0.20	0.19	0.40	0.20	0.20	0.18
4.	Rohtak	0.20	nil	0.20	nil	0.20	nil

A scrutiny of records of State Hatchery at Rohtak revealed that the Hatching Plant comprised 2 incubators of the capacity of 27,000 eggs each and 2 Hatchers with the capacity of hatching 9000 eggs each. Though Rs. 38 lakh were spent on pay and allowances, etc. of the staff for running the unit during 1995-96 to 1997-98, not even a single chick was produced. The Assistant Director, Hatchery, Rohtak replied (November 1998) that due to insufficiency of budgetary provision the birds kept at the hatchery were not sufficient to run the hatchery in an economical way during this period.

(b) Marketing of eggs

During 1995-98, at egg marketing unit, Ambala, there was no egg collection whereas at Karnal, the shortfall in egg collection was 33 to 63 per cent. At egg marketing Rohtak, egg collection was only 6 per cent of the target.

To help poultry breeders in the sale of their product of eggs and culled birds, the department set up five egg marketing units at Ambala, Gurgaon, Karnal, Rohtak and Yamunanagar. Physical targets and achievements towards collecting/ marketing of eggs by these units during 1995-96 to 1997-98 were as under:

Name of District	1995-96		1996-97		1997-98	
	Target	Achievement	Target	Achievement	Target	Achievement
(Number in lakh)						
Ambala	0.50	Nil	0.50	nil	0.50	nil
Gurgaon	7.00	6.70	7.00	7.30	7.00	7.65
Karnal	7.00	7.92	7.00	4.69	5.0	1.83
Yamuna-nagar	7.00	18.24	7.00	27.28	10.00	22.51
Rohtak	1.00	0.15	0.20	0.25	5.00	nil
Total	22.50	33.01	21.70	39.52	27.50	31.99

There was no collection of eggs at Ambala unit during 1995-98 whereas at Karnal unit, the shortfall was 33 *per cent* during 1996-97 and 63 *per cent* during 1997-98.

The concerned Project Officer Ambala and Karnal attributed the failure in collection of eggs to non-repair and non-availability of vehicles.

At Rohtak unit, against the target of collecting 6.20 lakh eggs, only 6 *per cent* of the target was achieved while Rs 14.83 lakh were spent during 1995-98 on staff salaries, POL, contingencies, etc. The Marketing Officer, Rohtak attributed this slow progress during 1995-96 to floods and absence of poultry marketing activities during 1997-98 due to non-supply of vehicles by the Director, Animal Husbandry Department.

The above position indicated that Project was mismanaged and the staff was not utilised for alleged want of vehicles. Director failed to take action to ensure necessary improvement in egg collection.

3.1.13. Irregular distribution of feed subsidy

Against requirement of 10,141.29 quintals of feed (subsidy) in 883 cases in districts test-checked only 3,076.31 quintals (30 *per cent*) was provided

Under the Programme 'Special Live-Stock Breeding Programme' (SLBP), feed subsidy in kind was to be provided to different categories of beneficiaries such as small/marginal farmers at 50 *per cent* of total requirement and agricultural labourers at 67 *per cent* of total requirement for feeding female calves to improve animal health and to increase milk yield. Female calves for the purpose was to be selected prior to attaining the age of 4 months.

A scrutiny of records in 6* districts revealed as under :

- (a) Feed was not given for a complete period of 29 months as prescribed under the programme in any of the cases. Deputy Director, Animal Husbandry, Yamunanagar (at Jagadhari) admitted (March 1998) that no feed was given during 1996-97 due to non-cooperation by Additional Deputy Commissioner, Yamunanagar (at Jagadhari) who was the nodal officer for the scheme.
- (b) In 6 districts against the requirement of 10,141.29 quintals (qtls) of feed subsidy for 883** cases, 3,076.31 qtls (30 *per cent*) was provided. Thus female calves could not be fed adequately.

* Ambala, Fatehabad, Hisar, Kaithal, Panchkula and Yamunanagar

** Ambala:314, Fatehabad:108, Hisar:95, Kaithal:129, Panchkula:11 and Yamunanagar:226.

(c) 571 female calves (Ambala-268, Fatehabad-107, and Yamunanagar-196), were not identified before attaining the age of 4 months, as was required under the programme. The delay ranged from 1 to 18 months.

(d) A register of good quality of animal born or reared was required to be maintained by the concerned Veterinary Surgeons in each district. No such register was maintained to assess the milk yield of calves reared or born. The Veterinary Surgeons implementing the scheme stated that they were not instructed to maintain such registers.

3.1.14. Implementation of Centrally sponsored schemes

Machinery and equipment worth Rs 2.02 crore purchased under two Centrally sponsored schemes were lying idle during 1995-98.

Government of India (GOI) released Rs.5.41 crore for the implementation of three Centrally sponsored schemes up to 1997-98 to the Animal Husbandry Department. Details of actual expenditure on these is given below:-

Sr. No.	Name of Scheme	Central assistance received upto 31 March 1995	Central assistance received during 1995-96 to 1997-98	Total	Expenditure incurred during 1993-94 to 1997-98	Un-spent balance
(Rupees in crore)						
1.	National Bull Production Programme	1.86	1.73	3.59	3.56	0.03
2.	Extension of Frozen Semen Technology	1.27	0.24	1.51	1.57	(-) 0.06
3a.	Establishment of Demonstration Centres at Pundri	-	0.21	0.21	0.18	0.03
b.	Holding of Block level shows	-	0.10	0.10	0.05	0.05
	Total	3.13	2.28	5.41	5.36	0.05

Following points were noticed:

(i) National Bull Production Programme

National Bull Production Programme, a 100 per cent Centrally sponsored scheme, for development of indigenous cattle was launched in the State in 1993-94. The programme was to be implemented by State Cattle Breeding Farms and *Gaushalas*.

Government of India released Rs.3.59 crore during 1993-94 to 1997-98 under the programme.

(a) Out of Rs.36.04 lakh drawn during 1993-94, Rs.35 lakh were placed (June 1994) by the Director, Animal Husbandry at the disposal of Superintending Engineer, PWD (B&R) Division, Hisar for the construction of

ETT laboratory building and cow shed at GLF, Hisar. However, as the site plans were not finalised (August 1998), Rs.35 lakh were lying unutilised under Public Works Deposits. As the ETT laboratory building at GLF, Hisar, was not constructed, embryo transfer work could not be taken up as of October 1998.

(b) The Director drew Rs 24.97 lakh from Chandigarh treasury in March 1997 for the purchase of 407 castrators from a Indore based firm. The firm supplied entire quantity of castrators in August 1997. A committee constituted by the department to inspect the material found (September 1997) that out of 407 castrators, 209 castrators had no batch number, had different engravings, different handles, nuts and did not seem to be original. The documents supporting import of these castrators from abroad were not complete/conclusive. The Project Director, State Cattle Breeding Project, Hisar wrote (September 1997) to the firm to replace these 209 castrators but the same had not been replaced as of August 1998. The amount of Rs 24.97 lakh was lying in the shape of Remittance Treasury Receipts (RTRs) with the State Cattle Breeding Project, Hisar. Non-replacement of defective castrators adversely affected the activity of castrating.

(c) Director drew Rs 1.10 crore from Chandigarh treasury in March 1997 for disbursement as grant-in-aid to 22 registered *Gaushalas* in the State for the implementation of National Bull Production programme. The amount was not promptly disbursed and deposited in April 1997 in the Personal Ledger Account (PLA) of the Chief Superintendent Government, Live Stock Farm, Hisar. Ultimately Rs 91 lakh were disbursed during November 1997 and September 1998 and balance of Rs 19 lakh was lying unutilised. Due to delay in release of grants to *Gaushalas*, the progeny testing on herds in selected breed of cows like Sahiwal, Hariana, etc. kept at *Gaushalas* was also delayed.

(d) A Liquid Nitrogen Plant purchased (November 1995) for Rs 44.77 lakh under the scheme "National Bull Production Programme" was lying idle due to inadequate power supply. Department failed to release funds for laying underground feeder cable to the Board. As a result, the Plant installed (November 1995) at the State Cattle Breeding Farm, Hisar was non-functional and the requirement of liquid nitrogen gas worth Rs 4.85 lakh was met from 1995-96 to January 1998 from other sources.

(ii) *Establishment of National Demonstration Centres and organisation of training for staff and farmers*

Under this scheme, Government of India (GOI) released (March 1996) Rs 21.10 lakh to the State Government for organising training programmes for field staff and farmers in piggery and poultry activities. Though department spent Rs 18.39 lakh during 1996-98 no training was imparted as of May 1998. Deputy Director (AH) intimated (March 1998) that since construction work of extension centre was not started, no person could be trained.

(iii) Extension of frozen semen technology scheme

A mention of about the delay in starting this scheme had been made in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1996-(Civil)-Paragraph 3.4. A check of records of the scheme revealed that the status of the Project remained as it was. Under this scheme, Central assistance of Rs 1.27 crore was released (January 1994) by GOI to the State Government for setting up of frozen semen bull station at Fatehpur Pundri (Kaithal). The department spent Rs 1.32 crore (March 1997) on machinery and equipment but the construction of bull station had not been started (May 1998) due to a land dispute

3.1.15. Veterinary Hospitals and Dispensaries

Expenditure on medicines decreased from Rs 7.02 crore in 1995-96 to Rs 1.59 crore in 1997-98.

In Haryana State, there were 164 civil veterinary hospitals, 382 hospital-cum-breeding centres, 60 regional artificial insemination centres, 859 veterinary dispensaries and 751 stock-men centres. Each hospital/institution was headed by a Veterinary Surgeon who was assisted by one to two VLDAs. Purchase of medicines was centralised with the Director of Animal Husbandry. While norms for supply of medicines to veterinary hospitals and dispensaries were not fixed, expenditure in purchase of medicines by the department decreased from Rs 7.02 crore in 1995-96 to Rs 3.14 crore and Rs 1.59 crore during 1996-97 and 1997-98 respectively. Average expenditure on medicines per dispensary/hospital per year decreased from Rs 0.32 lakh in 1995-96 to Rs 0.07 lakh in 1997-98.

Records of veterinary hospitals at Gurgaon were test-checked in audit. The expenditure incurred on the salaries and medicines was as indicated below:-

Name of Hospital	Number of cattle in the area as per 1992 census	Year	Number of cattle treated	Cost of medicines supplied to the hospital	Per cattle cost of medicine	Expenditure on salaries of hospital staff
				(Rupees in lakh)	In Rupees	(Rupees in lakh)
Civil Veterinary Hospital, Gurgaon	7098	1995-96	4,057	0.62	15	2.62
		1996-97	4,150	0.37	9	3.08
		1997-98	3,862	0.48	12	4.55

As is evident from the above table, per cattle cost of medicines, supplied to the veterinary hospital, Gurgaon decreased from Rs 15 in 1995-96 to Rs 12 in 1997-98 while the staff cost increased by nearly 74 per cent during the same period.

3.1.16. Human resource management**(i) Surplus staff**

Eight Veterinary Surgeons, 13 Veterinary Live Stock Development Assistants (VLDAs), 12 Water Carriers, 11 Bull Attendants, 3 Clerks, 2 Assistants and 1 Electrician were posted in excess of sanctioned strength in the following 6 veterinary institutions.

Sr. No.	Name of Office	Category of staff	Staff Sanctioned	In position	Surplus
1.	Deputy Director/ Murrah-Bull-Farm- cum-Frozen Semen Bank Lakaria at Rohtak	Veterinary Surgeon	32	36	4
		VLDA	107	119	12
		Electrician	-	1	1
		Assistant	6	8	2
		Clerk	3	4	1
2.	Sub Division Officer, Animal Husbandry, Rohtak	Veterinary Surgeon	30	34	4
		Water Carrier	79	86	7
3.	Sub Division Officer, Animal Husbandry, Jhajjar	VLDA	11	12	1
		Water Carrier	5	10	5
4.	Sub Division Officer, Animal Husbandry, Hisar	Clerk	1	2	1
5.	Chief Superintendent GLF, Hisar	Senior Accountant	1	2	1
6.	Project Director SCBP, Hisar	Bull Attendant	-	11	11

It was, however, noticed that there was shortage of 15 Veterinary Surgeons in the test-checked offices (Dy. Director, ICDP Ambala City: 9, SDO (AH), Jagadhari:5, and SDO (AH) Rohtak:1), 64 VLDAs (Dy. Director, ICDP Ambala:46 and SDO (AH) Jagadhari:18) 3 Assistants (Dy. Director, ICDP Ambala:1, Chief Superintendent GLF, Hisar:2) and 1 Electrician in the office of the Project Director SCBP, at Hisar from April 1995 onwards. Reasons for posting of surplus staff were awaited (September 1998).

(ii) Short coverage under village searches for detecting Rinderpest disease

The staff sanctioned for implementation of Centrally sponsored scheme 'Rinderpest Eradication' was required to ensure preparation of proper records of sero-surveillance, sero-monitoring and village searches to detect cases of

Rinderpest diseases. For this purpose, the department spent Rs 1.18 crore on salaries etc., of the staff during 1995-96 and 1996-97. The search work to detect cases of disease in the villages was to be so arranged that all the villages in Haryana were to be covered by sero-surveillance/monitoring before the close of every year. However, the search work of villages was not completed in any year covered under test-check. Of the 6,988 villages in the State, 1,058 and 3,187 villages were covered during 1995-96 and 1996-97 respectively. Reasons for less coverage were not intimated by the department (September 1998).

(iii) Posting of technical staff for clerical work

Against the sanctioned strength of 2,634 VLDAs for the department, 2,452 VLDAs were in position (as of June 1998). It was noticed in audit that 10 VLDAs had been posted in 5* offices to perform clerical duties even while there was acute shortage of VLDAs.

On being pointed out in audit (December 1997), the department replied (January 1998) that this had been done due to shortage of clerical staff.

3.1.17. Opening of veterinary dispensaries without requisite staff

200 new veterinary dispensaries opened in 1990-91 without sanction of any post of VLDAs to run these dispensaries.

Against a proposal for opening of 200 new veterinary dispensaries on the assurance that the work in these dispensaries would be managed by deploying staff from nearby institutions out of the existing strength, Government accorded (March 1991) sanction for opening of 200 dispensaries with only 35 posts each of sweeper and water carrier and with a provision of medicines worth Rs.14 lakh only. In April 1994, the department asked the Government to sanction 200 posts each of VLDAs, water carriers and sweeper-cum-chowkidars as running of dispensaries was not possible without staff.

The department also stated (February 1997) that the staff diverted to these dispensaries did not take interest to run them properly as their salaries were drawn from places other than the places of their actual posting. Working of dispensaries from where VLDAs were diverted also got affected. Sanction for required staff had not been accorded by the Government as yet (May 1998).

3.1.18. Outstanding inspection reports/paragraphs

(a) Audit observations of financial irregularities and defects noticed in the initial accounts and records noticed during local audit and not settled on the

* (i) SDO, (AH), Hisar (ii) Project Director, SCBP, Hisar (iii) Deputy Director, ICDP, Karnal (iv) Sector Superintendent II, SCBP, Hisar and (v) Deputy Director Sheep Breeding, Hisar

spot were communicated to the concerned Heads of Offices and next higher authorities through inspection reports (IRs). A review of the pending IRs relating to Animal Husbandry Department revealed that action towards clearance/settlement of 200 paragraphs contained in 64 inspection reports (issued up to December 1997) was pending as detailed below:-

Year of Inspection	Number of	
	(a) IR	(b) Paragraphs
1995-96	25	70
1996-97	30	96
1997-98 (issued up to December 1997)	9	34
Total	64	200

Of these 64 IRs, even the first replies were not received in audit (as of June 1998) to 43 IRs containing 134 paragraphs from 34 DDOs. The delay in replies ranged for more than two years in 16 cases, one to two years in 17 cases and six months to one year in 10 cases. Director failed to ensure that the DDOs furnish replies timely to the Audit observations.

Important irregularities highlighted in these IRs fall under the following categories:

Sr. No	Nature of irregularities	Number of paragraphs
1	Irregular purchase of stores	16
2	Excess/overpayments	39
3	Non-disposal of unserviceable/surplus store articles	4
4	Amount held under objection for want of actual payees receipts.	24
5	Irregularities in accounting of stores	3
6	Loss/defalcations/mis-appropriations/theft of stores	22
7	Irregular/excess and wasteful expenditure towards wages/salaries/TA and leave travelling concessions, etc.	42
8	Amount recoverable	9
9	Non-receipt of utilisation certificates	6
10	Miscellaneous irregularities	35
	Total	200

(b) Internal audit

One post of Accounts Officer and one post of Section Officer were sanctioned for internal audit of the accounts/records of the department. Internal audit was, however, not conducted during 1995-96 to 1997-98. The department

stated (May 1998) that no internal audit was conducted due to non-posting of Section Officer against the sanctioned post for more than two years. The reply was not tenable as the department was required to conduct the internal audit regularly.

3.1.19. Monitoring and evaluation

In the meeting of the Deputy Directors held in September 1996 under the chairmanship of the Commissioner and Secretary to the Government of Haryana, Animal Husbandry Department every officer at district level was asked to inspect veterinary institutions under their charge and submit a detailed evaluation report of the activities undertaken by them every month. Scrutiny revealed that none of the officers from the districts submitted such reports to the Directorate during 1996-97 to 1997-98. Thus, the Commissioner and Secretary failed to ensure that the necessary reports on inspections are obtained. In view of the gross mismanagement and failure detected during audit, such action was urgently called for as the failure of the Secretary contributed to the mismanagement of the department.

3.1.20 Conclusion

The Review highlights the deficient programme management and inadequate monitoring of the various schemes including the Centrally Sponsored Schemes by the Government. Budgetary estimates were deficient and expenditure control systems were ineffective. The Director did not submit detailed bills for Rs 6.58 crore for purchase of medicines, equipment, fodder/feeds and this needed investigation. Production of green fodder was short-achieved to the extent of 25 to 31 *per cent*. Short yield of fodder and fodder seed in the Government Live Stock farm and seed farms caused huge loss of Rs 16 crore in 3 years. The Artificial Insemination Programme was mismanaged and essential equipment etc. were not provided adequately to veterinary institutions/ dispensaries. There was no production of chicks/broilers in the state hatchery and marketing/collection of eggs was negligible. Female calves were grossly underfed. Machinery and equipment purchased for two Centrally Sponsored programmes were lying idle. Two hundred veterinary dispensaries did not have requisite staff and were non-functional. Secretary to the Government failed to ascertain the actual condition of the veterinary institutions from the departmental officers and initiate corrective actions.

These points were referred to the Government in August 1998; their reply had not been received (November 1998).

Police Department

3.2 Manpower Management

3.2.1 Introduction

For maintaining law and order in a geographical area of 44,212 square kilometre (sq. km.) and a population of 164.64 lakh (1991 census) in Haryana, there were 175 police stations and 287 police posts established in the State as of 31 March 1998. The department's sanctioned strength including operational staff (32,342) was 34,739 against which 32,399 (93.26 *per cent*) were in position as of 31 March 1998. The Armed Police in the State had a strength of 6,133 constituting 20.24 *per cent* of the total operational police personnel (30,302).

No ratio between civil police and armed police and staff officer ratio had been prescribed by the department. The strength of police personnel per 100 sq. km. and as per thousand of population worked out to 68.54 and 1.84 respectively (31 March 1998).

3.2.2 Organisational set up

Financial Commissioner and Secretary, Home is the head of Administrative Department. Director General of Police (DGP.), Haryana was the overall incharge of Police Department with one Director General (DG), Armed Police and Training, 2 Additional Directors General (ADG), 4 Inspectors General (IG), 13 Deputy Inspectors General (DIG) (including 4 DIG Ranges) and 43 Superintendents of Police (SP)/Additional Superintendents of Police, incharge of 19 districts of the State. For administration of law and order, the State is divided into 4 ranges each headed by a Deputy Inspector General.

3.2.3 Audit coverage

Human resources management of the Police Department was reviewed through test-check of records of 15* drawing and disbursing officers (DDOs) covering the period 1995-96 to 1997-98 during April 1998 to July 1998. Important points noticed during test check are discussed in the succeeding paragraphs.

The abbreviations used in this review have been listed in the Glossary in Appendix – XXVI (page 268-270).

* DDOs (1) DGP Office, (2) CID, (3) Telecommunication, (4) Police Training College, (5) State Crime Record Bureau, (6) Forensic Science Laboratory, (7) SP Hisar, (8) SP Karnal, (9) SP Sirsa, (10) SP Gurgaon, (11) SP Rohtak, (12) SP Ambala, (13) SP Commando, Newal (Karnal), (14) Commandant 4th Battalion, Madhuban, (15) SP Railways, Ambala.

3.2.4. Highlights

Expenditure on establishment constituted on average 87 per cent of the total expenditure of the department during 1995-98.

(Paragraph 3.2.5)

In 19 districts of the State the number of crimes increased from 54.6 thousand in 1995 to 1.01 lakh in 1997 (86 per cent). Deployment of police force widely varied in various districts and was not related to incidence of crime. Norm for deployment of police officials was not revised since 1934.

(Paragraph 3.2.7(i))

43 contingent paid employees were sanctioned against 39 inoperative police posts/*Nakas* during 1995-96 to 1997-98 leading to wasteful expenditure of Rs 18.46 lakh on their salaries.

(Paragraph 3.2.8(a))

103 operational staff from 8 district offices (70 on ministerial duty, 32 orderlies and one gunman) were deployed in DGP's office, Panchkula on temporary duty basis for long periods.

(Paragraph 3.2.9(a)(i))

Post for an Officer on Special Duty (OSD) (Rules) to amend Police Rules continued for 21 years but the Police Rules were still to be amended.

(Paragraph 3.2.11)

394 guards/gunmen/commandos were deployed with Government officers (serving and retired)/Judges/ ex-judges, Ministers/ex-ministers, MPs/ex-MPs, MLAs/ex-MLAs and private persons during the period 1995-98 without following prescribed procedure.

(Paragraph 3.2.14(a)(i))

79 contingent daily wage employees were unauthorisedly deployed at the residences of serving and retired departmental officers.

(Paragraph 3.2.14(d))

Against entitlement of 10 orderlies, 29 orderlies were posted (as on May 1998) to the officers of DGP's office, Panchkula.

(Paragraph 3.2.14(e))

581 class IV posts were created by the Government in June 1997 and March 1998 to regularise contingent daily wage employees.

(Paragraph 3.2.15(ii)(a))

In 36 offices, against 42 to 74 vacancies of class-IV employees, 1,400 to 1,495 daily wage workers were employed on continuous basis during 1995-98 in violation of Government orders. This cost the Government Rs 6.52 crore during 3 years. SP offices at Karnal, Rohtak, Hisar, Gurgaon, Faridabad, Ambala, Sirsa, Kurukshetra, Kaithal and SP Railways, Ambala Cantt. had unduely large contingent of daily wage workers.

(Paragraph 3.2.15(iii))

358 posts in unauthorised categories of class IV cadre like dhobies, barbers and tailors, etc. were employed in the department as on April 1998 and were paid Rs 3.48 crore during 3 years.

(Paragraph 3.2.16(a))

Of 7,231 cases pending for analysis in Forensic Science Laboratory (FSL), Madhuban as of 31 March 1998 due to shortage of staff, 2,971 cases were more than 1 year old. The evidence material became unsuitable for genetic testing as these were examined after a long time. It was noticeable that while important posts were not filled up, non-operational staff including support staff was posted in abundance.

(Paragraph 3.2.16 and 3.2.18)

Police Training College was functioning indifferently due to short duration of the Directors. Mandatory courses for promotion of Constables and Assistant Sub-Inspectors were not held during 1995-1998.

(Paragraph 3.2.19)

3.2.5. Budget provision and expenditure

Details of budget provisions and actual expenditure on manpower of the department during 1995-96 to 1997-98 were as under:

Year	Budget provision		Expenditure	Establishment expenditure (Percentage)	Excess (+)/ Saving (-)
	Original	Final			
(Rupees in crore)					
1995-96	162.39	183.19	191.40	165.84 (87)	(+) 8.21
1996-97	186.68	214.88	221.67	194.47 (88)	(+) 6.79
1997-98	207.39	245.75	257.14	224.17 (87)	(+) 11.39
Total	556.46	643.82	670.21	584.48	(+) 26.39

Establishment expenditure ranged between 87 and 88 per cent of the total expenditure during the years 1995-98.

(ii) Scrutiny of pay bills

Under Punjab Treasury Rules and Punjab Financial Rules, the scale of post, sanction number and date of the post against which pay was drawn and number of permanent and temporary posts was required to be indicated on the body of pay bills. Pay bills were required to be prepared separately for permanent and temporary establishments as per the Subsidiary Treasury Rules.

A scrutiny of pay bills for March 1997 in the office of 15 DDOs test-checked revealed that these requirements were not observed in the preparation of pay bills. In the absence of relevant information, the treasury officer passed the bills without due scrutiny of prescribed checks and possibility of drawal of pay for posts in excess of sanction could not be ruled out.

3.2.6 Manpower Profile

(i) Indian Police Service (IPS) Cadre

The actual strength of officers of Indian Police Service (IPS) in various cadres vis-à-vis sanctioned strength during 1992-98 in the Police Department was as under:-

Year	Sanctioned strength as of April of every year					In position as of April every year					Total
	DGP	IGP	DIG	SP	ASP	DGP	IGP	DIG	SP	ASP	
1992-93	1	3	10	45	16	1	2	9	41	4	57
1993-94	1	3	10	45	16	1	1	9	43	6	60
1994-95	1	3	10	45	16	1	1	9	44	7	62
1995-96	1	3	10	45	16	1	2	8	40	6	57
1996-97	1	3	10	45	16	1	1	9	38	3	52
1997-98	1	3	10	45	16	1	0	10	33	6	50

During 1992-1998, men in position of Superintendent Police rank officers, came down from 41 to 33 against the sanctioned strength of 45. In the case of Assistant Superintendent of Police men in position varied between 3 and 6 during 1995-1998 against the sanctioned posts of 16. In the rank of I.G. level posts, men in position varied between 0 and 2 during 1995-98. Reasons for short deployment was not intimated to audit.

(ii) Operational Police Force excluding IPS officers

Sanctioned strength of Operational Police Force (excluding IPS officers) and actual strength of Police Department during 1987-88 to 1997-98 was as under:-

Year	Sanctioned strength as of April of every year						Actual Strength as of April of every year					
	Civil Police including CID	Armed Police	Comm- andes	Rail- way Police	Tele- com- muni- cation	Total	Civil Police including CID	Armed Police	Comm- andes	Rail- way Police	Tele- com- muni- cation	Total strength
1987-88	14758	4716	-	751	682	20907	14342	4591	--	730	678	20341
1988-89	16496	4716	472	751	1479	23914	15919	4520	449	713	1453	23054
1989-90	2106	4716	472	1264	1807	10365	18437	4697	453	1231	1740	26558
1990-91	20794	4716	472	1264	1807	29053	19790	4574	409	1241	1783	27797
1991-92	20292	4716	472	1264	1807	28551	19610	4277	420	1193	1767	27267
1992-93	21076	4695	472	1264	1838	29345	20268	4479	411	1244	1783	28185
1993-94	21420	4695	472	1264	1838	29689	20929	4630	348	1248	1780	28935
1994-95	21584	4695	472	1264	1838	29853	20926	4637	318	1233	1786	28900
1995-96	22618	4695	472	1264	1838	30887	21909	4415	321	1232	1804	29681
1996-97	22940	4695	472	1264	1838	31209	22287	4403	321	1255	1792	30058
1997-98	23420	4695	472	1264	1838	31689	22276	4404	318	1236	1786	30020*

There was an increase of 48 *per cent* in the actual strength of Police Department during the last ten years ending 31 March 1998.

* Position as of April 1998.

3.2.7. Non-revision of norms for creation of posts and deployment of manpower

In five districts, for every 403 to 663 inhabitants there was one police official whereas in other three districts one police official was deployed against 834 to 1210 inhabitants. In 1997, crimes increased by 86 per cent as compared to 1995.

(i) As per Punjab Police Rules, 1934 (adopted for Haryana State) the norms for fixing strength of police stations in rural area were based on incidence of crime. A normal police station with average of seventy five cases a year, the minimum staff required was one sub inspector, one assistant sub inspector (ASI), one head constable (clerk) and 12 foot constables.

In urban areas, in towns having population of over 30,000, total strength of police watch and ward staff should not ordinarily exceed one constable for every 450 inhabitants. Supervision over the watch and ward was to be provided at the rate of 1 Head Constable to every 10 constables, 1 Assistant Sub-Inspector to every 5 Head Constables and 1 Sub-Inspector to every 100 Constables.

Details of all the 19 districts of the State in respect of deployment of staff and average crime reported was as under:

Sr. No.	District	No. of operational staff* as on 31 March 1998 under SPs only	Population per police official (Census 1991)	Annual average crimes cases during 1995-97	Average crimes cases per police official
1.	Ambala	1,448	551	3,916	2.70
2.	Bhiwani	1,125	1,013	4,063	3.61
3.	Faridabad	1,881	785	9,256	4.92
4.	Fatehabad	775	807	4,409	5.69
5.	Gurgaon	1,219	940	5,772	4.73
6.	Hisar	1,633	746	7,324	4.48
7.	Jhajjar	672	1,053	2,511	3.74
8.	Jind	1,022	942	4,642	4.54
9.	Kaithal	984	834	3,595	3.65
10.	Karnal	1,242	713	4,168	3.35
11.	Kurukshetra	1,103	582	4,232	3.84
12.	Mohindergharh	771	884	2,385	3.09

* Operational staff includes SPs, DSPs, Inspectors, SIs, ASIs, Head Constables and Constables.

Sr. No.	District	No. of operational staff* as on 31 March 1998 under SPs only	Population per police official (Census 1991)	Annual average crimes cases during 1995-97	Average crimes cases per police official
13.	Panchkula	792	403	1968	2.48
14.	Panipat	953	875	3,315	3.48
15.	Rewari	515	1,210	2,615	5.08
16.	Rohtak	927	1,188	4,368	4.71
17.	Sirsa	1,369	660	5,010	3.66
18.	Sonipat	1,138	663	3,398	2.98
19.	Yamunanagar	1,001	821	3,517	3.51

A review of District-wise details of population, number of operational staff and crime cases reported during the period 1995-97 (Appendix-XII) revealed that the number of crimes in the State increased from 54,673 in 1995 to 1,01,496 in 1997 i.e. an increase of 86 *per cent*. The crime incidence in Kaithal, Kurukshetra, Panipat, Rewari and Sirsa districts in the year 1997 registered a steep rise between 112 and 191 *per cent* as compared to the year 1995.

In Kaithal, Rewari and Panipat districts, though the crime rate increased by 191, 116, and 112 *per cent* in 1997 as compared to the position in 1995, there was one police official for 834, 1210 and 875 persons respectively while in districts of Ambala, Kurukshetra, Panchkula, Sirsa and Sonipat, there was one police official for 403 to 663 personnel. Thus deployment of police personnel had little relation with crime.

In Faridabad and Rewari districts one police official (operational staff) handled 4.92 and 5.08 crime cases on an average during 1995-97 whereas in the districts of Ambala and Panchkula, one police official handled 2.70 and 2.48 crime cases on an average. Thus, there was a wide variation amongst the districts in number of crime cases handled by operational staff.

Considering the wide variations in the deployment of police manpower with regard to crime rate, as discussed above, there was a need to review the norms for deployment/ supervision of police force as PPRs were made as far back as 1934.

(ii) (a) Deployment of staff in variation of the sanctioned strength

In 13 district control rooms and 28 workshops, under the jurisdiction of Telecommunication wing, staff ranging from 1 to 66 and 1 to 3 respectively were deployed in excess of sanctioned strength and in 11 control rooms/repeater stations and 4 workshops staff ranging from 1 to 55 and 1 to 80 respectively was deployed in short of sanctioned strength. The reasons of variations were not on the record.

(b) Excess posting of DSPs

Similarly, in the State Crime Record Bureau (SCRB), Madhuban, against one sanctioned post of DSP, 3 DSP's were posted as on 31 March 1998. Reasons for excess deployment were not on record.

3.2.8 Sanction of staff against inoperative police posts/ Nakas.

During 1995-98, Rs 18.46 lakh were spent on salaries of 43 contingent paid staff sanctioned for 39 police posts/ Nakas not in operation.

(a) In two districts offices (Karnal and Hisar), 241 contingent paid employees were sanctioned against 107 Police Posts/*Nakas* by the respective DIGs during the period 1995-96 to 1997-98. Of these, 43 contingent paid employees were sanctioned against 39 police posts/*Nakas* which were not in operation. This led to wasteful expenditure of Rs 18.46 lakh on their salaries.

(b) In the office of Superintendent of Police, Telecommunication, 7 to 8 contingent paid employees sanctioned for Police Wireless Training Centre, Jind, Police Control Rooms, Ambala and Faridabad, Police Repeater Station, Kasauli, were irregularly deployed with the line officer, Panchkula during the aforesaid period. The nature of duties assigned to them were not on record which indicated mis-utilisation of the services of the staff and wasteful expenditure of Rs 4.08 lakh.

3.2.9 Posting of operational staff from field units to DGP's Office, Haryana on temporary duty

(a) Diversion of operational staff for ministerial work

103 operational staff from 8 districts were diverted to DGP's office on temporary duty basis for ministerial and orderly duties. Of these, 20 officials had been continuing for over 5 years.

(i) A scrutiny of records of the office of DGP, Haryana, Panchkula revealed that 103 operational staff were diverted from 8 district offices* to DGP's Office, Panchkula on temporary duty basis for long periods of time for doing ministerial work. Their pay was being drawn by the concerned SPs/Commandants of the districts from where they had been diverted. Out of the diverted staff, 70 were put on ministerial duties like diary and despatch, type, treasury work, record keeper, reader, etc., 32 as orderlies and one as gunman. The orderlies were deployed with DGP, ADGP(Rules), IGP(Headquarters), DIG (Administration and Training), DIG, (Modernisation and Welfare), AIG (Administration), SP OSD (Rules), District Attorney, Assistant District Attorney and Accounts Officer. Out of these officials, 20

* Ambala, Bhiwani, Gurgaon, Jind, Kaithal, Kurukshetra, Panchkula and Yamunanagar.

had been continuing in DGP's office for more than five years and four above ten years.

At no stage the DGP reviewed the justification for continued retention of such large number of operational staff for ministerial duty.

(ii) As per instructions of Haryana Government additional salary for one month was payable to operational staff (Constable to Inspector). The benefit was also admissible to such staff who were deputed to perform ministerial duties temporarily and were performing extra hours of duties and in odd hours. It was noticed that 103 constables, Head constables, ASI, SI and Inspectors were paid additional salary on the ground of rendering duties in odd hours. They were diverted on temporary duty on non-operational jobs on continuous basis and there was no records of having performed duties in odd hours. As such, Rs 5.41 lakh paid by the field units on this account to these staff during 1995-98 was irregular.

(iii) Test-check of records revealed diversion of 42 staff (on-average) from field units to the office of Superintendent of Police, Railway, Ambala Cantt. in his headquarter's office during 1995-98.

The position of operational and ministerial staff was as under:

Period	Operational Staff (all cadres)			Ministerial Staff (all cadres)		
	Sanctioned	Posted	Excess(+)	Sanctioned	Posted	Vacancy (-)
1995-96	12	56	(+)44	13	12	(-)1
1996-97	12	57	(+)45	13	12	(-)1
1997-98	12	53	(+)41	13	12	(-)1

It would be seen that 41 to 45 operational staff were posted in excess of sanctioned strength during 1995-96 to 1997-98. No reasons were either on record for such excess posting of operational staff nor furnished to audit.

(b) Non-repatriation of operational staff on deputation in CID

As per rules upper and lower subordinate posts other than those of Inspectors in CID was to be filled by deputation of suitable men from districts for periods of 3 years extendable by not more than 2 years at a time at the discretion of DIG, CID.

It was, however, noticed in audit that as of 1 April 1998, 823 operational staff of the rank of SI, ASI, Head constable, constable out of the total strength of 1,573 were allowed to continue on deputation for more than 3 years (of which 499 for more than 5 years) without obtaining extension orders of the competent authority.

Reasons for retention of staff without extension were not intimated by the department (June 1998).

3.2.10. Recoverable outstanding amounts against additional police supplied

Rs 1.75 crore were outstanding for recovery as on 31 March 1998 against three organisations/parties on account of additional police supplied by SP Ambala during 1988-98.

As per Police Rules, the SP of concerned district was to raise bills against the parties and corporate bodies supplied with additional police, month by month, in advance.

Bills in advance were not raised by SP, Ambala. Arrears of Rs 40.57 lakh on account of additional police supplied by SP, Ambala during October 1988 to March 1994 were pointed out vide paragraph 3.9 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 1994, which increased to Rs 1.75 crore upto March 1998 as shown below :

Sr. No.	Name of party to whom additional police supplied	Period in which supplied	Amount outstanding (Rupees in lakh)	Letter No. vide which bill raised
1.	IOC, Ambala	31 October 1988 to 30 June 1997	133.30	20631 dated 5.8.1997
2.	Punjab Kesari Ambala Cantt.	1 March 1994 to 31 March 1998	29.33	23437 dated 7.6.1997
3.	BBMB, Dhulkot	1 April 1993 to 31 March 1997	12.67	12476 dated 2.6.1997
		Total	175.30	

No reasons for not raising the bills in advance were intimated by the department.

3.2.11. Punjab Police Rules remained unamended for over two decades

20 officers held the post of OSD (Rules) during 1977 to 1998 for the work of revision of PPRs; the said rules were yet to be amended.

One post of Officer on Special Duty (OSD) Rules of the rank of IG and 12 supporting staff was created in January 1976 to undertake the work of revision of Punjab Police Rules, 1934 (PPRs). As many as twenty officers of the rank of SP/DIG/IG/Addl. DGP/DGP held the charge of the post of OSD (Rules) during July 1977 to July 1998. However, the said PPRs are yet to be amended. Government did not lay down any time schedule for completion of the revision of police rules.

DGP, Haryana, Panchkula intimated (July 1998) that proposed amendments to Punjab Police Rules were yet to be finalised by the Government.

3.2.12. Suspensions without due observance of rules

In 11 of the 15 test-checked offices, 855 police officials were suspended during 1995-98 of which 307 were reinstated after departmental enquiry without any punishment.

According to rule 16.18 of PPR Vol.II, a police officer, whose conduct was under departmental enquiry, shall ordinarily be placed under suspension, when it appeared likely that a charge will be framed which, if proved, would render him liable to reduction, dismissal or when the nature of accusation against him was such that his remaining on duty was prejudicial to the public interests or to the investigation into those accusations.

In 11 offices, 855 police personnel were suspended during 1995-96 to 1997-98 on the grounds of dereliction/negligence of duty, willful absence and non-compliance of orders of senior officers, etc. as per details in Appendix-XIII.

Scrutiny revealed that suspensions were mostly occurring in the SP offices at Hisar, (Railway) Ambala Cantt, Sirsa, Karnal, Ambala and Gurgaon as shown below:-

Sr. No.	Name of office	Actual strength	Number of police personnel suspended	Percentage
1.	SP Hisar	1,633	176	10.77
2.	SP (Railways) Ambala Cantt	1,339	153	11.43
3.	SP Sirsa	1369	121	8.83
4.	SP Karnal	1,242	93	7.48
5.	SP Ambala	1,448	102	7.04
6.	SP Gurgaon	1,219	78	6.39

Of the 855 Police personnel, 307 (36 per cent) were re-instated during April 1995 to June 1998 without any penalty/ punishment which showed that suspensions in these cases were avoidable. Cases of 359 Police personnel were still (June 1998) pending. Penalty/punishment was awarded in 189 cases. The position was acute in SCRB (100 per cent), SP Sirsa (86 per cent), SP Telecom and 4th Battalion (80 per cent) and SP Karnal (72 per cent). This indicates that suspensions were made without observing the provisions of PPRs and the case work was not done meticulously. Rs 17.54 lakh were paid during the suspension period to 170 Police personnel at the average period of 60 days per official. Record of payment to remaining 137 Police personnel were not made available to audit.

3.2.13. Improper deployment of police personnel

In calculating establishment, every duty for which proper authority exists was to be included in the distribution list of duties and authority was to be obtained from DGP for any duty which was not authorised, as required under PPRs. On no account police was to be supplied for duties which are not so authorised.

In the office of 5 DDOs* test-checked, 114 guards were deployed in Government offices during the period 1995-96 to 1997-98 without obtaining approval from DGP. The police force provided was also not shown in the distribution list of duties sent by the respective SPs to the DGP Haryana, Panchkula.

3.2.14. Unauthorised deployment of personal guards

During 1995-98, 394 guards/ gunmen/commandos were deployed with 145 serving/ retired Government Officers, Ministers, MPs, MLAs, private persons, etc.

(a)(i) Personal guards at the headquarters of a district were to be provided for the Inspector General of Police and for the Deputy Commissioner of the District. Under exceptional circumstances, with the prior sanction of the Deputy Inspector General concerned on each occasion personal guard could be provided as a temporary measure if the Deputy Commissioner and the Superintendent of Police agreed that it was essential to do so.

During the period 1995-96 to 1997-98, 394** guards/ gunmen/ commandos were deployed without following the prescribed procedure with 145 Government officers (serving and retired)/Judges/ Ex-judges, Ministers/Ex-Ministers, serving M.P.s/MLAs, retired MPs/MLAs and private persons. The category-wise break-up was as under:

Sr.No.	Category of officer/VIP etc.	Number	Number of guards
1.	Serving Officers	44	152
2.	Retired officers	2	2
3.	Serving MPs/MLAs	40	71
4.	Retired MPs/MLAs	6	8
5.	Judges/Ex-Judges	18	72
6.	Ministers/Ex-Ministers	21	63
7.	Private persons	14	26
	Total	145	394

* SP Gurgaon:8, SP Ambala: 36, SP Sirsa: 30, SP Rohtak: 20,
SP (Railways) Ambala Cantt.:20

** SP Karnal:18, SP Hisar:61, SP (Commando)Newal,Karnal:61, SP Gurgaon:70, SP Ambala:58, SP Rohtak:71, SP Sirsa:45, SP (Railways) Ambala Cantt.:10

16 commandos were deployed with DIG (CID) alone.

