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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2002

(CIVIL)

GOVERNMENT OF PUNJAB

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COMPTROLLER AND AUDITOR GENERAL OF INDIA
2003

Price : Rs. 65.00 (Inland)
U.S.\$ 5 (Foreign)

Publisher :
Controller, Printing & Stationery, Punjab,
Chandigarh

<http://cagindia.org/states/punjab/2002>

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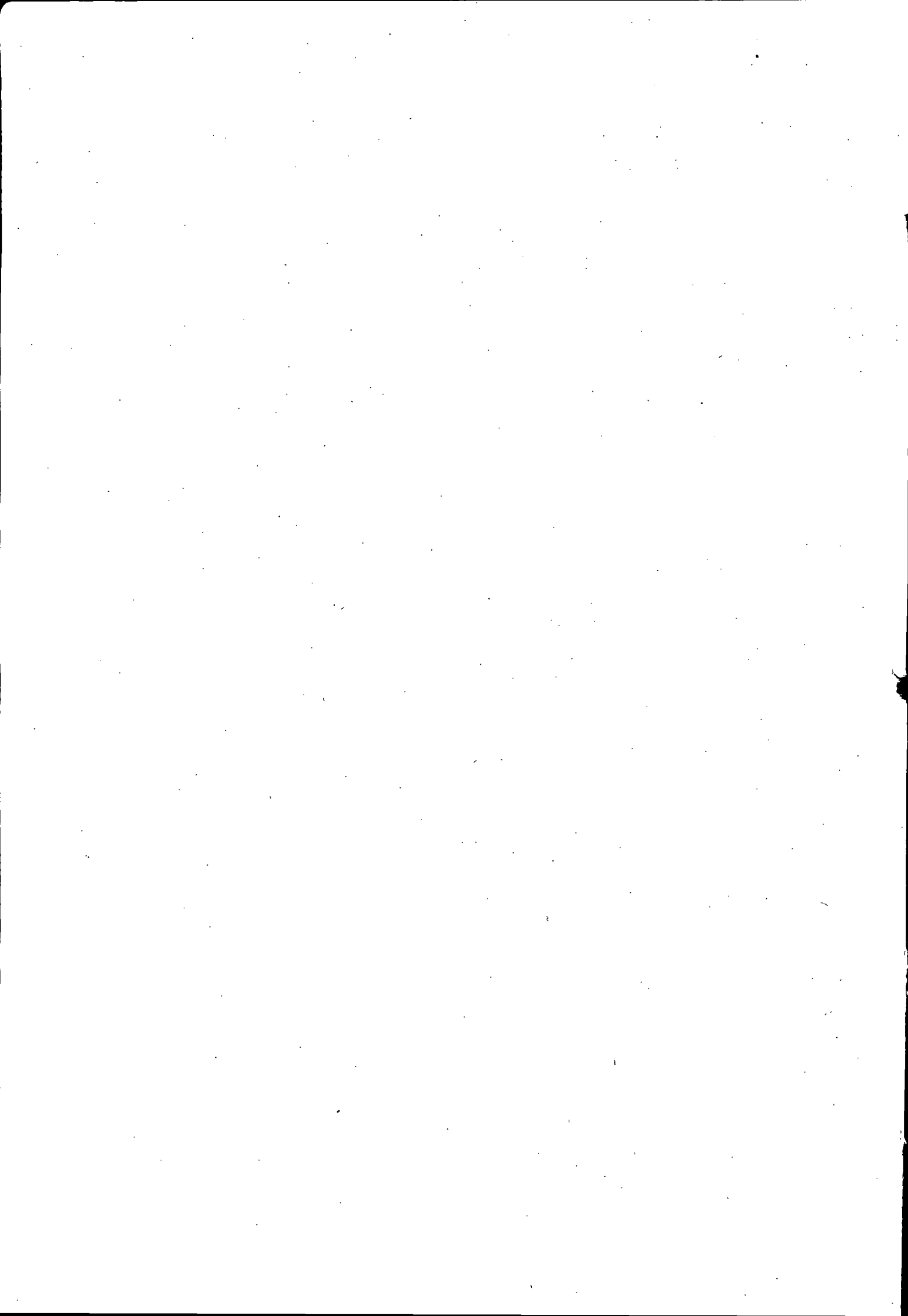


TABLE OF CONTENTS

		Reference to	
		Paragraph	Page(s)
Preface			ix
OVERVIEW			xi-xx
CHAPTER-I	AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT		
Introduction		1.1	1
Financial position of the State		1.2	1
Financial operations of the State Government		1.3	1-2
Sources and application of fund		1.4	2-8
Revenue receipts		1.5	9-11
Revenue expenditure		1.6	11-12
Capital expenditure		1.7	12
Loans and Advances by the State Government		1.8	12-13
Quality of expenditure		1.9	13-14
Financial management		1.10	14-21
Public debt		1.11	21-22
Indicators of the financial performance		1.12	22-26
CHAPTER-II	APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE		
Introduction		2.1	27
Summary of Appropriation Accounts		2.2	27-28
Results of Appropriation Audit		2.3	28-30
Trend of recoveries and credits		2.4	30
Explanations for saving/excess not received at all		2.5	30

		Reference to	
		Paragraph	Page(s)
Un-reconciled expenditure		2.6	31
Defective Re-appropriation		2.7	31
Rush of expenditure		2.8	31
Expenditure and budgetary control		2.9	31-33
CHAPTER-III	CIVIL DEPARTMENTS		
AUDIT PARAGRAPHS			
AGRICULTURE DEPARTMENT			
Injudicious expenditure on summer moong seed		3.1	35-36
ANIMAL HUSBANDRY, FISHERIES AND DAIRY DEVELOPMENT DEPARTMENT			
Infructuous expenditure on Inland Fish marketing		3.2	36-37
CO-OPERATION DEPARTMENT			
Mis-application of National Cooperative Development Corporation loan meant for Markfed		3.3	37-38
EDUCATION DEPARTMENT			
Breach of Legislative Financial Control		3.4	38-39
HEALTH AND FAMILY WELFARE DEPARTMENT			
Avoidable loss of interest		3.5	39-40
INDUSTRIES AND COMMERCE DEPARTMENT			
Payment of investment incentive to ineligible units		3.6	40-41
Infructuous expenditure on idle staff		3.7	41-42
PRINTING AND STATIONERY DEPARTMENT			
Non-realisation of dues		3.8	42-43

		Reference to	
		Paragraph	Page(s)
SOCIAL SECURITY AND WOMEN & CHILD DEVELOPMENT DEPARTMENT			
Retention of funds out of Government account		3.9	43-44
Unfruitful expenditure on incomplete building of Juvenile Home and unutilisation of funds granted for construction of Observation Home		3.10	44-45
TECHNICAL EDUCATION AND INDUSTRIAL TRAINING DEPARTMENT			
Unfruitful expenditure on incomplete buildings		3.11	45-46
WELFARE OF SCHEDULED CASTES AND BACKWARD CLASSES DEPARTMENT			
National Scheme of Liberation and Rehabilitation of Scavengers		3.12	46-52
Idle investment on incomplete Dr. B.R. Ambedkar Bhawans		3.13	52-53
Drawal of funds in advance of requirement		3.14	53
GENERAL			
Follow-up action on Audit Reports		3.15	53-54
CHAPTER-IV	WORKS EXPENDITURE		
SECTION 'A' - REVIEW			
PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS BRANCH)			
Integrated Audit including Manpower Management of Public Works Department		4.1	55-69
SECTION 'B' - AUDIT PARAGRAPHS			
PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS BRANCH)			
Loss due to excess issue of material to a contractor and delay in preparation of final bill		4.2	70

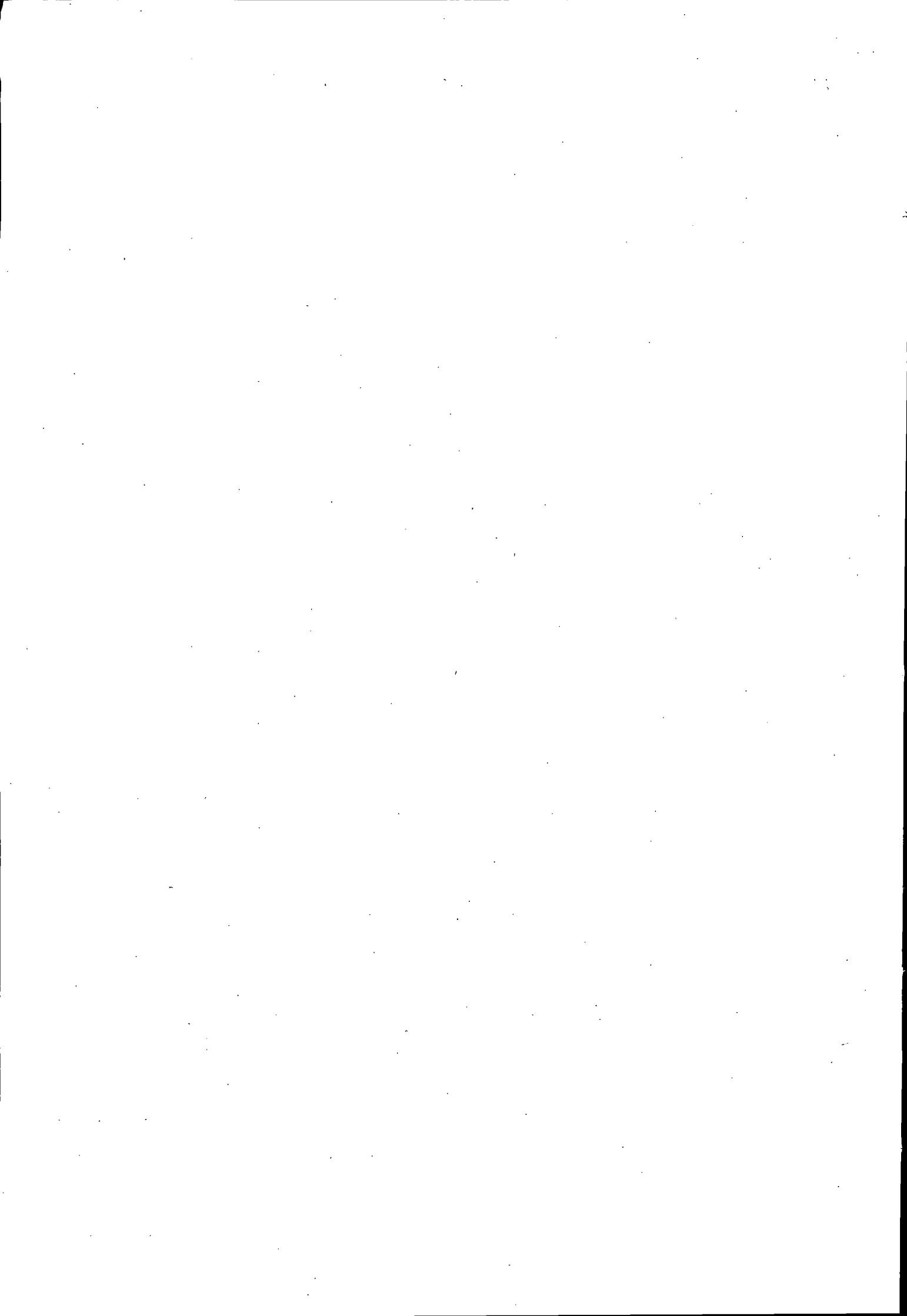
		Reference to	
		Paragraph	Page(s)
Deprival of road facilities to villages		4.3	71
IRRIGATION AND POWER DEPARTMENT AND PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS BRANCH)			
Miscellaneous Public Works Advances		4.4	71-75
IRRIGATION AND POWER DEPARTMENT			
Avoidable payment of interest to the contractor		4.5	75-76
PUBLIC WORKS DEPARTMENT (PUBLIC HEALTH BRANCH)			
Irregular procurement of galvanized iron pipes for a water supply project		4.6	76-77
Idle investment on Rural Water Supply Scheme		4.7	77
Un-gainful expenditure on Rural Water Supply Schemes		4.8	78-79
Loss of interest to Government and undue favour to Commercial Bank		4.9	79
CHAPTER-V	STORES AND STOCK		
AUDIT PARAGRAPH			
PUBLIC WORKS DEPARTMENT (BUILDINGS & ROADS BRANCH)			
Stores and stock accounts		5.1	81-85
CHAPTER-VI	FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS		
SECTION 'A' – REVIEWS			
SCIENCE, TECHNOLOGY, ENVIRONMENT AND NON-CONVENTIONAL ENERGY DEPARTMENT			
Environmental Acts and Rules relating to Air Pollution and Waste Management		6.1	87-96

		Reference to	
		Paragraph	Page(s)
RURAL DEVELOPMENT AND PANCHYATS DEPARTMENT			
Rural Housing Scheme (Indira Awaas Yojana)		6.2	97-105
SECTION 'B' – AUDIT PARAGRAPHS			
RURAL DEVELOPMENT AND PANCHYATS DEPARTMENT			
Swaranjayanti Gram Swarozgar Yojana		6.3	106-111
Irregular sanction of grant to a religious body		6.4	111-112
EDUCATION DEPARTMENT			
Excess payment of grants to five aided schools		6.5	112-113
CHAPTER-VII	COMMERCIAL ACTIVITIES		
AUDIT PARAGRAPH			
FOOD SUPPLIES & CONSUMER AFFAIRS DEPARTMENT			
Procurement and Storage of Wheat		7.1	115-119

APPENDICES

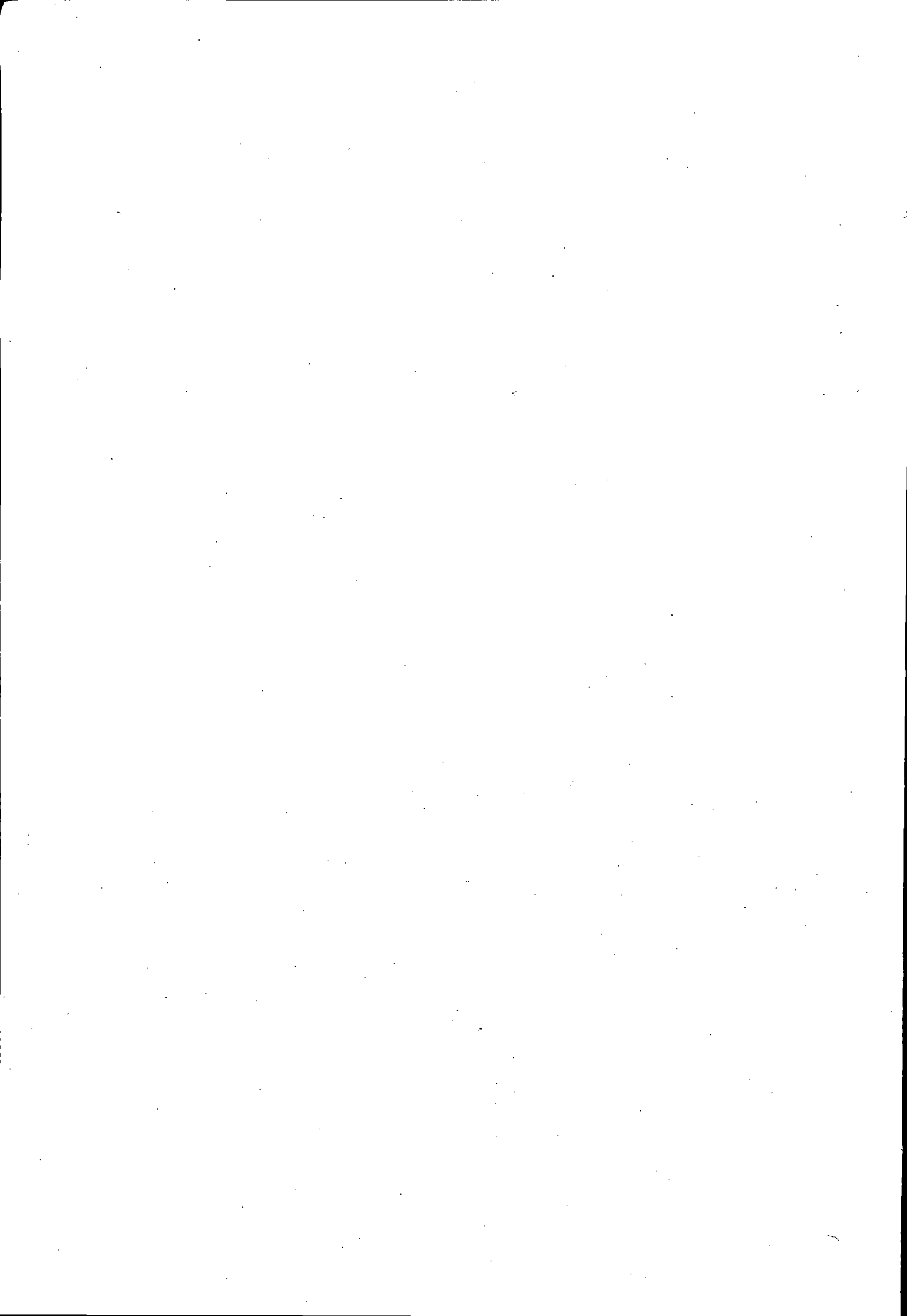
Sr. No.		Page(s)
I	Part A Government Accounts and Part B List of indices/ ratios and basis for their calculations	121-122
II	Details of loss making companies, investment by Government and accumulated losses	123
III	Cases of unnecessary supplementary grants/appropriations	124
IV	Excessive supplementary grants	125
V	Grants where supplementary provisions were insufficient by more than Rupees one crore	126
VI	Statement of various grants/ appropriations indicating major head-wise/ scheme wise expenditure where persistent savings in excess of Rupees one crore each and 20 per cent or more of the provisions	127-128
VII	Statement showing Head and Sub Head-wise cases of significant and persistent excess over grants/ appropriations	129
VIII	Grants/ Appropriations where the savings (more than Rupees one crore in each case) exceeded 20 per cent of the total grant/ appropriation	130-131
IX	Cases of re-appropriation under which the expenditure finally showed excess over the balance provision	132
X	Significant cases of major re-appropriation which were injudicious on account of non-utilisation	133-135
XI	Cases where savings remained un-surrendered	136
XII	Anticipated savings not surrendered	137
XIII	Amount surrendered during last two days of March 2002	138
XIV	Trend of recoveries and credits	139
XV	List of defective re-appropriation orders for the year 2001-02	140
XVI	Statement showing flow of expenditure during the four quarters of 2001-02	141
XVII	Provision for funds for schemes awaiting sanction	142
XVIII	Savings due to non-release of funds	143
XIX	Unnecessary/ excessive supplementary grants	144
XX	Substantial savings in grants/ appropriations	145-152
XXI	Persistent savings in grants/ appropriations	153-158
XXII	Unusual excess over Budget Grant	159-160
XXIII	Persistent excess over Budget Provisions	161

XXIV	Expenditure without Budget Provision	162-164
XXV	Statement showing paragraphs/ reviews for which explanatory notes were not received	165
XXVI	Statement showing details of excess expenditure under various sub-heads	166
XXVII	Statement showing details of expenditure incurred without budget provision under various sub-heads	167-168
XXVIII	Statement showing the details of works executed without technical sanction	169
XXIX	Details of unauthorised possession of land	170
XXX	Year-wise and sub-head wise details of Miscellaneous Public Works Advances lying unadjusted as on 31 March 2002	171
XXXI	Details of outstanding items of Miscellaneous Public Works Advances—Outstanding against Contractors/ Suppliers	172
XXXII	Details of outstanding items of Miscellaneous Public Works Advances—Amounts outstanding against Departmental staff	173
XXXIII	Irregular debit of Miscellaneous Public Works Advances in Irrigation and Power Department	174
XXXIV	Details of permissible limits of control of Suspended Particulate Matter (SPM)	175
XXXV	Details of houses constructed/ material purchased through Sarpanches	176
XXXVI	Details of targets and achievements for construction of new houses and upgradation of kutchha houses	177
XXXVII	Physical performance of construction of houses/provision of smokeless chulhas and sanitary latrines	178
XXXVIII	Year-wise details of financial assistance disbursed to individual beneficiary and SHGs	179
XXXIX	Statement showing the details of excess claim of grant by aided schools	180
XL	Glossary of Abbreviations	181-183



PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapter I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2002.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works, Irrigation and Power Department, audit of Stores and Stock, audit of Autonomous Bodies and departmentally run commercial undertakings.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2001-02 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 2001-02 have also been included wherever necessary.



OVERVIEW

W. H. R. 1914

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Overview

This Audit Report contains 28 Audit Paragraphs and 3 Audit Reviews apart from comments on the Finance and Appropriation Accounts. As per existing arrangement, copies of the draft Audit Paragraphs and draft Audit Reviews are sent to the concerned Secretary to the State Government by the Accountant General, demi-officially with a request to furnish replies within 6 weeks. Despite such efforts, for 25 out of 28 Audit Paragraphs and for 3 Reviews, no response was received from the concerned Secretary of the State Government. The matter was also brought to notice of Chief Secretary by the Accountant General. Reply is still awaited.

I. Review of the State's Finances

- The assets of the State Government grew by 7 *per cent* during 2001-02 while the liabilities grew by 17 *per cent*. The net receipts from Public Accounts increased from 4.99 *per cent* last year to 5.02 *per cent* during current year. The share of revenue receipts in total sources decreased from 67.84 *per cent* in 2000-01 to 60.29 *per cent* during 2001-02 and the receipts from Public Debt went up from 25.91 *per cent* to 26.86 *per cent*.
- Though the share of revenue expenditure to total expenditure decreased from 87.36 *per cent* last year to 86.11 *per cent* during current year yet it was significantly higher than the revenue receipts, leading to revenue deficit of Rs. 3,781.19 crore during 2001-02. Balance from current revenue was negative and remained at a high level indicating that the Government had to depend only on borrowings to meet Plan expenditure.
- Interest payments increased by 36 *per cent* during the year and constituted 25 *per cent* of revenue expenditure. It increased by 72 *per cent* from Rs. 1,849 crore in 1997-98 to Rs. 3,178 crore in 2001-02 mainly due to increase in Public Debt.
- The ratio between capital outlay and capital receipts declined from 0.32 in 1997-98 to 0.15 in 2001-02 indicating that a substantial part of the capital receipts was not available for asset formation.
- As on 31 March 2002, 14 out of 23 Government Companies, in which Government invested Rs. 284.95 crore, were running at a loss and the accumulated loss amounted to Rs. 536.68 crore up to March 2002. Even the profit making Companies, Corporations and Co-operative Institutions, gave insignificant returns of less than one *per cent* during 1997-2002. Thus, while the Government was raising high cost borrowing (at 8 *per cent* to 10.35 *per cent* rate of interest) from the market, its investment fetched practically no returns.

- Rs. 12.49 crore realised from 9 major irrigation projects with a capital outlay of Rs. 211.61 crore was only 5.90 *per cent* of the capital outlay and was not sufficient to cover even the direct working expenses of Rs.112.72 crore. The projects suffered a net loss of Rs. 114.98 crore in 2001-02.
- The fiscal deficit of Rs. 4,959 crore (consisting of revenue deficit of Rs.3,781 crore) was financed by Public Debt (Rs.4,125 crore), and Public Account (Rs. 744 crore). The ratio of revenue deficit to fiscal deficit increased from 0.60 in 2000-01 to 0.76 in 2001-02 indicating that a larger share of borrowings was applied to meet the revenue expenditure. Repayment by the State Government was higher than loans received from GOI.
- The outstanding guarantees increased to Rs. 10,584 crore in 2001-02 and amounted to 119 *per cent* of the revenue indicating that the Government was taking an unacceptable risk in giving guarantees.
- Persistent negative BCR, almost stagnant tax GSDP ratio, a lukewarm approach by Government to implement the fiscal reforms programme (MOU) to reduce revenue expenditure, coupled with huge arrears in revenue collection and increased fiscal deficit during the year forced the State Government to borrow more. Resultantly, the outstanding Government debt now accounts for 44 *per cent* of GSDP. Most of the borrowings are directed towards revenue expenditure leaving little scope for new investments. Government investments are yielding virtually nothing to service the high debt burden and there is little sustainability to State finances.

(Paragraph 1.1 to 1.12)

II. Appropriation Audit and Control over expenditure

- During 2001-02, expenditure of Rs. 25,590.59 crore was incurred against the total grants and appropriations of Rs. 28,395.05 crore resulting in a saving of Rs. 2,804.46 crore (9.88 *per cent*).
- Excess over grant of Rs. 1,849.63 crore pertaining to the year 1997-2002 required regularisation by the Legislature under Article 205 of the Constitution.
- Supplementary provision of Rs. 132.86 crore obtained in 12 cases of grants and appropriations proved unnecessary. In 4 cases, supplementary provision of Rs.308.69 crore proved insufficient resulting in excess expenditure of Rs.386.23 crore.
- Significant excess expenditure was persistent in 5 cases under one grant (Grant No. 21-Public Works).
- Injudicious re-appropriation of funds resulted in saving of more than rupees one crore each in 45 cases.

(Paragraph No. 2.1 to 2.9)

III. Performance review of schemes

1. Integrated Audit including Manpower Management of Public Works Department (B & R Branch)

The State of Punjab has a network of 45,931 Kms of roads, 606 bridges and 10 flyovers as of March 2002. A review on Integrated Audit of Public Works Department, Buildings and Roads Branch including Manpower Management indicated several deficiencies in the planning and execution of works. Financial management and control over expenditure was deficient leading to preparation of inflated budget estimates and unjustified supplementary demands/re-appropriation of grant. Some of the significant findings as a result of test check are given below:

- Budgetary control was deficient. Budget demands of 9 divisions were 41 to 57 *per cent* higher than expenditure in each year during 1999-2002 and were prepared on adhoc basis. Additional funds through supplementary and re-appropriation grants resulted in Rs.118.94 crore remaining unutilized.
- Excess expenditure under 31 sub-heads ranged between 7 and 12,015 *per cent* during 1999-2002. Under 83 sub-heads, Rs. 895.18 crore was incurred without any provision during 1999-2002.
- In contravention of Departmental Rules, liability of Rs. 10.47 crore was created.
- Sales Tax and Income Tax amounting to Rs. 83.26 lakh and Rs. 98.46 lakh respectively deducted from the bills of contractors were not deposited into Government account.
- Ministry of Surface Transport withheld Rs.4.78 crore pertaining to works of National Highways due to non-compliance with their observations and non-reconciliation of accounts.
- Over specifications in applying tack coat resulted in extra expenditure of Rs. 3.39 crore in 11 Divisions.
- Rs. 43.86 crore was spent irregularly by 4 divisions on 26 works without getting technical sanctions from competent authority.
- Expenditure of Rs. 1.03 crore incurred on construction of bridge without completion of approaches and protection works was rendered wasteful for the last 32 months.
- Departmental land valuing Rs. 1.64 crore was under un-authorized occupation of private persons and cases were under litigation.
- Rs. 1.02 crore was incurred on pay and allowances of idle drivers and cleaners.

(Paragraph 4.1)

2. Environmental Acts and Rules relating to Air Pollution and Waste Management

Implementation of the provisions of the "Air (Prevention and Control of Pollution) Act, 1981" and the "Environment (Protection) Act, 1986" and implementation of Rules made thereunder with regard to Air Pollution, Hazardous Waste, Bio Medical Waste and Solid Waste in the State of Punjab was not satisfactory. The Punjab Pollution Control Board (PPCB) did not frame any comprehensive programme for prevention, control and abatement of air pollution. A review of the performance of the PPCB revealed the following:

- Out of Rs. 76.85 crore available, Rs. 37.34 crore remained unspent during 1996-2002. 5 schemes formulated by the Board estimated to cost Rs. 2.72 crore remained unimplemented despite availability of funds. Central Government suspended further funding because of the availability of unspent money.
- Out of 8,406 identified industrial units, only 2,935 units (35 per cent) applied for consent and remaining 5,471 units (65 per cent) were running without consent. Even out of 2,935 units, only 2,015 (24 per cent) were granted consent and the remaining 920 units were either refused consent or their applications were under process.
- 3,416 units out of 8,088 did not install Air Pollution Control Devices.
- For 29.10 lakh vehicles in the State, only 187 pollution check centres were authorised by the State Transport Authority. In Ludhiana, 74 per cent three wheelers, 91 per cent buses and 97 per cent trucks did not meet the prescribed smoke emission standard. No action was taken against the defaulters.
- Out of 1,362 units identified as hazardous waste generating units, only 951 units applied for authorization out of which 660 units were granted such authorization by the Board.
- Out of 300 hospitals/ nursing homes identified by the Board as bio-medical waste generating units, only 20 (7 per cent) applied for authorization. None of them was granted authorization. Of the 93 hospitals identified by the Board for providing waste treatment facilities, only 3 provided the facility.
- The Board sustained loss of revenue aggregating Rs. 1.07 crore due to non-realisation of application fee for authorization of facilities for hazardous waste management and consent fee from polluting industries.

(Paragraph 6.1)

3. Rural Housing Scheme (Indira Awaas Yojana)

Indira Awaas Yojana (IAY) was launched by the Government of India in 1985-86 as a component of the Rural Landless Employment Guarantee Programme and was made an independent scheme from January 1996. The objective of IAY is primarily to help construction of free dwelling units for the Scheduled Castes/ Scheduled Tribes (SC/ ST) and Freed Bonded Labourers (FBL) and rural poor living below the poverty line (BPL) by providing them with grants-in-aid. To supplement the efforts made by Government to provide houses to the rural poor, Government of India also launched "Pradhan Mantri Gramodaya Yojana" (PMGY) and "Credit-cum-Subsidy Scheme for Rural Housing" and "Samagra Awaas Yojana" during 1999-2002. Management and implementation of IAY in the State of Punjab was ineffective. The prescribed criterion for identification of beneficiaries was not followed and funds were irregularly released. Test check of records revealed the following :

- Rs. 14.90 crore released by 4 test checked Zila Parishads (ZPs) to BDPOs/GPs during 1997-2002 was treated as final expenditure without ensuring actual disbursement and utilisation by beneficiaries.
- Rs. 2.94 crore was released to Block Development and Panchayat Officers by ZPs of Amritsar, Ferozepur and Ropar without prior selection of beneficiaries.
- Rs. 1.45 crore was disbursed to 767 beneficiaries in the districts of Amritsar, Ferozepur and Patiala on the recommendations of Ministers/ MLAs.
- Shortfall in construction of new houses and up-gradation of Kutcha houses was 14 and 19 *per cent* respectively.
- In disregard of the provisions of the scheme, allotment of houses to 3,809 (52 *per cent*) dwelling units in 4 test checked districts was made in the name of male members of the family instead of female members or jointly in the names of husband and wife.
- The data about the smokeless chulhas and sanitary latrines provided at the newly constructed/ upgraded houses reported to Joint Development Commissioner by Zila Parishads of the test checked districts was at variance with the data supplied to Audit.

(Paragraph 6.2)

4. National scheme of Liberation and Rehabilitation of Scavengers

With a view to liberate scavengers from the existing hereditary and inhuman occupation of manually removing night soil and filth and to engage them in alternative and dignified trades/ occupations, Government of India launched National Scheme of Liberation and Rehabilitation of Scavengers (NSLRS) in 1980-81. The scheme was bifurcated in 1991-92 and Ministry of Urban and Rural Development became responsible for conversion of dry latrines into wet

latrines, while the rehabilitation of scavengers was entrusted to Ministry of Social Justice and Empowerment.

Some of the significant findings were:

- Rs. 2.55 crore provided by the Central Government during 1995-96 was not released by the State Government.
- Only 531 scavengers were identified in the revised survey whereas 25,140 dry latrines were yet to be converted into wet latrines in the State as of March 2002.
- Only 4,523 out of 31,290 identified scavengers could be imparted training and no training was imparted after 1995-96.
- Only 2,988 out of 31,290 identified scavengers were rehabilitated during 1992-2002, which reflected overall shortfall of 90.45 *per cent*.
- Sanitary marts were not opened to help scavengers quit their inhuman profession even though financial assistance of Rs. 17.50 lakh was available.

(Paragraph 3.12)

5. Miscellaneous Public Works Advances

Transactions under the Suspense Account "Miscellaneous Public Works Advances" (MPWA) are temporarily booked to watch actual recovery or adjustment under proper sanction. A review of the balances under MPWA as on March 2002 in the Irrigation and Power Department and Public Works Department (B&R) disclosed the followings:

- During 1989-2002, number of items pending clearance increased from 2,549 (Rs. 19.52 crore) to 3,460 items (Rs. 40.60 crore) in Irrigation and Power Department and from 1,260 (Rs. 0.71 crore) to 1,950 items (Rs.30.43 crore) in PWD (B&R) Branch.
- Rs.2.33 crore was spent in excess of deposit during September 1988 to August 1998 in Irrigation and PWD (B&R).
- Rs.7.27 crore was outstanding since October 1986 in 5 divisions on account of work done on behalf of 44 other divisions of Irrigation Department.
- Rs.4.51 crore was outstanding against various contractors/ suppliers on account of short/non-receipt of material since July 1952.
- Rs.2.12 crore was outstanding against deceased/retired employees since March 1947 in Irrigation and PWD (B&R).
- Rs.4.98 crore was spent without approval and wrongly charged to MPWA.

(Paragraph 4.4)

6. Stores & Stock Accounts

Review of Stores and Stock Account of Public Works Department, Buildings and Roads Branch revealed the followings :

- Three divisions kept stores valuing Rs. 10.55 crore in excess of permissible limit.
- Unserviceable material and empty bitumen drums valuing Rs. 1.09 crore were awaiting disposal.
- In violation of Government decision, packed bitumen was procured in excess of norms resulting in extra expenditure of Rs. 2.72-crore.
- Rs. 15.41 lakh of discount on purchase of bitumen was not availed from Indian Oil Corporation.
- Cost of bitumen valuing Rs. 51.66 lakh issued to six contractors between July 1992 and December 2000 was not recovered.

(Paragraph 5.1)

7. Swaranjayanti Gram Swarozgar Yojana

Government of India re-structured the Integrated Rural Development Programme a self-employment programme as Swaranjayanti Gram Swarozgar Yojana (SGSY) and launched it in 1999 with the objective of covering 30 *per cent* of poor families in each block during the next five years and to bring the assisted poor families above the poverty line in three years by providing them income generating assets through a mix of bank credit and government subsidy so that the family could get a monthly net income of at least Rs. 2,000 excluding repayment. There was heavy shortfall in coverage of beneficiaries due to non-disbursement of loans and subsidy by the banks. Some of the significant findings in the implementation of the scheme are given below:

- In the five test-checked districts, against the availability of Rs. 10.81 crore, expenditure was only Rs. 8.66 crore (80 *per cent*). Rs.2.15 crore was lying with the banks, DRDAs and BDPOs.
- Administrative cost of Rs. 43.42 lakh was wrongly charged to the scheme.
- Separate Training Fund, Infrastructure Fund and Revolving Fund for Self Help Groups were not created and allocation under them was meagre and lower than the prescribed norms.
- Only 19,956 beneficiaries out of 1,28,293 were covered and shortfall in coverage was 84 *per cent*.
- Out of loan and subsidy amounting to Rs. 34.42 crore sanctioned for disbursement to 9,152 beneficiaries, only Rs.26.41 crore was disbursed to 7,379 beneficiaries.

- Physical verification of assets created by the beneficiaries was not carried out to ensure their existence.
- Due to inadequate supervision at various levels, proper monitoring and implementation of scheme was not done.

(Paragraph 6.3)

8. Procurement and Storage of wheat

State Food and Supplies Department alongwith other procurement agencies procure wheat from the farmers and supply to the Central pool through FCI. Pending delivery to FCI, the procured wheat is stored in own and hired godowns. The department also procured various articles like gunny bags, crates, polythene covers for the protection of stock. A review of procurement and storage operations of wheat in the State Food & Supplies Department revealed the following:

- Unauthorised excess cash credit limit of Rs. 324 crore was availed, which caused additional interest liability of Rs.29.99 crore.
- Sale proceeds aggregating to Rs. 634.56 crore were irregularly not repaid to SBI against cash credit and additional interest liability was Rs.150.42 crore.
- Carryover charges of Rs. 2 crore was not claimed from FCI.
- Due to non-observance of FIFO method for the despatch of wheat and improper storage of wheat, Rs. 1.55 crore was lost.
- Rent of Rs. 2.23 crore remained un-recovered from wheat procuring agencies on account of wooden crates given on loan.
- Gunny bags worth Rs. 8.44 crore transferred on loan basis to wheat procuring agencies remained un-recovered for three years.

(Paragraph 7.1)

IV AUDIT PARAGRAPHS

Loss of money

- (i) Failure of Health and Family Welfare Department to deposit in time Pay Orders valuing Rs. 48.05 crore under ESI scheme resulted in avoidable loss of interest of Rs. 23.65 lakh.
(Paragraph 3.5)
- (ii) Failure of State Government to issue necessary instructions with regard to non-collection of cess in pursuance of annulment of Punjab Social Security Act resulted in collection and retention of cess amount of Rs.34.78 crore out of Government account having the effect of net loss of interest of Rs. 26.36 lakh on the balances.
(Paragraph 3.9)

- (iii) Non-recovery of cost of material from running bills of the contractor by the Executive Engineer, Rural Works Division, Ropar for about 6 years resulted in a loss of Rs. 28.09 lakh.
(Paragraph 4.2)
- (iv) Irregular operation of current account by the Executive Engineer, Public Health (RWS) Division, Malout in Commercial bank caused loss of interest of Rs. 42.17 lakh.
(Paragraph 4.9)

Blockade of funds

- (i) Rs. 7.30 crore spent on the construction of 6 Industrial Training Institutes proved unfruitful due to abandonment of work.
(Paragraph 3.11)
- (ii) Construction of Dr. B. R. Ambedkar Bhawan buildings remained incomplete at three places even after a lapse of 8 years, resulting in unfruitful expenditure of Rs.1.50 crore.
(Paragraph 3.13)

Infructuous expenditure

- (i) Rs. 29.75 lakh spent on the purchase of K-851 summer moong seed became unfruitful as the popularisation of summer moong cultivation failed due to low average yield of the seed variety.
(Paragraph 3.1)
- (ii) Expenditure of Rs. 43.09 lakh on the construction of 22 shops for selling fish and purchase of two insulated refrigerated vehicles proved infructuous due to non-finalisation of terms and conditions for leasing out shops and purchase of vehicles without immediate requirement.
(Paragraph 3.2)
- (iii) Failure of Industry Department to take action to transfer idle staff posted in Heat Treatment Unit, Batala resulted in infructuous expenditure of Rs. 31.24 lakh on pay and allowances for four years.
(Paragraph 3.7)

Breach of Legislative Financial Control

Secretary Education exceeded his powers and issued orders to credit Government receipt of Rs. 1.26 crore into separate bank accounts and to incur expenditure of Rs. 46.93 lakh therefrom in violation of financial rules and breach of Legislative Financial Control.

(Paragraph 3.4)

Inadmissible/ excess/ irregular payments

- (i) Mis-application of NCDC loan meant for Markfed by the State Government resulted in extra interest liability of Rs. 4.37 crore and loss of dividend of Rs. One crore.
(Paragraph 3.3)

- (ii) Investment incentive of Rs.1.14 crore was released to 8 cold storage units which were not eligible for the same under the Industrial Policy of the State Government.

(Paragraph 3.6)

- (iii) Rupees one crore was sanctioned/ released to a religious body in contravention of provisions of scheme.

(Paragraph 6.4)

Non-achievement of objectives

- (i) Due to imprudent decision of the Chief Engineer, Public Health, galvanised iron pipes valued at Rs. 1.29 crore were procured against the requirement of pipes with a longer life for a drinking water project.

(Paragraph 4.6)

- (ii) Due to failure of the department to arrange operational staff for running 7 Water Supply Schemes, potable water could not be provided to rural masses even after incurring an expenditure of Rs.1.11 crore.

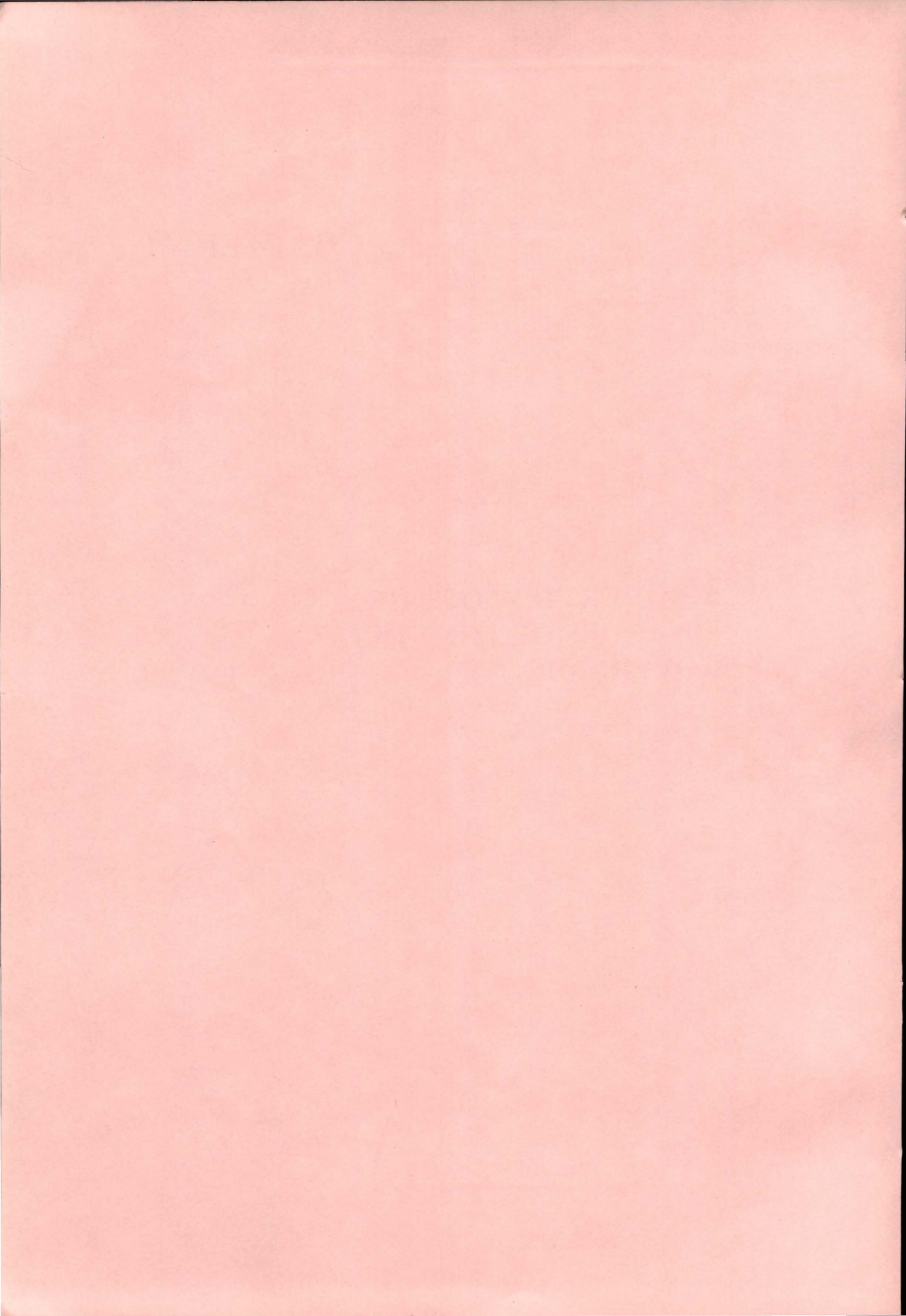
(Paragraph 4.7)

CHAPTER – I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

Page

1–26



CHAPTER-I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are explained in the *Appendix-I*.

1.2 Financial position of the State

In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of its expenditure. Exhibit-I gives an abstract of such liabilities and the assets as on 31 March 2002, with the corresponding position on 31 March 2001. While the liabilities in this statement consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account, Deposits and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would be seen from Exhibit-I that while the liabilities grew by 17 *per cent*, the assets grew by only 7 *per cent* during 2001-2002, mainly as a result of a 27.62 *per cent* growth in the deficit on the Government account. This shows an overall deterioration in the financial condition of the Government, as brought out in succeeding paragraphs.

1.3 Financial operations of the State Government

1.3.1 Exhibit-II presents details of the receipts and disbursements made by the State Government during the years 2000-2001 and 2001-2002. The revenue expenditure (Rs.12,709.81 crore) during the year exceeded the revenue receipts (Rs.8,928.62 crore) resulting in a revenue deficit of Rs.3,781.19 crore. The revenue receipts comprised tax revenue (Rs.4,820.23 crore), non-tax revenue (Rs.2,960.45 crore), State's share of Union taxes and duties (Rs.610.49 crore) and grants-in-aid from the Central Government (Rs.537.45 crore). The main sources of tax revenue were taxes on sales & trades etc. (56 *per cent*), state excise (28 *per cent*) etc. Non-tax revenue came mainly from General Services (69 *per cent*) and Economic Services (10 *per cent*).