(ii) During the period 1995-96 to 1997-98, commandos were deployed with the individual Indian Police Service Officers ranging from 1 to 16 per officer.

No authority/norms for the deployment of commandos/ gunmen/guard with the Government Officers/Judges/Ministers/ MP's/MLA's and private persons were shown to audit. As per reply (July 1998) of DGP, Haryana, no amendment to the provisions *ibid* were proposed by the department.

(b) *Police staff at the private residences of officers*

Rules do not provide for deployment of police staff at the private residences of officers. However, 6 constables were deployed at the private residence of the then DIG, Railways and Commandos at Faridabad during the period 7 January 1998 to 12 June 1998.

(c) *Deployment of staff out of districts*

No staff could be transferred out of district without the approval of DIGs concerned. Contrary to this, two constables of SP Office, Rohtak were deputed with SP Kaithal with effect from 10 June 1997 on his transfer from Rohtak to Kaithal and one constable was deputed with DIG, Rohtak Range on his transfer from Rohtak from 2 July 1996. All the three constables were getting their salary from office of SP, Rohtak.

(d) *Unauthorised deployment of contingent paid employees at the residences of departmental officers*

Scrutiny of wage bills, attendance certificates and acquittance rolls for the period 1995-96 to 1997-98 revealed that 79 contingent paid staff (Karnal: 21, Hisar: 44, Rohtak: 12, Sirsa: 2) were unauthorisedly deployed at the residences of 39 serving and retired departmental officers in four offices. The actual period of stay in each case was not available on record. The officer-wise break up is shown in the Appendix-XIV.

Further, wages/pay of 20 Class IV/contingent paid employees (Sirsa: 4, Ambala: 1, Newal (Karnal): 4, Hisar: 6, Panchkula: 5) were drawn for different spells during the period 1995-96 to 1997-98 on supplementary rolls by other officials on regular basis, implying thereby that these employees were deployed on places other than places of their duty.

(e) Irregular deployment of orderlies with police officers beyond entitlement

Under Rule 14.19 of PPRs, 1934, Vol.II the entitlement of orderlies with police officers was as under:

Sr.No.	Rank of Officer	Number of orderlies entitled
1.	IG	2 (1 constable and 1 HC)
2.	DIG	2 (constables)
3.	SP/DSP/Inspector	1 (constable)

However, it was noticed in audit that against entitlement of 10 orderlies to the officers of DGP's office, Panchkula, 29 orderlies were irregularly posted (as on May 1998) as indicated below :

Sr. No.	Rank of Officer	Number of orderlies posted	Number of orderlies entitled	Excess posted
1.	DGP, Haryana	7	2	5
2.	IGP/Hqrs	4	2	2
3.	DIG/M&W	4	2	2
4.	AIG/Welfare	4	1	3
5.	AIG/A&T	3	1	2
6.	AIG/Admn	2	1	1
7.	SP/OSD Rules	2	1	1
8.	DA/ADA	2	-	2
9.	AO	1	-	1
	Total	29	10	19

The posting of 19 orderlies were in excess of entitlement of the officers concerned.

(f) Executive staff in Range Offices

(i) Comparison of sanctioned strength vis-à-vis staff posted at the range offices at Gurgaon, Rohtak and Ambala revealed that police personnel numbering 3 to 19 (Gurgaon range:3, Rohtak Range:13 to 19 and Ambala Range:4) were deployed in excess of the sanctioned strength during 1995-96 to 1997-98.

(ii) IG (CID), Haryana issued instructions in April 1994 to all SPs to withdraw escort and pilot from the security of SPs/DIGs/DCs and Divisional Commissioners. Contrary to this, it was seen that SP, Rohtak did not withdraw escort from DIG, Rohtak Range.

3.2.15 Absence of norms for deployment of Class IV staff

(i) The department did not fix any norms for deployment of mochi, dhobis, sweepers and cooks. Such staff deployed in relation to the strength of police force in 19 districts during April 1998 was as under :

District	Number of personnel*	Mochi	Dhobi	Sweeper	Cooks
Ambala	4,104	6	17	39	65
Bhiwani	1,186	1	5	12	25
Faridabad	2,030	-	-	-	99
Fatehabad	1,056	-	9	--	--
Gurgaon	1,313	2	3	10	17
Hisar	2,929	7	23	27	59
Jhajjar	1,101	-	5	-	-
Jind	1,100	1	2	12	24
Kaithal	1,044	1	1	9	14
Karnal	5,578	19	59	81	137
Kurukshetra	1,161	1	2	5	-
Narnaul	800	1	2	18	15
Panchkula	2,901	2	16	3	7
Panipat	1,021	1	-	6	13
Rewari	566	1	2	7	13
Rohtak	1,002	1	2	9	15
Sirsa	1,456	-	21	2	8
Sonapat	1,258	-	-	-	-
Yamunanagar	1,060	1	2	23	-

It was noticed that there were 99 cooks in position in Faridabad district for 2,030 personnel whereas in Panchkula district 7 cooks were deployed for a total of 2,901 personnel. Justification for deployment of very high number of cooks in Faridabad (99), Hisar (59) and Ambala (65) had not been furnished to audit. It was noticed that the cooks were to cater to operational staff and the number of such staff in these three districts were Faridabad : 1,881, Hisar : 1,633 and Ambala : 1,448. It was not clear why such large number of cooks were employed and to whom they served. Government need to investigate the unjustified deployment of such large number of cooks particularly in these districts.

* The figure includes total strength viz. operational as well as other staff of the Police Department.

(ii) Creation of large number of Class IV posts without any norms

(a) DIGs of the ranges appointed contingent paid staff on daily wage basis up to February 1996. Thereafter contingent paid staff were to be appointed only on contract basis. In May 1993 and March 1996, services of all daily wage employees who had rendered 5 years service on 31 March 1993 and 3 years service on 31 January 1996 respectively were regularised.

Government issued (June 1997 and March 1998) ex-post facto sanction for creation of 581 posts of class IV employees (186 from 31 March 1993 and 395 from 31 January 1996) without any norms/justification for work load against which posts were created to regularise the eligible daily wage employees. The range-wise break-up of 581 posts created was as given in the Appendix-XV.

(b) 37 such daily wage/part time workers, who were not eligible, were regularised by Superintendent of Police, Hisar in February/ May 1996. These orders of regularisation were withdrawn (August 1997/ January 1998) by SP with retrospective effect. No action had, however, been taken by the department to recover Rs. 7.15 lakh paid towards pay and allowances to these workers during February 1996 to January 1998.

(iii) Engagement of employees on daily wages in violation of Government orders

In 36 offices against 42 vacancies of regular class IV employees, 1,400 daily wage workers were on roll during 1995-96. Further, against 56 and 74 vacancies of class IV employees, 1,495 and 1,420 daily wage workers were continuously engaged during 1996-97 and 1997-98 respectively, in violation of the Government order of February 1996, after obtaining sanction of the concerned DIG range. Revised allocation of funds under the sub-head 'wages' for the period 1995-98 (1995-96: Rs 2 crore, 1996-97: Rs 2.34 crore and 1997-98: Rs 2.50 crore) was also approved by the Finance Department during February 1996 to January 1998. This cost the Government Rs 6.52 crore during 3 years. DDOs wise details were as given in the Appendix-XVI. The concentration of daily wage workers was heavy in 10 offices as shown below:

Sr.No.	Name of the DDO	Number of daily wage workers engaged		
		1995-96	1996-97	1997-98
1.	SP Karnal	112	112	112
2.	SP Rohtak	120	120	80
3.	SP Hisar	130	129	58
4.	SP Gurgaon	81	81	81
5.	SP Faridabad	81	80	80
6.	SP Ambala	-	81	95
7.	SP Sirsa	73	72	71
8.	SP Kurukshetra	73	74	73
9.	SP Kaithal	66	66	66
10.	SP Railways Ambala Cantt.	103	104	73

Director General of Police stated (July 1998) that no norms had been fixed for these posts.

3.2.16 Operation of large number of support staff

Total number of operational staff in position in the department was 30,302 as against the total staff 32,399 as of March 1998. Further, out of the non-operational staff, the following were the number of support staff.

Sr. No.	Support staff	Number deployed
1.	Mochi	45
2.	Dhobi	171
3.	Sweeper	263
4.	Cooks	511
5.	Other unauthorised categories excluding Dhobies : 127 and Mochies : 45 (vide table at Para 3.2.17)	186
	Total	1176

Evidently the department engaged disproportionately large number of support staff.

3.2.17 Operation of unauthorised posts/ranks

(a) According to table-A to Appendix 10.63 of Punjab Police Rules (PPRs), 1934 Vol.I, (as applicable to the State of Haryana), following ranks/posts of class IV employees had been prescribed in the Police Department viz jamadar, chaprasi, daftri, bishti, sweeper, khalasi, mali and cook.

In contravention of the aforesaid provisions/rules, as of April 1998, 358 regular posts of the ranks other than the authorised ranks/posts as indicated below, were employed unauthorisedly by the department

Sr. No.	Unauthorised ranks	Number of Posts
1.	Dhobi	127
2.	Barber	83
3.	Tailor	16
4.	Mochi	45
5.	Carpenter	31
6.	Painter	16
7.	Mason	22
8.	Blacksmith	1
9.	Syce	1
10.	Electrician	8
11.	Helper	8
	Total	358

Operation of these unauthorised posts resulted in irregular expenditure of Rs 3.48 crore on salaries (worked out at the minimum of the scale) during three years (1995-98). Further, Rule 17.1 of Vol.II *ibid* provides that Dhobi and Barber would be given monopoly of work in the Police lines on contract basis (on proper agreement), whereas the department had appointed these officials on regular basis.

(b) Against the vacant post of class IV cadre, a painter was appointed (November 1993) by the SP, Hisar in the scale of Rs 1200-2040 (pre-revised). Since the scale given relates to class III post, the appointment was to be made through State Service Selection Board.

3.2.18 Forensic Science Laboratory

The Forensic Science Laboratory (FSL), Madhuban was established in 1973. Against sanctioned posts of scientists and other technical staff numbering 125 (1995-96), 162 (1996-97) and 165 (1997-98) in various divisions*/sections** actual staff in position was 79 (1995-96), 95 (1996-97) and 101 (1997-98) respectively.

As per report for the month of March 1998, 7,231 cases were pending for analysis in FSL, of which 2,971 cases (41 *per cent*) were more than one year old. Age-wise details of the cases pending for more than one year and number of cases for which challans were pending in the various courts due to non-submission of analysis reports by FSL had not been compiled by Director, FSL.

In a case filed in Punjab and Haryana Court by an accused in 1991, the court observed (December 1995) that many of the accused were languishing in jails for want of putting up the challans in time. However, 32 posts of scientists and other supporting technical staff sanctioned (March 1996) by Government under the decision of the High Court were yet to be filled up (June 1998). Director, FSL deposed (December 1995) that there was acute shortage of staff and he had submitted proposal for sanction of more staff in 1991.

It was noticed in audit that against the average receipt of 5,668 cases every year for analysis during the period 1995 to 1997, the average disposal per year was 4,971 (88 *per cent*).

Director, FSL stated (June 1998) that the evidence material become unsuitable for genetic testing if the case exhibits were examined after a long period. This reply suggested that steps are needed for enhancing the efficiency norms of the FSL for a speedier testing of samples and to fill the existing vacancies.

* Ballistics, Biology, Serology, Physics, Chemistry and documents division.

** Footprints, Narcotics, Drugs, Psychiatric substance and Photo section.

3.2.19 Police Training College, Madhuban

The college was to provide training in the following phases:

- (i) induction training of directly recruited officers in the superior and subordinate grades;
- (ii) refresher and advanced training of experienced police officers;
- (iii) specialist training in important aspects of police work;
- (iv) training of higher grade officers in supervision, departmental objectives and administration and
- (v) development of technique and equipment for improving the efficiency of police force.

During 1995-98, Director was transferred frequently and the post was held by five different officers whose tenure ranged from 1 to 15 months in each case. Short duration postings of Director adversely affected the functioning of the college.

Out of 78 courses to be arranged during calendar years of 1995, 1996 and 1997, 62 courses were concluded. Thus, there was a shortfall of targets to the extent of 16 courses for 130 persons.

The fact was not brought to the notice of DGP by Director, PTC. Of the 16 courses, training in 11 courses was mandatory for promotion of constables/Head constables/Assistant Sub-Inspectors to higher ranks. The record showing backlog in the area of mandatory training in each rank was not available with the College.

These points were referred to the Government in August 1998; their reply had not been received (November 1998).

The matter was referred to the Government in August 1998; their reply had not been received (November 1998).

Civil Aviation Department

3.3 Non-recovery of cost of spare parts issued to aviation clubs

Department did not take timely action to recover the cost of spare parts worth Rs 46.87 lakh from the aviation clubs.

To impart training to the youth in the technique of flying gliders/aircraft etc., three aviation clubs were established at Hisar and Karnal in 1962 and at Pinjore in 1980 as autonomous bodies under Society Registration Act, 1860. For upkeep of aircraft and gliders, spare parts were being supplied from the Central Store of Civil Aviation Department on cost basis, though no rules provide for supply of spare parts to the aviation clubs by the department.

Test-check of records of Civil Aviation Department revealed (April 1997) that spare parts valuing Rs 53.85 lakh (Pinjore: Rs 18.24 lakh; Karnal : Rs 29.48 lakh and Hisar : Rs 6.13 lakh) were supplied to these aviation clubs between March 1987 and February 1998 against which only Rs 6.98 lakh (Pinjore : Rs 1.07 lakh; Karnal: Rs 4.91 lakh and Hisar : Rs 1 lakh) were recovered as of May 1998. These aviation clubs were released grants-in-aid for Rs 2.09 crore by the State Government between November 1989 and March 1997 for specific and general purposes including expenditure on spare parts. However, the department failed to recover the cost of spare parts while issuing the sanctions of grants-in-aid to these clubs. This resulted in accumulation of heavy recoverable dues of Rs 46.87 lakh against these aviation clubs.

The Advisor, Civil Aviation, Haryana stated (May 1997) that cost of spare parts could not be recovered due to constraints in the financial position of the clubs and they proposed to recover the outstanding amount in instalments. In September 1998, the Advisor, however, intimated that the financial position of the aviation clubs had not been improved, therefore, the recovery could not be effected.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

Finance Department

3.4 Non-submission of utilisation certificates of discretionary grants

For discretionary grants of Rs 94.70 lakh released to 726 institutions in two districts, utilisation certificates were not furnished.

Financial Rules provide that certificate of proper utilisation of grant should be furnished to Accountant General within 18 months of the closure of financial year by the departmental officer after obtaining the same from the grantee institutions to whom grants were released by him. Before furnishing it, the departmental officer should satisfy himself about proper utilisation of grants. Further, the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the body or institution concerned to ensure that proper accounts of all moneys spent by grantee institutions are being properly maintained and kept for the purpose of audit. The ceiling limit of discretionary grants was Rs 15 lakh, Rs 7.50 lakh and Rs 6 lakh for Chief Minister, Ministers and others respectively during the years 1996-97 and 1997-98.

Test-check of records of Deputy Commissioners (DCs), Faridabad and Rewari revealed (March 1998) that Rs 99.07 lakh of discretionary grants were disbursed by Deputy Commissioners between April 1991 and March 1996 to 792 beneficiaries on behalf of Members of Legislative Assembly and State Ministers. Out of this, utilisation certificates (UCs) for Rs 94.70 lakh disbursed to 726 grantee institutions (Faridabad: Rs 46.38 lakh: 248 institutions and Rewari : Rs 48.32 lakh : 478 institutions) had not been received as of April 1998. Delay in submission of UCs ranged between 7 and 55 months. Further, no portion of grant, if any, which was not ultimately required for expenditure upon that object was surrendered to the Government. In the absence of UCs, utilisation of grants for the intended purposes by the above grantee-institutions could not be verified.

Deputy Commissioners stated (April 1998) that reminders were being issued to the grantees for submission of UCs. The replies indicate that grant sanctioning authority did not consider it necessary to ensure that the funds released were utilised for the purpose for which these were released within the prescribed time-frame.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

Medical and Health Department

3.5 National Malaria Eradication Programme

3.5.1. Introduction

National Malaria Eradication Programme (NMEP) was an ongoing programme was modified in 1977 and the Modified Plan of Operation (MPO) was introduced in the State for effective control of malaria and prevention of deaths caused by malaria. The Scheme was extended to urban areas in 1977.

3.5.2. Objectives

The Programme broadly envisaged :

Active and Passive surveillance to collect blood smears of fever patients on a large scale and test incidence of malaria ;

Giving presumptive treatment in anticipation of detection of malaria;

Treatment of malaria positive cases ;

Contact and mass survey in affected areas ;

Spraying with insecticides like DDT, BHC and Malathion during transmission period in rural areas where Annual Parasite Incidence (API) was 2 and above per 1000 population.

Urban malaria control through anti-larva operations by spraying Baytex, Temephos, M.L.O., Fanthum throughout the year; and

Conducting entomological surveys and vector susceptibility test to determine the type of insecticide to be used.

3.5.3. Organisational set up

Commissioner and Secretary to the Government of Haryana, Health Department (at secretariat level) was responsible for the overall monitoring and evaluation of the Programme. Director General of Health Services (at departmental level) was in overall charge of the programme. Director of Health Services (Malaria) was to monitor the spray operations through the District Malaria Officers (DMOs). He was assisted by 3 Deputy Directors (Malaria, Entomology and Epidemiology) at Headquarters, 2 Zonal Malaria Officers (ZMOs).

* The abbreviations used in this review have been listed in the Glossary in Appendix-XXVI (Page 268-270).

3.3.4. Audit coverage

Records relating to the implementation of NMEP for the period 1992-93 to 1997-98 were test-checked in the offices of Secretary Health Department, Director General of Health Services, Director of Health Services (Malaria), Zonal Malaria Officers at Ambala and Hisar, 6* of the 17 DMOs, 30 of 63 CHCs and 190 of 399 PHCs during October 1997 to March 1998. Results of the test-check are discussed in the succeeding paragraphs.

3.3.5. Highlights

Incidence of malaria steeply increased during 1993 to 1996. As the private medical practitioners did not report malaria cases to the departmental authorities, cases on incidence of malaria were under reported.

(Paragraph 3.5.8(i))

Annual Parasite Incidence (API) in the State was between 0.9 and 6.6 during 1992 to 1997 though it was to be brought down to 0.5 by 2000 AD. Achieving this target looked a remote possibility.

(Paragraphs 3.5.8(ii) & 3.5.18)

Susceptibility test of vector was not conducted by the Zonal Malaria Officers of the State since 1992.

(Paragraph 3.5.9)

44 to 94 per cent of the targetted population of the State in the high risk areas where Annual Parasite Incidence (API) was 2 and above remained uncovered by spray operations.

(Paragraph 3.5.10)

In five districts 9.23 lakh population remained uncovered from fortnightly surveillance by multipurpose health workers for one to six years. Wall stenciling to monitor regular surveillance was not done during the period covered by review.

(Paragraph 3.5.13(a))

1.19 lakh population was not covered by collection of blood smears to detect cases of malaria during 1992 to 1995.

(Paragraph 3.5.13(b))

In two districts results of examination of 1.10 lakh blood smears were delayed from 8 to 30 days during 1992 to 1997.

(Paragraph 3.5.13(c))

In six test-checked districts radical treatment to malaria positive cases was delayed.

(Paragraph 3.5.14(a))

There was reported excessive use of anti malaria drugs worth Rs 28.45 lakh during 1995 to 1997. No justification of such excessive use of drugs was furnished to audit. Medicines valued Rs 7.29 lakh was unnecessarily purchased.

(Paragraph 3.5.14(b) and (e))

Insecticides worth Rs 48.48 lakh were un-necessarily purchased in excess of requirement. A quantity of 87.828 MT of Malathion valuing Rs 34.25 lakh had remained unaccounted for by the District Malaria Officer, Karnal.

(Paragraphs 3.5.12 (b) and 3.5.17)

Spray operations, entomological survey and prompt treatment of malaria positive cases were not effectively monitored by the Director.

(Paragraph 3.5.19)

3.5.6. Funding pattern

NMEP was financed on 50:50 fund sharing basis between Government of India (GOI) and the State Government. Central assistance covered expenditure on material and equipment, insecticides, drugs procured indigenously, microscopes, larvacides, etc.

3.5.7 Financial outlay and expenditure

The details of funds contributed by the Central and State Governments and the actual expenditure during 1992-93 to 1997-98 were as under :

Plan

Year	Budget provision	Budget grant	Funds contributed by State Government	Central assistance	Actual expenditure	Excess (+)/ Saving (-)
(Rupees in crore)						
1992-93	5.42	4.51	2.22	1.79	4.01	(-) 0.50
1993-94	7.63	5.02	2.19	2.26	4.45	(-) 0.57
1994-95	4.63	4.23	1.50	2.78	4.28	(+) 0.05
1995-96	4.21	4.11	1.55	2.24	3.79	(-) 0.32
1996-97	4.11	4.25	2.39	-	2.39	(-) 1.86
1997-98	6.27	6.40	2.97	4.48	7.45	(+) 1.05
Total	32.27	28.52	12.82	13.55*	26.37	(-) 2.15

Following points emerged:

- (i) Overall saving of Rs 2.15 crore during 1992-93 to 1997-98 was due to non-adjustment of Central Assistance received in kind from GOI since 1992-93. No steps were taken by the department for adjustment of Central assistance in the year in which material was received.
- (ii) No utilisation certificates for Central assistance of Rs 99.78 lakh received in cash during 1992-93 and 1993-94 were sent to GOI.
- (iii) Against the sanction of Rs 11.38 crore towards value of supply of material like insecticides, larvacides and anti-malaria drugs during 1992 to 1997, value of the material received was Rs 12.37 crore. The difference of Rs 0.99 crore needs to be reconciled by the State Government or Government of India.

* (i) The value of 2 lakh tablets of Pyremythamine supplied to Haryana State in 1997-98 was not communicated by Government of India.

(ii) No sanction of Government of India was shown to audit in respect of material (Insecticides, medicines etc.) valuing Rs 0.29 crore received in 1995-96 and Rs 1.63 crore in 1996-97 by Health (Malaria) Department and as such this amount had not been included in the above table.

3.5.8. Planning and execution

(i) Incidence of malaria

The disease of malaria and incidence thereof including Plasmodium Falciparum (PF) cases increased during 1993 to 1996 as tabulated below.

Year	Number of Malaria cases	P.F. cases	Increase (+)/ Decrease (-) over previous year		Percentage of increase/decrease	
			Malaria cases	P.F. cases	Malaria cases	P.F. cases
1992	16,662	1,238	-	-	-	-
1993	22,032	985	(+)5,370	(-)253	(+)32	(-)20
1994	29,810	3,709	(+)7,778	(+)2,724	(+)35	(+)277
1995	59,621	11,215	(+)29,811	(+)7,506	(+)100	(+)202
1996	12,8232	27,869	(+)68,611	(+)16,654	(+)115	(+)148
1997	69,710	2,218	(-)58,522	(-)25,651	(-)46	(-)92

Above data was based on the results of surveillance conducted in PHCs/CHCs/Hospitals and Malaria clinics run by the department. Though private medical practitioners were also required to refer malaria cases noticed by them to the nearest PHC/CHC/ Dispensary/Hospital, etc., no case was reported by any private medical practitioner in any of the 6 districts test-checked. Thus, there was a possibility of number of positive malaria cases remaining un-reported. Director of Health Services (Malaria) attributed (December 1997), increase in incidence of malaria during 1994 and 1995 to heavy rains and floods; and to release of flood water by Rajasthan in Mewat area of Gurgaon District in 1996, but furnished no reason in respect of increase in malaria cases (32 per cent) in 1993.

(ii) Increase in Annual Parasite Incidence

Incidence of annual parasite increased from 0.9 in 1992 to 6.6 per thousand population during 1996.

Index of annual parasite incidence (API) was used for determining the area to be brought under spray operation. Under the programme, GOI targetted to bring down API to 0.5 case per 1000 population by 2000 AD. The details of

API per 1000 population in Haryana during 1992 to 1997 were as under :

Year	Population (In lakh)	Target for reduction of API	Positive Malaria cases (In lakh)	API
1992	179.06	Not fixed	0.17	0.9
1993	180.39	Not fixed	0.22	1.2
1994	184.20	Not fixed	0.30	1.6
1995	188.62	Not fixed	0.60	3.2
1996	193.13	Not fixed	1.28	6.6
1997	196.49	Not fixed	0.70	3.5

API in the State was on the increase continuously from 1993 onwards except in the year 1997. Director of Health Services (Malaria) stated (May 1998) that they would bring down API to 0.5 by 2000 AD by adopting measures like early case detection and prompt treatment, residual insecticidal spray in rural areas and anti-larval operations in urban areas and information education communication activities.

(iii) Deaths due to malaria

As per departmental records, one death due to malaria occurred during 1992 in Bhiwani District and 26 deaths in 1996 in 3 districts (Ambala : 2, Faridabad : 4 and Gurgaon : 20)

Besides, 229 deaths occurred due to mosquito borne diseases like Dengue fever and Japanese Encephalitis (JE) between the years 1992 and 1996 in 14 districts (vide Appendix-XVII).

Director of Health Services (Malaria) stated (December 1997) that JE disease was found where rice cultivation was done and was now under control.

3.5.9. Non-conducting of susceptibility test

Entomological surveys for susceptibility test of vector was not conducted by ZMOs since 1992.

The programme provided for entomological surveys in regard to susceptibility test of vector by the two Zonal Malaria Officers quarterly by visiting each district once in 3 months to test the effectiveness of insecticide in order to decide the right type of insecticide. It was noticed in audit that no such test was conducted by either of the two Zonal Malaria Officers since 1992. Director of Health Services (Malaria) stated (April 1998) that susceptibility test was carried out by a team from Headquarters (Directorate of Health Services). Verification of reply revealed that such a test of only one

insecticide i.e. Malathion 25% (of the two insecticides in use by the department) was conducted once in 1994 in 3 districts. Failure to conduct susceptibility tests by Zonal Malaria Officers at prescribed intervals defeated the possibility of selecting right type of insecticide in each district.

3.5.10. Shortfall in spray operations

44 to 94 per cent of area where API was 2 and above per 1000 population during 1992-97 remained unsprayed.

Spray operations were required to be regular and continuous where the Annual Parasite Incidence (API) was 2 and above per 1000 population. Programme ineffectiveness in this regard was revealed by the fact that 44 to 94 per cent of such population was not covered by spray operations during 1992 to 1997 as tabulated below:

Year	Target	Achievement	Shortfall	Percentage of shortfall
(Population in lakh)				
1992	61.50	13.49	48.01	78
1993	56.65	3.33	53.32	94
1994	44.86	16.68	28.18	63
1995	19.25	6.95	12.30	64
1996	29.05	7.85	21.20	73
1997	94.75	53.37	41.38	44

Director of Health Services (Malaria) stated (March 1998) that availability of insecticides was short and there was paucity of funds. The reply of Director of Health Services (Malaria) was not tenable as the department had unutilised funds which were surrendered at the end of the year as indicated below:

Financial year	Funds surrendered
(Rupees in lakh)	
1992-93	141.47
1993-94	318.35
1994-95	34.93
1995-96	41.94
1996-97	172.29

An Expert Committee of Government of India decided (1995) that cattle sheds should not be sprayed with insecticides. It was, however, noticed that 1.15 lakh cattle sheds were sprayed with Malathion 25 % and 3.16 lakh with BHC 50% in 1996 and 6.72 lakh cattle sheds with Malathion 25 % and 1.87 lakh with BHC 50 % in 1997 at a cost of Rs 1.42 crore in 9 districts which could have been used for spray in human dwellings.

3.5.11 Irregularities in spray operation

(a) Irregular spray of area

In 4 districts regular spray instead of Focal Spray was done in 17 sections involving excess consumption of insecticides valuing Rs. 9.52 lakh.

Director, Health Services (Malaria) prepared the spray strategy in the month of February each year for regular spray of different sections in the State. Scrutiny of the spray completion reports in the Directorate for the years 1993 to 1996 revealed that four districts (Bhiwani, Gurgaon, Hisar and Jind) carried out regular spray instead of focal spray in 17 sections in contravention of approved strategy. This resulted in unnecessary excess coverage of population of 1.50 lakh involving excess consumption of BHC 50%, and Malathion 25% valuing Rs 9.52 lakh. Director of Health Services (Malaria) stated (March 1998) that some times sections already not covered under regular spray were later on included under regular spray on account of sudden high incidence of Malaria or availability of insecticides. However, no orders in support thereof were shown to audit.

(b) Use of substandard insecticide

Sample of insecticide to be used was to be got first tested from Government Analyst. During June 1996, 4856.5 kgs of substandard Malathion 25% supplied by Haryana State Cooperative Supply and Marketing Federation Limited, Chandigarh was sprayed during 1996. However, insecticides which was lying unutilised was later on replaced and no payment was made for consumed insecticides by the department.

(c) Irregular Focal Spray

50 houses around a detected malaria case were to be given insecticide focal spray during the transmission period (16 May to 30 September every year) and a record thereof was to be kept in a Register MF-7.

A scrutiny of MF-7 Register of 6 districts (30 CHCs) test-checked revealed that details of focal spray carried out was not recorded in any of the 30 CHCs. Reasons for non-completion of MF-7 Register were attributed by DMO, Gurgaon to heavy load of work. Replies from remaining five DMOs¹ were awaited (May, 1998). The reply of DMO, Gurgaon was not tenable as without recorded details it was not possible to monitor the spray operations.

¹ Ambala, Bhiwani, Hisar, Karnal and Rohtak.

(d) Ineffective mopping up operations

Houses left unsprayed by regular spray teams for one or the other reason were required to be covered immediately in the evening by spray squads. However, test-check of spray reports received in the Directorate for the period 1992 to 1997 revealed that 12 to 45 *per cent* of residential dwellings in all the districts were not sprayed fully. On being pointed out in audit, Director of Health Services (Malaria) admitted the fact but stated (March 1998) that people did not cooperate and were not interested in spray of their houses as the insecticidal spray left marks on the walls and furniture.

3.5.12 Incorrect and inadequate use of insecticides

(a) According to spray strategy issued in 1995 by the Directorate, three rounds of spray in respect of 3 sections of the Gurgaon District were to be carried out with BHC 50% and 24 sections with Malathion 25% whereas 12 sections in 2nd round and 20 sections in 3rd round were sprayed with BHC 50%. Similarly against 24 sections with Malathion 25% , 15 sections in 2nd round and no section in 3rd round were covered. Inadequate spray of effective insecticides i.e. Malathion 25% defeated the purpose of spray.

(b) Non-accounting of insecticide stock

87.828 MT of Malathion worth Rs 34.25 lakh was not accounted for.
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As per details collected from the office of Director, Health Services (Malaria), Haryana, 92.828 MT² of Malathion 25% supplied by GOI and purchased by the State Government, was issued to the office of DMO, Karnal during 1993 to 1996. Scrutiny of the stock register maintained by DMO, Karnal revealed that only 5 MT of the material had been accounted for leaving 87.828 MT of Malathion valuing Rs 34.25 lakh (at Rs 39,000 per mt) unaccounted for. Director of Health Services (Malaria) stated (January 1998) that the store keeper did not hand over the charge and was under suspension since 1997. Amount of actual loss on verification was not intimated by the department (August 1998).

3.5.13 Surveillance and detection of malaria cases

(a) Surveillance

9.23 lakh population of 5 districts remained uncovered by fortnightly surveillance for 1 to 6 years.

Every Primary Health Centre (PHC) was divided into various sections and each such section assigned to a Multi Purpose Health Worker (MPHW) who was responsible for conducting proper fortnightly surveillance. A test-check of the records of five districts revealed that 9.23 lakh population remained uncovered from fortnightly surveillance for one to six years as per details given below:-

District	One year	Two years	Three years	Four years	Six years	Total
Ambala	75,314	--	29,047	--	--	1,04,361
Bhiwani	1,84,500	49,000	27,900	--	--	2,61,400
Hisar	90,735	61,462	46,187	--	--	1,98,384
Karnal	1,70,114	35,215	5,448	--	--	2,10,777
Rohtak	84,970	29,676	14,941	8,232	10,647	1,48,466
Total	6,05,633	1,75,353	1,23,523	8,232	10,647	9,23,388

On this being pointed out, the DMO concerned stated that this was due to shortage of MPHW.

Wall stenciling, designed to monitor regular surveillance, was not done despite instructions from GOI. Therefore, the data on surveillance provided by MPHW was not verifiable by the department.

(b) Shortfall in collection of blood smears

Ten *per cent* of the population every year was required to be screened in the ratio of 60:40 by active (through surveillance staff) and passive method (by medical institution) of detection respectively. As per district-wise details received from the Directorate office, the department achieved 10 *per cent* target of the State as a whole in each year during 1992 to 1997. But there was shortfall of 1.19 lakh population in the following four districts during

1992 to 1995:-

Reporting Year	District	Target 10% Population	Coverage	Shortfall
(population in lakh)				
1992	Gurgaon	1.27	1.03	0.24
	Hisar	2.11	1.85	0.26
1993	Gurgaon	1.27	0.98	0.29
	Hisar	2.11	2.04	0.07
1994	Gurgaon	1.30	1.21	0.09
	Rewari	0.70	0.61	0.09
1995	Faridabad	1.79	1.73	0.06
	Rewari	0.70	0.61	0.09

(c) Delay in examination of blood smears

Time lag permissible between collection of blood smears and its examination was one to seven days. Test-check of records in the offices of DMOs, Gurgaon and Hisar revealed that results of 1.10 lakh blood smears (4.8 *per cent* of the total 22.63 lakh blood smears collected) were delayed by 8 days to one month during 1992 to 1997. DMO, Hisar stated (March 1998) that the delay was due to shortage of staff.

3.5.14 Radical treatment and drugs**(a) Shortfall and delays in administering radical treatment**

Radical treatment (RT) was required to be given to all cases found malaria positive within 7 days from the date of detection. A scrutiny of records of six districts revealed that out of 2.14 lakh cases of malaria, radical treatment in 0.41 lakh cases (19.16 *per cent*) was given after the prescribed period of seven days out of which 7,919 cases (3.7 *per cent*) were treated after 30 days as shown below:

Sr. No.	District	Year	No. of positive cases	Number of cases given RT				No. of cases RT not given	Percentage of delayed RT
				Within 7 days	Between 8 and 15 days	16 to 30 days	after 30 days		
1.	Ambala	1992 to 1997	6,101	5,314	414	194	179	-	12.90
2.	Bhiwani	1992 to 1997	40,628	29,926	6,237	2,719	1,746	-	26.34
3.	Gurgaon	1992 to 1997	43,586	34,623	4,604	1,464	2,868	27	20.56
4.	Hisar	1992 to 1997	30,806	27,052	2,715	303	736	-	12.19
5.	Karnal	1992 to 1997	38,624	35,765	2,172	253	434	-	7.40
	Rohtak	1992 to 1997	54,523	40,423	8,435	3,709	1,956		25.86
	Total		2,14,268	1,73,103	24,577	8,642	7,919	27	

Delay in giving radical treatment was attributed (March 1998) by Director of Health Services (Malaria) to the patients being infant and pregnant ladies. Correctness of departmental reply could not be verified in audit as no separate record of infants and pregnant ladies was maintained. In 27 cases, radical treatment was not given by DMO, Gurgaon due to incorrect addresses given by the patients.

(b) Irregular purchases

Following medicines were procured by ZMO, Ambala and issued (June 1997) to DMO, Gurgaon without any requisition:

Sr. No.	Particulars of medicines	No. of tablets	Date of expiry	Value (Rupees in lakh)
1.	Pyrathrin	39,960	August 1998	1.02
2.	Albanda Zole	2,60,000	August 1998	5.16
3.	Hemlavit capsules	1,95,000	April 1998	1.11
	Total			7.29

Medicines valued at Rs.7.29 lakh were purchased without requirement.

These medicines were not required to be used for the treatment of malaria cases. These were issued to three CHC's* in June 1997 and December 1997 but no report regarding their consumption was called for by DMO, Gurgaon.

(c) Excessive use of Anti-malaria Drugs

Chloroquine tablets worth Rs28.45 lakh were used in excess during 1995-97.

A test-check of the details submitted by the Directorate Office for six years i.e. 1992 to 1997 in respect of blood smear collections, malaria positive cases and consumption in Drug Distribution Centres revealed that chloroquine tablets worth Rs 28.45 lakh were reportedly consumed in excess during 1995 to 1997. Director of Health Services (Malaria) stated (January 1998) that consumption of chloroquine was increased during the years 1996 and 1997 in view of the fact that 36 Community Health Centres were declared high risk areas during transmission period. Reasons for excess consumption of tablets in year 1995 and detail of cases in high risk areas justifying excess consumption of anti-malaria drugs was awaited (August 1998).

* Ferozepur Zirka, Nuh and Punhana

3.5.15. Urban Malaria Scheme

In Haryana, Urban Malaria Scheme was introduced in 1977-78 in 5 towns and subsequently in 12 more towns (5 in 1978-79, 3 in 1979-80, 2 in 1980-81 and 2 in 1989-90). Rs 1.32 crore had been spent on the scheme during the years 1992-93 to 1997-98.

Following points emerged as a result of test-check:

(i) *Inadequate anti-larval operations.*

Total area of mosquito/larva breeding sources in 6 districts increased from 26.17 lakh linear metres in 1992 to 27.95 lakh linear metres in 1997. No target for filling up the pits or minimizing the breeding sources was fixed by the Directorate office.

(ii) *Staffing pattern- Anti-larval operations*

Anti-larva staff was required to be posted for each sector with one supervisor Field Worker and three field workers. Similarly, one inspector and one insect collector for each ward was required to be posted. A scrutiny of records maintained for the towns of six districts revealed that against the requirement of 91 sectors based on population, only 58 sectors were covered.

3.5.16. Inadequate number of drug distribution depots

Shortfall in setting up of drug distribution centres in remote areas ranged from 9 to 29 per cent during 1992-97.

Anti-malaria drugs were to be made available in remote and in-accessible areas through drug distribution centres (DDC)/fever treatment depots (FTD). It was noticed that no FTD existed in the State and DDCs fell short of targets fixed as indicated below:

Year	Population (in lakh)	Number of DDCs		Shortage	Percentage of shortage
		(a) Required	(b) In operation		
1992	147.27	14,727	10,977	3,750	25
1993	144.09	14,409	10,907	3,502	24
1994	147.09	14,709	10,520	4,189	28
1995	149.86	14,986	10,688	4,298	29
1996	155.76	15,576	11,763	3,813	24
1997	147.53	14,753	13,388	1,365	9

3.5.17. Purchase of Cyfluthrin in excess of requirement

Excess purchase was made of 2 mt of cyflutherin worth Rs.48.48 lakh.

Director, Supplies and Disposals, Haryana placed orders for the purchase of 5 MT of Cyfluthrin at Rs 24.24 lakh per MT with a firm in March 1998 on the basis of indent received from the office of the Director Health Services (Malaria). As per spray strategy prepared by Health Department in April 1998 for the year 1998 in respect of Gurgaon District only 3 MT of Cyfluthrin were required for spray in Ferozepur Jhirka Block of the district. Purchase of 2 MT of Cyfluthrin in excess of actual requirement for Ferozepur Jhirka Block resulted in avoidable expenditure of Rs 48.48 lakh.

3.5.18. Monitoring and evaluation

Reports on monthly epidemiological situation, surveillance, blood smears, malaria cases, deaths due to malaria, etc. were required to be submitted by DMOs to ZMOs and Directorate office. Although DMOs submitted monthly report regularly to ZMOs, no suggestions for planning of spray schedule, change of insecticide, conducting of regular spray instead of focal spray on the basis of entomological survey were issued by ZMOs to DMOs

The various shortcomings and deficiencies detected during audit indicated that the coverage of spray operation, conducting tests and ensuring prompt treatment of malaria positive cases was not effectively monitored by the Director which led to steep increase in malaria incidence.

3.5.19. Conclusion

While incidence of reported Malaria cases had gone up significantly surveillance, preventive measures, treatment were all tardy and inadequate viz; (i) inadequate coverage of population, (ii) inadequate examination of blood smears, (iii) delay in providing treatment, (iv) insufficient spraying operation, (v) use of substandard insecticides and (vi) lack of effective monitoring of the programme. While the Director Health Services attributed shortfall in spray operations to paucity of funds, every year large funds were surrendered. Consequently, 229 deaths occurred due to mosquito borne diseases during 1992 to 1996 in 14 districts. Annual parasite incidence (malaria cases per one thousand population) in the State was 0.9 in 1992 when the programme was started and increased to 3.5 in 1997 as against the target of 0.5 by 2000 AD fixed by the Government of India. Possibility of achieving the target was remote.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

3.8 Fictitious payment of gratuitous relief

Subsidy of Rs 39.34 lakh was paid without following due procedure to 1,659 beneficiaries.

According to instructions of the State Government (September 1995), Rs 5,000 or the actual cost of damage/repair, whichever was less, was admissible as subsidy for repair of tubewells damaged in the floods during 1995-96. The payment of subsidy was to be made to the beneficiaries after survey and assessment of the damage by a team consisting of 2 or 3 officers and damage to tubewell was to be certified by an officer of Agriculture Department. Besides, such payment was to be made by a responsible officer in the presence of at least two representatives of the people, members of *gram panchayat* or *panchayat samities* in villages and municipal commissioners in cities/ towns.