1.3.2 The capital receipts comprised of Rs.872 crore from recoveries of loans and advances and Rs.8,532* crore from public debt. Against this, the expenditure was Rs.984 crore on capital outlay, Rs.1,066 crore on disbursement of loans and advances and Rs.4,554 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.14,171 crore, against which the disbursements of Rs.13,428 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a decrease of Rs.87 crore in the cash balance from Rs.509 crore at the beginning of the year to Rs.422 crore at the end of the year.

1.3.3 The financial operations of the State Government pertaining to receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit-II and the time series data for the five year period from 1997-98 to 2001-2002, presented in Exhibit-IV.

1.4 Sources and application of fund

1.4.1 Exhibit-III gives the position of sources and application of funds during the current and the preceding year. The main sources of funds include the revenue receipts, recoveries of the loans and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure, lending for developmental purposes and repayment of overdraft. It would be seen that the revenue receipts constitute the most significant source of funds. Their share came down from 67.84 *per cent* in 2000-2001 to 60.29 *per cent* during 2001-2002, the receipts from the public debt marginally went up from 25.91 *per cent* to 26.86 *per cent*. The share of recoveries of loans and advances went up from 0.92 *per cent* to 5.89 *per cent* and the net receipts from the Public Account, increased from 4.99 *per cent* in 2000-2001 to 5.02 *per cent* in 2001-2002 due mainly to increase in the Reserve Funds.

1.4.2 The funds were mainly applied for revenue expenditure (85.83 *per cent*) which registered an increase of 1.09 *per cent* from the previous year and was significantly higher than the share of revenue receipts at 60.29 *per cent* in the total receipts.

* Including ways and means advances other than Overdraft.

**EXHIBIT-I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF PUNJAB AS
ON 31 MARCH 2002**

As on 31.03.2001	Liabilities		As on 31.03.2002
9612.41	Internal Debt -		13691.70
2594.97	Market Loans bearing interest	2991.60	
0.64	Market Loans not bearing interest	0.45	
11.70	Loans from LIC	10.57	
2671.28	Loans from other Institutions	4834.42	
243.42	Ways and Means Advances	221.42	
48.37	Overdrafts from Reserve Bank of India	196.36	
4042.03	Special Securities issued to National Small Savings Fund of Central Government	5436.88	
13008.27	Loans and Advances from Central Government -		13054.20
93.07	Pre 1984-85 Loans	74.44	
5799.26	Non-Plan Loans	5653.89	
6787.92	Loans for State Plan Schemes	7117.83	
0.77	Loans for Central Plan Schemes	0.51	
87.25	Loans for Centrally Sponsored Plan Schemes	87.53	
240.00	Other ways and means advances	120.00	
21.60	Contingency Fund		25.00
5209.64	Small Savings, Provident Funds, etc.		5749.86
1024.76	Deposits		1117.17
243.77	Reserve Funds		449.56
243.33	Remittance Balances		135.78
29363.78			34223.27
	Assets		
10121.59*	Gross Capital Outlay on Fixed Assets -		11105.91
2348.37*	Investments in shares of Companies, Corporations, etc.	2346.01	
7773.22	Other Capital Outlay	8759.90	
4956.71*	Loans and Advances -		5150.17
3784.81	Loans for Power Projects	3842.21	
929.28*	Other Development Loans	952.03	
242.62	Loans to Government servants and Miscellaneous loans	355.93	
0.68	Advances		0.68
85.06	Suspense and Miscellaneous Balances		72.36
509.17	Cash -		422.39
	Cash in Treasuries and Local Remittances	-	
155.69	Deposits with Reserve Bank	74.90	
87.78	Departmental Cash Balance	101.58	
0.16	Permanent cash imprest	0.15	
141.56	Investment of Earmarked Funds	141.78	
123.98	Cash Balance Investments	103.98	
13690.57	Deficit on Government Accounts -		17471.76
2335.97	Revenue Deficit of the Current Year	3781.19	
-	Other adjustments	-	
11354.60	Accumulated deficit up to previous year	13690.57	
	Proforma correction	-	
29363.78			34223.27

* Differs by Rs.13.49 crore from the closing balance on account of proforma transfer of balances due to conversion of loans given to Punjab Financial Corporation, Chandigarh into equity vide foot note at page 316 Finance Accounts for the year 2001-02

EXHIBIT-II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2001-2002

(Rupees in crore)

2000-01		Receipts		2001-02
		Section-A: Revenue		
9376.86	I	Revenue receipts		8928.62
4895.22		-Tax revenue	4820.23	
2935.24		-Non-tax revenue	2960.45	
719.33		-State's share of Union Taxes and Duties	610.49	
441.50		-Non-Plan Grants	159.03	
193.35		-Grants for State Plan Schemes	183.00	
192.22		-Grants for Central and Centrally sponsored Plan Schemes	195.42	
2335.97	II	Revenue deficit carried over to Section B		3781.19
11712.83		Total Section A		12709.81

2000-01		Disbursements	Non Plan	Plan		2001-02
						Total
	I	Revenue expenditure-				
6530.81		General Services	7558.94	8.29		7567.23
2992.71		Social Services-	2559.08	551.52		3110.60
1858.97		-Education, Sports, Art and Culture	1579.76	252.53	1832.29	
637.58		-Health and Family Welfare	473.17	145.00	618.17	
167.55		-Water Supply, Sanitation, Housing and Urban Development	108.14	91.74	199.88	
10.83		-Information and Broadcasting	13.31	2.38	15.69	
46.15		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	28.60	18.97	47.57	
52.69		-Labour and Labour Welfare	48.07	3.07	51.14	
212.28		-Social Welfare and Nutrition	301.33	37.83	339.16	
6.66		-Others	6.70	-	6.70	
2100.50		Economic Services-	1560.64	305.04		1865.68
448.10		-Agriculture and Allied Activities	305.62	114.79	420.41	
67.25		-Rural Development	35.83	25.60	61.43	
13.25		-Special Areas Programmes	-	16.25	16.25	
315.77		-Irrigation and Flood Control	324.89	0.93	325.82	
605.01		-Energy	450.00	0.68	450.68	
28.55		-Industry and Minerals	19.87	3.00	22.87	
447.44		-Transport	394.54	10.27	404.81	
1.53		-Science, Technology and Environment	-	1.41	1.41	
173.60		-General Economic Services	29.89	132.11	162.00	
88.81		Grants-in-aid and Contributions	-	-	166.30	166.30
11712.83		Total Section A	11678.66	864.85		12709.81
101.92	II	Opening Overdraft from RBI				48.37
	III	Capital Outlay-	32.61	951.71		984.32
42.80		General Services-	0.15	21.72	21.87	
52.51		Social Services-	0.02	54.66	54.68	
0.28		-Education, Sports, Art and Culture	-	0.64	0.64	
2.55		-Health and Family Welfare	-	0.13	0.13	
49.53		-Water Supply, Sanitation	0.02	53.69	53.71	
		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes,	-	-	-	
0.01		-Social Welfare and Nutrition	-	0.01	0.01	
0.14		-Others	-	0.19	0.19	

(Rupees in crore)

2000-2001		Receipts		
		Section-B		
195.76	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		509.17
	IV	Miscellaneous Capital receipts		
126.90	V	Recoveries of Loans and Advances-		872.33
0.20		-From Power Projects	0.18	
54.85		-From Government Servants & Miscellaneous Purposes	66.10	
71.85		-From others	806.05	
	VI	Revenue surplus brought down		
5049.04	VII	Public debt receipts-		6554.91
4363.62		-Internal debt other than ways and means Advances and Overdraft	5719.16	
61.30		-Net transactions under Ways and Means Advances		
1624.12		-Loans and Advances from Central Government	835.75	
	VIII	Appropriation from the Consolidated Fund		
	IX	Amount transferred to Contingency Fund		3.40
11049.04	X	Public Account receipts-		14171.40
1256.98		-Small Savings and Provident funds	1206.19	
96.03		-Reserve funds	238.63	
1726.63		-Deposits and Advances	2169.50	
7195.51		-Suspense and Miscellaneous	9596.93	
773.89		-Remittance	960.15	
48.37	XI	Closing Overdraft from Reserve Bank of India		196.36
16469.11		Total		22307.57

2000-2001		Disbursements			2001-02
1297.28		Economic Services-	32.44	875.33	907.77
692.61		-Agriculture and Allied Activities	13.55	(-)2.90	10.65
4.77		-Special Areas Programmes	-	20.49	20.49
441.26		-Irrigation and Flood Control	-	534.88	534.88
0.30		Rural Development	-	3.03	3.03
(-)7.87		-Industry and Minerals	-	(-)1.30	(-)1.30
79.52		-Transport	0.04	181.22	181.26
79.83		-General Economic Services	-	30.21	30.21
		Energy	18.85	107.00	125.85
6.86		Capital Account of Science Technology and Environment.	-	2.70	2.70
1392.59		Total			984.32
302.09	IV	Loans and Advances disbursed-			1065.79
175.91		-For Power Projects			57.58
100.91		-To Government Servants & Miscellaneous Purposes			179.41
25.27		-To Others			828.80
	V	Appropriation from the Consolidated Fund			
2335.97	VI	Revenue deficit brought down			3781.19
1467.93	VII	Repayment of Public Debt-			2577.67
836.32		-Internal debt other than Ways and Means Advances and Overdrafts			1765.85
		-Net transactions under Ways and Means Advances			22.00
631.61		-Repayment of Loans and Advances to Central Government			789.82
	VIII	Expenditure from Contingency Fund			
10359.44	IX	Public Account disbursements-			13427.84
615.44		-Small Savings and Provident Funds			665.98
86.56		-Reserve Funds			32.84
1748.06		-Deposits and Advances			2077.10
7264.87		-Suspense and Miscellaneous			9584.23
644.51		-Remittances			1067.69
509.17	X	Cash Balance at end-			422.39
155.69		-Deposits with Reserve Bank			74.90
87.78		-Departmental Cash Balance			101.58
0.16		-Permanent cash imprest			0.15
123.98		-Cash Balance Investment			103.98
141.56		Investment of Earmarked Funds			141.78
16469.11		Total			22307.57

Note : Minus expenditure is because of recoveries on capital account.

* Represents receipts Rs.1976.61 crore and disbursements Rs.1998.61 crore

**EXHIBIT-III
SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

Percentage of total			Sources			Percentage of total
	2000-2001				2001-2002	
67.84	9376.86	1.	Revenue receipts		8928.62	60.29
0.92	126.90	2.	Recoveries of Loans and Advances		872.33	5.89
25.91	3581.11	3.	Increase in Public debt other than overdraft		3977.24	26.86
4.99	689.60	4.	Net receipts from Public account		743.56	5.02
	641.54		Increase in Small Savings	540.21		
	(-21.43)		Increase in Deposits and Advances	92.40		
	9.47		Increase in Reserve funds	205.79		
	(-69.36)		Net effect of Suspense and Miscellaneous transactions	12.70		
	129.38		Net effect of Remittance transactions	(-)107.54		
	-	5.	Net effect of contingency fund transactions	-	3.40	0.02
0.34	48.37	6	Outstanding overdraft		196.36	1.33
	-	7	Decrease in closing cash balance	-	86.78	0.59
100	13822.84		Total		14808.29	100
			Application			
84.74	11712.83	1.	Revenue expenditure		12709.81	85.83
2.19	302.09	2.	Lending for development and other purposes		1065.79	7.20
10.07	1392.59	3.	Capital expenditure		984.32	6.65
2.27	313.41	4.	Increase in closing cash balance	-	-	
0.73	101.92	5.	Repayment of over draft		48.37	0.32
100	13822.84		Total		14808.29	100

Explanatory Notes for Exhibit I, II and III:

1. The abridged accounts in the foregoing statements have to be read with comments and explanation in the finance accounts.
2. Government accounts being mainly on cash basis, the deficit on Government accounts, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs.196.30 crore between the figures reflected in the accounts and that intimated by the Reserve Bank of India under the head "Deposits with Reserve Bank". On reconciliation, this difference now stands at Rs.196.94 crore (May 2002).

EXHIBIT-IV

TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
Part A. Receipts					
1. Revenue Receipts	6351	5755	7468	9377	8929
(i) Tax Revenue	3045 (48)	3262 (57)	3947 (53)	4895 (52)	4820(54)
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trades etc.	1401 (46)	1490 (46)	1977 (50)	2645 (54)	2684(56)
State Excise	1144 (38)	1204 (37)	1231 (32)	1325 (27)	1350(28)
Taxes on vehicles	216 (7)	266 (8)	321 (8)	338 (7)	318(7)
Stamps and Registration fees	233 (8)	258 (8)	326 (8)	424 (9)	444(9)
Land Revenue	4	3	5	7	9
Other Taxes	47 (1)	41 (1)	87 (2)	156 (3)	15
(ii) Non Tax Revenue	2356 (37)	1507 (26)	2362 (32)	2935 (31)	2960(33)
(iii) State's share of Union taxes and duties	657 (10)	587 (10)	639 (8)	720 *(8)	611(7)
(iv) Grants-in-aid from GOI	293 (5)	399 (7)	520 (7)	827 (9)	538(6)
2. Misc Capital Receipts	-	-	-	-	-
3. Total revenue and Non debt capital receipts (1+2)	6351	5755	7468	9377	8929
4. Recoveries of Loans and Advances	95	107	109	127	872
5. Public Debt Receipts	2538	4532	4456	4996	6681
Internal Debt (excluding Ways & Means Advances and Overdrafts.)	1083	1267	1654	4364	5719
Net transactions under Ways and Means advances and Overdraft	-	905	-	8	126
Loans and Advances from Government of India*	1455	2360	2802	624	836
6. Total receipts in the Consolidated Fund (3+4+5)	9084	10394	12033	14500	16482
7. Contingency Fund Receipts	-	5	7	-	3
8. Public Account Receipts	9057	9370	10864	11049	14171
9. Total receipts of the State (6+7+8)	18141	19769	22904	25549	30656

* Higher rounding taken

* Includes Ways and Means Advances from GOI

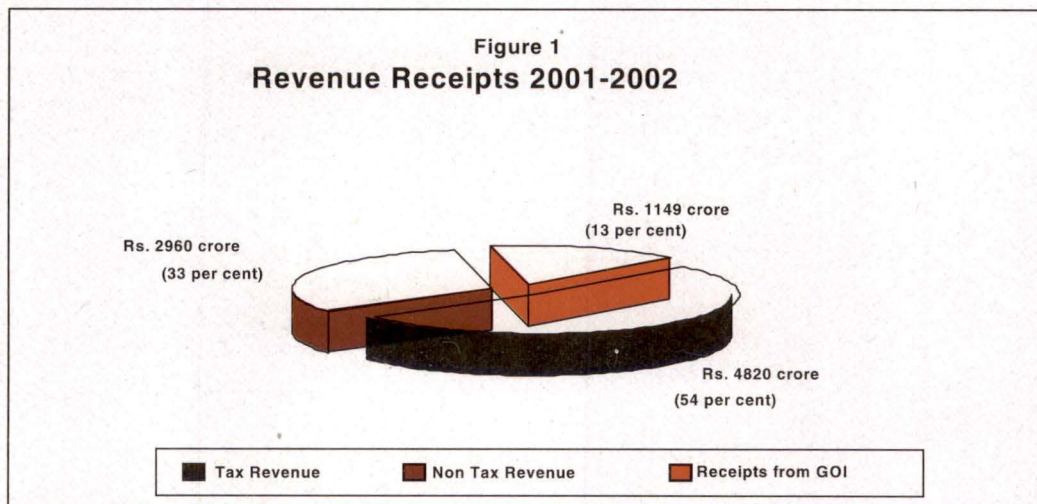
<i>Part B. Expenditure/Disbursement</i>					
10. Revenue Expenditure	7835(88)	8384(87)	10195(95)	11713 (87)	12710(86)
Plan	552(7)	628(7)	812(8)	829 (7)	865(7)
Non Plan	7283(93)	7756(93)	9383(92)	10884 (93)	11845(93)
General Services (incl. Interest Payments)	3643(47)	4391(52)	5582(55)	6531 (56)	7567(60)
Social Services	2062(26)	2640(31)	2716(27)	2993 (25)	3111(24)
Economic Services	2060(26)	1280(15)	1846(18)	2100 (18)	1866(15)
Grants-in-aid and Contributions	70 (1)	73 (1)	51	89 (1)	166(1)
11. Capital Expenditure	970(11)	1140(12)	439(4)	1393 (11)	984(7)
Plan	877(90)	870(76)	589(134)	697 (50)	952(97)
Non Plan	93(10)	270(24)	(-)150 [@] (-34)	696 (50)	32(3)
General Services	35(3)	42(4)	38(9)	43 (3)	22(2)
Social Services	46(5)	68(6)	42(9)	53 (4)	54(6)
Economic Services	889(92)	1030(90)	359(82)	1297 (93)	908(92)
12. Disbursement of Loans and Advances	119(1)	118(1)	137(1)	302 (2)	1066(7)
13. Total (10+11+12)	8924	9642	10771	13408	14760
14. Repayments of Public Debt	1130	1696	2570	1468	2556
Internal Debt (excluding Ways and Means Advances and Overdraft)	604	414	717	836	1766
Net transactions under Ways and Means advances and Overdraft	-2	-	722	-	-
Loans and Advances from Government of India*	524	1282	1131	632	790
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	10054	11338	13341	14876	17316
17. Contingency Fund disbursements	5	7	4	-	-
18. Public Account disbursements	8101	8254	9627	10359	13428
19. Total disbursements by the State (16+17+18)	18160	19599	22972	25235	30744
<i>Part C. Deficits</i>					
20. Revenue Deficit (1-10)	1484	2629	2727	2336	3781
21. Fiscal Deficit (3+4-13)	2478	3780	3194	3904	4959
22. Primary Deficit (21-23)	629	1463	557	1561	1781
<i>Part D. Other data</i>					
23. Interest Payments (included in revenue exp.)	1849	2317	2637	2343	3178
24. Arrears of Revenue (Percentage of Tax & non-Tax Revenue Receipts)	1543(29)	2026(42)	2393(38)	3439(44)	3760(48)
25. Financial Assistance to local bodies etc.	96	212	376	357	370
26. Ways and Means Advances/Overdraft availed (days)	140/101	128/225	166/84	146/107	140/119
27. Interest on WMA/Overdraft	7/2	8/6	8/4	7/2	9/4
28. Gross State Domestic Product (GSDP)	48387	54414	62700	68448 [#]	76860
29. Outstanding Debt (year end)	17857	21705	24804	28957	33921
30. Outstanding guarantees (year end)	5012	3390	9951	8990	10584
31. Maximum amount guaranteed (year end)	10630	7408	12059	7331	10244
32. Number of incomplete projects	8	10	13	10	11
33. Capital blocked in incomplete projects	62	102	1380	548	1177

Note: Figures in brackets represent percentages (rounded) to total of each sub heading

[@] Minus expenditure is because of recoveries under major head dealing with capital expenditure (4059, 4250, 4401, 4404, 4408 and 5054)
^{*} Includes Ways and Means Advances from Government of India.
[#] Revised GSDP for 2000-2001 has been adopted and 2001-02 worked out on average growth rate

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The revenue receipts decreased by 4.78 per cent from Rs.9,377 crore (2000-2001) to Rs.8,929 crore (2001-2002). Also receipts from share in Union taxes and duties and Grants-in-aid from Government of India witnessed a decline.



1.5.2 Poor budget preparation

According to the provisions of Punjab Budget Manual, the budget estimates of revenue receipts for the ensuing year should be based on average receipt for six months of previous year and actual receipts of first six months of the current year to make the estimates realistic.

Details of Budget estimates and the actual receipts realized during the year 2001-02 in respect of Tax and Non Tax revenue are given below :

(Rupees in crore)

	Budget estimates	Actuals	Excess/Shortfall	Percentage of excess/ shortfall
Tax Revenue				
Taxes on Sale, Trade etc.	3400.00	2684.33	(-) 715.67	(-) 21
Taxes on vehicles	390.00	318.44	(-) 71.56	(-) 18
Taxes & duties on Electricity	175.00	2.80	(-) 172.20	(-) 98
Land Revenue	3.80	8.58	(+) 4.78	(+) 126
Others	1905.50	1806.08	(-) 98.97	(-) 5
Non-Tax Revenue				
Road Transport	3840.41	222.15	(-)158.26	(-)42
Crop Husbandry	9.60	6.86	(-)2.73	(-)28
Interest receipts	623.58	551.97	(-)71.61	(-)11
Forest	13.02	15.12	(+)2.10	(+)16
Others	2071.51	1936.69	(-)134.82	(-)6.5

The above table indicates that budget preparation especially of revenue resources is ineffective. The significant shortfall in collection under Taxes & Duties on Electricity (98 *per cent*) & Taxes on Sales, Trade etc., (21 *per cent*), Road Transport (42 *per cent*) and Crop Husbandry (28 *per cent*) reveals this. In case of Land Revenue (126 *per cent*) and Forests (16 *per cent*), there was significant underestimation in estimates of receipt.

Audit further observed (2001-2002) that there was under assessment/short levy/non levy/loss of revenue and other observations amounting to Rs. 190.00 crore in 4070 cases as detailed below:

(Rupees in crore)

Sr. No.		Pointed out by Audit		Observations accepted by the department	
		No. of cases	Amount	No. of cases	Amount
1.	Taxes on Sales, Trade etc.	581	67.17	277	4.42
2.	Taxes on vehicles	844	44.38	76	0.77
3.	Land Revenue	49	0.86	11	0.02
4.	Stamp Duty & Registration Fee	2018	1.35	233	0.26
5.	Entertainment Duty	409	5.34	68	0.44
6.	State Excise	121	10.05	14	1.53
7.	Forest	48	60.85	33	10.33
	Total	4070	190.00	712	17.77

During 2001-02, the concerned departments accepted audit observations involving Rs.17.77 crore in 712 cases. The departments/Government during the year recovered Rs.1.50 crore in 426 cases at the instance of Audit.

1.5.3 Tax revenue

These constitute the major share (54 *per cent*) of revenue receipts. Even though the tax revenue decreased from Rs. 4,895 crore to Rs.4,820 crore, during the year, yet its share in revenue receipts increased by two *per cent* in 2001-2002. The decline in tax revenue was mainly due to lesser receipt of electricity duty by Rs. 142.27 crore and decline in revenue from taxes on Motor Vehicles.

1.5.4 Non-tax revenue

The non-tax revenue constituted 33 *per cent* of the revenue receipts of the Government. It increased from Rs.2,935 crore to Rs.2,960 crore during the year. The increase was mainly due to receipts on account of General Services by 15 *per cent* (Rs.260 crore) under State Lotteries (Rs.250 crore) as compared to last year.

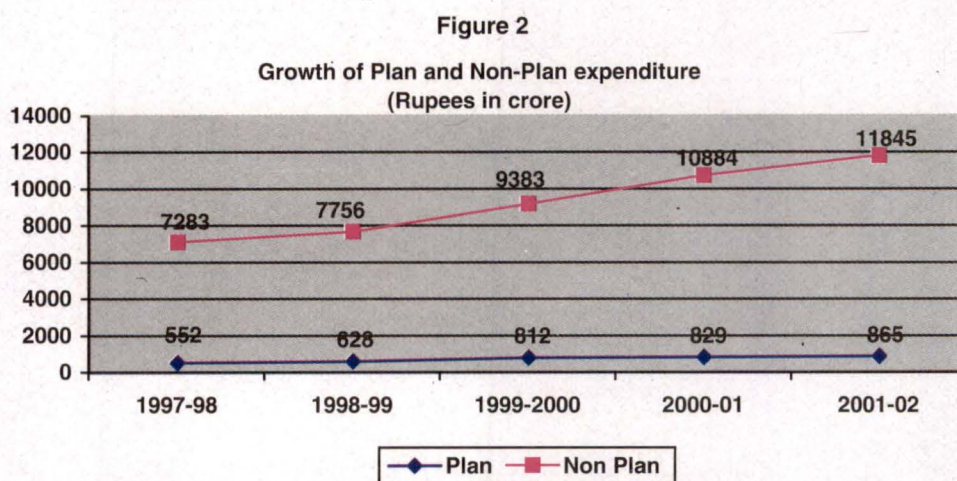
1.5.5 State's share of Union taxes and duties and grants-in-aid from the Central Government

The State's share of Union taxes (excise duties and income tax) decreased from Rs.720 crore to Rs.611 crore and the grants-in-aid from the Central government from Rs.827 crore to Rs.538 crore during the said period. The

decrease in Grants-in-aid from Central government was mainly under Non-Plan Grants (Rs.232 crore) and Grants for Plan Schemes (Rs.10 crore).

1.6 Revenue expenditure

1.6.1 Revenue expenditure increased by 9 per cent during the year (Exhibit-IV) but accounted for 86 per cent of total expenditure* compared to 88 per cent in 1997-98. While non-plan revenue expenditure increased by 63 per cent, the share of plan revenue expenditure did not show any change over 1997-98.



1.6.2 Sector-wise analysis shows that during the last five years (1997-2002), expenditure on General Services increased from 47 per cent in 1997-98 to 60 per cent in 2001-2002 and the expenditure on Economic Services declined from 26 per cent (1997-98) to 15 per cent (2001-2002). The increase in expenditure on General Services was mainly due to increased expenditure on interest payments.

1.6.3 Interest payments

Interest payments increased by 36 per cent during the year from Rs.2,343 crore (2000-2001) to Rs. 3,178 crore (2001-2002). The increase was mainly on 'Interest on Small Savings, Provident Fund etc.' and 'Interest on Internal Debt'. Interest payments constituted 25 per cent of revenue expenditure during 2001-2002. The position has been discussed further in the section on financial indicators (Para 1.12).

1.6.4 Financial assistance to local bodies and other institutions

The quantum of assistance provided to different local bodies etc., during the period of five years ending 2001-2002 was as follows:

* Total expenditure = Revenue Expenditure + Capital Expenditure + Loans and Advances disbursed

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
Universities and Educational Institutions	89.53	139.01	321.86	241.72	151.49
Municipal Corporations and Municipalities, Zila Parishad and Panchayati Raj Institutions	0.40	4.39	-	20.29	14.40
Cooperative Societies and Cooperative Institutions	-	-	-	-	0.29
Other Institutions	5.75	68.94	54.52	95.38	203.99
Total	95.68	212.34	376.38	357.39	370.17
Percentage of growth over previous year	(-) 23	122	77	(-)5	4
Assistance as per percentage of revenue expenditure	1	3	4	3	3

The reduction in financial assistance to University and Education Institutions during 2001-02 is as a result of Fiscal Reforms Programme and revision of fees for Technical Education, Medical Education and Higher/ Secondary Education to improve the internal finances of the institutions.

1.7 Capital expenditure

Capital expenditure generally leads to asset creation. In addition, financial assets arise from money invested in institutions or Public Sector Undertakings (PSUs) and from loans and advances. The capital expenditure decreased by 29 per cent during the year and its share in total expenditure declined from 11 to 7 per cent. However, during 2001-02, the Capital Plan expenditure increased by 37 per cent.

1.8 Loans and Advances by the State Government

The Government gives loans and advances to Government companies, corporations, local bodies, autonomous bodies, cooperatives, non-government institutions, etc. The details below show that the recoveries were poor upto 2000-01 and increased sharply during 2001-02. Despite the improvement in recoveries the amount outstanding had increased.

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
Opening balance	4694	4707	4725	4795	4970
Proforma adjustment	(-) 11	(+) 7	(+)42	-	(-) 14*
Amount advanced during the year	119	118	137	302	1066
Amount repaid during the year	95	107	109	127	872
Closing balance	4707	4725	4795	4970	5150
Net addition	24	11	28	175	193
Interest received	884	15	447	618	459

* Decreased by Rs.13.49 crore from the Closing Balance of 2000-2001 due to proforma correction.

The table shows that the interest received has been erratic. This was mainly due to adjustment of interest payable by Punjab State Electricity Board to Government against subsidy payable to them by the Government.

Out of total outstanding loans of Rs.5,150 crore as on 31 March 2002, Rs.3,842 crore (75 per cent) was advanced to Punjab State Electricity Board, which could not be repaid by the Board, because of financial constraints. Similarly, out of Rs.251 crore advanced to Punjab State Tubewell Corporation (PSTC), Rs.214 crore advanced between 1990-91 and 1998-99 could not be recovered and PSTC had requested the Government to convert the loan into grant-in-aid.

Punjab Government sanctioned loan amounting to Rs.42.81 crore between July 2001 and January 2002 to SUGARFED PUNJAB stating that terms and conditions of loan would be specified later. The terms and conditions of repayment were yet to be decided (July 2002).

The administrative departments are required to intimate the Principal Accountant General (A&E) by 10th of August each year the arrears in recovery of principal and interest for the loans, the detailed accounts of which are maintained by the departmental officers. Against 151 statements due from 20 departmental officers for the year 2001-2002, none had been received (June 2002). According to the statements received, recovery of Rs.131.75 crore (including Rs.103.37 crore as interest) was overdue as on 31 March 2002. Major portion (Rs.3,842.21 crore) of the outstanding loan relates to Loans for Power Projects against which repayment was negligible*.

1.9 Quality of Expenditure

1.9.1 Government expenditure is broadly classified into plan, non-plan, revenue and capital. While the plan and capital expenditure are usually associated with asset creation, the non-plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, the plan and capital expenditure can be viewed as contributing to the quality of expenditure.

1.9.2 Wastage in public expenditure, diversions of funds and funds blocked in incomplete projects would also impinge negatively on the quality of expenditure. Similarly, funds transferred to Deposit heads in the Public Account, after booking them as expenditure, can also be considered as negation of quality expenditure. Another possible indicator is the increase in the expenditure on General Services, to the detriment of Economic and Social Services.

* Rs. 0.18 crore only.

1.9.3 The following table lists out the trend in these indicators:

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
1. Plan expenditure: (Total of Revenue +Capital)	1429	1498	1401	1526	1817
2. Capital expenditure (<i>per cent</i>)	11	12	4	11	7
3. Expenditure on General services (Total of Revenue +Capital)	3678	4433	5620	6574	7589
4. Amount of wastages and diversion of funds detected during test audit	134.87	40.57	140.25	66.35	214.29
5. Non-remunerative expenditure on incomplete projects (Capital works)	62.08	101.52	1380	548	1177

It would be seen from Exhibit-IV that plan capital expenditure has increased by 8 *per cent* during the period 1997-2002 (Rs. 877 crore to Rs. 952 crore) and revenue expenditure under General Services has increased by 107.71 *per cent* (Rs.3,643 crore to Rs.7,567 crore) during the same period. This indicates that most of the expenditure was on revenue side and very little on asset formation. Despite this, Rs.1,177 crore were blocked in eleven incomplete projects. These projects were incomplete for want of further funds indicating that the Government failed to prioritise projects and had spread its resources thin.

1.9.4 Subsidies

Trend of subsidies paid during the last five years was as under:

(Rupees in crore)

Year	Revenue Expenditure	Capital Expenditure	Total	Subsidies paid	Percentage of total Expenditure
1997-98	7835	970	8805	2.46	0.028
1998-99	8384	1140	9524	3.70	0.039
1999-2000	10195	439	10634	404.50	3.80
2000-2001	11713	1393	13106	604.58	4.61
2001-2002	12710	984	13694	448.00	3.27

Subsidy during the year pertained to Rural Electrification by the Punjab State Electricity Board. However, the subsidy given was adjusted as recovery of interest on loan. Expenditure on subsidy which was less than 0.1 *per cent* of the total expenditure in 1997-98 rose substantially to 4.61 *per cent* in 2000-2001. Though the position has marginally improved, it is still at Rs. 448 crore as against Rs. 2.46 crore in 1997-98.

1.10 Financial Management

The issue of financial management in the Government should relate to efficiency, economy and effectiveness of expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as these

relate to the expenditure management in the Government. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

1.10.1 Fiscal Reforms Programme

Mention was made in the Civil Audit Reports of Government of Punjab for the year 1999-2000 and 2000-2001 on the Fiscal Reforms Programme initiated by GOI on Memorandum of understanding reached (April 1999) between the Government of India and Punjab to shore up revenue and reduce non plan expenditure of the State. State Government had made certain commitments. Audit scrutiny disclosed that:

(i) Though Disinvestment Commission has been set up, Government was able to generate only Rs.5.26 crore through disinvestments in one Public Sector Undertaking against the target of Rs. 50 crore.

(ii) While there was a commitment to reduce the non-plan revenue expenditure by 5 per cent, it increased by 9 per cent over previous years level.

(iii) Facilities of rent free accommodation/payment of additional house rent allowance to eligible Government employees continued though there was commitment to withdraw this facility.

(iv) Water charges proposed to be introduced in a phased manner to achieve economic pricing of irrigation water at least to cover O&M charges was not achieved. The matter was stated to be under consideration of State Government.

(v) The State Government had committed to rationalize tax structure and strengthen enforcement mechanism to increase revenue collection. But tax revenue decreased by Rs.74.99 crore in 2001-02. The decrease was due to non-payment of electricity duty by PSEB.

(vi) State Electricity Regulatory Commission was constituted in March 1999 but the measures taken to rationalize power tariff were not intimated to audit.

(vii) Transmission and distribution losses increased to 26.22 per cent in 2001-02 as compared to 17.76 per cent in 1999-2000. Thus, the return on investment in power sector remained poor.

(viii) To arrest the growth of Public Debt and to lay down guidelines for management of loans and advances, the State Government formed a High Powered Committee in May 1999. Guidelines and priorities for borrowing and extending guarantees have not been laid down and limits to borrowing had not been fixed as required under Article 293(i) of the Constitution. Guarantees given by the State Government has been discussed in para 1.10.8.

1.10.2 Investments and returns

Investments are made out of capital outlay to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments were as under:

(Rupees in crore)

Sr. No	Sector	Number of concerns	Investments as on 31.3.2002	Increase/decrease over the previous year
1	Statutory Corporations	10	1788.88	(+) 13.50
2	Government Companies	23	337.10	-
3	Joint Stock Companies	15	1.39	-
4	Cooperative Institutions	8020	218.91	(-) 2.36
	Total	8068	2346.28	11.14

The details of investments and the returns realized during the last five years by way of dividend and interest were as follows:

(Rupees in crore)

Year	Investment	Return	Percentage of return	Rate of interest on Government borrowings
1997-98	2312.89	2.17	0.09	13.05 & 12.30
1998-99	2341.53	1.18	0.05	12.15, 12.50 & 12.47
1999-2000	2307.81	9.15	0.40	12.25, 11.85 & 11
2000-2001	2335.14	2.33	0.10	11, 10.52, 12
2001-2002	2346.28	1.09	0.05	10.35, 9.40, 8.30 and 8

Thus, while the Government was raising money from the market at high cost, its investments in Government companies etc., fetched insignificant returns. The returns decreased from Rs.2.33 crore in 2000-2001 to Rs.1.09 crore in 2001-02. The decrease was due to less receipt of dividends from Government Companies and Corporations. As on 31 March 2002, 14 out of 23 Government companies were running at a loss and the accumulated losses were Rs.536.68 crore outstripping investment of Rs.284.95 crore, (Appendix II).

1.10.3 Financial results of irrigation works

The financial results of 9 major irrigation projects with a capital outlay of Rs.211.61 crore showed that revenue realised from these during 2001-2002 (Rs.12.49 crore) was only 5.90 per cent of the capital outlay and did not reimburse even the direct working expenses (Rs.112.72 crore). The projects suffered a net loss of Rs.114.98 crore.

1.10.4 Incomplete projects

As of 31 March 2002, there were 11 projects which were incomplete, in which Rs.1,177 crore were blocked, for want of funds. This shows that the Government failed to prioritise its projects and was spreading its resources thin.

1.10.5 Arrears of revenue

The arrears of revenue in comparison with tax and non-tax revenue receipts were substantial. Exhibit-IV shows that arrears of revenue increased to 48 per cent in 2001-2002 as against 29 per cent in 1997-98. Of the arrears of Rs.3,759.67 crore as of March 2002, Rs.812.38 crore (24 per cent) were pending for more than five years and pertained mainly to Taxes on Sales & Trades etc. (Rs.73.05 crore) and interest receipts (Rs.722.90 crore). The arrears of revenue increased by 9 per cent during the year.

1.10.6 Ways and Means Advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain a minimum daily cash balance of Rs.1.56 crore. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking Ways and Means Advances/Special Ways and Means Advances. In addition, Overdrafts are also availed of whenever necessary. Recourse to Ways and Means Advances/Overdrafts reflects poorly on the financial management in Government.

During the year 2001-2002, the Government took Ways and Means Advances on 140 days (Rs.1,976.61 crore) and Overdraft on 119 days (Rs.3,826.70 crore) as compared to 146 days (Rs 2,170.77 crore) and 107 days (Rs 1,600.10 crore) respectively during the year 2000-2001. Ways and Means Advance of Rs.221.42 crore and Overdraft of Rs.196.36 crore were outstanding on 31 March 2002. An interest of Rs.13.23 crore was paid on overdrafts and ways and means advances.

1.10.7 Deficit

1.10.7.1 Deficits in Government account represent the gap between receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence. The discussion in this section relates to revenue deficit, fiscal deficit and primary deficit.

1.10.7.2 The revenue deficit is the excess of revenue expenditure over revenue receipts. 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). Primary deficit is fiscal deficit less interest payments. The following exhibit gives a break-up of the deficit in Government account.

(Rupees in crore)

CONSOLIDATED FUND				
Receipt	Amount		Disbursement	Amount
Revenue	8929	Revenue deficit: 3781	Revenue	12710
Misc. capital receipts	-		Capital	984
Recovery of loans & advances	872		Loans & advances disbursement	1066
Sub Total	9801	Gross fiscal deficit:4959	Sub Total	14760
Public debt receipt	6703		Public debt repayment	2578
Total	16504	A: Deficit in CF: 834		17338
CONTINGENCY FUND				
Contingency Fund	3	B. Surplus Contingency Fund : -3	Contingency Fund	---
PUBLIC ACCOUNT				
Small savings, PF etc.	1206		Small savings, PF etc.	666
Deposits & advances	2170		Deposits & advances	2077
Reserve funds	239		Reserve funds	33
Suspense & misc.	9597		Suspense & misc.	9584
Remittances	960		Remittances	1068
Total Public Account	14172	C: Deficit in CF financed by Surplus Public Account: 744		13428
Decrease in cash balance C-(A-B) : 87				

The Table shows that Rs.4,872 crore available from net proceeds of the Public Debt (Rs.4,125 crore), surplus from Public Account (Rs.744 crore) and contingency fund (Rs. 3 crore) financed the fiscal deficit (Rs.4,959 crore) and resulted in decrease in cash balance by Rs. 87 crore. Exhibit-IV shows that revenue deficit increased (from Rs. 1,484 crore in 1997-98 to Rs. 3,781 crore in 2001-02) by 155 per cent during 1997-2002 and by 62 per cent as compared to the previous year.

1.10.7.3 The fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the revenue deficit (RD), for making the capital expenditure (CE) and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government and also the sustainability of its operations as continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the details.

Ratio	1997-98	1998-99	1999-2000	2000-2001	2001-2002
RD/FD	0.60	0.69	0.85	0.60	0.76
CE/FD	0.39	0.30	0.14	0.35	0.20
Net loans/FD	0.01	0.01	0.01	0.05	0.04
Total	1.00	1.00	1.00	1.00	1.00

Seventy six *per cent* of borrowed funds were applied to revenue expenditure. RD/FD ratio shows a substantial increase and indicates that the galloping revenue expenditure needs to be controlled as otherwise capital formation would be hurt and the financial condition of the Government would further deteriorate.

1.10.8 Guarantees given by the State Government

Guarantees are given by the State Government on the security of the Consolidated Fund of the State for discharge of certain liabilities like repayment of loans, share capital, etc. raised by the Statutory Corporations, Government Companies and Cooperative Institutions etc. and for payment of dividend and interest by them. These constitute contingent liabilities of the State. Exhibit –IV shows that the amount of outstanding guarantees including interest thereon increased from Rs.5,012 crore in 1997-98 to Rs. 10,584 crore in 2001-2002 and amounted to 119 *per cent* of the revenue receipts (Rs.8,929 crore).

The year-wise position of guarantees given by the Government was as under:

(Rupees in crore)

Year	Maximum amount guaranteed	Outstanding amount of guarantees	
		Principal	Interest
1997-98	10630	5008	04
1998-99	7408	3294	95
1999-2000	12059	9861	90
2000-2001	7331	8868	122
2001-2002	10244	10244	340

Test check of records of Finance Department and information collected from loanee institutions revealed the following:

1.10.8.1 Failure to prescribe maximum limit of guarantees

Under Article 293 of the Constitution, the Government may give guarantees within the limits prescribed by the State Legislature. It was, however, seen in audit that neither any law prescribing the maximum limit upto which the Government may give guarantee has been passed nor any policy guidelines formulated for giving guarantee.

Government stood guarantee to the loans raised by Punjab State Corporations/ Undertakings to the tune of Rs.10,630 crore, Rs.7,408 crore, Rs.12,059 crore, Rs.7,331 crore and Rs.10,244 crore during the years 1997-98, 1998-99, 1999-2000, 2000-2001 and 2001-02 respectively which constituted 167 *per cent*, 129 *per cent*, 161 *per cent*, 78 *per cent* and 115 *per cent* of the total

revenue earned by the State during the said period. Huge increase in guarantees which were 115 *per cent* of total revenue earned during the year has added to the vulnerability of the State finances. On being pointed out, the Government stated (June 2002) that formulation of policy guidelines as well as checks to be exercised for the purpose are under consideration.

1.10.8.2 Failure to maintain records

Finance department/Administrative department did not maintain any consolidated record except individual case files for guarantees given by the Government and for collection of guarantee fee. In the absence of any consolidated record, the Finance Department has been collecting details of guarantees from loanee institutions. As such the correctness of the figures of guarantees could not be ascertained in audit. This indicated that there was no effective monitoring of the guarantees given by the State Government.

1.10.8.3 Failure to recover guarantee fee

In consideration of guarantees given by the Government, guarantee fee is charged. Information about the guarantee fee in arrears and guarantee fee waived was not available with the Finance Department. This indicates that the Government failed to monitor guarantees given and the recovery of guarantee fee. However, records revealed that on a loan of Rs. 20.82 crore raised (1988-89) by Punjab State Federation of Co-operative House Building Society Limited, guarantee fee of Rs. 0.42 crore was yet to be recovered.

1.10.8.4 Guarantees to unviable units

State Government stood guarantee for eight* cooperative sugar mills and had to provide loans of Rs.42.81 crore during 2001-02 for one time settlement of loans to IDBI and IFCI.

1.10.8.5 Guarantees to loss making units

Government had given guarantee for loans to loss making units. A few such institutions are listed below:

(Rupees in crore)

Sr.No.	Name of the Institution	Outstanding guarantee as on 31 March 2002	Loss incurred	
			Amount	At the end of year
1.	Punjab Financial Corporation Limited	247.35	135.12	1998-99
2.	Punjab Agro Industries Corporation Limited	1832.70	15.24	2000-01
3.	Punjab State Tubewell Corporation Limited Chandigarh	60.00	38.11	1997-98
4.	Punjab State Civil Supplies Corporation Limited	6965.00	320.74	2000-01

* Cooperative Sugar mills, Ajnala, Faridkot, Gurdaspur, Jagraon, Patiala, Tarn Taran, Zira and Fazilka.

The extension of guarantees for loss making units enhanced the risk of invocation of guarantee. The matter was referred to Government and the reply was awaited (July 2002).

1.11 Public debt

1.11.1 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 had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government are given in the table. During the five year period, the total liabilities of the Government had grown by 90 per cent. This was on account of 472 per cent growth in internal debt and 106 per cent growth in other liabilities. During 2001-2002, Government borrowed Rs.418.64 crore in the open market at interest rates of 10.35, 9.40, 8.30 and 8 per cent per annum as against Rs.361.71 crore at the interest rate of 10.52 and 12 per cent per annum during 2000-2001.

(Rupees in crore)

Year	Internal debt	Loans and advances from Central Govt	Total public debt	Other liabilities	Total liabilities	Ratio of debt to GSDP
1	2	3	4(2+3)	5	6	7
1997-98	2392	11979	14371	3486	17857	0.37
1998-99	4150	13057	17207	4498	21705	0.40
1999-2000	6077	13016	19093	5711	24804	0.40
2000-2001	9612	13008	22620	6337	28957	0.42
2001-2002	13692 [#]	13054	26746	7175	33921	0.44

1.11.2 The details of Public debt are given in the following table:

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
Internal Debt					
-Receipt	2902	6387	4684	8134	11522
-Repayment (principal + interest)	2639	5050	4939	5234	8385
-Net funds available (per cent)	263 (9)	1337 (21)	(-)255	2900 (36)	3137 (27)
Loans & advances from GOI					
- Receipt during the year	1454	2360	2802	624	836
- Repayment including interest	1868	2795	2832	1820	1999
- Net funds available (per cent)	(-)414	(-)435	(-)30	(-)1196	(-)1163
Other liabilities*					
- Receipt during the year	2714	2404	3603	2986	3520
- Repayment (including interest)	2148	1773	2856	2882	3118
- Net funds available (per cent)	566 (21)	631 (26)	747 (21)	104 (3)	402 (11)

[#] Including ways and Means Advances and overdraft

* Other liabilities include small savings, provident funds, reserve funds and deposits, etc.

From the above table, it is seen that the receipts of loans and advances from GOI declined from a high of Rs. 2802 crore in 1999-2000 to Rs. 836 crore in 2001-02. Resultantly repayments were more than receipts of loans and advances from GOI. In view of progressive growth in outstanding public debt, net availability of funds for further borrowing is not satisfactory.

1.12 Indicators of the financial performance

1.12.1 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 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 mobilization increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

(i) Sustainability

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

(ii) 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.

(iii) 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.

(iv) Transparency

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

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

EXHIBIT-V
FINANCIAL INDICATORS FOR GOVERNMENT OF PUNJAB

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
(1)	(2)	(3)	(4)	(5)	(6)
Sustainability					
BCR (Rs. in crore)	(-)1184	(-)2308	(-)2254	(-)1893	(-)3295
Primary Deficit (PD) (Rs. in crore)	629	1463	557	1561	1781
Interest Ratio	0.16	0.39	0.30	0.19	0.31
Capital outlay/Capital receipts	0.32	0.31	0.10	0.27	0.15
Total Tax receipts/GSDP	0.08	0.07	0.07	0.08	0.07
State Tax Receipts/GSDP	0.06	0.06	0.06	0.07	0.06
Return on Investment ratio	0.0009	0.0005	0.003	0.001	0.0005
Flexibility					
BCR (Rs. in crore)	(-)1184	(-)2308	(-)2254	(-)1893	(-)3295
Capital repayments/Capital borrowings	0.43	0.34	0.37	0.24	0.34
State tax receipts/GSDP	0.06	0.06	0.06	0.07	0.06
Debt/GSDP	0.37	0.40	0.40	0.42	0.44
Vulnerability					
Revenue Deficit(RD) (Rs. in crore)	1484	2629	2727	2336	3781
Fiscal Deficit(FD) (Rs. in crore)	2478	3780	3194	3904	4959
Primary Deficit(PD) (Rs. in crore)	629	1463	557	1561	1781
PD/FD	0.25	0.39	0.17	0.40	0.36
RD/FD	0.60	0.70	0.85	0.60	0.76
Outstanding Guarantees/revenue receipts	0.79	0.59	1.33	0.96	1.19
Assets/Liabilities	0.66	0.60	0.55	0.53	0.49

Notes:

1. Fiscal deficit has been calculated as Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipts.
2. In the ratio Capital outlay vs. Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF etc., + Repayments received from loans advanced by the State Government – Loans advanced by State Government.

1.12.2 Information available in Finance Accounts (*Appendix-I*) can be used to ascertain sustainability, flexibility and vulnerability which can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the Exhibit-V which indicates the behaviour of these indices/ratios over the period from 1997-98 to 2001-2002.

1.12.3 The implication of these indices/ratios for the financial health of the State Government is discussed below.

(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. The table shows that the negative BCR was increasing since 1997-98 touching an all time high of Rs.3,295 crore in 2001-02. Thus, Government has to depend more and more on borrowings for financing its plan expenditure.

(ii) Interest ratio

Higher the ratio, the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from revenue receipts. In case of Punjab, the ratio had increased from 0.16 in 1997-98 to 0.31 in 2001-2002

despite moratorium given by Government of India on repayment of debt and interest on special term loans for the period 2000-05. This indicates an increasing dependence of the State Government on borrowings. Further once this moratorium is over, the interest ratio is likely to increase even further and would adversely impact the financial position of the Government.

(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 would not be 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 its performance. In the case of Punjab, the ratio has been less than one (mostly well below 0.40) indicating that most of the capital receipts are being used for revenue expenditure and are not available for capital formation or investment.

(iv) Tax receipts Vs Gross State Domestic Product (GSDP)

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 flexibility as well. While a low ratio would imply that the Government can tax more, and hence has flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Exhibit-V shows that in case of Punjab, this ratio marginally decreased from 0.08 in 1997-98 to 0.07 in 2001-2002 whereas the ratio of State Tax receipts to GSDP remained static at 0.06 during the same period. The State Government thus needs to make a sustained effort to expand its tax base and improve tax administration to reduce arrears in tax revenue.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table in paragraph 1.10.2 *ibid* presents the return on Government's investments in statutory corporations, government companies, joint stock companies and cooperative institutions. It shows that the ROI has been negligible during 1997-2002.

(vi) Capital repayments Vs Capital borrowings

This ratio indicates the extent to which the capital borrowings are available for investment, after repayment of capital. Lower the ratio, higher would be the availability of capital for investment. In case of Punjab Government, the ratio has declined from 0.43 in 1997-98 to 0.34 in 2001-02. Most of the borrowings financed the increasing revenue expenditure and as such the Government was unable to finance asset formation. The level of borrowings and financing pattern will not be sustainable as repayment liabilities will increase in the future.

(vii) Debt Vs Gross State Domestic Product (GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Punjab, this ratio has increased from 0.37 to 0.44 *per cent* during the period 1997-2002. During 2001-02, the rate of growth in GSDP was 12 *per cent* while rate of growth in debt was 17 *per cent*. As the rate of growth of debt was much higher than the growth in GSDP, Government's ability for debt repayments would be seriously affected.

(viii) Revenue deficit/Fiscal deficit

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, 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. During 2001-2002, 76 *per cent* of the borrowings were applied to meet revenue expenditure as compared to 60 *per cent* in 1997-98.

(ix) Primary deficit Vs Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. Primary deficit represents net borrowings available after discharging interest liability, which results from the current action of the Government (interest payments are on account of past actions of the Government). Primary deficit is sustainable only when the rate of growth in the economy is more than the interest rate on the borrowings. This not being the case, the Primary deficit is not sustainable. Exhibit-V shows that the ratio has risen to 0.36 in 2001-2002 from 0.25 in 1997-98. The increasing trend affects sustainability.

(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 the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. Analysis of the reasons of increase in the guarantees are included in para 1.10.8. During 1997-2002, the ratio increased by 51 *per cent* from 0.79 to 1.19 indicating increased risk exposure of Government.

(xi) Assets Vs Liabilities

This ratio indicates the solvency of the Government. A ratio of more than one would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than one would be a contra indicator. As stated in Para 1.2, Government account captures mainly the financial assets and liabilities of the Government. However, a trend analysis of the ratio of even these assets and liabilities would be an important indicator of fiscal performance of the State Government. In the case of Punjab, this ratio has all

along been less than one and on a declining trend from 0.66 in 1997-98 to 0.49 in 2001-2002, indicating a deterioration in financial management.

(xii) Budget

There was no delay in submission of the budget and their approval. The extent of variations in budget estimates and revised estimates for the year 2001-2002 was as follows:

(Rupees in crore)

	Budget Estimate	Revised Estimate	Actuals	Percentage of Variation between BE & RE
Receipt				
Revenue	11299.30	9624.60	8928.62	(-) 14.82
Public Debt	9535.69	12948.38	12358.22	35.78
Expenditure				
Revenue	13986.42	13466.60	12709.81	(-) 3.72
Capital	1554.83	1256.24	984.32	(-) 19.20
Public Debt	6077.25	7903.49	8233.00	30.05

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

(xiii) Accounts

There was no significant delay in the submission of accounts by the treasuries/departments during 2001-2002.

1.12.4 Conclusion

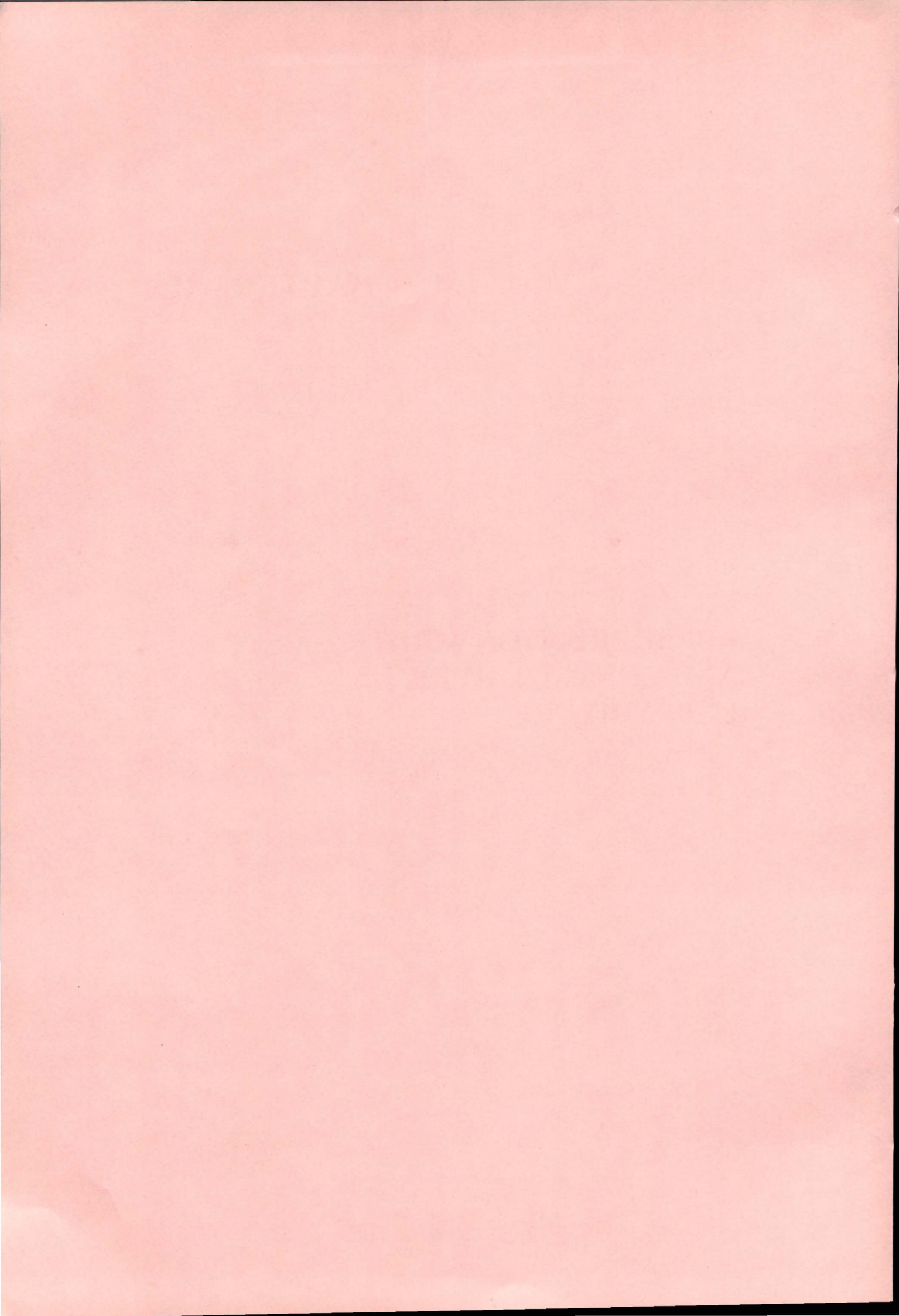
Persistent negative BCR, almost stagnant tax GSDP ratio, a lukewarm approach by Government to implement the fiscal reforms programme (MOU) to reduce revenue expenditure, coupled with huge arrears in revenue collection and increased fiscal deficit during the year forced the State Government to borrow more. Resultantly, the outstanding Government debt now accounts for 44 *per cent* of GSDP. Most of the borrowings are directed towards revenue expenditure leaving little scope for new investments. As the Government is forced to borrow more, the interest payments have increased by 36 *per cent* and constituted 25 *per cent* of the revenue expenditure. Once the moratorium on repayment and interest of special term loan granted by GOI for the period 2000-05 is over, the interest payments are likely to rise even further. Government investments are yielding virtually nothing to service the high debt burden. In sum, financial management leaves scope for improvement and the present practices indicate that there is no sustainability of its finances.

CHAPTER – II

**APPROPRIATION AUDIT
AND CONTROL OVER
EXPENDITURE**

Page

27–33



CHAPTER - II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

APPROPRIATION ACCOUNTS – 2001-2002 AT A GLANCE

Total No. of grants: 30
Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Budget	23630.90	-	25590.59
Supplementary	4764.15		-
Total Gross Provision	28395.05	Total Gross Expenditure	25590.59
Deduct -Estimated recoveries in reduction of expenditure	1406.08	Deduct-Actual recoveries in reduction of expenditure	2597.67
Total provision	26988.97	Total net expenditure	22992.92

Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	11632.36	3325.23	10096.73	3211.13
Capital	4505.15	8932.31	4049.72	8233.01
Total Gross	16137.51	12257.54	14146.45	11444.14
Deduct recoveries in reduction of expenditure	1406.08	-	2597.67	-
Total: Net	14731.43	12257.54	11548.78	11444.14

2.1 Introduction

The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2001-2002 against grants/appropriation was as follows:

(Rupees in crore)

	Nature of expenditure	Original grants/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving
Voted	I. Revenue	11250.39	381.97	11632.36	10096.73	1535.63
	II. Capital	2858.15	1447.13	4305.28	3870.32	434.96
	III. Loans & Advances	184.55	15.32	199.87	179.40	20.47
Total Voted		14293.09	1844.42	16137.51	14146.45	1991.06
Charged	IV. Revenue	2848.99	476.24	3325.23	3211.13	114.10
	V. Capital	0.04	-	0.04	0.01	0.03
	VI. Public Debt	6488.78	2443.49	8932.27	8233.00	699.27
Total Charged		9337.81	2919.73	12257.54	11444.14	813.40
Grand Total		23630.90	4764.15	28395.05	25590.59	2804.46

Note:- The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure Rs.598.05 and capital expenditure Rs.1999.62 crore.

2.3 Results of Appropriation Audit

2.3.1 Savings/ excess in grants/ appropriations

The overall savings of Rs.2,804.46 crore as mentioned in paragraph 2.2 above was the net result of savings of Rs.3,190.69 crore in 68 cases of grants and appropriations offset by excess of Rs.386.23 crore in 5 cases of grants and appropriations.

2.3.2 Excess requiring regulations

(a) Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.1,463.40 crore for the years 1996-97 to 2000-01 had not been regularised so far (August 2002). This was breach of Legislative control over appropriations.

(Rupees in crore)

Year	No. of grants/ appropriation	Grants/Appropriation No(s)	Amount of excess	Reasons for excess
1996-97	6	9,12,15,21,25,26	254.67	Not received
1997-98	4	1,5,12,21	312.98	Not received
1998-99	6	5,7,8,21,26,28	242.80	Not received
1999-2000	2	21,26	86.10	Not received
2000-2001	7	7,8,14,15,21,26,27	566.85	Not received
Total	25		1463.40	

(b) Excess over provisions during 2001-02 requiring regularisations

The excess of Rs.386.23 crore under 4 grants and appropriations during the year requires regularisation under Article 205 of the Constitution. Details are given below.

Sr.No.	No. and name of Grant/appropriation	Total Grant/appropriation	Actual expenditure	Excess
<i>Amount in Rupees</i>				
Revenue (Voted)				
1.	15-Irrigation & Power	8,03,71,36,000	8,11,85,49,245	8,14,13,245
2.	21-Public Works	5,73,43,79,000	9,43,62,12,466	3,70,18,33,466
Revenue (Charged)				
3.	01-Agriculture and Forests	1,02,000	1,31,67,500	1,30,65,500
4.	26-State Legislature	16,76,000	17,00,069	24,069
Capital (Voted)				
5..	15-Irrigation & Power	9,00,52,66,000	9,07,12,77,617	6,60,11,617
	TOTAL	22,77,85,59,000	26,64,09,06,897	3,86,23,47,897

Reasons for excess had not been furnished by the Government as of July 2002.

2.3.3 Original budget and supplementary provisions

Supplementary provisions (Rs.4,764.15 crore) made during this year constituted 20.16 per cent of the original provision (Rs. 23,630.90 crore) as against 3.54 per cent in the previous year.

2.3.4 Unnecessary/excessive/inadequate supplementary provisions

Supplementary provisions of Rs. 132.86 crore made in 12 cases during the year proved unnecessary in view of aggregate saving of Rs.802.72 crore as detailed in *Appendix-III*.

In 11 cases, against additional requirement of only Rs.2,942.70 crore, supplementary grants and appropriations of Rs. 4,345.48 crore were obtained, resulting in savings in each case exceeding Rs. 10 lakh, aggregating Rs.1,402.78 crore. Details of these cases are given in *Appendix-IV*.

In 4 cases, supplementary provisions of Rs. 308.69 crore proved insufficient by more than Rupees one crore in each case leaving an aggregate uncovered excess expenditure of Rs. 386.23 crore as per details given in *Appendix-V*.

2.3.5 Persistent savings

In 12 cases involving 6 grants/appropriations, there were persistent savings of more than Rupees one crore in each case and 20 per cent or more of provision. Details are given in *Appendix-VI*. Under 7 Centrally sponsored schemes, there were savings of 100 per cent.

2.3.6 Persistent Excesses

Significant excesses were persistent in 5 cases involving one grant as detailed in *Appendix-VII*. Persistent excess requires investigation by the Government.

2.3.7 Significant savings

In 29 cases, expenditure fell short by more than Rupees one crore in each case and also by more than 20 per cent of the total provision as indicated in

Appendix-VIII. In five of these cases (Sr. No. 18, 19, 21, 27 and 28) the entire provision totaling Rs. 23.97 crore was not utilized.

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where the re-appropriation of funds proved injudicious in view of final excess/ savings over grant by over Rupees one crore are detailed in **Appendix IX and X** respectively.

2.3.9 Anticipated savings not surrendered

(a) According to rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2001-2002, there were 25 cases in which savings above Rupees one crore in each case amounting to Rs. 1,537.98 crore had not been surrendered. In 17 cases even after partial surrender, savings of Rupees one crore and above in each case aggregated Rs. 1,010.86 crore remained un-surrendered. Details are given in **Appendix XI and XII** respectively.

(b) Besides, in 18 cases, Rs. 540.92 crore were surrendered on the last two days of March 2002 indicating inadequate financial control over expenditure. Details are given in **Appendix-XIII**.

(c) Despite excess expenditure of Rs. 6.60 crore and Rs.370.18 crore in grants (15-Irrigation and Power and 21-Public Works), Rs.12.54 crore and Rs.36.56 crore respectively were surrendered.

2.4 Trend of Recoveries and Credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates. In 4 grants/appropriations, the actual recoveries adjusted in reduction of expenditure (Rs. 31.68 crore) fell short of the estimated recoveries (Rs.135.52 crore) by Rs.103.84 crore. Further in 4 grants/appropriations though no recoveries were provided in budget estimates, recoveries of Rs.5.73 crore were made. Details are given in **Appendix-XIV**.

2.5 Explanations for saving/excess not received

After the close of each financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain significant variations. During the year, Rs.386.23 crore of excess and Rs.3,190.69 crore of savings were noticed under 30 grants. The explanations for variations were not received from any of the Controlling Officers (August 2002).

2.6 Un-reconciled Expenditure

Departmental figures of expenditure should be reconciled with those of the Principal Accountant General (Accounts & Entitlements) every month. The reconciliation had, however, remained in arrears in several departments. The number of Controlling Officers who did not reconcile their figures and the amounts involved were as under.

Year	<i>(Rupees in crore)</i>	
	Number of Controlling Officers who did not reconcile their figures	Amounts not reconciled
1992-93	8	693.37
1993-94	31	585.03
1994-95	8	84.52
1995-96	2	66.68
1996-97	12	695.05
1997-98	12	967.63
1998-99	11	578.37
1999-2000	4	27.82
2000-2001	2	1147.74
2001-2002	8	1387.56
Total	98	6233.77

2.7 Defective Re-appropriation

During 2001-2002, 45 re-appropriation orders of Rs.1,211.26 crore were issued. Of which, 4 orders aggregating Rs.106.29 crore were issued on 31st March 2002 the last day of the fiscal year. 9 re-appropriation orders of the value of Rs.212.48 crore were incorrect as indicated in *Appendix-XV* and hence were excluded from the Draft Appropriation Accounts 2001-2002.

2.8 Rush of Expenditure

The financial rules require that Government expenditure should be evenly distributed throughout the year. The rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules. The position in respect of expenditure (Revenue and Capital) for the 4 quarters and also for the month of March 2002 is depicted in *Appendix-XVI* which shows that the expenditure incurred in March 2002 in 5 cases ranged between 35 and 74 *per cent* of the total expenditure during the year indicating a tendency to utilise the budget at the close of the financial year.

2.9 Expenditure and Budgetary Control

2.9.1 A review of budgetary procedure and control over expenditure in case of five* grants covering 45 offices of 41 departments revealed that budget estimates due in the month of October were not sent to the Finance Department in respect of four Head of accounts and in other cases these were sent with delays ranging from 6 to 127 days. The liability register to keep a

3

* 1-Agriculture and Forests, 5-Education, 8-Finance, 11-Health and Family Welfare and 12-Home Affairs and Justice.

watch over un-discharged liabilities was not maintained by the Drawing and Disbursing Officers operating Grant No. 1, 5, 11 and 12.

2.9.2 Further detailed scrutiny of two departments i.e. Public Instructions (Primary) (Grant No.5 Education) and Health Services (Grant No. 11 Health and Family Welfare) revealed the following irregularities:

(i) Provision for vacant posts

Budget Manual prescribes that while framing estimates for sanctioned establishments whether permanent or temporary, no provision should be made for vacant posts. Funds should be obtained either by supplementary grants or by re-appropriation whenever the vacant posts are filled up. In one case (2202 General Education), provision of Rs. 201.97 crore for 10601 vacant posts (out of 48193 sanctioned posts) was made in contravention of the rules which resulted in savings in the grant.

(ii) Provision of funds for schemes awaiting sanction

In 10 cases, provision of funds aggregating Rs. 15.62 crore for the schemes awaiting sanction was made without prior approval of competent authority. Details are given in *Appendix-XVII*.

(iii) Non-release of funds by the Government

In 9 cases, there was saving of Rs. 25.20 crore due to non-release of funds by the Government. Details are given in *Appendix-XVIII*. This was also in breach of Legislative control.

(iv) Unnecessary Supplementary grant

In 3 cases, detailed in *Appendix-XIX*, supplementary grants sanctioned proved unnecessary in view of hundred *per cent* saving under each head. The reasons for non-utilization of grants were stated to be due to delayed receipt of sanction, non-release of funds by the Government of India and non-passing of bills by the Treasury.

(v) Unrealistic Budgeting

Head of Department is required to prepare budget estimates on the basis of actual expenditure in the two preceding years, in the last six months of previous year and in the first six months of current year. It was noticed in Audit that budget estimates were not prepared as per prescribed procedure.

2.9.3 Substantial savings in grant/ appropriation

In 81 cases, savings exceeding Rupees one crore in each case and also by more than 10 *per cent* of total provision amounted to Rs.784.57 crore as detailed in *Appendix-XX*. In 23* of the above cases, the entire provision totaling Rs.83.61 crore was not utilized.

* 5,7,8,9,10,11,12,13,14,15,16,19,22,23,24,25,26,35,38,39,70,71,72

2.9.4 Persistent savings in grant/ appropriation

In 60 cases, there was persistent saving exceeding Rs.10 lakh in each case and 20 *per cent* or more of the provision during the last three years. Details are given in **Appendix XXI**. In 23** of the above cases entire provision totaling Rs. 63.43 crore remained unutilized.

2.9.5 Unusual excess over budget provision

In 10 cases, expenditure aggregating to Rs. 33.83 crore exceeded the approved provision by Rs.25 lakh or more in each case and also by 10 *per cent* of the total provision. Details of these cases are given in **Appendix XXII**.

2.9.6 Persistent excess over budget provision

Significant excess relating to Soil and Water Conservation, Finance and Police Departments persisted during the last 3 years as detailed in **Appendix XXIII**. Persistent excesses require regularization and investigation.

2.9.7 Expenditure without budget provision

As envisaged in Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of Rs. 17.93 crore (voted) and Rs.2.70 crore (charged) was incurred in 18 and 4 cases respectively as detailed in **Appendix-XXIV** without any provision in the original estimates/supplementary demand and without any re-appropriation order to this effect.

** 1 to 4, 6 to 7, 10 to 11, 15 to 16, 18 to 19, 23 to 24, 26, 33, 38, 40 to 43, 55 and 60.

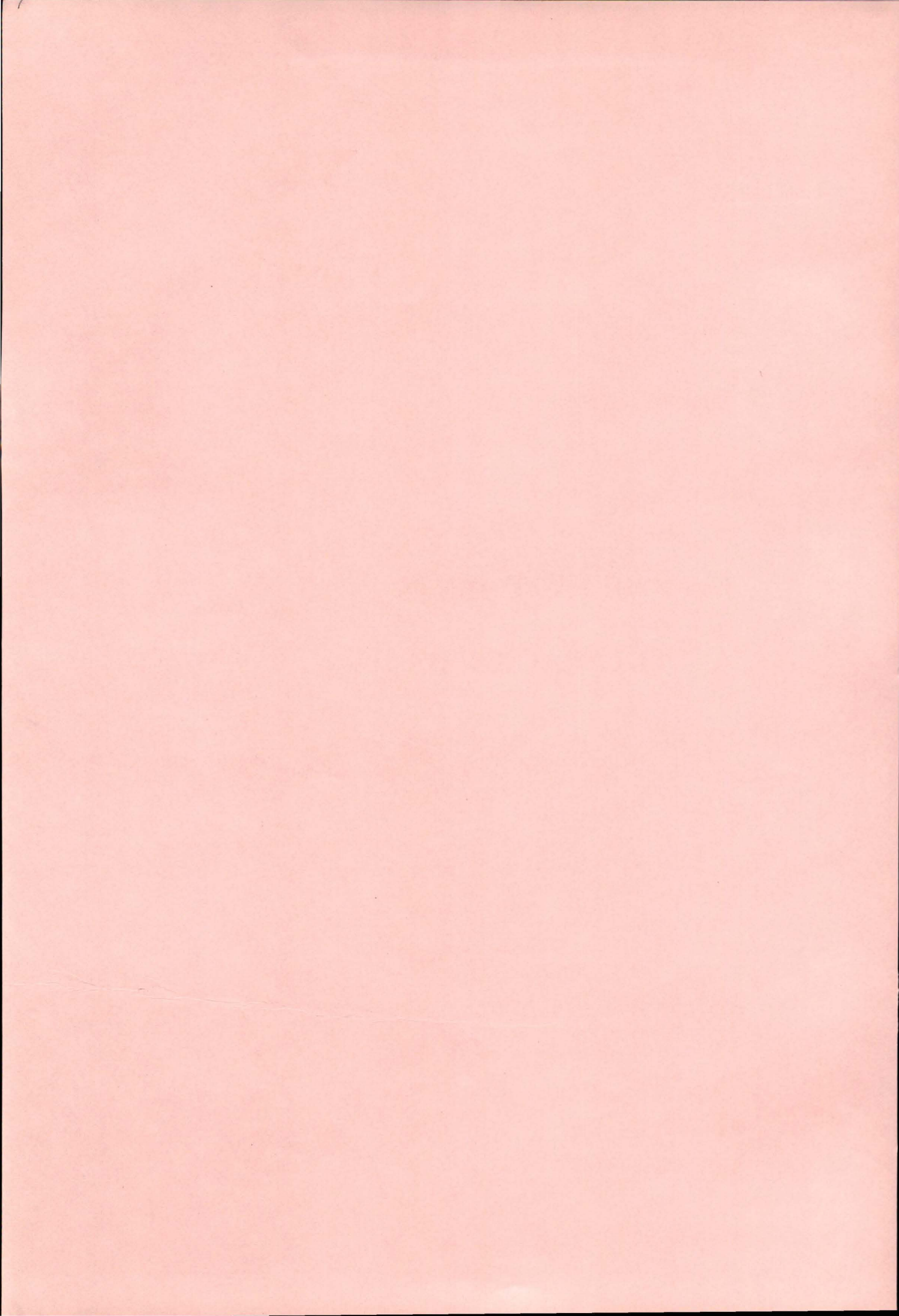
CHAPTER – III

CIVIL DEPARTMENTS

Page

AUDIT PARAGRAPHS

35-54



CHAPTER-III

CIVIL DEPARTMENTS

AUDIT PARAGRAPHS

Agriculture Department

3.1 Injudicious expenditure on summer moong seed

Popularisation of summer moong cultivation failed due to distribution of wrong seed variety and the injudicious expenditure was Rs. 29.75 lakh

To popularize the cultivation of summer moong and to increase the income of the farmers, free summer moong seed minikits were supplied to the farmers under the scheme “**Mission for second push in agriculture**”. State Government sanctioned (November 2000) Rs. 30 lakh for the purchase of minikits and Rs. 5 lakh for distribution of certified seed to the farmers.

Audit scrutiny of the records (May 2001 and January 2002) of the Director, Agriculture, Punjab and Deputy Director, Agriculture (Pulses), Bathinda revealed that instead of the recommended¹ variety of SML-32 and PS-16 summer moong seed for Punjab State, Deputy Director (Pulses), Bathinda purchased (March 2001) 17,000 minikits (5 kg each) of K 851 summer moong seed from Rajasthan State Seed Corporation Ltd., Jaipur despite knowing that its average yield was much less than SML-134 and PS-16 in Punjab State. The records of six² districts where 5,900 minikits had been distributed revealed nil yield and records of three³ districts where 3,400 minikits were distributed revealed the yield as 738.73 qtls. against the expected yield of 3,584.23 qtls., depicting a shortfall of 79 *per cent*. In the remaining 8⁴ districts also where 7,700 minikits were supplied, the yield was below average.

On being pointed out, Director, Agriculture, Punjab attributed (March 2002) the failure to early rains, humid conditions and attack of yellow vein mosaic. Further, it was stated that K-851 seed was purchased as it had an edge over SML-32 and PS-16 and these other varieties were not available. The reply was not tenable because the department did not indent any other variety and K-851 seed was not recommended by ICAR and the purchase and distribution of K-851 seed variety was stopped by the department in the subsequent year. Regarding adverse climatic conditions, the plea lacked documentary evidence.

¹ By Indian Council of Agriculture Research (ICAR).

² Amritsar (1100), Gurdaspur (2400), Jalandhar (500), Kapurthala (800), Nawanshahar (300) and Ropar (800).

³ Faridkot (600), Ludhiana (800) and Patiala (2000).

⁴ Bathinda (1200), Ferozepur (2400), Fatehgarh Sahib (500), Hoshiarpur (500), Mansa (700), Moga (1100), Muktsar (300) and Sangrur (1000).

Despite an expenditure of Rs. 29.75 lakh⁵, the objective of popularizing the cultivation of summer moong and thereby increase the income of the farmers could not be achieved.

The matter was referred (May 2002) to Principal Secretary to Department of Agriculture for a reply within six weeks and followed up demi-officially with reminder in May 2002. Reply, however, is awaited (July 2002).

Animal Husbandry, Fisheries and Dairy Development Department

3.2 Infertuous expenditure on Inland Fish Marketing

Twenty two shops, irregularly constructed out of Central funds, were not utilized for 3 years. Two insulated refrigerated vehicles were misutilised

Government of India (GOI), Ministry of Agriculture approved a scheme (June 1992) for strengthening of infrastructure for inland fish marketing with 100 per cent grant-in-aid towards capital cost of the following items with ceiling limits for (i) Fish handling sheds (Rs. 4.25 lakh), (ii) 5 tonne ice plant and 10 tonne cold storage (Rs. 28 lakh), (iii) 3 tonne insulated/ refrigerated transport vehicles (Rs. 11 lakh), (iv) Fish retail outlets/kiosks (Rs.4.50 lakh) and (v) Bicycles with insulated boxes (Rs. 0.90 lakh). No deviation was to be made without prior approval of Government of India.

Test check of records (September 2001) of Assistant Director, Fisheries, Ludhiana and information collected subsequently (April-May 2002) revealed that a project costing Rs. 45.66 lakh for Sangrur district was approved (August 1992) by GOI. The scheme was later (July 1993) shifted to Ludhiana district without the approval of GOI and Rs. 43.09 lakh was spent against the available grant-in-aid of Rs. 40 lakh⁶. Instead of building fish handling sheds/retail kiosks or ice plant/ cold storage, 22 shops were constructed at a cost of Rs. 29.19 lakh (August 1999) and Rs.13.90 lakh were spent (1993-95) on the purchase of two insulated refrigerated vehicles 4 to 6 years before the shops were completed. Audit scrutiny further revealed that 22 shops have not been leased out (July 2002) due to non-finalisation of terms and conditions. Further, one vehicle was transferred (December 1998) to Fish Farmer's Development Agency, Ropar district where no such scheme existed and the other was lying idle.

The Director stated (April-May 2002) that shops in a modern complex instead of sheds/ kiosks were constructed to give better look and ice plant/cold storage was not set up as there was no surplus fish for storage. The Government stated (July 2002) that efforts were being made to lease out the shops. As

⁵ Paid in March 2001.

⁶ Released by GOI Rs. 15 lakh (1992-93) and Rs. 25 lakh (1993-94) further released to FFDA, Ludhiana in 1993-94 & 1994-95 respectively.

regards purchase of vehicles, it was stated that purchases were made in anticipation of their use on the completion of fish market complex.

The reply was not tenable because the Government irregularly constructed shops which was a deviation from the approved project and without survey as to their commercial viability. Further, failure to finalise terms and conditions of lease for shops resulted in loss of rent since August 1999. Vehicles were purchased much before completion of fish marketing complex and, therefore, not used for fish marketing. Thus, the entire investment of Rs. 43.09 lakh proved infructuous.

Co-operation Department

3.3 Mis-application of National Cooperative Development Corporation loan meant for Markfed

Loan released by NCDC to Markfed was irregularly retained by State Government creating avoidable interest liability of Rs. 4.37 crore and loss of dividend of Rs. one crore

National Cooperative Development Corporation (NCDC), New Delhi sanctioned and released (November 2000) to State Government Rs. 80 crore for meeting working capital requirement of the Punjab State Cooperative Supply and Marketing Federation Limited (Markfed). Payment of interest at 13.5 per cent and repayment of principal was to be made by Markfed through State Government within a period of two years.

Audit scrutiny (July 2001) of the records of the Registrar, Co-operative Societies Punjab, Chandigarh revealed that the loan received by the State Government in November 2000, had not been released to Markfed (May 2002). Subsequently, the State Government repaid Rs. 40 crore to NCDC alongwith interest of Rs. 13.40 crore. On the balance loan of Rs. 40 crore, the State Government has a monthly interest liability of Rs. 54 lakh.

On being pointed out in audit, the Registrar, Co-operative Societies, Punjab stated (July 2001) that despite request, funds were not released by the State Government.

(ii) Similarly, NCDC sanctioned interest bearing loan of Rs. 5 crore each in March 1997 and March 1998 to State Government under Centrally sponsored scheme "Margin Money Assistance to State Level Federations in Developed States" for providing assistance in the shape of share capital to Markfed to enable its marketing and distribution activities.

Audit scrutiny (June 1999 and July 2000) revealed that although Rs. 10 crore was received by the State Government in March 1998, Rs. 9.02 crore thereof was released to Markfed only on March 31, 2000. The remaining amount of Rs. 0.98 crore had already been diverted to Spinfed in May 1999. Markfed declared 10 *per cent* dividend for the year 1999-2000 whereas no dividend was declared for the year 1998-99. Had Rs. 10 crore been released by the State Government to Markfed during 1998-99, State Government would have earned dividend of Rs. one crore, in 1999-2000. This could have also reduced the interest liability (Rs. 3.09 crore) sustained by the State Government on Rs. 10 crore.

On being pointed out (June 1999 & July 2000), Department of Co-operation and Registrar, Co-operative Societies, Punjab stated (June 1999 & July 2001) that reasons for retention of funds were awaited from the State Government.

The action of State Government did not reveal financial prudence. Retention of Rs. 80 crore was against the terms and conditions of the loan and proved expensive. Had the State Government availed overdraft of Rs. 80 crore from Reserve Bank of India instead of misapplying NCDC resources, it could have saved Rs. 4.37 crore being the difference between interest paid to NCDC and interest chargeable by Reserve Bank of India. Also the inability of the State Government to invest borrowed funds resulted in loss of Rs. one crore.

The matter was referred (May 2002) to Secretary, Department of Co-operation and followed up demi-officially with a reminder. In spite of such efforts, no reply has been received (July 2002).

Education Department

3.4 Breach of Legislative Financial Control

Secretary Education violated financial rules and issued orders to credit Government receipts into separate bank accounts and incur expenditure therefrom breaching Legislative Financial Control

Financial Rules require that departmental receipts are credited into Government accounts. Further, utilization of these receipts towards expenditure is strictly prohibited.

Audit scrutiny (November 2001) of the records of Chairperson, Department Selection Committee-cum-Director Public Instruction (Primary) Punjab, Chandigarh revealed that on the orders (January 1996 & May 2000) of Secretary, Education Department, the application fee received from candidates for the posts of Junior Basic Training (JBT) Teachers was credited to accounts

in various banks for creating a separate Fund. Over the period 1996-2002 (October 2001), an amount of Rs. 1.26 crore had accumulated in the Fund. The Secretary permitted the department to incur administrative expenditure like computerization and other necessary facilities in the office of Director Public Instruction (Primary) (DPI (Pr)), Punjab to facilitate subsequent selection process. Rs. 46.93⁷ lakh was so utilized over the period 1996-2002. It was further seen in audit that the Fund had a closing balance of Rs. 79.35 lakh as of March 2002.

The orders of Secretary, Education to credit Government receipts into accounts other than Government accounts not only violated the financial rules but also had the effect of by-passing the authority of Legislature.

On being pointed out (November 2001), DPI (Pr) admitted the facts and confirmed that Government receipts were credited to bank accounts as per orders of Secretary, Education.

The matter was referred (January 2002) to Secretary, Education Department and Principal Secretary, Department of Finance, Punjab for comments and followed up demi-officially with reminder to Administrative Secretary in May 2002. Reply, however, is awaited (July 2002).

Health and Family Welfare Department

3.5 Avoidable loss of interest

Delayed depositing of Pay Orders valuing Rs. 48.05 crore under ESI scheme resulted in avoidable loss of interest of Rs. 23.65 lakh

State Financial Rules provide that departmental receipts should be deposited into the treasury on the same day or by the morning of the next day at the latest.

Funds required for implementation of Employees State Insurance Scheme are met by Employees State Insurance Corporation (ESIC) and the State Government in the ratio of 7:1. ESIC reimburses its share on quarterly basis through Pay Orders to the Principal Secretary, Health and Family Welfare Department, Punjab who endorses them for deposit into treasury.

Audit scrutiny (April 2002) of records of Director, Health Services (SI), Punjab and information collected subsequently (May 2002) from the office of the Principal Secretary, Health and Family Welfare Department revealed that

⁷ Rs. 22.76 lakh were spent in connection with recruitment process.
Rs. 13.84 lakh were spent other than recruitment purposes.
Rs. 10.33 lakh could not be verified as details/ vouchers not made available to audit.

12 Pay Orders for Rs. 48.05 crore⁸, received between May 1998 and February 2002 from ESI, were deposited into the treasury after 6 to 30 days of their receipt (excluding holidays). Scrutiny of records further revealed that the delay in the office of the Principal Secretary was 3 to 16 days and in the office of Director, Health Services (SI) Punjab 1 to 21 days. Had these Pay Orders been deposited within four days of their receipt, State Government could have avoided interest of Rs. 23.65 lakh on its borrowings from Reserve Bank of India.

The Government stated (July 2002) that the issue of cutting short delay in depositing Pay Orders is actively under consideration.

The reply is untenable as the delay in depositing Pay Orders has been persisting for long despite being pointed out in audit from time to time. The Government has failed to formulate remedial action to prevent recurrence.

Industries and Commerce Department

3.6 Payment of investment incentive to ineligible units

Eight cold storage units not engaged in any manufacturing/ production activities were irregularly allowed investment incentive of Rs. 1.14 crore

To attract industrial investment to the State of Punjab, Government introduced a package of incentives under Punjab Industrial Incentive Code 1992 and 1996 according to which industrial units starting commercial production on or after 1 October 1992/ 1 April 1996 in a specified area⁹ were eligible for investment incentive at the rate of 20 or 30 *per cent* of their fixed capital investment depending on the area where the unit was located. As per the code, commercial production means commencement of manufacture and sale of product for which the unit was set up.

Audit scrutiny of records (April-May 2001) of Director of Industries, Punjab revealed that 8¹⁰ small scale industrial units set up as cold storage units in the areas falling under category 'A' and 'B' were allowed investment incentive of Rs.1.14¹⁰ crore on their fixed capital investment of Rs. 5.25 crore (Land :

⁸ Rs.326.76 (2.5.1998), Rs.326.76 (22.7.1998);Rs.326.76 (5.1.1999); Rs.604.39(13.3.1999); Rs.412.61 (29.4.1999); Rs.406.95 (9.7.1999); Rs.407.71 (2.12.1999); Rs.324.33 (8.5.2000); Rs.357.35 (31.7.2000); Rs.366.00 (20.8.2001); Rs.364.00 (30.10.2001); Rs.581.00 (17.2.2002).
(Rupees in lakh).

⁹ A category area @ 30 *per cent* of FCI (Maximum Rs. 50 lakh).
B category area @ 20 *per cent* of FCI (Maximum Rs. 30 lakh).

¹⁰ 1. Navkiran cold storage Pvt. Ltd. Nakodar (Rs. 28.62 lakh), Khambra, Jalandhar (Rs.19.98 lakh), Trimurti, Abohar (Rs. 22 lakh), Jallaur, Rampura Phul (Rs. 12.11 lakh), Hemkunt, Nihal Singh Wala (Rs. 8.76 lakh) Karan, Jalalabad (Rs. 7.58 lakh), Sukhanand, Tapa Mandi (Rs. 7.48 lakh) Ashirwad, Jalandhar (Rs. 7.15 lakh).

Rs.6.95 lakh; Building : Rs. 3.49 crore and Plant & Machinery : Rs.1.69 crore) during the period March 2000 to April 2001. The release of investment incentive was irregular as these units were not engaged in any manufacturing/ production activities, and were engaged in providing only storage facilities for preserving food articles.

On this being pointed out in audit (April-May 2001), Joint Director (Inc.) stated that cold storages were not included in the negative list. The reply was not tenable because a reference to the negative list has no locus standi in the instant case. The provisions under the industrial codes clearly envisage that only those industrial units, which were engaged in manufacturing/ production activities for commercial sale, would be eligible for investment incentive. Since cold storage units do not manufacture/produce, the grant of investment incentive to such units was irregular.

The matter was forwarded to the Secretary to the Government in October 2001 for reply within six weeks. The Government did not offer any specific remarks nor give specific directions to the department to initiate recovery proceedings as arrears of land revenue.

3.7 Infructuous expenditure on idle staff

Heat Treatment Unit of Quality Marking Centre, Batala was closed in January 1998 but idle staff was paid salary for four years

To provide facilities of testing and quality marking to local industry, Government Industrial Development cum Quality Marking Centre (Engg.), Batala comprising three units viz Gear Grinding, Heat Treatment and Quality Marking was established with sanctioned strength of 35 technical and non-technical workers, against which 33 were in position (January 1998).

Scrutiny of records (February 2002) of Senior Technical Officer, Government Industrial Development cum Quality Marking Centre (Engg.), Batala revealed that on the orders (January 1998) of Director, Industries and Commerce, Punjab, the Heat Treatment Unit, having a strength of 8 technical/non-technical workers was closed till funds could be made available for installing a pollution control device as recommended by Punjab Pollution Control Board. Neither the device costing Rs.3 lakh had been installed nor the concerned staff diverted to other work for more than four years. Non-functioning of Heat Treatment Unit resulted in infructuous expenditure of Rs. 31.24 lakh on pay and allowances of the idle staff during April 1998 and February 2002.

On being pointed out, Senior Technical Officer stated (July 2002) that Heat Treatment Unit was closed down permanently as per instructions of the State Government and the staff had been diverted to other schemes in March 2002. The reply indicates that it took four years for the department to divert the idle staff. Further, during these 4 years the department failed to install a pollution control device costing Rs. 3 lakh to make the unit functional though it incurred infructuous expenditure of Rs.31.24 lakh on the idle staff.

The matter was referred (May 2002) to Principal Secretary, Department of Industries and Commerce for comments and followed up demi-officially in May 2002. Reply, however, had not been received (July 2002).