Test-check of records relating to flood relief of District Revenue Officers, Kaithal and Hisar conducted between July and September 1996 revealed the following lapses:

(i) Rs 38.34 lakh were disbursed between November 1995 and February 1996 for flood relief to 1,634 beneficiaries of 16 villages of Kaithal district. Out of this Rs 35.88 lakh* were disbursed to 1,505 beneficiaries of 11 villages by the *Kanungo* and *Patwari* after preparing the survey report by themselves in violation of Government instructions. The list of beneficiaries so identified by them did not indicate the type and extent of damage to the tubewells. Further, the disbursement of relief of Rs 22.31 lakh to 1,023 beneficiaries was not made in the presence of representatives of the people as per requirement. The damage to tubewells was also not certified by an officer of the Agriculture Department before disbursement of relief in any case. Hence the payments appeared to be fictitious.

(ii) In Hisar district, the admissible limit of Rs 5,000 was not observed by the Additional Deputy Commissioner in case of 25 beneficiaries and the relief of Rs 1 lakh was disbursed in excess.

The matter was referred to the Government in April 1998; their reply had not been received (November 1998).

* . Kanungo: Rs 24.40 lakh: 1,046 beneficiaries of 9 villages and Patwari: Rs 11.48 lakh: 459 beneficiaries of 2 villages.

3.9 Drawal of funds without requirement

Drawal of Rs 29 lakh without immediate requirement led to interest loss of Rs 4.75 lakh.

Financial Commissioner and Secretary to the Government of Haryana, Revenue Department allotted (February 1996) Rs 3.64 crore to 62 municipalities and a Municipal Corporation in 17 districts⁴ of the State for repair of roads and open drains which were damaged by floods during 1995. While releasing the funds, the Government directed that amount immediately required for the purpose should only be drawn from the treasury. Deputy Commissioner (DC), Faridabad was allocated Rs 40.50 lakh with the direction that after drawal of funds from the treasury the amount should be placed at the disposal of Additional Deputy Commissioner (ADC). Further ADC was required to release the funds through Executive Officer of Municipal Committee (MC) concerned to the municipalities after the work was executed.

Test-check of records of the offices of DC and ADC, Faridabad revealed (January 1997) that Rs 40.50 lakh were drawn in February 1996 by DC and was placed at the disposal of ADC, Faridabad, who in turn distributed Rs 21.50 lakh⁵ (out of Rs 40.50 lakh) among 4 MCs and one Municipal Corporation in March 1996 even before the works were executed. Though all MCs submitted the utilisation certificates of funds placed at their disposal, Municipal Corporation, Faridabad, to whom Rs 10 lakh were allotted, neither utilised the funds nor refunded the same to ADC as of May 1998. The balance amount of Rs 19 lakh (out of Rs 40.50 lakh) also meant for the Municipal Corporation was lying in a saving bank account of ADC as of May 1998.

In response to audit observations for not refunding of Rs 29 lakh to Government accounts, the ADC stated (September 1998) that he had released Rs 15.37 lakh out of Rs 19 lakh to Municipal Corporation, Faridabad (MCF) on 1 September 1998 against 16 road works for which payments (Rs 25.37 lakh) were released by Commissioner, MCF between January 1997 and August 1997. The balance amount of Rs 3.63 lakh was still lying (September 1998) with ADC. The action of ADC, to release the amounts without verifying whether these roads were actually damaged by floods during 1995, was not justified. Commissioner, MCF intimated (September 1998) that these roads were damaged due to rains and there were no floods in Faridabad.

⁴ Ambala: Rs 26.25 lakh, Bhiwani: Rs 43.75 lakh, Faridabad: Rs 40.50 lakh, Gurgaon: Rs 19 lakh, Hisar: Rs 43.75 lakh, Jind: Rs 24 lakh, Kaithal: Rs 19.25 lakh, Karnal: Rs 4.50 lakh, Kurukshetra: Rs 11.50 lakh, Mohindergarh: Rs 5 lakh, Panchkula: Rs 5.75 lakh, Panipat: Rs 12.75 lakh, Rewari: Rs 21 lakh, Rohtak: Rs 34.75 lakh, Sirsa: Rs 13 lakh, Sonapat: Rs 21.75 lakh and Yamunanagar: Rs 17.50 lakh.

⁵ Faridabad: Rs 10 lakh, Hassanpur: Rs 1 lakh, Hathin: Rs 3 lakh, Hodel: Rs 4 lakh and Palwal: Rs 3.50 lakh.

Sl. No.	Name of the Office	No. of Inspection Reports	Para No.	Nature of irregularities	Amount (Rupees in lakh)
1.	Principal, Government Polytechnic for Boys, Sirsa	1	1. 2.	Idle Machinery Excess expenditure over budget provision	0.54 0.44
2.	Principal, Vishav Karma Government Institute of Engineering and Technology, Hisar	1	1. 2.	Irregular purchase of furniture Irregular purchase of machinery	1.28 1.22
3	Principal, Government Polytechnic, Nilokheri	1	1. 2.	Purchase of defective machinery Wrong booking of expenditure under World Bank Schemes	1.59 1.51
4	Principal, Government Polytechnic for Women, Ambala	1	1. 2.	Irregular purchase of electric equipment Non-functional of machinery	2.38 1.94
5	Principal, Government Institute of Engineering and Technology, Hisar	1	1. 2. 3.	Irregular advance payments Suspected embezzlement Irregular purchase of office equipment	1.50 1.06 3.88
6.	Principal, Government Polytechnic, Uttawar	2	1. 2. 3. 4. 5.	Excess expenditure on procurement of machine Blockade of Government money Idle Machinery Irregular purchase of library books Non-functional of machinery	3.47 30.57 2.38 0.90 5.48
7.	Principal, Government Polytechnic, Jhajjar	1	1(a) 1(b) 1(c)	Misutilisation of conveyance allowance Irregular expenditure due to excess over budget provision Irregular arrear payment	1.32 4.02 0.13
8.	Principal, Government Polytechnic, Sonipat	1	1. 2. 3. 4.	Excess expenditure on trainees Non-utilisation of grant Repair of vehicle Irregular purchase of stationery	11.91 5.00 0.24 0.28

For the prompt settlement of outstanding objections/ paragraphs, an Audit Committee was formed by the department in September 1991 but the Audit Committee meetings could not be held because the department did not submit the annotated replies of outstanding paragraphs in respect of their field offices.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

Women and Child Development Department

3.11 Failure to train office bearers of Mahila Mandals

Funds for imparting training of Mahila Mandal office bearers of Rs 18.16 lakh were not utilised.

Under the scheme 'Promotion and Strengthening of Mahila Mandals(MMs); Government of Haryana sanctioned during 1986-96 an assistance of Rs 77.56 lakh at the rate of Rs 1,500 per MM to 5,169 MMs against 6,690 MMs registered during 1986-98. As per instructions, Rs 575 were to be remitted to the Principal, State Community Development Training Institute(SCDTI), Nilokheri (Karnal) for imparting training to 5 office bearers of each MM and balance amount of Rs 925 per MM was sanctioned for meeting expenditure on actual fare to and fro training institute and routine contingent expenditure, etc.

Test-check of accounts records (January 1997) of Director, Women and Child Development Department (W & CDD) and further verification (June 1998) of records of Principal, SCDTI revealed that against Rs 29.72 lakh sanctioned for 5,169 MMs, Rs 27.92 lakh for 4,855 MMs were deposited with SCDTI, Nilokheri during 1986-87 to 1997-98 for imparting training to office bearers of MMs.

The department did not monitor the progress of training and utilisation of funds, but continued to release funds to the Principal, SCDTI for imparting training to the office bearers of MMs up to 1997-98. During the years 1986-87 to 1994-95 there was a shortfall in training of MMs ranging from 144 to 560 (OBs* ranging from 763 to 2,835). Unspent amount of Rs 18.16 lakh (out of released amount of Rs 27.92 lakh) was kept in a savings bank account by SCDTI in contravention to codal provisions, negating the object of the scheme to impart training to the office bearers of MMs.

Principal, SCDTI stated (February 1997) that less coverage of trainees during each year was due to lack of time, shortage of staff and space in the institute. Further, Director, W&CDD stated (February 1998) that the matter was considered in the meeting (September 1996) with Principal, SCDTI, Nilokheri (Karnal) and it was decided to clear the backlog of untrained MMs by increasing the number of courses. However, 1,320 MMs (6,600 OBs) proposed to be trained during 1996-98, 619 MMs (2,851 OBs) could only be trained.

For the amount paid for meeting the expenditure on actual fare and routine contingent expenditure, UCs furnished by 383 MMs were only found correct

* OBs : Office Bearers

out of 1063 MMs test-checked. Of the remaining 680 MMs, 325 MMs had not utilised any amount of the assistance and 355 MMs had utilised the assistance partially by March 1998. Thus UC admitted by W&CDD did not reflect a true picture of utilisation of assistance by MMs.

Reasons for admitting UCs without verification of factual position were not furnished by the Department (June 1998).

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

General

3.12 Misappropriations, defalcations, etc.

Cases of misappropriations, defalcations, etc. of Government money reported to Audit upto the end of March 1998 on which final action was pending at the end of June 1998 were as under:

	Number	Amount (Rupees in lakh)
Cases reported up to the end of March 1997 and outstanding on 30 June 1997	300	119.65
Cases reported between April 1997 and March 1998	7	5.76
Total	307	125.41
Cases disposed of between July 1997 and June 1998	12	0.79
Cases outstanding as on 30 June 1998	295	124.62

The department-wise break-up of the cases in which final action was pending at the end of June 1998 was as indicated in Appendix-XVIII.

Of the pending cases, 238 cases (Rs 86.12 lakh) were outstanding for more than 5 years. 186 cases involving Rs 89.39 lakh were outstanding in the department of Education (Before 1993-94: 26 cases : Rs 12.78 lakh and 1993-98: 9 cases : Rs 3.51 lakh), Forest (Before 1993-94: 15 cases : Rs 3.95 lakh and 1993-98 : 7 cases : Rs 11.86 lakh), Irrigation (Before 1993-94: 77 cases : Rs 15.47 lakh and 1993-98 : 10 cases: Rs 0.32 lakh), Medical (Before 1993-94: 12 cases : Rs 18.21 lakh and 1993-98 : 5 cases: Rs 0.41 lakh) and Transport (Before 1993-94 : 20 cases : Rs 9.66 lakh and 1993-98 : 5 cases : Rs 13.22 lakh).

Further scrutiny of pending cases revealed that 157 cases (Rs 38.39 lakh) and 27 cases (Rs 8.74 lakh) were under departmental/ Police investigation, 34 cases (Rs 36.91 lakh) were pending in the courts, 47 cases (Rs 25.49 lakh) were sent to Government for write off and in 30 cases (Rs 15.09 lakh) full recovery had not been made (November 1998).

On this being pointed out (June 1998) in audit, the Government stated (July 1998) that administrative departments were requested to minimise these cases.

3.13 Write off of losses, etc

During 1997-98, Rs 0.29 lakh, representing losses due to theft, fire and irrecoverable revenue, etc. were written off in 5 cases by competent authorities as reported to Audit by the Government. The relevant details were as under:-

Sr.No	Department	Number of cases	Amount (In Rupees)
1	Education	1	11,290
2	Elections	1	5,113
3	Food and Supplies	1	794
4	Forest	2	11,421
	Total	5	28,618

CHAPTER -IV Works Expenditure

Public Works Department Public Health Branch

4.1 Urban Water Supply and Sewerage Schemes

4.1.1 Introduction

Safe drinking water and hygienic sanitation facilities are basic essential amenities required by the society for healthy living. To provide safe drinking water to a population of 32.23 lakh in 80* towns and to facilitate proper disposal of sullage, etc. in 44 towns (population 27.61 lakh) of the State, 512 water supply schemes and 219 sewerage schemes were taken up during November 1966 (inception of Haryana State) and to the end of 1997-98 and 352 and 137 schemes respectively were completed. Norms for water supply in terms of litre per capita per day (lpcd) were fixed (November 1966) as 115 to 180 lpcd according to the population of the town.

As projected in the VIII Five Year Plan of the State Government, the "service level" in terms of lpcd for water supply in these towns was to be raised to 80 *per cent* of the norms by the end of VIII FYP in 1996-97. Sewerage facilities in terms of area coverage were targetted to be raised to 50 *per cent* in 40 towns and 7 new towns were to be covered during VIII FYP. The schemes/projects were prepared by the Municipal Committees of the concerned towns up to March 1993 and by Public Works Department (PWD) (Public Health Branch) thereafter. The schemes were executed by the PWD, Public Health Branch after their approval by the State Sanitary Board.

4.1.2 Organisational set up

Financial Commissioner and Secretary to Government Haryana, PWD, Public Health Department was administrative head at Government level and was responsible for implementation of policy decisions, programmes and schemes, etc. The Engineer-in-Chief, Public Works Department (PWD), Public Health Branch, Chandigarh was in over all charge of the scheme, who was assisted by 10 Superintending Engineers and 39 Executive Engineers in the field for execution of works.

* Excludes Faridabad as water supply and sewerage facilities to this town is under the control of Haryana Urban Development Authority (HUDA).

The abbreviations used in this review have been listed in Glossary in Appendix-XXVI (Page 268-270).

4.1.3. Audit coverage

Mention of certain aspects of Urban Water Supply and Sewerage Schemes was made in the Reports of the Comptroller and Auditor General of India for the year 1985-86 (Paragraph 4.14) and for the year ended 31 March 1991 (Paragraph 4.9).

Records relating to water supply and sewerage schemes for the period from 1992-93 to 1997-98 were test-checked in the offices of the State Sanitary Board, Engineer-in-Chief, Public Health Branch (PWD) and 12¹(31 per cent) of the 39 Public Health divisions from December 1997 to April 1998. Of the 484 works executed during 1992-93 to 1997-98, 182 works (38 per cent) were checked in audit. Audit findings were supplemented by material available in the inspection reports of Public Health Branch (PWD). Important audit findings are discussed in the succeeding paragraphs.

4.1.4. Highlights

Heavy rush of expenditure in last quarter each year during 1992-98 was noted in 12 divisions ranging between 34 and 74 per cent and in the month of March from 20 to 56 per cent of the total expenditure.

(Paragraph 4.1.7 (ii))

During 1992-98, against the budget provision of Rs 19.91 crore for maintenance works, Rs 51.99 crore were spent. Excess was spent by diverting funds from capital/loan head of accounts without approval of the State Legislature.

(Paragraph 4.1.7 (iii))

Outstanding of Rs 49.61 crore (inclusive of interest of Rs 36.03 crore) loans advanced by the State Government to the Municipalities for execution of various schemes had not been repaid by them at the end of March 1998.

(Paragraph 4.1.8)

¹ Public Health (PH) Divisions, (Dns)-I and II Bhiwani, Planning and Investigation PH Dn, Charkhi Dadri, PH Dn. Fatehabad, PH Dn, Jind, PH Dn, Kaithal, PH Dn., Narwana, PH Dn, Narnaul, PH Dn, Panchkula, PH Dn, Rewari, PH Dns, I and II, Sirsa.

Municipalities did not contribute their share of 5 per cent towards expenditure on urban water supply and sewerage schemes. Rs 9.86 crore were recoverable on this account from the Municipalities.

(Paragraph 4.1.9)

The State Sanitary Board did not specify the time frame for completion of schemes. Of the 512 water supply schemes and 219 sewerage schemes taken up since November 1966 to March 1998, 160 and 82 schemes respectively were incomplete.

(Paragraph 4.1.10)

140 works involving expenditure of Rs 38.25 crore were executed during 1992-98 (up to March 1998) for which technical sanction to cost estimates were not obtained.

(Paragraph 4.1.11)

Out of 80 towns, where urban water supply schemes were in operation, in only 9 towns the targetted service level(in terms of litre per capita per day (lpcd)) was achieved by March 1998. The achievement ranged between 40 and 80 per cent in 62 towns and it was below 40 per cent in remaining 9 towns.

(Paragraph 4.1.12(i))

Water supply scheme to Kanina town was constructed during 1995-98 at a cost of Rs 97.08 lakh but the scheme was not commissioned because of non-availability of adequate water from water source.

(Paragraph 4.1.12(ii))

In 12 divisions Rs 4.40 crore were outstanding on account of water charges and in 8 of the 12 divisions test-checked, Rs 0.43 crore were outstanding on account sewerage charges for recovery pertaining to the period 1992-98.

(Paragraph 4.1.13(c))

Due to non-acquisition of land by Public Health Division, Jind for sewerage/sullage disposal under sewerage scheme in Patiala chowk area of Jind Town, sullage was being thrown in an open area.

(Paragraph 4.1.14 (i))

Public Health Division, Jind executed the scheme 'providing sewerage treatment plant in Jind town (excluding Patiala chowk area)' under which the sullage was proposed to be disposed of in Forest Department's land without their prior permission. Subsequently, when the Division applied for the permission, the Forest Department did not agree. The sullage was being disposed of in an open area.

(Paragraph 4.1.14 (ii))

Release of sullage water of master sewerage scheme for Sirsa town into Ghaggar river polluted the river water and also that of Southern Ghaggar Canal, a source of drinking water for nearby villages. This resulted in an epidemic in parts of Sirsa District during 1995-98.

(Paragraph 4.1.14 (iii))

4.1.5. Planning

The Public Works Department, Public Health Branch, undertook 207 water supply schemes with the objective to improve the water supply service level from the existing 65 *per cent* to 80 *per cent* for a population of 32.23 lakh in 80 towns in urban areas during the VIII Five Year Plan (FYP) period (1992-97). Out of 207 water supply schemes, 95 were completed and the water supply service level was raised to 68 *per cent*. Thus, during VIII FYP period, the increase in the water supply service level was only 3 *per cent*.

Further, to improve the hygienic sanitation facilities, 72 sewerage schemes were taken up in 44 towns (including 4 new towns to be covered during VIII FYP period) to increase the service level towards providing sewerage facilities up to 50 *per cent* in terms of area coverage during VIII FYP (1992-97). Out of 72 sewerage schemes, 32 were completed and service level in terms of area coverage was raised to 45 *per cent* in 40 towns (works in 4 towns were still in progress).

4.1.6. Funding pattern

Of the total expenditure on Water Supply and Sewerage schemes, 5 *per cent* was required to be borne by the concerned municipalities and balance 95 *per cent* was to be met out of loans and grants (Loans: 60 *per cent* and Grant : 40 *per cent*) received from the State Government. Grants and loans are

sanctioned by the State Government in favour of the concerned municipalities. The municipalities drew the amounts and credited it to the Public Works deposit account in favour of concerned PH divisions who executed the schemes.

4.1.7. Financial outlay and expenditure

(i) During 1992-93 to 1997-98, the budget provision was Rs 54.43 crore for water supply schemes, and expenditure was Rs 63.20 crore whereas under sewerage schemes, budget provision was Rs 20.00 crore and expenditure was Rs 19.33 crore as discussed below:

Year	Budget Provision			Actual expenditure
	Loans	Grants	Total	
(Rupees in crore)				
A. Urban Water Supply Schemes				
1992-93	4.35	1.42	5.77	5.85
1993-94	4.73	3.30	8.03	6.20
1994-95	4.26	3.47	7.73	9.98
1995-96	5.50	4.20	9.70	18.66
1996-97	3.80	7.40	11.20	10.56
1997-98	1.70	10.30	12.00	11.95
Total	24.34	30.09	54.43	63.20
B. Sewerage Schemes				
1992-93	1.85	0.65	2.50	1.02
1993-94	1.40	1.50	2.90	2.19
1994-95	2.21	1.29	3.50	3.60
1995-96	2.30	1.50	3.80	3.65
1996-97	1.50	1.60	3.10	5.35
1997-98	1.50	2.70	4.20	3.52
Total	10.76	9.24	20.00	19.33
Grand Total	35.10	39.33	74.43	82.53

(ii) Rush of expenditure during last quarter of the year

During 1992-98, under Water Supply and Sewerage works, expenditure incurred during last quarters of the respective years ranged between 34 and 74 per cent and in the month of March from 20 and 56 per cent of the total expenditure

In 12 divisions, the expenditure on urban water supply works incurred during the last quarter of the years 1992-93 to 1997-98 ranged between 34 and 72 per cent and in the month of March between 20 and 56 per cent of the total expenditure. The expenditure on urban sewerage works incurred during last

quarter ranged between 42 and 74 *per cent* and in the month of March between 21 and 41 *per cent* during the same period as indicated below:

Year	Total expenditure	Expenditure during		Percentage of expenditure during	
		last quarter	March	last quarter	March
		(Rupees in lakh)			
A. Urban Water Supply					
1992-93	87.61	40.37	28.74	46	33
1993-94	101.66	34.84	19.98	34	20
1994-95	131.27	94.64	73.89	72	56
1995-96	248.66	107.03	53.80	43	22
1996-97	403.47	228.64	167.14	57	41
1997-98	182.47	62.79	39.31	34	22
B. Sewerage Schemes					
1992-93	29.03	19.25	12.01	66	41
1993-94	29.35	12.60	7.37	43	25
1994-95	49.59	36.50	20.22	74	41
1995-96	57.39	24.03	11.98	42	21
1996-97	96.78	58.47	35.19	60	36
1997-98	335.54	150.09	78.85	45	23

Executive Engineers of the concerned divisions attributed (December 1997 -March 1998) rush of expenditure at the fag end of the year to release of funds by the Government during last quarter/month of March.

(iii) Expenditure on maintenance in excess of budget provision/ LOC

Against budget provision of Rs 19.91 crore for maintenance works during 1992-98, Rs 51.99 crore were spent which was excess by 161 *per cent*.

During 1992-93 to 1997-98, against the budget provision of Rs 19.91 crore for maintenance of water supply and sewerage schemes, expenditure of Rs 51.99 crore was incurred as indicated below :

Year	Budget provision	LOC released	Expenditure incurred	Excess with reference to LOC
(Rupees in crore)				
1992-93	2.78	2.78	3.31	0.53
1993-94	3.38	2.25	8.40	6.15
1994-95	3.50	1.17	9.08	7.91
1995-96	3.75	1.62	9.77	8.15
1996-97	3.00	0.90	9.69	8.79
1997-98	3.50	0.85	11.74	10.89
Total	19.91	9.57	51.99	42.42

- (a) It was noticed during audit that expenditure figures were not kept separately for maintenance of urban water supply schemes and sewerage schemes.
- (b) Against the LOC of Rs 9.57 crore released by the Government, expenditure of Rs 51.99 crore was incurred involving excess by Rs 42.42 crore.
- (c) Against the Budget Provision of Rs 19.91 crore, the actual expenditure was Rs 51.99 crore; excess by 161 per cent.

On being pointed out in audit, the department replied (August 1998) that the expenditure was met by diverting the funds from capital works under major head '4215' and from the provision for loans having remained unallocated/undrawn. The department further stated that the diversion was inevitable as the required funds were not provided under maintenance head of account and supply of drinking water being essential service could not be stopped for want of funds.

Diversion of funds from Capital head/Loan head of accounts to revenue heads (for maintenance works) without approval of State Legislature was irregular. Similar irregularity pointed out under paragraph 4.9 of Report of the Comptroller and Auditor General of India-(Civil)-Government of Haryana for the year ended 31 March 1991 was discussed by the PAC during March 1996. The Committee recommended that in future non-plan expenditure should be fully provided to the department at the time of preparing the budget of the department and diversion of funds made so far may also be regularised from the competent authority. However, the irregularity was repeated.

4.1.8. Outstanding loans

Recoverable loan from the Municipal Councils/Committees accumulated to Rs 49.61 crore at the end of 1997-98.

Loans sanctioned to the Municipal Councils/Committees, was to bear interest at 12 per cent per annum and was to be charged on the total balance amount of interest payable alongwith the instalment of principal due. It was noticed that recoveries were not made regularly and Rs 49.61 crore (inclusive of interest of Rs 36.03 crore) accumulated as outstanding at the end of the 1997-98.

Outstanding recoveries against loans were also pointed out vide paragraphs 4.14 and 4.9 of the Report of the Comptroller and Auditor General of India (Civil)-Government of Haryana for the years 1985-86 and 1990-91 which were discussed by the Public Accounts Committee (PAC) during 1991 and 1996 respectively. The PAC recommended for changing the funding pattern by exempting the municipalities from paying any contribution as Government action of sanctioning grants/loans to the municipalities without measuring their financial capacity to bear the burden of even 5 per cent contribution was a

futile exercise. Funding pattern, however, was not changed by the Government (October 1998).

4.1.9. *Non-contribution of share by municipalities*

The municipalities had not paid Rs 6.73 crore towards their share of contribution against expenditure on water supply and sewerage schemes incurred during 1992-98.

Municipalities were required to bear 5 per cent of the total expenditure incurred on water supply and sewerage schemes, from their own sources. During the period 1992-98, an expenditure of Rs 82.53 crore was incurred on execution of Urban Water Supply and Sewerage schemes and Rs 51.99 crore were spent on maintenance of these schemes. An amount of Rs 6.73 crore on account of 5 per cent contribution as share of M.Cs. was not paid by respective MCs, due to their poor financial position. An amount of Rs 3.13 crore recoverable on this account was pointed out in paragraph 4.9 of the Report of Comptroller and Auditor General of India for the year 1990-91-Civil-Government of Haryana- which was discussed by PAC during March 1996. The PAC recommended for changing funding pattern by exempting the municipalities from paying any contribution as Government action of sanctioning grants/loans to municipalities without measuring their financial capacity to bear the burden of even 5 per cent contribution was a futile exercise. Action on these recommendations was yet to be taken (August 1998).

Programme implementation

4.1.10. *Physical targets and achievements*

In the absence of any time frame for completion of water supply and sewerage schemes, 160 water supply and 82 sewerage schemes were incomplete as of March 1998.

For ensuring safe supply of drinking water and for providing sewerage facilities, the State Government constituted (January 1967) a State Sanitary Board comprising 19 members with Minister, Public Health as its President. The Board's functions are consultative, executive and directive which included giving opinion on matters relating to water supply and sewerage schemes referred by the State Government, according administrative approval to individual water supply and sewerage schemes in the areas and directing general/technical sanitary policy of the State. These schemes were executed as deposit works on behalf of municipalities by various Public Health divisions. The Board was also responsible for seeing that the funds were spent properly.

Number of Water Supply and Sewerage schemes taken up and those remaining incomplete (March 1998) were as under:

Particulars	Water Supply	Sewerage
	(In number)	
Schemes taken up to 31 March 1992	276	130
Schemes taken up during VIII Five Year Plan (1992-97)	207	72
Schemes taken up during 1997-98	29	17
Total Schemes	512	219
Schemes incomplete as of 31 March 1998	160	82

The State Sanitary Board did not specify any time frame for the completion of schemes while according administrative approval. It was noticed in audit that out of 731 schemes taken up since the inception of the State in November 1966 to March 1998 (water supply: 512 and sewerage: 219), 489 (water supply: 352 and sewerage: 137) were completed in 3 to 25 years after their commencement/ administrative approval. The remaining 242 schemes (water supply : 160 and sewerage: 82) were still incomplete (March 1998) as indicated below:

	Water Supply schemes	Sewerage schemes
More than 10 years old	9	nil
More than 5 but less than 10 years old	29	27
More than 3 but less than 5 years old	35	12
Less than 3 years old	87	43
Total	160	82

The reasons for delay in completion of schemes as analysed in audit were:

- absence of any time limit for completion of each scheme in the administrative approvals or Project Documents;
- detailed estimates not firmed up while the schemes remained in execution for years; and
- non-payment of 5 per cent contribution by municipalities towards cost of construction.

Reasons for 9 specific water supply schemes having remained incomplete for over 10 years were examined in audit and it was noticed that:

- two water supply schemes, one each for Ellnabad town (sanctioned in August 1983) and Thanesar town.(sanctioned in March 1982) were incomplete as the water distribution system had been partially laid due to non-identification of source for drinking water. Rs. 83.21 lakh were spent on these schemes as of March 1998.

- For one water supply scheme (which was tube-well based) at Cheeka, main structures like storage tanks, etc. were constructed at a cost of Rs 29.60 lakh but additional tube-wells envisaged under the scheme had not been drilled as of March 1998.

Remaining 6 schemes were incomplete for want of funds as Rs 302.34 crore were sanctioned upto March 1998 against their estimated cost of Rs 733.66 crore.

4.1.11. Works executed without the technical sanction/preparation of cost estimate

Technical sanctions to detailed cost estimates for 140 works involving expenditure of Rs 38.25 crore in 12 districts were not obtained.

The department undertook execution of 140 works in 12 divisions test-checked involving expenditure of Rs. 38.25 crore during the period 1992-98 after their administrative approval from the State Sanitary Board. However, technical sanctions to the detailed cost estimates for these works were not obtained from the Engineer-in-Chief/ Superintending Engineer.

4.1.12 Urban Water Supply Schemes

Against the target of raising service level to 80 per cent for water supply in terms of per capita per day during VIII five year plan, service level could be raised to only 68 per cent. In 9 towns, service level remained below 40 per cent.

Up to the end of the year 1997-98, 512 water supply schemes were taken up of which 160 schemes were incomplete as on March 1998. Of the 160 incomplete schemes, 9 were more than 10 years old and 29 were more than 5 years old.

In 20² major towns, having population of more than 50,000 each, 3 water supply schemes were completed during 1992-93 to 1997-98 and 20 schemes were still incomplete(March 1998). Following irregularities were noticed:

² Ambala City, Ambala Sadar, Bahadurgarh, Bhiwani, Gurgaon, Hansi, Hisar, Jagadhari, Jind, Kaithal, Karnal, Narnaul, Panipat, Palwal, Rohtak, Rewari, Sonapat, Sirsa, Thanesar and Yamunanagar.

(i) Level of water supply facilities

The VIII Five Year Plan (1992-97) originally envisaged that the service level for water supply in terms of litre per capita per day (lpcd) was to be raised to 80 per cent by the end of the plan period in 1996-97. Against this, achievement was 68 per cent. During the year 1997-98, the service level was targetted to be raised by 2 per cent. During 1997-98, of the 80 towns actual service level achieved was 80 per cent and above in 9³ towns, 40 to 80 per cent in 62 towns and below 40 per cent in remaining 9⁴ towns.

(ii) Absence of sustainable source of water resulted in underutilisation of water supply scheme

The State Sanitary Board accorded (March 1994) administrative approval for augmenting water supply to Kanina Town (Mohindergarh district) at an estimate of Rs 40.84 lakh (revised to Rs. 51 lakh in June 1995). Public Health Division, Narnaul executed the work and spent Rs.97.08 lakh during 1995-98. The scheme required 8.28 cusecs of raw water for its storage and sedimentation tanks. The department made a request (January 1998) for a source of 2 cusecs (25 per cent of the total requirement) from Rampuri distributary. As the distributary had to cater to the water needs in the area for irrigating agricultural land the demand of the Kanina water supply scheme could not be met. As intimated (July 1998) by Mohindergarh Canal Water Service Division, Mohindergarh, a new source for 1.30 cusecs for supply of raw water (from Rampuri distributary) for Kanina town was yet to be sanctioned (August 1998) by the Irrigation Department. The requirement of raw water for water storage tanks would not be met even if the source for 1.30 cusecs water was sanctioned.

Thus, non-ensuring the adequacy/sustainability of water source resulted in underutilisation of the capacity of structures and denial of sufficient drinking water to the people of the town.

(iii) Excess payment to a contractor

Public Health Division, Narwana awarded (November 1995) the work of 'Construction of Storage and Sedimentation Tank for water supply scheme for Narwana Town' at a cost of Rs 50 lakh to a contractor. The work was started in December 1995. The contractor was paid Rs 51.81 lakh upto 5th running account bill paid in September 1996. It was noticed that of Rs 4.01 lakh were

³ Population in Bawal: 0.09 lakh; Hathin: 0.09 Lakh; Indri: 0.11 lakh; Kalayat: 0.13 lakh; Ladwa: 0.20 lakh; Nilokheri: 0.14 lakh; Ratia: 0.17 lakh; Saffidon: 0.20 lakh; and Tarori: 0.15 lakh.

⁴ Population in Assandh: 0.17 lakh; Barwala: 0.25 lakh; Cheeka: 0.21 lakh; Haily Mandi: 0.13 lakh; Kharkhoda: 0.13 lakh; Narnaud: 0.12 lakh; Pataudi : 0.11 lakh; Rania : 0.21 lakh and Siwani: 0.11 lakh.

paid excess to the contractor as detailed below:

- (a) Payment at higher rates for excavation works in foundations/trenches of underground structures resulted in excess payment of Rs. 2.33 lakh.
- (b) As per agreement the contractor was required to return 400 cum brick bats received after dismantalling the old structures. The contractor did not return the material and the cost of brick bats was recovered at Rs.40 per cum instead of at the rate of Rs 194 per cum provided in the estimate. This resulted in less recovery Rs 0.62 lakh.
- (c) The item of work 'Jungle clearance' was executed by the contractor at the existing water works site for constructing one Storage and Sedimentation (S&S) water tank in place of the existing two S&S tanks. The contractor was paid Rs 0.39 lakh on this account without approval from the competent authority.
- (d) There was no provision for executing work in mud concrete with brick blast and mud plaster in the estimate and DNIT. The contractor executed these items of works as side-slops of water tanks were damaged by rains. But the contractor was paid Rs 0.67 lakh on this account without approval of the competent authority.

On being pointed out (May 1997) the Executive Engineer replied (August 1998) that the recovery would be made from the final bill. Audit scrutiny, however, revealed that no action was taken by the department to finalise the bill of the contractor even after lapse of two years since last running payment (September 1996).

(iv) Excess payment due to adoption of incorrect rates

- (a) Public Health Division, Narnaul got executed the work 'Providing Supplementary Water Supply scheme' in Mohindergarh town during 1994-97. The rate adopted was as per the zonal premium(ZP) on the item of "double layer brick lining" which was 100 *per cent* on the basic rate specified in Chapter-11 of HSR. However, on 7 September 1993, this item of work was introduced in HSR under Chapter-19 and ZP at the rate of 90 *per cent* was payable on this item. This resulted in excess payment of Rs. 1.15 lakh on account of higher rates of premium.
- (b) Due to incorrect application of premium rates i.e. at 100 *per cent* instead of 90 *per cent* above basic rates specified in HSR, Public Health Division, Rewari made an excess payment of Rs. 0.92 lakh against the work "double layer brick lining" under the scheme 'Providing Water Supply Scheme' for Rewari town executed during 1994-96.

Executive Engineer, Public Health Division, Rewari stated(February 1998) that

this item was provided as approved item plus ceiling premium above 100 *per cent* by taking the premium provided for item under Chapter 11 of the HSR applicable for brick works. The reply was not tenable as this item was payable under Chapter 19 (item No. 19.29 of HSR).

(v) Unauthorised payments

Public Health Division, Narnaul got approved (in August 1994 and April 1995) rates tendered by contractors for two Urban Water Supply Schemes (Supplementary Water Supply to Mohindergarh town and Augmentation Water Supply Scheme, Kanina Town) from the Engineer-in-Chief, Public Health Branch for a total cost of works not exceeding Rs 40.60 lakh and Rs 61.41 lakh respectively. It was noticed that the division did not conduct site survey before preparation of cost estimates for the work and therefore, cost estimates were defective/deficient. On actual execution of the work, the quantities of items of work (mainly earth work) executed were found to be more than those specified in the contract agreements. Therefore, because of increase in the quantities of items of work, the cost of the works increased from Rs 40.60 lakh to Rs 44.80 lakh and from Rs 61.41 lakh to Rs 76.30 lakh respectively. As the departmental cost estimates were defective and deficient, audit could not verify the genuineness of the increased quantities of work. Due to deficient cost estimation, the division had to spend Rs. 19.09 lakh as extra cost.

(vi) Non-setting up/functioning of laboratories

To test physical and chemical characteristics of water at regular intervals, water testing laboratories at 4 places were to be set up in the State for which Government of India released Rs 4 lakh (Rs one lakh for each laboratory) during 1995-96. Against the target of four such laboratories, only one laboratory at Bhiwani, set-up in October 1996, was functioning. Other 3 laboratories to be set up at Jind, Rewari and Sirsa had not been set up (April 1998). In the absence of water testing facilities, the quality of water supplied to these towns could not be checked in the laboratories.

4.1.13. Water/sewerage tariff

(a) Revision of tariff

Water tariff and sewerage charges had not been revised since July 1992 and July 1994 respectively despite heavy investment.

Government revised water tariff and sewerage charges from February 1993 (applicable from July 1992) and from July 1994 respectively. The rates had not been revised thereafter even though investment on the scheme was made significantly.

(b) Non-realisation of budgeted revenue

Shortfall in realisation of budgeted receipts during 1993-98 ranged between 25 and 75 per cent for water charges and between 93 and 97 per cent for sewerage charges

Upto 31 March 1993 water and sewerage charges were collected by municipalities and by Public Health divisions thereafter. Extent of shortfall in realisation of water and sewerage charges with reference to budget estimates ranged between 25 and 75 per cent (for water supply) and 93 and 97 per cent (for sewerage) for the period 1993-97 and 1994-98 respectively as indicated below :

Year	Receipts on account of Water Charges		Shortfall	Percentage shortfall	Receipt on account of Sewerage charges		Shortfall	Percentage of shortfall
	(a) budget estimates	(b) actual			(a) budget estimates	(b) actual		
	(Rupees in crore)				(Rupees in crore)			
1993-94	5.00	1.27	3.73	75	nil	0.04	nil	nil
1994-95	5.74	1.75	3.99	69	4.00	0.11	3.89	97
1995-96	6.00	3.08	2.92	49	5.00	0.15	4.85	97
1996-97	6.35	4.75	1.60	25	6.50	0.28	6.22	96
1997-98	6.64	7.86		-	7.00	0.46	6.54	93

Reasons for shortfall were not intimated (August 1998) by the department.

A scrutiny of records relating to preparation of these estimates revealed that neither the number of water/sewerage connections provided in the concerned towns nor the water/sewerage rates were taken into consideration. Therefore, the estimates were much higher than realisation. However, the town-wise targets and achievements were not on record with the department.

(c) Outstanding water and sewerage charges

Water/sewerage connections were given by Public Health (PH) divisions. Bills for water/sewerage were raised regularly by the concerned PH divisions. The bills collection centres at division and sub-division level made collection of water and sewerage charges.

The department failed to recover the long outstanding dues against water and sewerage charges. In 12 divisions test checked, Rs 4.40 crore for the period 1992-98 were outstanding against water charges and in 8 of the 12 divisions test-checked, Rs 0.43 crore for the period 1992-98 were outstanding for

recovery on account of sewerage charges. The divisions attributed (December 1997¹ - March 1998) the arrears to non-availability of consumers at their houses, original consumers having expired in some cases, etc. The reply indicated lack of efforts on the part of concerned divisions towards effecting the recoveries.

Environmental aspects

4.1.14 Sewerage schemes

Service level for sewerage in 40 towns was raised to 45 *per cent* in terms of area coverage during 1992-97 against the targetted service level of 50 *per cent*.

During VIII Five Year Plan (1992-97), service level for sewerage in 40 towns with a population of 26.90 lakh (Urban area) was targetted to be raised to 50 *per cent* in terms of area coverage. Besides, sewerage facilities were to be provided in 7 new towns. Against this, actual coverage/service level achieved was 45 *per cent*. Of the 7 new towns to be covered, works were in progress in 4 towns and in the remaining 3 towns, works had not been taken up (March 1998) due to financial constraints.

In 10⁵ major towns having population of more than 50,000 each, 4 sewerage schemes of Hisar, Rohtak and Sirsa towns were completed during 1992-93 to 1997-98 and 12 schemes were still incomplete (March 1998).

Following points emerged during the review of audit of sewerage schemes

(i) *Non-acquisition of land resulted in improper sullage disposal*

The State Sanitary Board accorded (April 1992) administrative approval to the work 'providing sewerage facility in Patiala chowk area of Jind town' for Rs 32.51 lakh (revised in June 1993 to Rs 65.53 lakh). The scheme provided for acquisition of land required for the disposal of sullage water outside the town area through a 6,500 feet sullage carrier and construction of disposal works on Jind-Narwana road. Public Health Division, Jind incurred expenditure of Rs 41.66 lakh up to March 1998. The department initiated no action for acquiring the land for disposal of sullage water. Sullage water was being disposed of in the open along the Jind-Narwana road. Thus non-acquisition of land not only resulted in improper disposal of sullage water but also caused environmental pollution in the area inhabited by large number of population.

5 Ambala, Bhiwani, Hisar, Jind, Karnal, Narnaul, Panipat, Rohtak, Sirsa and Sonapat.

(ii) *Untreated sullage disposal in open space*

The State Sanitary Board approved (May 1994) a scheme for 'Providing sewerage treatment plant in Jind town' (excluding Patiala Chowk area) for Rs 1.09 crore. The sullage was proposed to be disposed of on the land of the Forest Department but their consent was not obtained in advance. When Public Health Branch ((PWD) approached (June 1995) the Forest Department for permission to use their land for sullage disposal, they refused permission (September 1996) on the ground that the area was a notified forest area and wild life sanctuary; and the sullage water released in the area would affect environmental conditions and health of the animals. Public Health Branch ((PWD) proposed again to dispose of the sullage water in the Goushalla land near the Forest area which was also declined (December 1996) by the Forest Department on similar grounds. The sullage treatment plant proposed in the scheme had not been constructed as no provision for acquisition of land was made in the estimates of the scheme. The sullage water was being released in the open area around Railway line and *Kathmandi*. Thus due to selection of improper site for disposal of sullage without permission of the Forest Department and failure to provide sewerage treatment plant sullage is being disposed of in open space.