Printing and Stationery Department

3.8 Non-realisation of dues

Failure of Controller, Printing and Stationery Department to take effective steps to recover dues from various departments resulted in non-realisation of outstanding dues of Rs. 1.19 crore

Mention was made in paragraph 3.1.7 of Comptroller and Auditor General of India's Report for the year 1991-92 (Civil) about the procedure for working out cost of printing and recovery of the outstanding dues of Rs. 82.23 lakh as of March 1992 on account of the services rendered by three presses. The Public Accounts Committee (PAC) in its 111th Report (1997-98) recommended evolving of a system to ascertain the cost of the job and also desired that it would like to be apprised of the position of the recovery of outstanding dues from various quarters.

The information collected (March 2002), however, revealed that for the services rendered by 3 Government Presses (Two at Patiala and one at SAS Nagar, Mohali), total amount pending recovery from various departments at the end of February 2002 was Rs. 1.19 crore. Age-wise analysis of the dues revealed that Rs. 43.46 lakh pertained to the period prior to 1991-92. Of these, Rs.37.33 lakh had been pending recovery for periods ranging between 36 and 13 years.

In reply, the Government stated (June 2002) that department had made every possible effort to recover the outstanding dues. It was further stated that Rs.1.05 crore recoverable from other departments of the State Government had no net effect on State exchequer, being book adjustment.

Reply was not tenable as no effective steps had been taken to recover outstanding dues. Besides, the delay in fixing overhead charges ranged between 16 and 76 months despite recommendation of Public Accounts Committee in its 111th Report (1997-98). This delayed the finalisation of claims. The plea of the department that outstanding dues had no effect on State exchequer being a book adjustment was also not tenable as in that case there is no point in levying any charges at all. Charges were being levied to ensure that the functioning of the Press was viable.

It was further noticed that Action Taken Note indicating action on the recommendations of Public Accounts Committee had not been forwarded by Printing & Stationery Department to Public Accounts Committee even after a lapse of more than four years. Inordinate delay on the part of the department in furnishing Action Taken Note to the Public Accounts Committee reinforced

the impression that department was not serious in recovery of its outstanding dues.

Social Security and Women & Child Development Department

3.9 Retention of funds out of Government account

The authorities empowered to levy and collect cess under the Punjab Social Security Act (Act) continued to collect cess and kept the amount so collected out of Government account even after annulment of the Act by Hon'ble Punjab and Haryana High Court

With a view to extend assistance in the form of pension to senior citizens, disabled persons, dependent children and for any other social security measures, as approved by the Government, the State Legislature enacted Punjab Social Security Act 2000 (Act) which *inter alia* established Punjab Social Security Fund (Fund) through levy of cess at the rate of 10 per cent of the Sales Tax payable on the sales and purchases of goods under the Punjab General Sales Tax Act. The receipts were to be credited directly into the Fund maintained in the Scheduled Banks in the name of the Secretary, Department of Social Security and Women & Child Development.

An audit scrutiny (October 2001) and information collected subsequently (May & August 2002) from Director, Social Security and Women & Child Development Department, Punjab, revealed that cess, levied through the Act, aggregating Rs. 208.10 crore was credited to the Fund between October 2000 and August 2002¹¹, of which disbursement of Rs.196.56 crore was made upto December 2001 and balance funds amounting to Rs.11.54 crore (including interest of Rs. 20.46 lakh) was lying in the bank as of August 2002¹¹. In the meanwhile, the Act was challenged through writ petitions and Hon'ble Punjab and Haryana High Court (hereinafter referred to as Court) on 27 September 2001 declared the Act as unconstitutional. Even thereafter, the Government continued to levy the cess and Rs. 34.78 crore was realized during October 2001 to August 2002 and Rs. 25.48 crore was disbursed during October-December 2001. Thereafter disbursement was stopped. The levy of cess, its collection and retention thereof in commercial bank after the annulment of the Act by the Court was irregular and so were the disbursements after the judgement. The amount of the cess so collected after the judgement of the Court and balance of cess lying in the commercial bank was required to be deposited in Government account.

The matter was brought to the notice of Director, Social Security and Women & Child Development Department, Punjab in October 2001 and May 2002 who stated (May 2002) that the collection of cess after the annulment of the

¹¹ 14 August 2002.

Act by the Court may be due to receipts in the pipeline on the date of decision or collection made by some dealers who may not be aware of the judgement.

The reply was not tenable as the department neither issued any instructions for discontinuance of cess in pursuance of judgement of the Court nor transferred the balance amount lying with the bank to Government account. Non-transfer of amount to Government account affected the ways and means position of the Government leading to creation of avoidable interest liability of Rs.26.36 lakh (Rs.46.82¹² lakh minus Rs.20.46 lakh) for the period October 2001 to July 2002.

The draft paragraph was sent to the Secretary to Government of Punjab, Social Security and Women & Child Development Department in May 2002 for reply within six weeks. Reply, however, has not been received so far (July 2002).

3.10 Unfruitful expenditure on Incomplete Juvenile Home and unutilisation of funds granted for construction of Observation Home

Failure of the State Government to contribute its share and release funds not only resulted in unfruitful expenditure of Rs.14.64 lakh on incomplete building of Juvenile Home for Girls at Rajpura but the Central Government grant of Rs. 9.03 lakh for Observation Home at Jalandhar also remained unutilized for over 9 years

The Centrally sponsored scheme "Prevention and Control of Juvenile Social Mal-adjustment" provides for setting up of Observation Homes, Juvenile Homes/Special Homes etc. The expenditure on the scheme was to be shared 50:50 between Central and State Governments.

Government of India provided Rs. 21.53 lakh (February 1993) and Rs. 3.60 lakh (September 2000) as Central share for setting up an Observation Home at Jalandhar (Rs. 9.03 lakh) and Juvenile Home for Girls at Rajpura (Rs. 16.10 lakh).

Audit scrutiny of records of the Director of Social Security and Women & Child Development, Punjab in July 1999 and information collected subsequently (January 2002) revealed that funds amounting to Rs. 14.64 lakh (Central and State share Rs. 7.32 lakh each) were spent during 1992-2002 for the construction of Juvenile Home for girls at Rajpura. While the building at Rajpura was still incomplete (May 2002), the construction of building at Jalandhar could not be taken up as further funds were not released by the State Government. The failure of the State Government to release the Central funds of Rs.17.81 lakh and to contribute its share not only resulted in unfruitful expenditure of Rs.14.64 lakh but grant amounting to Rs.17.81 lakh contributed

¹² Interest worked out by adopting balance amount at the end of each month.
Rate of interest applied as applicable in ways and means advances.

by the Central Government also remained unutilized for over 9 years, which defeated the objectives of the scheme to cater for the care, protection, development and rehabilitation of both neglected and diligent children.

On being pointed out (July 1999), the Director, Social Security and Women & Child Development, Punjab admitted the facts and stated that despite best efforts, the Government did not release necessary funds due to financial crisis.

The draft audit paragraph was forwarded to the Secretary to the Government in January 2001 and April 2002 for reply within six weeks and followed up demi-officially with reminder in May 2002. However, no reply has been received (July 2002).

Technical Education and Industrial Training Department

3.11 Unfruitful expenditure on incomplete buildings

Unfruitful expenditure of Rs. 7.30 crore on buildings of abandoned Industrial Training Institutes

State Government approved the construction of buildings of 6¹³ Industrial Training Institutes (ITIs) at an estimated cost of Rs.10.61¹ crore in rural areas. The work of construction was entrusted to State Public Works Department between January 1995 and March 1996.

Audit scrutiny (January 2001) of the records of the Director, Technical Education and Industrial Training, Punjab revealed that after incurring an expenditure of Rs. 7.30² crore, work was stopped in December 1998 as the State Government decided (September 1998) to explore the possibility of leasing out the partially completed buildings to private institutions/ industry/ individual or organizations for starting technical training courses. Thus, the work had been at standstill for more than three years, rendering the entire expenditure of Rs.7.30 crore unfruitful.

Director intimated (May 2001) that the buildings could not be completed as further funds had not been released by the State Government. It was further stated (April 2002) that against the earlier decision of leasing out incomplete buildings, decision was taken (February 2001) to start trades (courses) in these 6 ITIs by making arrangements in academic session 2001-2002. But such arrangements also could not be finalized. Audit scrutiny, however, revealed that neither the buildings had been completed (May 2002) nor any plan/scheme to utilize the incomplete buildings had been worked out. Thus, the

¹³ Abohar (Rs.323.26¹/168.44² lakh); Khadoor Sahib (Rs.115.18¹/115.20² lakh); Maksoodpur (Rs.84.63¹/ 41.87² lakh); Mukerian (Rs.172.41¹/151.78² lakh); Nathana (Rs.181.31¹/136.87² lakh) & Shahkot (Rs.184.14¹/ 115.60² lakh).

abandonment of these ITIs reflected Government's poor commitment to technical education and deprived nearly 1492¹⁴ aspirants per year the benefit of industrial education and training in rural unrepresented areas.

The matter was referred (March 2002) to Principal Secretary, Department of Technical Education and Industrial Training and Principal Secretary, Department of Finance, Government of Punjab for comments within six weeks and followed up with reminder in May 2002. Reply, however, has not been received so far (July 2002).

Welfare of Scheduled Castes and Backward Classes Department

3.12 National Scheme of Liberation and Rehabilitation of Scavengers

3.12.1 Introduction

With a view to liberate scavengers from the existing hereditary and inhuman occupation of manually removing night soil and filth and to engage them in alternative and dignified trades/ occupations, Government of India launched National Scheme of Liberation and Rehabilitation of Scavengers (NSLRS) in 1980-81. The scheme was bifurcated in 1991-92 and Ministry of Urban and Rural Development became responsible for conversion of dry latrines into wet latrines, while the rehabilitation of scavengers was entrusted to Ministry of Social Justice and Empowerment.

The main components of the scheme were:

- i) Time bound programme for identification of scavengers/their dependents and their aptitude for specific alternative engagement.
- ii) Training in identified trades for scavengers and their dependents.
- iii) Rehabilitation of scavengers by providing financial assistance.

Punjab State Scheduled Castes Land Development and Finance Corporation (SCDC) is the chief agency for the implementation of the scheme in the State. At district level, Deputy Commissioner alongwith District Managers (DM) of SCDC were responsible for implementation.

¹⁴ Approved seats as per project reports of 6 ITIs .

3.12.2 Financial arrangements

The scheme provided that financial assistance for training of scavengers was to be met wholly by Central Government. Assistance for rehabilitation of scavengers was to be shared by Central Government, State Government, SCDC and nationalized banks. Project costing upto Rs. 50,000 per beneficiary out of which 50 per cent of the project cost with maximum ceiling of Rs.10,000 as subsidy would be provided by Government of India (GOI), 15 per cent of the project cost at 4 per cent rate of interest as a margin money loan (MML) would be shared by GOI and State Government in the ratio of 49:51 respectively and remaining project cost would be met through bank loan for which SCDC would stand surety. The expenditure on survey for identification of scavengers was to be met by the State Government from Special Central Assistance provided by the Ministry of Welfare.

The financial assistance and expenditure was as under: .

Year	Funds released by GOI	Releases by State Govt. to SCDC	Expenditure		Closing balance	Loan Contribution	
			Subsidy	Training		MML	Bank Loan
1992-1996-97	663.10	408.00	229.39	20.41	158.20	73.54	173.59
1997-98	-	-	14.25	-	143.95	7.85	6.41
1998-99	-	-	17.61	-	126.34	9.41	8.20
1999-2000	-	-	15.85	-	110.49	8.94	7.26
2000-01	-	-	6.20	-	104.29	3.36	2.94
2001-02	-	-	7.35	-	96.94	2.52	5.53
Total	663.10	408.00	290.65	20.41			

(i) This reveals that out of Rs.4.08 crore released by State Government, expenditure of Rs.3.11 crore was incurred and balance of Rs.0.97 crore was lying with SCDC. The effective expenditure on the scheme was Rs.2.84 crore and the balance expenditure of Rs. 27.13¹⁵ lakh was irregular on various accounts.

(ii) The financial assistance of Rs. 2.55 crore provided by Government of India for training of 4,000 scavengers and rehabilitation of 3,000 scavengers during 1995-96 was not released by the State Government. Reasons for non-release of funds were not on record.

(iii) The expenditure incurred under the scheme was low and exhibited a declining trend from 1998-99 onwards.

(iv) Despite no additional release of Central assistance in the last six years, there was still a balance of Rs. 96.94 lakh.

15 (a) Expenditure Rs. 11.49 lakh on survey was irregularly debited to the Central assistance (as discussed in Para no. 3.12.5).

(b) Wasteful expenditure Rs.3.24 lakh on training of scavengers (as discussed in Para no. 3.12.6(b))

(c) Wrong booking of expenditure Rs.1.05 lakh (as discussed in Para no.3.12.7(b)(ii))

(d) Cheques for Rs.11.35 lakh issued by SCDC but not disbursed to beneficiaries (as discussed in Para no. 3.12.7(b)(iii))

- (v) Interest earned on the above balances have not been accounted for.
- (vi) The share of the State Government in emancipating the scavengers was minimal.

3.12.3 Central assistance and interest earned remained unutilized

Rs.65.17 lakh earned by SCDC as interest was not accounted for and utilized on the scheme

As per guidelines, the financial assistance received from Government of India was required to be kept in the Government treasury or Personal Deposit Account and unspent amount was to be revalidated if not surrendered to the Central Government. Rs. 4.08 crore provided by Government of India in 1992-93 were released by the State Government to SCDC, which were kept in a commercial bank and earned interest of Rs. 65.17 lakh up-to March 2002. The interest was not accounted for and utilized on the scheme.

3.12.4 Non-recovery of Margin Money Loan

Margin money loan of Rs. 90.77 lakh granted for the purpose of rehabilitation was yet to be recovered

The scheme provides for funding of projects costing upto Rs. 50,000 per beneficiary and also for margin money loan to the extent of 15 per cent of the project cost at 4 per cent interest. Margin money loan was to be provided by SCDC. Its recovery was to start after 3 or 6 months from the date of disbursement. Rs. 1.06 crore was provided to 2,988 scavengers during 1992-2002 to meet project costs. Out of this, Rs.14.85 lakh had been recovered and SCDC have issued demand notices/ show cause notices where recovery is due.

3.12.5 Doubtful revised survey

The objective of the scheme was to provide alternative, dignified and viable trade/ occupation to each scavenger and his dependents. As such, the beneficiary was not only the scavenger but also each dependent of the scavenger. In view of this, it was essential to conduct a survey to identify each individual scavenger and his dependents alongwith their aptitude for specific alternative engagement.

Identification of only 531 scavengers was not authentic as 25,140 dry latrines were yet to be converted into wet latrines

District Managers of SCDC conducted a survey in June 1992 and identified 12,444 families having 31,290 scavengers {15,621 (Males) and 13,727 (Females) in urban areas and 995 (Males) and 947 (Females) in rural areas}. Survey was again conducted in 2000-2001 but only 531 scavengers were identified. However, the survey of 2000-01 does not appear authentic as 25,140 dry latrines in the State were yet to be converted into wet latrines as of March 2002.

As per scheme guidelines, expenditure on survey was to be met from Special Component of Central Assistance. On the contrary, Rs.11.49 lakh spent on pay, traveling allowance and publicity for conducting survey during 1992-93 were irregularly debited to the head 'Training' and deducted from the financial assistance of Rs. 4.08 crore.

In reply, General Manager SCDC stated (April 2002) that expenditure on survey was to be met from Special Central Assistance and as such it was met

from this Central assistance. The reply was not tenable, as the Central assistance of Rs. 4.08 crore was not meant for survey related expenditure.

3.12.6 Training

Training to scavengers was proposed to create or upgrade the skill for self-employment. For imparting training, trades were also to be identified which may be suited to the aptitudes of scavengers and their dependents. Training programmes were to be implemented by the training institutes set up by Government of India, State Government/ UT Administration. The entire cost of the training was to be borne by the Government of India.

a) *Shortfall in training programme*

Out of 31,290 scavengers identified in June 1992, only 14,283 scavengers opted for training but training was provided to only 4,523 scavengers during the period 1992-95. Thus, 2,369 scavengers were given training in farm based sectors like dairy, piggery, poultry etc. and 2,154 in other trades. No training was imparted during 1995-2002 though funds were available. Thus, either the statistics were wrong or the SCDC was not interested in the programme. Rs.8.92 lakh spent on 4,523 scavengers was indicative of poor performance by the SCDC. In reply, SCDC stated that scavengers were not interested in training. This was not tenable since 14,283 scavengers opted for training.

b) *Training and rehabilitation mis-matched*

Out of 4,523 scavengers trained 2,883 were rehabilitated. 1,640 scavengers who were trained at a cost of Rs.3.24 lakh could not be rehabilitated. The reasons for non-rehabilitation of trained scavengers were not on record and SCDC had not examined the reasons. However, a sample study was conducted by the SCDC in 7 districts to see whether the scavengers had taken up trades in which they were trained. The study revealed that only 66 scavengers out of 114 cases test checked had taken up the trades in which they were trained. It indicated that training was imparted without keeping in view the aptitude/ interest of the scavengers and scope of the trade.

c) *Non-adoption of TRYSEM norms for training*

Government of India decided to adopt the norms of Training for Rural Youth for Self Employment (TRYSEM), which was notified by the Ministry of Rural Development for selection of beneficiaries, training institutes etc. These norms were required to be strictly followed. SCDC was authorized to take steps to constitute State and district level coordination committees on TRYSEM pattern for various aspects of training. Test check of records revealed that TRYSEM norms for training were not adopted in Punjab. SCDC offered no comments.

No training was imparted during 1995-2002 inspite of scavengers identified and availability of funds

3.12.7 Rehabilitation of scavengers

a) Shortfall in rehabilitation

Only 2,988 out of 31,290 identified scavengers were rehabilitated

4,523 scavengers, having been imparted training were required to be rehabilitated. It was, however, noticed that 3,849 applications for financial assistance were received of which 2,988 were admitted and granted financial assistance upto March 2002.

Targets and achievements of rehabilitation during 1997-2002 were as under:

(Rupees in lakh)

Year	Targets			Achievements			Shortfall		Percentage of shortfall			
	Physical (in number)	Financial* (in rupees)		Physical (in number)	Financial* (in rupees)		Physical (in number)	Financial* (in rupees)	Physical (in number)	Financial* (in rupees)		
		Subsidy	MML	Total		Subsidy	MML	Total				
1997-98	2000	200	60	260	143	14.25	7.85	22.10	1857	237.90	92.85	91.50
1998-99	2000	200	60	260	177	17.61	9.41	27.02	1823	232.98	91.15	89.61
1999-2k	2000	200	60	260	159	15.85	8.94	24.79	1841	235.21	92.05	90.47
2000-2k1	531	53.10	15.93	69.03	61	6.10	3.33	9.43	470	59.60	88.64	86.34
2k1-2k2	**				75	7.45	2.55	10.00	-75	-10.00		
Total	6531	653.10	195.93	849.03	615	61.26	32.08	93.34	5916	755.69	90.58	89.00

*Based on Rs. 20,000 project cost

**531 scavengers identified in survey conducted in 2000-01 were to be rehabilitated in 2000-01 itself. As such, no target for rehabilitation was fixed for 2001-02 and achievement made in that year has been shown as minus entry in shortfall column

The rehabilitation of identified scavengers was much below the targets. The shortfall was 90.58 per cent (5,916 of 6,531 scavengers) during 1997-2002 but overall shortfall was 90.45 per cent (28,302 of 31,290 scavengers) during 1992-2002 despite availability of funds. Though the survey conducted in 2000-01 identified only 531 scavengers awaiting rehabilitation indicating success of the scheme, the survey itself appears doubtful due to existence of 25,140 dry latrines as of March 2002. Further, only less than 10 per cent of scavengers identified were rehabilitated over the period 1992-2002.

b) Wrong booking of expenditure

(i) As per scheme, the maximum project cost for rehabilitation was Rs.50,000. SCDC, however, adopted project cost of Rs.20,000 as maximum cost for which Government of India was to give subsidy of Rs.10,000 and margin money loan of Rs.1,470 i.e. 49 per cent. The remaining margin money loan of Rs.1,530 i.e. 51 per cent and balance of Rs.7,000 would be met by SCDC and bank respectively.

During 1997-2002, 222 identified scavengers were rehabilitated at a cost of Rs. 44.50 lakh. Out of this, Rs.22.25 lakh as subsidy was to be paid by the Government of India and margin money loan of Rs.6.71 lakh was to be shared between Government of India and State Government in the ratio of 49:51. Remaining loan of Rs.15.54 lakh was to be paid by the commercial banks. But instead of approaching banks, SCDC on its own granted the loan and irregularly debited Rs.7.65 lakh to Central assistance. Reasons for irregular debit of expenditure to Central Government were awaited.

(ii) SCDC had shown Rs.4.03 lakh as paid (subsidy Rs.10,000 and margin money loan Rs.3,000 per beneficiary) to 31 beneficiaries by taking project cost of each beneficiary as Rs.20,000. Test check, however, revealed that actual project cost of the above beneficiaries varied between Rs.14,000 and Rs.18,000 and actual expenditure on subsidy/margin money loan worked out to Rs.2.98 lakh (Rs.9,100 in the case of project of Rs.14,000 and Rs.11,700 in the case of project of Rs.18,000 per beneficiary respectively). Thus, Rs.1.05 lakh was booked in excess against assistance received from the Government of India. The reply of the department was awaited.

(iii) An expenditure of Rs. 11.35 lakh was booked for the period 1993-98 relating to subsidy and margin money loan in respect of 92 scavengers of Gurdaspur, Hoshiarpur and Jalandhar districts. But all the cheques/drafts were cancelled and received back from banks/ district managers. The expenditure of Rs. 11.35 lakh was yet to be written back.

(iv) The MML and loan should be in the ratio of 3:7 but the MML as indicated in accounts was far in excess. SCDC has not reconciled this as indicated in para 3.12.2.

(v) The MML is to be shared between Central and State Government in the ratio of 49:51 but the Central Government has been debited higher amount. This is yet to be reconciled by SCDC. In sum, SCDC has not maintained proper accounts and Central Government has been debited with inflated figures.

c) Sanitary marts not opened

Government of India approved establishment of sanitary marts to rehabilitate the scavengers. Accordingly, Rs.17.50 lakh for 10 sanitary marts were sanctioned (September 2000) by National Safai Karamchhari Finance and Development Corporation, New Delhi. But SCDC failed to set up sanitary marts on the pleas that (i) number of scavengers in the State was small and (ii) only Rs.1,200 per month was to be provided to a mart employee working as supervisor, mart manager and accountant and no one would like to work on such a low salary. Hence, the financial assistance was not availed of by SCDC.

3.12.8 Rehabilitation of scavengers without conversion of dry latrines into wet latrines

Scavengers can successfully be rehabilitated only when dry latrines on which they are employed are converted into wet latrines otherwise new scavengers will take their jobs and as such there will be no reduction in the number of scavengers. This would perpetuate the practice of scavenging. For this purpose, effective integration and dovetailing of the programme with the bodies or agencies engaged in the conversion of dry latrines into wet latrines was required.

The review of records maintained in the office of Punjab Water Supply and Sewerage Board, Chandigarh revealed that 1,86,626 dry latrines were

25,140 dry latrines were yet to be converted into wet latrines as of March 2002

converted into wet latrines upto March 2002 against the target of 2,11,766. Thus, 25,140 dry latrines were yet to be converted into wet latrines. Non-conversion of dry latrines indicated that scavenging continued. Hence, the contention of SCDC as intimated (June 2000) to Government of India that no scavenger remained to be rehabilitated was not based on facts and was far from reality.

The above points were referred to the Secretary to Government of Punjab, Welfare of Scheduled Castes and Backward Classes Department and followed up demi-officially with reminder in May 2002. In spite of such efforts, reply has not been received so far (July 2002).

3.13 Idle investment on incomplete Dr. B. R. Ambedkar Bhawans

Construction of Dr. B. R. Ambedkar Bhawan buildings remained incomplete even after a lapse of 8 years and expenditure of Rs. 1.50 crore because of failure to release further funds by the District Planning Boards

To highlight and disseminate the ideals and philosophy of Dr. B.R.Ambedkar, State Government formulated a scheme to build Baba Sahib Dr. B. R. Ambedkar Bhawans in each district headquarter during 8th Five Year Plan. Accordingly, approval(s) for Rs. 2.42 crore were accorded (January 1994 and August 2000) for construction of Ambedkar Bhawan buildings at Ludhiana (Rs.93.21 lakh), Mansa (Rs.74.87 lakh) and Nawanshahar (Rs. 74.10 lakh).

Test check of records and information collected from Directorate of Welfare of Scheduled Castes and Backward Classes, Punjab during June 2001 to May 2002 revealed that Rs. 1.93¹⁶ crore was released for construction during the period 1993-2000 against which an expenditure of Rs. 1.50¹⁷ crore was incurred. However, construction of these Ambedkar Bhawans was not completed. Rs.43.42¹⁸ lakh was lying in 8443-Civil Deposit Accounts of Public Works Department. District Planning Boards also did not release further funds of Rs. 49 lakh for the completion of these Bhawans.

On being pointed out, Deputy Controller (F&A), Welfare of Scheduled Castes and Backward Classes, Punjab stated (May 2002) that the matter had already been taken up with the Government. The reply did not explain the failure to release Rs. 43.42 lakh kept in the Civil Deposit Accounts for more than three years. The failure resulted in incomplete Ambedkar Bhawan buildings with idle investment of Rs. 1.50 crore and non-achievement of the objective of propagation of the ideology and philosophy of Dr. B. R. Ambedkar among the masses.

The matter was referred (February 2002) to Principal Secretary to Government of Punjab, Welfare of Scheduled Castes & Backward Classes Department for

¹⁶ Ludhiana (Rs.58 lakh); Mansa (Rs. 74.87 lakh), Nawanshahar (Rs.60.08 lakh).

¹⁷ Ludhiana (Rs.58 lakh); Mansa (Rs. 50.31 lakh), Nawanshahar (Rs.41.22 lakh).

¹⁸ Mansa (Rs.24.56 lakh); Nawanshahar (Rs.18.86 lakh).

reply and followed up demi-officially with reminder in May 2002. Reply, however, is awaited (July 2002).

3.14 Drawal of funds in advance of requirement

Rs. 64.80 lakh of Central assistance for strengthening of community centers could not be utilized as purchase formalities were not completed

Financial Rules provide that money should not be withdrawn from Government treasury unless it was required for immediate disbursement and unspent balance, if any, should be refunded into the treasury promptly.

Test check (September 2001) of the records of Director, Welfare of Scheduled Castes and Backward Classes, Punjab, Chandigarh revealed that Government sanctioned (March 2000) Rs. 64.80 lakh under 100 *per cent* Centrally sponsored scheme for strengthening of 108 Community Centers by providing equipment and raw material for training in cutting, tailoring, embroidery etc. to below poverty line Scheduled Castes women/ girls. Sewing machines were also to be provided on successful completion of the training so that beneficiaries may start work. The Director drew the entire amount from the treasury in March 2000 and kept it as a bank draft in favour of Deputy Controller (F&A). The amount was lying unutilized as of July 2002.

On being pointed out, Deputy Controller (F&A) stated (July 2002) that the tenders called (May 2000) for the purchase of sewing machines were rejected due to technical reasons and fresh tenders called in April 2002 were yet to be finalized by the purchase committee. The reply was not tenable as Rs. 64.80 lakh were not only blocked for more than two years but intended benefits to 2,160 trainees were also denied.

The matter was referred (April 2002) to Secretary, Department of Welfare of Scheduled Castes and Backward Classes for comments with a reminder in May 2002. Reply has not been received so far (July 2002).

General

3.15 Follow-up action on Audit Reports

a) Outstanding action taken notes

The Comptroller and Auditor General of India's Audit Reports represent culmination of the process of scrutiny starting with initial inspection of accounts and records maintained in the various offices and departments of Government. It is, therefore, necessary that they elicit appropriate and timely response from the executive. Finance Department, Government of Punjab issued instructions (August 1992) to all the Administrative Departments to

submit explanatory notes indicating corrective/remedial action taken or proposed to be taken on paragraphs and reviews included in the Audit Reports within three months of their presentation to the Legislature, without waiting for any notice or call from the Public Accounts Committee (PAC).

Though the Audit Reports for the years 1993-94, 1994-95, 1995-96, 1996-97, 1997-98 and 1998-99 were presented to the State Legislature in March 1995, September 1996, March 1997, July 1998, September 1999 and September 2000 respectively, 22 departments out of 27 departments which were commented upon did not submit explanatory notes on 62 out of 283 paragraphs/ reviews as on March 2002 as indicated below.

Year of the Audit Report (Civil)	Total Paragraphs/ Reviews in Audit Report	No. of paragraphs/reviews for which explanatory notes were not received
1993-94	37	2
1994-95	58	2
1995-96	47	9
1996-97	56	16
1997-98	37	6
1998-99	48	27
Total	283	62

* The position regarding 1999-2000 and 2000-2001 has not been included as these Reports were presented on 21 June 2002 and the explanatory notes there to are not yet due.

Department-wise analysis is given in **Appendix XXV**. Departments largely responsible for non-submission of explanatory notes were Public Works, General Administration, Social Welfare and Health and Family Welfare Departments. Government did not respond to even reviews having important issues like system failures, mis-management and misappropriation of government money. Absence of replies hampered the work of the PAC.

(b) Outstanding Reports of Public Accounts Committee.

Replies to 175 paragraphs pertaining to 21 Reports presented to the State Legislature between March 1986 and March 2001 had not been received as on March 2002 as indicated below:

Year of the PAC Report	Total number of Reports involved	No. of paragraphs where replies not received
1985-86	1	2
1994-95	2	4
1995-96	6	21
1997-98	3	22
1998-99	5	49
2000-2001	4	77
Total	21	175

The replies to 175 paragraphs were required to be furnished within 6 months from the presentation of the Reports. This has resulted in non-compliance of the observations made by Public Accounts Committee.

CHAPTER – IV

WORKS EXPENDITURE

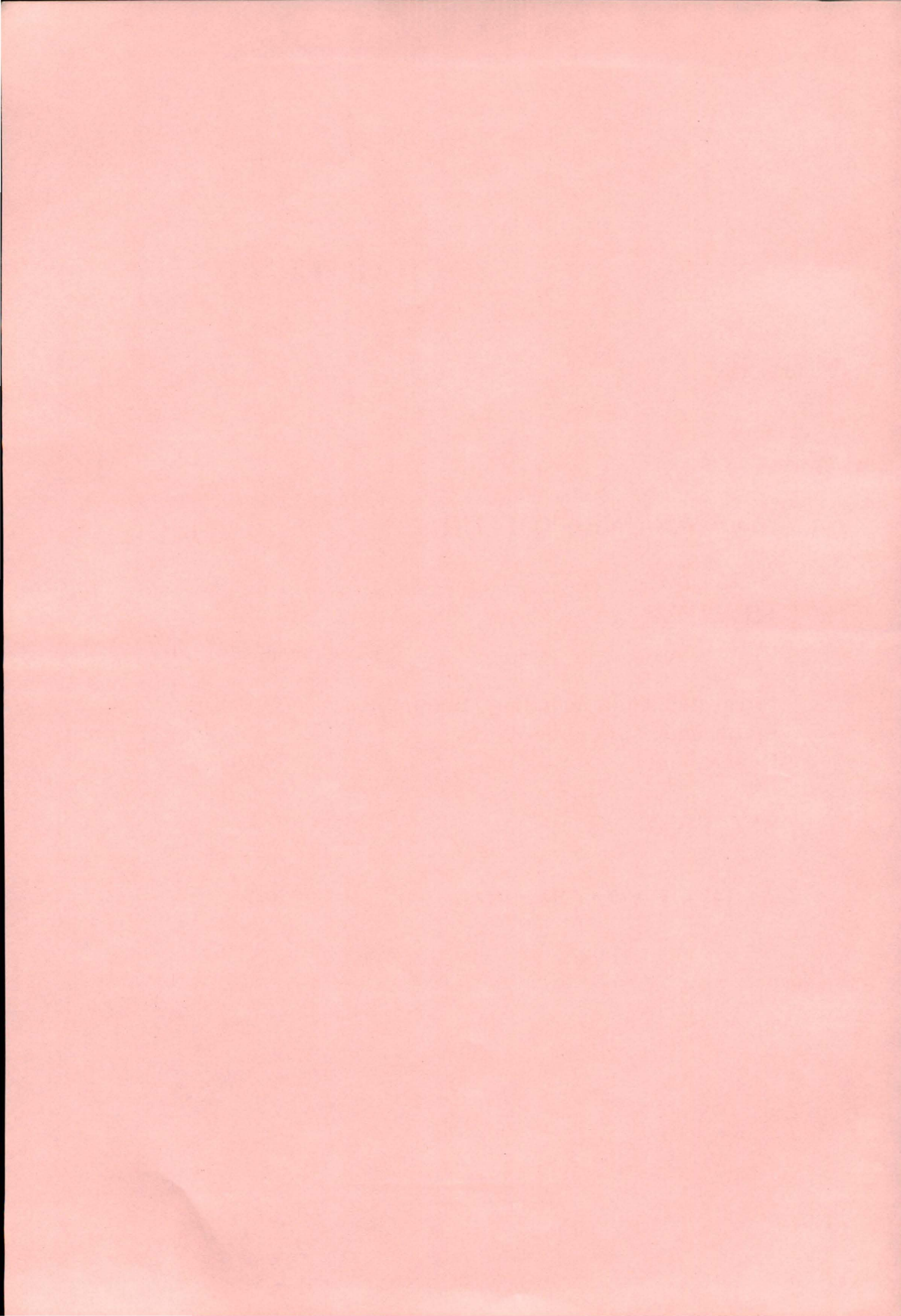
SECTION – A REVIEW

Page

Integrated Audit including Manpower Management of Public Works Department	55-69
--	--------------

SECTION – B

AUDIT PARAGRAPHS	70-79
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CHAPTER-IV

WORKS EXPENDITURE

SECTION 'A' REVIEW

Public Works Department (Buildings & Roads Branch)

4.1. Integrated Audit including Manpower Management of Public Works Department

Highlights

The Public Works Department (PWD), Buildings and Roads (B&R) Branch is responsible for construction, maintenance and repair of roads, bridges, flyovers and buildings. The State had a network of 45,931 Kms of roads, 606 bridges and 10 flyovers as of March 2002. Details of buildings were not maintained by the Chief Engineer. Financial management and control over expenditure was deficient leading to preparation of inflated budget estimates and unjustified supplementary demands/ re-appropriation of grants. Delay in completion of works resulted in cost and time over run and large number of works were executed without sanction of estimates. Some of the significant findings are given below:

Budgetary control was deficient. Budget demands of 9 divisions were 41 to 57 per cent higher than expenditure each year during 1999-2002 and were prepared on adhoc basis. Additional funds through supplementary and re-appropriation grants resulted in Rs. 118.94 crore remaining unutilized.

(Paragraph 4.1.6.1 & 4.1.6.2)

Excess expenditure under 31 sub-heads ranged between 7 and 12,015 per cent during 1999-2002. Under 83 sub-heads, Rs. 895.18 crore was incurred without any provision during 1999-2002.

(Paragraph 4.1.6.3 & 4.1.6.4)

Irregular liability of Rs. 10.47 crore was created during 1999-2002 for supplies made and works executed.

(Paragraph 4.1.7)

Sales Tax and Income Tax of Rs. 83.26 lakh and Rs.98.46 lakh respectively deducted from the bills of contractors were not deposited into Government account.

(Paragraph 4.1.10)

Reimbursement of Rs. 4.78 crore pertaining to works on National Highways was withheld by Ministry of Surface Transport due to failure to follow proper procedure and reconcile accounts.

(Paragraph 4.1.11)

Despite lack of funds for ongoing schemes, 13 new schemes were taken up without plan allocation.

(Paragraph 4.1.16)

Completion of 13 works in five test checked divisions was delayed by 6 to 63 months.

(Paragraph 4.1.17.1)

Over specifications in applying tack coat resulted in extra expenditure of Rs. 3.39 crore in 11 Divisions.

(Paragraph 4.1.17.2)

Rs. 43.86 crore was spent irregularly by 4 divisions on 26 works without getting technical sanctions from competent authority.

(Paragraph 4.1.17.4)

Rs. 1.03 crore was incurred on construction of bridge without completion of approaches and protection work for the last 32 months.

(Paragraph 4.1.17.5)

Departmental land valuing Rs. 1.64 crore was under un-authorised occupation of private persons and the cases were under litigation.

(Paragraph 4.1.18.1)

Rs. 1.02 crore was paid as salary to idle drivers and cleaners.

(Paragraph 4.1.20.3)

4.1.1 Introduction

The Public Works Department, Buildings & Roads (B&R) Branch is responsible for construction, maintenance and repair works of roads, bridges, and buildings. The State had a total length of 45,931 Kms. of roads, 606 bridges and 10 flyovers. The number of buildings maintained was not available with the Chief Engineer.

4.1.2 Organisational set up

The Principal Secretary to Government of Punjab, Public Works Department (B&R) is in overall charge of the department. He is assisted by 5 Chief Engineers (CEs), 21 Superintending Engineers (SEs) and 78 Executive Engineers (XENs).

4.1.3 Audit coverage

Review of working of the department was done during January to April 2002 in 20¹ out of 78 divisions involving expenditure of Rs.288.03 crore (14 per

¹ Rural Works Division Nabha, Malerkotla, No.I Ferozepur, Sirhind, Ropar, Jalandhar, Amritsar, Hoshiarpur, Roads and Bridges Division, Patiala, Amritsar, No.I Mohali, No.II Mohali, Hoshiarpur, Central Works Division No. II, Patiala, No. II Amritsar, Hoshiarpur, Provincial Division Jalandhar, Hoshiarpur, Mechanical Division, Patiala and Jalandhar.

cent) for the period 1999-2002. Records in the office(s) of 4 CEs², 5 SEs³, Land Acquisition Officer (LAO) PWD (B&R), Jalandhar and Pay & Accounts Officer (PAO), Ministry of Surface & Transport (MOST) were reviewed.

4.1.4 Funding pattern

Funds are provided by the Government of Punjab through annual budgetary allotment to the Chief Engineer who regulates the release to field formations through Letter of Credit (LOC). Besides, Punjab Roads and Bridges Development Board was set up during July 1998 for providing funds for improvement and maintenance of roads and bridges. Additional finances are also mobilised through National Bank for Agriculture and Rural Development (NABARD) and Housing and Urban Development Corporation (HUDCO). Funds are also provided by Punjab State Agriculture Marketing Board for the repair/ construction of village roads.

4.1.5 Financial Outlay and expenditure

The budget provision and expenditure incurred were as under:

Excess
expenditure
of Rs.370.87
crore

(Rupees in crore)

Year	Budget Provision	Supplementary grant	Total	Surrender if any	Total expenditure	(-) Saving (+) Excess
1999-2000	501.96	73.37	575.33	--	567.83	(-) 7.50
2000-01	516.65	22.97	539.62	--	592.50	(+) 52.88
2001-02	496.12	7.30	503.42	--	828.91	(+) 325.49
TOTAL	1514.73	103.64	1618.37	--	1989.24	(+) 370.87

Reasons for excess expenditure and source from where the excess was met were awaited. The abnormal excess showed unrealistic budget estimates. The detailed expenditure under Capital/Revenue heads are given below:

(Rupees in crore)

Year	Capital Heads			Revenue Heads		
	Budget provision	Expenditure	Savings	Budget provision	Expenditure	Excess
1999-2000	266.39	84.69	181.70	308.94	483.14	174.20
2000-2001	278.04	113.50	164.54	261.58	479.00	217.42
2001-2002	279.86	189.07	90.79	223.56	639.84	416.28

A review of budget provision and expenditure revealed that there were savings under Capital heads and excess under Revenue heads. As per budget manual, savings under capital heads cannot be reappropriated to revenue even within the same grant and savings should be resumed to Government. The department failed to utilize the provisions under capital heads and hence many works/projects languished for want of funds.

² CE North, South, IP and Electrical.

³ SE Central Works Circle, Ludhiana, Amritsar, Construction Circles, Ludhiana, Amritsar and Hoshiarpur.

4.1.6 Financial Management

4.1.6.1 Preparation of inflated budget estimates

According to the Punjab Budget Manual, the budget estimates for ensuing year should be based on average expenditure for six months of previous year and actual expenditure of first six months of current year to make realistic estimates. The budget demanded, allotted and expenditure incurred by 9 divisions was as under:

(Rupees in crore)

Year	Budget demanded	Budget allotted	Expenditure	Percentage of inflated budget estimates over expenditure
1999-2000	63.32	44.32	40.42	57
2000-01	68.29	43.26	44.66	53
2001-02	70.66	56.16	50.03	41
Total	202.27	143.74	135.11	50

Divisions prepared the Budget on adhoc basis

This indicated that budget estimates were prepared on adhoc basis. The expenditure was far less than the amount demanded or allotted.

4.1.6.2 Injudicious supplementary demands/ re-appropriation of grants

Test check of supplementary demands and re-appropriation of grants for 1999-2000 revealed that though expenditure against two⁴ sub heads under Major Heads "2059-Public Works" and "5054-Capital Outlay on Roads and Bridges" was Rs.87.09 crore against budget provision of Rs.94.64 crore and there was saving of Rs.7.55 crore, a supplementary grant of Rs.60.71 crore and Rs.13.13 crore through re-appropriation were obtained resulting in savings of Rs.81.39 crore.

Supplementary demands and re-appropriation resulted in excess provision of Rs.118.94 crore

In three cases mentioned below although no expenditure was incurred against a small budget provision, heavy amount was re-appropriated. Such unwanted provisions were neither surrendered nor utilized appropriately.

(Rupees in crore)

Major Heads	Sub Heads	Budget Provision	Expenditure	Provisions through re-appropriation
4059-Capital Outlay on Public Works	80-General	0.20	--	0.17
	051-Construction			
-do-	04-Construction of Office buildings	0.32	--	1.87
	07-Setting up of Information Collection centre			
5054- Capital Outlay on Roads and Bridges	337-Road Works	--	--	34.99
	01-Land Acquisition			
	TOTAL	0.52	-	37.03

Due to such lack of budgetary control, Rs. 118.94 crore remained unutilized.

⁴ (i) 2059-Public Works-80 General-001 Direction and Administration-03 Execution
(ii) 5054-Capital outlay on Roads and Bridges-337 Road works-02 Other Schemes.

4.1.6.3 *Excess expenditure over budget grants*

Excess expenditure under 31 sub heads ranged between 7 and 12,015 per cent

Excess expenditure under 31 sub-heads (*Appendix XXVI*) ranged between 7 and 12,015 per cent of the original provision. Reasons for such excess expenditure and regularization to ensure Legislative control are awaited.

4.1.6.4 *Expenditure without Budget Provision*

Expenditure of Rs.895.18 crore under 83 sub-heads was incurred without budget provision

Rs.895.18 crore was incurred under 83 sub-heads of account (*Appendix XXVII*) without any budget provisions indicating failure of Controlling Officers. This was breach of Legislative control.

4.1.6.5 *Trend of revenue and capital expenditure*

Revenue expenditure and Capital expenditure during 1999-2002 was as under:

(Rupees in crore & percentage within brackets)

Year	Total Expenditure	Revenue expenditure		Capital Expenditure
		Establishment	Maintenance	
1999-2000	567.83	291.12 (51)	192.02 (34)	84.69 (15)
2000-01	592.50	326.07 (55)	152.93 (26)	113.50 (19)
2001-02	828.91	493.34 (59)	146.50 (18)	189.07 (23)

Percentage of capital expenditure to total expenditure was very low and ranged between 15 and 23 per cent. Further, the maintenance expenditure declined to a low of 18 per cent but the establishment expenditure increased to 59 per cent of total expenditure by March 2002. High establishment expenditure without corresponding capital and maintenance expenditure indicated an under-utilized workforce.

4.1.6.6 *Control over expenditure*

(i) *Non-maintenance of Control Register*

Control register to monitor expenditure was not maintained

Controlling Officers were required to maintain expenditure control register to monitor grant-wise, sub head-wise, monthly, quarterly and year-wise expenditure. The department was also required to maintain control register for annual plan outlay and expenditure incurred there against. It was noticed that this register was not maintained by the Superintending Engineers, Central Works Circle, Ludhiana, Construction Circle, Ludhiana and Amritsar. Chief Engineer also did not maintain such register.

(ii) *Delay in submission of monthly expenditure returns*

The Divisional Officers were required to submit monthly expenditure returns to Controlling Officers. 226 monthly expenditure returns were submitted late by 5 to 29 days during the period 1999-2002 by 18 Divisional Officers. The Controlling Officers had neither investigated the reasons for delayed submission of returns nor taken corrective measures.