(iii) *Improper sullage disposal resulted in epidemic*

For providing sewerage facility to Sirsa Town, the State Sanitary Board approved (October 1979) a master sewerage scheme for Rs 64.23 lakh. The work was taken up by Public Health Division-I, Sirsa without obtaining technical sanction from the competent authority. Rs 95.84 lakh were spent up to March 1998. The scheme provided for utilisation of sullage water for broad irrigation. The excess sullage water during the harvesting/rainy season (there being no demand for irrigation) was proposed to be pumped out in River Ghaggar. 18 lakh gallons of sewerage effluent were being released daily into river Ghaggar. Release of sullage water into Ghaggar river polluted the water of the river and also that of Southern Ghaggar Canal (SGC) during 1995-98 which originated from river Ghaggar at Ottu weir and was source of water supply to the nearby villages and Ellenabad town.

Executive Engineer, Ghaggar Water Services Division, Sirsa pointed out (April 1995) to the Executive Engineer, Public Health Division-I, Sirsa the increasing pollution level of the water of Ghaggar and SGC, which was the source of water supply for drinking purposes. No effective steps were taken till the epidemic spread in some villages and Ellenabad town of Sirsa district in 1995-98. In May 1997, a meeting of senior functionaries (Engineer-in-Chiefs, Superintending Engineers, Executive Engineers) of Irrigation and Public Health Branches of PWD was convened by the Commissioner and Secretary, Irrigation, Haryana to discuss the pollution level of water in Ghaggar river. At the meeting, the Engineer-in-Chief, Public Health Branch, Haryana assured that no additional pollution load would be contributed to Ghaggar river.

Accordingly, the Public Health Branch decided (June 1997) to take short term measures by streamlining the flow of the surplus sullage water of Sirsa town through the borrow pits top the pumping station near Ghaggar river to act as a storage for sullage water and providing reasonable detention time which could lead to partial treatment of the waste water. Therefore, the Superintending Engineer, PWD, Public Health Circle, World Bank Project, Hisar, submitted (June 1997) proposal showing short term/long term measures at an estimated cost of Rs 54.50 lakh and Rs 150.56 respectively for approval. Final outcome was awaited (April 1998).

Improper sullage disposal in the river, which polluted the water of SGC, resulted in spread of epidemic (Jaundice) in parts of Sirsa district during 1995-98.

(iv) *Non-completion of sewerage scheme*

Sewage and Sewerage Manual issued by GOI provided that the sewerage work should begin from the final disposal point going backwards. Executive Engineer, Public Health Division -II, Sirsa commenced work of 'Providing drainage/sewerage scheme for notified area committee, Ellenabad during December 1990 at an estimated cost of Rs 57.10 lakh. The rough cost estimate provided for construction of screening chamber, collection tank, pump chamber, etc. at the disposal site. Upto the end of 1997-98, Rs 28.93 lakh were actually allocated by the Sanitary Board of which Rs 26.98 lakh were spent. None of these structures required at the disposal site had been constructed during the last eight years except that only sewer line in part of the town was laid. Short release/allocation of funds was attributable to slow progress of the works. As a result, the scheme was not fully functional. Laying of sewer line without providing for proper infrastructure for its disposal was likely to cause health and environmental problems.

4.1.15. *Other points of interest*

(i) *Unfruitful expenditure on storm water drain*

Executive Engineer, Public Health Division, Kaithal constructed a storm water drain from Bus Stand to Industrial Training Institute (ITI) along Kaithal- Jind road during 1994-96 for Rs 18.20 lakh. The storm water along Kaithal -Jind road was to flow into Bidkiyar pond by gravity. In another portion of the area, the water was to fall in Geong drain through escape channel of 5,000 feet length. Some portion of the drain was constructed with bricks, whereas the existing escape channel was not constructed with bricks. The escape channel being '*katcha*' created hindrance in free flow of storm water to Geong drain. As a result, the escape channel remained choked with silt deposits in '*katcha*' portion which created health hazards and diseases in the area. Thus Rs 13 lakh spent to dispose of the storm water remained unfruitful.

(ii) *Non-accounting of material in stock registers*

In Public Health Division, Narnaul, one Sub Divisional Engineer, (Sub Division I), Narnaul made payments of Rs 6.64 lakh during November 1996 and March 1997 to the suppliers (based at Delhi, Hisar and Narnaul) against purchase of material like water proof plastic (WPP) cable, steel chairs, umbrellas, etc. Purchases were made without obtaining the sanction of the competent authority and without getting the bills pre-audited from the divisional office. The material stated to have been purchased was neither accounted for in the stock accounts (goods received sheet, bin cards, material at site account register, etc.) nor its consumption shown against any work. In the absence of account of material, the possibility of fictitious payments to the suppliers could not be ruled out.

4.1.16. *Monitoring*

The Monitoring and Investigation cell was functioning at the Headquarters office of the Engineer-in-Chief, Public Health Branch, Chandigarh to monitor the progress of implementation of the projects/schemes and collection of information in regard to financial/physical progress for reporting to EIC and other concerned authorities. However, the quarterly progress reports (physical and financial) received by the cell from the field offices were not scrutinized properly in as much as no follow-up action was taken on the deficient progress reports which indicated only financial progress but not the physical progress of works/schemes.

4.1.17. *Evaluation*

No evaluation was conducted to ascertain the impact of Water Supply Schemes and Sewerage Schemes in the identified towns.

4.1.18 *Conclusion*

As the progress of implementation of the schemes was not monitored by the State Sanitary Board, one third of the 512 water supply schemes and 219 sewerage schemes taken up since November 1966 were incomplete. 38 water supply schemes were lying incomplete since 5 to 10 years. Targetted service level for water supply in 71 of the 80 towns was not achieved. In a large number of works huge expenditure was incurred though cost estimates were not technically sanctioned. Budget for maintenance expenditure was overshoot by 160 *per cent* while capital works suffered. As land was not acquired, sullage/sewerage was disposed in open land in Jind town.

The matter was referred to the Government in June 1998; their reply had not been received (August, 1998).

Buildings and Roads Branch

4.2 Avoidable payment of interest

Penal interest of Rs 17.83 lakh had to be paid since instalments for cost of land and ground rent were not paid on due dates.

Land measuring 68,686 square yards was allotted by Chandigarh Administration to Haryana Government in August 1991 at a cost (premium) of Rs.1.15 crore on 99 years lease hold basis for construction of residential accommodation for its employees at Chandigarh. As per terms and conditions of the allotment letter 25 *per cent* of the cost (premium) was to be paid at the time of allotment and the balance 75 *per cent* was to be paid either in lump sum within 30 days of the date of issue of the allotment letter or in 3 annual equated instalments of Rs.34.76 lakh each including interest at the rate of 10 *per cent per annum* commencing from the year 1992. Apart from the cost of land, ground rent for first 33 years at the rate of Rs.2.88 lakh *per annum* was also payable with effect from September 1992. In case of non-payment of equated instalments and ground rent on due dates, interest at the rate of 15 *per cent* (revised to 24 *per cent* from July 1993) was chargeable for the delayed period.

Test-check of records of Chandigarh Provincial Division, Panchkula revealed (July 1997) that the payments of third instalment for cost (premium) of land and ground rent amounting to Rs 40.52 lakh due for payment in September 1994 and September 1995 respectively were not made to the Chandigarh Administration by due date. The funds allotted by the Engineer-in-Chief (EIC) through Letter of Credit (LOC) in October 1994 for payment due in September 1994 were utilised by the division on some other works. The payments towards the third instalment of cost of land and ground rent due for payment by September 1994 and 1995 were made in September-October 1996 with penal interest of Rs.17.83 lakh calculated at the rate of 24 *per cent*. The payment of penal interest could have been avoided had the department made the payments on due dates.

Executive Engineer stated (December 1997) that the payments were delayed as no LOC was provided despite persistent requests and that there was no loss as the amount remained with the Government which saved the interest of like amount during the period. The reply was not tenable as LOC for Rs.46 lakh received for the purpose in October 1994 was utilised for purposes other than for which it was provided. Further, the penal interest paid was in addition to the 10 *per cent* normal rate of interest and was much above the borrowing rates (between 12.5 and 14 *per cent*) of Haryana Government during 1994-95 to 1996-97.

The matter was referred to the Government in April 1998; their reply had not been received (November 1998).

4.3 Extra expenditure due to re-tendering

Non-invitation of tenders as per World Bank guidelines resulted in extra expenditure of Rs 21.54 lakh besides delay in the completion of work.

Work of construction of residential and office blocks in Sector 21, Panchkula (World Bank Aided Project) meant for Integrated Water Shed Development Project (Kandi) was administratively approved (August 1992) by the Commissioner and Secretary to the Government of Haryana, Agriculture Department (client department) for Rs.2.03 crore. The client department deposited Rs.1.17 crore between April 1991 and March 1994 with the Public Works Department (Buildings and Roads Branch) (PWD, B&R) for construction of the office block as a deposit work. Tenders for the office block were invited (March 1993) by Executive Engineer in disregard of the World Bank guidelines for tenders under Local Competitive Bidding (LCB) system and in anticipation of approval of Detailed Notice Inviting Tender (DNIT) by the Engineer-in-Chief (EIC). Approval thereto was accorded on 2 April 1993 and the tenders were opened on 16 April 1993. In response, a Delhi based agency submitted its rates and after negotiation the agency agreed to execute the work at 9.84 *per cent* above Haryana Schedule of Rates plus sanctioned premium thereon. The cost of works on these rates worked out to Rs.1.18 crore. Superintending Engineer (SE), while recommending the case to EIC in May 1993 also informed that lower rates were not expected on recalling of tenders. EIC returned the case unapproved in June 1993 with the directions to process the case in accordance with the Local Competitive Bidding (LCB) as per World Bank guidelines.

Executive Engineer (EE) did not take immediate action to call for tenders under LCB system. EIC, however, instructed (October 1994) SE for preparing DNIT in accordance with the guidelines of the World Bank and inviting tenders accordingly. Department increased the scope of work by including the items of road works, electric installations and Public Health amenities in DNIT and invited tenders (November 1994) to be opened in January 1995. The work was allotted (May 1995) to the lowest tenderer for Rs 1.38 crore to be completed by November 1996. The work was, however, completed in August 1997 and payment of Rs 1.81 crore was made to the contractor till then.

Scrutiny of record of Chandigarh Provincial Division Haryana, PWD (B&R), Panchkula revealed (July 1997) that contract executed (May 1995) with the contractual agency contained a provision of payment of escalation charges which was not provided for in the tenders received in April 1993. The

Divisional office had paid (August 1997) Rs.19.40 lakh to the contractor as escalation charges. In addition an extra expenditure of Rs 2.14 lakh was incurred due to difference in the tendered cost as compared to the tenders of April 1993.

Thus due to failure of EE to invite tenders in March 1993 as per World Bank guidelines resulted in avoidable delay in finalising the tenders. Besides, EIC, who noticed deviation from LCB system in June 1993 also failed to ensure early compliance of his orders. Further, the delay of about two years in processing of the tenders resulted in extra expenditure of Rs. 21.54 lakh on account of escalation charges and difference of tendered rates.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

4.4 Excess payment in construction of bridge piers and abutments

Excess payment of Rs 8.79 lakh was made to the contractor for well sinking of 12.20 metres though only 9 metres were sunk.

The work of construction of road from Kilometre 99.8 of National Highway No.I to Refinery of Indian Oil Corporation(IOC) in Panipat District (a deposit work) contained provision of Rs. 1.11 crore for constructing a high level bridge on drain No. 2. The estimate for the bridge work was technically sanctioned (May, 1996) by the Engineer-in-Chief (EIC). For construction of bridge piers/abutments the actual bed level was not ascertained through detailed survey as required under the Public Works Code before taking up the work.

The work was completed in December 1995. During the execution of the work, the Executive Engineer, Refinery Works Division, Panipat observed (June 1994) that the actual bed level at site was reduced level (RL) 231.80 metres above sea level and not RL 234.56 metre as adopted in original design. EE recommended for well sinking upto RL 222.80 metres to keep the depth of well as 9 metres. The change for adopting bed level at RL 231.80 metre was approved (July 1994) by EIC.

Scrutiny of records in audit revealed (February 1998) that in disregard of EIC's orders, well sinking of 12.20 metres was measured and paid in February 1996 by keeping the cutting edge at RL 235 metre. The actual well sinking from revised bed level RL 231.80 to RL 222.80 metres worked out to 9 metres and not 12.20 metres as measured and paid by the department. On further enquiry (April 1998), EE intimated (May 1998) that level of top of well cap was not changed and was kept at RL 234.56 metre and work of well steining was done in 2.76 metres above bed level of 231.80 metres. This was not tenable as well sinking work was not

done above present bed level and hence no payment for well sinking for depth beyond 9 metres was payable. Consequently excess payment of Rs. 8.79 lakh was made to the contractor for well sinking of 3.20 metres which was not actually done.

The matter was referred to the Government in June 1998, their reply had not been received (November 1998).

4.5 Outstanding audit observations

Financial irregularities and defects noticed in the initial accounts and transactions during local audit and audit of vouchers are communicated to the concerned heads of offices and next higher authorities for rectification of defects and omissions. Serious irregularities are also reported to the head of the department and the Government. Half-yearly report of outstanding audit observations is also sent to the Government. Finance Department issued (January 1992) instructions for prompt settlement of audit objections by the Administrative Departments. The audit observations detected in local and central audit and outstanding as on 30 June 1998 were as detailed below :

(a) Local Audit

As of June 1998, 888 paragraphs contained in 344 inspection reports of 59 divisions pertaining to 1979-80 to 1997-98 (issued up to December 1997) remained outstanding. Out of these, 37 inspection reports containing 40 paragraphs had not been settled for more than 10 years as detailed below :

Period during which issued	Number of inspection reports	Number of paragraphs
1979-80 to 1987-88	37	40
1988-89	15	18
1989-90	19	28
1990-91	18	29
1991-92	23	40
1992-93	31	51
1993-94	35	69
1994-95	40	88
1995-96	48	135
1996-97	48	171
1997-98 (upto December 1997)	30	219
Total	344	888

Even initial replies were not received in respect of 35 of these inspection reports containing 275 paragraphs issued between January 1997 and December

1997. The pending inspection reports commented on following irregularities :

Sr. No.	Nature of Irregularity	Number of paragraphs	Amount involved (Rupees in crore)
1.	Loss due to theft, misappropriation and embezzlement	31	0.69
2.	Recoverable amounts from contractors/agencies on account of excess payment, excess issue of material, cost of work done at their risk and cost and non-recovery of income tax and sales tax	143	9.80
3.	Recoverable amounts from Government officials on account of shortages/excess payments	30	0.36
4.	Non-observance of rules relating to the custody and handling of cash, maintenance of cash book, reconciliation of withdrawal from treasuries and irregular utilisation of departmental receipts and non-observation of codal provisions	35	0.10
5.	Extra and avoidable expenditure, excess expenditure incurred on deposit works, non-reimbursement of funds, irregular, unauthorised, infructuous and unfruitful expenditure	328	48.98
6.	Injudicious/irregular purchases	13	0.47
7.	Undue financial aid to contractors	5	0.26
8.	Execution of sub-standard works	43	2.66
9.	Blocking of funds	25	2.40
10.	Non-accountal/short receipt of material	20	1.27
11.	Non-closing of manufacturing accounts	5	0.78
12.	Unsanctioned estimates and loss of measurement books/muster rolls	164	59.83
13.	Excess consumption of material	15	0.67
14.	Irregular allotment of work	5	1.13
15.	Fictitious adjustment of stock	26	2.31
	Total	888	131.71

Analysis of pending inspection reports and paragraphs revealed that 30 paragraphs were outstanding involving recoverable amounts of Rs 35.73 lakh on account of shortage of material (Rs 15.25 lakh), excess payments (Rs 4.32 lakh), recovery of rent on account of unauthorised occupation of Government quarters (Rs 0.97 lakh) and non-furnishing of documents in respect of

conveyance advance (Rs 15.19 lakh) from 115 officers/officials as detailed below:

Sr. No.	Officers/ Officials	Number of officers/officials	Amount recoverable (Rupees in lakh)	Period from which outstanding
1.	Executive Engineers	4	3.20	Between March 1992 and July 1994
2.	Sub Divisional Engineers	7	8.09	Between May 1980 and July 1994
3.	Junior Engineers	36	14.82	Between August 1972 and December 1995
4.	Drivers	3	0.71	Between November 1985 and January 1995
5.	Others*	65	8.91	Between November 1973 and October 1996
	Total	115	35.73	

Out of Rs 15.25 lakh on account of shortage of material, Rs 7.91 lakh were kept in the "Miscellaneous Public Works Advances" against the concerned officers/ officials pending adjustment/recovery. In two cases action was taken by issuing chargesheets and filing civil suit in the court but no final action in respect of the remaining items had been taken for recovery or adjustment.

Further analysis of the pending inspection reports and paragraphs revealed that while 104 cases pertaining to the period 1979-80 to 1997-98 were pending (June 1998) with courts and arbitrators, the remaining 784 paragraphs were lying with the Head of Department/Circle offices (73 paragraphs) and with the Divisional offices (711 paragraphs). Thus the Government and the department failed to attach due priority to the audit observations for a long period.

In 5 divisions (8 paragraphs), expenditure of Rs 1.70 crore incurred on deposit works in excess of deposits received from the client departments was yet to be recovered as of June 1998.

(b) *Audit of vouchers*

Audit observations made during audit of vouchers in respect of 3 divisions of Buildings and Roads branch involving Rs 10 lakh pertaining to March 1996 and August 1996 were outstanding as of June 1998.

Instructions issued by the Finance Department to expedite the settlement of audit objections were not adhered to by the Administrative Department

* Others includes Head Clerk, Clerks, Sub Divisional Clerks, Asstt. Draftsmen, Senior Accounts Clerks, Road Inspectors and Peons.

(Engineer-in-Chief, B&R Branch, Haryana) resulting in large number of inspection reports and paragraphs remaining outstanding.

(i) Engineer-in-Chief, B&R branch, Haryana, (EIC) was required to maintain a register containing all outstanding objections and the details of action taken thereon, the reference made to the subordinate offices, replies received from them, etc. No such register was maintained by the E-I-C.

(ii) Finance Department issued (September 1985 and January 1992) instructions for constitution of Departmental Audit Committees and holding their meetings once in three months for review and settlement of old audit objections/paragraphs. Though the Commissioner and Secretary to Government, PW (B&R), Haryana was requested demi-officially in July 1995, January 1997 and October 1997, no meeting was held after April 1994.

(iii) It was also decided by the Finance Department that the departments should submit regular progress report to the Finance Department on quarterly basis, but no such quarterly progress reports had been sent after September 1997

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

Irrigation Branch

4.6 Inordinate delay in correcting the level of Garhi minor

Execution of defective work in the tail reaches of Garhi Minor and inordinate delay in taking remedial action resulted in avoidable expenditure of Rs 28.09 lakh.

Garhi Minor off-taking from RD 69,800 of Petwar Distributary was lined from RD 0 to 25,000 during 1985-87 under modernisation of canals in Haryana. Single layer brick lining in cup shape was provided on the channel as per norms for less than 5 cusecs capacity of the minor.

Between August and November 1987, the share holders* of village Garhi Mehnda brought the fact regarding high bed level of the minor at tail reaches to the notice of the Irrigation and Power Minister, Chief Minister, Haryana and Executive Engineer, Western Jamuna Canal, Hisar and demanded correction of bed level of the channel. Since no remedial measures were taken by the

* Beneficiary farmers whose land was to be irrigated.

department, the villagers dismantled the entire lining from RD 16,500-25,000 and also removed the bricks. The matter was reported to the police in September 1989 by the Sub-Divisional Engineer, Petwar Sub-Division, WJC, Hansi.

On the basis of demand from the villagers for relining of the channel from RD 16,500 to 25,000, the Executive Engineer, Construction Division-5 Hansi, prepared an estimate of rectangular section for rehabilitation of the minor and was sanctioned by the Chief Engineer for Rs 20.05 lakh in December 1996 (revised to Rs 29.99 lakh in August 1997). The work was allotted in January 1997 to a Co-operative Labour and Construction Society and was scheduled to be completed in May 1997. The work was in progress and an expenditure of Rs 28.09 lakh had been incurred as of May 1998.

Thus execution of defective work with high bed level in the tail reaches in the first instance (1985-87), and inordinate delay in taking corrective action resulted in avoidable extra expenditure of Rs 28.09 lakh upto May 1998.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

4.7 . Irregular retention of money out of Government account resulting in loss of interest

Amount for deposit work kept in Current Account of Bank instead of in Public Works Deposit involved loss of interest of Rs 18.51 lakh

Public Works Department Code* provide that when a work is undertaken by the Public Works Department (PWD) as "Deposit Work" the gross estimated cost of work should be recovered in advance by PWD either in lump sum or in instalments as authorised by the Government. The amount so received is to be credited to the head "Public Works Deposits" and subsequent expenditure debited to it.

Gurgaon Water Services Division, Gurgaon(GWS) undertook execution of works of Mewat Area Development Project (MADP) as deposit work on behalf of Mewat Development Agency (MDA), Gurgaon (client department). The client department made a deposit of Rs. 3.58 crore between January 1997 and December 1997 to GWS for execution of works. Instead of depositing the amount under 'Public Works Deposits', the amount so received was kept in a bank in current accounts in the joint names of Executive Engineer, GWS and Chief Executive Officer, MDA. The payments for execution of works were

* Paragraphs 2.109 and 2.112 (IV) of Public Works Department Code.

released by operating these accounts. The operation of such bank accounts was in contravention of codal provisions. In pursuance of the objection raised by the Accountant General in a similar case in April 1991, the Engineer-in-Chief, Irrigation Branch, Haryana had issued instructions (December 1995) to follow the codal instructions strictly.

Keeping of the amount outside Government Accounts in disregard of EIC's instructions resulted in a loss of interest of Rs.18.51 lakh to the Government calculated at the borrowing rate of 12.30 per cent prevalent during the period from January 1997 to February 1998.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

4.8 Failure of the Sprinkler Irrigation Scheme and wastage of Government funds

Sprinkler Irrigation Scheme executed during 1987-90 at a cost of Rs 3.42 crore was abandoned as the scheme was implemented without finding out the response of the farmers for their maintenance.

A scheme for installation of 100 Sprinkler Sets under the World Bank Aided Irrigation Project was prepared for Bhiwani district by the Project Division No.II, Ambala and approved (July 1986) by the Financial Commissioner and Secretary to the Government of Haryana, Irrigation and Power Department at an estimated cost of Rs.5.23 crore for irrigating 4100 hectare area of land. Rupees 3.45 crore were spent on the scheme upto March 1992 on the cost of equipment, erection of independent electric feeder line and construction of pump-cum-attendant rooms, etc. for 79 sets installed between 1987 and 1990 for irrigating 3239 hectare (proportionately) area of land.

The project provided for formation of Sprinkler Irrigation Associations (SIAs) to enhance co-ordination and co-operation among farmers as per requirements of World Bank. Government, therefore, decided in March 1992 to transfer the running and maintenance of uninstalled 21 sprinkler sets to the farmers by entering into agreements with them. The existing 79 sprinkler sets being maintained by the department were also to be covered under this decision. To implement the decision, the farmers were to form SIAs and get them registered with the Registrar Co-operative Societies. The maintenance cost of the sets so transferred for first two years from the date of installation was to be borne by the Government.

Test-check (September 1997) of records of Executive Engineer (EE), Lift Water Services (Mechanical) Division, Bhiwani and subsequent enquiry (July 1998) revealed that only 6 SIAs could be formed by the farmers and 6 sprinkler

sets (costing Rs 26.24 lakh approximately) out of 79 sets were transferred to them (July 1992). Department continued running and maintenance of 73 sprinkler sets during 1992-93 to 1996-97 and Rs.41 lakh were spent on them. Since the farmers were unwilling to form SIAs despite persuasion, the electric connections to the sprinkler sets were disconnected (April 1997) and material taken into store. The remaining 21 sprinkler sets valuing Rs 23.00 lakh were not also installed and remained unused.

Thus the scheme failed as it was ill-planned and feasibility of running the scheme through SIAs was not considered before implementation. Ultimately the scheme had to be abandoned and Rs 3.42 crore spent on the scheme were wasted.

The matter was referred to the Government in June 1997; their reply had not been received (November 1998).

4.9 Unjustified lining of a seasonal channel

Unnecessary lining of a seasonal channel rendered the expenditure of Rs.52.08 lakh as infructuous.

National Water Management Project (NWMP) financed by the World Bank provided for work on Bhakra and Yamuna Canal System as a follow-up to the modernisation of existing channel phase II. The detailed guidelines issued to the State Government for implementation of the scheme provided that *katcha* (earthen) channel passing through the sweet sub-soil water zone should not be lined to facilitate its recharging.

During test-check of records of Executive Engineer (EE), Water Services Division, Dadupur, it was noticed (October 1996) that in contravention of the guidelines of NWMP, a minor (channel) having 67 cusecs capacity and passing through a sweet sub-soil water zone running only in rainy season (July to mid-October) was proposed (February 1992) by EE to be lined with cement concrete from head to tail (km 0 to 8.69) to conserve the surplus water of Yamuna. For this purpose, eight estimates valuing Rs 47.81 lakh were approved (February-November 1992) by the Superintending Engineer, Yamuna Water Services Circle, Yamunanagar. The works were taken up between February 1992 and May 1993 and completed between November 1992 and June 1993 at a cost of Rs 52.08 lakh.

It was observed (October 1996) in audit that after lining there was no improvement in the discharge of the channel which ranged between 36 and 58 cusecs during 1991 to 1996. The lining of the channel was, therefore, not needed as it was a seasonal and *katcha* (earthen) channel running in a sweet sub-soil water zone. The

entire expenditure of Rs 52.08 lakh was thus not justifiable and was infructuous.

On this being pointed out (March 1998) in audit the Engineer-in-Chief, Public Works Department, Irrigation Branch, Haryana stated (April 1998) that apparently the expenditure was infructuous and the comments of the Chief Engineer Co-ordination were being obtained.

The matter was referred to the Government in April 1998; their reply had not been received (November 1998).

4.10 Unfruitful expenditure on silt clearance

Unsystematic execution of silt clearance in the Western Jamuna Canal between two control points resulted in unfruitful expenditure of Rs 76.59 lakh.

Specification 6.1 of Punjab P.W.D. Specification as applicable to Haryana State, *inter alia* states that clearance of silt which may be deposited in the channel or drain shall be taken up in a systematic way, such clearances being carried out in long lengths. Work of silt clearances between two control points of a channel shall be completed during one closure to avoid re-silting.

Continued deposit of sand in Western Jamuna Canal (WJC) main branch reduced the designed section resulting in reduction of capacity of the canal. For maintaining minimum pond level of 7' 6" an estimate for 'Silt clearance of WJC main branch RD 1,26,430 to 1,52,715' between two control points (Picholia and Munak head regulators) was prepared in haste without ascertaining the work involved. The estimate was sanctioned (February 1995) within a period of 7 days by the Chief Engineer (CE) IB for Rs 64.78 lakh and was revised to Rs 1.46 crore in November 1995 due to higher tendered rates. The work was allotted (November 1995) by the Executive Engineer (EE), Construction Division-17, Karnal to a contractor for completion in four months. The contractor started (December 1995) the work in reaches from RD 1,44,000 to 1,52,715.

For assessing the actual work involved, cross sections were observed (December 1995) while work by the contractor was in progress. It was found that useable sand was available between RD 1,26,430 and RD 1,44,000 which if auctioned could earn revenue in addition to the clearance of the channel. The work was, therefore, suspended and after correspondence with the contractor his contract was terminated (March 1996). The contractor in the meanwhile had cleared 2,35,667 cum of silt from RD 1,44,000 to 1,52,715 (down stream) and finally paid (June 1996) Rs.76.59 lakh.

Test-check of records of Construction Division No.17, Karnal revealed (August 1997) that desilting which as per specification 6.1 of PWD specifications was required to be done between two control points in one closure to avoid resilting, was not done. Thus the portion between two control points from which silt had been cleared would get resilted.

Commencement of the work without actual assessment, availability of useable sand and preparation of estimate in haste resulted in suspension of work midway and rendering expenditure of Rs 76.59 lakh as unfruitful.

Executive Engineer in reply (October 1997) stated that as per working schedule of contractor, work in lower reaches upto RD 1,44,000 was taken up in the first phase and work in upper reaches upto RD 1,26,430 was to be taken up in the second phase. The reply was not tenable as the availability of useable sand was not ascertained while preparing the estimates and also execution of work was not carried out as per PWD specification which lays down that silt clearances shall be completed during one closure to avoid re-silting.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

Chapter – V Stores and Stock

Industrial Training and Vocational Education Department

5.1 Stores and Stock

Records relating to procurement, issue and utilisation of stores were test-checked for the years 1993-94 to 1997-98 in Directorate and 50 institutes (22 ITIs and 28 VEIs) of 184 Institutes (76 ITIs and 108 VEIs) in the State during December 1997 to May 1998. Important points noticed during audit are discussed in the succeeding paragraphs:

(a), Financial rules prohibited drawal of money from the treasury in advance of requirement. Contrary to this, the Director, Industrial Training and Vocational Education, Haryana issued instructions (December 1997) to all Industrial Training Institutes to draw funds from treasury against all supply orders issued by the Director, Supplies and Disposals, Haryana upto December 1997 and convert the amount in bank drafts in favour of firms, and send those bank drafts to the directorate office. To comply with above instructions, Rs 62.93 lakh were drawn from the treasuries during December 1997 by 5* ITIs (test-checked) and sent them in the shape of Bank Drafts to the Director in January and February 1998. Of these bank drafts, drafts valuing Rs 42.11 lakh were issued to the concerned firms during March to July 1998. Remaining Bank Drafts for Rs 20.82 lakh were lying undelivered with the Directorate as of November 1998. Thus, drawal of funds without immediate requirement to avoid lapse of budget grant was irregular.

(b) *Assessment of material requirement*

M&E was purchased and supplied by the Director without obtaining actual demand from the institutes.

Assessment of stores with reference to definite requirements was required to be made by the Directorate of Industrial Training and Vocational Education in respect of each department by consolidating the demand, received from field offices. The Directorate of Industrial Training and Vocational Education intimated (October 1997) that assessment of requirement of stores was done after the completion of admissions in each trade/course, taking into account the demand received from field offices from time to time. It was seen in audit

that in actual practice no consolidated demands were being prepared and placed with the approved source for supply of stores and stock. However, 8^{*} Institutes intimated (March -April 1998) that no demand was being sent by them to the Directorate. It was noticed in Directorate that no *pro forma* calling for demand from ITIs/VEIs in the field for sending their demand had been prescribed by the department.

(c) *Purchases*

(i) *Purchases of machinery and equipment in excess of prescribed norms*

M&E valuing Rs 81.68 lakh were purchased by Director and supplied to the Institutes without requirement during 1993 to 1998.

A test-check of machinery and equipment purchased by the department revealed that in 33 Institutes (14 ITIs and 19 VEIs) machinery and equipment (lathes, tractors, grinders, shaper machine, etc.) valuing Rs 2.12 crore were purchased during 1980-98 in excess of prescribed syllabus of each trade. Further test-check of the above machinery and equipment in position in different trades in 22 Institutes, (out of 33 Institutes) revealed that such machinery and equipment, as per requirement of the respective syllabus up to March 1993 were already available with these Institutes, the Director continued the purchase and supply of machinery without their requirement during the period April 1993 and March 1998 resulting in excess purchase of machinery for Rs. 81.68 lakh as per detail given in the Appendix-XIX.

No reasons for excess purchase and supply of machinery and equipment were stated by the Director. However, heads of 4 Institutes stated that action to transfer this excess machinery to the needy institutions will be taken. Replies from other 29 Institutes had not been received (November 1998).

(ii) Machinery and equipment such as Transmission units, Photocopiers, Bajaj Kawasaki Motorcycles, Tractor Trollies, Tractors, Power Hacksaw machines, etc. not provided in the syllabus of the concerned trades were purchased for Rs 81.12 lakh for 61 institutes (26 ITIs and 35 VEIs) during 1980-98 by the Director.

On being pointed out in Audit (May 1998) the Director replied (October 1998) that purchase of new transmission units and Motor Cycles was made for imparting training to trainees. The reply of the Director was not tenable as there was a provision in the syllabus for purchase of one old and used tractor and one Motor Cycle engine for these trades, which were already available

VEIs Atta, Bhankarpur, Biana and Faridabad ITIs Gurgaon, Woman Wing, Gurgaon, Sonipat and Yamunanagar.

and in working order with the institutes. Reply in respect of remaining items of machinery and equipment was not furnished by the department.

Thus the purchase of above mentioned machinery and equipment was unjustified.

(iii) Injudicious purchases

Computers valuing Rs 9.86 lakh purchased in December 1994 were not put to use.

(a) For purpose of opening the Trade Computer in ITI (women wing), Bahadurgarh and Rohtak, 6 computers valuing Rs 9.86 lakh were purchased in December 1994 (received in December 1995) from Haryana State Electronic Development Corporation, Chandigarh. The trade, however, was not started in any of these institutes (February 1998). On being pointed out in Audit (April 1997), the Principal ITI (women wing), Rohtak sought permission from the Directorate in April 1997 to open the trade which was granted in July 1997 but no admission was made and the computers were lying unutilised with the institute since their purchase.

Thus the purchase of computers was not justified and resulted in blockade of funds.

(b) The Director Industrial Training and Vocational Education purchased (March 1991) 23 Jean stitching machines valuing Rs 2.50 lakh for commercial garments and design making (CGDM) trade for 23 VEIs. Director purchased (February 1996) 13 more jean stitching machines for another 13 VEIs valuing Rs 1.72 lakh without ensuring whether the machines purchased earlier were being utilised by Institutes concerned.

Out of 36 VEIs, records of 13¹ VEIs were test-checked and it was found that jean cloth, which was essential for running of these machines was not purchased either by the Director or Vice Principals of the Institutes. It was further noticed that no instructor was provided in two Institutes located at Rasina and Sujapur since the start of this trade in August 1995 and March 1996 respectively.

No reasons for non-purchase of jean cloth were furnished by the department whereas in respect of providing instructors, it was stated (April 1998) that demand for recruitment of instructors was sent to the Director employment but no instructor was available. Thus these machines were not put to use as of October 1998.

¹ Atta, Biana, Banchari, Dhanger, Gurgaon, Karsan, Karnal, Nindana, Rasina, Rohtak, Sirsa, Sonipat and Sujapur.

(iv) Purchase of defective machinery

Defective machinery worth Rs 19.78 lakh purchased during February 1990 to February 1998 was neither got rectified nor replaced.

It was noticed in 9* Institutes that machinery valuing Rs 19.78 lakh purchased during February 1990 to February 1998 was found defective by the concerned institutes on their receipt though the machinery was inspected by various inspecting officers at suppliers' premises. However, payments of 98 *per cent*, against cost of machinery as provided in the supply orders, were made to the suppliers on receipt of delivery. Director admitted (October 1998) that machinery could not be put to use due to minor defects.

Neither the suppliers rectified the defects nor any action was initiated against the inspecting officers by the department (November 1998).

(v) Supply of engines with incomplete parts

Engines valuing Rs 6.81 lakh purchased without accessories in October 1991 could not be put to use due to defective supply order.

The Director placed (January 1991) an indent with the Director Supplies and Disposals (DS&D) for the purchase of 10 Diesel Engines (Vehicle type) of 6 cylinders fitted with radiator, fuel tank, panel board containing temperature gauge, oil pressure gauge and other accessories to start the engine on stand and keep it in running condition. The Director Supplies and Disposals placed a supply order on a Delhi based firm in April 1991 to supply aforesaid material within 2 weeks. The supplier supplied (October 1991), 9 engines without fittings/ accessories. Payment of Rs 6.81 lakh was made to the firm by the Principals towards 98 *per cent* payment of these engines immediately after their delivery. On receipt of these engines, it was found that accessories required to start and keep them in running condition were not supplied by the firm. For short supplies matter was taken up by the DS&D (November 1994) with the firm, who in turn stated (November 1994) that these accessories were at no point of time were offered. The supply order issued by the DS&D was not corroborate with the offer of the firm. However, Inspecting officer (Assistant Director) who conducted inspection (June 1991) did not mention about the accessories.

Thus placing of defective supply order by DS&D and supply of incomplete machinery resulted in denial of training to students and blocking of funds for Rs.6.81 lakh since October 1991.

* ITIs Gurgaon, Hisar, Kaithal, Narwana, Palwal and I.T.I. Woman Wing, Sirsa. VEIs Kassan, Rohtak and Sirsa.

(d) Idle machinery

A scrutiny of stores and stock register of the institutes test-checked revealed that idle machinery valuing Rs 33.88 lakh was lying with 32 institutes (20 ITIs and 12 VEIs) as of March 1998 due to the reasons given in the table:

Sr. No.	No of ITIs/VEIs	No of Items	Value (Rupees in lakh)	Period of purchase	Reasons
1.	14	67	4.80	1964 to September 1997	For want of repairs.
2.	13	197	19.71	March 1985 to October 1997	Due to non issue from store.
3.	5	51	9.37	May 1986 to August 1997	Non availability of power connection.
			33.88		

The matter was referred to all the concerned institutes/ Directorate. Director replied (October 1998) that the concerned principals were being directed to get the machines repaired and issue machinery from stores. As regards non-availability of power connection the information was awaited from the concerned institutes.

(e) Surplus machinery due to closure of trades

Surplus M&E worth Rs 14.58 lakh on account of closure of trade in 14 institutes during 1993 to 1998 could not be transferred/disposed of.

Trades like Creche, Ophthalmic Technician, Laboratory Technician, Scientific Instruments, Hosiery and Receptionist had been closed by the department. Machinery and Equipment worth Rs 14.58 lakh meant for these trades were rendered surplus due to closure of trades during 1993-94 to 1997-98 by 14 Institutes. Department had not taken any action to dispose of/transfer these surplus machinery and equipment as of May 1998.

(f) Unserviceable machinery and equipment

In 19 Institutes (15 ITIs and 4 VEIs) machinery and equipment valuing Rs 30.11 lakh were rendered un-serviceable between 1967 to 1997. No action to make them serviceable or get them declared condemned by the Condemnation Board was taken by the department.

(g) Physical verification

Physical verification of stores for the years 1993-94 to 1996-97 had not been conducted in 19 out of 50 institutes test-checked in audit.

The matter was reported to the Government in July 1998; their reply had not been received (November 1998).

CHAPTER - VI FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 General

(a) Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies/ authorities receive substantial financial assistance from the Government. The Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement various programmes of the Government. The grants are given by the Government mainly for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 1997-98, the Government provided financial assistance of Rs 314.26 crore to various autonomous bodies and others broadly grouped as under:

Sr. No.	Name of institutions	Amount of assistance paid (Rupees in crore)
1.	Universities and Educational Institutions	101.55
2.	Municipal Corporation and Municipalities	102.46
3.	Zila Parishads and Panchayati Raj Institutions	1.44
4.	Development Agencies	48.67
5.	Hospitals and other Charitable Institutions	5.63
6.	Other institutions (including statutory bodies)	54.51
	Total	314.26

(b) *Delay in furnishing utilisation certificates*

The financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of 3,321 utilisation certificates due in respect of grants and loans of Rs 812.30 crore paid during 1986-87 to 1996-97, only 2,013 utilisation certificates for

Report No.3 (Civil) of 1999

Rs 172.37 crore were furnished to A.G. by 30 June 1998 and 1,308 certificates for Rs 639.93 crore were in arrears. Department-wise and age-wise break-up of outstanding utilisation certificates was as under:

Department	Upto 1993-94		1994-95		1995-96		1996-97	
	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)
Education	-	-	6	7.20	16	39.44	32	64.49
Medical	17	2.91	19	2.43	11	0.90	7	0.25
Agriculture	2	0.03	4	28.63	12	33.43	15	44.02
Development and Panchayat	25	5.55	72	5.48	17	6.03	72	6.47
Command Area Development Agency	38	11.64	12	10.65	12	12.35	10	24.86
Economical and Statistical Advisor	45	16.38	38	12.89	57	11.70	34	5.00
Revenue Training	21	4.64	7	1.65	9	2.02	12	1.89
Social Security and Welfare	-	-	2	0.02	3	0.03	66	8.25
Civil Aviation	-	-	-	-	-	-	1	0.01
Technical Education	-	-	-	-	-	-	22	3.42
Sports	44	1.70	16	1.12	24	2.27	18	2.99
Public Health	-	-	1	9.39	57	56.17	57	170.70
Science and Technology	5	0.02	10	1.07	17	1.03	6	0.24
Animal Husbandry	-	-	-	-	-	-	1	0.04
Art and Culture	-	-	-	-	-	-	2	0.05
Non-Conventional Sources of Energy	2	0.02	3	0.08	6	0.38	3	0.09
Housing	-	-	-	-	2	0.17	15	4.38
Urban Development	75	3.35	42	4.86	14	2.61	172	2.54
Total	274	46.24	232	85.47	257	168.53	545	339.69

Out of the 18 departments, 13 departments were not furnishing utilisation certificates continuously for the last three years viz 1994-95 to 1996-97.