4.1.7 Irregular contracts creating liability

Irregular liability of Rs.10.47 crore created

Departmental rules provide that works should commence after budget allotment was made. The Finance Department and Chief Engineer reiterated in August 1999 and September 2001 that no liability should be created without the prior written permission of the Finance Department.

Upto September 1999, the pending liability for work done and material supplied amounted to Rs. 6.45 crore. This was without budget provision. During 2000-2002, further liability was created for an amount of Rs.4.02 crore by six⁵ divisions without budget provision. This was breach of financial budgeting and legislative control.

4.1.8 Utilisation of departmental receipts towards expenditure

Six⁶ divisions utilised departmental receipts amounting to Rs.26.50 lakh towards expenditure over and above the LOC. Thus, Rs. 26.50 lakh was spent without approval of Legislature.

4.1.9 Excess expenditure than deposits

Excess expenditure of Rs.9.75 crore was incurred on deposit works by diversion of funds

Departmental rules provide that for deposit works, advance payments upto the gross estimated expenditure is required and expenditure should be limited to the amount of deposits received. Test check of three⁷ divisions revealed that against deposits of Rs.9.60 crore, expenditure of Rs.19.35 crore was incurred. Rs.9.75 crore was financed by diverting funds from other works which was a misutilisation of budget.

On being pointed out, the XENs stated (February & March 2002) that matter was being taken up with the client department for additional funds.

4.1.10 Non-deposit of Sales Tax and Income Tax

Sales Tax of Rs.83.26 lakh and Income Tax of Rs.98.46 lakh deducted from contractors were not deposited into Government account

In five⁸ divisions, Sales Tax of Rs. 83.26 lakh and Income Tax of Rs.98.46 lakh deducted from the bills of contractors during the years 1999-2002 was not deposited into the treasury.

On being pointed out, 3 XENs stated (February–March 2002) that Sales Tax and Income Tax recovered will be deposited into treasury on receipt of funds and 2 XENs stated that Sales Tax deducted was adjusted through book adjustment. The replies were not tenable as funds were available against various deposit works and gross amount of the work done should have been debited to recover Sales Tax and Income Tax for subsequent deposit into

⁵ Rural Works Division, Hoshiarpur, Central Works Division No. II Amritsar, No. II Patiala, Hoshiarpur, No. III Ludhiana and Mechanical Division, Jalandhar.

⁶ XEN, RW Division Sirhind, Ropar, Jalandhar, Malerkotla, Provincial Division Jalandhar and CW-Division II, Amritsar.

⁷ XEN, Rural Works Division, Sirhind, Ropar, Amritsar.

⁸ XEN, RW Division-I Ferozepur, Sirhind, Jalandhar, Central Works Division II, Patiala and Provincial Division, Jalandhar.

Government account. Debiting the net amount to work means additional funds are left with the division for expenditure outside the appropriation.

4.1.11 Reimbursement of expenditure by MOST

The expenditure on National Highways (NHs) works is initially incurred by State Public Works Department which is subsequently reimbursed by the Ministry of Surface Transport (MOST). Year-wise claims preferred for reimbursement, the reimbursement made and amounts pending as of June 2002 were as under:

(Rupees in crore)

Year	Amount claimed	Amount Reimbursed by MOST	Amount not reimbursed		
			Withheld	Disallowed	Total
1999-2000	25.70	24.88	0.77	0.05	0.82
2000-2001	42.95	41.30	1.47	0.18	1.65
2001-2002	12.26	8.89	2.54	0.83	3.37
Total	80.91	75.07	4.78	1.06	5.84

Reimbursement amounting to Rs.4.78 crore was not made by Ministry

The PAO, MOST stated (July 2002) that withheld amounts represented expenditure which was either in excess of sanctioned estimates or not supported by proper documents and the disallowed amounts represented expenditure on account of office expenses, oil and lubricants for jeeps, furniture, petty tools and plants which was to be met from the agency charges payable. The PAO also opined that the withheld amounts were increasing due to non-reconciliation of accounts by PW Divisions and failure to submit claims with proper compliance of observations. Thus, inaction of the department had resulted in getting less reimbursement of Rs. 4.78 crore from Government of India.

4.1.12 Non-Reconciliation of withdrawals and remittances

Reconciliation of withdrawal of Rs.168.26 crore and remittances of Rs.0.88 crore was not done

Financial rules provide that Drawing and Disbursing Officer (DDO) should reconcile every month all the withdrawals/deposits into treasury with the figures appearing in the books of the treasury/ bank and record a certificate to this effect in the cash book. Reconciliation of withdrawals of Rs. 168.26 crore and remittances of Rs. 0.88 crore had not been done by eleven⁹ divisions. Delay and failure in reconciliation is fraught with risk of non-detection of frauds, mis-classification and mis-appropriation of Government receipts and excess drawal of cheques over letter of credit.

The XENs stated (March 2002) that needful will be done in due course.

4.1.13 Pending recovery of licence fee

The department provides residential accommodation to Government employees from whom licence fee at prescribed rates was to be recovered. In

⁹ XEN, RW Division, Nabha, RW No I Ferozepur, RW Sirhind, Central Works No.2 Patiala, Central Works No.2 Amritsar, R&B Patiala, Amritsar, Mechanical Division, Jalandhar, Patiala, Construction Circle, Ludhiana and Provincial Division, Jalandhar.

two¹⁰ divisions, Rs.26.20 lakh were outstanding for recovery toward licence fee from Government employees pertaining to the period from March 1990 to March 2002. Reasons for non-recovery and action taken to recover were not furnished to Audit.

4.1.14 Court and arbitration cases

(i) Court cases

Status of court cases in fifteen¹¹ circles was as under:

Year	Opening balance	Additions during the year	Decided in favour of department	Decided against the department	Payment of compensation made (Rs. in Lakh)	Balance cases
1999-2000	865	117	52	43	18.32	887
2000-01	887	352	71	32	3.32	1136
2001-02	1136	153	83	54	11.13	1152
			206	129	32.77	

Out of 1,487 cases, 129 cases were decided against the department for which the department had paid compensation of Rs. 32.77 lakh. The court cases also increased from 865 to 1,152 during the years.

(ii) Arbitration cases

Status of arbitration cases in fifteen¹¹ circles was as under:

Year	Opening balance	Additions during the year	Cases decided in favour	Cases decided against	Balance
1999-2000	41	25	02	--	64
2000-01	64	15	07	03	69
2001-02	69	4	12	06	55

The pending arbitration cases have increased from 41 as on 1 April 1999 to 55 as on 31 March 2002. The large number of pending court cases and arbitration cases indicate faulty contracts, faulty estimates, doubtful rates, design changes etc. necessitating recourse to litigations.

4.1.15 Targets and achievements

4.1.15.1 Roads

The State has 45,931 kms of roads including National and State highways, district roads and village roads. The targets and achievements in respect of works of National Highways were as per table given below:

Year	Widening of Roads		Raising of Roads		Strengthening of Roads		Renewal of Roads	
	Targets	Achievements	Targets	Achievements	Targets	Achievements	Targets	Achievements
	(In Kms)							
1999-2000	11	10.396	3	3.093	30	28.12	100	105
2000-01	12	11.226	Nil	Nil	13	12.540	Nil	Nil
2001-02	7	7	Nil	Nil	6	5.190	Nil	Nil

¹⁰ XEN, Provincial Division, Amritsar and Jalandhar.

¹¹ SE Mech. Patiala, SE Ludhiana, SE Const., Chandigarh, Bathinda, Patiala, Hoshiarpur, Pathankot, Ferozepur, Amritsar, Sangrur, Jalandhar, SE CW, Chandigarh, SE Electrical Chandigarh, SE CW, Amritsar, SE, Faridkot.

No targets were, however, fixed for the State Highways, District roads, link roads, bridges and construction/maintenance of buildings. Village roads were financed by Punjab State Agriculture Marketing Board.

4.1.15.2 Maintenance and repairs (Plan roads)

The targets and achievements were as under:

Year	Targets	Achievements	Shortfall (Percentage)
	(In Kms)		
1999-2000	1528.06	1324.77	203.09 (13)
2000-01	2668.15	1378.28	1289.87 (48)
2001-02	2801.35	1512.59	1288.76 (46)

The shortfall in achievements ranging between 13 and 48 per cent was attributed (July 2002) to paucity of funds. It was seen that the budget allocation¹² for repairs of roads and maintenance was not commensurate with the targets and was continuously reduced by the State Government. The expenditure also continually declined to Rs.146.50 crore per annum (Para 4.1.6.5. refers).

4.1.16 Programme Management

In the Ninth Five Year Plan (1997-2002), an outlay of Rs. 789.61 crore was proposed for execution of various roads, bridges and public works/ schemes. The year-wise details were as under:

Year	(Rupees in crore)			
	Annual outlay provided in the plan	Budget provision	Expenditure	Percentage of expenditure to budget provisions
1997-98	65.01	62.95	49.96	79
1998-99	134.17	130.48	71.79	55
1999-2000	181.48	178.46	111.78	63
2000-01	165.59	188.80	93.05	49
2001-02	239.19	206.13	119.32	58

Despite lack of funds for ongoing schemes, 13 new schemes were taken up

A review of expenditure incurred on various schemes for which outlay was provided in the Ninth Five Year Plan (1997-2002) revealed that pace of expenditure on these schemes was slow, the stated reasons being lack of funds. In spite of this, 13 new schemes were taken up during 1998-2002 without outlay and an expenditure of Rs. 254.44 crore was incurred. This must have affected the execution of schemes originally included in Ninth Five Year Plan. The details of incomplete projects and funds blocked on their execution were awaited from the Chief Engineer (July 2002).

¹² 1999-2000 : Rs.122.62 crore; 2000-2001 : Rs.97.89 crore; 2001-2002 : Rs.48.13 crore

4.1.17 Execution

4.1.17.1 Time and cost over run

The time and cost over run noticed in 13 works of five test checked divisions were as under:

Details of Time and Cost over run

(Rupees in lakh)

Sr. No.	Name of the Division	Name of Work	Estimated cost	Expenditure	Cost over-run	Scheduled date of completion	Actual date of completion	Delay in completion in months	Reasons for delay
1.	Roads & Bridges Division-I, Mohali	I. Construction of HL Bridge over Dhabota Khud at Bharatgarh-Nalagarh road	131.17	103.04	-	October 1999	In progress	29	H.P. Government's share not yet received
		II. Raising/strengthening/Improvement of Guru Gobind Singh Marg	115.29	93.42	-	December 1998	June 1999	6	Lack of funds
		III. Raising Chandigarh-Mullanpur road (1.75 to 2.33 km)	23.80	17.61	-	March 1999	March 2000	12	Non-cutting of trees by Forest Deptt. and change in scope of work.
		IV. Kharar-Banur road (11.50 to 21.30 km)	70.70	71.67	0.97	January 2000	October 2001	22	Shortage of funds
		V. Construction of H.L. Bridge over Sagrao nadi	124.94	154.67	29.73	March 2001	In progress	12	Administrative/financial and technical problems
		VI. Construction of 4-laning of RGN Road (29.50 to 34.09 kms)	905.77	866.14	-	August 1998	April 1999	8	Administrative/financial and technical problems
		VII. Raising Landran-Chunni road	190.24	126.13	-	July 2001	In progress	8	Change in design of side drain, scope of work and shortage of funds.
2.	Roads & Bridges Division No.2, Mohali	VIII Constructing HL Bridge over Tangri Choe crossing Banur Nadi/ali road	117.45	114.03	-	December 1997	In progress	51	Dispute of payment and non-supply of drawings
3.	Roads & Bridges Division, Hoshiarpur	IX Constructing HL Bridge over Usman Sahid Choe	54.00	69.25	15.25	October 1996	September 1999	35	Paucity of funds
		X Constructing HL Bridge along both sides Bunds on Tanda Sri Hargobindpur	1346.00	1662.74	316.74	December 1996	In progress	63	Paucity of funds
		XI Construction of Tanda side approach to HL Bridge at Sri Hargobind pur	284.60	407.57	122.97	December 1996	In progress	63	NA
4.	Central Works Division, Hoshiarpur	XII Strengthening of existing 2-lane pavement in km-75 to 84.90 National Highway No.1, Jalandhar-Pathankot Road	263.86	260.21	58.11	April 2000	In progress	24	NA
5.	Provincial Division, Jalandhar	XIII Construction of Judicial Court Complex at Jalandhar	505.29 (747.00 revised)	534.23	28.94	January 1999	In progress	39	Non-availability of site

Completion of 13 works was delayed by 6 to 63 months

Completion of 5 works out of 13 was delayed for periods ranging between 6 and 35 months as of March 2002 and 8 works were in progress although their completion had already been delayed by 8 to 63 months. Against the estimated cost of Rs. 1.25 crore, 2 works (Sr. No. IV and IX) were completed at a cost of Rs. 1.41 crore resulting in cost over run of Rs.16.22 lakh.

The time and cost over runs were mainly due to shortage of funds, failure of the department in making available drawings, etc.

4.1.17.2 *Extra expenditure due to over specification in applying tack coat*

Over specifications in applying tack coat caused extra expenditure of Rs.3.39 crore

The Ministry of Road Transport and Highways (MORT&H) advised the application of a single coat of bituminous emulsion varying from 2 to 2.5 kg per 10 square metre on existing road surface in place of 5 kg of bitumen. This was brought to the notice of all the SEs in Punjab (October 1996).

In eleven¹³ divisions, during 1999-2002 tack coat had been applied on 139.04 lakh square metre of various works by using 5 kgs bitumen. Thus, 6,952 MT of bitumen valuing Rs. 6.74 crore instead of 3,476 MT bituminous emulsion was consumed resulting in extra expenditure of Rs. 3.39 crore.

The XENs stated (February & March 2002) that the works have been executed as per provision/specification of the sanctioned estimates. The replies were not tenable as the estimates should have been prepared keeping in view the revised specifications of MORT&H.

4.1.17.3 *Adoption of richer specifications*

State Government approved (September 1999) the work "Improvement of Ropar-Guzzar Nangal Road" Km. 41.66 to 53 at a cost of Rs.77.58 lakh. The sanctioned estimate included provision of laying bituminous macadam of 50 mm thickness and graded pre-mix carpet.

Adoption of richer specifications without approval from competent authority resulted in extra expenditure of Rs.23.31 lakh

Scrutiny of records of the office of XEN, Roads & Bridges Division No. I, Mohali revealed (February 2002) that in contravention of the specifications approved by the Chief Engineer, bituminous macadam of 75 mm instead of 50 mm thickness and mix seal surfacing instead of graded pre-mix carpet was actually laid. Thus, adoption of richer specifications resulted in extra avoidable expenditure of Rs.23.31 lakh.

On being pointed out, the XEN stated (March 2002) that case for revised administrative approval on the basis of actual work done had been submitted (November 2001) to the Chief Engineer. Although revised sanction was awaited, execution of work by adopting richer specifications without the approval of the Chief Engineer, was irregular. Reasons for adopting richer specification were also awaited (July 2002).

Rs.43.86 crore irregularly spent without technical sanction

4.1.17.4 *Execution of works without technical sanction*

Under the codal provisions, no work should be commenced unless an administrative approval is obtained, a detailed estimate is technically sanctioned and funds are made available.

¹³ Rural works Division Jalandhar, Sirhind, Nabha, Malerkotla, No. I Ferozepur, Amritsar, Hoshiarpur, Roads and Bridges Division, Patiala, Amritsar, Hoshiarpur, Central Works Division, Hoshiarpur.

It was noticed that expenditure of Rs. 43.86 crore was incurred by four¹⁴ divisions against 26 estimates during 1999-2002 (*Appendix XXVIII*) without obtaining technical sanction from the competent authority.

4.1.17.5 Unfruitful expenditure on construction of a bridge

The work of construction of High Level Bridge over Dhabota Khad crossing Bharatgarh-Nalagarh road including approaches and protection works was approved by Government in May 1999 at an estimated cost of Rs.1.52 crore.

The construction was completed in November 1999 at an expenditure of Rs.1.03 crore. The bridge could not be opened to traffic as the protection works and approaches towards Himachal Pradesh (HP) had not been completed upto July 2002 due to non-receipt of Rs.38.37 lakh (as per revised estimated cost) from HP Government. It was contended by the department that the cost of 2 spans out of 15, protection works and approaches falling in HP territory was recoverable from HP Government. Although Chief Engineer while approving (October 1998) the NIT had specially laid down that work should not be commenced without deciding the cost sharing arrangements with HP, the work was taken up without settling the issue. The Chief Engineer, PWD, HP was requested (June 1999) to deposit the funds who in turn intimated (July 1999) the CE, PWD, B&R, Patiala that the issue of sharing the cost of construction between two States was neither raised prior to commencement of work nor during foundation laying ceremony. Thus, the failure to settle the issue of cost sharing delayed the completion of protection works and approaches. Rs.1.03 crore incurred so far on construction of bridge has been rendered wasteful for the last 32 months besides denying intended benefit to public.

Expenditure of Rs.1.03 crore incurred on construction of a bridge proved wasteful due to non-completion of approaches

The XEN stated (September 2001) that matter has been taken up with HP Government. The reasons as to why cost payable by HP was not settled prior to the commencement of work as per directions of the Chief Engineer were not intimated (July 2002).

4.1.17.6 Loss of revenue due to non-levy of Toll fee

Under the provisions of Punjab Mechanical Vehicles (Bridges and Roads Tolls) Act 1998 (Act), toll fee was to be levied on vehicles crossing certain bridges and using certain roads in the State. The Act further provided that the State Government shall lease the right for collection of toll fee of a bridge/road to any person by invitation of bids where such bridge/road was constructed, developed and maintained by the State Government. The Government identified Tanda Sri Hargobindpur Bridge on Beas River for levy of toll fee and included it in the first schedule of the Act.

Inordinate delay in completing the approaches and delay in issuing revised NIT caused loss of revenue of Rs.3.48 crore

Scrutiny of records of the Executive Engineer; Roads and Bridges Division, Hoshiarpur (XEN) revealed (July 2001) that the above mentioned bridge constructed at a cost of Rs. 16.56 crore was inaugurated in June 1999. The

¹⁴ Roads and Bridges Division No I and II Mohali, Hoshiarpur & Central Works Division Hoshiarpur

Notice Inviting Tender (NIT) to levy toll fee on the above bridge was approved in August 1999. In response to NIT, no tenderer came forward till the stipulated date (15 December 1999) as there was an error in the NIT regarding rates of toll fee. Although another NIT for Rs. 1.19 crore on the basis of revised rates of toll fee was approved in February 2001, NIT was not issued by the XEN as of May 2002.

The XEN stated (May 2002) that the work of construction of single span bridge on the approaches (Sri Hargobindpur side) adjoining main bridge were still in progress and that toll fee would be levied only after the approaches were ready and toll plaza case was approved. The reply is not tenable because despite approval of revised NIT by Government for levy of toll fee, tenders were not invited and construction of single span bridge adjoining the main bridge, as contended by the XEN, should not have obstructed the levy of toll fee. Further the bridge was opened to traffic in June 1999 implying that the approach roads though incomplete were usable.

Thus, inordinate delay in issuing revised NIT for toll collection resulted in loss of revenue amounting to Rs. 3.48 crore (calculated with reference to the traffic census and rates of revised toll fee provided in the NIT) for the period from September 1999 to March 2002.

4.1.18 Land Management

4.1.18.1 Unauthorized occupation of Government land

Scrutiny of records in eight¹⁵ divisions revealed that land measuring 7 acre and 16 marla (value Rs. 1.64 crore) and 4 acre 4 kanal 2 marla (value not known) (*Appendix XXIX*) belonging to Public Works Department (B & R) was under unauthorized occupation of private persons for the last 3 to 24 years. The XENs stated that cases were pending in different courts (July 2002).

4.1.19 Machinery and Equipment

4.1.19.1 Under-Utilization of machinery

The Department is operating 3 Mechanical Divisions at Ferozepur, Jalandhar and Patiala for maintenance and repair of Government machinery. Test check of records of divisions at Jalandhar and Patiala revealed that machinery was under-utilized during 1999-2001. Year-wise details of estimated and actual working hours of the machinery were as under:

Name of Division	Year	Tipper etc.			Hot Mix Plants			Other machinery		
		Estimated	Actual	Percentage Shortfall	Estimated	Actual	Percentage Shortfall	Estimated	Actual	Percentage Shortfall
Mechanical Division, Jalandhar	1999-2000	2,04,000	33,728	83	1,400	549	61	3,840	1,268	67
	2000-2001	2,04,000	53,656	74	1,400	770	45	3,840	1,796	53
Mechanical Division, Patiala	1999-2000	1,26,000	28,297	78	700	133	81	2,200	400	82
	2000-2001	1,26,000	24,466	81	700	182	74	2,200	530	76

¹⁵ Rural Works Division, Sirhind, Roads and Bridges Division, Patiala, Amritsar, Hoshiarpur, Provincial Division, Jalandhar, Central Works Division No II, Amritsar, No II Patiala, Hoshiarpur.

Shortfall in utilisation of machinery ranged between 45 and 83 per cent

The shortfall in utilisation of tippers, etc. ranged between 74 and 83 per cent and of other machinery, it ranged between 53 and 82 per cent. In the case of Hot Mix Plants, the shortfall in utilisation ranged between 45 and 81 per cent. The divisions attributed it to lack of contracts. Thus, denial of work to Mechanical division by other concerned divisions and getting work done from private contractors resulted in under-utilization of machinery and un-economical functioning of Mechanical Divisions.

4.1.19.2 Un-economical functioning of workshops

Workshops grossly underutilized and thus un-economical

The Mechanical Division, Jalandhar has under its jurisdiction four workshops at Jalandhar, Hoshiarpur, Gurdaspur and Ludhiana for repair of departmental machinery. Scrutiny of operation and out-turn statements of these workshops disclosed that against the salary expenditure of Rs.86.89 lakh which in itself is an understated figure, the out turn was only Rs.4.63 lakh (5 per cent).

The Superintending Engineer, Mechanical, PWD, B&R, Patiala with the approval of Chief Engineer issued (October 2000) instructions to all the Mechanical Divisions not to charge the salaries of regular work charged staff to the works. Consequent upon this, the expenditure incurred on salary of such staff though initially charged to salary head was not being transferred to the workshops resulting in understatement of expenditure in Mechanical divisions.

The XEN admitted that departmental machinery was standing idle due to less inflow of machinery for repairs.

4.1.19.3 Ungainful expenditure on a defunct sub-division

Prior to August 1996, the sub-division, Mubarakpur attached to the Executive Engineer (XEN), PWD (B&R), Rural Works Division, Sirhind was entrusted with the work of up-keep of roads falling under the jurisdiction of three Market Committees of Banur, Derabassi and Lalru. The State Government decided (August 1996) to transfer these works to Punjab Mandi Board (another work executing agency of Punjab Government) with the result that the sub-division was left with no other work justifying its continuation.

Scrutiny of records (November 2001) revealed that after the transfer of work (August 1996), the sub-division continued without work with 15 employees¹⁶.

On being pointed out in audit, the XEN stated (November 2001) that matter regarding the transfer of the staff/ sub-division was under correspondence with higher authority/ Government. Indecision of the Government either to entrust adequate work to the sub-division or transfer men and machinery to some other division resulted in ungainful expenditure of Rs. 63.82 lakh on salary and allowances of idle staff from January 1997 to March 2002.

¹⁶ 3 Junior Engineers, 1 sub-divisional clerk, 2 peons, 4 drivers, 2 cleaners, 2 chowkidars and one Sub-Divisional Engineer.

4.1.20 Personnel Management

4.1.20.1 Staff Position

No consolidated record was maintained at Secretariat level or at Head of Department (CE) level regarding norms for sanction of posts. Consolidated position of technical and non-technical staff for the whole department was not available with the C.E. No monitoring of sanctioned strength and deployment of staff was done at Secretariat/ Departmental level.

4.1.20.2 Excess staff

Test check of records of three¹⁷ Divisions revealed that 10 Junior Engineers were in excess of the sanctioned strength whereas 31 posts in this cadre were short in the State. Retention of staff in excess of sanctioned strength, without any increase in the load of work, was not justified.

4.1.20.3 Unproductive expenditure due to idle staff

Test check of eight¹⁸ divisions revealed that 41 drivers and 16 cleaners remained idle due to condemnation of old vehicles and execution of works through contractors. Expenditure of Rs.1.02 crore incurred on their pay and allowances proved unproductive. The idle staff was not diverted for gainful utilization. The XENs stated (February 2002) that the matter had been taken up with the higher authorities.

Expenditure of Rs.1.02 crore on the salary of drivers and cleaners proved unproductive

4.1.21 Monitoring

The execution/ completion of works was required to be effectively monitored by the Chief Engineer, to ensure that for each work, various targets relating to time, cost, services etc. were achieved. The Chief Engineer intimated that no monitoring cell has been set up. Further no effective monitoring of the quality and progress of works was carried out by the department which resulted in inordinate delay in completion of several works, incurring of expenditure in excess of administrative approval and non-achievement of targets.

The draft review was forwarded to the Secretary in May 2002 for reply within six weeks who was reminded in June 2002. In spite of such efforts, no reply was received (July 2002).

¹⁷ XEN R&B Division, Mohali:3, Patiala:3 and RW Nabha:4

¹⁸ XEN R&B Division Patiala, Amritsar, RW Jalandhar, Nabha, Malerkotla, Ferozepur, Central Works II, Amritsar and CW-II, Patiala

SECTION 'B'—AUDIT PARAGRAPHS

**Public Works Department
(Buildings and Roads Branch)**

4.2 Loss due to excess issue of material to a contractor and delay in preparation of final bill

Non-recovery of cost of material from the running bills of the contractor for about 6 years resulted in a loss of Rs. 28.09¹⁹ lakh

The Executive Engineer, Rural Works Division, Ropar (XEN) allotted (June 1995) the work "Providing and laying of 20 mm thick graded premix carpet including tack coat on roads", falling under the jurisdiction of Municipal Committee, Kharar to a Contractor for completion within 5 months at a cost of Rs.52.19 lakh. As per agreement, the cost of bitumen supplied by the department was recoverable from the bills or from security deposits. The cost of unutilized bitumen was to be recovered at double the issue rate.

Scrutiny of records (June 2001) of the division revealed that the contractor was issued 667.3695 MT bulk bitumen at the issue rate of Rs. 5,500 per MT (plus 3 per cent sales tax) against which 414.8908 MT bitumen was consumed and recovery made (September 1996). Though a period of about 6 years had lapsed, the final bill had not been prepared and 252.4787 MT being the balance quantity of bitumen was neither received back nor recovery at double the issue rate was made from the contractor.

On being pointed out (June 2001) and further information collected, the XEN stated (April 2002) that no final bill was made due to incomplete records but neither details of incomplete records nor justification for excess issue of material was furnished. Evidently, the bill was not finalized with the intention of deferring recovery of Rs. 28.61 lakh being the cost of unused bitumen against which security deposit of contractor lying with the division was only Rs. 0.52 lakh.

The draft paragraph was forwarded to the Secretary in March 2002 for reply within 6 weeks and followed up demi-officially in May 2002. In spite of such efforts, no reply was received (July 2002).

¹⁹ Cost of bitumen : Rs. 28.61 lakh (-) Security deposit : Rs. 0.52 lakh = Rs. 28.09 lakh.

4.3 Deprival of road facilities to villages

Partial completion of roads deprived the villages of connectivity and division diverted unspent funds of Rs. 16.10 lakh

Construction of link roads from Nimbuan to Barwala (1.36 Km) and Dera Bassi to Behra via Gulabgarh (4.10 Km) estimated to cost Rs. 9.86 lakh and Rs. 29.76 lakh were allotted to contractors in March 1996 and November 1996 for completion within three and four months respectively. Funds aggregating Rs. 39.62 lakh were received between May 1996 and September 2001.

Test check of records of Executive Engineer, Rural Works Division, Sirhind revealed (November 2001) that work on Nimbuan to Barwala link road upto 0.80 Km was completed (March 2002) upto a farm house belonging to a private individual by incurring an expenditure of Rs. 5.52 lakh and balance road length of 0.56 Km was not taken up for construction.

Similarly, the work on Dera Bassi to Behra link road was completed (March 2002) upto a Government meat factory and length of 1.60 Kms was covered at a cost of Rs.18 lakh and balance length of 2.50 Kms was not taken up, and Rs. 16.10 lakh was diverted to other miscellaneous works.

On being pointed out (November 2001 and April 2002), the Executive Engineer stated (April 2002) that the length of roads was reduced as these did not link with any populated village after the meat factory and the farmhouse. The reply was an after thought because in the approved estimates, these roads were proposed for linking the villages and funds were accordingly provided. Thus, the villages have been deprived of the facility of connectivity despite availability of funds. The division diverted the unspent funds amounting to Rs. 16.10 lakh to other works.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within 6 weeks. The matter was taken up demi-officially in May 2002. However, inspite of such efforts, no reply was received (July 2002).

Irrigation and Power Department and Public Works Department (Buildings and Roads Branch)

4.4 Miscellaneous Public Works Advances

4.4.1 Introductory

As provided in Departmental Financial Rules and Account Rules, excess expenditure incurred on deposit works, issue of departmental material, losses, errors, etc., are temporarily booked under minor head "Suspense Accounts-

Miscellaneous Public Works Advances” (MPWA) and ultimately cleared either by actual recovery or by transfer under proper sanction to another head of account. Items which may become irrecoverable are written off under proper authority. The balances under the MPWA as on March 2002 were as under:

Irrigation and Power Department : Rs. 68.51 crore.

Public Works Department (B&R) : Rs. 53.73 crore.

MPWA records of 33 divisions of Irrigation and 20 divisions of B&R were test-checked. Year-wise break up of these outstanding advances upto March 2002 and sub-head wise details are indicated in **Appendix XXX**.

In the test checked districts, it was seen that during the period 1989-2002, number of items pending clearance increased from 2,549 (Rs. 19.52 crore) to 3,460 items (Rs.40.60 crore) in Irrigation and Power Department and from 1,260 (Rs. 0.71 crore) to 1,950 items (Rs. 30.43 crore) in PWD, B&R Branch. All the items were temporary and should have been cleared promptly either by actual recovery or by transfer but were persistently increasing due to lack of efforts and active pursuance by the departmental officials.

4.4.2 Outstanding recoverable amounts

(i) Amounts aggregating Rs. 7.27 crore on account of works done in five²⁰ divisions on behalf of 44 other divisions were recoverable but outstanding since October 1986. The delay in remitting the outstanding dues can lead to diversion/ mis-utilisation of funds by the divisions.

(ii) Rs. 2.33 crore was excess spent on deposit works as detailed below:

(Rupees in crore)

Name of Department	No. of Divisions	Amount.	Period since when outstanding
Irrigation	2 ²¹	0.74	October 1995 to 1996-97
B&R	3 ²²	1.59	September 1988 to August 1998

This had resulted in irregular expenditure adversely affecting departmental or other deposit works.

Further, Provincial Division, B&R, SAS Nagar (Rs. 5.86 lakh) and Central Works Division No. 2, Patiala (Rs. 10.78 lakh) incurred Rs. 16.64 lakh in excess of the deposits during 1989-90 to 1994-95. These divisions had not kept the amount under MPWA to watch the receipt of deposits. Thus the B&R division was short charged by its own employees.

²⁰ Kandi Water Shed Division, Hoshiarpur: Rs. 1.20 crore; Mechanical Drainage Construction Division Ferozepur: Rs. 4.33 crore; Sagrao Construction Division, SYL, Chandigarh:Rs. 0.41 crore; Chandpur Construction Division, SYL, Chandigarh: Rs.0.45 crore; Sarala Construction Division, SYL, Patiala:Rs.0.88 crore.

²¹ BML Division Patiala: Rs. 0.03 crore; SNE Mechanical Division, Hoshiarpur: Rs.0.71 crore.

²² R&B Division Pathankot : Rs. 1.41 crore; R&B Division No. II, SAS Nagar: Rs. 0.16 crore; Provincial Division B&R, Ludhiana: Rs. 0.02 crore.

(iii) Rs. 4.51 crore were outstanding against various contractors/ suppliers (*Appendix XXXI*) on account of short/non-receipt of material, advance payments, mobilization advances etc. as detailed below:

(Rupees in crore)

Name of Department	No. of Divisions	No. of items	Amount	Period since when outstanding
Irrigation	27	400	3.18	July 1952 to January 2001
B&R	9	48	1.33	April 1953 to September 2001

Extraordinary delay in receipt of material and adjustment of advances has resulted in contractors being unduly benefited and corrupt practices cannot be ruled out.

(iv) Rs. 2.12 crore was outstanding against employees (*Appendix XXXII*) who have since retired/ expired as detailed below:

(Rupees in crore)

Name of Department	No. of Divisions	No. of cases	Amount	Period since when outstanding
Irrigation				
(i) Retired	22	241	1.46	October 1955 to September 2001
(ii) Expired	18	51	0.27	March 1947 to 1996-97
B&R				
(i) Retired	12	44	0.35	June 1970 to February 1996
(ii) Expired	10	20	0.04	March 1972 to September 1990

Extraordinary delay in effecting the recoveries from the officials has resulted in loss to Government and, therefore, responsibility should be fixed.

4.4.3 Irregular Debit to MPWA

(i) Rules provide that no charges on account of work done against un-sanctioned estimates should be debited to the suspense head MPWA. In 11 divisions, Rs. 4.98 crore (*Appendix XXXIII*) was debited to MPWA on account of 127 un-sanctioned works relating to the period March 1966 to September 2001. The XENs stated (between November 2001 and January 2002) that efforts were being made to get the estimates sanctioned from the competent authorities, but 36 years have elapsed.

(ii) In Panchayati Raj Division, Ludhiana, Rs. 1.53 crore was received upto October 2001 from Deputy Commissioner-cum-Chairman, District Planning and Development Board for execution of various deposit works under Jawahar Rozgar Yojana, Employment Assurance Scheme and Member Parliament LAD scheme. These funds were deposited in saving account in a nationalised bank in October 2001 and also simultaneously kept in MPWA register. The XEN stated (November 2001) that the amount was kept in MPWA register to watch recovery. The reply was not tenable because debiting of amount to the MPWA was not correct and receipt and expenditure of deposit account was to be watched through schedule of deposits.

(iii) In five²³ divisions, minus balances (credit) of Rs. 37.63 lakh representing 63 items were outstanding relating to the period January 1986 to September 2001. On being pointed out, the XENs stated that the liability would be cleared after verification. The reply was not convincing because persistent minus balances can lead to misappropriation.

4.4.4 Other irregularities

(i) Rs. 5.82 crore was paid between August 1983 and March 1989 by three²⁴ divisions to the Railway Authorities for construction of railway bridges and other deposit works. XEN, Sarala Construction Division, SYL, Patiala intimated (May 2002) that work had been completed and utilisation certificate (UC) has been received for Rs. 3.40 crore. But neither the item was cleared from MPWA nor the matter taken up to obtain refund/ UC for the balance amount of Rs.4 lakh. XENs, Sagrao and Kharar Construction Divisions, SYL, Chandigarh intimated (May 2002) that UCs as well as status of completion of works were awaited. This showed that even after 13-19 years, divisions were not able to ascertain the status of works or obtain the UCs for Rs.2.42 crore and clear outstanding items.

(ii) Rs. 1.68 crore was advanced (between March 1983 and July 1989) by three²⁵ SYL Divisions to Punjab State Electricity Board (PSEB) for execution of various deposit works but UCs thereof had not been obtained resulting in non-clearance of items of MPWA. As the work of SYL had been abandoned since July 1990, divisions should have ascertained the status of works from PSEB to seek the refund of unspent amounts and to clear the outstanding items from MPWA. The Chief Engineer requested PSEB only in February 2002 to refund the unspent amounts to the concerned divisions. Further developments were awaited (July 2002).

(iii) Three²⁶ divisions advanced Rs. 3.70 crore to the Land Acquisition Officer (LAO), Dholbaha Dam Construction Circle, Hoshiarpur during November 1988 to February 2002 for disbursement to the landowners whose land had been acquired for construction of Dholbaha Dam and placed the amounts in MPWA. While the XEN, Intensive Investigation Division, Hoshiarpur attributed (August 2002) non-clearance of the suspense account to non-sanction of estimates of land acquisition, the Janauri Chohal Division, Hoshiarpur intimated that LAO did not disburse the amount to the landowners.

²³ Kharar Construction Division, SYL, Chandigarh : Rs. 4.15 lakh; Sagrao Construction Division, SYL, Chandigarh :Rs. 4.67 lakh; Janauri Chohal Construction Division, Hoshiarpur: Rs. 22.56 lakh; SNE Mech. Division, Hoshiarpur : Rs. 0.45 lakh, Intensive Investigation Division, Hoshiarpur : Rs. 5.80 lakh.

²⁴ Sarala Construction Division, SYL, Patiala : Rs. 3.44 crore; Sagrao Construction Division, SYL, Chandigarh : Rs. 0.05 crore; Kharar Construction Division, SYL, Chandigarh: Rs. 2.33 crore.

²⁵ Sarala Construction Division, SYL, Patiala : Rs. 0.07 crore; Sagrao Construction Division, SYL, Chandigarh : Rs. 0.33 crore; Irrigation Development Investigation Division No. I Chandigarh : Rs. 1.28 crore.

²⁶ Intensive Investigation Division, Hoshiarpur : Rs. 0.55 crore, Kandri Water Shed Drainage Division, Hoshiarpur : Rs. 0.19 crore; Janauri Chohal Construction Division, Hoshiarpur: Rs.2.96 crore.

The XEN, Kandi Watershed Drainage Division, Hoshiarpur, however, intimated (January 2002) that the matter had already been taken up with the LAO for refund of unspent amount. Thus, none of the three XENs had made earnest efforts to clear temporary suspense in time.

4.4.5 Variation of figures in monthly accounts and MPWA registers

In four²⁷ divisions, there was a difference of Rs.1.05²⁷ crore between the figures reported to the Accountant General (A&E) and those appearing in the books of the divisions. The XENs, Chandpur Construction Division, SYL, Chandigarh and Irrigation Development Investigation Division, Chandigarh stated (November 2001 and January 2002) that difference was due to merging of divisions and non-review of old items. The reply is not tenable because failure to pursue and reconcile the balances would result in ultimate loss due to non-recovery/ non-adjustment.

The long draft paragraph was forwarded to the Secretaries to the Government in April 2002 for reply within six weeks and reminded in May 2002. In spite of such efforts, no reply was received (July 2002).

Irrigation and Power Department

4.5 Avoidable payment of interest to the contractor

Failure of the Executive Engineer to hand over clear site of work, provide power and road connection to the contractor resulted in avoidable payment of Rs. 15.36 lakh

The work "Construction of Sutlej Yamuna Link (SYL) Canal Project from RD 64.500 Km to 65.000 Km" estimated to cost Rs. 55.90 lakh was allotted to a contractor in September 1985 (Agreement No. 15 of September 1985) with a time limit of 18 months. As per agreement, the department was to provide clear site, electricity from the nearest available point and haul road.

Audit scrutiny of the records of Executive Engineer (Jayanti Construction Division), now Patiala-ki-Rao Construction Division, SYL Canal Project (XEN SYL), Mohali, revealed (November 2001) that after execution of work costing Rs. 56.92 lakh, a dispute arose and the contractor lodged a claim (November 1987) for the losses suffered due to delay in handing over clear site, non-providing of electricity and haul road. The Chief Engineer, SYL Canal Project, Chandigarh (CE) appointed (September 1991) an arbitrator but proceedings were not finalized despite subsequent appointment of three more arbitrators.

²⁷ Investigation Division (J) Hoshiarpur : (-) Rs. 0.001 crore, Chandpur Construction Division, SYL, Chandigarh : (+) Rs. 1.18 crore, Sagrao Construction Division, SYL, Chandigarh : (-) Rs. 0.12 crore, Irrigation Development Investigation Division No. I, Chandigarh : (-) Rs.0.005 crore.

The fifth arbitrator was appointed in September 1997 who upheld the claim of this contractor and awarded (June 1998) Rs.6.57 lakh in favour of the contractor and also allowed interest @ 15 per cent on Rs.4.37 lakh from November 1987 to the date of making payment. While making award rule of the court (January 2000), the Civil Judge, Chandigarh allowed interest @ 12 per cent per annum from the date following the date of decree to the date of its payment. Consequently, payment of Rs.15.36 lakh including interest of Rs.8.79 lakh for the period November 1987 to August 2001 was made to the contractor during August 2001.

The XEN stated (April 2002) that after acquiring land, the contractor was asked to take up the work but the landowners prevented him from starting the work due to non-payment of land compensation. The reply was not tenable as it was the responsibility of the XEN to commence work only after the availability of land was ensured besides ensuring supply of electricity and haul road to carry out the work according to terms of the agreement. Thus, due to departmental lapses, avoidable payment of Rs. 15.36 lakh was made.

The draft paragraph was forwarded to the Secretary to the Government in February 2002 for reply within 6 weeks and reminded in May 2002. In spite of such efforts, no reply was received (July 2002).

**Public Works Department
(Public Health Branch)**

4.6 Irregular procurement of galvanized iron pipes for a water supply project

Imprudent decision of the Chief Engineer to procure GI pipes which have shorter life for a drinking water project at a cost of Rs. 1.29 crore

With a view to augmenting the rural water supply schemes commissioned 20-30 years ago in Kandi areas of Punjab, where old and worn out rusted pipes of smaller diameter needed replacement, the Government formulated a project for seeking assistance from National Bank for Agriculture and Rural Development (NABARD). The project envisaged laying of additional pipe lines and replacing smaller sized pipes with bigger ones in all schemes to cater to the requirement of prospective population for 30 years at enhanced rate of 70 litre per capita per day. Instead of galvanized iron (GI) pipes, use of CI/PVC pipes of 80 mm and 100 mm sizes, was preferred due to their longer life and supply of better quality water at the user end.

Scrutiny of records (October 2001) of the Chief Engineer, Public Health (Rural Water Supply), Patiala (CE) revealed that the CE purchased (February 2001) 47,000 metre GI pipes of 80 mm and 12,000 metre of 100 mm sizes valuing Rs. 1.29 crore instead of CI/PVC pipes which have longer life.

When pointed out in audit, the CE stated (December 2001) that pipes under the project were to be used in sub-mountainous areas where use of either PVC or AC pipes was not suitable and CI pipes were expensive as compared to GI pipes. The reply of the CE was not tenable because the project was formulated by a team of experts with the concurrence of the Department after conducting preliminary survey and it was decided to replace GI pipes with CI/PVC pipes so that the requirement of next 30 years is met. Moreover, the PVC pipes were cheaper as compared to GI pipes.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within 6 weeks. The matter was followed up demi-officially in May 2002. In spite of such efforts, no reply was received (July 2002).

4.7 Idle investment on Rural Water Supply Scheme

Due to failure of the department to arrange operational staff for running 7 Rural Water Supply Schemes, potable water could not be provided to rural masses even after incurring an expenditure of Rs. 1.11 crore

The Executive Engineer, Public Health (XEN), Rural Water Supply (RWS) Division No. I, Ludhiana executed seven²⁸ RWS schemes at a cost of Rs. 1.11 crore to provide safe drinking and potable water in the rural areas of Ludhiana district. These schemes were commissioned in March 2001.

Scrutiny of records (February 2002), revealed that these schemes were not made operational after commissioning due to shortage of operational staff. The XEN admitted these facts and attributed (February 2002) the delay to ban on recruitment of new staff and further stated that matter was under correspondence with higher authorities. It was, however, seen that the XEN had sent only routine returns/ data to the Superintending Engineer but never specifically stressed the need for operational staff required to run the schemes on which heavy investment had been made by the Government. In June 2002, the XEN intimated that according to a decision taken by Government during February 2002, running and maintenance of water supply schemes would be done on contract basis and the issue of awarding contracts to make the schemes operational was under process and electric connection had also been applied for. Thus, the failure of the XEN to pursue vigorously the deployment of operational staff and ensure electrical connection for making the schemes functional and the inaction on the part of higher authorities to provide staff resulted in idle investment of Rs. 1.11 crore besides depriving the inhabitants of rural areas of the intended benefits of the schemes for the last 15 months.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within 6 weeks and reminded in May 2002. In spite of such efforts, no reply was received (July 2002).

²⁸ Mand Januraudi, Machhian Kalan, Dhanoor, Ghumanewal, Noorpur Tandi, Samaspur Chakki Jiwanpur and Mithewal.

4.8 Ungainful expenditure on Rural Water Supply Schemes

Poor planning/funding prolonged the completion of water supply schemes by 9 and 18 years depriving the inhabitants of potable water despite expenditure of Rs. 57.46 lakh.

Audit scrutiny of the records of the Executive Engineer, Public Health (Rural Water Supply) Division No. II, Ferozpur (XEN) revealed that a tubewell based Rural Water Supply Scheme (RWS) for providing potable drinking water to villages Wara Waryam Singh, Hollan Wali, Mankian Wali and Hardasa of Zira block (Ferozpur) was approved (July 1984) for Rs.11.83 lakh. Since potable water could not be located from the trial bore at different sites, the source of water was changed from tube well to canal and revised approval for Rs. 28.29 lakh accorded in August 1986.

The Canal sourced scheme was commissioned in December 1989 by incurring expenditure of Rs.27.91 lakh. However, adequate water was not available through out the year as raw water for the scheme was obtained from the tail end of the Canal Minor at RD 14,495 of 3-L where there was scarcity of water. In order to ensure adequate supply of water, the XEN framed (August 1994) another estimate for Rs.8.60 lakh for taking raw water from Sirhind canal. District Planning and Development Board released (August 1995) Rs. 6 lakh to Gram Panchayat for construction of open inlet channel and Rs.2.53 lakh was spent by XEN on construction of Pump Chamber, etc.

Even after construction of inlet channel, the villagers were not getting sufficient water and the Gram Panchayat of Wara Waryam Singh approached (August 2000) the Deputy Commissioner, Ferozpur either to provide under ground piped inlet channel or a deep tube well with 500' depth. The XEN submitted (September 2000) another estimate for Rs.6.34 lakh to the Deputy Commissioner for installation of a deep tube well and Rs. 6 lakh was provided (October 2000) to Gram Panchayat during a programme of Sangat Darshan. The XEN intimated (June 2002) that Gram Panchayat Wara Waryam Singhwala had installed the tube well on its own and connected it to the existing system. Apart from the fact that test reports of water sample showed quantity of solids, hardness and magnesium in excess of acceptable limits, the remaining three villages were not getting adequate water from this tubewell.

Thus, due to implementation of the scheme without proper survey, the XEN failed to provide potable water for about 18 years and expenditure of Rs.42.44 (Rs. 27.91 + 8.53+6.00) lakh was rendered ungainful.

(ii) Scrutiny of records of the Executive Engineer, Public Health (PH) Rural Water Supply (RWS) Division No. 1, Ludhiana (XEN) revealed (February 2002) that for providing potable drinking water to Sahnewal village of Ludhiana district, Government approved a project for Rs.65.44 lakh against which only Rs.24.85 lakh was received between January 1992 and December 1995. Even out of this lesser amount, Rs.8 lakh was transferred to other schemes. While the work was in progress, the village Sahnewal was brought

under Notified Area Committee (NAC) in January 1993 but instead of handing over the work to the NAC, the XEN continued to execute the work and incurred Rs.15.02 lakh upto March 1997 (Rs.9.83 lakh was spent between January 1993 and March 1997) on installation of tube well and partial laying of distribution pipelines. The scheme was incomplete for want of funds and not handed over to the NAC.

On being pointed out (February 2002), the XEN stated (April 2002) that NAC did not take over the project for want of details of areas where the water was to be supplied through this scheme. Thus, action of the XEN to continue with the execution even after formation of NAC in January 1993 and failure to transfer it to NAC had resulted in investment of Rs. 15.02 lakh remaining idle and inhabitants were deprived of the intended benefits for 9 years.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within 6 weeks and reminded in May 2002. In spite of such efforts, no reply was received (July 2002).

4.9 Loss of interest to Government and undue favour to Commercial Bank

Irregular operation of current account in commercial bank caused loss of interest of Rs.42.17 lakh

State Treasury Rules provide that a Government employee may not, except with the special permission of Government, deposit in the bank, money withdrawn from the Government account. Government reiterated (August 1999) the instructions and directed closure of all such accounts.

Scrutiny of records of Executive Engineer (XEN), Public Health (Rural Water Supply) Division, Malout revealed (March 2002) that due to transfer of works relating to Rural Water Supply Schemes of Lambi Block (District Muktsar) from Public Health (RWS) Division, Muktsar to Public Health (RWS) Division, Malout, funds were also transferred by the former to the latter. Besides, funds were also received from various other offices on account of sale of stock etc. In contravention of financial rules and extant instructions, the XEN kept the funds in Current Account with commercial bank. The balance in the Current Account at the end of each month ranged between Rs.1.44 lakh and Rs. 5.49 crore during the period March 2001 to February 2002. Such retention of funds outside Government Account resulted in loss of interest of Rs. 42.17 lakh and led to undue favour to bank.

The XEN stated (June 2002) that money was kept in the current account so as to accelerate the pace of execution of works. The reply was not tenable as XEN had no authority to keep the funds in the bank.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within 6 weeks and reminded in May 2002. In spite of such efforts, no reply was received (July 2002).

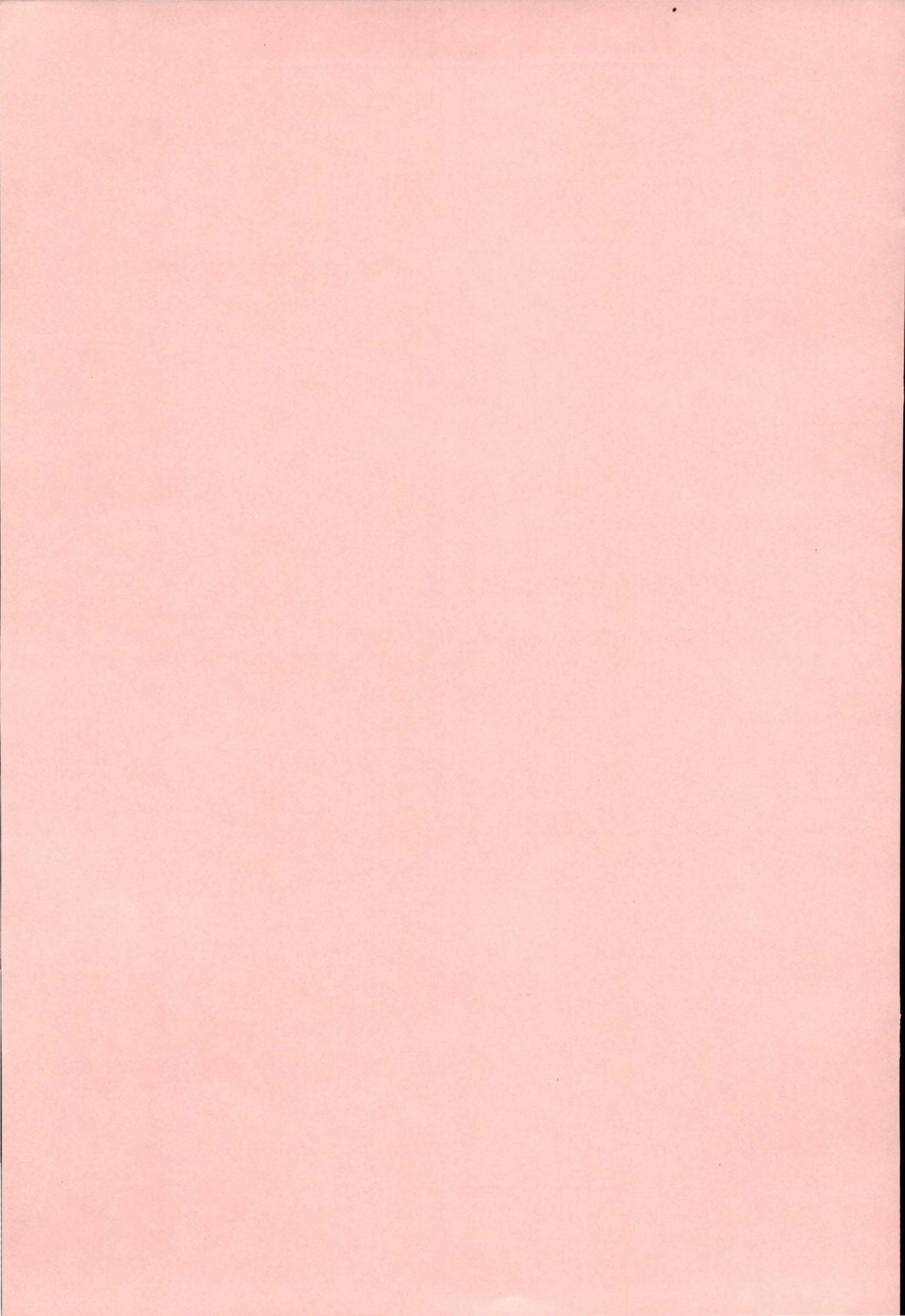
CHAPTER-V

STORES AND STOCK

AUDIT PARAGRAPH

Page

81-85



CHAPTER-V

STORES AND STOCK

AUDIT PARAGRAPH

PUBLIC WORKS DEPARTMENT (BUILDINGS & ROADS BRANCH)

5.1 Stores and stock accounts

5.1.1 Introduction

Stores and stock in Public Works Department (PWD) comprise mainly items like Bitumen, Cement, Steel and other material used for construction/ repair of roads, bridges and buildings. The Chief Engineer, PWD, Buildings & Roads (B&R) Branch, Patiala arranges central purchase of cement and steel through open tender after assessing demands from the field offices. The bitumen is procured directly by divisions on cash and carry basis. Test check of records for the period from 1997 to 2002 in 19 out of 74 stores maintaining divisions was conducted during November 2001 to April 2002.

5.1.2 Budgetary arrangement

No specific allocation of funds for procurement of stores is made in the annual budget of the PWD (B&R). To enforce strict financial control and discipline, the Finance Department introduced Letter of Credit (LOC) system in March 1986. No separate LOC for the purchase of stores is issued. Payments for purchase of stores are made from funds released through LOC for works. The total expenditure incurred on works during 1997-2002 in divisions test checked was Rs. 672 crore against which Rs. 162.19 crore (24 *per cent*) was incurred for procurement of stores.

Important points noticed are incorporated in the succeeding paragraphs:

5.1.3 Store management

The Divisional Officer is mainly responsible for assessment, acquisition, custody and disposal of stores at Divisional level. The material received for stock is entered in the Goods Received Sheet (GRS). A chronological record of the receipt, issue and running balance of each article of stock is kept in a Bin card. These cards are posted from the GRS and the store indents.

5.1.4 Inventory control

5.1.4.1 Fictitious stock adjustment

3 XENs made fictitious stock adjustments of bitumen valuing Rs.48.54 lakh

Financial rules prohibit stock adjustments such as debiting a work of the cost of material not required or in excess of the actual requirement. In three¹ Divisions, bitumen valuing Rs. 48.54 lakh issued to various works between April 1996 and March 1997 was written back during January 1997 to February 1998.

Thus, progress of expenditure was shown by fictitious adjustment of stock.

5.1.4.2 (i) Non-disposal of un-serviceable stores

Unserviceable material and empty bitumen drums valuing Rs.1.09 crore, remained undisposed

Rules provide that un-serviceable articles should be condemned/ disposed of by auction under the orders of competent authority as soon as these become un-serviceable to avoid further deterioration thereof. It was, however, noticed that in 7 divisions, articles valuing Rs.14.25 lakh which had become un-serviceable between June 1985 and March 2002 were awaiting disposal as of March 2002. On being pointed out, all the Divisional Officers stated that efforts were being made for their disposal.

5.1.4.2(ii) Non-disposal of empty bitumen drums

Scrutiny of case files in the office of Chief Engineer, PWD, (B&R) (CE), revealed that CE had intimated various Superintending Engineers (SEs) in April 2002 that 95,029 empty bitumen drums valuing Rs.95.03 lakh were available in the State. The period since when these were lying was not available in the records. Disposal action was yet (May 2002) to be taken. Non-disposal had led to blockade of Government money.

5.1.4.3 Non-fixation of reserve stock limit

For proper inventory control, it is necessary to fix the Reserve Stock Limit (RSL) for each division before the commencement of each financial year.

3 divisions maintained excess stores of Rs.10.55 crore

Of the 19 Divisions test checked, RSL had not been fixed in one Division during the years 1997-2002, in 6 Divisions between 2000-2002 and in 3 Divisions for 2001-2002. Further, in 3 Divisions for which RSL had been fixed, stores valued at Rs. 10.55 crore were held in excess as detailed under:

(Rupees in crore)

Year	No. of Divisions	RSL fixed	RS held	Excess
1997-98	3	2.08	3.17	1.10
1998-99	1	1.21	2.27	1.06
1999-2000	1	0.83	1.65	0.82
2000-2001	2	1.80	6.29	4.49
2001-2002	1	0.90	3.98	3.08
Total		6.82	17.36	10.55

¹ XEN, Rural Works Division Jalandhar (Rs.17.17 lakh), Central Works Division Hoshiarpur (Rs.17.75 lakh), RW Division-I Ludhiana (Rs.13.62 lakh).

Reasons for excess holdings were attributed to increased workload and non-adjustment of debits etc. The reply was not tenable as excess stock over the sanctioned RSL had not been got regularized from the competent authority.

5.1.4.4 *Priced store ledger*

Improper maintenance of Priced Stores Ledger

For proper monitoring of quantities and value of stores, a Priced Store Ledger (ledger) is to be maintained. The ledger is to be closed at the end of each month and balances reconciled half yearly with the balances in the bin cards. Eight divisions had not done this from 1997-98 onwards. Though Superintending Engineers were required to conduct annual inspection of the divisions, non-maintenance of ledgers was never pointed out by them.

5.1.4.5 *Minus-balances in stock*

A minus balance in the stock accounts indicate error in the accounts and may lead to concealment of frauds and mis-appropriation. Such minus balances should be properly reconciled, investigated and adjusted. In 7 Divisions, there were minus balances aggregating Rs. 15.22 crore as of March 2002. Four Divisions² attributed (April 2002) the minus balances to delay in recording the receipt of supplies. No replies were furnished by the remaining divisions. Such failures can lead to mis-appropriation of stores and fraud.

5.1.4.6 *Non-adjustment of storage charges*

Storage charges are levied on all issues of stock to cover actual expenditure incurred on maintenance. These charges are required to be adjusted at the end of each year as profit or loss on stock and no balance is to be carried forward to the following year.

Thirteen divisions had not adjusted the balances. At the end of March 2002, credit balance (profit) of Rs. 98.10 lakh and debit balance (loss) aggregating Rs. 34 lakh had accumulated in 10 and 3 divisions respectively.

5.1.5. **Poor planning in procurement of bitumen resulted in extra expenditure**

In violation of Government decision, packed bitumen was procured in excess of norms resulting in extra expenditure of Rs.2.72 crore

The State Government decided (May 1995) that 80 per cent of the total demand of bitumen should be procured in bulk and remaining 20 per cent in packed form. Contrary to this, 15,995 MT of packed bitumen was procured in excess, without recording reasons, resulting in extra expenditure of Rs. 2.72 crore as detailed below:

² (i) Rural Works Division, Amritsar; (ii) Rural Works Division, Ropar; (iii) Roads & Bridges Division No. I, Mohali; and (iv) Roads & Bridges Division No. II, Mohali.

(Quantity in Metric Tonne)

Year	Total quantity of bitumen procured	Quantity of packed bitumen required as per norms	Packed bitumen actually procured	Excess procured	Difference in rate between packed and bulk bitumen (Rupees)	Extra cost (Rupees in lakh)
1997-98	44540	8908	12449	3541	1554.80 ³	55.06
1998-99	56235	11247	18784	7537	1734.20 ⁴	130.71
1999-2000	69987	13997	18914	4917	1749.28 ⁵	86.01
Total	170762	34152	50147	15995		271.78

5.1.6 Other points of interest

5.1.6.1 Non-recovery of discount from IOC

The Indian Oil Corporation (IOC) offered (March 2000) a discount of Rs. 200 per MT and additional incentive of Rs. 100 per MT for purchase of bitumen for the period from 7 March 2000 to 31 May 2000. These instructions were also circulated by the Chief Engineer, PWD (B&R) Branch, Patiala.

5 XENs failed to avail discount of Rs.15.41 lakh on purchase of bitumen from IOC

During test check of the records in 5 divisions, it was noticed that 5136.870 MT bitumen was procured by these Divisions between 7 March 2000 and 31 May 2000 but the discount amounting to Rs.15.41 lakh was not availed of. Reasons for not availing discount were not furnished (July 2002).

5.1.6.2 Non-receipt of the material against advance payment

Test check of the records in 5 divisions revealed that against material valuing Rs.5.92 crore for which advance payments were made during March 1992 and April 2002, material valuing Rs. 60 lakh was not supplied by the firms as of March 2002 and adjustment of material valuing Rs. 5.32 crore though received in store was not made in the accounts (March 2002). On being pointed out (April 2002), the XENs stated that efforts were being made to collect the supply of remaining material and adjustments in accounts would be carried out after necessary verification/ reconciliation. The long delay in ensuing procurement is fraught with the risk of corruption.

5.1.6.3 Delay in recovery of cost of material supplied to contractors

It was noticed that XEN, Rural Works Division, PWD (B&R), Ropar issued bitumen valuing Rs. 51.66 lakh to six contractors between July 1992 and December 2000 for the execution of various works. The final bills of the contractors were not prepared. Thus, the amount has not been recovered from the contractors for upto 8 years and malpractices cannot be ruled out.

5.1.6.4 Non-realization of cost of material

All the transactions relating to services rendered or supplies made by one division to another and accounted for under the suspense head "Cash Settlement Suspense Accounts" are required to be settled by the corresponding

Difference of rates worked out on the basis of:

³ Rate of bitumen effective from 1st March 1998. (Rs. 8252.40 (-) Rs. 6697.60).

⁴ Rate of bitumen effective from 1st April 1998. (Rs. 8073.00 (-) Rs. 6338.80).

⁵ Rate of bitumen effective from 27th May 1999. (Rs. 8625.76 (-) Rs. 6876.48).

division within 10 days, so that at the close of the year there are no outstanding balances. It was, however, observed that in 12 divisions test checked, Rs. 1.91 crore pertaining to the period January 1989 to February 2002 had accumulated under the above sub-head. Reasons for non-realization of cost of material supplied were not intimated to audit.

5.1.6.5 *Idle machinery and equipment*

In 7 divisions test checked, machinery and equipment such as Road Rollers, Mix-hauls, tractors etc., valuing Rs. 29.95 lakh were lying idle since 1992 and upto March 2002. When pointed out, the XENs stated that machinery was lying idle (i) for want of work (ii) had outlived its life and (iii) awaiting disposal etc. The reply was not tenable because machinery valuing Rs.20.98 lakh was in working condition and effective steps should have been taken for its utilisation.

5.1.6.6 *Non-maintenance of Tool & Plant registers and returns*

To safeguard against shortages, pilferages, mis-appropriation and frauds, an yearly Tools and Plant (T&P) return ending September is required to be prepared and got audited during local audit. It was, however, noticed that T&P registers and returns were not maintained in 11 divisions. Reasons for non-maintenance of the T&P registers and returns were not intimated.

5.1.6.7 *Physical verification of stores*

In 14 divisions, verification of stores during 1997-2002 was not properly conducted

Physical verification of stores at least once in a year was to be conducted by an independent agency other than the custodian of stores and results thereof communicated to the Divisional Officer immediately. However, in 14 divisions, it was seen that neither proper physical verification of stores was conducted during 1997-2002 nor results of physical verification submitted to the Divisional Officers. No reasons were attributed.

The long draft paragraph was forwarded to the Secretary in May 2002 for reply within six weeks and reminded in June 2002. In spite of such efforts, no reply was received (July 2002).

CHAPTER – VI

	Page
SECTION – A	
REVIEWS	
(i) Environmental Acts and Rules relating to Air Pollution and Waste Management	87-96
(ii) Indira Awaas Yojana	97-105
SECTION – B	
AUDIT PARAGRAPHS	106-113

CHAPTER-VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

SECTION 'A' REVIEWS

SCIENCE, TECHNOLOGY, ENVIRONMENT AND NON-CONVENTIONAL ENERGY DEPARTMENT

6.1 Environmental Acts and Rules relating to Air Pollution and Waste Management

Highlights

Implementation of the provisions of the "Air (Prevention and Control of Pollution) Act, 1981" and the "Environment (Protection) Act, 1986" and implementation of Rules made thereunder with regard to Air Pollution, Hazardous Waste, Bio Medical Waste and Solid Waste was not satisfactory. The Punjab Pollution Control Board did not frame any comprehensive programme for prevention, control and abatement of air pollution. Pollution caused by industries, thermal power plants and vehicles remained grossly unchecked in the absence of effective monitoring by the Board. Pollution generated through hazardous waste, bio-medical waste, solid waste and fly ash were also not brought under control due to inadequate waste disposal system. The Board neither exercised coercive powers against the defaulting units nor established any procedure for monitoring the implementation of the provisions of the Act. Some of the significant findings are given below:

- Out of Rs. 76.85 crore available, Rs. 37.34 crore remained unspent during 1996-2002. 5 schemes remained unimplemented during Ninth Five Year Plan despite availability of funds.

(Paragraph 6.1.4)

- Comprehensive Programme for the prevention, control and abatement of air pollution although mandatory under the provisions of Air Act was not prepared by the Board.

(Paragraph 6.1.5.1)

- The Board identified 8,406 industrial units as air polluting. These units were required to apply for 'consent' from the Board to operate. Of these, only 2,935 units (35 per cent) applied for consent and remaining 5,471 units (65 per cent) were running without consent. Even out of 2,935 units, 2,015 (24 per cent) were granted consent and the remaining 920 units were either refused consent or their applications were under process.

(Paragraph 6.1.6(i))

3,416 units out of 8088 did not install Air Pollution Control Devices.

(Paragraph 6.1.6(ii))

For 29.10 lakh vehicles in the State, only 187 Pollution Check Centres were authorised by the State Transport Authority. As per study conducted in Ludhiana, 74 per cent three wheelers, 91 per cent buses and 97 per cent trucks did not meet the prescribed smoke emission standard. No action was taken against the defaulters.

(Paragraph 6.1.9)

Out of 1,362 units identified as hazardous waste generating units, only 951 units applied for authorization out of which 660 units were granted such authorization by the Board.

(Paragraph 6.1.11.1)

Out of 300 hospitals/nursing homes identified by the Board as Bio-Medical Waste generating units, only 20 (7 per cent) applied for authorization. None of them was granted authorization. Of the 93 hospitals identified by the Board for providing waste treatment facilities, only 3 provided the waste treatment facility.

(Paragraph 6.1.11.3)

The Board sustained loss of revenue aggregating Rs. 1.07 crore due to non-realisation of application fee for authorization of facilities for hazardous waste management and consent fee from polluting industries.

(Paragraph 6.1.6(i) & 6.1.11.1(i))

6.1.1 Introduction

In the process of industrialisation and urbanisation, the environment is being contaminated, damaged and destroyed which leads to air pollution apart from other effects. The increase in air pollution attracted the attention of Central Government and the Parliament enacted the Air (Prevention and Control of Pollution) Act, 1981 (Air Act) for prevention and control of air pollution. In order to prevent and control air pollution and to manage and handle different types of wastes viz. Hazardous Waste, Bio-Medical Waste and Municipal Solid Waste, relevant rules under the Environment (Protection) Act, 1986 were framed in the years 1989, 1998 and 2000 respectively.

6.1.2 Organisational set up

The Principal Secretary to Government of Punjab, Science, Technology and Environment is the administrative head in the Government. The Punjab Pollution Control Board (Board) constituted in July 1975 was entrusted with the responsibility of implementing the Acts and Rules relating to control of various types of pollution. The Board has 17 members comprising of one Chairman, a full time Member Secretary, five official members representing the State Government, five members nominated from local bodies, three non-officials to represent the interests of agriculture, industry, trade, etc., and two

members representing Companies, Corporations, etc. The Board implements its programmes and policies through 11¹ Regional offices.

6.1.3 Audit coverage

A review of the activities of the Board relating to Air Pollution and Waste Management for the period 1996-2001 was conducted during October 2001 to March 2002. Records of the Board's office at Patiala and 5² out of 11 Regional offices, 23 out of 142 Municipal Corporations/ Councils, Punjab Water Supply and Sewerage Board, State Transport Commissioner, Secretary to Government of Punjab, Local Bodies Department and Directorate of Local Bodies were test checked and points noticed are discussed in succeeding paragraphs:

6.1.4 Financial Resources and Expenditure

The Board derives its income mainly from its share of water cess, consent fee, interest on fixed deposits with banks and sample testing fee besides grants received from the Central and State Governments. Separate accounts of receipts and payments relating to air pollution and waste management were not kept. The financial position of the Board was as under:

(Rupees in crore)

S.No.	Particulars	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
1.	Unspent balance from previous year	13.84	17.84	23.47	24.51	27.29	32.57
2.	Grants received from (i) State Government (ii) Central Government	--	--	--	--	--	--
3.	Share of water cess	3.35	3.49	3.46	3.13	4.35	3.90
4.	Other Receipts	4.54	6.40	6.10	6.74	9.09	7.90
5.	Total funds available	21.80	27.84	33.05	34.49	40.86	44.49
6.	Expenditure (Percentage of utilization)	3.96 (18%)	4.37 (16%)	8.54 (26%)	7.20 (21%)	8.29 (20%)	7.15 (16%)
7.	Unspent balance	17.84	23.47	24.51	27.29	32.57	37.34

It would reveal that expenditure ranged between 16 and 26 per cent of the funds available, which reflected tardy implementation of the various schemes/projects by the Board. Of the total unspent balance of Rs.37.34 crore, Rs. 35.33 crore (95 per cent) was invested in fixed deposit accounts. Further, five³ schemes costing Rs.2.72 crore which were included in the Ninth Five Year Plan remained unimplemented. The Board contended (February 2002) that in case unspent balance was also utilized, the total budget and functions of the Board would crumble. The contention of the Board is not tenable because it is the primary function of the Board to utilize available

Expenditure which ranged between 16 and 26 per cent reflected tardy implementation of schemes/projects

¹ Amritsar, Bathinda, Chandigarh (Nodal Office), Faridkot, Gurdaspur, Hoshiarpur, Jalandhar, Ludhiana-I, Ludhiana-II, Patiala and Sangrur.

² Amritsar, Jalandhar, Ludhiana-I, Ludhiana II and Patiala.

³ Hazardous Waste Management (Rs.95 lakh), Monitoring of ambient air quality of cities of Punjab (Rs.75 lakh), Environment Impact Assessment Study of industries/focal points/ industrial areas (Rs.30 lakh), Providing assistance to District Transport Authorities to control vehicular pollution (Rs.35 lakh), Noise Pollution Control (Rs.37 lakh).

funds for the implementation of projects/schemes rather than placing them in bank account by ignoring programme implementation. In the context of huge unspent balances, Rs.2.72 crore meant for the implementation of five schemes under the Ninth Five Year Plan (1997-2002) was not released by the Government.

6.1.5 Air Pollution

6.1.5.1 Comprehensive programme not prepared

Comprehensive programme for prevention, control or abatement of air pollution was not prepared

Section 17(i)(a) of the Air Act provides that the Board was to prepare and execute a comprehensive programme for the prevention, control or abatement of air pollution. The Board did not prepare any comprehensive programme and attributed (December 2001) it to lack of adequate scientific and technical manpower. The reply was not tenable as the Board failed to take timely action for filling 79 vacant posts which were eventually abolished by the Government (November 2000) as these had remained vacant for more than 2 years ending October 2000.

(i) Ambient Air Quality (AAQ)

Only 17 out of 25 Ambient Air Quality Monitoring stations were set up, of which 11 remained functional

The Government declared the whole of Punjab State as an air pollution control area in 1988 and sanctioned (1990) 25 Ambient Air Quality Monitoring (AAQM) stations against which only 17 were set up by 1991-92 and only 11 AAQM stations were functional as on April 1997. In addition, 8 stations set up under National Ambient Air Quality Monitoring Programme were also in operation. Although number of industrial units had increased from 5,861 to 10,147 by 2000-01, no more AAQM stations were set up.

The Board stated (November 2001) that additional AAQM station could be set up only after receipt of funds and manpower. The reply is not tenable as unspent funds were available with the Board.

(ii) Under Section 16(2) (h) of the Air Act, Central Pollution Control Board laid down the ambient air quality standards for residential, sensitive and industrial areas for various air pollutants viz Suspended Particulate Matter (SPM) and Respirable Particulate Matter (RPM).

Monitoring of Ambient Air Quality was poor. Air pollutants in residential, rural and industrial areas were very high

These air quality standards in different locales were not monitored and were much higher than the norms. In residential, rural and other areas, against the norm of 140ug/m³, it ranged between 293ug/m³ and 548ug/m³ and in respect of industrial areas against the norms of 360ug/m³, it ranged between 323ug/m³ and 588ug/m³ in four cities (*Appendix XXXIV*). Preventive measures taken to install Air Pollution Control Devices (APCDs) by all industrial units discharging the emission of air pollutants were not adequate.

6.1.6 Consent Management

Under Section 21 of the Air Act, 1981, consent of the Board is required to establish or operate any industrial plant in an air pollution control area. Sub Section 4 provides that the Board can grant the consent applied for subject to conditions and for such period as may be specified or refuse consent.

No coercive action was against units operating without consent

(i) Out of 10,147 industrial units as of March 2001, 8,406 (83 per cent) industrial units were identified as air polluting and only 2,935 units had applied for consent. Of 2,935 units, 2,015 (24 per cent) were granted consent, 148 were refused consent and the remaining cases were under process. The Board was also deprived of Rs.76.59 lakh due as consent fee from 5,471 units that did not apply for consent.

Although under Section 31-A of the Air Act, the Board was vested with coercive powers such as restraining the units from operation etc., no action was taken. Thus, the consent regime was ineffective.

(ii) **Installation of Air Pollution Control Devices (APCDs)**

As of March 2001, the Board had identified 8,088 industrial units requiring installation of APCDs but only 4,672 had installed the device. For the remaining 3,416 (42 per cent) units, no action was taken. The Board inspected APCDs of 2,328 units and noticed that 136 units were emitting excess pollutants. Action against erring units had been initiated by the Board and final outcome was awaited (March 2002).

Consent to 754 units without stack emission tests

(iii) 715 brick kilns, 37 cupola furnaces and 2 cement plants were granted consent without testing of stack emission and the units were, thus, allowed to operate unchecked, causing air pollution and health hazards to the public.

Thermal power plant at Bathinda was operating without renewal of consent and Air Pollution Control Devices

(iv) Guru Nanak Dev Thermal Power Plant at Bathinda was discharging chemical emission in excess of the prescribed norms since 1987-88. The Board, however, granted consent for one-year upto May 1992 and directed the plant authority to alter/ replace the existing control devices. As per sample of August 2001, the emissions ranged between 348 and 416 mg/Nm³ against the norm of 150 mg/Nm³. No effective action was taken by the Board to enforce its directions.

6.1.7 Targets and achievements

6.1.7.1 Shortfall in collection and testing of air samples

The targets fixed by the Board for collection and testing of air and stack samples and achievements thereagainst were as under :

Shortfall in collection and testing of air and stack samples

Period	Ambient Air			Stacks		
	Target	Achievement	Percentage shortfall	Target	Achievement	Percentage shortfall
1996-97	Not fixed	14775	--	Not fixed	182	--
1997-98	20000	18806	6	1100	749	32
1998-99	40000	19776	51	650	831	--
1999-00	40000	35542	11	450	1272	--
2000-01	40000	36591	9	900	858	5

The Board attributed (November 2001) the shortfall to shortage of staff. The reply was not tenable as the Board had no financial difficulties to recruit staff.

6.1.7.2 Periodical Inspection of Industries

The Board decided (July 1997) that RED category (viz. High polluting Industries) of small scale industries would be inspected by the field staff at least once in 12 months and all large and medium industries once in 6 months.

The inspections carried out and shortfall thereagainst were as under :

Shortfall in inspection of industries

Year	Total No. of small Industries of RED category	No. of units visited	Percentage shortfall	Total No. of large and medium scale industries	Visits required	No. of units visited	Percentage shortfall
1997-98	7006	2282	67	616	1232	431	65
1998-99	7756	2843	63	632	1264	467	63
1999-2000	8397	3113	63	652	1304	494	62
2000-01	9058	3632	60	645	1290	497	61

The Board again expressed its inability to achieve the targets due to shortage of staff. The reply was not tenable as the Board had no financial constraint to recruit more staff.

6.1.7.3 Prosecution under Air Act

Defaulting units remained unpunished

Under Section 37 of the Air Act, the Board was empowered to launch prosecutions for restraining the units which engendered pollution. During 1996-2001, 250 prosecutions were launched. Of which, 67 were pending in courts, 37 withdrawn after compliance, 30 decided in favour of the Board, 21 consigned to records, 83 decided against the Board and 12 were dismissed in default.

Scrutiny of 24 cases decided against the Board (pertaining to 4 test checked Regional offices) revealed that dismissal was mainly on technical grounds as either procedure for drawal of samples had not been observed or correct name and address of the accused was not available. Failure of the Board in plugging these loopholes leads to collusion and defaulters remaining unpunished.

6.1.7.4 Self Monitoring of Pollution Load

According to guidelines of the Board (June 1998), the industries discharging air pollutants beyond specified⁴ levels were required to self-monitor the emissions daily and forward monthly return to the Board.

Out of 40 industries, 21 did not submit monthly returns on emissions

Audit observed that though the Board had identified 40 such industries, only 19 were submitting the returns. The defaulting units were not flagged and the Board failed to ensure proper monitoring of pollution load.

6.1.7.5 Non-submission of Environment Statements

An environmental audit report called Environment Statement was required to be submitted on or before 30 September to work out Action Plan for pollution control measures. During the period 1996-2001, only 2 to 3 per cent of industries identified by the Board submitted the returns as detailed below:

⁴ SO₂ NO₂, SPM, CO, Fluoride, Lead and Cadmium, Pollution level respectively fixed at 1000, 600, 2000, 1000, 50, 100 and 100 kg/ day.

Only 2-3 per cent units submitted the Environment Statements

Period	No. of units required to submit environment Audit Statements	No. of units submitting the reports (percentage)
1996-97	4383	69(2)
1997-98	4958	82(2)
1998-99	6031	175(3)
1999-2000	6255	199(3)
2000-2001	6465	203(3)

No action was taken against the defaulting industries except issuing notices.

6.1.7.6 Delay/ Non-submission of Annual Reports

Under Section 35(2) of Air Act, the Board was required to prepare the Annual Report including annual accounts by 31 July every year and that Government was required them to be laid by 31 December before State Legislative.

The reports for 1996-97 to 1998-99 were submitted as late as in November 2000 (1996-97) and February 2001 (1997-98 and 1998-99). Reports for 1999-2000 and 2000-2001 were not submitted as of November 2001.

6.1.8 No control on noise pollution

Noise pollution remained unchecked in the absence of specific scheme

The Air Act and Noise Pollution (Regulation & Control) Rules, 2000 vested the Board with the responsibility for controlling noise pollution. In the absence of funds during Ninth Five Year Plan, no specific scheme was formulated by the Board. The Board, however, intimated (January 2002) that noise level was being monitored as and when any complaint was received.

6.1.9 Vehicular Pollution

No action was taken by the Government to control vehicular pollution

Every motor vehicle is required to carry a valid "Pollution Under Control Certificate" (P.U.C.C) issued by the Transport Department or by any Pollution Checking Center authorized by the Transport Department.

(i) There were 29.10 lakh registered vehicles of different categories as of March 2001 in the State. The State Transport Authority (STA) had authorized only 187 Pollution Check Centres (PCC) as of January 2002. Data regarding number of P.U.C.Cs issued, number of vehicles challaned due to excess emissions, etc. which was essential for effective implementation of the provisions of the Act, was not available either with STA or Board.

(ii) A study conducted by the Board for vehicular air pollution at Ludhiana during 1997 concluded that about 74 per cent three wheelers, more than 91 per cent buses and 97 per cent trucks did not meet the prescribed standards of the smoke density and recommended (August 1998) to Government that all the three wheelers not using standard fuel should be banned and no vehicle should ply in the State without a valid P.U.C.C. Action taken by the Government to control the vehicular pollution was not intimated.

6.1.10 Limitations of the Act

Agricultural sprays and diesel-generating sets remained out of the purview of Air Act

The air pollution caused by spray of pesticides/insecticides/weedicides, etc. as well as by the diesel generating sets used for supply of power in the various trading establishments in the cities/ towns was admitted (November 2001) by the Board as health hazards but expressed its inability to initiate action as the Air Act did not cover environmental pollution caused by them.

6.1.11 Waste Management

6.1.11.1 Hazardous Waste Management

The Hazardous Wastes (Management and Handling) Rules provided that hazardous wastes should be collected, treated, stored and disposed of only in such facilities as may be authorized for this purpose. Every unit generating hazardous waste and having facilities should request the Board for grant of authorization and maintain records of such operation and submit annual returns to the Board regarding disposal of hazardous waste.

Out of 1,362 hazardous waste generating units, 411 had not applied for authorization to handle waste

(i) Of the 1,362 units identified by the Board upto March 2001, 951 units (70 per cent) had applied for authorization, 660 (48 per cent) were granted authorization, 8 were refused and 45 were not covered under the rules. The cases of 238 units were under process and remaining 411 units had not applied for authorisation. The Board also sustained a loss of Rs. 30.83 lakh due to non-realisation of application fee of Rs. 7,500 each from 411 units, which did not apply for authorisation.

Rs.27.49 lakh incurred on Environment Impact Assessment study for development of sites for hazardous waste proved infructuous

(ii) Seven sites were identified for conducting Environment Impact Assessment (EIA) studies for dumping the hazardous waste. The identified site at village Mundian Kalan (Ludhiana) was not developed although required land was acquired by the Industries Department and expenditure of Rs.6.06 lakh was incurred on EIA study during 1994-96. Subsequently, EIA study of another six⁵ sites was conducted during 1998-2001 through two consultants at a cost of Rs. 21.43 lakh. Thereafter two sites were recommended but not yet developed. In all, expenditure of Rs.27.49 lakh proved infructuous.

(iii) Although according to amended Rules 2000, an occupier (any association of industry or operator of a facility) was made responsible to design and set up disposal facilities, final action was not taken by the Board as of January 2002 to establish any disposal site by notifying the area.

6.1.11.2 Non-disposal of Fly Ash generated by Thermal Plants

Fly Ash weighing 12,000 tonne per day was being generated by three⁶ Thermal Power Plants. 2,200 tonne thereof was being utilized by cement plants and 9,800 tonne (82 per cent) was being dumped. This was a health hazard as inhalation of Fly Ash over a long period could cause respiratory diseases. The Board intimated (February 2002) that the utilisation of Fly Ash

⁵ Amritsar, Faridkot, Jalandhar, Patiala, Ropar and Sangrur.

⁶ Bathinda, Lehra Mohabat and Ropar.

for reclamation of discarded mines had been taken up with Ministry of Environment and Forests. Further developments were awaited (July 2002).

6.1.11.3 Bio-Medical Waste

As per Rule 4 & 5 of Bio-Medical Waste (Management & Handling) Rules, 1998, units generating Bio-Medical Waste were to install an appropriate facility in the premises or set up a common facility to ensure requisite treatment of waste. The institutions were required to apply to the Board for grant of authorization and submit an annual report.

No hospital/
nursing home
was granted
authorization

(i) Of the 300-hospitals/ nursing homes identified by the Board as Bio-Medical Waste generating units upto March 2001, only 20 (7 per cent) had applied for authorisation but none was granted authorization as of January 2002 due to incomplete applications.

(ii) The amended rules of 2000 provided that hospitals and nursing homes in the towns with 50 beds and above would provide appropriate waste treatment facilities like Incinerator/ Autoclave/ Microwave system facilities in the premises or set up a common facility by December 2001 or earlier to ensure treatment of waste. Although the Board identified 93 such hospitals, only three of them provided the waste treatment facility by December 2001. No action was taken by the Board against defaulting hospitals.

6.1.11.4 Municipal Solid Waste Management (MSW)

(i) The Municipal Solid Waste (Management and Handling) Rules, 2000 provide that Municipal Authority or an operator of a facility shall, within the territorial area of the municipality, be responsible for implementation of the rules and shall obtain authorization for setting up of waste processing and disposal facility including land fills from the State Board or the Committee. The Municipal Committees were to submit to district authorities/Board annual report, showing waste handled, disposed off, disposal facilities established, etc. The rules also laid down the methods to be adopted by the authorities for proper storage, collection, segregation, processing, transportation and final disposal of Municipal Solid Waste (MSW). Municipal Authorities were also to organise awareness programme to encourage/ensure citizens and communities participate in recycling and reuse of segregated MSW.

Provisions of
Municipal Solid
Waste
(Management and
Handling Rules,
2000) were not
implemented
strictly

Information obtained from 23 Municipal Authorities, generating MSW weighing 1997.60⁷ tonne per day revealed that none of the Municipalities had (i) obtained authorization from the Board, (ii) submitted Annual Reports, (iii) possessed any processing facility, (iv) disposed of solid waste in low-lying areas outside the cities/ towns and (v) used covered vehicles to transport the waste. Of these, 19 Municipalities were handling the waste manually, 5 did not undertake any phased programme to ensure community participation regarding waste management and 2 did not organize any awareness programme for recycling/reuse of segregated MSW. The Municipal Corporations at Jalandhar, Patiala, Ludhiana and Amritsar did not notify any

⁷ 19 Municipal Councils = 167.60 tonne.
4 Municipal Corporations = 1830.00 tonne.

schedule for collection of the solid waste and 2 Municipal Councils at Khumanon and Philaur were not having facilities to store waste. These authorities intimated (January 2002) that the waste could not be handled according to the rules due to shortage of funds, equipments and staff.

(ii) The work regarding study on solid waste management at Ludhiana, Jalandhar and Amritsar was awarded to M/s. Rail India Tech and Economic Services Ltd. (RITES), New Delhi by Punjab Water Supply & Sewerage Board, Chandigarh in October 1997 and on their recommendations, it was decided that M/s. Excel Industries would set up 600 and 300 MT plants at Ludhiana and Jalandhar respectively for which land with approach road was to be provided by respective Municipal Corporations. The work was to be completed within 12 months. Although land required was provided by the Municipal Corporations, the work at Ludhiana had not started as of December 2001 and work at Jalandhar was stated to be held up for want of funds. The completion of projects was, thus, delayed for about two years despite an expenditure of Rs.1.21 crore by the Municipal Corporations.

6.1.12 Manpower Management

Shortage of staff resulted in shortfall of achievement in collection of air samples

The details of Scientific and Technical manpower are given below:

Sr. No.	Year	Sanctioned strength of Scientific & Technical staff	Filled up	Shortage	Percentage of shortage
1.	1996-97	248	83	165	67
2.	1997-98	205	89	116	57
3.	1998-99	212	95	117	55
4.	1999-2000	176	97	79	45
5.	2000-2001 (4/2K to 10/2K)	176 ⁸	97	79	45
	11/2000 to 3/2001	106 ⁸	100	6	5

The decline in the sanctioned strength was due to Board's failure to fill up the vacant posts in time which ultimately resulted in abolition of vacant posts. Vacancies while affecting the implementation of the programme had resulted in non-achievement of targets for collection of air samples at regular intervals and periodical inspection of industries.

The draft paragraph was forwarded to the Secretary to the Government in April 2002 for reply within six weeks and followed up demi-officially with a reminder in May 2002. In spite of such efforts, reply had not been received (July 2002).

⁸ Posts lying vacant for more than 2 years were abolished w.e.f. 1.11.2000.

**RURAL DEVELOPMENT AND PANCHAYATS
DEPARTMENT**

**6.2 RURAL HOUSING SCHEME (INDIRA AWAAS
YOJANA)**

HIGHLIGHTS

Management and implementation of Indira Awaas Yojana (IAY) for construction of houses for SC/ ST, Freed Bonded Labourers and rural poor living below poverty line was ineffective. The prescribed criterion for identification of beneficiaries was not followed and cases were noticed where funds were irregularly released to some beneficiaries on the recommendation of Ministers/ MLAs. In disregard of the guidelines, houses were allotted in the name of male members. No record of construction of dwelling units, smokeless chulhas and sanitary latrines was maintained at block/district level. Monitoring was ineffective and evaluation of the scheme was never conducted. Some of the significant findings are given below:

- Assistance of Rs. 14.90 crore released by 4 test checked Zila Parishads (ZP) to Block Development and Panchayat Offices/ Gram Panchayats during 1997-2002 was treated as final expenditure without ensuring actual disbursement and utilisation by beneficiaries.

(Paragraph 6.2.5.(ii))

- Assistance of Rs. 2.94 crore was released to Block Development and Panchayat Offices by ZPs of Amritsar, Ferozepur and Ropar without prior selection of beneficiaries.

(Paragraph 6.2.6.1)

- Assistance of Rs. 1.45 crore was disbursed to 767 beneficiaries in the districts of Amritsar, Ferozepur and Patiala on the recommendations of Ministers/ MLAs.

(Paragraph 6.2.6.2(i))

- Shortfall in construction of new houses and up-gradation of kutchha houses during 1997-2002 was 14 and 19 per cent of the targets respectively.

(Paragraph 6.2.7.1)

- In 4 test checked districts, assistance for construction was released to 3,809 (52 per cent) beneficiaries in the name of male members of the family instead of female members or jointly in the names of husband and wife.