(c) Delay in submission of accounts

The status of submission of accounts by autonomous bodies and submission of Audit Reports thereon to the State Legislature as of July 1998 was as under:

Sr. No	Name of the body	Year upto which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non-finalisation of Audit Report
1.	Haryana Khadi and Village Industries Board, Mani Majra, Chandigarh	1997-98	1996-97	1995-96	1993-94	Replies of audit observations on Separate Audit Report for the year 1996-97 were awaited from the department (October 1998). From 1997-98, the audit had not been entrusted.
2.	Haryana Labour Welfare Board, Chandigarh	1997-98	1996-97	1996-97	1993-94	-
3.	Haryana Urban Development Authority, Panchkula	1997-98	1993-94	1993-94	1989-90	Accounts for the years 1994-95 to 1996-97 had not been submitted and from 1997-98 the audit had not been entrusted (October 1998).
4.	Housing Board, Haryana, Panchkula	1997-98	1996-97	1993-94	1992-93	Accounts for the years 1994-95 to 1996-97 are under scrutiny.
5.	Haryana State Agricultural Marketing Board, Panchkula	1997-98	-	-	-	Accounts for the years 1995-96 and 1997-98 not submitted.
6.	Haryana Prathamik Shiksha Pariyojna Parishad, Chandigarh	1997-98	1995-96	1995-96	-	Accounts for the years 1996-97 and 1997-98 not submitted
7.	Haryana Forest Development Board (Defunct)	1982-83 to 1985-86	-	-	-	Incomplete accounts for the period 1982-86 received during (November 1996) were returned with audit objections in January 1997. These were awaited (July 1998).

The audit of accounts of the following bodies had been entrusted to the

Comptroller and Auditor General of India for a period of 5 years as detailed below:

Sr.No.	Name of the body	Period of entrustment
1.	Haryana Khadi and Village Industries Board, Mani Majra, Chandigarh	1992-93 to 1996-97*
2.	Haryana Labour Welfare Board, Chandigarh	1993-94 to 1997-98
3.	Haryana Urban Development Authority, Panchkula	1992-93 to 1996-97*
4.	Housing Board, Haryana, Panchkula	1994-95 to 1998-99
5.	Haryana State Agricultural Marketing Board, Panchkula	1995-96 to 1999-2000
6.	Haryana Prathmik Shiksha Pariyojna Parishad, Chandigarh	1995-96 to 1999-2000

(d) Audit arrangements

The primary audit of Local bodies (*Zila Parishads, Nagar Palikas, Town Area/Notified Area Committees*), educational institutions, *Panchayati Raj* institutions and others was conducted by the Director, Local Audit, Haryana, Chandigarh. Audit of co-operative societies is conducted by the Registrar, Co-operative Societies, Haryana, Chandigarh.

Sixty bodies/authorities, whose accounts for 1996-97 were received, attracted audit by Comptroller and Auditor General of India. Of these 41 bodies/authorities were audited during 1997-98. The audit of the remaining 19 bodies/authorities had not fallen due.

One hundred thirty three annual accounts for 77 bodies/authorities for 1997-98 and earlier years had not been received as of July 1998 by the Accountant General (Audit). The details are given in Appendix-XX. Of these bodies/authorities, Municipal Committees, Bhiwani and Rohtak did not submit accounts for 5 years, Municipal Committees, Bahadurgarh and Karnal for 4 years and Municipal Committee, Narnaul, Municipal Corporation, Faridabad and Haryana Sahitya Academy, Chandigarh for 3 years.

These points were referred to the Government in August and September 1998; their reply had not been received (November 1998).

Certain interesting points arising out of audit are mentioned in the succeeding paragraphs:

* The audit of these autonomous bodies had not been entrusted for 1997-98 and onwards. Matter had been taken up (October 1997) with them; their consent was awaited (July 1998).

**Agriculture Department
(Haryana State Agricultural Marketing Board)**

6.2 Wasted expenditure on defective road works

Improper survey and defective execution of road works caused a loss of Rs 26.90 lakh to HSAMB.

The work 'Special repairs/improvements of Karnal-Kaithal road from Mall road near PWD Rest House to Railway over-bridge via Sessions Marg Railway road and Hansi Chowk including construction of storm water drains on two sides of this road in Karnal city' was administratively approved (January 1994) by the Chief Administrator, Haryana State Agricultural Marketing Board (HSAMB) for Rs 52.96 lakh. No provisions for dismantling the existing road, removal of earth mixed with soil-stone which became slushy due to standing water and excavated earth from the drains were made in the estimates. The work was spilt into three sub-works viz. "Water Bound Meccadum (BM)", "Laying of BM Mix seal and premix carpet" and "Construction of drains".

The detailed estimates of these sub-works were technically sanctioned by the Chief Engineer (CE), HSAMB in May 1994 and June 1995 for Rs 11 lakh, Rs 13.60 lakh and Rs 28.03 lakh respectively. These sub-works were allotted to three agencies between February and September 1994 and completed between December 1994 and May 1995 at a cost of Rs 10.85 lakh, Rs 13.55 lakh and Rs 28.18 lakh respectively.

Superintending Engineer (SE), HSAMB, Karnal inspected the work in March 1995 and found that some portions of the road were damaged and had become slushy under the wearing course of road. SE ordered for the repair of the road. The repair work was taken up in March 1996 and completed in April 1996 after spending Rs 2.50 lakh.

Since there was no improvement in the condition of road it was decided (May 1996) by the State Government to reconstruct the same from Public Works Department as a deposit work of HSAMB. An estimate for Rs 41.86 lakh to set right the damaged road was prepared by the Executive Engineer (EE), Provincial Division No.I, Karnal in May 1996 on behalf of HSAMB and sent to Engineer-in-Chief, PWD B&R for approval. As per the report of this estimate, the main reason for failure of the road was that while raising and reconstructing the road in 1994, HSAMB had not dismantled the old existing road and side drain was constructed all along the road. Because of this, the 'sub grade water' did not drain off properly and the road structure crumbled due to traffic load. HSAMB had deposited Rs 39.44 lakh (January 1997:

Rs 25 lakh and March 1997: Rs 14.44 lakh) with EE, Provincial Division No. I, Karnal against which Rs 23.16 lakh had been spent as of February 1998.

Thus due to improper survey of the actual condition of the road and defective estimates and execution of a technically unsound work, HSAMB had suffered a loss of Rs 26.90 lakh (road works: Rs 24.40 lakh; repair works: Rs 2.50 lakh).

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

6.3 Misutilisation of Funds

HSAMB spent Rs 33.63 crore including Rs 20 crore to Chief Minister Relief Fund on activities not connected with the Market Committees.

Haryana State Agricultural Marketing Board (HSAMB) was constituted under the Punjab Agricultural Produce Markets Act, 1961 (Act) on bifurcation of composite State of Punjab in 1966. Under Section 23 of the Act, a Market Committee (Committee), subject to such rules as may be made by the State Government, may levy an ad-valorem basis fees on the agricultural produce bought or sold or brought for processing in the notified area, at the prescribed rate. All moneys received by a Committee are paid into a fund called 'Market Committee Fund(MCF)'. Every Committee, out of its funds pays to the Board as contribution of its income derived from licence fee, market fee and fines levied. All the receipts of the Board are credited to the fund called 'Marketing Development Fund'(MDF). The purposes for which the funds can be expended are contained in Clauses I to XVII of Sections 26 and 28 of the Act. The Supreme Court in a decision in May 1979 emphasised that moneys out of MDF/MCF could only be spent for the purpose of market committees and that the primary function of the Board was to render service in the market.

During test-check of records of HSAMB for the years 1995-96 and 1996-97, it was noticed (April 1997) that funds of Rs 33.63 crore* were released by the Chief Administrator, HSAMB out of MDF for the activities not connected with the market committees which was in contravention of the decision of the Supreme Court.

Such expenditure was unauthorised as these activities for which funds were spent were not connected with the market committee.

* Rs 20 crore to Financial Commissioner, Finance and Revenue for Chief Minister's Relief Fund, Rs 13.10 crore to Public Works Department for road works, Rs 0.30 crore to Horticulture Development Board to make it operative and functional and Rs 0.23 crore to Director of Sports for purchase of sports equipment.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

6.4 Unfruitful expenditure due to non-acquisition of land and execution of work without transfer of land

Allotment of work without acquisition of land rendered Rs 5.99 lakh on road unfruitful since it was not put to public use.

(A) The work "Construction of link road from village Seria to Beri" in a length of 3.825 km. was administratively approved (August 1989) by the Chief Administrator, Haryana State Agricultural Marketing Board (HSAMB) for Rs 13.24 lakh including Rs 2.64 lakh for acquisition of additional land (area 5.28 acre) required for the road. The work was allotted to a contractor in November 1989 without acquiring the land.

The contractor executed the work in the length of 2.56 km. for Rs 5.99 lakh upto March 1993. The remaining portion of road had not been constructed as the department could not arrange the land. Executive Engineer, HSAMB, Rohtak (EE) took up the case of acquisition of land with the Senior Town Planner, HSAMB, Panchkula in January 1995 after a lapse of more than 5 years after allotment of work to the contractor. The matter for acquiring of land was, however, still under process with the competent authority as stated (July 1998) by EE.

Chief Engineer, HSAMB stated (March 1998) that the *kachcha* portion of the road was being used by the farmers. The reply was not tenable as EE had stated (February 1993) that no consolidated path was available on either side of the unmetalled road at two ends.

Thus due to non-acquisition of land prior to the allotment of work, Rs 5.99 lakh spent on the construction of two disjointed portions of the road became unfruitful as the same could not be put to public use.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

Due to allotment of work without acquisition of land expenditure of Rs 5.28 lakh was rendered unfruitful.

(B) The work 'Development of Fodder Market at Tohana' consisting of sub-works 'Supply of earth for filling and construction of road and parking, common platform, public toilet, cooler room, central verge and boundary wall', was administratively approved by the Chief Administrator, Haryana State Agricultural Marketing Board (HSAMB), Panchkula in February 1994

for Rs 20.15 lakh. The Municipal Committee(MC), Tohana had offered the land free of cost in June 1993. The availability of land and its proper transfer in favour of Market Committee, Tohana was not ascertained before the work was allotted by the Executive Engineer, HSAMB, Tohana to a contractor in February 1995. After carrying out the sub-work 'supply of earth for filling in Fodder Market' for Rs 5.03 lakh, the work was stopped by the contractor as the land was not transferred to the Market Committee by MC and also some portion of it had been encroached upon by religious societies and Block Development and Panchayat Department. The work was finalised in March 1997 without executing any other item of work.

Thus, due to the allotment of work without transfer of land in favour of Market Committee, Tohana Rs 5.28 lakh (earthwork: Rs 5.03 lakh and contingent expenditure : Rs 0.25 lakh) were rendered unfruitful.

The matter was referred to the Government in May 1998; their reply had not been received (November 1998).

Higher Education Department
(Maharshi Dayanand University)

6.5 Nugatory expenditure due to payment of idle wages

Non-adherence to the provisions of the Industrial Disputes Act, 1947 resulted in payment of idle wages of Rs 6.82 lakh.

(A) Section 25 F of the Industrial Disputes Act, 1947 (Act), *inter alia*, lays down that a workman who has been in continuous service for one year can be retrenched, after giving one month's notice in writing, indicating reasons for retrenchment or in lieu thereof payment of one month's wages. The workman at the time of retrenchment shall be paid compensation which shall be equivalent of 15 days average pay for each completed year of continuous service or any part thereof in excess of six months. Besides, Section 25 B of the Act *ibid* provides that a workman shall be deemed to be in continuous service for one year, if the workman has actually worked for not less than 240 days during a period of 12 calendar months.

During audit of records of Maharshi Dayanand University, Rohtak, it was noticed (January to May 1997) in audit that 13 daily-wage workers were engaged on muster rolls between February 1988 and June 1991 against various works and their services were terminated between September 1990 and June 1992 without assigning any reasons even when they had worked more than 240 days in 12 calendar months.

Against these termination orders, the daily-wage workers filed cases before the Industrial Tribunal-cum-Labour Court (ITLC), Rohtak between March 1991 and June 1993. ITLC announced the award between June 1995 and January 1996 in favour of the workers on the ground that their services were not terminated in accordance with Section 25-F of the Act. The court ordered the management to reinduct the workers in service with continuity of service alongwith full back wages. Accordingly Rs 6.82 lakh were paid to the workers during August - September 1996.

Thus failure of department to adhere to the relevant provisions of Industrial Disputes Act, 1947 before terminating the services of daily-wage workers resulted in an avoidable payment of idle wages of Rs 6.82 lakh.

The University stated (December 1997) that an enquiry had been initiated (July 1997) and responsibility would be fixed on receipt of inquiry report. Findings of the inquiry report were awaited (July 1998).

The matter was referred to the Government in March 1998; their reply had not been received (November 1998).

MDU suffered a loss of Rs 4.34 lakh in the case of lecturer who was paid salary on court orders without assigning him any work.
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(B) On a request (July 1991) of Maharshi Dayanand University (MDU), Rohtak, the State Government had placed (September 1991) the services of a lecturer in Fine Arts of a Government College of Education at the disposal of MDU on deputation basis for one year. On the recommendation of MDU, the period of deputation was extended by one more year (upto 10 September 1993).

The lecturer requested (November 1992) MDU for his absorption in the University services which was agreed to (December 1992) by the Executive Council of the University (ECU) subject to approval by the State Government. The case of absorption was sent to the Government for sanction in January 1993 but the same was not approved (March 1993) as there was a ban on recruitment in the University. Later when the Government allowed (January 1994) absorption of the lecturer in MDU after voluntary retirement from the date of absorption, the University changed its decision and ordered (March 1994) the reversion of the lecturer to his parent department. The University also requested (April 1994) the State Government to issue posting orders of the lecturer to some other place or college. Government did not issue such orders.

The lecturer filed (March 1994) a case in the Punjab and Haryana High Court against MDU. During admission of the case in April 1994, MDU argued through University counsel before the Court that the University did not want the services of the petitioner and was willing to pay salary without assigning

Report No.3 (Civil) of 1999

any work for the time being. On the basis of this statement, the Court gave an open order (April 1994) to MDU to pay salary including other allowances to the petitioner regularly along with other members of teaching staff. The petition was pending in the Court as of May 1998. Meanwhile, MDU stated (February 1998) that the lecturer was taken back on work in MDU from 23 December 1997.

The unjustified stand taken by the University during hearing resulted in payment of salary of Rs 4.34 lakh for the period April 1994 to 22 December 1997 to the lecturer without assigning any work.

The matter was referred to the Government in March 1998; their reply had not been received (November 1998).

**Irrigation Department
(Command Area Development Authority)**

6.6 Command Area Development Programme

6.6.1. Introduction

The Command Area Development Programme (CADP) was launched in 1974-75 in Haryana as a Centrally sponsored scheme on matching basis. The main objective of CADP was to bridge the gap between the irrigation potential created and that utilised and also to increase agricultural productivity/production in selected irrigated commands on sustainable basis. As on 31 March 1992, the following seven irrigation projects, selected and approved by the Government of India (GOI), were under implementation in the State:

- (i) Gurgaon Canal Command in Gurgaon and Faridabad districts;
- (ii) Jui Lift Irrigation (JUI) Command in Bhiwani District;
- (iii) Rewari Lift Irrigation (RLI) Command in Rohtak and Bhiwani districts;
- (iv) Jawahar Lal Nehru (JLN) Lift Irrigation Command in Rohtak, Bhiwani and Mohindergarh districts;
- (v) Dulhera Distributary in Rohtak;
- (vi) Hansi Area in Hisar; and
- (vii) Bond Distributary in Bhiwani.

During VIII Five Year Plan period 1992-97, following three additional command areas/schemes were sanctioned:

- (i) Agra Canal Command (renamed as Gurgaon-Agra Canal in July 1996) falling in Haryana in Faridabad District from March 1993;
- (ii) Western Jamuna Canal (WJC) Command from May 1993; and
- (iii) Additional area of WJC Command Phase II from October 1996.

The Programme broadly envisaged on-farm development, selection and introduction of suitable cropping pattern, development of ground water to supplement surface irrigation, development and maintenance of the main and

intermediate drainage system; and modernisation, maintenance and effective operation of the irrigation system up to the outlet of one cusec capacity.

6.6.2. Organisational set up

Secretary to the Government of Haryana, Irrigation Department was administrative head and incharge of CADP at Secretariat (Government) level. CADP was implemented by Command Area Development Authority (CADA), Haryana set up in August 1974. The Administrator, CADA, was in overall charge of the programme with Headquarters at Panchkula. At district level (in 8 districts), the programme was implemented through Command Area Development Agencies registered under Societies Act, 1960. There were eight Command Area Development Agencies with Additional Deputy Commissioners (ADCs) as Chief Project Officers (CPOs) to assist CADA in implementing the activities of the programmes.

6.6.3. Audit coverage

A review on the Command Area Development Programme was included in paragraph 3.3 of the Report of the Comptroller and Auditor General of India (Civil)-Government of Haryana for the year ended 31 March 1991. In their 42nd Report (March 1996), Public Accounts Committee (PAC), while reviewing the position regarding irrigation potential created and utilised, had recommended (March 1996) that the department should stop wasteful expenditure on the construction of water courses in those areas where there was no feasibility of adequate water and the activity of land levelling and shaping, be disbanded as the farmers took less interest in it.

This review aimed at updating and evaluation of its activities for the period 1991-92 to 1997-98. Records pertaining to the implementation of the programme were test-checked in the office of the Administrator, CADA, Panchkula, 6¹ of the 13 divisions of CADA and 4² of the 8 Command Area Development Agencies at district level during October 1997 to April 1998. Important points noticed during test-check of records are discussed in the succeeding paragraphs:

¹ WJC Command Lining Division (Dn)-I, CADA, Bhiwani; Gurgaon-Agra Canal Command Lining Dn, CADA, Faridabad; JLN Command Lining Command Dn, CADA, Narnaul; WJC Command Lining Dn(s) II and IV, Rohtak and WJC Lining Command Dn-VII, CADA, Sonipat.

² Command Area Development Agencies at Bhiwani, Faridabad, Rewari and Rohtak.

6.6.4. Highlights

Though 329.71 thousand hectare irrigation potential was created up to 1996-97 under CADP, irrigation potential only 187.74 thousand hectare (57 per cent) of nine Command areas was utilised during 1996-97.

(Paragraph 6.6.7)

Out of 6 divisions test-checked, in 3 divisions investment of Rs 6.76 crore on the construction of 153 water courses (WCs) with irrigation potential of 27.3 thousand hectares area was rendered unfruitful as those were not used for irrigation at all due to non-availability of adequate water.

(Paragraph 6.6.8 (i))

In 3 Command lining divisions, Rs 4.66 crore were spent during 1984-85 to 1996-97 on construction of 114 water courses for irrigating 15,566 hectares of agriculture land against which only 605 hectares (4 per cent) could be irrigated due to non-availability of adequate water.

(Paragraph 6.6.8(ii))

485 water courses were found damaged in patches on physical inspection conducted by the Monitoring Evaluation and Quality Control Division of CADA, Faridabad during 1994-97 but no action was taken for their repair.

(Paragraph 6.6.8 (iv))

Water management subsidy of Rs 17.42 lakh was paid to 87 of the total 374 farmers' associations though none of the 1,677 water courses constructed in three command areas were handed over to them. All these 374 associations were non-functional.

(Paragraph 6.6.13(i) and (ii))

Against the norms of 20 per cent of the actual expenditure, expenditure on establishment ranged from 25 to 72 per cent during 1995-98 in respect of three command areas.

(Paragraph 6.6.14 (i) and (ii))

6.6.5. Financial outlay and expenditure

During 1991-98, Rs 142.93 crore were released to CADA out of which Rs 141.51 crore were spent leaving unspent balance of Rs 1.42 crore. Besides, Rs 5.60 crore were lying unspent in various bank accounts of CADA as on 31 March 1998.

(a) The Programme was financed through State funds and Central assistance on 50:50 matching basis. Central assistance was received by Irrigation and Power Department at Secretariat level who remitted it to CADA.

(b) Out of Rs 142.93 crore released to CADA by the State Government during 1991-92 to 1997-98, Rs 141.51 crore were spent leaving Rs 1.42 crore unspent in various bank accounts of CADA. Besides, CADA had unspent balance of Rs.5.60 crore as on 31 March 1998 in their bank accounts which included interest, miscellaneous receipts, grants, etc. The details of budgetary outlay, funds made available by Central Government and the State Government and actual expenditure incurred during 1991-92 to 1997-98 were as under:

Year	Budgetary outlay		Funds sanctioned by		Funds received from other institutions	Total	Funds drawn by state Government	Funds released to CADA	Expenditure
	Original	Final	Central Government	State Government					
	(Rupees in crore)								
1991-92	12.20	12.20	6.57	6.11	-	12.68	12.68	12.68	9.99
1992-93	15.35	15.35	6.50	8.85	-	15.35	15.35	15.35	14.15
1993-94	21.55	20.26	10.13	10.13	-	20.26	20.29	20.26	18.92
1994-95	25.30	23.65	11.82	11.82	-	23.64	23.66	23.66	23.26
1995-96	27.80	23.70	11.85	11.85	0.18*	23.88	23.70	23.70	23.56
1996-97	27.80	24.94	12.47	12.47	-	24.94	24.94	24.94	27.35
1997-98	30.00	22.34	11.17	11.17	-	22.34	22.34	22.34	24.28**
Total	160.00	142.44	70.51	72.40	0.18	143.09	142.96	142.93	141.51

(c) Rush of expenditure in March

Expenditure incurred during last quarter of 1991-92 to 1997-98 in the offices of CPOs and lining divisions CADA varied from 27 to 83 per cent of the total

Received from Haryana State Minor Irrigation and Tubewells Corporation (HSMITC) for the repair of water courses constructed by Irrigation Department which did not pertain to this programme.

** Provisional figures as final account were not yet finalised.

annual expenditure vide Appendix-XXI. CPOs Bhiwani and Rewari incurred the maximum (83 *per cent*) expenditure during the last quarter of 1995-96.

The rush of expenditure in the month of March during the years 1991-92 to 1997-98 was evident in the high expenditure levels in this month which ranged between 13 and 80 *per cent* (CPO, Bhiwani 80 *per cent* in 1995-96). The concerned divisions stated that the rush of expenditure was due to heavy grants received during the last quarter of the year from the Administrator, CADA, Panchkula.

Release of grants by GOI/State Government in the last quarter of the years ranged from 43 to 62 *per cent* during 1991-92 to 1997-98 as indicated below:

Year	Grants released by		Total grants	Grants released in last quarter by		Percentage release in last quarter with reference to total grants	Grants released in March		Percentage released in March with reference to total grants
	GOI	State		GOI	State		GOI	State	
	(Rupees in crore)						(Rupees in crore)		
1991-92	6.57	6.11	12.68	6.57	Nil	52	3.88	Nil	31
1992-93	6.50*	8.85	15.35	5.50	2.18	50	1.00	2.18	21
1993-94	@10.13*	10.13	20.26	5.42	3.34	43	Nil	3.01	15
1994-95	11.82*	11.82	23.64	5.33	5.67	46	2.83	0.16	13
1995-96	11.85**	11.85	23.70	6.63	6.63	56	6.63	Nil	28
1996-97	12.47	12.47	24.94	9.97	5.52	62	3.29	0.80	16
1997-98	11.17	11.17	22.34	Nil	13.34 ^s	60	Nil	10.34	46

Late release of grants by GOI and the State Government led to delay in payments to (a) farmers on account of subsidies on sprinkler sets; and (b) contractors towards construction of Water Courses (WCs) which resulted in rush of expenditure in the last quarter of each financial year. Reasons of late

* Includes Rs. 1 crore (adjusted against Rs 4.25 crore) already released in excess by GOI to the State Government.

@ Statement of funds released by Centre as per guidelines showed Rs 9.34 crore whereas total of actual funds released worked out to Rs 9.13 crore.

** Includes Rs. 1.25 crore (adjusted against Rs 4.25 crore) already released in excess by GOI to the State Government.

^s Out of Rs 13.34 crore released by State during the last quarter of 1997-98, State's share was Rs 11.17 crore and the remaining Rs 2.17 crore received from GOI during previous three quarters of 1997-98 was released in the last quarter and in the month of March by the State.

releases asked from Irrigation/Finance Department of the State Government were awaited (November 1998).

(d) Interest earned on bank deposits

CADA, Haryana received grants from GOI and the State Government for implementation of CADP. The grant was drawn from the treasury by the Secretary, Irrigation and Power Department, Haryana and then transferred to CADA through Bank drafts. CADA released amount to field offices as per their requirement and deposited the balance into various bank accounts. CADA, Haryana and CAD Agencies earned interest of Rs 2.17 crore during the period from 1991-92 to 1996-97 on fixed deposits/deposits in saving Bank accounts. CADA had no authority for utilisation of interest earned on bank deposits. However, CADA had been using these funds available by way of interest on construction of office building, purchase of staff quarters, grant of House Building and marriage advances.

Interest amount of Rs 6.92 lakh earned from these deposits made by CADA was misutilised by Chief Project Officer (CPO), CADA, Bhiwani towards marriage advance and House Building Advance to CADA employees

6.6.6. Physical progress

The achievements *vis-à-vis* targets in regard to the main activities of the programme during 1991-92 to 1997-98 were as under:

Year	Construction of field channel				Land levelling and shaping				Warabandi			
	Targets	Achievements	Short fall	Percentage of short-fall	Targets	Achievements	Short-fall	Percentage of short-fall	Targets	Achievements	Short-fall	Percentage of short-fall
	(In thousand hectares)											
1991-92	26.20	18.59	7.61	29	1.85	1.74	0.11	6	30.00	35.75	-	-
1992-93	23.40	23.65		-	2.00	1.36	0.64	32	40.00	31.92	8.08	20
1993-94	31.52	30.87	0.65	2	1.10	0.74	0.36	33	14.70	18.87	-	-
1994-95	35.00	44.19	-	-	2.70	0.75	1.95	72	36.30	13.73	22.57	62
1995-96	38.33	34.06	4.27	11	0.90	0.63	0.27	30	22.90	9.58	13.32	58
1996-97	42.50	35.79	6.71	16	0.64	0.57	0.07	11	8.56	2.19	6.37	74
1997-98	45.83	28.21	17.62	38	0.70	0.48	0.22	31	8.00	0.70	7.30	91

There was considerable shortfall in achievement under the activities 'land levelling and shaping' during 1994-95 and 'Warabandi' during 1994-95 to 1997-98. Detailed reasons for these are analysed in paragraphs 6.7.9 to 6.7.11. The Administrator, CADA attributed (April 1998) the shortfall in achievements to natural calamities like floods, etc. and non-receipt of funds as

per time schedule from Central/State Governments. The reply was not tenable as there were no floods in Haryana during 1991-92 to 1994-95.

6.6.7. Creation and utilisation of Irrigation potential

Against irrigation potential of 329.71 thousand hectares created up to 1996-97 in Command areas, potential up to 187.74 thousand hectares (57 per cent) was utilised in 1996-97.

Command Area Development Authority was created to improve water utilisation in major and medium irrigation projects. The position of irrigation utilised *vis-à-vis* the potential created (cumulative figures) was as under:

Sr. No	Name of command/Project	Potential created up to 1996-97	Potential utilised during 1996-97	Percentage of utilisation
(In thousand hectares)				
1.	Gurgaon Canal	81.00	22.18	27
2.	Jui Lift Irrigation Command	18.70	15.48	83
3.	Jawahar Lal Nehru Lift Irrigation Canal Command	49.98	15.56	31
4.	Rawari Lift Irrigation Command	14.95	3.02	20
5.	Bond Distributary in Bhiwani	4.53	2.33	51
6.	Dulhera Distributary in Rohtak	27.22	10.62	39
7.	Hansi Area in Hisar	7.53	7.65	102
8.	Western Jamuna Canal Command	81.80	71.16	87
9.	Agra Canal Command in Faridabad district	44.00	39.74	90
	Total	329.71	187.74	57

Year-wise position in regard to irrigation potential utilised *vis-à-vis* created under the programme during 1991-92 to 1996-97 was as indicated in Appendix-XXII. Information in regard to the creation of irrigation potential and its utilisation during 1997-98 had not been furnished (November 1998).

Reasons for short utilisation of irrigation potential in Gurgaon Canal Command, JLN Canal Command and Rewari Lift Irrigation Command are as discussed below:

Gurgaon Canal had water discharge capacity of 2,200 cusecs against which availability of water ranged between 250 and 350 cusecs during 1992-98. Water on the lift channels could not be lifted as per norms due to power shortage. Damaged water courses not repaired limiting the length of WCs for the purpose of water flow.

JLN Canal had a designed capacity of 927.25 cusecs water discharge against which water availability ranged between 3 and 268 cusecs during 1992-98. Shortage of power for operation of pump stations, change of cropping pattern by the farmers, non-maintenance/repair of damaged WCs led to short utilisation of irrigation potential created in the command area.

In Rewari Lift Irrigation Command area, low utilisation was attributable mainly to less availability of water, change in cropping pattern in the command area by farmers and shortage of power for pump houses installed for lifting water.

Following further points emerged as a result of test-check of records of the divisions:

(i) For JLN Canal Command, CADA reported to GOI that irrigation potential of 49.98 thousand hectares (ha) was created, whereas JLN Command divisions intimated that irrigation potential of 68.65 thousand ha had been created up to 1996-97. For Gurgaon Canal Command, CADA reported that 81 thousand ha irrigation potential was created up to 1996-97 whereas Gurgaon Canal Command Lining Division, Faridabad intimated that irrigation potential of 61.52 thousand ha was created. These discrepancies remained to be reconciled by CADA.

(ii) In JLN Command Lining Division, CADA, Narnaul, Irrigation potential for 18,100 ha area was created upto 1990-91 of which potential up to 1,610 ha only (9 *per cent*) was utilised upto March 1991; due mainly to less availability of water, shortage of power etc. During 1991-92 to 1996-97 CADA invested Rs. 21.75 crore on creation of additional irrigation potential of 50,550 ha. Of the total irrigation potential of 68,650 ha created upto 1996-97, potential upto 6,471 ha (9 *per cent*) only could be utilised. The low utilisation was due to short availability of water, change in cropping pattern and lack of power. Thus the expenditure of Rs. 21.75 crore without ensuring its feasibility in terms of water supply was not justified.

Similarly, in Gurgaon Canal Command Lining Division, CADA, Faridabad, irrigation potential up to 1991-92 was 52,052 ha of which 24,900 ha (48 *per cent*) was utilised. Despite low utilisation of this potential, CADA created additional potential of 9,475 ha during 1993-97 at a cost of Rs. 8.53 crore without solving the problem of water scarcity. Of the total irrigation potential of 61,527 ha upto 1996-97, only 22,180 ha (36 *per cent*) could be utilised. Reasons for shortfall stated by the Executive Engineer, Gurgaon Agra Canal Lining Division was less availability of water. Reply of JLN Canal Lining Division, Narnaul was awaited (November 1998).

6.6.8. Water Courses

(i) Unused water courses

153 Water Courses constructed at a cost of Rs 6.76 crore during 1984-85 to 1996-97 were not used at all for irrigation purposes.

CADA lined 1,916 water courses up to March 1998 at a cost of Rs 126.81 crore. A study of information regarding irrigated area through 1,677 water courses supplied by the divisions test-checked revealed that 153 water courses (WCs) having capacity to irrigate 27.3 thousand ha area constructed at a cost of Rs 6.76 crore by the following three divisions were never used for irrigation purpose:

Sr. No.	Name of division	Period of construction	Number of WCs	Cost of unused WCs (Rupees in crore)
1.	JLN Command Lining Division, CADA, Narnaul	1988-89 to 1996-97	121	5.38
2.	Gurgaon-Agra Canal Lining Division, CADA, Faridabad	1984-85 to 1996-97	16	0.41
3.	WJC Command Lining Division-I, CADA, Bhiwani	1984-85 to 1996-97	16	0.97
	Total		153	6.76

These water courses were constructed in anticipation of construction of Sutlej-Yamuna-Link (SYL) and availability of water therein. However, SYL construction works came to a stand still in July 1990 in Punjab territory. The State Government fixed targets (January 1992) for taking up construction of WCs during VIII Five Year Plan. Investment without proper planning did not help in achieving the objectives of the programme. Reasons for constructing large number of WCs without first ensuring availability of water in adequate measure required for putting them to use were awaited (September 1998).

(ii) Negligible use of water courses

In the following divisions, it was noticed in audit that 114 WCs were constructed during 1984-85 to 1996-97 at a cost of Rs 4.66 crore for irrigating 15,566 ha of agriculture land but only a negligible area of 605 ha (4 per cent)

could be irrigated due to non-availability of water.

Sr. No.	Division	Number of WCs	Length lined (In rft)	Length utilised (In rft)	Expenditure incurred (Rupees in crore)	Percentage utilised
1	JLN Command Lining Division, CADA, Narnaul	100	8,07,192	31,254	4.12	4
2	Gurgaon-Agra Canal Command Lining Division, CADA, Faridabad	4	34,696	1,494	0.09	4
3	WJC Command Lining Division-I, CADA, Bhiwani	10	92,089	3,522	0.45	4
	Total	114	9,33,977	36,270	4.66	

(iii) Avoidable construction of water courses

CADA constructed 19 water courses (WCs) at a cost of Rs 1.05 crore during 1997-98 despite PAC's recommendations not to construct any more WCs till the completion of SYL channels.

Public Accounts Committee recommended vide their 42nd Report (March 1996) that the department should stop wasteful expenditure on construction of water courses in those areas where there was no feasibility of adequate water supply till SYL channels were completed. The requirement of water for irrigation purposes in JLN Command areas was to be met through SYL channels which were yet to be completed. Due to shortage of water, the irrigation potential created upto 1996-97 under JLN Command areas could be utilised to the extent of 31 per cent only. Despite the fact that SYL channels were not yet complete, CADA constructed 19 WCs at a cost of Rs.1.05 crore during 1997-98.

(iv) Damaged water courses not repaired

JLN Command Lining Division, Narnaul, Monitoring, Evaluation (M&E) and Quality Control Divisions CADA, Faridabad and Rohtak during the course of inspection of water courses (WCs) in the years 1994 to 1997 noticed that 214 WCs constructed by JLN Command Lining Division, CADA, Narnaul, 197 WCs constructed by Gurgaon - Agra Canal Command Lining Division, CADA, Faridabad and 74 water courses constructed by WJC Command Lining divisions were damaged in patches. Of the above mentioned 214 water courses of JLN Command Area, in 45 water courses water had not flown at any time since their construction during 1989-95. Consequently these water courses could not be utilised fruitfully to their full length. No action for their repair had been taken as CADA was not required to maintain these WCs. According to the provisions of CADP, the water users (farmers) associations

(beneficiaries) were to maintain WCs. However, they also did not take any steps in this regard as WCs had not been handed over to them. Damages to many of these WCs were pointed out by M&E Division as far back as 1994-95 and 1995-96. Reasons for not handing over these WCs to the beneficiaries were not intimated by CADA.

6.6.9. Construction of field channels

Field channels were water channels with an outlet command which delivered water from the outlet to the individual field. The command wise position was as under:

Name of command	Year	Financial outlay	Expenditure	Target	Achievement	Percentage shortfall
		(Rupees in crore)		(In thousand hectares)		
Gurgaon Canal	1991-92 to 1997-98	5.90	4.01	13.37	8.44	37
JLN Canal	1991-92 to 1997-98	26.77	23.88	59.55	55.29	7
WJC [†]	1991-92 to 1997-98	69.38	62.12	151.45	135.36	11
Agra Canal	1993-94 to 1997-98	9.03	7.00	18.41	16.27	12
Total		111.08	97.01	242.78	215.36	

In Gurgaon Canal Command Area, construction of field channels during 1991-92 to 1997-98 fell short of targets by 37 per cent. In JLN Canal Command, WJC Command and Agra Canal Command areas, the shortfall during the same period ranged between 7 and 12 per cent. CADA attributed (April 1998) the shortfall to floods, excessive rains and non-release of funds as per time schedule by the Central/State Governments. Reply was not based on facts as there were no serious floods in the State during 1991-92 to 1994-95 and 1996-98.

6.6.10. Land levelling and shaping

Primary objective of land levelling and shaping was to ensure even spread of irrigation water in the fields and drainage of excess irrigation/rain water from fields without water logging and soil erosion. This component was to be carried out at farmer's cost or by farmers themselves. Against the provision of Rs 99.15 lakh during 1991-92 to 1997-98 for land levelling on 9,905 ha area land levelling was done on 6,298 ha at a cost of Rs 64.16 lakh paid as subsidy

to farmers as per details given below:

Name of command/ Project	Period	Financial		Physical		Percentage of shortfall
		Outlay	Expendi- ture	Target	Achieve- ment	
		(Rupees in lakh)		(In hectares)		
Gurgaon Canal	1991-92 to 1997-98	32.25	26.95	3,270	2,295	30
JUI Lift irrigation	1991-92 to 1997-98	8.80	4.12	995	563	44
JLN Canal	1991-92 to 1997-98	37.40	20.31	3,765	2,224	41
RLI Lift irrigation	1991-92 to 1997-98	9.20	8.17	800	661	17
Bond/ Dulhera	1991-92 to 1997-98	4.15	0.68	405	138	66
WJC	1996-97 to 1997-98	0.20	0.08	20	9	55
Agra Canal	1993-94 to 1997-98	7.15	3.85	650	408	37
Total		99.15	64.16	9,905	6,298	

CADA agencies attributed the shortfall to less interest taken by the farmers. However, the efforts made by Government/ CADA to persuade the farmers for land levelling and shaping were not on record.

6.6.11. Warabandi

Warabandi is a system of equitable distribution of canal water by turn to users. It also introduces certain discipline and fair play in the use of available water to ensure that the water is efficiently used by the farmers for irrigation. Targets for *warabandi* were framed by CADA whereas the actual *warabandi* work was done by the divisions of Irrigation Branch of the Public Works Department(PWD) under the Haryana Canal and Drainage Act, 1974. Control gates at canals for releasing water to the distributaries were manned by the Irrigation Department. Engineer-in-Chief Irrigation Branch, PWD, approved the rotational programme for running/distribution of canal water for various distributaries. CADA made payment for *warabandi* works to the Irrigation Branch as per sanctioned norms i.e. at Rs 300 per ha. It was noticed that the targets for *warabandi* were not achieved under the programme and there was substantial shortfall ranging from 58 to 91 *per cent* during 1994-95 to 1997-98(year-wise area targetted and covered indicated in the table in paragraph-6.6.6).

Command-wise physical and financial targets, achievements and shortfalls in regard to framing of '*warabandi*' was as under:

Name of command	Year	Financial		Physical		Percentage of shortfall
		Target	Achievement	Target	Achievement	
		(Rupees in crore)		(In hectares)		
Gurgaon-Agra Canal	1993-94	10.20	11.82	8,000	9,847	
	1994-95	40.00	6.05	15,300	7,127	
	1995-96	22.70	8.94	13,000	5,083	
	1996-97	3.50	2.83	3,510	995	
	1997-98	6.50	Nil	3,000	705	
		82.90	29.64	42,810	23,757	45
JLN Canal	1993-94	10.00	9.39	6,700	9,025	
	1994-95	55.00	6.60	21,000	6,599	
	1995-96	17.30	1.20	9,900	4,497	
	1996-97	1.50	0.56	5,048	1,196	
	1997-98	10.50	Nil	5,000	Nil	
		94.30	17.75	47,648	21,317	55

Shortfall in *warabandi* during 1993-94 to 1997-98 was 45 per cent and 55 per cent in the areas of Gurgaon-Agra Canal Command and JLN Canal Command respectively. In 1997-98, Rs 17 lakh were allocated for *warabandi* but no *warabandi* work was done as of October 1998.

Deputy Collector, Faridabad Water Services Division, replied (November 1998) that the farmers were not interested in framing *warabandi*. The Deputy Collector was required to inquire into the reasons for their lack of interest for taking remedial steps and organise *warabandi*.

6.6.12. Adaptive trials and demonstrations

CADP envisaged optimisation of agricultural production from irrigated land while providing infrastructure needed for delivery of irrigation water at the farm gate, etc. For this purpose, the activity of organising demonstration of plots was taken up for better use of inputs such as fertilizers and seeds, etc.

Year-wise targets of demonstration plots *vis-a-vis* achievements were as under:

Year	Targets	Achievements	Budget outlay	Expenditure incurred
	(In hectares)		(Rupees in lakh)	
1991-92	350	282	2.50	1.89
1992-93	140	196	3.00	2.81
1993-94	740	603	19.81	17.06
1994-95	435	966	13.00	27.49
1995-96	797	813	24.00	25.01
1996-97	915	758	29.50	23.72
1997-98	575	776	17.25	18.67

The results of each demonstration plot were to be obtained and analysed by CPOs to ascertain the production per ha as per specifications of inputs i.e. effect/result of use of hybrid seeds provided to farmers. However, results of demonstration plots organised over an area of 633.4 ha (Rewari: 298 ha, Rohtak: 335.4 ha) were not obtained and analysed. Chief Project Officer, Rewari stated (January 1998) that the point had been noted for further compliance while CPO, Rohtak did not give any reply.

Besides, CADA had not maintained any record regarding the coverage of area under High Yield Variety seeds and the results achieved in this regard.

6.6.13 Farmers' participation in water management

(i) To distribute water suitably and uniformly to all the farmers in the command area, the programme envisaged involvement of farmers in water management and water distribution at the outlet and at minor level. For this purpose Farmers' Associations were to be formed to organise maintenance and repairs of field channels and these organisations were to submit accounts to CADA for claiming management subsidy.

In six Command Areas Development Agencies, though 374 farmers' associations were formed and registered under the Societies Act and management subsidy of Rs 17.42 lakh was paid to 87 such farmers' associations during 1991-92 to 1997-98. All these 374 farmers' associations were non-functional. Management subsidy was paid by CADA without obtaining accounts from these associations. The funds were lying unutilised as the water courses were not handed over to the farmers' associations.

(ii) Non-handing over of water courses

In six divisions* 1,677 water courses costing Rs 74.69 crore lined between January 1984 and September 1997 in 3 command areas were not handed over to the farmers' associations. As per GOI, Ministry of Water Resource instructions (April 1987) field channels and field drains, even though constructed with grants from the State and Central Government, were the property of the farmers and were to be maintained by them. CADA attributed (September 1998) non-handing over WCs to the fact that approved memoranda of understanding between CADA and the water users' associations had not been received from the State Government.