(Paragraph 6.2.8.3)

- The data on the smokeless chulhas and sanitary latrines provided at the newly constructed/ upgraded houses, reported to Joint Development Commissioner by Zila Parishads of the test checked districts, was at variance with the data supplied to Audit.

(Paragraph 6.2.9)

- **Inventory of houses constructed under IAY was not maintained and IAY logo board was not displayed.**

(Paragraph 6.2.10 and 6.2.11)

- **Monitoring was ineffective as record of visit of State/ district level officers was not maintained and evaluation study was not conducted by the State Government.**

(Paragraph 6.2.12 and 6.2.13)

6.2.1. Introduction

Indira Awaas Yojana (IAY) was launched by the Government of India (GOI) in 1985-86 as a component of the Rural Landless Employment Guarantee Programme (RLEGP). With the merger of RLEGP and National Rural Employment Programme (NREP) into Jawahar Rozgar Yojana (JRY) in April 1989, it became a component of JRY. It was, however, delinked from JRY and made an independent scheme from January 1996.

The objective of IAY is primarily to help construction of free of cost dwelling units for the Scheduled Castes/ Scheduled Tribes (SC/ ST) and Freed Bonded Labourers (FBL) and rural poor living below the poverty line (BPL) by providing them with grants-in-aid.

To further supplement the efforts to provide houses to the rural poor, Government of India launched "Pradhan Mantri Gramodaya Yojana" (PMGY) and "Credit-cum-Subsidy Scheme for Rural Housing" and "Samagra Awaas Yojana" during 1999-2002. Two schemes viz "Innovative stream for Rural Housing and Habitat" and "Setting up of Rural Building Centres" introduced by GOI were not implemented in the State. Thus, several schemes were launched for the same purpose leading to over lapping.

6.2.2. Organizational set up

The Secretary, Rural Development and Panchayats Department was the nodal agency through the Joint Development Commissioner (JDC) at headquarters. The implementation at district level was supervised by the Additional Deputy Commissioner (Development) (ADC-D) as Chief Executive Officer, Zila Parishad with the assistance of Deputy Chief Executive Officer, Zila Parishad and at block level by the Block Development and Panchayat Officer (BDPO). Gram Panchayats were to be involved in the selection of beneficiary families at village level. A State Level Co-ordination Committee (SLCC) was to be constituted to oversee the implementation of the programme.

6.2.3. Audit coverage

Of the 17 districts comprising of 138 blocks, record of 37 blocks in 4⁹ districts was test-checked between November 2001 and July 2002. The results of review are mentioned in the succeeding paragraphs.

⁹ Amritsar-12 blocks, Ferozepur-10 blocks, Patiala-9 blocks and Ropar-6 blocks.

6.2.4. Resource allocation

The expenditure under the IAY was to be shared between Central and State Governments in a ratio of 80:20. From April 1999, it was changed to 75:25.

6.2.5. Financial Performance*Allocation and expenditure*

The funding details and expenditure incurred as given by the department were as under:

(Rupees in lakh)

Year	Opening Balance	Funds released		Interest receipts	Total funds	Expenditure	Closing Balance
		GOI	State Govt.				
New Construction							
1997-98	222.47	597.97	128.39	--	948.83	829.90	118.93
1998-99	118.93	830.76	140.20	0.91	1090.80	933.52	157.28
1999-2000	157.28	620.45	228.74	0.47	1006.94	879.91	127.03
2000-2001	127.03	629.85	278.01	9.73	1044.62	976.36	68.26
2001-2002	68.26	610.93	103.19	4.93	787.31	733.83	53.48
Total		3289.96	878.53	16.04		4353.52	
Upgradation							
1999-2000	--	125.01	24.02	1.94	150.97	121.23	29.74
2000-2001	29.74	145.55	63.31	0.53	239.13	224.08	15.05
2001-2002	15.05	153.64	30.06	2.42	201.17	186.09	15.08
Total		424.20	117.39	4.89		531.40	

Funds amounting to Rs.68.56 lakh remained unutilized as on March 2002

Test check in the districts revealed the following :

(i) The State Government was required to release its share to the DRDAs/ ZPs within one month of release of assistance by GOI. In the test checked districts, the delay¹⁰ in release of state share ranged between 15 days and over 25 months for which no reasons were given.

(ii) Rs. 14.90 crore released by Zila Parishads of Amritsar, Ferozepur, Patiala and Ropar districts to Block Development and Panchayat Offices and Gram Panchayats during 1997-2002 were treated as final expenditure by Zila Parishads and utilization certificates were issued without ascertaining the facts regarding actual utilization of funds by the beneficiaries.

¹⁰ Amritsar: 3 months 13 days to 21 months, Ferozepur: 15 days to 1 year 10 days; Ropar: 1 month 22 days to 20 months 16 days and Patiala: 4 months 16 days to 2 years 1 month 27 days.

Rs. 13.78 lakh was irregularly diverted/ utilised on Jawahar Gram Samridhi Yojana

(iii) Rs.13.78 lakh representing State share received by ZP, Amritsar was irregularly diverted/ utilised on Jawahar Gram Samridhi Yojana during February 2001. Reasons for diversion of funds were not intimated.

(iv) Expenditure amount submitted to audit and actually accounted for in the books of JDC showed variations as detailed below:

(Rupees in lakh)

		1997-98	1998-99	1999-2000	2000-01	2001-02
Amritsar						
a.	Figures reported to JDC	72.87	130.91	102.50	152.86	109.70
b.	Figures supplied to Audit	51.97	164.00	114.10	96.00	105.80
Ferozpur						
a.	Figures reported to JDC	49.88	14.20	120.10	86.20	67.14
b.	Figures supplied to Audit	45.68	14.20	122.30	84.00	67.60
Patiala						
a.	Figures reported to JDC	23.00	69.20	30.08	111.60	73.70
b.	Figures supplied to Audit	23.00	70.40	28.90	113.80	79.90
Ropar						
a.	Figures reported to JDC	38.20	43.30	58.60	94.80	79.69
b.	Figures supplied to Audit	39.80	40.00	54.20	100.80	73.50

ZPs attributed (April-July 2002) the difference to utilisation of unspent balances of previous year, preparation of balance sheet after the close of financial year and incorrect reporting of figures by the BDPOs. The replies were not tenable because data transmitted to JDC should have been based on the disbursements actually made to the beneficiaries during the financial year. Thus, JDC, State Government and Government of India were misinformed about the actual expenditure figures and the expenditure figures given by the department cannot be totally relied upon.

6.2.6 Identification and selection of beneficiaries

Beneficiaries were selected in disregard of prescribed procedure without conducting any survey

Gram Sabha was required to select the beneficiaries from the list of eligible households. DRDA/ Zila Parishad on the basis of budget allocation and targets fixed, decided the number of houses to be constructed in each Panchayat. The funds were to be released to the BDPOs for disbursement only after the final selection of beneficiaries by the Governing Body of the DRDA/ ZP on the basis of lists of beneficiaries supplied by the Gram Sabha.

In the absence of any survey, the genuineness of BPL beneficiaries could not be verified in audit. The Deputy Chief Executive Officers and BDPOs admitted that survey to identify the beneficiaries had not been conducted.

6.2.6.1 Release of funds before identification of beneficiaries

Contrary to above procedure, ZPs, Amritsar, Ferozpur and Ropar released Rs.2.94 crore during 1999-2002 to various BDPOs without prior selection of the beneficiaries. After release of funds, the BDPOs were asked to intimate the details of beneficiaries to whom the amounts were disbursed. Evidently, beneficiaries were not identified; but funds were released by ZPs with a proviso that selection of beneficiaries be done by Gram Sabha subsequently.

6.2.6.2 Irregular release of grant to Sarpanches of Gram Panchayats

Rs.7 crore was released irregularly to Sarpanches of the Gram Panchayats

(i) The grants were required to be given direct to the beneficiaries by the ZPs through BDPO concerned. Instead, grants of Rs.7 crore, out of Rs.11.53 crore, were released to the Sarpanches of GPs by the ZPs of Amritsar, Ferozpur and Patiala for the construction of new houses and conversion of kutchra houses into semi pucca/ pucca houses. In the absence of any record for utilization of these grants, correctness of disbursement could not be verified.

Out of the above amount, assistance of Rs.1.45 crore was released to Sarpanches by ZPs of Amritsar, Ferozpur and Patiala during 1997-98 and 1998-99 for disbursement to 767 beneficiaries who were selected on the recommendations of the Ministers/ MLAs instead of selection of beneficiaries by Gram Sabha/ Panchayat/ BDPOs. The selection criterion was, thus, entirely neglected. The details are given below:

Beneficiaries irregularly selected on the recommendations of Ministers/ MLAs

Vr. No. & Month	Number of beneficiaries	Amount (Rupees in lakh)
Amritsar		
3 of 10/97	73	12.78
4 of 11/97	50	8.76
6 of 3/98	60	10.50
8 of 3/98	114	19.95
2 of 12/98	314	62.80
1 of 3/99	124	24.80
TOTAL	735	139.59
Patiala		
1 of 4/97	10	2.00
Ferozpur		
596 of 6/98	22	3.85
TOTAL	767	145.44

Irregular purchase of material through Sarpanches

(ii) It was also noticed that 99 houses were constructed with material purchased through the Sarpanches of GPs (**Appendix XXXV**). The procedure adopted was irregular as it did not carry the approval of Government and no reasons for deviation were intimated by ZPs/ BDPOs.

6.2.7 Physical Progress

6.2.7.1 New construction and upgradation of kutchra houses

Target fixed for construction of new houses and upgradation of kutchra houses into pucca houses under IAY and achievements thereagainst were as under:

New construction

(Number/ percentage within bracket)

Year	Target	Achievement	Shortfall (-)/ Excess (+)
1997-98	3517	3235 (92)	(-) 282 (8)
1998-99	5630	3831 (68)	(-) 1799 (32)
1999-2000	3973	3302 (83)	(-) 671 (17)
2000-2001	3973	4420(111)	(+) 447 (11)
2001-2002	4049	3494 (86)	(-) 555 (14)
Total	21142	18282 (86)	(-) 2860 (14)

Upgradation of kutcha houses into Pucca houses

(Number/ percentage within bracket)

Year	Target	Achievement	Shortfall (-)/Excess (+)
1999-2000	1987	852 (43)	(-) 1135 (57)
2000-2001	1987	2186 (110)	(+) 199 (10)
2001-2002	2025	1823 (90)	(-) 202 (10)
Total	5999	4861 (81)	(-) 1138 (19)

Shortfall in new construction and upgradation of kutcha houses was 14 and 19 per cent respectively

The overall shortfall in achievement was 14 per cent and 19 per cent in construction of new houses and upgradation of kutcha houses respectively. The achievements shown were not susceptible to verification because funds transferred by DRDAs/ ZPs to BDPOs for disbursement to beneficiaries were assumed as achievements without ascertaining the actual construction/upgradation. In the absence of records, the figures of achievements were not reliable.

Audit also noticed that achievements of targets were not commensurate with the expenditure incurred because against utilisation of 98.62 per cent funds during 1999-2002, the achievements in construction and upgradation were 86 and 81 per cent respectively.

In the test-checked districts, against the target of construction of 6,648 new houses, 6,025 houses were constructed and there was shortfall of 9 per cent. Similarly, for the upgradation of kutcha houses into pucca houses, 1,761 houses were upgraded against the target of 2175 and hence there was shortfall of 19 per cent (**Appendix XXXVI**). Reasons for shortfall were awaited. The corresponding financial figures could not be correlated for reasons stated in para 6.2.5 (ii) and (iv).

6.2.8 Construction of houses and allotment thereof

6.2.8.1 Location of houses

Dwelling units were normally to be built on individual plots in the main habitation of the village. The houses could also be built in a cluster within the habitation so as to provide common facilities of internal road, drainage, drinking water, etc. It was noticed that neither location of plots was finalized before release of funds nor was any record maintained after actual construction indicating the location of the houses.

6.2.8.2 Short release of assistance to the beneficiaries

Benefits denied due to short release of funds

According to prescribed norms, assistance of Rs.20,000 (Cost of house including sanitary latrine and smokeless chulhas : Rs.17,500 and cost of providing infrastructure and common facilities : Rs.2,500) was permissible to each beneficiary. However, in case the houses were not built in cluster approach, Rs.2,500 provided for infrastructure and common facility were to be given to the beneficiaries. ZPs, Amritsar and Ferozepur released assistance of Rs.51.98 lakh and Rs.45.68 lakh to 297 and 261 beneficiaries respectively during 1997-98. Since these houses were not built in clusters, release of assistance of Rs.17,500 per beneficiary instead of Rs.20,000 resulted in short release of Rs.13.95 lakh (Amritsar: Rs.7.43 lakh and Ferozepur Rs.6.52 lakh).

ZPs, Amritsar and Ferozpur stated (January-March 2002) that the remaining amount was used for coverage of additional beneficiaries. The reply was not tenable because such discretion was not available under IAY.

6.2.8.3 Irregular allotment of houses in the name of male members

52 per cent houses were not allotted in the name of wife or in the joint name of couple

IAY envisaged allotment of dwelling units in the name of female members of the beneficiary household or in the name of both husband and wife. It was seen that 3,809 (52 per cent) houses were registered in the name of male members, which was irregular.

6.2.8.4 Minimum plinth area and drinking water supply

The plinth area of the houses to be constructed under IAY was not to be less than 20 sq. meters. No record was maintained in this regard. Also, there was nothing on record to show that the availability of drinking water was ensured in these newly constructed/ upgraded houses.

6.2.8.5 Non-involvement of Non-Government Organizations (NGOs)

The scheme laid down that suitable local voluntary agencies with proven good track, wherever available, should be associated with the construction under IAY. But NGOs were not associated for providing assistance to the beneficiaries, monitoring of construction activities and for popularization of smokeless chulhas and sanitary latrines.

6.2.9 Fuel Efficient Chulhas and Sanitary latrines

Proper record of installation of smokeless chulhas and sanitary latrines was not maintained

An IAY dwelling unit was to be provided with a smokeless chulha and sanitary latrine and implementing authorities were required to ensure their installation.

In four test checked districts, 5,617 smokeless chulhas and 5,689 sanitary latrines in 7,786 newly constructed/ upgraded houses were shown as provided in the report sent to GOI. However, the data compiled in audit shows that 3,279 smokeless chulhas and 3,108 sanitary latrines were provided in 7,265 houses (*Appendix XXXVII*). It was, thus, evident from the data that Government of India was misinformed.

6.2.10 Inventory of Houses

Inventory of houses not maintained

It was noticed that inventory of the houses constructed under IAY was not maintained by any ZP/ BDPO test checked and no reasons were furnished.

6.2.11 Other points of interest

Board indicating IAY logo etc. was not deployed

(i) The DRDA concerned was to ensure that for each house so constructed under IAY, a display board was to be fixed indicating the IAY logo, year of construction, name of the beneficiary etc. No such boards were fixed.

(ii) The transparency in the implementation of IAY at various levels is of great importance to ensure that people below poverty line actually benefited. The information such as list of BPL households, list of beneficiaries identified

during preceding year and next year including details of SC/ST, women beneficiaries, list of disabled persons, allocation made to the village, guidelines of IAY, criteria for selecting beneficiaries, display of IAY sign board, details of houses taken up at block level, implementing agency, distribution of funds village-wise, etc., was invariably to be publicized to ensure transparency. This aspect remained neglected.

6.2.12 Non-prescribing of schedule for field visits

A schedule of inspection prescribing a minimum number of field visits for each supervisory level from the State to the block level was to be drawn up and strictly adhered to. It was observed that no schedule of field visits was prepared at the State/ District/ Block level and no record was produced from where the compliance could be verified.

6.2.13 Evaluation and monitoring

It was also noticed that in three meetings of SLCC held in March 1997, March 1998 and September 2000, the performance of IAY was not discussed. Evidently, monitoring of the IAY was not being done effectively. Further, no evaluation study had been conducted.

Monitoring of IAY was not done effectively and evaluation study was not conducted

6.2.14 Other Rural Housing Schemes

6.2.14.1 Credit-cum-subsidy scheme for Rural Housing

The scheme was launched from April 1999 for rural families having annual income upto Rs. 32,000/- per annum and BPL households were to be given preference. The maximum amount of loan that could be availed of was fixed at Rs. 40,000/- and subsidy was to be restricted at Rs. 10,000/-. The subsidy was to be shared by the Central and State Governments in the ratio of 75:25. Yearwise details of funds released and expenditure incurred was as under:

(Rupees in lakh)

Year	Funds released by		Misc receipt	Total	Expenditure	Saving (-) Excess (+)
	Central Govt.	State Govt.				
1999-2000	23.92	1.83	--	25.75	2.80	(-) 22.95
2000-01	0.97	5.64	0.06	6.67	10.90	(+) 4.23
2001-02	4.05	2.28	0.27	6.60	5.95	(-) 0.65
TOTAL	28.94	9.75	0.33	39.02	19.65	(-) 19.37

638 and 234 houses were to be constructed in 1999-2000 and 2001-02 respectively. No targets for 2000-01 were fixed by JDC. Against this, 111 houses were completed and 121 houses were reported under construction which implies that against 50 per cent funds utilised less than 27 per cent targets were achieved.

In the test checked districts, it was noticed that Rs. 11.15¹¹ lakh was released during 1999-2002. However, no subsidy was released by DRDAs, Amritsar

¹¹ Amritsar : Rs.3.23 lakh; Ferozepur : Rs.2.43 lakh; Patiala : Rs.2.48 lakh and Ropar: Rs.3.01 lakh.

and Ropar either due to non-availability of beneficiaries or non-finalisation of loan by the banks. DRDA, Ferozpur released subsidy of Rs. 2.50 lakh in 25 cases to banks during 2000-02 but utilisation certificates alongwith the details of loans sanctioned were awaited (July 2002). Similarly, DRDA, Patiala released subsidy of Rs. 2.10 lakh for 21 beneficiaries during 2000-02. However, details of disbursement of loans in these cases were also awaited. This indicates that despite release of money, disbursement of funds to the actual beneficiary is taking place at a much slower pace.

6.2.14.2 Pradhan Mantri Gramodaya Yojana (Gramin Awaas)

The GOI allocated Rs. 6.06 crore to the State Government during 2000-01 for implementing PMGY in all the 17 districts. The State Government released these funds to DRDAs in two instalments during December 2000 and August 2001. Expenditure of Rs.5.63 crore was incurred during 2000-01 (Rs.2.98 crore) and 2001-02 (Rs.2.65 crore). Against the target for construction/ upgradation of 3,408 (New : 2,601 and Upgradation : 807) houses, 2,952 (New: 2,254, Upgradation : 698) were shown in progress report sent to GOI. In the absence of records, the correctness of physical/ financial performance reported could not be verified in audit.

6.2.14.3 Samagra Awaas Yojana

Samagra Awaas Yojana is a comprehensive housing scheme launched in April 1999. The aim of the scheme was to provide for convergence of activities such as construction of houses, sanitation facilities and drinking water schemes, with special emphasis on technology transfer, human resource development and habitat development. Ten *per cent* contribution was to be received from the people. In the first phase, the scheme was proposed to be implemented in one block each of 25 districts in 24 States and one UT. In Punjab, Rs. 20 lakh was released to ADC (Development), Bathinda during 2000-01. JDC stated (March 2002) that funds were utilized but no record in support of its utilisation was shown to audit.

6.2.15 Conclusion

Implementation of Indira Awaas Yojana was ineffective and details of beneficiaries covered were unreliable in the absence of proper records. The achievements reported by the DRDAs/ ZPs to the JDC were inflated rendering the statistical data doubtful. Instances of undue influence vitiated the implementation of the programme. In the absence of any survey to identify the beneficiaries, genuineness of beneficiaries/eligible BPL families was not ensured. Women were not empowered because allotment of dwelling units was made mostly in the names of male members in disregard of the provisions of the scheme. NGOs were not associated for providing assistance to the beneficiaries, for monitoring of construction activities and for popularization of smokeless chulhas and sanitary latrines. In sum, due regard was not paid to the success of a socially relevant programme.

The draft review was demi-officially forwarded in April 2002 to the Secretary to Punjab Government for reply within six weeks. No reply was received from the Secretary (July 2002).

SECTION 'B'—AUDIT PARAGRAPHS

**RURAL DEVELOPMENT AND PANCHAYATS
DEPARTMENT**

6.3 Swaranjayanti Gram Swarozgar Yojana

6.3.1 Introduction

Government of India (GOI) launched a restructured Integrated Rural Development Programme, a self-employment programme, as Swaranjayanti Gram Swarozgar Yojana (SGSY) in 1999. This is a holistic programme covering all aspects of self-employment such as organisation of the poor into Self Help Groups (SHG), training, extension of credit/technology, providing infrastructure and help in marketing. The objective of the scheme was to cover 30 *per cent* of the poor families (Swarozgaris) in each block in five years and to raise the assisted poor family above the poverty line in three years by providing them income generating assets through a mix of bank credit and government subsidy so that the family receives a net monthly income of at least Rs. 2,000 excluding repayment.

The SGSY is a credit-cum-subsidy programme with subsidy being a minor enabling element and banks playing a lead role. The scheme is funded by the Centre and State Governments in the ratio of 75:25 and implemented by the District Rural Development Agencies (DRDAs). The unspent balances as on 1st April 1999 under the erstwhile programmes Integrated Rural Development Project, Training for Rural Youth for Self Employment, Development of Women and Children in Rural Areas, Supply of Improved Toolkits to Rural Artisans, Ganga Kalyan Yojana and Million Wells Scheme were to be pooled under SGSY for utilization. The key activities selected in the State were dairy farming, handloom, poultry, setting up shops and business. The scheme was implemented by the DRDA headed by Additional Deputy Commissioner (Development) at the District Headquarters and by the Block Development & Panchayat Officer (BDPO) at the block level under the overall control and superintendence by Joint Development Commissioner, Rural Development. State level SGSY Committee provided overall co-ordination. Implementation of the scheme was reviewed during November 2001 to March 2002 by test checking the records of 5¹² districts.

¹² Amritsar, Fatehgarh Sahib, Ferozepur, Kapurthala and Sangrur.

6.3.2 Financial outlay and expenditure

6.3.2.1 The funding details were as under:

(Rupees in crore)

Year	Opening Balance	Funds released by GOI	Funds released by State	Misc. Receipts	Funds available	Expenditure	Closing Balance
1999-2000	3.53	5.13	2.70	0.80	12.16	9.88	2.28
2000-2001	2.28	6.49	2.52	1.45	12.74	12.32	0.42
2001-2002	0.42	3.41	0.68	2.10	6.61	6.36	0.25

On examination of the expenditure incurred, the following points emerged :

Administrative cost of Rs.43.42 lakh was wrongly charged to the scheme

(i) Out of total funds of Rs.28.81 crore available, expenditure was Rs.28.56 crore. Further, expenditure of Rs.43.42 lakh incurred on administrative cost (as mentioned in paragraph 6.3.2.2) was wrongly charged to the scheme.

(ii) In five test checked districts, out of the total funds of Rs. 10.81 crore, DRDAs released Rs. 9.46 crore during 1999-2002 to the banks for disbursement to beneficiaries and Rs. 1.26 crore to the BDPOs for imparting training and infrastructure creation. It was noticed that banks disbursed Rs.7.66 crore to beneficiaries and BDPOs spent Rupees one crore. Funds amounting to Rs. 2.15¹³ crore were lying unutilized. Thus, the effective expenditure was Rs. 8.66 crore (80 per cent).

6.3.2.2 Inadequate provision under Training, Revolving and Infrastructure Fund

The apportionment of funds was to be as detailed below:

SGSY Training Fund	10 per cent
SGSY Infrastructure Fund	20 per cent
Revolving Fund for Self Help Groups	10 per cent
Subsidy for economic activities	60 per cent

Separate funds were not created and only one bank account was maintained for regulating the receipts and expenditure. The details of expenditure for above components were as under:

(Rupees in lakh)

Year	Administrative	Training Fund	Revolving Fund	Infrastructure Fund	Subsidies	Total
1999-2000	43.39	6.31 (0.64%)	10.00 (1.01%)	93.63 (9.48%)	834.24 (84.47%)	987.57
2000-2001	0.03	26.16 (2.12%)	35.05 (2.88%)	127.69 (10.36%)	1043.13 (84.66%)	1232.06
2001-2002		6.69 (1%)	23.90 (3.75%)	40.14 (6.31%)	565.19 (88.87%)	635.92
Total	43.42	39.16 (1%)	68.95 (2%)	261.46 (9%)	2442.56 (86%)	2855.55 (28.56 crore)

¹³

With DRDAs Rs.0.09 crore; with BDPOs Rs.0.26 crore & with Banks Rs.1.80 crore.

Allocation for Training, Revolving and Infrastructure Funds was not made as envisaged

Total subsidy component exceeded the ceiling and was about 86 per cent of the expenditure. Further Rs.43.42 lakh was spent on Administration irregularly which was not provided for in the scheme. Consequently, the expenditure on other components remained meagre and was less than the norm. The DRDAs of test-checked districts stated (March 2002) that provisions were made as per requirement, which is not correct.

6.3.2.3 Delay in release of second installment of grant by Government of India

In five test checked districts, second installment of grant for the year 1999-2000 was received late as detailed below due to delay in submission of proposals by DRDAs.

Second installment of grant for the year 1999-2000 was released late by GOI

Name of DRDA	Date of release of funds by GOI	Amount (Rupees in lakh)	Date of submission of proposal for 2nd Installment
Amritsar	27 March 2000	25.26	10 January 2000
Fatehgarh Sahib	2 May 2000	6.12	16 March 2000
Ferozepur	31 March 2000	20.48	28 January 2000
Kapurthala	3 April 2000	7.68	29 December 1999
Sangrur	5 April 2000	26.33	25 January 2000

6.3.3. Selection and coverage of beneficiaries

(i) Selection of beneficiaries

Only 16 per cent beneficiaries were covered

Under SGSY, the beneficiaries were to be either individuals or groups. At least 50 per cent SC/ STs, 40 per cent women and 3 per cent disabled were to be covered as Swarozgaris. Efforts were to be made to cover 30 per cent of the poor families in each block. The beneficiaries covered were as under:

Year	No. of BPL Families	Targeted coverage @ 6%	Beneficiaries assisted			Percentage shortfall in coverage
			Individual	SHG	Total	
1999-2000	7,44,000	44,640	869	825 (72)	1694	96
2000-2001	7,44,000	44,640	10,020	1970 (176)	11990	73
2001-2002	6,50,209	39,013	5,107	1165 (109)	6272	84
TOTAL		1,28,293	15,996	3960 (357)	19956	84

Against the targeted coverage of 1,28,293 beneficiaries between April 1999 and March 2002, only 19,956 beneficiaries were covered and 84 per cent were deprived of the intended benefits. Reasons for such huge shortfall in coverage were not intimated (July 2002).

(ii) Formation of Self-Help Groups

The scheme emphasized the group approach under which rural poor were to be organized into self help groups (SHGs). These SHGs were to go through three stages of evolution i.e. group formation, capital formation and taking up of economic activities for income generation. As per guidelines of September 1999 issued by Reserve Bank of India, every SHG which was in existence at least for a period of six months and had demonstrated its viability would

receive a revolving fund of Rs. 25,000 from banks as cash credit facility, which will include Rs. 10,000 given to the banks by the DRDA.

Scrutiny disclosed that only 357 SHGs comprising 3,960 beneficiaries (20 per cent) were formed. Following irregularities were noticed:

(a) In DRDA, Sangrur, against the target of 260 SHGs in two years, only 132 SHGs were formed. Of these, only one group was successful in getting good rating to whom economic assistance of Rs. 2.50 lakh was sanctioned and cheque issued in April 2001 but the amount had not been disbursed by the bank (January 2002).

(b) In Ferozepur district, Rs. 12.10 lakh was given to banks during March 2001 for creation of revolving funds. However, only Rs.0.20 lakh was accounted for in the bank pass books of two SHGs. The balance of Rs. 11.90 lakh payable to 119 SHGs was lying with the banks and SHGs could not reach the second stage of capital formation due to non-release of loan by banks.

(c) In Sangrur district, Rs. 14.30 lakh was given to various banks for disbursement to 143 SHGs but only Rs. 2.80 lakh was disbursed to 28 SHGs and Rs. 11.50 lakh was lying idle with the banks.

Thus, 234 SHGs of Ferozepur (119) and Sangrur (115) districts were deprived of the full amount of revolving fund due to non-release of loans by banks. Out of Rs.28.90 lakh released to banks, Rs. 25.90 lakh was lying undisbursed with them. Apart from this, banks were required to give credit facility which was also not disbursed. On being pointed out (December 2001 & February 2002), the DRDAs Ferozepur and Sangrur stated that the matter will be taken up with the concerned banks. Failure of the banks to contribute their share of Rs.15,000 for each SHG deprived the SHGs from the intended benefits.

6.3.4. Infrastructure creation

Twenty per cent of SGSY funds were to be kept separate for infrastructure creation. In Ferozepur and Sangrur districts, following irregularities were noticed:

(i) DRDA, Sangrur disbursed Rs. 36 lakh viz. Rs. 16 lakh to the Executive Engineer, Panchayati Raj Division, Sangrur and Rs. 20 lakh (March 2000 to March 2001) to various Sarpanches of Gram Panchayats as well as to District Welfare Officer, Sangrur for construction of work sheds. Although sheds were constructed, these were not put to use till March 2002 as only 4 SHGs were given sheds and economic assistance for income generation. Thus, releases were premature and expenditure on sheds largely remained unproductive for 14-26 months.

(ii) DRDA, Ferozepur released (January-March 2000) Rs. 22 lakh to 10 blocks (Rs. 2.20 lakh each) for construction of Cattle Sheds for SHGs. Utilization Certificates for Rs. 8.80 lakh were still awaited from 4¹⁴ blocks.

¹⁴ Ferozepur, Muktsar, Fazilka and Abohar.

Rs.23.40 lakh of revolving funds was not released to banks in Ferozepur and Sangrur

Expenditure of Rs. 36 lakh incurred on the construction of work sheds proved largely unproductive

(iii) DRDA, Ferozepur also released Rs. 20 lakh in September 2000 to 10 BDPOs (Rs.2 lakh each) for construction of sheds for knitting, sewing and weaving centres for SHGs. Utilization Certificates for Rs. 12 lakh from 6 BDPOs were still awaited. The DRDA stated (June 2002) that no time frame was prescribed for construction of sheds.

6.3.5 Technology Management and Marketing Support

The scheme envisaged Swarozgaris, either individually or in groups, to be provided with certain key activities. For each activity, it was necessary to have an institution capable of transmitting technologies. In Punjab, key activities included Dairy, Poultry, Industry, Shop and Business (ISB) and Handloom industries but technology management and marketing support was not provided. These activities were not reviewed after two years at any level.

6.3.6 Skill Upgradation

Under the scheme, 10 per cent of the SGSY funds were to be kept separate for Basic Orientation and Training programme. In Ferozepur and Sangrur districts, following irregularities were noticed:

(i) DRDA, Ferozepur released Rs. 2.43 lakh (November 2000) to 10 BDPOs for imparting training. These funds were not utilised as of December 2001. DRDA stated (December 2001) that concerned BDPOs were being asked to either incur the expenditure or refund the unspent amount.

(ii) DRDA, Sangrur released (August 2000) Rs. 3.60 lakh to 12 BDPOs. BDPO, Dhuri arranged training for 20 Swarozgaris by incurring expenditure of Rs.0.15 lakh and the balance was refunded in January 2002. Five BDPOs spent Rs. 0.89 lakh out of Rs. 1.50 lakh but failed to render the accounts. No training was organized by the remaining 6 BDPOs who were given Rs. 1.80 lakh. Thus, Rs. 2.41 lakh was lying with the BDPOs. On being pointed out, the DRDA stated (March 2002) that the concerned officials will be asked to furnish the accounts but no reply was furnished about the delay in arranging training.

6.3.7 Financial assistance by way of subsidy and loan

Subsidy under the scheme was at uniform rate of 30 per cent of the project cost subject to maximum of Rs. 7,500. In respect of SC/ ST, however, subsidy was 50 per cent subject to maximum of Rs. 10,000. Similarly, SHGs, who have successfully passed the second stage were eligible to receive the assistance for economic activity. The SHGs were entitled to receive 50 per cent of the project cost subject to a limit of Rs. 1.25 lakh as subsidy. The banks were required to sanction the loan within 15 days and disburse the same alongwith subsidy. The details of loans and subsidies sanctioned and disbursed are in *Appendix XXXVIII*.

Rs.8.01 crore of loan and subsidy were not disbursed to beneficiaries by banks

It was noticed that out of loan and subsidy amounting to Rs. 34.42 crore sanctioned for disbursement to 9,152 beneficiaries, Rs. 26.41 crore was disbursed to 7,379 beneficiaries (including 95 SHGs representing 1,057

beneficiaries) during 1999-2002 and Rs. 8.01 crore to 1,773 (19 per cent) beneficiaries was awaiting disbursement. DRDAs attributed (March 2002) the delay to reluctance of the banks (also see para 6.3.3 (ii) (a)) in disbursing assistance.

6.3.8 Physical verification of assets created

Physical verification of assets was not carried out

Swarozgaris were required to procure the assets within one month from the date of release of money and inform the BDPOs and the banks. The DRDAs and banks were to monitor and verify that quality assets had been procured. In the test checked districts, physical verification of assets during 1999-2001 was not carried out and records in support of it were not produced. DRDA, Kapurthala stated (January 2002) that physical verification had been undertaken only upto the extent of 40 per cent. In the absence of records, the correctness of the reply could not be checked. The DRDA did not indicate as to why 100 per cent check as per provisions was not carried out. DRDA, Amritsar, Fatehgarh Sahib and Sangrur did not furnish any cogent reasons for the failure and stated that the scheme was in its preliminary stage or there was shortage of staff with the banks. Failure of the DRDAs to ensure existence of assets could mean mis-utilisation of financial assistance.

6.3.9 Shortfall in field visits

Due to inadequate supervision by ADCs, DRDAs and BDPOs, proper monitoring and implementation of the scheme was not done

For effective implementation of the scheme and for its physical monitoring, each ADC and BDPO was required to undertake 10 and 20 field inspections respectively every month. In the test checked districts, record of field visits by ADCs were not available and overall shortfall of field visits by 14 BDPOs was 95 per cent and 76 per cent during 1999-2000 and 2000-01 respectively.

The draft paragraph was forwarded to the Secretary to Government for reply within six weeks and reminded in June 2002. In spite of such efforts, no reply was received from the Secretary (July 2002).

6.4 Irregular sanction of grant to a religious body

Rupees one crore was sanctioned/released to Shree Durgiana Temple, Amritsar in contravention of provisions of scheme

The Plan Scheme CD 2.32 formulated in November 1997 envisaged release of grants to Government institutions/private organizations for strengthening infrastructure or institutional works in public interest.

It was noticed (April 2001) that Government approved (April 2000) Rs.10 crore for this scheme and funds were placed at the disposal of Director, Rural Development and Panchayats, Punjab (Director). In disregard of scheme guidelines, which strictly prohibited sanction of public funds for the promotion or maintenance of any particular religious institution, the Director on the recommendations of the Chief Minister sanctioned (May 2000) Rupees one crore for *kar seva* in Shree Durgiana Temple, Amritsar. The grant was released to Shree Durgiana Temple Committee through Deputy

Commissioner, Amritsar without estimating the cost and finalising project report. The Council of Ministers in its meeting held on 8 December 2000 also took a decision that grants to the religious institutions/ bodies could be given at par with other institutions but before issuing sanction, concurrence of Finance Department should be obtained so as to avoid any legal implications. The Administrative Department was asked to further apprise the Cabinet Affairs Branch within 15 days. However, no appraisal of the Cabinet was made by the Administrative Department as of July 2002 and the grant of Rs. one crore was released.

Release of Rupees one crore was, thus, irregular and violative of the guidelines of the scheme. The utilisation certificate furnished (September 2001) by Shree Durgiana Committee, Amritsar also showed that funds were utilised for renovation of Mandir(s) and for other miscellaneous purposes and were not spent as per scheme guidelines.

The draft audit paragraph was forwarded to the Secretary in May 2002 for reply within 6 weeks. However, no reply was received (July 2002).

Education Department

6.5 Excess payment of grants to five aided schools

Failure of DPI-Pr to restrict grants-in-aid to the admissible staff strength resulted in excess payment Rs.17.29 lakh to five aided schools

According to provisions of Punjab Education Code, grants-in-aid to aided schools for pay and allowances and management contribution of G P Fund was admissible upto 95 *per cent* of the deficit of the approved expenditure over approved income and the remaining 5 *per cent* was to be borne by the management. All the aided schools were required to employ staff as per the norms prescribed by the Education Department. For this purpose, staff strength for every school was to be annually determined by the Education Department at the beginning of the academic year on the basis of average admission of the preceding year. Grants-in-aid was to be limited to only admissible strength of staff.

Test check of records of Director, Public Instruction (Primary), Punjab, Chandigarh (DPI-Pr) revealed (September 2001) that the teachers deployed by five aided schools was in excess of the norms. The number of excess teachers during April 1999 to September 2001 ranged between 1 and 4 (*Appendix XXXIX*) and salary and allowances paid to them worked out to Rs. 18.20 lakh for which grants-in-aid of Rs. 17.29 lakh was claimed by the managements and reimbursed by the Education Department.

Failure of DPI-Pr to check the admissibility of grants-in-aid strictly in accordance with the prescribed norms resulted in excess payment of Rs.17.29 lakh. The DPI-Pr admitted the facts and stated (September 2001) that necessary directions were being issued to the concerned District Education Officer (P).

The draft audit paragraph was sent to the Secretary Education in April 2002 for reply within six weeks. The matter was followed up with reminder in May 2002. However, no reply was received (July 2002).

CHAPTER – VII

	Page
COMMERCIAL ACTIVITIES	
AUDIT PARAGRAPH	115-119

CHAPTER-VII

COMMERCIAL ACTIVITIES

AUDIT PARAGRAPH

FOOD SUPPLIES & CONSUMER AFFAIRS DEPARTMENT

7.1. Procurement and Storage of Wheat

7.1.1 Introductory

State Food and Supplies Department along with other procuring agencies i.e. PUNSUP¹, MARKFED², PSWC³, PAIC⁴, and FCI⁵ procure wheat from farmers at the Minimum Support Price. The wheat so procured is supplied to the central pool through FCI. Before delivery to FCI, the procured wheat is stored in own and hired godowns. The department also procured various articles like gunny bags, crates, polycovers and fumigants for proper maintenance of the stock.

The records of Director, Food and Supplies, Punjab and 6⁶ out of 17 circles each headed by District Food and Supplies Controller (DFSC) for the period 1997-98 to 2001-02 were test checked in audit during October 2001 to April 2002. The results of audit are incorporated in succeeding paragraphs.

7.1.2 Financial management

7.1.2.1 Excess cash credit availed

Procurement of wheat is funded through cash credit limits fixed by Reserve Bank of India (RBI) through State Bank of India (SBI). The cash credit limit is availed by hypothecation of fully paid wheat stocks including cost of food grains, gunny bags and other incidentals such as mandi charges, handling charges and transportation charges from procurement centres to the storage points. Cash credit outstanding must always be fully covered by the value of paid stocks. It was noticed in audit that during Rabi 2001-2002, Finance Department demanded from RBI/SBI for an increase in cash credit limit from Rs. 800 crore to Rs. 850 crore on 11 June 2001 and further to Rs. 1,129 crore on 14 June 2001. This was availed by the department after hypothecating 15.10 lakh tonne of wheat whereas actual quantity of wheat procured was only 10.75 lakh tonne valuing Rs. 805 crore. Thus, irregular excess cash credit was

Excess cash
credit of Rs. 324
crore was availed

¹ Punjab State Civil Supplies Corporation Limited.
² Punjab State Cooperative Supply and Marketing Federation Limited.
³ Punjab State Warehousing Corporation Limited.
⁴ Punjab Agro Industries Corporation Limited
⁵ Food Corporation of India.
⁶ Amritsar, Ferozepur, Jalandhar, Kapurthala, Ludhiana and Sangrur.

availed resulting in avoidable credit liability of Rs. 324 crore (Rs. 1,129-805 crore) alongwith interest of Rs. 29.99 crore at 11.65 per cent from 15 June 2001 to 31 March 2002.

The Director offered no comments to audit as of July 2002.

7.1.2.2 *Delayed and less repayment of cash credit to SBI*

With a view to discharge liability of outstanding cash credit and minimize interest liability thereon, the department is required to repay the amounts on realization of sale proceeds from wheat.

Sale proceeds were retained instead of being used to liquidate cash credit

It was, however, noticed that out of the sale proceeds of Rs.1,513.91 crore realized during the period April 1997 to August 2001, only Rs. 879.35 crore was repaid. Failure to repay Rs. 634.56 crore in time resulted in avoidable interest of Rs. 150.42 crore for this period.

On being pointed out, Deputy Controller (B&F) stated (May 2002) that amount was repaid as and when funds were provided by Finance Department.

7.1.3 **Failure to claim carryover charges due from FCI for delayed payments**

Rs. 2 crore of carryover charges were not claimed

In a meeting held in December 1970 between Zonal Manager, FCI and Director, Food and Supplies, Punjab, it was decided that if payment was not made within 24 hours of presentation of bills or made in the month subsequent to the month of despatch, the carryover charges⁷ would be recovered at full rate for the month of despatch and at half the rate for the month in which payment was received.

Scrutiny of records (April 2002) of 5⁸ circles revealed that for 2.53 lakh tonne of wheat delivered to FCI between August 1997 and March 2002, payments were received in months subsequent to the month of despatch but carryover charges of Rs. 2 crore had not been claimed from FCI.

The Government in reply stated (June 2002) that instructions issued in December 1970 were valid upto March 1972 and thereafter carryover charges were at half of the rate. The reply was not tenable as it was nowhere mentioned in the instructions of December 1970 that these were meant for a particular period. These instructions were reiterated in October 1984 by the Director of State Food Supplies Department.

7.1.4 **Improper storage/ despatch of wheat**

Loss of Rs.155.20 lakh due to improper storage

As per instructions, First in First Out (FIFO) is the basis for despatch of stock to avoid damage to old stock.

⁷ Representing expenditure incurred by the department on storage, interest on cash credit and incidental charges.

⁸ Ferozepur, Kapurthala, Ludhiana, Jalandhar and Sangrur.

Test check of records of 4 circles revealed that wheat was not despatched on FIFO basis. This resulted in loss of Rs. 155.20 lakh as detailed below:

(Quantity in tonne)

Sr. No.	Centre	Rabi season	Quantity procured	Quantity despatched to FCI	Damaged stock sold through auction	Shortage	Loss (Rs. in lakh)	Remarks
1	Goraya (Jalandhar circle)	1997-98	1804	385	1259 (February 2000)	160	42.33	Wheat purchased with higher moisture. Stocks not maintained properly.
2	Shahkot (Jalandhar circle)	1999-2000	8505(+34 Moisture Gain)	7290	950 (October 2001)	299	71.74	Due to storage on un-raised plinths.
3	Garh Shahkar (Hoshiarpur circle)	1996-97 1997-98	2143 741 (19 Moisture Gain)	2288	571 (October 1999)	44	7.25	Infestation was noticed in August 1996 but Inspector reported the condition as good even in October 1997. Non-clearance of stock for long period
4	Dhuri (Sangrur circle)	1997-98 1998-99	15944 13479	25266	775 2920 (August 2001)	462	33.88	Stored in open plinth and late despatch of stock.

Final action against the officials responsible for the shortage/ loss was yet to be taken by the department.

7.1.5 Failure to recover sale proceeds of wheat from PSWC

The department utilised storage capacity of Punjab State Warehousing Corporation (PSWC) for storage of wheat procured.

5,082 tonne of wheat pertaining to Rabi crops 1993-96 was stored in PSWC godowns at Fazilka centre of Ferozepur circle. In April 1997, DFSC, Ferozepur intimated the Director, Food and Supplies that condition of wheat stock was bad. Samples were taken (April 1997) by FCI for testing the wheat quality. Senior District Manager, PSWC, Ferozepur intimated (November 1997) DFSC, Ferozepur that stock had been found unfit for human consumption and rejection certificate had been sent to their head office for further action. However, the rejected wheat was auctioned by PSWC in January 1998 at their head office without prior intimation to the department. The value of stock as per books of the department was Rs. 4.19 crore. But the department failed to recover any amount from PSWC.

The Government stated (June 2002) that efforts are being made to recover the amount from PSWC.

7.1.6 Non-recovery of cost/ rent of stock articles

As per departmental instructions (October 1990), rent of Rs. 3 per wooden crate per month was to be recovered from the procuring agencies for wooden crates given on loan. In May 1994, department decided that no wooden crate should be supplied to FCI on loan basis and advised circle offices to issue wooden crates on sale basis and charge rent of Rs.3 per month per wooden crate given on loan prior to the issue to these instructions.