6.6.14. Expenditure on CADA establishment in excess of norms

Rupees 4.99 crore had been spent on establishment in excess of prescribed norms during 1991-92 to 1997-98.

(i) As per GOI's instructions (October 1986), the total cost on establishment was not to exceed 20 *per cent* of the total expenditure under the programme. It was, however, noticed in audit that cost on establishment of CADA, including salaries of secretariat staff and staff of various divisions ranged between 22 and 28 *per cent* from 1991-92 to 1994-95 as detailed below:

Year	Total expenditure	Expenditure on establishment	Percentage of establishment expenditure to total expenditure
(Rupees in crore)			
1991-92	9.99	2.80	28
1992-93	14.15	3.28	23
1993-94	18.92	4.20	22
1994-95	23.26	5.04	22
Total	66.32	15.32	

20 *per cent* of the total expenditure incurred during 1991-92 to 1994-95 worked out to Rs 13.26 crore. Expenditure incurred on establishment over and above the norms of 20 *per cent* came to Rs 2.06 crore.

(ii) As per GOI's instructions (September 1995) cost of establishment was to be limited to 20 *per cent* of the certain work items namely (i) construction of field channels, (ii) construction of field drains and (iii) *warabandi*. The establishment cost in all the divisions of CADA exceeded the prescribed

* JLN Command Lining Division Narnaul, Gurgaon-Agra Canal Command Division, Faridabad, WJC Command Lining Division- I, Bhiwani, WJC Command Lining Divisions II & IV Rohtak and - 7 Sonapat.

norms of 20 *per cent* establishment cost as indicated below:

Name of command	Year	Total expenditure on works	Expenditure on establishment	Percentage of establishment expenditure to the total expenditure on works
		(Rupees in crore)		
JLN	1995-96	2.21	0.62	28
	1996-97	1.62	0.41	25
	1997-98	1.05	0.42	40
		4.88	1.45	30
GAC	1995-96	1.67	0.67	40
	1996-97	1.29	0.50	39
	1997-98	0.65	0.47	72
		3.61	1.64	45
WJC	1995-96	8.51	2.16	25
	1996-97	13.64	2.68	20
	1997-98	11.58	3.40	29
		33.73	8.24	24
Grand Total		42.22	11.33	27

Thus Rs 2.93* crore had been incurred on establishment in excess of prescribed norms.

6.6.15. Activities not implemented

A provision of Rs 12 lakh in 1995-96 for Drip Irrigation, Rs 10 lakh in 1995-96 and 1997-98 for land Reclamation and Rs 11 lakh from 1992-93 to 1994-95 for audio visual publicity was made in Annual Action Plan by CADA. These activities were not taken up and the provision of funds remained unutilised.

6.6.16. Monitoring

Two Monitoring, Evaluation and Quality Control divisions at Faridabad and Rohtak under the control of a Superintending Engineer (SE) at Panchkula were set up. Of the 1,916 WCs constructed under CADP upto March 1998 position of only 309 WCs (16 *per cent*) was monitored by the divisions. The monitoring reports were submitted to SE, Monitoring, Evaluation and Quality Control, CADA, Panchkula in October and November 1997 but no followup action was taken. Other aspects like impact of subsidy released to farmers' associations, demonstration plots, training to farmers, etc. of the programme were not monitored at all.

* After excluding figures of 1996-97 of WJC.

6.6.17. Evaluation

A provision of Rs 28 lakh was made during 1991-92 to 1997-98 for conducting evaluation of the programme. CADA arranged only one pilot evaluation study of lined water courses on which Rs.0.68 lakh were spent. In effect, therefore, an important aspect of the programme was overlooked by the Government.

6.6.18 Conclusion

Main objectives of CADA were to bridge the gap between the irrigation potential created and that utilised in the irrigated commands on sustainable basis; to ensure equitable distribution of water for irrigation to all farmers and proper maintenance/ utilisation of water courses in the command areas. Up to 1996-97, irrigation potential of 329.71 thousand ha was created but irrigation potential up to 187.74 thousand ha (57 *per cent*) only was utilised. Though 374 farmers' associations were formed and registered to motivate and involve farmers in water management/distribution, all these associations were non-functional. 1677 Water Courses constructed in 6 divisions under the Programme up to March 1998 had not been handed over to farmers' associations for their maintenance. WCs wherever damaged were not repaired. There was shortfall ranging from 58 to 91 *per cent* towards achievement of targets of *warabandi* during 1994-98 to ensure equitable water distribution to farmers.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

Rural Development Department
(District Rural Development Agency)

6.7 Wasteful expenditure on horticulture scheme

DRDA paid the beneficiaries of the scheme "Horticulture on Private Land" a total of Rs 49.48 lakh even though the plants were not maintained by them.

To improve the economic condition of small and marginal farmers especially of scheduled castes and scheduled tribes and to increase the production of horticulture produce, Government of India (GOI) decided in February 1995 to include horticulture on private land as permissible activity under the Employment Assurance Scheme. The total assistance admissible to a single beneficiary towards input subsidy and payment for labour was Rs 0.15 lakh per ha subject to a ceiling of two ha to be provided over a total period of 4

years after determining the cost norms of each horticulture plant and pattern of assistance in each year by a State Level Committee. The assistance for the second and subsequent years was admissible to the beneficiary if the minimum survival of horticulture plant would be 75 *per cent*. The beneficiary farmers who did not maintain their horticulture plants were liable to repay the entire amount given on this account. The willing persons among the small and marginal farmers were selected under the scheme.

During test-check of records of District Rural Development Agency (DRDA), Bhiwani, it was noticed (January 1997) that horticulture plants were planted in 1,685 ha area at the cost of Rs 1.08 crore in Bhiwani district during March 1995 to March 1996 through 3 implementing agencies namely Divisional Forest Officer (DFO), Social Forestry Division (SFD), Bhiwani (area 900 ha: Rs 67.85 lakh), DFO, Territorial (T), Bhiwani (area 575 ha: Rs 26.96 lakh) and District Horticulture Officer (DHO), Bhiwani (area 210 ha: Rs 12.93 lakh). The cost norms and pattern of assistance by a State Level Committee were not determined as required under the scheme. The amount of subsidy was paid to the beneficiaries in one instalment in violation of the guidelines.

Scrutiny of records of survival of horticulture plantations (July and December 1996) by audit revealed that against plantations in 1,685 ha area, the survival of horticulture plant in 520 ha area ranged between 15 and 50 *per cent* and in 140⁺ha area the survival was nil due to flood damage as detailed below:

Agency	Area in hectares	Range	Period of plantation	Cost of plantation (Rupees in lakh)	Percentage of survival
DFO (SFD), Bhiwani	140	Bhiwani	March 1995 to May 1995	12.60	Nil (damaged in floods)
-do-	160	Loharu	April 1995 to May 1995	14.40	17 to 21
-do-	150	-do-	September 1995 to October 1995	9.55	15 to 20
DHO, Bhiwani	210	-----	November 1995 to February 1996	12.93	40 to 50
Total	660			49.48	

Although the beneficiaries failed to maintain horticulture plantations properly, action to effect recovery was not initiated. The Additional Deputy Commissioner of the DRDA stated (November 1997) that the scheme of horticulture being new in the area, beneficiaries had taken no interest in maintenance of their horticulture crops and ploughed their fields for crops like Gram, Wheat, etc. without saving the horticulture plants. At the instance of audit notices for recovery were being issued to the beneficiaries by implementing agencies.

Thus, due to non-implementation of the scheme as per guidelines given by GOI, the State Government suffered a loss of Rs 49.48 lakh and the objectives of the scheme were also not fulfilled.

The matter was referred to the Government in March 1998; their reply had not been received (November 1998).

6.8 Unfruitful expenditure due to non-installation of pump sets

Due to non-installation of Pump Sets the expenditure of Rs 25.98 lakh incurred on wells became unfruitful.

Million Wells Scheme (MWS), a sub-scheme of Jawahar Rozgar Yojna, launched in 1988-89 and modified in 1993-94 provided for open irrigation wells to poor small and marginal farmers. The scheme was declared (August 1996) a separate scheme effective from October 1996 with certain modifications including more activities as under:

- (i) digging of tube wells/bore wells, installation of pump sets, minor irrigation like irrigation tanks, water harvesting structures and
- (ii) limiting the subsidy to the actual cost of project or Rs 35,000, whichever was less, with provision to meet the rest of the cost of the project under Tribal Plan, Special Assistance to the Special Component Plan for Scheduled Castes, Integrated Rural Development Programme or any other state sponsored programmes.

In December 1996, the implementation of MWS was held in abeyance by the Central Government. Therefore, the State Government directed (December 1996) their field offices not to instal the tube-wells/bore wells/pump sets and to ensure that the funds earmarked under the scheme were not utilised. Implementation of MWS had not been restored (May 1998) by the Central Government.

During test-check (September-October 1997) of records of District Rural Development Agency (DRDA), Bhiwani it was noticed that Rs 28.50 lakh were released to 7 Block Development and Panchayat Officers (BDPOs) for implementation of the scheme during 1996-97. Eighty eight wells were excavated between October 1996 and November 1997 at a cost of Rs 25.98 lakh. These wells could not be put to use as the lift irrigation system had not

been provided due to lack of funds. It was noticed that

(i) Rs 20.81 lakh were spent between January 1997 and May 1998 on the excavation of 73 wells** in violation of Government of India's order issued in December 1996 for discontinuation of the scheme and

(ii) the work of excavation of 15 wells was taken up in October 1996 without ensuring availability of funds from other schemes to complete the project to use for irrigation purposes.

Thus the expenditure of Rs 25.98 lakh incurred on the excavation of 88 wells became unfruitful as the projects could not be completed to put to use for irrigation, for not arranging funds from other schemes besides incurring expenditure of Rs 20.81 lakh after December 1996 in violation of the Central Government instructions.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

** Bhiwani: 4 wells, Charkhi Dadri-I: 1 well, Bhawani Khera: 4 wells, Kairu: 20 wells, Loharu: 19 wells, Siwani: 8 wells and Tosham: 17 wells.

**Town and Country Planning Department
(Haryana Urban Development Authority)
and Public Works Department**

6.9 Land Acquisition, transfer of land and utility thereof

6.9.1. Introduction

In Haryana, land for the purpose of developing residential sectors/colonies, industrial estates and for commercial activities in urban areas is acquired by Haryana Urban Development Authority (HUDA), set up in the year 1977, for planned development of urban areas through four Land Acquisition Collectors (LACs) located at Faridabad, Hisar, Gurgaon and Panchkula which function under the Department of Urban Estates, Haryana.

6.9.2. Organisational set up

The Department of Urban Estates, Haryana acquires land for HUDA through LACs located at Gurgaon, Faridabad, Hisar and Panchkula. For Public Works Department, Land Acquisition Officers at Ambala, Bhiwani, Gurgaon and Hisar acquire land for Buildings and Roads Branch whereas Land Acquisition Officers at Ambala and Narnaul acquire land for Irrigation Branch.

6.9.3. Audit coverage

Test-check of the records of all the four LACs (HUDA) and three (out of four) Land Acquisition Officers (LAOs) (B&R) at Ambala, Gurgaon and Hisar and one (out of two) LAO (Irrigation) at Ambala was conducted for the period 1992-98 during November 1997 to March 1998. Important points noticed as a result of test-check are discussed in the succeeding paragraphs:

6.9.4. Highlights

HUDA acquired 10.2 thousand acres of land and paid compensation of Rs 739.80 crore during 1992-93 to 1997-98. Similarly PWD (Irrigation branch and Buildings and Roads branch) acquired 2.5 thousand acres of land and paid compensation of Rs 34.65 crore during the same period.

(Paragraph 6.9.5)

Four Land Acquisition Officers and two Estate Officers of HUDA and four Land Acquisition Officers of PWD made avoidable payment of interest of Rs.13 crore. Payment of enhanced compensation, and referring landowners' objections to the courts, were delayed and possession of plots to allottees, etc. were not handed over.

(Paragraph 6.9.6)

Properties like trees/structures, etc. worth Rs 4.70 crore, acquired along with the land, were neither accounted for in the stock of the offices of four Estate Officers of HUDA nor action was taken to auction them.

(Paragraph 6.9.8)

5.1 thousand acres of land acquired by HUDA for residential, commercial and industrial purposes in eight towns of Haryana had not been developed. One thousand acres could not be transferred as the lay out plans had not been finalised though 514 acres were acquired in Faridabad as far back as 1991-92. Another 265 acres were under orders of stay from court.

(Paragraph 6.9.10(i))

Though HUDA allotted 71.4 thousand square metres of land to 'HUDA and Town and Country Planning Employees Welfare Organisation' (HEWO) in 1994 at a cost of Rs 8.42 crore no recovery was made from the Society as the mode of payment was not settled.

(Paragraph 6.9.10(ii))

HUDA acquired 216.30 acres of land during 1991-92 at a cost of Rs 2.86 crore for residential/commercial purposes but the land, being flood prone, could not be utilised.

(Paragraph 6.9.11(i))

Acquisition of land

6.9.5 Land acquired and compensation paid

Land area acquired and compensation paid by HUDA and PWD during 1992-93 to 1997-98 were as under:

Year	HUDA		PWD			
	Land acquired (in acres)	Compensation paid (Rupees in crore)	Irrigation		B&R	
			Land acquired (in acres)	Compensation paid (Rupees in crore)	Land acquired (in acres)	Compensation paid (Rupees in crore)
1992-93	3,906.69	122.18	30.56	0.17	115.69	1.14
1993-94	1,191.63	88.53	111.68	1.42	23.88	0.29
1994-95	1,178.20	104.12	177.29	2.28	61.64	0.73
1995-96	3,047.60	192.85	417.25	2.60	60.92	0.81
1996-97	302.89	116.14	338.86	5.03	40.58	1.00
1997-98	562.96	115.98	1,091.31	18.45	20.99	0.73
Total	10,189.97	739.80	2,166.95	29.95	323.70	4.70

Details in regard to the land transferred, utilised or having remained unutilised out of 10,189.97 acres of land was not maintained by HUDA. Public Works Department acquired land for their own use for construction of roads, canals, drains, etc.

6.9.6 Interest payments

Due to delayed payment of compensation, referring landowner's applications to the courts, handing over possession of plots to allottees, etc. HUDA and PWD had to pay interest of Rs 13 crore.

For acquiring land for public purposes, an award of compensation is made by the Collector under Section 11 of the Land Acquisition Act, 1894 (amended in 1984). If the compensation is enhanced by the Court, interest at prescribed rates is payable under Section 28 of the Act.

A scrutiny of records in the offices of HUDA and PWD in the districts/divisions test-checked revealed that Rs 13 crore were paid towards interest due to delay in the payment of compensation to the landowners, incorrect application of interest rates, delay in referring landowners' applications to the courts, delay in handing over possession of plots to

allottees, etc. as discussed below:

(i) *Avoidable payment of interest due to delay in releasing payment*

According to the provisions of Land Acquisition Act, 1894, LAC was to pay interest on the enhanced compensation awarded by courts at the rate of 9 *per cent* for the first year and 15 *per cent per annum* for the subsequent years from the date on which the Collector took possession of the land to the date of payment in the court.

Test-check of records of LACs for HUDA and Buildings and Roads and Irrigation Branches of PWD revealed that in 356 cases (HUDA:125 and PWD:231), pertaining to the years 1981-82 to 1995-96, the courts enhanced the compensation awarded by LACs but the payment of enhanced compensation to the landowners was delayed between 4 and 54 months. The delay resulted in avoidable payment of Rs 1.63 crore (HUDA: Rs.1.50 crore and PWD: Rs. 0.13 crore) on account of interest on delayed payments.

Scrutiny of reasons for delay in 15 cases of PWD, (B&R) Division-I, Gurgaon showed that the court awarded the enhanced compensation on 25 March 1991 and the division sent these cases to LAO, Gurgaon in May 1993 for assessing the payable amount. LAO intimated the payable amount (in form-B) to the division in February 1994. The division could not make the payment to the landowners for want of LOC in the year 1993-94 and sent the cases back (August 1995) to LAO, Gurgaon for updating the interest and the payable amount. LAO revised the payable amount and returned the cases in August 1995 to the division which made payment to the landowners in March 1996. The delay entailed avoidable payment of interest of Rs 2.57 lakh in these cases.

In 9 cases, LAC, Gurgaon sent demand in September 1995 to HUDA but the payments were delayed by 10 to 12 months (1 case in June 1996 and 8 cases in October 1996). The landowners submitted claims for payment of interest for the period between the date of raising demand by L.A.C, Gurgaon and the date of actual payment by HUDA. This would entail avoidable extra liability of Rs 41.41 lakh.

HUDA replied (June 1998) that delay in payment of compensation/ enhanced compensation occurred as legal and financial formalities were to be met before making payments and also the cases were received late from LAOs due to shortage of staff.

(ii) *Un-authorised payment of interest on statutory benefits*

The amount of compensation for the land, for which an award is made under Section 11 of the Land Acquisition Act, 1894 (as amended in 1984), is determined on the basis of the market value of the land in the manner provided in Section 23(1) of the Act. In addition, following statutory benefits in respect

of each award announced by Land Acquisition Collectors are also awarded under Section 23 (1) (A) and 23 (2) of the Act by the courts:

- (a) An amount calculated at the rate of 12 *per cent* per annum on the market value of land from the date of publication of notification under Section 4 to the date of taking possession or the date of award, whichever is earlier.
- (b) An amount calculated at the rate of 30 *per cent* on the market value of land as charges for compulsory acquisition.

The Supreme Court ruled that interest payable on the enhanced compensation under Section 28 of the Land Acquisition Act was not payable on the statutory benefits under Section 23 (1-A) and 23 (2) *ibid*. It was, however, noticed in audit that HUDA and PWD (B&R) had paid interest of Rs 12.08 lakh (HUDA: Rs 5.54 lakh and P.W.D: Rs 6.54 lakh) in 155 cases (HUDA:1, PWD:154) even after the Supreme Court decision in 1995.

(iii) *Payment of interest due to delay in sending landowner's objections to the courts*

Under Section 18 of the Land Acquisition Act, 1894, any person interested, who did not accept the award, may by written application to the Collector, require that the matter regarding his objection to the measurement of the land, the amount of the compensation, the persons to whom it is payable, or the apportionment of the compensation among the persons interested be referred by LAC to the court. HUDA had issued instructions in April 1990 that reference to District Courts should be made by LACs within 3 months of the date of receipt of such references from the interested persons to avoid un-necessary burden of interest.

Test-check of records of LACs at Faridabad, Gurgaon, Hisar and Panchkula (who acquired land for HUDA) revealed that in 149 cases (Panchkula: 58, Gurgaon:48, Faridabad:34, Hisar: 9)during 1993-94 to 1997-98, the applications of landowners (interested persons) were forwarded to the courts after a delay of 3 to 44 months (after excluding prescribed period of 3 months) by the concerned LACs. The landowners had accepted the awards under protest. Delay in sending applications to the courts resulted in avoidable payment of interest of Rs.7 crore* (Panchkula: Rs 0.17 crore, Gurgaon: Rs 5.52 crore, Faridabad: Rs 1.18 crore and Hisar: Rs 0.13 crore), which could have been avoided had the applications been referred to the courts within the prescribed time limit of 3 months.

Further, 1,941 applications (Panchkula: 704, Gurgaon: 284 and Faridabad: 953) received from landowners under Section 18 were lying pending in the

* 1993-94: 3 cases (Rs 0.005 crore), 1994-95: 6 cases (Rs 0.030 crore), 1995-96: 7 cases (Rs 0.050 crore), 1996-97: 75 cases (Rs 0.940 crore) and 1997-98: 58 cases (Rs 5.980 crore).

concerned LAC's offices for a period ranging from 1 to 6 years as indicated below:

Applications pending (In number)	Year since when pending
360	1992
389	1993
171	1994
744	1995
138	1996
139	1997
1,941	

Reasons for delay in sending these applications to the courts were not intimated (August 1998).

Due to delay in sending these applications for enhancement to the courts, HUDA would have to bear extra liability in the shape of interest payments for the period of delay in cases where court decided in favour of landowners.

(iv) *Excess payment of interest due to incorrect application of interest rates*

Under the Land Acquisition Act, 1894, amount of compensation awarded for the land acquired is determined on the basis of market value of the land on the date of publication of the notification under Section 4 of the Act. In addition to the market value of land, *solatium* in consideration of the compulsory nature of acquisition and interest from the date of possession of the land are admissible. In terms of amended Act 1984, the rates of *solatium* and interest payable were enhanced* from 30 April 1982 and the revised rates were applicable in relation to any award made by the Collector or court or to any order passed by High court or Supreme Court in appeal against any such award when the proceedings were pending on that date. Following points emerged in audit:

- (a) LAC, Panchkula acquired land measuring 11 kanal 13 marla in Hisar during 1996-97 at the rate of Rs 65 and Rs 41 per sq.yard depending on areas. Aggrieved by the award, the landowners went in for appeal in District Court, Hisar and then in High Court. The High Court enhanced the compensation to Rs 800 per sq.yard with the direction that the applicants would be entitled to additional compensation and interest as provided under the amended Act. As the awards by LAC, Panchkula were initially given in 1976-77 i.e. prior to 30

* Up to 29 April 1982: *Solatium* @ 15 per cent and interest @ 6 per cent. After 29 April 1982: *Solatium* @ 30 per cent and interest @ 9 per cent for the first year and @ 15 per cent thereafter.

April 1982(date from which rates of interest were increased), interest on delayed payment was payable at the rate of 6 *per cent per annum*. However, Land Acquisition Officer, HUDA, Hisar paid interest at the rate of 9 *per cent per annum* for the first year and 15 *per cent per annum* for the subsequent years which resulted in excess payment of Rs 1.03 crore.

(b) Similarly, LAC, Gurgaon gave an award in March 1978 which was enhanced by the Supreme Court in September 1991. However, LAC, Gurgaon paid the differential amount of enhanced compensation between May 1993 and May 1994 and interest thereon at the rate of 9 *per cent* for the first year and 15 *per cent* for the subsequent years instead of at 6 *per cent* which resulted in excess payment of Rs 13.48 lakh.

(c) Similarly, LAC, Panchkula announced an award in September 1973. The compensation was enhanced by Additional District Judge in February 1993. However, LAC, Panchkula paid 30 *per cent solatium* and interest at the rate of 9 *per cent* for the first year and 15 *per cent* for the subsequent years upto August 1993 which resulted in excess payment of *solatium* and interest of Rs 63.05 lakh.

In some other similar cases where land was acquired before April 1982, the Supreme Court of India held (January 1994) that statutory benefits of *solatium* and interest on the enhanced market value would be payable as prevailing prior to the amendment of the Land Acquisition Act, 1894. In the light of this decision, HUDA should have gone for an appeal as awards had been announced prior to April 1982.

(v) *Avoidable payment of interest due to non-delivery of possession of plots to allottees*

(a) The State Government approved (February 1988) a general scheme for transfer of surplus Government land and properties to HUDA for development as a residential/commercial colony. Under this scheme, Government land measuring 175 acres in Hisar was transferred to HUDA in February 1988. HUDA auctioned different sizes of residential/commercial plots during the years 1988 to 1997 and issued allotment letters to the allottees simultaneously.

However, HUDA could not develop the land and deliver the possession of the plots to the allottees even after 5-6 years of the allotments because physical possession of the land continued to be with the Police Department and other government departments. The allottees filed complaints in the District Consumer Disputes Redressal Forum, Hisar against HUDA for non-development/ handing over the possession of plots.

The Consumer forum directed (July 1994) HUDA to pay the allottees interest at the rate of 18 *per cent per annum* on the entire deposits of the allottees till the date of offer of possession. The decision of the District Consumer Court

was upheld by the Supreme Court and HUDA paid Rs 1.96 crore (in 255 cases) as interest on the entire deposits of the allottees.

Further, out of total 1,899 plots earmarked for sale, only 715 plots were sold through auction and remaining 1,184 plots were still lying unsold as the land development works in the area could not be completed due to existence of unauthorised structures on the land as of March 1998.

(b) The Estate Officer, HUDA, Gurgaon allotted residential plots in Sector 23 and 23A in Gurgaon town in 1986. However, possession of some plots was not delivered to the allottees upto 1993 who filed (1994) complaints with the District Consumer Disputes Redressal Forum. As per decision (May 1995) of the Forum, HUDA paid an interest of Rs 20.30 lakh to 33 allottees during 1996-97 to 1997-98.

(vi) Avoidable payment of interest due to non-refund of earnest money

HUDA held an open auction in January 1991 for the sale of 6 shop-cum-office sites in Hisar. Six persons were declared successful on the fall of hammer in their favour who deposited an amount equal to 10 *per cent* of the tentative cost of the plot as earnest money besides having deposited Rs 10,000 each in advance to become eligible. Before issuing allotment letters, HUDA found that the bid was offered by the same person for all the six sites. Allotment letters, therefore, could not be issued to the six persons. The six persons, however, claimed that the person who had given bids on their behalf had their special power of attorney and filed a complaint in the District Consumer Disputes Redressal Forum, Hisar which directed HUDA to refund the entire deposits of the bidders alongwith interest at the rate of 18 *per cent per annum*. HUDA, therefore, refunded the earnest money of Rs 10.17 lakh with interest of Rs 11.40 lakh thereon from the date of deposit (January 1991) to the date of payment (March 1997).

(vii) Extra payment of interest due to wrong classification of land

Public Works Department acquired 43.65 acres of land in 52 cases (Irrigation: 41.89 acres in 47 cases and B&R: 1.76 acres in 5 cases) in Sirsa district. The land acquired for irrigation branch was wrongly classified as water logged by District Revenue officer (DRO)-cum Land Acquisition Collector (LAC) Sirsa, Sub-Divisional Officer-cum-LAC, Sirsa and DRO-cum-LAC, Sirsa whereas the land for Buildings and Roads branch was classified as rural agriculture land by LAC, Hisar at the time of announcing the awards in May 1990 (in case of B&R) and during December 1993 to December 1995 (in case of Irrigation). The amount of compensation, therefore, was worked out less.

The aggrieved landowners approached the court at Sirsa which decided (November 1996 to November 1997) on the basis of land revenue records that the land in question was irrigated (in case of land for irrigation branch); and

urban land situated within the municipal limits of Ellenabad town (in case of land for B&R branch). Failure of the department to correctly classify the land at the time of determination of compensation resulted in avoidable payment on account of interest of Rs 18.14 lakh (Irrigation: Rs 9.75 lakh and B&R: Rs 8.39 lakh) of which Rs 1.09 lakh (in 2 cases) was yet to be paid (July 1998). No responsibility was fixed as of July 1998 for wrong classification.

6.9.7. Double payment of compensation

Award for the acquisition of 81.15 acres of land in village Kamaspur (Sonipat district) was announced by LAC, Faridabad in November 1995 for a total compensation of Rs 5.07 crore, of which Rs 77.93 lakh were paid (November 1995) to a landowner. This payment included Rs 13.97 lakh in respect of 16 kanal 17 marlas of land acquired in the above award of November 1995. Rs 13.97 lakh in respect of this land was again paid (March 1996) by LAO, Faridabad to the same person. The LAC, Faridabad stated that the payment was made by mistake but the amount of about Rs 14 lakh was still to be paid to the same landowner and the excess payment would be adjusted against the pending payments. However, on verification in audit it was noticed that Rs 10.78 lakh only were pending for payment to the above concerned landowner. The recovery/adjustment was still awaited as of June 1998.

6.9.8. Non-disposal of properties

Properties worth Rs 4.70 crore transferred to HUDA alongwith land acquired during 1993-94 to 1996-97 were neither accounted for in property registers nor auctioned off as of March 1998.

As per Section 23 of the Land Acquisition Act, 1894, compensation for buildings/ structures/trees, etc. is also awarded alongwith the market value of land. The properties so acquired are transferred to HUDA alongwith the land. Such properties were required to be entered/accounted for in the stores/stock registers and item not needed by HUDA was to be auctioned.

A test-check of the records in the offices of four Estate Officers of HUDA revealed that properties such as buildings/structures/wells/ tubewells/trees, etc. worth Rs 4.70 crore were transferred to and paid by HUDA between 1993-94 and 1996-97 by the LACs but the same had not been auctioned by HUDA till March 1998. Inordinate delay in the disposal of properties may result in deterioration of their condition and with the passage of time, the possibility of their pilferage can not be ruled out. Further, no proper records such as stock register/ property register, etc. were maintained by HUDA.

6.9.9. Payment made without taking possession of land and other deficiencies

Compensation of Rs 36.52 lakh was paid by LAO Ambala without taking possession of land despite stay orders by High Court.

Gazette notifications for acquisition of land measuring 66.14 acre for construction of Mansurpur Distributary were issued under "emergent provisions" of the Act on 28 April 1997 despite the directions (7 April 1997) of the Chief Engineer, Bhakra Water Services, Irrigation Branch, that there was no necessity of invoking the emergent provisions of the Land Acquisition Act. The aggrieved landowners approached Punjab and Haryana High Court against above notifications which granted stay (2 June 1997) against the dispossession till further orders.

Despite the stay orders, Land Acquisition Officer (LAO), Ambala (Irrigation) announced between June 1997 and August 1997, 12 awards of compensation of Rs 1.06 crore. Executive Engineer, SYL Water Services Division, Ambala deposited (June 1997) Rs 90 lakh of which Rs 36.52 lakh was disbursed to the landowners upto December 1997 without taking possession of land. In the meantime, Punjab and Haryana High Court quashed (October 1997) the notifications issued under Sections 4 and 6 of the Land Acquisition Act on the grounds that notifications under Sections 4 and 6 could not be issued and published on the same day. Thus whole process of land acquisition became void. Notices for recovery of Rs 36.52 lakh from the landowners were issued by the department but no recovery had been effected (July 1998).

Executive Engineer, SYL Water Services Division, Ambala stated (April 1998) that action for fresh notification for acquisition of the said land had again been initiated in April 1998 but not finalised (July 1998).

Wrong procedure adopted for issue of notifications by the department as also making payment to landowners by LAO, Ambala even after stay granted by the High Court against dispossession of land resulted in avoidable payment of Rs 36.52 lakh and blockade of Rs 90.00 lakh.

Transfer of land**6.9.10(i) Non-allotment and non-handing over of land**

5,165.20 acres of land acquired by HUDA for residential, industrial, commercial purposes were still not developed (July 1998). Of this 514.16 acres were acquired in 1991-92.

Of the total land of 30,921 acres acquired in the State* by HUDA during 1977-1998, 5,165.20 acres of land, to be developed for residential, industrial and commercial purposes, was still (July 1998) lying with HUDA in the following districts:

District	Land area (In acres)
Faridabad	3,042.91
Panchkula	70.00
Karnal	4.00
Kurukshetra	548.83
Ambala	276.81
Panipat	420.03
Hisar	688.12
Sirsa	114.50
Total	5,165.20

Of the 5,165.20 acres of land, 1,010.64 acres of land could not be transferred/handed over to the allottees or the prospective allottees as the layout plans had not been approved by HUDA and 264.94 acres were under orders of stay from the courts. Reasons for not transferring/handing over or non-allotment of the remaining 3,889.62 acres of land to the concerned allottees/beneficiaries (for whom the land was acquired) were not intimated by HUDA (August 1998).

Out of the land mentioned above, 514.16 acres of land was acquired in Faridabad as far back as 1991-92 for which compensation of Rs.22.06 crore was paid. Despite lapse of more than six years, the land had not been handed over for the purpose it was acquired due to non-finalisation of lay out plans.

(ii) Non-recovery of cost of land allotted to Group Housing Societies

Recovery of Rs 8.42 crore against the cost of land allotted in 1994 to an organisation had not been started due to delay in settling the mode of payment by HUDA.

State Government approved a scheme to encourage Group Housing for Government, Public and Semi-public organisations employees and an organisation with the name 'HUDA and Town and Country Planning

* (except in Gurgaon district for which information had not been furnished).

Employees Welfare Organisation' (HEWO) was set up. The organisation could seek loan and grants from the Government of Haryana/HUDA and other financial institutions. HUDA decided (March 1990) to allot land to HEWO at four stations namely Panchkula, Gurgaon, Faridabad and Karnal and 71,415 sq. metres of land was allotted to HEWO at 3 stations in 1994.

As per terms and conditions of the allotment, payment was chargeable as per decision of Chief Administrator, HUDA, Panchkula and HEWO was to abide by the terms and conditions imposed by Chief Administrator, HUDA.

Scrutiny of records revealed that HEWO did not deposit any amount towards the cost of land and no decision was taken by Chief Administrator, HUDA (April 1998) regarding the mode and schedule of payments. Due to delay in settling the mode of payment by the Chief Administrator, HUDA, recovery of Rs 8.42 crore had not been made from HEWO (June 1998).

Utilisation of land

6.9.11. Non-utilisation of land

For setting up industries, Commercial activities and constructing residential accomodation, LAC Panchkula acquired flood prone land at a cost of Rs 2.86 crore in 1992 which could not be utilised so far (June 1998).

(i) LAC, Panchkula, on behalf of HUDA, acquired 216.30 acres of land in January 1992 for the purpose of setting up industries, commercial activities and residential purposes in Ambala Contonment. for a total compensation of Rs 2.86 crore. The possession of land was delivered to HUDA in January 1992. HUDA offered 60 acres of land to Housing Board, Haryana at a cost of Rs 1.35 crore. Subsequently, the Housing Board decided not to purchase the land as the land was flood prone and the Housing Board obtained the refund of Rs 13.50 lakh in September 1997. The land was not put to use for the intended purpose till June 1998. The compensation of Rs 2.86 crore paid for the acquisition of land was rendered unfruitful.

(ii) Non-removal of encroachment

It was noticed in audit that there were encroachments on 161.17 acres of land of HUDA in Gurgaon, Hisar and Panchkula districts for a period ranging from 4 to 30 years. Due to encroachment, the land had not been developed/allotted.

No action was taken for the removal of encroachments in Gurgaon district. Whereas in Panchkula, out of 8 cases of encroachments, 6 cases were under stay by the courts and in remaining 2 cases no action was on record. In case of Hisar district also, no action was on record.

The matter was referred to Government (July 1998); their reply had not been received(November 1998).

6.10 Loss due to non-recovery of rebate

HBH availed of rebate without fulfilling conditions due to failure of HUDA to issue corrigendum to allotment letter.

According to decision (March 1990), Haryana Urban Development Authority (HUDA) allotted (June 1991) 9.5 acre land in Sector 14, Panchkula to Housing Board Haryana (HBH) for construction of multi-storeyed houses for the employees of Boards/Corporations of Haryana State. Rebate of Rs 86.75 lakh (20 *per cent* on the cost of land : Rs 4.34 crore) was given to HBH at the time of allotment with the condition that the building work was to be completed within 3 years failing which concession amount with defaulted rate 18 *per cent* of interest would be charged. The condition of rebate was later on changed (August 1996) by the Chief Administrator (CA), HUDA 'as the rebate of 20 *per cent* and 10 *per cent* to be given only if allottee constructs the site within 3 years and 4 years respectively' and asked Estate Officer (EO), HUDA to issue corrigendum to original allotment letter of June 1991. No corrigendum to the allotment letter giving effect to the revised condition of rebate was issued by EO, HUDA, Panchkula. Physical possession of land was given in February 1992. After making full payment of land cost/enhanced land compensation, the Chief Engineer (CE), HBH requested (September 1996) to EO, HUDA for issue of 'no due certificate and title documents'.

Test-check of the records of EO, HUDA, Panchkula revealed (July 1997) that neither 'no due certificate' and 'title documents' of requisite land were issued to HBH nor any action to recover the amount of rebate of Rs 86.75 lakh from HBH was initiated when the period of 4 years had already elapsed and HBH could not complete the construction.

At the instance of Audit, EO, HUDA lodged (February 1998) a claim of Rs 2.64 crore (part of Rs 3.12 crore*) (Rebate:Rs 0.87 crore and interest:Rs 1.77 crore) with the CA, HBH on the basis of original condition of the allotment letter. The matter was referred to HBH by Audit in May 1998 regarding the claim of Rs 2.64 crore raised by HUDA. HBH stated (May 1998) that it was decided in the meeting of Standing Co-ordination Committee held in July 1994 that 20 *per cent* rebate in the land cost was granted to the Board at the

* Includes Rs 45 lakh as interest on delayed payments of instalments made by HBH and Rs 3 lakh of enhanced compensation with interest.

Report No.3 (Civil) of 1999

initial stage and as such the question of releasing of any amount on account of rebate including penalty did not arise. The version of CA, HBH was not correct since as per decision taken in the meeting of July 1994, HBH was to seek clarification in regard to rebate from HUDA. Clarification was sought for between August 1994 and June 1996 by HBH which was not conveyed by EO, HUDA even on direction (August 1996) from CA, HUDA.

Thus due to failure to issue the revised conditions of rebate and clarifying the position to HBH, recovery of Rs 2.64 crore worked out by HUDA as of February 1998 could not be effected.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

CHAPTER-VII COMMERCIAL ACTIVITIES

7.1 . General

The Chapter deals with the audit of departmentally managed Government commercial and quasi-commercial undertakings. There were 6 departmentally managed Government commercial and quasi-commercial undertakings in the State as on 31 March 1998. The extent of arrears in the submission of *pro forma* accounts by these undertakings was as under :

Sr. No.	Name of Undertaking	Extent of arrears
1.	Transport Department (Haryana Roadways)	1996-97 and 1997-98
2.	Printing and Stationery Department (Nationalised Text Books Scheme)	1995-96 to 1997-98
3.	Animal Husbandry Department (Haryana Veterinary Vaccine Institute)	1996-97 and 1997-98
4.	Food and Supplies Department (Grain Supply Scheme)	1997-98
5.	Agriculture Department (Purchase and distribution of pesticides)	1980-81 to 1997-98
6.	Agriculture Department (Seeds Depot Scheme)	1985-86 to 1997-98

In June 1996, the Agriculture Department intimated that purchase and distribution of pesticide scheme and Seeds Depot scheme were dropped after 1985-86 and 1983-84 respectively. The schemes are being operated now as informed (June 1998) by the Government.

The summarised financial results of these undertakings on the basis of latest accounts as of July 1998 were as under :

Sr. No.	Name of Undertaking	Period of accounts up to which finalised	Turnover	Profit(+) / Loss(-)
(Rupees in lakh)				
1.	Agriculture Department (Purchase and distribution of pesticides)	1979-80	103.27	(+) 5.65
2.	Agriculture Department (Seeds Depot Scheme)	1984-85	31.51	(+) 0.11
3.	Transport Department (Haryana Roadways)	1995-96	26,993.42	(-)1,985.21

Sr. No.	Name of Undertaking	Period of accounts up to which finalised	Turnover	Profit(+)/ Loss(-)
			(Rupees in lakh)	
4.	Printing and Stationery Department (Nationalised Text Books Scheme)	1994-95	682.84	(+) 44.91
5.	Animal Husbandry Department (Haryana Veterinary Vaccine Institute)	1995-96	11.04	(-) 1.29
6.	Food and Supplies Department (Grain Supply Scheme)	1996-97	25,337.27	(+) 2,659.44

The matter was referred to the Government in August 1998; their reply had not been received (November 1998).

Interesting points arising out of audit are mentioned in the succeeding paragraphs.

Printing and Stationery Department

7.2 Pilferage of paper

Excess drawal of paper and non-return of un-consumed paper by Printing Branch resulted in pilferage of paper valuing Rs 48.72 lakh.

The Manager, Government Text-Book Press (Press) of Printing and Stationery Department at Panchkula carries out the printing jobs of the Government departments. On receipt of printing job order, the Section Holder (computing branch) of the Press, after making assessment of paper required, issues form 'C' to Section Holder (printing branch) for drawal of the required quantity of paper from the store. The Manager was to reconcile every month the paper issued and utilised on every job completed during the month.

Test-check of records of Press revealed (between June 1994 and January 1998) that in 17 job orders received between January 1983 and October 1996, the computing branch assessed the requirement of paper as 7.28 lakh kg cream wove paper and 76 ream 242 sheets of cover paper including prescribed percentage of wastage. Against this, the printing branch drew 10.03 lakh kg. cream wove paper and 82 ream of cover paper. Out of 2.75 lakh kg. (10.03 lakh kg.-7.28 lakh kg) excess paper drawn, only 11,536 kg. in the form of

*thaba** was returned to the store in May 1995. All the 17 jobs were completed between July 1983 and August 1997. Of these, two jobs (Job Nos. 3285 and 3286) for which paper was issued in August 1993 the printing work could not be executed in Press due to rush of work and these jobs were got completed from private firms by issue (June 1994) of fresh paper from the store. 2.63 lakh kg cream wove paper and 5 ream 258 sheets of cover paper valuing Rs 48.72 lakh drawn in excess of requirement was not returned to the store as of April 1998. The excess drawal of paper by the printing branch was facilitated by excess assessment of requirement for issue of paper against the actual requirement and the persistent non-reconciliation of quantities issued and utilised.

On this being pointed out in June 1994, May and June 1995, the Controller, Printing and Stationery Haryana, Chandigarh stated (September 1998) that the matter in regard to non-return of excess paper to store was under scrutiny.

As these jobs were executed long back, the chances of return of paper to store were very bleak. Thus due to non-reconciliation of paper issued and utilised on completed jobs every month by the Manager, papers valuing Rs 48.72 lakh were pilfered.

The matter was referred to the Government in June 1998; their reply had not been received (November 1998).

* Thaba

The layers of damaged paper which cannot run on the machines.

Transport Department
(Haryana Roadways)

7.3 Accidents in Haryana Roadways

7.3.1. Introduction

'Haryana Roadways' a commercially run undertaking of the Transport Department has the objectives of providing efficient, economical, adequate and coordinated transport service to the public. As on 31 March 1998, the department had a fleet of 3,831 buses including 182 vehicles condemned or involved in accidents.

Under Section 165 of the Motor Vehicles Act, 1988 (the Act), Haryana Government set up Motor Accidents Claims Tribunals at district level (one in each district) for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles, or damages to any property of a third party so arising, or both.

As laid down in Section 168 of the Act *ibid*, on receipt of applications for compensation from the claimants (under Section 166 of the Act), the concerned claims Tribunal, after giving notice of the application to parties, gives an opportunity of being heard, holds an inquiry into the claims and make an award determining the amount of compensation appeared to be just.

7.3.2. Organisational set up

Commissioner and Secretary to Government of Haryana, Transport Department is the administrative head of the Department of Transport. The Transport Commissioner (TC) is the head of the Transport Department. A State Road Transport Board (the Board) which comprises three members and one chairman (Transport Minister is the ex-officio Chairman) disposes of all cases pertaining to the Transport Department except the establishment cases. There were 20 Depots, each headed by a General Manager.

7.3.3. Audit coverage

Records pertaining to traffic accidents involving the buses of the Haryana Roadways during 1992-93 to 1997-98 were test-checked in the offices of the Transport Commissioner (TC), Transport Board (Board's records maintained

in TC's office) and 11* of the 20 Depots in the State during January 1998 to April 1998. Results of the test-check are discussed in the succeeding paragraphs:

7.3.4. Accidents

Percentage of accidents to number of vehicles during 1992-93 to 1997-98 ranged between 18 and 24 causing loss of 2,224 human lives and substantial revenue loss.

(i) The details of the fleet of vehicles with Haryana Roadways and the number of accidents during 1992-93 to 1997-98 were as under:-

Year	Number of vehicles at year end	Number of accidents	Persons	
			Killed	Injured
1992-93	3,758	722	416	736
1993-94	3,799	922	391	788
1994-95	3,764	919	353	788
1995-96	3,884	818	352	665
1996-97	3,840	795	388	853
1997-98	3,831	704	324	716
Total		4,880	2,224	4,546

The percentage of accidents to the number of vehicles during 1992-93 to 1997-98 ranged between 18 and 24. Compared to 1992-93, the accidents steeply increased in 1993-94 and thereafter remained at a high level. These accidents caused loss of 2,224 human lives, injured 4,546 persons and led to substantial loss of revenue, avoidable expenditure on repairs of the accidented vehicles and on payment of compensation to the victims involved in such accidents.

Of the 4,880 accidents during 1992-98, the highest number of accidents involved Ambala Depot (390) followed by Karnal Depot (321), Kaithal Depot (320), Kurukshetra Depot and Hisar Depot (302 each) as indicated in Appendix-XXIII. The aspect of accidents was not discussed in any of the meetings of the Board during 1992-98. Scrutiny of relevant records in the depots test checked revealed that the accidents were attributable mainly to (a) excessive working hours of the drivers and (b) rash and negligent driving and

* Depots at Ambala, Chandigarh, Faridabad, Fatehabad, Hisar, Jind, Karnal, Kaithal, Rohtak, Sonipat and Yamunanagar.

failure to finalise the disciplinary cases as discussed below:

(a) Excessive working hours

In 23 cases examined in audit, the drivers performed duties for 4 to 17 months without any weekly rest in violation of Motor Transport Workers Act.

Section 19 of the Motor Transport Workers Act, 1961 requires that a day's rest may be provided in every period of seven days to all motor transport workers. Further, an employer may, in order to prevent any dislocation of transport service, require a worker to work on any day of rest which is not a holiday so that the worker does not work for more than ten days consecutively without a holiday.

A review of attendance registers maintained by the Depots test-checked revealed that in most of the cases, either the depot authorities did not allow or the workers did not avail themselves of weekly rests. The weekly rests were carried over to subsequent weeks/months and accumulated/indicated in the attendance registers as rest-days due even though there were no provisions for such accumulation of due rests. Further, examination of 23 specific cases of 6¹ Depots test-checked disclosed that the drivers performed duties for the periods ranging from 4 to 17 months without any weekly rest.

In Ambala Depot, one driver remained on duty without weekly break during July 1996 to November 1996; and during this period, the buses driven by him got involved in three accidents. The concerned Depots replied (January-February 1998) that weekly rest could not be allowed due to shortage of staff as some drivers were willful absentees, involved in union activities or handicapped. The replies were not tenable as the management has the responsibility of observing the statutory provisions of the Motor Transport Workers Act and ensuring the safety/security of passengers against unsafe driving.

(b) Rash and negligent driving-disciplinary action

Accidents, against which 2,472 Compensation Claim cases (in 11 depots) were decided by Motor Accident Claim Tribunals during 1992-93 to 1997-98, occurred due to negligence of drivers.

(i) Section 184 of the Motor Vehicle Act, 1988 prohibits driving dangerously (which includes, *inter-alia*, rash and negligent driving). In 2,472 compensation claim cases decided by the Motor Accident Claim Tribunals (the Tribunals) during 1992-98 in the depots test-checked, the

¹ Depots at Ambala, Hisar, Jind, Kaithal, Rohtak and Sonipat.

accidents occurred due to human error and the drivers were found negligent in the performance of their duties.

(ii) According to departmental instructions issued from time to time (reiterated in June 1997) General Manager of the depot, on receipt of information about an accident, was required to depute a gazetted officer to conduct enquiry to find out the fault of driver concerned. If the driver repeated accidents, action was required to be taken under Rule 7 of Haryana Civil Services Rules-1987. It was noticed in audit that disciplinary action against the defaulting drivers had not been finalised in any of the pending disciplinary cases in the depots test-checked except in 78 cases in Ambala Depot during the period covered under review. The Commissioner and Secretary to the Government of Haryana, Transport Department replied (July 1998) that deterrent punishment was being given to the drivers found negligent in driving vehicles involved in accidents. Reply of the Government was not based on facts as the disciplinary action cases had not been finalised as revealed from the scrutiny of records in the depots test-checked.

7.3.5. *Payment of compensation*

Due to large number of accidents, payment of compensation increased from Rs 1.69 crore in 1992-93 to Rs 10.65 crore in 1997-98 (increase by 530 per cent).

(i) Large number of accidents resulted in heavy financial burden on Transport Department in the shape of compensation awarded by the Tribunals to accident victims against their motor accident claims. Compensation paid during 1992-93 to 1997-98 was as under:

Year	Compensation paid	Effective kilometres (kms)	Per km amount of
	(Rupees in crore)	(In crore)	compensation paid
			(In Rupees)
1992-93	1.69	40.87	0.04
1993-94	2.49	43.05	0.06
1994-95	6.03	43.78	0.14
1995-96	8.70	41.71	0.21
1996-97	12.07	41.92	0.29
1997-98	10.65	40.56	0.26
Total	41.63	251.89	

Effective coverage by Haryana Roadways vehicles decreased from 40.87 crore kms in 1992-93 to 40.56 crore kms in 1997-98 (decrease by about one *per cent*) whereas the payment of compensation increased from Rs 1.69 crore in

1992-93 to Rs 10.65 crore in 1997-98 (increase by 530 *per cent*). Of the total compensation of Rs 41.63 crore paid during 1992-98, the highest amount of compensation was paid by Chandigarh Depot (Rs 4.15 crore in 389 cases) followed by Yamunanagar Depot (Rs 3.31 crore in 322 cases) and Rohtak Depot (Rs 3.05 crore in 201 cases) vide Appendix-XXIV. Increase in the award/payment of compensation amount was attributable to the fact that the department had been losing almost all accident claim cases filed by the victims in Motor Accident Claim Tribunals. Reasons for losing accident claim cases in the Tribunals in large number were, mainly, as discussed below:

(a) Absence of valid driving licences of the drivers

Rs 46.80 lakh were paid as compensation in 8 cases during 1993-97 because the drivers did not possess valid driving licences at the time of accidents.

As per the Motor Vehicle Act 1988, the owner or incharge of a motor vehicle was not to cause or permit any person, who did not have a valid driving licence, to drive the vehicle. As per decisions taken in Commercial officer's meeting from time to time (one such meeting held in June 1997), if any driver was found driving vehicle without proper driving licence, entire responsibility was to be fixed on the General Manager of the concerned depot. Periodical checking of licences was required to be done by General Manager's office. The department had no system to ensure that its drivers were holding valid driving licences and no periodicity was fixed for checking of licences. A team of officers of Yamunanagar Depot test-checked (May 1994) licences of 63 drivers of which only 7 had proper licences for driving heavy passenger motor vehicles whereas other 56 drivers had light vehicle driving licences. Action against these drivers had not been finalised. No action was initiated against the General Manager as of August 1998 for his failure to check the validity/existence of driving license of the drivers.

In 6 cases (one each of Fatehabad, Delhi, Sonipat, Yamunanagar, Hisar and Rewari Depots), the Tribunals awarded compensation of Rs 43.74 lakh in 1993-94 to 1996-97 as the drivers did not possess valid driving licences.

In 2 other cases (one each of Hisar Depot and Jind Depot) compensation of Rs 3.06 lakh was paid during 1993-96 as the buses were being driven by unauthorised persons at the time of accidents.

In respect of 4 cases (out of above 8 cases) of Delhi, Hisar, Sonipat and Jind Depots, no action was initiated (July 1998). For one case of Fatehabad Depot, disciplinary case had not been finalised (July 1998). Action in the remaining 3 cases of Yamunanagar, Hisar and Rewari Depots was not intimated by the concerned depots. No action was initiated against the General Managers as of August 1998.

(b) *Fact finding reports not prepared*

During 1992-97, 17 compensation cases involving payment of Rs 35.33 lakh by 6 depots were decided *ex-parte* by the tribunals as the concerned drivers did not appear in the courts.

The Transport Commissioner (TC) directed (October 1991) all the Depots that in all cases of serious accidents, a technical team comprising Works Manager and his technical staff should visit the accident site and prepare a 'fact finding report' which was to form the basis of defence in Motor Accident Claim Tribunals (MACT). A scrutiny of cases where the awards had been given by the Tribunals in the Depots test-checked revealed that 'fact finding reports' for accidents were not prepared in any of the cases. In the absence of such reports, the cases were defended merely on the basis of the statements of the concerned drivers.

The department did not analyse reasons for increase in the number of accidents to facilitate remedial measures. The Transport Commissioner stated (July 1998) that the policy of constituting a committee to go into the circumstances of accident was not fruitful in view of "No fault liability" provisions introduced in the Motor Vehicle Act according to which the claimant shall not be required to plead and establish that the death or permanent disablement was due to any wrongful act, neglect or default of owner(s) of the vehicle(s) concerned or any other person.

The reply of the department was silent on the aspect of remedial measures necessary for reducing the number of accidents for which the department was required to analyse causes for accidents. In the absence of analysis of the causes of accidents, the department would not know whether poor maintenance and upkeep of vehicles was a contributory factor apart from negligent driving, towards increased number of accidents.

In 17 compensation cases (amount paid Rs.35.33 lakh) for the period 1992-97 of 6 depots, the concerned drivers did not appear before the Tribunals. These cases were decided *ex-parte* against the department. Action against these drivers had been initiated by the concerned depots but final outcome was awaited (August 1998).

Thus, failure to ensure compliance of TC's instructions resulted in weak defence in cases of claim in the tribunals.

(c) *Absence of insurance of vehicles*

Due to abnormal increase in the number of accidents, the Insurance Companies refused to insure buses of the Transport Department after 1991-92.

(i) Under the provisions of Section 146 of Motor Vehicle Act, 1988, insurance of vehicles against third party risks is mandatory unless exempted by the State Government. The department had been getting their vehicles insured upto 1991-92. However, due to abnormal increase in the number of accidents resulting in heavy payment of compensation the Insurance Companies refused to insure the buses of the Transport Department after 1991-92. In the absence of third party risk insurance of buses, the entire amount of awarded compensation became the liability of the department.

(ii) The Transport Department was required to contribute Rs 500 per year per bus towards Motor Transport Accident Reserve Fund (MTARF) to meet the liabilities towards payment of compensation awarded by various Tribunals to the motor accident victims. Because of increased number of accidents and consequential higher amount of compensation awarded, the balance in MTARF fell much shorter than the requirement as indicated below:

Year	Amount of compensation paid	Balance in MTARF at year end	
		As per Finance Account	As per Balance Sheet
		(Rupees in crore)	
1992-93	1.69	0.23	0.31
1993-94	2.49	0.26	0.35
1994-95	6.03	0.28	0.40
1995-96	8.70	0.31	0.42
1996-97	12.07	0.35	0.46*
1997-98	10.65	0.39	0.50*
Total	41.63		

The department had not reconciled the discrepancies in the figures of MTARF appearing in the Finance Accounts and the Balance Sheets.

During 1992-98, the department paid compensation of Rs 41.63 crore by drawing Rs 0.92 crore from MTARF and balance Rs 40.71 crore from regular expenditure head of account after obtaining special sanction to this effect from

*

These are tentative figures as the accounts were yet to be certified.

the Transport Commissioner. The department did not make adequate provision under MTARF to meet the liability which arose as a result of compensation announced by the tribunals in accident claim cases.

7.3.6. Loss of operational revenue due to accidents

During 1992-93 to 1997-98, 2,907 vehicles were involved in accidents causing their detention in workshops for 61,492 days and entailing an expenditure of Rs 6.44 crore on their repairs and operational revenue loss of Rs 7.14 crore.

Higher incidence of accidents resulted in loss of operational revenue as the buses were off the road being under repair. Besides, substantial expenditure was incurred on the repair of the vehicles involved in accidents. The information about total revenue loss and expenditure incurred on repair of such vehicles for the department as a whole was not made available by the department. However, in the depots test-checked, the operational revenue loss and the expenditure incurred on repair of vehicles involved in accidents during 1992-98 was Rs 7.14 crore and Rs 6.44 crore respectively (vide Appendix-XXV).

Number of vehicles involved in accidents and the detention period of such vehicles in workshops for repairs increased every year during 1992-98 as indicated below:

Year	Number of vehicles involved in accidents	Detention period in workshops for repairs
1992-93	407	8,822
1993-94	442	9,644
1994-95	420	9,619
1995-96	506	10,397
1996-97	592	11,803
1997-98	540	11,207
Total	2,907	61,492

The department had not taken effective measures to reduce incidence of accidents, minimise detention periods in workshops for the accidented vehicles and check operational revenue loss.

7.3.7. Training of drivers in safe driving

The department had a Driving Training Institute (DTI) at Murthal (Sonapat District) to impart training in safe driving to all in-service drivers in 1992-93. During review of records of DTI for the period 1992-98, it was noticed that 129 refresher courses were arranged to educate 4,807 drivers in safe driving. However, only 3,673 drivers (76 per cent) attended the course. Reasons for

not deputing the prescribed number of drivers to the courses were not on record. In June 1998, the General Manager of the Training Institute reported to TC that the training had not been proved beneficial as he was not being given feed back about the shortcomings of the drivers deputed for training.

7.3.8 Motor accident claim pending cases

There were 2,006 motor accident claim cases pending decisions in various Tribunals as of June 1998. The department/depots were not maintaining records/details of these cases and therefore, the period since when these were outstanding could not be ascertained.

7.4 Purchase of sub-standard engine-oil

Purchase of engine oil of grade other than that recommended by the manufacturer of chassis resulted in loss of Rs 1.50 crore to State exchequer.

Transport Department had been using engine oil (Servo Pride 30/40) supplied by Indian Oil Corporation (IOC) in their buses for several years. A manufacturer of engine oils (firm 'A') approached (July 1993) the State Transport Commissioner (STC) and offered to supply engine oil of a particular brand at a rate cheaper by 47 paise per litre as compared to rate of engine oil supplied by IOC. The firm 'A' had also informed (September 1993) STC that this engine oil was recommended for both Tata and Leyland chassis. STC placed three supply orders for the supply of 18.95 lakh litres of engine oil valuing Rs 8.20 crore with the firm 'A' between November 1993 and August 1994.

In April 1994, Fatehabad Depot of Haryana Roadways reported about poor quality of the new brand of engine oil supplied by the firm 'A' and increase in consumption by 15 *per cent*. The department took no cognizance of it and placed (August 1994) third supply order with the firm. When two more depots made similar complaint in December 1994, the department worked out the excess consumption of 1.65 lakh litres of engine oil valuing Rs 69.42 lakh in all the depots of Haryana Roadways. With the use of this oil the department had suffered a total loss of Rs 1.50 crore including excess consumption of engine oil, repeated services, failure of engines and other invisible losses.

The department issued notice to the firm 'A' in September 1995 and July 1996 to compensate the loss of Rs 1.50 crore. The department also made

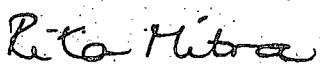
(November 1997) an application with the Chandigarh Police to register criminal case against the firm. The police informed (August 1998) STC that from the enquiries made by them no cognizable offence had been made out and it was a civil matter. As per terms and conditions of supply orders, the engine oil was liable to be tested at CIRT Pune or any other Government approved laboratory. But no such test was got conducted to ascertain grade and specifications of the product supplied by the firm. STC stated (June 1998) that the firm 'A' was relied upon being a reputed firm. Scrutiny of records (December 1997) revealed that bulk supply order of the new brand of engine oil of firm 'A' was placed by STC in November 1993 without ensuring whether the engine oil was of the grade and specification as recommended by the manufacturer of chassis. In response to enquiry made by STC, Ashok Leyland Limited intimated (July 1994) that the new brand of oil of firm 'A' had never been recommended by them. They further stated that the use of wrong grade of oil could be one of the contributing factors for increase in consumption of engine oil/complaint of bearing rotation.

Liquidated penalty against the performance of supply and quality existed in the supply order but it was not invoked.

Thus by purchasing non-suitable engine oil the department suffered a loss of Rs 1.50 crore.


The matter was referred to the Government in April 1998; their reply had not been received (November 1998).

Chandigarh
Dated:


(RITA MITRA)
Accountant General (Audit) Haryana

Countersigned

New Delhi
Dated:


(V.K. SHUNGLU)
Comptroller and Auditor General of India

Appendix-I
(Refer paragraph 1.13; page 38)
List of indices/ratios and basis for their calculation

	Indices/ratios	Basis for calculation	
Sustainability	- Balance from the current revenues	BCR	Revenue Receipts minus all Plan grants (under Major Head 1601-02,03,04 & 05) and Non-plan revenue expenditure.
	- Primary Deficit	Capital Outlay	Capital expenditure as per Paragraph No. 1.7.1 of Audit Report.
Flexibility	- Interest ratio	Capital Receipts	Additions under Major Heads 6003 and 6004 plus net receipts under I-Small Savings, Provident Funds, etc., additions under F-Loans and Advances and Miscellaneous Capital receipts minus additions on account of Ways and Means advances/ overdraft.
	- Capital outlay vs. Capital receipts	Capital repayments	Disbursements under Major Heads 6003 and 6004 minus repayments on account of Ways and Means advances/ overdraft under both the major heads.
Vulnerability	- Total tax receipts vs. GSDP	Capital Borrowings	Additions under Major Heads 6003 and 6004 minus additions on account of Ways and Means advances/overdraft under both the major heads.
	- State tax receipts vs. GSDP	Revenue Deficit	Paragraph No. 1.8.2 of Audit Report.
Vulnerability	- Revenue Deficit	Fiscal Deficit	Paragraph No. 1.8.1 of Audit Report.
	- Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
	- Primary Deficit vs. Fiscal Deficit	Outstanding guarantees	Paragraph No. 1.9.4 of Audit Report.
	- Total outstanding guarantees, including letters of comfort vs. Total revenue receipts of the Government	Revenue Receipts	Paragraph No. 1.5.1 of Audit Report.
	- Assets vs. Liabilities	Total tax receipts	Figures as per Paragraph 1.5.2 plus receipts under Major Head: 0021 and 1603.
		State tax receipts	Figures as per Paragraph 1.5.2
		Assets and Liabilities	Paragraph No. 1.4.2 of Audit Report.

Appendix II

(Refer paragraph 2.2.2; page 45)

Unnecessary supplementary grants

Sr. No.	Number and name of Grant	Original grant	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
	Revenue (Voted)					
1	11 - Urban Development	37.70	7.78	45.48	33.10	12.38
2	21 - Community Development	80.81	12.10	92.91	63.72	29.19
3	24 - Tourism	0.30	0.71	1.01	0.30	0.71
	Capital (Voted)					
4.	10 - Medical and Public Health	113.52	41.38	154.90	102.46	52.44
	Total	232.33	61.97	294.30	199.58	94.72

Appendix III
(Refer paragraph 2.2.2; page 45)
Excessive supplementary grants/appropriations

Sr. No.	Number and name of Grant/ Appropriation	Original grant/ appropriation	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
	Revenue (Voted)					
1.	4 - Revenue	53.06	23.36	76.42	72.35	4.07
2.	6 - Finance	251.73	36.81	288.54	272.40	16.14
3.	10 - Medical and Public Health	369.70	35.76	405.46	382.73	22.73
4.	12 - Labour and Employment	35.35	9.82	45.17	39.33	5.84
5.	14 - Food and Supplies	12.65	3.26	15.91	14.61	1.30
	Capital (Voted)					
6.	23 - Transport	46.32	10.55	56.87	55.01	1.86
	(Charged)					
7.	8 - Buildings and Roads	0.50	0.50	1.00	0.60	0.40
8.	15 - Irrigation	1.50	1.50	3.00	1.59	1.41
	Total	770.81	121.56	892.37	838.62	53.75

Appendix IV
(Refer paragraph 2.2.2; page 45)
Insufficient supplementary grants/appropriations

Sr. No.	Number and name of Grant/ Appropriation	Original grant/ appropriation	Supple-mentary provision	Total	Expen-diture	Excess
(Rupees in crore)						
	Revenue (Voted)					
1.	2 - General Administration	64.90	11.23	76.13	76.81	0.68
2.	3 - Home	240.80	50.03	290.83	303.85	13.02
3..	5 - Excise and Taxation	23.64	3.54	27.18	28.34	1.16
4.	8 - Buildings and Roads	118.31	14.14	132.45	146.24	13.79
5.	9 - Education	741.06	68.52	809.58	855.18	45.60
6.	15 - Irrigation	591.84	435.42	1,027.26	1,032.50	5.24
7.	18 - Animal Husbandry	56.97	4.32	61.29	64.86	3.57
	(Charged)					
8.	3 - ¹ Home	4.79	0.22	5.01	6.59	1.58
9.	Capital (Voted) 25 Loans and Advances by State Government	372.34	13.22	385.56	438.86	53.30
	Total	2,214.65	600.64	2,815.29	2,953.23	137.94

Appendix V
(Refer paragraph 2.2.4(i); page 47)
Unutilised provision and surrender thereof

Sr. No.	Name of Grant/ Appropriation	Total grant/ appropriation	Saving	Amount surrendered
		(Rupees in crore)		
	(a) Saving partially surrendered			
	Revenue (Voted)			
1.	6- Finance	288.54	16.13	0.02
2.	7 - Other Administrative Services	3,695.28	1,996.32	1,496.28
3.	10 - Medical and Public Health	405.46	22.73	11.07
4.	12- Labour and Employment	45.17	5.84	0.08
5.	17 - Agriculture	197.59	49.38	43.65
6.	21 - Community Development	92.91	29.18	28.25
7.	22 - Co-operation	16.05	1.47	0.43
	(Charged)			
8.	6- Finance	901.48	81.15	56.41
	Capital (Voted)			
9.	8 - Buildings and Roads	177.35	118.42	116.81
10.	10 - Medical and Public Health	154.90	52.44	34.15
11.	14 - Food and Supplies	506.13	129.44	128.99
12.	22- Co-operation	11.73	6.09	5.37
	(Charged)			
13.	Public Debt	951.56	221.21	82.61
	Total	7,444.15	2,729.80	2,004.12
	(b) Saving remained unsurrendered			
	Capital (Voted)			
1.	3 - Home	14.00	4.00	--
	(Charged)			
2.	8 - Buildings and Roads	1.00	0.40	--
3.	10 - Medical and Public Health	0.10	0.10	--
4.	15 - Irrigation	3.00	1.41	--
	Total	18.10	5.91	--

Appendix VI
(Refer paragraph 2.2.7; page 52)
Unutilised Provisions

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
	2- General Administration		
	3451 - Secretariat Economic Services		
	102 - District Planning Machinery		
1.	Strengthening of Planning Machinery at State Level	27.60	Non-sanctioning of post by the Government.
2.	Strengthening of State Planning Board	25.50	
	4 - Revenue		
	2245 - Relief on account of Natural Calamities		
	102 - Floods, Cyclones etc.		
3.	113 - Assistance for repairs/ reconstruction of Houses	100.00	Non-occurrence of floods/draught during the year.
4.	110 - Assistance for repairs and restoration of damaged water supply, etc.	40.00	
	6 - Finance		
	3454 - Census Surveys and Statistics		
	02 - Surveys and Statistics		
5.	001 - Direction and Administration Strengthening of District Statistical Agencies	25.30	Non-sanctioning of posts by the Government.
	2049 - Interest Payments		
	60 - Interest on other obligations		
	101 - Interest on Deposits		
6.	Miscellaneous	115.77	Not intimated
	8 - Buildings and Roads		
	2216 - Housing		
	02 - Urban Housing		
	103 - Assistance to Housing Boards		
7.	(i) - Subsidy to Housing Board for EWS Houses in Urban Area	490.00	Not intimated

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
8.	3054 - Roads and Bridges 80 - General		
	107 - Railway Safety Works	50.00	Non-sanctioning of new works
	05 - Roads of Inter State or Economic Importance		
9.	337 - Road Works	50.00	
	5054 - Capital Outlay on Roads and Bridges		
	80 - General		
10.	800 - Other expenditure	100.00	Not intimated.
	4211 - Capital Outlay on Family Welfare		
	101 - Rural Family Welfare Service		
11.	Social Safety net scheme	50.00	Non-sanctioning of new works
	9 - Education		
	2202 - General Education		
	01 - Elementary Education		
	053 - Maintenance of Buildings		
12.	Grant to Panchayat Samities for maintenance of buildings of school situated in rural areas	40.00	Not intimated.
	10 - Medical and Public Health		
	2215 - Water Supply and Sanitation		
	01 - Water Supply		
	102 - Rural Water Supply Programmes		
13.	(a) - Accelerated Rural Water Supply Programme	160.00	
14.	Raw Water Charges	75.00	
15.	Maintenance Works	445.00	
	02 - Sewerage and Sanitation		
16.	107 - Sewerage Services	250.00	Non-allocation of funds by the Government.
	2210 - Medical and Public Health		
	01 - Urban Health Services		
	Allopathy		
17.	110 - Hospital and Dispensaries	30.00	Non-sanction of the scheme by the Government.
	Expansion of Drugs De-Addiction Centre under plan scheme in 15 districts		

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
18.	05 - Medical Education, Training and Research 105 - Allopathy Establishment of Computer System at PGI M.S., Rohtak	80.00	Non-sanctioning of the project.
19.	Upgradation of Medical College, Rohtak to PGI	66.36	Non-sanctioning of posts.
20.	101 - Ayurveda Continuation/Improvement of Sri Krishna Ayurvedic College, Kurukshetra	34.43	Non-sanctioning of schemes by the Central/State Government.
21.	06 - Public Health 101 - Prevention and Control of diseases Continuation/ Strengthening of STD Clinics under AIDS Control Programmes	71.85	
22.	Continuation of Blood Bank under AIDS Programme	56.64	
23.	Continuation of 4 ZBTCS (Zonal Blood Transfusion Centres) at Hisar, Faridabad, Karnal and Medical College Rohtak	53.41	
24.	104 - Drug Control Drug Control Programme 80 - General	55.00	
25.	004 - Health Statistics and Evaluation Japanese Aid Project	25.00	
26.	3435 - Ecology and Environment 03 - Environmental Research and Ecology Regeneration 800 - Other expenditure Hazardous waste/ solid Waste Management Municipal effluent Management 4215 - Capital Outlay on Water Supply and Sanitation 01 - Water Supply	29.00	

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
27.	101 - Urban Water Supply Central Plan	310.00	In all three cases non-allocation of funds (Rs 254.60 lakh) by Central Government and reasons for non-utilisation of funds (Rs 155.40 lakh) were not intimated.
28.	01 - Water Supply	70.00	
	102 - Rural Water Supply Computerisation		
29.	HRD Cell	30.00	
	11 - Urban Development	136.00	Non-release of funds by the State Government.
	2217 - Urban Development		
	80 - General		
	800 - Other expenditure		
30.	Grants-in-aid to Municipalities for their Adhoc Revenue earning schemes Minor Development Works		
	13 - Social Welfare and Rehabilitation	50.00	Non-finalisation of the scheme.
	2235 - Social Security and Welfare		
	02 - Social Welfare		
	103 - Women's Welfare		
31.	Financial Assistance for marriage of daughter of widows and destitute women of Economically weaker section of the society		
	15 - Irrigation	238.00	Rupees 160 lakh were not utilised due to economy measure and reasons for non-utilisation of Rs 78 lakh had not been intimated.
	2701 - Major and Medium Irrigation		
	02 - Major Irrigation Non-Commercial		
	800 - Other expenditure		
32.	Drainage Flood Control Maintenance		
	01 - Major Irrigation Commercial	360.00	Not intimated.
	190 - Assistance to Public Sector and Other Undertakings		
33.	Operations and Maintenance		
	103 - Jui Canal Project		

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
34.	101 - Energy Charges Extension and Improvement Western Jamuna Canal	1,750.00	In both the cases, non-clearance of outstanding liabilities had not been intimated
35.	Augmentation of Tubewells Energy Charges	666.00	
	2702 - Minor Irrigation		
	02 - Ground Water		
	103 - Tubewells		
36.	Loans for Power Project Transmission and Distribution of Lines Extension and Improvement Maintenance	150.00	In both the cases, the funds remained unutilised due to cut imposed on plan outlay.
	80 - General		
	190 - Assistance to Public Sector and other Undertakings		
37.	Subsidy to Haryana State Minor Irrigation and Tubewell Corporation for repair/maintenance of Lined Water Courses	300.00	
	4701 - Capital Outlay on Major and Medium Irrigation		
	01 - Major Irrigation Commercial		
38.	227 - Construction of Hathnikund Barrage	5,026.00	In both the cases, funds (Rs 101 lakh plus Rs 2,460 lakh) remained unutilised due to economy measure and reasons for non-utilisation of funds Rs 4,925 lakh had not been intimated
39.	207 - Mewat Lift Irrigation Scheme	2,460.00	
40.	110 - Sutlej Yamuna Link Project	1,664.51	Not intimated.
41.	228 - Institutional Strengthening such as data collection Planning Design and Admn.etc.	1,138.00	Non-finalisation of purchase order of Rs 922 lakh and Reasons for non-utilisation of Rs 216 lakh had not been intimated.
42.	226 - Research and Training including Pilot scheme for Recharging of ground water sub-surface drainage sprinkler WSM	271.00	

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilization of provision
43.	230 - Project estimate for feeding Kheri, Budha Khera, Old Nardak and Karnal distributaries of WJC system for augmentation Unit II 17 - Agriculture 2705 - Command Area Development	207.00	Non-acceptance of the project by the World Bank.
44.	102 - Mewat Development Board Mewat Development Project 2401 - Crop Husbandry	1,662.00	Cut imposed on plan outlay.
45.	105 - Manures and fertilizers Scheme for balanced and integrated use of fertilizer 2402 - Soil and Water Conservation 102 - Soil Conservation	22.00	Non -sanctioning of the scheme by the Central Government.
46.	Scheme for reclamation of Alkali Soils Subsidizing the cost of Gypsum upto the extent of 75 per cent to all categories of farmers 2702 - Minor Irrigation 02 - Ground Water 005 - Investigation	374.00	Rupees 205.12 lakh not released by the Government of India and reasons for non-utilisation of funds of Rs 168.88 lakh had not been intimated.
47.	Subsidy for the installation of sprinkler Irrigation Sets 18 - Animal Husbandry 2403 - Animal Husbandry 113 - Administrative Investigation and Statistics	22.00	Non-sanctioning of the scheme by the Government.
48.	Establishment of Agricultural Human Resources Development Project - 102 - Cattle and Buffalo Development	298.14	In both the cases funds were not utilised due to cut imposed on plan outlay by the Government.
49.	Extension of Frozen Semen Technology for Cattle Buffalo Development outside Operation Flood Project 19 - Fisheries 2405 - Fisheries 101 - Inland fisheries	60.00	

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision
50.	Scheme for the Establishment of Fish Market Monitoring Cell for the year 1997-98 21 - Community Development 2501 - Special Programmes for Rural Development 01 - Integrated Rural Development Programme 003 - Training	28.00	Non-sanctioning of the scheme by the Government.
51.	Training of Rural Youth in Self Employment 22 - Co-operation 2425 - Co-operation 109 - Agriculture Credit Stabilization Fund	24.00	Non-release of funds by the State/Central Governments.
52.	Strengthening of Agriculture Credit Stabilization Fund 107 - Assistance to credit co-operatives	150.00	In both the cases schemes were not sanctioned.
53.	Risk Fund for Consumption Loan advanced by Primary Agriculture Credit Societies/Farmer Service Societies 4425 - Capital Outlay on Co-operation 108 - Investment in other Co-operatives	50.00	
54.	Government Contribution to Share Capital of Marketing Societies 190 - Investment in Public Sector and other undertakings	200.00	In all the four cases (54 to 57) schemes were not sanctioned.
55.	Government Contribution to share capital etc. 107 - Investment in Credit Co-operatives	200.00	
56.	Share Capital to Central Co-operative Banks	100.00	
57.	Government Contribution to the Share Capital of primary etc. 25 - Loans and Advances by State Government 6216 - Loans for Housing 02 - Urban Housing 800 - Other Loans	90.00	

Sr. No.	Number and name of Grant/ Major Head etc	Provision made (Rupees in lakh)	Reasons for non utilisation of provision	
58.	1. - Loans for Low Income Group Housing Scheme	486.00	In all the three cases reasons for non-utilisation of funds had not been intimated.	
59.	2. - Loans for Middle Income Group Housing Scheme	180.00		
60.	03 - Rural Housing	360.00		
	800 - Other Loans			
	Loans for Rural Housing Scheme			
60.	6425 - Loans for Co-operation	360.00		
	107 - Loans to Credit Co-operatives			
61.	4. - Non-over due cover	120.00	In all the four cases (61 to 64), schemes were not sanctioned by the Government	
62.	1. - Purchase of Special debentures of Haryana State Land Development Bank	75.00		
63.	(i) - Agriculture Credit Stabilization Fund	50.00		
64.	2. - Purchase of Ordinary debentures of Haryana State Land Development Bank	25.00		
Total		21,948.51		

Appendix VII
(Refer paragraph 2.2.12; page 56)
Non-receipt of explanations for savings/excesses

Sr. No.	Name of the Department	Excess/Saving related to Grant No. and Major Head	No. of reasons of excess/saving awaited
		2 - General Administration	
1.	Financial Commissioner and Secretary to Government of Haryana, Revenue Department	2053 - District Administration	2
		2052 - Secretariat - General Services	1
2.	Chief Secretary to Government of Haryana	2052 - Secretariat - General Services	1
3.	Director, Public Relation	2220 - Information and Publicity	4
4.	Chairman, Staff Selection Commission	2051 - Public Service Commission	1
		3 - Home	
5.	Inspector General of Police	2055 - Police	9
		4055 - Capital Outlay on Police	1
6.	Director General of Prisons	2056 - Jails	3
7.	Chief Justice of High Court	2014 - Administration of Justice	4
		105- Civil and Session Courts	
8.	Director, Prosecution	114 - Legal Advisors and Counsels	1
		4 - Revenue	
	Financial Commissioner, Revenue	2245 - Relief on account of Natural Calamities	6
9.	Director, Land Records	2029 - Land Revenue	1
		5 - Excise and Taxation	
10.	Excise and Taxation Commissioner	2040 Taxes on Sales, Trade, etc.	2
		2045 - Other Taxes and Duties on Commodities and Services	3
		2039 - State Excise	1
		6 - Finance	
11.	Secretary to Government of Haryana, Finance Department	2071 - Pensions and other Retirement Benefits	2
		2049 - Interest Payments	6

Sr. No.	Name of the Department	Excess/Saving related to Grant No. and Major Head	No. of reasons of excess/saving awaited
		7 - Other Administrative Services	
12	Director of Lotteries	2075 - Miscellaneous General Services	1
13	Controller of Printing and Stationery	2058 - Stationery and Printing	1
	Chief Secretary to Government of Haryana	2070 - Other Administrative Services	1
		2075 - Miscellaneous General Services	1
		8 - Buildings and Roads	
14	Engineer-in-Chief, Haryana PWD B and R Branch	2059 - Public Works	8
		3054 - Roads and Bridges	6
		2216 - Housing	5
		5054 - Capital Outlay on Roads and Bridges	8
		4216 - Capital Outlay on Housing	3
		4059 - Capital Outlay on Public Works	3
15	Director, Technical Education	4202 - Capital Outlay on Education, Sports, Art and Culture	3
16	Director, Health Services	4210 - Capital Outlay on Medical and Public Health	4
		4211 - Capital Outlay on Family Welfare	1
17	Director of Industrial Training and Vocational Guidance	4250 - Capital Outlay on other Social Services	1
		9 - Education	
18	Director of School Education	2202 - General Education	10
		01 - Elementary Education	
		02 - Secondary Education	
19	Director, Higher Education	03 - University and Higher Education	3
20	Director, Sports	2204 - Sports and Youth Services	5
	Director, Technical Education	2203 - Technical Education	9
		10 - Medical and Public Health	
21	Engineer-in-Chief, Haryana PWD Public Health Branch	2215 - Water Supply and Sanitation	13
		4215 - Capital Outlay on Water Supply and Sanitation	10

Sr. No.	Name of the Department	Excess/Saving related to Grant No. and Major Head	No. of reasons of excess/saving awarded
	Director, Health Services	2211 - Family Welfare	11
		2210 - Medical and Public Health	9
		11 - Urban Development	
22.	Director, Local Bodies	2217 - Urban Development	2
		12 - Labour and Employment	
23.	Labour Commissioner	2230 - Labour and Employment	4
		13 - Social Welfare and Rehabilitation	
24.	Director, Welfare of SCs /STs	2225 - Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	3
25.	Director, Social Welfare	2235 - Social Security and Welfare	2
		15 - Irrigation	
26.	Engineer-in-Chief PWD Irrigation	2701 - Major and Medium Irrigation	29
		4701 - Capital Outlay on Major and Medium Irrigation	11
		4702 - Capital Outlay on Minor Irrigation	1
		4801 - Capital Outlay on Power Projects	1
		17 - Agriculture	
27.	Director, Agriculture	2705 - Command Area Development	2
		2401 - Crop Husbandry	9
		2402 - Soil and Water Conservation	5
		18 - Animal Husbandry	
28.	Director, Animal Husbandry	2403 - Animal Husbandry	10
		22 - Co-operation	
29.	Registrar, Co-operative Societies	2425 - Co-operation	2
		23 - Transport	
30.	Transport Commissioner	3055 - Road Transport	2
		24 - Tourism	
31.	Director, Tourism	5452 - Capital Outlay on Tourism	6

Sr. No.	Name of the Department	Excess/Saving related to Grant No. and Major Head	No. of reasons of excess/saving awaited
		Public Debt	
	Secretary to Government of Haryana, Finance Department	6003 - Internal debt of the State Government	5
		6004 - Loans and Advances from the Central Government	2
		25 - Loans and Advances	
32.	Director of Industries	7610 - Loans to Government Servants	4
		6851 - Loans for Village and Small Industries	1
33.	Secretary to Government Haryana, Housing Department	6216 - Loans for Housing	3
	Registrar, Co-operative Societies	6425 - Loans for Co-operation	1
		6250 - Loans for other Social Services	1
34.	Secretary to Government Haryana, Irrigation and Power Department	6801 - Loans for Power Projects	1

Appendix VIII
(Refer to paragraph 2.3; page 58)

Statement showing the name of DDOs whose PLAs had been checked.

Sr.No.	Name of treasury	Name of DDOs	Closing balance as on 31 March 1998 (Rupees in lakh)
1	Ambala	(i) District Food and Supplies Controller, Ambala. (ii) General Manager, Haryana Roadways, Ambala (iii) Cattle Fair Officer, Ambala (iv) Civil Judge, Ambala City (v) Superintendent, Central Jail (WES), Ambala (vi) Principal, Industrial Training Institute, Ambala City (vii) Additional Civil Judge, Ambala Cantt. (viii) District Social Welfare Officer, Ambala (ix) Superintendent, Central Jail (PP), Ambala	98.67 23.85 11.15 5.33 4.62 3.08 1.27 1.11 0.08
2	Chandigarh	(i) Chief Accounts Officer, Development and Panchayat Department Haryana, Chandigarh (ii) General Manager, Haryana Roadways, Chandigarh (iii) Director, Food and Supplies, Haryana, Chandigarh	73.54 55.12 28.43
3	Faridabad	General Manager, Haryana Roadways, Faridabad	214.87
4	Karnal	(i) District Food and Supplies Controller, Karnal (ii) Principal, State Community Development Centre, Nilokheri. (iii) General Manager, Haryana Roadways, Karnal	250.24 22.74 6.26
		Total	800.36

Appendix IX

(Refer to paragraph 2.3; page 58)

Statement showing the details of PLAs operated with/without consultation with A.G.

Sr.No.	Name of district/ treasury	Total number of PLAs	Number of PLAs opened in consultation with A.G.	Number of PLAs opened without consultation with A.G.
1.	Ambala/Panchkula *	28	4	24
2.	Bhiwani	8	4	4
3.	Chandigarh	6	5	1
4.	Delhi	1	-	1
5.	Faridabad	27	3	24
6.	Gurgaon	24	4	20
7.	Hisar/Fatehabad*	27	2	25
8.	Jind	13	4	9
9.	Kaithal	5	3	2
10.	Karnal	8	4	4
11.	Kurukshetra	12	3	9
12.	Narnaul	7	3	4
13.	Panipat	5	-	5
14.	Rewari	8	1	7
15.	Rohtak/Jhajjar*	27	5	22
16.	Sirsa	12	4	8
17.	Sonapat	23	3	20
18.	Yamunanagar	10	2	8
	Total	251	54	197

* Three new districts were created in 1996 but their PLAs, have been shown in the districts from where these had been created.

APPENDIX - X
(Refer paragraph 3.1.9, page 73)
Details showing year-wise Targets/Achievements of AI and calf Born
(Figures in thousand)

		Cows												Buffs											
S No	Name of District	1995-96				1996-97				1997-98				1995-96				1996-97				1997-98			
		A.I.		Calf Born		A.I.		Calf Born		A.I.		Calf Born		A.I.		Calf Born		A.I.		Calf Born		A.I.		Calf Born	
		Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach
1.	Ambala	24	24.2	-	9.6	-	17.5	3.0	8.9	-	17.3	2.4	6.3	17	17.1	-	7.4	-	12.1	8.0	7.0	-	12.2	4.0	4.9
2.	Bhiwani	21	23.6	-	10.6	-	19.2	2.5	9.0	-	15.0	2.5	5.1	19	28.2	-	13.2	-	27.5	12.0	11.4	-	26.1	12.0	8.0
3.	Faridabad	20	14.8	-	5.2	-	12.7	4.0	4.7	-	12.9	4.0	4.2	33	14.7	-	5.5	-	12.7	5.0	5.2	-	12.8	5.0	4.9
4.	Fatehabad	-	-	-	-	-	-	-	-	-	8.2	2.0	3.9	-	-	-	-	-	-	-	-	-	10.2	3.0	4.6
5.	Gurgaon	23	18.3	-	4.9	-	18.3	6.0	5.1	-	18.0	4.5	4.4	24	17.9	-	4.7	-	17.5	8.0	5.3	-	17.9	4.2	4.9
6.	Hisar	37	35.7	-	6.6	-	36.6	6.0	11.1	-	18.1	3.0	7.4	45	37.3	-	6.7	-	38.9	10.0	13.1	-	21.2	7.0	9.7
7.	Jind	22	22.4	-	7.9	-	11.9	3.0	6.6	-	6.1	2.0	2.3	30	23.2	-	9.5	-	29.7	12.0	8.3	-	28.4	10.0	9.0
8.	Kaithal	22	20.4	-	6.3	-	20.9	3.0	6.2	-	19.2	3.0	4.1	27	18.2	-	5.4	-	21.3	8.0	6.6	-	19.0	8.0	5.1
9.	Kamal	38	35.3	-	12.4	-	34.6	10.0	12.6	-	36.8	7.5	11.9	31	24.2	-	7.7	-	26.1	8.0	9.2	-	27.2	5.0	10.0
10.	Kurukshetra	17	23.5	-	7.7	-	21.8	2.5	7.1	-	18.3	2.5	5.7	20	17.0	-	5.2	-	16.0	2.5	5.8	-	13.3	2.5	4.7
11.	Mohindergharh	8	8.7	-	3.4	-	8.1	1.6	3.2	-	8.3	1.6	1.3	11	11.7	-	4.0	-	10.4	2.0	3.9	-	9.6	2.5	1.5
12.	Panipat	8	14.7	-	6.3	-	13.2	2.0	5.0	-	12.0	2.0	3.9	12	15.2	-	5.8	-	14.7	4.0	6.2	-	12.7	4.0	4.5
13.	Panchkula	-	-	-	-	-	8.7	-	1.2	-	3.7	1.6	1.0	-	-	-	-	-	3.1	-	1.0	-	3.2	2.5	0.9
14.	Rewari	9	9.3	-	2.9	-	8.4	1.2	3.1	-	6.9	1.5	2.0	12	14.0	-	4.2	-	12.4	2.0	3.8	-	8.0	2.2	2.9
15.	Rohtak	22	17.9	-	7.9	-	11.9	4.0	5.7	-	6.3	4.0	2.8	22	18.8	-	10.9	-	15.0	12.0	6.9	-	7.5	12.0	3.8
16.	Jhajjar	-	-	-	-	-	-	-	-	-	4.9	-	2.2	-	-	-	-	-	-	-	-	-	7.5	-	3.6
17.	Sirsa	33	30.8	-	10.2	-	27.9	5.1	10.1	-	23.0	5.1	8.8	17	18.9	-	8.2	-	27.2	6.4	7.7	-	22.8	6.4	8.5
18.	Sonepat	15	17.0	-	4.8	-	14.5	2.0	5.3	-	11.5	2.2	3.7	18	16.5	-	4.6	-	19.4	6.5	5.7	-	16.5	6.5	5.6
19.	Yamunanagar	19	27.1	-	10.0	-	26.1	4.0	8.0	-	26.3	4.0	7.2	12	16.6	-	6.3	-	14.3	4.0	5.4	-	13.5	4.0	4.7
	Total	338	343.7	-	116.7	-	313.1	59.9	113.7	-	273.6	55.2	89.2	350	306.5	-	109.3	-	319.1	110.4	113.1	-	290.5	100.8	102.7

APPENDIX - XI
(Refer paragraph 3.1.11 (b), page 76)
Details showing area sown and harvested at the Farms/Project

Crop	1995-96 Area in acres			1996-97 Area in acres			1997-98 Area in acres			Total short harves- ted
	(a) sown	(b) harv- ested	Short harv- ested	(a) sown	(b) harv- ested	Short harv- ested	(a) sown	(b) Harve- sted	Short harv- ested	
Cowpeas & Bajra	970	775	195	-	-	-	498	467	31	226
Teosent	94	61	33	-	-	-	196	164	32	65
Maize mixture	99	51	48	139.5	84.5	55	223.5	201.5	22	125
Guar	552	360	192	186.5	177.5	9	112	91	21	222
Bajra	280	210	70	116	114	2	380	358	22	94
Oats	1,952.5	1297	655.5	480	344	136	801	625	176	967.5
Sarson	760	644	116	464.5	369.5	95	583	482	101	312
Jawar	289	268	21	281	280	1	766.5	689	77.5	99.5
Maize	20	5	15	12	nil	12	60	27	33	60
Toria	60	nil	60	-	-	-	-	-	-	60
(maize+Bajra cowpeas)	98	35	63	-	-	-	161	96	65	128
Bajra+Guar	97	35	62	154	129	25	-	-	-	87
Cowpeas	43	34	9	29	25	4	341	-	341	354
Raya	14	10	4	-	-	-	25	-	25	29
Methi+Lucen	9	6	3	-	-	-	-	-	-	3
Maize+cow peas	-	-	-	-	-	-	31	19	12	12
Maize+Bajra	-	-	-	6	-	6	14	-	14	20
Gram	-	-	-	71	nil	71	30	-	30	101
Jwar+Bajra	-	-	-	24	22	2	-	-	-	2
Barseen + Sarson	-	-	-	-	-	-	181.5	4	177.5	177.5
Tara mera	-	-	-	-	-	-	24	-	24	24
Total	5337.5	3791	1546.5	1963.5	1545.5	418	4427.5	3223.5	1204	3168.5

APPENDIX - XII
(Refer paragraph 3.2.7, page 93)

Details indicating population, number of operational staff and crime cases

Sr. No.	Name of District	Population as per (census 1991)	Crime cases reported			Average crime cases	No. of operational staff (Constable to SPs)	Average crime cases per police official
			1995	1996	1997			
1	Faridabad	1477240	8145	9039	10584	9256	1881	4.92
2	Hisar	1219392	6834	8196	6944	7324	1633	4.48
3	Gurgaon	1146090	4020	5645	7651	5772	1219	4.73
4	Sirsa	903536	3208	4420	7404	5010	1369	3.66
5	Jind	963104	3732	4213	5983	4642	1022	4.54
6	Fatehabad	625242	Not in existence		4409	4409	775	5.69
7	Rohtak	1101542	3564	5012	4530	4368	927	4.71
8	Kurukshetra	641943	2394	3546	6758	4232	1103	3.84
9	Karnal	885797	3662	5476	3367	4168	1242	3.35
10	Bhiwani	1139718	2937	3864	5390	4063	1125	3.61
11	Ambala	797480	2243	3624	5881	3916	1448	2.70
12	Kaithal	820685	1915	3296	5575	3595	984	3.65
13	Yamuna Nagar	821880	2594	3043	4916	3517	1001	3.51
14	Sonapat	754866	2647	3096	4453	3398	1138	2.98
15	Panipat	833501	2301	2770	4876	3315	953	3.48
16	Rewari	623301	1841	2023	3981	2615	515	5.08
17	Jhajjar	707064	Not in existence		2511	2511	672	3.74
18	Mohindergharh	681869	1753	2241	3161	2385	771	3.09
19	Panchkula	319398	883	1900	3122	1968	792	2.48
	Total		54673	71404	101496			

APPENDIX - XIII
(Refer paragraph 3.2.12, page 97)

Details of officials suspended and reinstated without any punishment.

Sr. No.	Name of DDO	Number of police personnel suspended	Number of police personnel re-instated	Number of cases in which punishment awarded	Amount paid to officers in Col. 4 during suspension (Rs in lakh)
(1)	(2)	(3)	(4)	(5)	(6)
1	Commandant 4th BN, Madhuban	23	12	3	0.57 (8 cases)
2	Director SCRB, Madhuban	3	2	-	0.15 (2 cases)
3	SP(Commando), Newal	20	7	10	2.31 (7 cases)
4	SP, Karnal	93	56	22	6.49 (53 cases)
5	SP, Hisar	176	64	38	Not available
6	SP, Telecom Panchkula	31	12	3	Not available
7	SP, (Railway) Ambala Cantt.	153	37	21	3.35 (37 cases)
8	SP, Sirsa	121	52	8	3.17 (41 cases)
9	SP, Ambala	102	25	44	1.50 (22 cases)
10	SP, Gurgaon	78	24	14	Not available
11	SP, Rohtak	55	16	26	Not available
	Total	855	307	189	17.54

APPENDIX-XIV
(Refer paragraph 3.2.14(d); page 99)

Details of Class IV/Contingent paid staff deployed at the residences of the departmental officers.

Sr No	Name of Office	Name of Officer/ Designation	No of Class IV employees/ daily wage workers
1	SP Karnal	Retd. DGP	2
		ASP Karnal	2
		DSP Headquarter Karnal	3
		11 Other IPS Officers in district Karnal	9
		IPS Officers at Chandigarh/ Panchkula	3
		OSD at Chandigarh	1
		OSD at Rewari	1
2	SP Hisar	DIG (Hisar Range) Hisar	9
		SP Hisar	14
		DSP Headquarter Hisar	2
		DSP Hansi	3
		DSP Fatehabad	2
		DSP Tohana	2
		DSP Hisar	1
		Additional SP Hisar	2
		7 Other IPS officers in District Hisar	9
3	SP Sirsa	DSP Dabwali	2
4	SP Rohtak	SP Rohtak	6
		DIG Rohtak	2
		Additional SP	1
		DSP City	1
		2 Other IPS officers in District Rohtak	2
	Total		79

Appendix -XV

(Refer paragraph 3.2.15(ii)(a) page 102)

Range-wise details of Class IV posts created by Government

	Name of the Range	Name of the Post/Ranks in which regularised															
		Clerk	Water Carrier	Mah	Sweeper	Dhobhi	Plumber	Electrician	Mochi	Mason	Chowkidar	Barber	Carpenter	Sycc	Painter	Khalasi	
(1)	Rohtak																
(i)	Ist Spell	2	8	2	13	2	-	-	-	-	-	-	-	-	-	-	27
(ii)	IInd Spell	22	65	20	80	3	2	3	1	1	1	-	-	-	-	-	198
(2)	Ambala																
(i)	Ist Spell	1	3	1	9	-	-	-	-	-	-	-	-	-	-	-	8
(ii)	IInd Spell	1	4	1	19	-	-	-	-	-	-	-	-	-	-	-	25
(3)	Hisar																
(i)	Ist Spell	2	5	2	4	3	-	-	-	-	-	-	-	-	-	-	16
(ii)	IInd Spell	19	14	3	15	2	-	-	-	-	-	2	-	-	-	-	55
(4)	Gurgaon																
(i)	Ist Spell	14	20	9	38	-	-	-	1	-	-	1	-	-	-	2	85
(ii)	IInd Spell	11	13	6	5	-	-	-	-	-	-	-	1	-	-	-	36
(5)	D.I.G. Rly. Comdt.																
(i)	Ist Spell	10	10	-	7	-	-	-	-	-	2	-	1	-	-	-	30
(ii)	IInd Spell	9	8	1	9	2	-	-	-	-	-	1	-	-	-	-	30
(6)	DIG CID																
(i)	Ist Spell	1	3	3	4	-	-	-	-	-	1	-	1	-	-	-	13
(ii)	IInd Spell	3	12	1	8	1	-	1	1	1	-	-	-	-	1	-	29
(7)	Addl. DG Armed and Training																
(i)	Ist Spell	1	-	1	-	-	-	-	1	-	-	1	1	-	-	-	4
(ii)	IInd Spell	-	2	2	-	-	-	-	-	-	-	-	-	9	-	-	13
(8)	IG Telecommunication																
(i)	Ist Spell	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	3
(ii)	IInd Spell	1	2	1	-	-	-	-	-	-	-	-	-	-	-	-	4
(9)	Director SCRB																
(i)	Ist Spell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	IInd Spell	-	1	-	2	-	-	1	-	-	-	-	1	-	-	-	5
		98	171	53	208	13	2	5	4	2	4	4	5	9	1	2	581

APPENDIX - XVI
(Refer paragraph 3.2.15 (iii); page 102)

Details showing DDO-wise engagement of daily wage workers.

Sr.No.	Name of office	Vacancy position in class IV cadre			No. of daily wage workers engaged			Expenditure incurred (Rupees in lakh)
		1995-96	1996-97	1997-98	1995-96	1996-97	1997-98	
1.	DGP, Haryana Panchkula	3	4	4	23	23	22	11.26
2.	Commandant, 4 Bn. Madhuban	-	-	1	17	17	17	8.67
3.	Director, SCRB Madhuban	1	-	-	17	17	17	9.17
4.	Director, PTC Madhuban	4	2	4	23	23	23	11.12
5.	Director, FSL Madhuban	-	-	1	2	2	2	01.14
6.	S.P., Commando Newal	-	-	-	12	12	12	5.91
7.	S.P., Karanali	-	-	2	112	112	112	63.17
8.	S.P., Hisar	4	4	4	130	129	58	38.45
9.	S.P., Telecom Panchkula	-	-	2	26	26	26	9.71
10.	S.P., Gurgaon	2	2	1	81	81	81	23.60
11.	S.P., Rohtak	-	-	5	120	120	80	68.60
12.	S.P., Sirsa	-	-	1	73	72	71	18.50
13.	S.P., Ambala	-	3	3	-	81	95	31.37
14.	D.I.G., (CID), Panchkula	10	12	12	79	84	48	16.83
15.	S.P., Railway Ambala Cantt	-	-	2	103	104	73	43.83
16.	S.P., Bhiwani	-	-	-	48	50	49	32.12
17.	Commandant, 5th Bn. HAP Madhuban	1	-	-	-	7	7	3.15
18.	Commandant, 2nd Bn. Madhuban	1	1	2	10	16	16	6.94
19.	S.P., Sonapat	1	1	1	42	47	47	25.05
20.	S.P., Faridabad	2	2	2	81	80	80	37.83

Sr.No.	Name of office	Vacancy position in class IV cadre			No. of daily wage workers engaged			Expenditure incurred (Rupees in lakh)
		1995-96	1996-97	1997-98	1995-96	1996-97	1997-98	
21.	D.I.G., Gurgaon	-	-	-	2	2	2	0.93
22.	S.P., Rewari	1	-	-	23	21	20	6.14
23.	S.P., Jhajjar	-	-	1	-	-	40	3.64
24.	S.P., Fatehabad	-	-	-	-	-	54	5.53
25.	D.I.G., HAP Madhuban	-	-	-	1	1	1	0.49
26.	Commandant., 1st Bn. Ambala	2	2	-	7	7	6	3.60
27.	Commandant., 3rd Bn Hisar	2	4	6	4	3	4	1.48
28.	S.P., Kurukshetra	-	-	2	73	74	73	25.57
29.	S.P., Yamuna Nagar	1	1	2	56	54	54	28.59
30.	D.I.G., Railway & Commando Panchkula	-	-	-	3	3	3	1.81
31.	S.P., Panchkula	1	11	10	49	45	45	17.37
32.	S.P., Panipat	-	-	-	52	52	52	27.36
33.	S.P., Jind	-	-	-	57	57	57	24.62
34.	S.P., Kaithal	-	2	2	66	66	66	34.01
35.	S.P., Commando, Hissar	6	5	4	5	4	4	2.54
36.	D.I.G., Rohtak	-	-	-	3	3	3	1.74
	Total	42	56	74	1400	1495	1420	651.84

APPENDIX – XVII
(Refer Pargaraph 3.5.8 (iii); page 113)
Death cases occurred due to mosquito borne diseases

Sr. No.	Districts	JE	Dengue	Total
1.	Ambala	9	-	9
2	Bhiwani	-	1	1
3	Faridabad	-	38	38
4	Gurgaon	-	2	2
5	Hisar	-	2	2
6	Jind	-	1	1
7	Kaithal	17	-	17
8	Karnal	96	3	99
9	Kurukshetra	43	-	43
10	Rewari	-	1	1
11	Rohtak	-	1	1
12	Sirsa	-	4	4
13	Sonipat	-	1	1
14	Yamunanagar	10	-	10
	Total	175	54	229

APPENDIX - XVIII

(Refer paragraph 3.12; page 130)

Statement showing cases of misappropriations, defalcations, etc. under investigation

Sr. No.	Department	Departmental investigation cases pertaining to				Criminal Prosecution pertaining to				Grand Total	
		1992-93 and earlier years		1993-94 to 1997-98		1992-93 and earlier years		1993-94 to 1997-98			
		Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)
1.	Agriculture	-	-	1	0.15	1	0.37	2	0.81	4	1.33
2.	Animal Husbandry	9	1.59	-	-	1	0.20	2	2.93	12	4.72
3.	District Administration	1	0.25	-	-	-	-	-	-	1	0.25
4.	Education	16	5.28	2	0.76	10	7.50	7	2.75	35	16.29
5.	Excise and Taxation	-	-	-	-	-	-	1	0.65	1	0.65
6.	Fisheries	3	0.39	-	-	-	-	-	-	3	0.39
7.	Food and Supplies	4	4.87	1	1.23	1	0.27	-	-	6	6.37
8.	Forest	15	3.95	3	3.16	-	-	4	8.70	22	15.81
9.	Industries	1	1.44	-	-	-	-	-	-	1	1.44
10.	Irrigation	56	12.17	10	0.32	21	3.30	-	-	87	15.79
11.	Labour and Employment	4	0.42	-	-	-	-	2	0.55	6	0.97
12.	Medical and Health	10	13.81	2	0.13	2	4.40	3	0.28	17	18.62
13.	Panchayat	-	-	1	1.28	-	-	-	-	1	1.28
14.	Police	1	0.25	-	-	-	-	-	-	1	0.25
15.	Printing and Stationery	-	-	1	0.10	-	-	-	-	1	0.10
16.	Public Health	30	5.56	4	0.24	4	1.15	-	-	38	6.95
17.	Public Works (Buildings and Roads)	19	5.93	5	1.00	2	0.41	-	-	26	7.34
18.	Social Welfare	5	2.92	-	-	-	-	-	-	5	2.92
19.	Town and Country Planning	1	0.02	-	-	-	-	-	-	1	0.02
20.	Transport	17	5.49	1	0.09	3	4.17	4	13.13	25	22.88
21.	Treasury and Accounts	1	0.01	-	-	-	-	1	0.24	2	0.25
	Total	193	64.35	31	8.46	45	21.77	26	30.04	295	124.62

APPENDIX - XIX

(Refer paragraph 5.1 c(i); page 163)

Details of machinery and equipment purchased in excess of norms

Sr. No.	Name of ITI/VEI	Name of Machine	Trade	Quantity required as per syllabus	Quantity available	Quantity available upto 31.3.1993	Quantity purchased from 1.3.1993 to March 1998	Value
1	ITI Kaithal	Caps Lathe	Turner	2	4	2	2	4,46,216
2	VEI Atta	Tractor	RMPDFM ¹	1	3	1	2	1,91,029
3	ITI Hisar	Tractor	Tractor Mechanic	1	5	3	2	1,12,000
		V Milling machine	Tool and Die	1	3	1	2	7,72,400
		Shaper Machine	Tool and Die	1	3	1	2	1,51,028
		Lathe 15 cm	Turner	10	16	13	3	6,95,000
		Lathe 20 cm	Turner	10	20	15	5	8,92,500
		Capstan Lathe	Turner	4	8	6	2	3,45,000
		Surface grinder	Machinist	1	2	1	1	3,50,699
4	ITI Sonipat	Milling Machine	Machinist	8	12	10	2	3,41,692
		Shaper Machine	Machinist	4	9	7	2	1,72,168
5	ITI Faridabad	Lathe	Mill wright	1	4	1	3	4,55,488
		Lathe 15cm	Turner	10	15	10	5	5,94,335
6	ITI Yamuna-nagar	Milling Machine	Machinist	8	11	8	3	6,47,838
		Universal Milling Machine	Tool & Die	1	2	1	1	4,25,882
		Wobblo-scope	Radio and T.V.	2	4	2	2	1,13,568

1. RMPDFM is abbreviated form of Repair & Maintenance of Power Driven Farm Machinery.

Sr. No.	Name of ITI/VEI	Name of Machine	Trade	Quantity required as per syllabus	Quantity available	Quantity available upto 31.3.1993	Quantity purchased from 1.3.1993 to March 1998	Value
7	ITI Sirsa	Milling Machine	Machinist	4	7	6	1	2,28,312
		Lathe 15 cm	Turner	5	6	5	1	1,78,500
		Lathe 20 cm	Turner	5	6	5	1	2,31,666
8	ITI Mohindergharh	Tractor	Tractor Mechanic	1	3	1	2	2,87,696
9	ITI Rohtak	Tractor	Tractor Mechanic	2	4	2	2	3,63,341
		Shaper Machine	Machinist	2	4	2	2	1,72,174
	Total							81,68,532

APPENDIX - XX

(Refer paragraph 6.1 (d) page 170)

Statement showing names of the bodies and authorities; the accounts of which had not been received

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
1.	Municipal Committee, Bahadurgarh	1986-87 1993-94 1996-97 1997-98	35.93 34.08 50.00 25.95
2.	Municipal Committee, Bhiwani	1987-88 1988-89 1989-90 1995-96 1997-98	36.40 35.25 36.00 50.00 27.56
3.	Municipal Committee, Karnal	1982-83 1988-89 1992-93 1997-98	7.00 32.61 45.50 52.53
4.	Municipal Committee, Narnaul	1988-89 1989-90 1997-98	25.30 28.63 36.12
5.	Municipal Committee, Rohtak	1987-88 1988-89 1989-90 1996-97 1997-98	34.00 37.61 32.35 25.08 78.44
6.	Municipal Corporation, Faridabad	1995-96 1996-97 1997-98	39.38 50.00 30.00
7.	Municipal Committee, Palwal	1995-96	50.00
8.	Municipal Committee, Sonipat	1997-98	69.93

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
9.	Municipal Committee, Charkhi Dadri	1995-96	33.33
10.	Municipal Committee, Rewari	1996-97 1997-98	50.00 38.82
11.	Municipal Committee, Jagadhri	1996-97	50.00
12.	Municipal Committee, Panipat	1996-97	65.00
13.	Municipal Committee, Hisar	1996-97 1997-98	50.00 48.31
14.	Municipal Committee, Barwala	1996-97	33.33
15.	Municipal Committee, Gurgaon	1996-97 1997-98	31.69 42.78
16.	Municipal Committee, Thanesar	1997-98	31.81
17.	Municipal Committee, Jind	1997-98	37.12
18.	Municipal Committee, Hansi	1997-98	46.97
19.	Agriculture, Research and Education, Hisar	1996-97 1997-98	1,069.00 4,273.80
20.	Integrated Women's Empowerment and Development Project, Haryana, Chandigarh	1996-97 1997-98	330.03 152.00
21.	Sainik School, Kunj Pura, Karnal	1996-97 1997-98	43.92 92.89
22.	Shri Bhuteshwar Temple Tirath, Jind	1994-95	25.29
23.	Haryana Sahitya Academy, Chandigarh	1994-95 1995-96 1997-98	26.00 30.00 30.21
24.	Haryana Institute of Rural Development, Nilokheri	1994-95	36.39

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
25.	Aravali Vikas Sangathan	1995-96	100.00
	<u>Private Aided Colleges</u>		
26.	MDSD College for Girls, Ambala City	1996-97 1997-98	26.30 29.90
27.	Guru Nanak Khalsa College, Yamunanagar	1996-97 1997-98	77.60 89.50
28.	Guru Nanak Khalsa Girls College, Yamunanagar	1996-97 1997-98	57.45 72.50
29.	Hindu Girls College, Jagadhri	1997-98	43.30
30.	Vaish College, Bhiwani	1996-97 1997-98	74.50 82.52
31.	Adarsh Mahila MV, Bhiwani	1996-97 1997-98	53.05 54.80
32.	JVM GRR College, Charkhi Dadri	1996-97 1997-98	62.50 67.30
33.	YM Degree College, Nuh	1996-97 1997-98	27.60 36.90
34.	Nirankari Baba Gurbachan Singh Memorial College, Sohna (Gurgaon)	1996-97 1997-98	30.60 33.30
35.	GG DSD College, Palwal (Faridabad)	1996-97 1997-98	69.80 67.80
36.	Aggarwal College, Ballabgarh (Faridabad)	1996-97 1997-98	44.10 46.30
37.	DN College for Women, Faridabad	1996-97 1997-98	44.10 66.80
38.	CRM Jat College, Hisar	1996-97 1997-98	85.40 98.80

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
39.	DN College, Hisar	1997-98	129.50
40.	MM College, Fatehabad	1997-98	47.50
41.	CR Kishan College, Jind	1996-97 1997-98	47.20 55.30
42.	Hindu Kanya MV, Jind	1996-97 1997-98	32.20 35.20
43.	DAV College, Karnal	1996-97 1997-98	29.20 33.80
44.	Guru Nanak Khalsa College, Karnal	1996-97 1997-98	32.40 38.30
45.	Dyal Singh College, Karnal	1996-97 1997-98	95.70 103.50
46.	DAV College for Women, Karnal	1996-97 1997-98	48.35 59.80
47.	Arya College, Panipat	1997-98	63.10
48.	SD College, Panipat	1997-98	76.00
49.	IB College, Panipat	1997-98	70.10
50.	Gandhi Adarsh College, Smalkha (Panipat)	1996-97 1997-98	25.40 27.79
51.	RKSD College, Kaithal	1996-97 1997-98	78.70 96.40
52.	IG Mahila MV, Kaithal	1997-98	32.10
53.	DAV College, Pehowa (Kaithal)	1996-97 1997-98	32.60 31.90
54.	IG National College, Ladwa	1996-97 1997-98	34.40 41.80
55.	DN Mahila MV, Kurukshetra	1997-98	42.90

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
56.	MN College, Shahbad (Kurukshetra)	1996-97	35.90
57.	Arya Kanya MV, Shahbad	1997-98	34.20
58.	BRA Janta College, Kaul (Kurukshetra)	1996-97 1997-98	31.30 36.00
59.	Viveka Nand MV, Nangal Choudhry (Mohindergarh)	1996-97	26.29
60.	KLP College, Rewari	1997-98	103.83
61.	Ahir College, Rewari	1997-98	46.30
62.	All India Jat Hero's Memorial College, Rohtak	1996-97 1997-98	96.80 102.00
63.	GB Degree College, Rohtak	1996-97 1997-98	29.90 31.70
64.	Sh. LN Hindu College, Rohtak	1996-97 1997-98	44.70 51.10
65.	Vaish College, Rohtak	1997-98	66.90
66.	Vaish College for Girls, Rohtak	1996-97 1997-98	32.80 34.50
67.	CRA College, Sonapat	1997-98	78.10
68.	Hindu College, Sonapat	1997-98	128.50
69.	Hindu Mahila MV, Sonapat	1996-97 1997-98	96.10 105.30
70.	Gita Vidya Mandir, Sonapat	1996-97 1997-98	46.90 56.10
71.	SD college, Ambala Cantt	1997-98	117.50
72.	Arya Girls College, Ambala Cantt.	1997-98	35.80
73.	MLN College, Yamuna Nagar	1997-98	119.50
74.	SJK College, Kalanaur	1997-98	40.00

Sr.No.	Name of the body/authority	Year for which accounts had not been received	Grants and loans received
		(Rupees in lakh)	
75.	CMK National Girls College, Sirsa	1997-98	37.20
76.	MP College for Girls, Dabwali (Sirsa)	1996-97 1997-98	26.80 32.30
77.	BPSM Girls College Khanpur Kalan (Sonipat)	1997-98	38.50

APPENDIX - XXI

(Refer paragraph 6.6.5 (c), page 181)

Rush of expenditure in last quarter/March of years 1991-97

Sr. No	District	Name of the CAD Project	Year	Total expenditure on the Project during the year	Total expenditure on the Project during		Percentage of expenditure during last quarter/March to the total expenditure during the year	
					last quarter	March	last quarter	March
(Rs in lakh)								
(i)	Bhiwani	CPO, Bhiwani (WJC)	1991-92	31.72	15.32	9.67	48	30
		JUI Canal	1992-93	43.63	24.31	18.01	56	41
		RLI Canal	1993-94	45.68	25.43	23.02	56	50
		JLN Canal	1994-95	45.90	28.25	25.17	62	55
		Bond Distributory	1995-96	102.45	85.06	82.05	83	80
			1996-97	119.17	93.02	75.16	78	63
			1997-98	75.06	43.59	40.53	58	54
(ii)	Faridabad	CPO Faridabad	1991-92	21.51	10.72	8.68	50	40
		(Gurgaon Canal)	1992-93	22.35	11.95	9.71	53	43
		Agra canal	1993-94	46.98	28.37	23.74	60	51
			1994-95	61.33	40.06	30.08	65	49
			1995-96	57.88	30.75	11.40	53	20
			1996-97	60.60	34.90	24.44	58	40
			1997-98	89.55	57.73	39.22	64	44
(iii)	Rewari	CPO Rewari (RLI)	1991-92	33.14	22.14	18.54	67	56
		JLN Canal	1992-93	45.62	32.48	28.54	71	63
			1993-94	62.26	48.33	32.06	78	51
			1994-95	54.27	38.34	35.12	71	65
			1995-96	142.07	118.56	88.92	83	63
			1996-97	173.18	122.02	110.95	70	64
			1997-98	134.09	88.29	68.70	66	51

Sr. No	District	Name of the CAD Project	Year	Total expenditure on the Project during the year	Total expenditure on the Project during		Percentage of expenditure during quarter/March to the total expenditure during the year	
					last quarter	March	quarter	March
				(Rs in lakh)				
(iv)	Rohtak	CPO Rohtak WJC	1991-92	22.89	11.12	8.27	49	36
		RLI	1992-93	30.12	14.06	11.63	47	39
		JLN	1993-94	36.60	17.61	14.73	48	40
		WJC	1994-95	27.80	11.62	7.81	42	28
		Dulhera	1995-96	47.88	29.86	15.25	62	32
			1996-97	36.31	15.68	6.56	43	18
			1997-98	71.10	52.11	39.15	73	55
(v)	Mohindergarh at Narnaul Faridabad, Rohtak and Sonipat	Command lining division	1991-92	457.94	145.75	84.14	32	18
		WJC Div No I, II, IV & VII	1992-93	676.37	238.93	119.32	35	18
		JLN Div. No. 1'	1993-94	815.36	224.08	102.09	27	13
		Gurgaon Agra Division	1994-95	945.75	377.22	175.26	40	19
			1995-96	795.65	360.51	136.92	45	17
			1996-97	783.44	297.18	105.22	38	13
			1997-98	935.75	250.18	92.25	27	Permissible

APPENDIX - XXII
(Refer paragraph 6.6.7, page 183)

Details of irrigation potential created and utilised upto 1996-97

Sr. No	Name of command/ Project	1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		Percentage of utilisation during 1996-97 to potential created up to 1996-97
		(In thousand hectares)												
		PC*	PU**	PC	PU	PC	PU	PC	PU	PC	PU	PC	PU	
1.	Gurgaon Canal	81.00	24.90	81.00	23.42	81.00	22.61	81.00	22.26	81.00	20.67	81	22.18	27
2.	JUI	18.70	10.22	18.70	7.74	18.70	12.38	18.70	15.48	18.70	15.48	18.70	15.48	83
3.	JLN	49.98	22.65	49.98	14.98	49.98	15.44	49.98	11.25	49.98	11.25	49.98	15.56	31
4.	RLI	8.25	5.16	8.25	4.29	8.25	4.24	8.25	4.94	8.25	4.94	14.95	3.02	20
5.	Bond Distributary.	3.68	2.82	3.68	2.77	3.68	2.61	3.68	2.33	3.68	2.33	4.53	2.33	51
6.	Dulhera Distributary.	16.87	15.68	16.87	14.03	16.87	14.60	16.87	11.99	16.87	11.99	27.22	10.62	39
7.	Hansi Area	7.53	12.38	7.53	12.58	7.53	12.52	7.53	12.57	7.53	12.57	7.53	7.65	102
8.	WJC	-	-	-	-	4.76	3.98	14.33	13.69	14.33	13.69	81.80	71.16	87
9.	Agra Canal	-	-	43.96	32.16	45.08	35.39	45.08	37.90	44	39.74	44	39.74	90
	Total	186.01	93.81	229.97	111.97	235.85	123.77	245.42	132.41	244.34	132.66	329.71	187.74	57

* PC Potential created
** PU Potential utilised

APPENDIX - XXIII
(Refer paragraph 7.3.4, page 215)

Details of depot-wise accidents

Sr. No.	Name of Depot	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Total
		(in number)						
1	Ambala	19	79	80	54	78	80	390
2	Bhiwani	34	39	44	31	41	32	221
3	Chandigarh	70	22	63	36	47	44	282
4	Delhi	41	54	51	54	33	23	256
5	Dadri	15	29	22	28	25	13	132
6	Faridabad	39	36	44	41	43	43	246
7	Fatehabad	31	28	29	41	31	31	191
8	Gurgaon	13	35	37	48	32	35	200
9	Hisar	53	68	42	54	47	38	302
10	Jind	57	52	39	39	37	37	261
11	Karnal	70	74	49	35	47	46	321
12	Kaithal	60	51	66	61	40	42	320
13	Kurukshetra	48	59	54	47	55	39	302
14	Narnaul		-	-	-	-	18	18
15	Panipat	5	40	40	41	31	27	184
16	Rohtak	32	48	51	42	46	37	256
17	Rewari	37	46	53	31	31	15	213
18	Sonipat	43	64	53	34	45	47	286
19	Sirsa	26	44	43	36	34	19	202
20	Yamunanagar	29	54	59	65	52	38	297
	Total	722	922	919	818	795	704	4880

The Depot came into existence from April 1997.

APPENDIX - XXIV

(Refer paragraph 7.3.5, page 218)

Details of depot-wise compensation

Sr. No.	Name of Depot	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Total
(Rupees in lakh)								
1	Ambala	14.98	27.80	72.04	55.22	80.38	35.81	286.23
2	Bhiwani	8.54	9.25	24.11	21.53	76.25	27.63	167.31
3	Chandigarh	13.03	37.80	68.77	96.56	115.46	83.82	415.44
4	Delhi	10.19	Nil	19.66	34.84	29.43	69.21	163.33
5	Dadri	3.78	3.28	2.86	20.94	26.92	21.24	79.02
6	Faridabad	Nil	Nil	Nil	52.48	50.96	79.63	183.07
7	Fatehabad	7.20	17.32	23.98	44.04	21.71	35.17	149.42
8	Gurgaon	Nil	12.36	30.67	24.70	134.56	88.75	291.04
9	Hisar	19.92	17.07	40.96	58.70	51.47	42.32	230.44
10	Jind	28.65	16.49	29.91	65.99	38.93	61.91	241.88
11	Karnal	7.65	35.48	7.09	61.02	34.82	51.55	197.61
12	Kaithal	3.30	8.05	25.38	34.64	35.84	30.20	137.41
13	Kurukshetra	5.63	3.84	30.23	64.07	66.70	55.04	225.51
14	Narnaul	-	-	-	-	-	-	-
15	Panipat	0.78	1.68	7.30	23.49	28.04	11.20	72.49
16	Rohtak	6.51	12.27	57.04	46.55	104.93	77.75	305.05
17	Rewari	9.25	6.23	19.67	37.34	93.08	46.42	211.99
18	Sonipat	9.40	10.82	72.42	30.57	51.73	66.86	241.80
19	Sirsa	11.97	7.80	20.86	48.55	87.45	56.65	233.28
20	Yamunanagar	7.90	21.52	49.82	48.79	78.80	124.27	331.10
	Total	168.68	249.06	602.77	870.02	1207.46	1065.43	4163.42

The Depot came into existence from April 1997.

APPENDIX – XXV

(Refer paragraph 7.3.6; page 221)

Details of operational revenue loss and the expenditure incurred on repairs of accidented vehicles during 1992-98

Name of Depot	Revenue earned	Operational revenue loss due to accidents	Expenditure on repairs	Percentage of	
	(Rupees in crore)			operational revenue loss to revenue earned	expenditure on repairs to revenue earned
Ambala	103.32	0.86	0.26	0.83	0.25
Chandigarh	129.03	1.13	0.88	0.88	0.68
Faridabad	90.24	0.28	0.35	0.31	0.39
Fatehabad	70.13	0.70	0.74	1.00	1.05
Hisar	87.42	0.32	0.56	0.36	0.64
Jind	87.89	0.50	0.70	0.57	0.80
Karnal	79.16	0.98	0.35	1.24	0.44
Kaithal	68.50	0.55	0.38	0.80	0.55
Rohtak	84.25	0.62	0.56	0.74	0.66
Sonapat	101.81	0.54	0.95	0.53	0.93
Yamunanager	96.11	0.66	0.71	0.69	0.74
Total	997.86	7.14	6.44		

APPENDIX - XXVI

Glossary of abbreviations

APCM	Air Pollution Control Measures
AC	Abstract Contingent
ADO	Agriculture Development Officer
ADE-Cum-CEO	Additional Deputy Commissioner-Cum-Chief Executive Officer
ADG	Additional Director General
AI	Artificial Insemination
ASCO	Assistant Soil Conservation Officer
APPO	Assistant Plant Protection Officer
API	Annual Parasite Incidence
BGVS	Bharat-Gyan Vigyan Samiti
BSS	Bhiwani Saksharata Samiti
CADA	Command Area Development Authority
CADP	Command Area Development Programme
CHC	Community Health Centre
CPC	Crop Production Committee
CEO	Chief Executive Officer
CPCB	Central Pollution Control Board
CPO	Chief Project Officer
Cum	Cubic Metre
CWC	Central Water Commission
DC	Detailed Contingent
DN	Division
DLCS	District Level Committees
DMO	District Malaria Officer
D/plot	Demonstration Plot
DRP	Dam Review Panel
DRDA	District Rural Development Agency
DDA	Deputy Director Agriculture
DDC	Drug Distribution Centre
EIC	Engineer-in-Chief
ETP	Effluent Treatment Plant
FTD	Fever Treatment Depot
FSL	Forensic Science Laboratory

GIS	Geographical Information System
GOI	Government of India
HA	Hectare
HSR	Haryana Schedule of Rates
HSFCB	Haryana State Flood Control Board
HPLC	High Performance Liquid Chromatography
HSDC	Haryana Seed Development Corporation
HYV	High yeilding Variety
ICAR	Indian Council of Agriculture Research
IDA	International Development Association
IWDP	Integrated Watershed Development Project
JE	Japanese Encephalitis
JLN	Jawahar Lal Nehru
KMs	Kilometres
LAC	Land Acquisition Collector
LCU	Lift Canal Unit
LAO	Land Acquisition Officer.
MACT	Motor Accident Claim Tribunal
MCS	Minister's Car Section
MOST	Ministry of Surface Transport
MPO	Modified Plan of Operation
MPHW	Multi-Purpose Health Worker
MTARF	Motor Transport Accident Reserve Fund
MTR	Mid Term Review
MTs	Master Trainers
MT	Metric Tonnes
MM	Millimetre
NLM	National Ambient Air Quality Monitoring Station
NMCP	National Malaria Control Programme
NMEP	National Malaria Eradication Programme
NSP	Nucleus Seed Production
PF	Plas-medium falciparum
PHC	Primary Health Centre
POL	Petrol Oil and Lubricants
PO	Project Officer

PWD	Public Works Department
PLC	Post Literacy Campaign
PPRS	Punjab Police Rules
PTC	Police Training Collage
PV	Plas-modicem Vires
RCC	Reinforced Cement Concrete
REE	Regional Environmental Engineer
RLI	Rewari Lift Irrigation
RRS	Regional Research Station
SDR	Special Drawing Right
SP	Superintendent of Police
STC	State Technical Advisory Committee
TLC	Total Literacy Campaign
UC's	Utilisation Certificates
VLDAs	Veterinary live stock Development Accidents
VIP	Very Important Person
WC	Water Courses
WRCP	Water Resources Consolidation Project
WDO	Watershed Development Office
ZMO	Zonal Malaria Officer