Rs.2.23 crore remained un-recovered from procuring agencies

(i) In Ludhiana circle, 30,248 wooden crates valuing Rs. 40.83 lakh (valued at the procurement rate of Rs. 135 per crate during 1994-95) were given during 1990-91 on loan to FCI (20,791), Markfed (2,026) and Punsup (7,431). Wooden crates given to Markfed and Punsup were received back but FCI did not return the crates upto December 2001. However, rent amounting to Rs. 1.01 crore [FCI (Rs. 90.66 lakh), Markfed (Rs. 7.77 lakh) and Punsup (Rs. 2.23 lakh)] as on December 2001 was yet to be recovered.

(ii) In Sangrur circle, 35,238 wooden crates valuing Rs. 47.57 lakh had been given to Markfed (12,610), FCI (20,029) and Punsup (2,599) during the period 1985 to 1994 but agencies had neither returned the crates nor paid rent of Rs. 1.22 crore due upto February 2002.

When pointed out in audit (March 2002), DFSC stated that repeated reminders yielded no result. The State Government accepted that the amount was still recoverable.

Gunny bags worth Rs.8.44 crore transferred to other wheat procuring agencies remained unrecovered for three years

(iii) 4,495 bales of 95 kg gunny bags and 5,591 bales of 50 kg gunny bags valuing Rs. 8.44 crore which were transferred on loan basis to other procuring agencies (FCI : Rs. 0.24 crore, Markfed : Rs. 3.12 crore, PUNSUP : Rs. 2.51 crore, PAIC : Rs. 0.31 crore, PSWC : Rs. 2.26 crore) during Rabi 1999-2000 had not been returned. This resulted in blockade of cash credit funds on which interest liability of Rs. 2.73 crore had been incurred for the period July 1999 to March 2002. Reasons for non-recovery had not been intimated to audit.

7.1.7 Blockade of funds due to excess purchase of polythene covers

Requirement of various stock articles were ascertained from the circles and supplies were arranged by the Director, Food and Supplies, Punjab, Chandigarh.

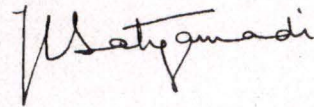
Unnecessary purchase of 1,455 polythene covers blocked Rs. 74.35 lakh

It was noticed in audit that there were 1,967 polythene covers in Sangrur circle before the commencement of procurement season of Rabi 2000-2001. Despite availability of sufficient stock, 700 more polythene covers were purchased and supplied by the Directorate on the requisition of the circle. However, only 1,208 polythene covers were utilised. Thus, purchase of 700 polythene covers valuing Rs. 37.28 lakh @ Rs. 5,325 each was made without any immediate requirement.

It was further noticed that against the demand of 345 polythene covers made by four⁹ circles, 1,100 polythene covers were allocated by the Directorate to 6 circles out of which 2 circles had no requirement of polythene covers. Thus, excess allocation of 755 polythene covers valuing Rs. 37.07 lakh (Rs. 4,910 each) resulted in blockade of funds.

⁹ Mansa, Faridkot, Ludhiana and Muktsar.

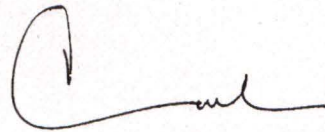
Government in reply stated that 1,967 covers were utilised to cover old stocks and requirement of 700 more covers was assessed by the DFSC, Sangrur. The reply was not correct because as per records only 857 and 351 covers were utilised for covering old and new stocks respectively.



CHANDIGARH
The 31 JAN 2003

(Y. C. SATYAWADI)
Pr. Accountant General (Audit), Punjab

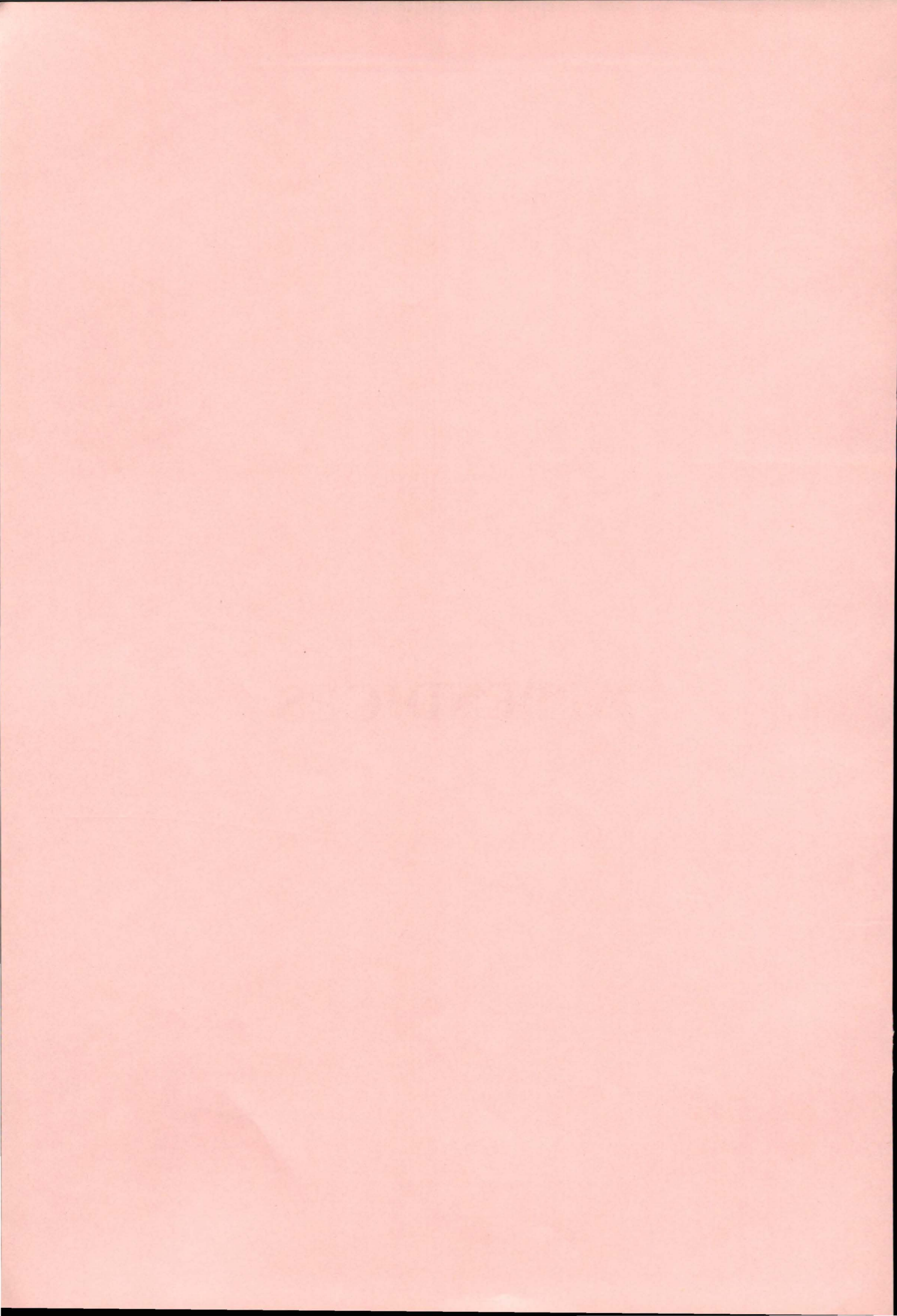
Countersigned



NEW DELHI
The 13 FEB 2003

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

APPENDICES



Appendix-I
(Reference : Paragraph 1.1 and 1.12.2 Pages 1 & 23)
Part A. Government Accounts

1. Structure : 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 go into 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 from which no amount can be withdrawn without authorization from the State Legislature. This part consists of two main divisions, namely, 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 an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorization 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 authorized by the Legislature during the year was Rs. 25 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.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz. the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts present the details of expenditure by the State Government vis-à-vis the amounts authorized by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularization by the Legislature.

Part B List of Indices/ ratios and basis for their calculation

(Reference : Paragraph 1.1 and 1.12.2 Pages 1 & 23)

Indices/ratios		Basis for calculation
Sustainability Balance from the current revenue Primary Deficit Interest Ratio Capital outlay Vs Capital receipts Total tax receipts Vs GSDP State tax receipts Vs GSDP	BCR Capital Outlay Capital receipts	Revenue Receipts minus all Plan grants (under Major Head 1601-02,03,04) and Non-Plan revenue expenditure Capital expenditure as per Statement No. 2 of the Finance Accounts Internal Loans (net of ways and means advances)+Net receipts from small savings, PF etc. + Repayments received of loans advanced by the State Government -Loans advanced by the State Government
Flexibility -Balance from Current Revenue -Capital repayments Vs Capital Borrowings Incomplete Projects -Total Tax Receipts vs GSDP - Debt Vs GSDP	Capital Repayments Capital Borrowings State Tax Receipts Total Tax Receipts	As above Disbursements under Major heads 6003 and 6004 minus repayments on account of Ways and Means Advances/ overdraft under both the major heads. Addition under Major Heads 6003 and 6004 minus addition on account of Ways and Means advances/ overdraft under both the major heads Statement No. 11 of Finance Accounts State tax receipts plus State's share of Union Taxes
Vulnerability -Revenue Deficit -Fiscal Deficit -Primary Deficit Vs Fiscal Deficit Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government Assets Vs Liabilities	Primary Deficit Outstanding guarantees Revenue Receipts Assets and Liabilities Debt	Paragraph No. 1.10.7.2 of the Audit report -----do----- Fiscal Deficit minus interest payments Exhibit IV Exhibit II Exhibit I Borrowings and other obligations at the end of the year (Statement No. 4 of the Finance Accounts)

Appendix - II
(Reference : Paragraph 1.10.2 Page 16)
Details of loss making companies, investment by Government and accumulated losses

Serial No.	Name of Company	Investment upto 2001-02 (Rupees in crore)	Accumulated loss (Rupees in crore)	Period upto which account finalised
1.	Punjab State Seeds Corporation Limited	4.51	112.48	2000-01
2.	Punjab Poultry Development Corporation Limited	3.09*	4.45	1999-2000
3.	Punjab Dairy Development Corporation Limited.	4.80	4.80	2000-01
4.	Punjab State Civil Supplies Corporation Limited	3.73	320.74	2000-01
5.	Punjab State Tube well Corporation Limited	125.92	38.11	1997-98
6.	Punjab State Leather Development Corporation Limited.	3.42	2.05	1991-92
7.	Punjab Export Corporation Limited	0.09	0.27	1977-78
8.	Punjab State Hosiery and Knitwear Development Corporation Limited	3.91	11.01	1995-96
9.	Punjab State Handloom and Textile Development Corporation Limited.	3.63	4.65	1992-93
10.	Punjab Films and News Corporation Limited	1.51	1.90	1992-93
11.	Punjab Tourism Development Corporation Limited	6.41	5.30	1997-98
12.	Punjab Agro Industrial and Horticulture Development Corporation Limited	45.46	15.24	2000-01
13.	Punjab State Industrial Development Corporation Limited	78.22	14.47	2000-01
14.	Punjab State Forest Development Corporation Limited	0.25	1.21	1992-93
	Total	284.95	536.68	

* The figures have been adopted as per foot note on pages 213, 215, 217 and 219 of the Finance Accounts for the year 2001-02.

Appendix – III

(Reference : Paragraph 2.3.4 Page 29)

Cases of unnecessary supplementary grants/appropriations

(Rupees in crore)

Sr.No.	Grant/ appropriation	Amount of grant/appropriation			
		Original	Supplementary	Actual expenditure	Saving
Revenue-(Voted)					
1	04-Defence Services Welfare	12.01	0.74	9.24	3.51
2	05-Education	2236.01	22.99	1795.57	463.43
3	06- Elections	19.33	2.82	13.76	8.39
4	07-Excise and Taxation	50.23	3.99	43.79	10.43
5	19-Planning	180.69	28.39	141.08	68.00
6	23-Rural Development and Panchayats	145.33	55.80	92.13	109.00
7	24- Science , Technology and Environment	3.75	2.00	1.41	4.34
Revenue (Charged)					
8	21- Public Works	2.10	0.04	0.84	1.30
9	25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	0.01	0.07	0.01	0.07
Capital (Voted)					
10	08- Finance	184.55	15.32	179.40	20.47
11	21-Public Works	301.21	0.69	190.63	111.27
12	29-Transport	7.01	0.01	4.51	2.51
	Total	3142.23	132.86	2472.37	802.72

Appendix – IV
(Reference : Paragraph 2.3.4 Page 29)

Excessive supplementary grants

(Rupees in crore)

Serial number	Grant/ appropriation	Amount of grant/appropriation				
		Original	Supple- mentary	Total	Actual expenditure	Saving
Revenue-(Voted)						
1.	05- Education	2236.01	22.99	2259.00	1795.57	463.43
2.	14- Information and Public Relations	12.46	4.85	17.31	15.69	1.62
3.	17-Local Government, Housing and Urban Development.	16.53	204.17	220.70	156.09	64.61
4.	28- Tourism and Cultural Affairs	7.19	8.36	15.55	15.09	0.46
Revenue (Charged)						
5.	05- Education	16.34	1.89	18.23	16.77	1.46
6.	08- Finance	2812.20	473.90	3286.10	3178.05	108.05
7.	10- General Administration	2.05	0.24	2.29	2.17	0.12
Capital (Voted)						
8.	01- Agriculture and Forests	68.36	445.15	513.51	478.45	35.06
9.	03- Co-operation	28.95	24.21	53.16	42.80	10.36
10.	09- Food and Supplies	1449.95	716.23	2166.18	2147.84	18.34
11.	08- Finance	6488.78	2443.49	8932.27	8233.00	699.27
	Total	13138.82	4345.48	17484.30	16081.52	1402.78

Appendix - V

(Reference : Paragraph 2.3.4 Page 29)

Grants where supplementary provisions were insufficient by more than
Rs.1 crore

(Rupees in crore)

Revenue (Voted)						
Sr.No.	Grant	Original	Supplementary	Total	Expenditure	Excess
1.	15- Irrigation and Power	763.10	40.61	803.71	811.85	8.14
2	21-Public Works	566.19	7.25	573.44	943.62	370.18
Revenue (Charged)						
3	01-Agriculture and Forests	0.01		0.01	1.32	1.31
Capital (Voted)						
4	15-Irrigation and Power	639.70	260.83	900.53	907.13	6.60
	Total	1969.00	308.69	2277.69	2663.92	386.23

Appendix - VI

(Reference : Paragraph 2.3.5 Page 29)

Statement of various grants/appropriations indicating major head-wise/scheme wise expenditure where persistent savings in excess of Rs. One crore each and 20 per cent or more of the provisions

Sr. No.	Grant No.	Head of Account	Year								
			1999-2000			2000-2001			2001-2002		
Revenue (Voted)			Provision.	Expenditure	Saving (Percentage of saving)	Provision	Expenditure	Saving (Percentage of saving)	Provision	Expenditure	Saving (Percentage of saving)
Name of Grant			Rupees in Crore								
1.	22- Revenue and Rehabilitation	2245-Relief on account of Natural Calamities. Gratuitous Relief	11.00	0.12	10.88 (98.90)	10.00	0.05	9.95 (99.50)	10.75	6.89	3.86 (35.91)
2.	23-Rural Development and Panchayats	2515-Other Rural Development Programme (i) Grant to Panchayati Raj Institutions recommended by 10 th Finance Commission. (ii) Employment Assurance Scheme (CSS) (iii) Integrated Waste Land Development Project (CSS) (iv) 2505- Rural Employment Jawahar Rojgar Yojna (CSS).	58.14	-	58.14 (100)	45.22	16.31	28.91 (63.93)	28.72	14.40	14.32 (49.86)
			28.27	--	28.27 (100)	13.35	--	13.35 (100)	14.01	--	14.01 (100)
			1.00	--	1.00 (100)	2.00	--	2.00 (100)	2.00	--	2.00 (100)
			13.97	3.00	10.97 (98.52)	7.01	--	7.01 (100)	13.80	--	13.80 (100)

3	25-Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes. -Capital subsidy under Bank tie-up Loaning programme to below poverty line Scheduled Castes through Punjab Scheduled Castes Land Development and Finance Corporation. (CSS)	6.50	-	6.50 (100)	20.00	0.05	19.95 (99.75)	20.00	12.62	7.38 (36.90)
		2225-Social Security and Welfare Social Security to Girls Child Kanya Jagriti Jyoti Scheme	3.20	1.50	1.70 (53.12)	2.40	-	2.40 (100)	1.60	0.60	1.00 (62.50)
		2225-Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes Implementation of SCA Programme at District (Rs. 50 lakh for each district) Headquarters (CSS).	8.50	0.16	8.34 (98.11)	3.40	-	3.40 (100)	3.40	--	3.40 (100)
		Capital (Voted)									
4.	17-Local Government Housing and Urban Development	4217-Capital Outlay on Urban Development (i) Prevention of Pollution of Sutlej River (CSS).	32.69	7.95	24.74 (75.68)	65.00	6.27	58.73 (90.35)	75.00	--	75.00 (100)
		(ii) Swaran Jayanti Shehri Rozgar Yojana (Plan).	15.00	-	15.00 (100)	5.00	1.22	3.78 (75.60)	2.40	---	2.40 (100)
5.	19-Planning	5475-Capital Outlay on Other General Economic Services. Formulation of District Plan at Head quarters (Plan).	191.52	115.79	75.73 (39.54)	115.56	79.39	36.17 (31.29)	41.49	30.21	11.28 (27.19)
6.	24-Science, Technology and Environment	5425-Capital Outlay on Other Scientific Research Solar Power Generation (CSS).	8.00	-	8.00 (100)	8.00	-	8.00 (100)	1.20	--	1.20 (100)
		Total	377.79	128.52	249.27	296.94	103.29	193.65	214.37	64.75	149.65

Appendix -VII
(Reference : Paragraph 2.3.6 Page 29)

Statement showing Head and Sub Head-wise cases of significant and persistent excess over grants/ appropriations

Sr.No	Grant No. Head and Sub Head	Amount of Excess (percentage of excess in brackets)								
		1999-2000			2000-2001			2001-2002		
		Provision	Expenditure	Excess (%age)	Provision	Expenditure	Excess (%age)	Provision	Expenditure	Excess (%age)
Revenue (Voted)		(Rupees in crore)								
	21-Public Works									
1.	2059-Public Works -Suspense -80-General (i) 799-Suspense	3.70	151.12	147.42 (3984.32)	3.70	169.04	165.34 (4468.64)	1.00	302.98	301.98 (301.98)
2.	2215-Water Supply and Sanitation 01-Water Supply 799-Suspense	9.13	35.45	26.32 (288.28)	9.13	66.55	57.42 (628.92)	13.02	83.12	70.10 (538.40)
3.	800-Other Expenditure (01)-Maintenance works	32.58	48.91	16.33 (50.12)	41.57	50.96	9.39 (22.58)	47.35	58.10	10.75 (22.70)
4.	3054 – Roads and Bridges 80-General 799-Suspense	7.00	39.31	32.31 (461.57)	7.00	24.45	17.45 (249.26)	7.00	39.09	32.09 (458.43)
5.	2515-Other Rural Development Programme (30) 799-Suspense	Nil	15.62	15.62	Nil	8.96	8.96	Nil	15.16	15.16
	Total	52.41	290.41	238.00	61.40	319.96	258.56	68.37	498.45	430.08

Appendix - VIII

(Reference : Paragraph 2.3.7 Page 29)

Grants/Appropriations where the savings (more than Rs. one crore in each case) exceeded 20 per cent of the total grant/appropriation

(Rupees in crore)

Sr. No.	Grant/appropriation Revenue (Voted)	Total grant	Expenditure	Saving	Percentage of saving
1.	01-Agriculture and Forests	408.96	300.41	108.55	27
2.	02- Animal Husbandry and Fisheries	143.44	113.34	30.10	21
3.	04-Defence Services Welfare	12.75	9.24	3.51	28
4.	05- Education	2259.00	1795.57	463.43	21
5.	06- Elections	22.15	13.76	8.39	38
6.	11- Health and Family Welfare	792.01	622.06	169.95	21
7.	13- Industries	36.63	21.71	14.92	41
8.	16-Labour and Employment	19.32	14.47	4.85	25
9.	17-Local Government Housing and Urban Development	220.70	156.09	64.61	29
10.	19- Planning	209.08	141.08	68.00	33
11.	23- Rural Development and Panchayats	201.13	92.13	109.00	54
12.	24- Science, Technology and Environment	5.75	1.41	4.34	75
13.	25- Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	152.77	97.36	55.41	36
14.	27- Technical Education and Industrial Training	90.72	59.98	30.74	34
15.	30- Vigilance	10.33	8.00	2.33	23
Revenue (Charged).					
16.	12- Home Affairs and Justice	13.56	9.99	3.57	26
17.	21- Public Works	2.14	0.84	1.30	61
Capital (Voted)					
18.	02- Animal Husbandry and Fisheries	3.15	*	3.15	100
19.	05- Education	1.47	--	1.47	100
20.	12- Home Affairs and Justice	18.23	8.79	9.44	52
21.	13- Industries	6.85	--	6.85	100
22.	17- Local Government Housing and Urban Development	157.98	53.72	104.26	66

* Rs. 8949.00 only

23.	19- Planning	133.28	30.21	103.07	77
24.	21- Public Works	301.90	190.63	111.27	37
25.	23- Rural Development and Panchayats	17.65	3.03	14.62	83
26.	24- Science, Technology and Environment	8.85	2.69	6.16	70
27.	25- Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	10.91		10.91	100
28.	28- Tourism and Cultural Affairs	1.59		1.59	100
29.	29- Transport	7.02	4.51	2.51	36
	Total	5269.32	3751.02	1518.30	

Appendix - IX
(Reference : Paragraph 2.3.8 Page 30)

Cases of re-appropriation under which the expenditure finally showed excess over the balance provision

(Rupees in crore)

Sr. No.	Grant No.	Major head affecting the grant	Original	Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	5	2202- General Education Govt Arts Colleges	62.12	-	(-)12.37	49.75	54.22	4.47
2.	8	2071- Pensions and Other Retirement Benefits Compassionate Allowance	64.07	-	(-)43.33	20.74	42.73	21.99
3.	8	2071- Pensions and Other Retirement benefits Superannuation and Retirement Allowances Pensions and other Retirement Benefits	700.24		(-)35.95	664.29	791.51	127.22
4.	8	2049- Interest payment (i) Interest on Ways and Means advances from RBI	14.00	-	(-)1.99	12.01	13.23	1.22
5.		(ii) Expenditure connected with the issue of new loans	0.47	-	(-)0.16	0.31	1.65	1.34
6.	15	4701- Capital Outlay on Major and Medium Irrigation (i) Direction and Administration (Plan)	0.84	-	(-)0.58	0.26	2.52	2.26
7.		(ii) Works Expenditure (Plan)	1.17	-	(-)0.04	1.13	2.68	1.55
8.	19	3451- Secretariat Economic Services (i) Assistance to Non Govt .Organization (Plan)	4.00	--	(-)2.09	1.91	3.92	2.01
9.	19	(ii) Strengthening of Planning Machinery in the State(Plan)	0.65	-	(-)0.25	0.40	1.63	1.23
10.	21	2059- Public Works Maintenance of Works	51.00	-	(-)3.65	47.35	58.10	10.75
11.	21	2215- Water Supply and Sanitation. Rajiv Gandhi National Drinking Water Mission(Plan)	9.00	-	(-)7.00	(-)2.00	3.09	1.09
12.	22	2029- Land Revenue District Establishment	61.99	-	(-)9.70	52.29	55.05	2.76

Appendix - X
(Reference : Paragraph 2.3.8 Page 30)
Significant cases of major re-appropriation which were injudicious on account of non-utilisation

(Rupees in crore)

Sr. No	Grant No.	Major head affecting the grant	Original	Supplementary	Re-appropriation	Total grant	Expenditure	Amount of final Savings
1	2	2403-Animal Husbandry Direction and Administration	86.97	-	(+)1.29	88.26	85.93	2.33
2		Animal Husbandry Animal disease management regulatory medicines establishment of Regional referred diseases—diagnostic laboratory (CSS)	1.50	-	(+)1.00	2.50	0.81	1.69
3	5	2202- General Education Assistance to Non Govt. Colleges and Institutes	72.00	-	(+) 9.13	81.13	54.00	27.13
4		Direction and Administration	9.40	-	(+) 0.32	9.72	8.43	1.29
5	5	2204-Sports and Youth Services National Cadet Corps General Establishment	7.25	-	(+) 0.01	7.26	5.90	1.36
6	6	2015- Elections Electoral officers	3.32	-	(+)0.03	3.35	2.08	1.27
7		Electoral Rolls	2.53	2.82	(+) 0.66	6.01	4.41	1.60
8		Elections to State Legislature	4.81	-	(+)4.26	9.07	5.08	3.99
9	8	2075- Miscellaneous General Services Prizes	1973.00	-	(+)47.00	2020.00	1859.02	160.98
10		7610- Loans to Govt Servants etc. House building advance to Government Servants	150.00	15.32	(+)5.68	171.00	156.54	14.46
11		6003- Internal debt of the State Govt. Loans and Advances from Reserve Bank of India	4000.00	2265.99	(+)13.92	6279.91	5677.32	602.59
12	10	2052- Secretariat General Services General Services Secretariat	27.98	-	(+) 0.27	28.25	27.08	1.17
13	11	2210- Medical and Public Health Primary Health Centres	63.12	-	(+)0.90	64.02	53.73	10.29
14		Medical relief to other Hospitals and Dispensaries	75.74	-	(+)2.38	78.12	66.58	11.54
15		Subsidiary Health Centres	103.70	-	(+)0.10	103.80	95.79	8.01
16		Medical Relief to Hospital and Dispensaries	36.21	-	(+)0.11	36.32	29.37	6.95
17		National Malaria Eradication Programme (Rural)	35.68	--	(+)0.01	35.69	28.96	6.73
18		Govt. Medical College Patiala	25.65	-	(+)0.02	25.67	20.74	4.93
19		Direction	6.31	-	(+)0.45	6.76	4.43	2.33
20		Other Preventive Measures	5.75	-	(+)0.01	5.76	4.05	1.71
21		Medical Relief to Mental Hospital Amritsar	5.66	--	(+)0.03	5.69	3.98	1.71
22		District Administration	7.46	-	(+)0.27	7.73	6.59	1.14

23	11	2211- Family Welfare Transport (CSS)	1.10	-	(+)1.82	2.92	0.15	2.77
24	11	Reimbursement of Medical Charges to Punjab Government Pensioners	4.88	-	(+)2.59	7.47	4.18	3.29
25	11	2210- Medical and Public Health Opening of New Dispensaries in Urban slum areas/other suitable places (Plan)	6.50	-	(+)2.00	8.50	-	8.50
26	11	Grant recommended by 10 th Finance Commission for Health Services (Plan)	2.40	-	(+)2.43	4.83	-	4.83
27		Setting up of State Institute of Para Medical Science of Village Badal District Muktsar (Plan)	--		4.00	4.00	-	4.00
28		Revamping of Emergency Medical care services in the selected institutions in the State (Plan)	7.00	-	(+)2.00	9.00	7.46	1.54
29	15	4711- Capital outlay on Flood Control Projects Extension Drain and link Drains in the south west districts. (NABARD RIDF-V) (Plan)	17.50	-	(+)4.50	22.00	13.42	8.58
30		Construction of Flood Protection works and Drainage works on River Ravi Beas and Satluj in Amritsar and Gurdaspur district. RIDF VII NABARD (Plan)	--	23.06	(+)6.94	30.00	--	30.00
31		Construction of Wahabwala Drainage System	10.07	4.24	(+)0.69	15.00	-	15.00
32		Construction of Flood Protection in River-Beas and Satluj NABARD (Plan)	2.44	7.82	(+)0.68	10.94	--	10.94
33	15	Link Drains in Muktsar District Plan RIDF (NABARD)(Plan)	--	2.54	(+)1.46	4.00	--	4.00
34	15	Harike Kalan Drain From R.D. O-21900 (Plan)	--	--	(+)2.00	2.00	-	2.00
35	19	3451- Secretariat Economic Services Formulation of District Plan at District Headquarters (Plan)	120.15	28.39	(+)3.09	151.63	75.54	76.09
36	21	2215- Water Supply and Sanitation NABARD aided Rural Water Supply Scheme (Plan)	50.00	--	(+)7.28	57.28	39.66	17.62
37		Setting up of computerization (CSS)	1.60	-	(+)2.00	3.60	-	3.60
38	22	2235- Social Security and Welfare Subsistence allowance to victims of terrorist violence in Punjab	19.35	-	(+)0.51	19.86	17.49	2.37
39	22	2053- District Administration District Establishments	56.24	-	(+)5.54	61.78	55.09	6.69

40	22	2235- Social Security and Welfare Relief to persons affected by riots	3.42	-	(+)1.65	5.07	3.54	1.53
41	23	2515- Other Rural development programmes Grant to Panchayati Raj institutions recommended by 10 th Finance Commission (Plan)	28.58	-	(+)0.13	28.71	14.40	14.31
42		Swaranjayanti Gram Swarojgar Yojana (CSS)	6.75	-	(+)5.25	12.00	-	12.00
43	23	4515- Capital outlay on Other Rural Development Programmes Rural Shelter (Gramin Awaas) under PMGY	4.90	-	(+)0.39	5.29	3.03	2.26
44		Rural Shelter (Gramin Awaas) under PMGY (Plan)	2.10	-	(+)0.17	2.27	-	2.27
45	25	2235- Social Security and Welfare Integrated Child Development Service Scheme (CSS)	38.52	-	(+)0.04	38.56	31.62	6.94

Appendix - XI
(Reference : Paragraph 2.3.9(a) Page 30)
Cases where savings remained un-surrendered

<i>(Rupees in crore)</i>			
Sr. No.	Grant	Saving	Amount Surrendered
Revenue (Voted)			
1.	01 - Agriculture and Forests	108.55	--
2.	06 - Elections	8.39	--
3.	12 - Home Affairs and Justice	58.51	--
4.	14 - Information and Public Relations	1.62	--
5.	16 - Labour and Employment	4.85	--
6.	17 - Local Government, Housing and Urban Development	64.61	--
7.	22 - Revenue and Rehabilitation	12.73	--
8.	23 - Rural Development and Panchayats	109.00	--
9.	24 - Science, Technology and Environment	4.34	--
10.	29 - Transport	75.26	--
Revenue (Charged)			
11	05 - Education	1.46	--
12	08 - Finance	108.05	--
13	12 - Home Affairs and Justice	3.57	--
14	21 - Public Works	1.30	--
Capital (Voted)			
15	02 - Animal Husbandry and Fisheries	3.15	--
16	03 - Co-operation	10.36	--
17	08 - Finance	20.47	--
18	12 - Home Affairs and Justice	9.44	--
19	13 - Industries	6.85	--
20	17 - Local Government Housing and Urban Development	104.26	--
21	21 - Public Works	111.27	--
22	22 - Revenue and Rehabilitation	2.00	--
23	24 - Science, Technology and Environment	6.16	--
24	29 - Transport	2.51	--
Capital (Charged)			
25	08-Finance	699.27	--
	Total	1537.98	--

Appendix - XII
(Reference : Paragraph 2.3.9(a) Page 30)

Anticipated savings not surrendered

(Rupees in crore)

Sr. No.	Grant	Total saving	Amount surrendered	Amount not surrendered	Percentage not surrendered
Revenue (Voted)					
1.	02 - Animal Husbandry and Fisheries	30.11	12.71	17.40	58
2.	03 - Co-operation	2.92	1.05	1.87	64
3.	04 - Defence Services Welfare	3.51	0.55	2.96	84
4.	05 - Education	463.43	14.85	448.58	97
5.	07 - Excise & Taxation	10.43	0.13	10.30	99
6.	08 - Finance	600.91	450.45	150.46	25
7.	09 - Food and Supplies	3.58	2.27	1.31	37
8.	10 - General Administration	7.87	0.81	7.06	90
9.	11 - Health and Family Welfare	169.95	23.90	146.05	86
10.	13 - Industries	14.92	6.59	8.33	56
11.	19 - Planning	68.00	0.75	67.25	99
12.	25 - Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	55.41	1.54	53.87	97
13.	27-Technical Education and Industrial Training	30.74	12.22	18.52	60
Capital (Voted)					
14.	09 - Food and Supplies	18.34	0.36	17.98	98
15.	19 - Planning	103.07	58.33	44.74	43
16.	23 - Rural Development and Panchayats	14.62	1.78	12.84	88
17.	28 - Tourism and Cultural Affairs	1.59	0.25	1.34	84
	Total	1599.40	588.54	1010.86	

Appendix - XIII
(Reference : Paragraph 2.3.9 (b) Page 30)
Amount surrendered during last two days of March, 2002

Sr. No.	Grant No	Grant/ appropriation	Amount surrendered (Rupees in crore)
1.	2 - Animal Husbandry and Fisheries	Revenue (Voted)	12.71
2.	3 - Co-operation	Revenue (Voted)	1.05
3.	4 - Defence Services Welfare	Revenue (Voted)	0.55
4.	5 - Education	Revenue (Voted)	14.85
5.	7 - Excise and Taxation	Revenue (Voted)	0.13
6.	8 - Finance	Revenue (Voted)	450.45
7.	9 - Food and Supplies	Capital (Voted)	0.36
8.	9 - Food and Supplies	Revenue (Voted)	2.27
9.	10 - General Administration	Revenue (Voted)	0.81
10.	11 - Health and Family Welfare	Revenue (Voted)	23.90
11.	13 - Industries	Revenue (Voted)	6.59
12.	15 - Irrigation and Power	Capital (Voted)	12.54
13.	23 - Rural Development and Panchayats	Capital (Voted)	1.78
14.	25 - Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	Revenue (Voted)	1.54
15.	25 - Social and Women's Welfare and Welfare of Scheduled Castes and Backward Classes	Capital (Voted)	10.89
16.	26 - State Legislature	Revenue (Voted)	0.21
17.	28 - Tourism and Cultural Affairs	Revenue (Voted)	0.04
18.	28 - Tourism and Cultural Affairs	Capital (Voted)	0.25
	TOTAL		540.92

Appendix - XIV
(Reference : Paragraph 2.4 Page 30)

Trend of recoveries and credits

(Rupees in crore)

Sr No	Grant No.	Budget Estimate	Actuals	Actuals compared with Budget Estimate
1.	05-Education	0.10	--	(-)0.10
2.	12-Home Affairs and Justice	0.07	--	(-)0.07
3.	22-Revenue and Rehabilitation	128.85	26.20	(-) 102.65
4.	29-Transport	6.50	5.48	(-)1.02
	Total	135.52	31.68	(-) 103.84

Sr No	Grant No	Budget Estimate	Actuals	Actuals compared with Budget Estimates
1.	01-Agriculture and Forests	--	1.12	1.12
2.	02-Animal Husbandry and Fisheries	--	0.41	0.41
3.	03-Co-operation	--	4.19	4.19
4.	13- Industries	--	0.01	0.01
	Total	-	5.73	5.73

Appendix XV
(Reference : Paragraph 2.7 Page 31)
List of defective re-appropriation orders for the year 2001-2002

Sr. No	Grant No.	Re-appropriation order number and date	Gross amount of the re-appropriation order (Rs.)	Authority by which order was issued	Brief reasons of rejection	Details of this office reference vide which AD/FD was informed
1.	1-Agriculture and Forests	12/23/2001/Coord.II/2749 dated.27.3.2002	34,97,44,000	Secretary to Government Punjab, Department of Agriculture, Chandigarh	(i) Surrenders/withdrawals used without the prior permission of the Finance Department. (ii) Total of the re-appropriation order in respect of 'From' and 'To' sides do not tally	Appn/Bud/136/G-I/2001-02/418-423 dated 5.6.2002
2.	1-Agriculture and Forests	46/57/02/Forests/4/5012 dated 30.3.2002	57,86,000	Secretary to Govt. Punjab, Forest and Wild Life Preservation Department, Punjab, Chandigarh	(i) Surrenders/withdrawals used without the prior permission of the Finance Department. (ii) Re-appropriation Order is not according to Revised Estimates	Appn/Bud/136/G-I/201-02/415-417 dated 5.6.2002
3.	5-Education	Sports – ADS-DA2-2002/2996-98 dated 27.3.2002	15,10,12,000	Deputy Secretary, Sports Department, Punjab, Chandigarh.	Surrenders/withdrawals used without the prior permission of the Finance Department.	Appn/Bud/G-5/136/2001-02/412-416 dated 6.6.2002
4.	5-Education	5/90/99-5C-4/spl dated 27.3.02	15,19,05,000	Additional Secretary, Education Department, Chandigarh	Surrenders/withdrawals used without the prior permission of the Finance Department.	-do-
5.	12-Home Affairs and Justice	1/24/2002/1H6/498/504 dated 31.3.2002	10,56,58,000	Principal Secretary to Government Punjab, Department of Home Affairs & Justice, Chandigarh	Surrenders/withdrawals used without the prior permission of the Finance Department.	Appn/Bud/G-5/136/2001-02/412-416 dated 6.6.2002
6.	12-Home Affairs and Justice	Endst No. 2239/PKSA/2002 dated 27.3.02	4,61,000	Member Secretary, Punjab Legal Service Authority, Chandigarh	Total of the re-appn. order in respect of 'From' and 'To' sides do not tally.	Appn/Bud/G-12/136/2001-02/430-431 dated 5.6.02
7.	21 - Public Works	5/8/2002-3-B&R/1628 dated 31.3.2002	94,59,38,000	Secretary to Government Punjab, Deptt. of Public Works (B&R), Chandigarh	Surrenders/withdrawals used without the prior permission of the Finance Department.	Appn/Bud/G-21/136/2001-02/432-34 dated 6.6.02
8.	24-Science Technology and Environment	2/3/2002-STE(2)916 dated 31.3.202	5,23,000	Pr. Secretary, Deptt of Science, Technology and Environment, Punjab, Chandigarh	Surrenders/withdrawals used without the prior permission of the Finance Department.	Appn/Bud/G-24/136/2001-02/437-438 dt. 13.6.2002
9.	29-Transport	5/7/2002-2T(2)/3876 dated. 27.3.2002	41,37,59,000	Principal Secretary to Govt. of Punjab, Department of Transport, Punjab, Chandigarh	Rejected due to re-appropriation of funds in excess of original budget provision	Appn/Bud/G29/136-2001-02/385-389 dt 10.6.2002
	Total		21,24,786,000			

Appendix - XVI

(Reference : Paragraph 2.8 Page 31)

Statement showing flow of expenditure during the four quarters of 2001-2002.

Sr. No	Head of Account	Ist Quarter	2nd Quarter	3rd Quarter	4 th Quarter	Total	During March 2002	Percentage of expenditure during March 2002 w.r.t. total expenditure of 2001-02	
		(Rupees in Crore)							
Revenue									
1.	2030 - Stamps and Registration	0.32	0.39	1.47	4.11	6.29	2.59	41	
2.	2075 - Misc General Services	0.14	555.09	228.94	1075.44	1859.61	747.41	40	
3.	2810 - Non Conventional Source of Energy	0.11	0.08	0.13	0.36	0.68	0.31	46	
4.	4250 - Capital Outlay on Capital Social Services		0.01	(-)0.06	0.24	0.19	0.14	74	
5.	4575 - Capital Outlay on Other Special Area Programme	2.41	4.25	4.01	9.82	20.49	7.27	35	
	Total	2.98	559.82	234.49	1089.97	1887.26	757.72		

Appendix XVII
(Reference : Paragraph 2.9.2 (ii) Page 32)
Provision for Funds for Schemes awaiting sanction

Sr. No.	Grant/Head of Account	Final Saving (Rupees in lakh)	Contributing reasons as stated by Government/ Department
1.	11-Health and Family Welfare	1000.00	Administrative approval of the scheme was not received from the Government
	Revenue Plan CSS		
	2210 - Medical and Public Health 01 - Urban Health Services- Allopathy 110 - Hospital and Dispensaries 36 - Grant-in aid to Punjab State Institute of Medical Sciences, Jalandhar. (Voted)		
2.	06 - Public Health 101 - Prevention and Control of Diseases 07 - National Programme for the Control of Blindness (Voted)	100.00	Scheme was not sanctioned by the Government
3.	11-Goiter Control Cell at the State Headquarter under National Goiter Control Programme (Voted)	4.40	-do-
4.	13 - National Cancer Control Programme (Voted)	50.00	-do-
5.	102 - Prevention of Food Adulteration 03 - Strengthening of Food Testing Laboratories (Voted)	115.00	-do-
6.	104 - Drug Control 02-Strengthening of Drug Control Organisation (Voted)	80.00	-do-
7.	03 - Augmentation of Drug Testing Lab (Voted)	65.00	-do-
Revenue Plan Share			
8.	01 - Urban Health Services-Allopathy 110 - Hospital and Dispensaries 05 - Medical Relief to T.B Clinics and Sanatoria (Voted)	10.00	-do-
9.	06 - Public Health 101 - Prevention and Control of Diseases 09 - Provision of additional Laboratory Technicians at each PHC	10.00	-do-
Revenue Plan State			
10.	2210 - Medical and Public Health 01 - Urban Health Services- Allopathy 001 - Direction and Administration 19 - Setting up of Mobile Units in one Block of each District in the State (Voted)	128.00	-do-
	Total	1562.40	

Appendix XVIII
(Reference : Paragraph 2.9.2 (iii) Page 32)
Savings due to Non-release of Funds

Sr. No.	Grant/ Head of Account	Final Saving (Rupees in lakh)	Contributing reasons as stated by Government/ Department
	11-Health and Family Welfare Revenue Plan CSS		
1.	2210 - Medical and Public Health 05 - Medical Education, Training and Research 105 - Allopathy 18-Implementation of The Pilot Project and Development of Urban Health Care Model in District Amritsar (Voted)	409.00	Funds were not released by the Government of India.
2.	06 - Public Health 101 - Prevention & Control of Diseases 06 - National Leprosy Control Programme (Voted)	50.00	Saving is due to refusal of Government of India to release the Funds
3.	2211 - Family Welfare 104 - Transport 01 - Transport (Voted)	277.01	Funds were not released by the Government.

Revenue Plan Share

4.	2210 – Medical and Public Health 05 - Medical Education, Training and Research 105 - Allopathy 10 - Continuing Education for PHC/Rural Health Staff (Voted)	1.00	Funds not released by the State Government
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Revenue Plan State

5.	2210 - Medical and Public Health 01 - Urban Health Services- Allopathy 001 - Direction and Administration 07 - World Bank Aided Area Project for the Development of Health Care in Punjab (90:10) Sharing between Government of India and the State (Voted)	1765.00	Funds were not released by the State Government
6.	110 - Hospital and Dispensaries 05 - Medical Relief to T. B. Clinics and Sanatoria (Voted)	10.00	-do-
7.	35 - Improvement of Punjab Mental Hospital, Amritsar (Voted)	5.00	-do-
8.	05 - Medical Education, Training and Research 105 - Allopathy 10-Continuing Education for PHC/ Rural Health Staff (Voted)	1.00	-do-
9.	06 - Public Health 003 - Training 02 - Training of Dental Doctors- Advance Training Centre, Mohali (Voted)	1.98	-do-
Total		2519.99	

Appendix XIX

(Reference : Paragraph 2.9.2 (iv) Page 32)

Unnecessary/excessive supplementary grants

(Rupees in lakh)

Sr. No.	Grant/Head of Account	Total Supplementary	Saving
1.	05 – Education		
	Revenue Plan CSS		
	2202 - General Education 01 - Elementary Education 101 - Government Primary Schools 10 - Sarv Shiksha Abhiyan		
	596.00	596.00	
2.	Revenue Plan State		
	2202 - General Education 01 - Elementary Education 101 - Government Primary Schools 05 - Grants under 10 th Finance Commission (Upgradation of Primary Schools)		
	165.95	165.95	
3.	09 - Grants under 10 th Finance Commission (Girls Education)	133.12	133.12

Appendix-XX

(Reference : Paragraph 2.9.3 Page 32)

Substantial Savings in Grants/ Appropriations

Sr. No.	Grant/Head of Account	Provision	Saving (Per cent)	Contributing reasons as stated by Govt./Department
		(Rupees in Lakh)		
1.	01 - Agriculture and Forests	5648.80	1068.08 (18.91)	Reasons not furnished.
	Revenue Non-Plan State			
	2401 - Crop Husbandry 001 - Direction and Administration 01 - Direction (Voted)			
2.	119 - Horticulture and Vegetables 01 - Direction (Voted)	1093.54	153.56 (14.04)	It is due to vacant posts and bills on account of contingency/arrears remaining undrawn due to financial constraint in the state
3.	2406 - Forest and Wild Life 01 - Forestry 001 - Direction and Administration 01 - Direction and Administration (Voted)	2545.07	795.63 (31.26)	Saving due to salaries charged under JBIC assisted Punjab afforestation project.
4.	2435 - Other Agricultural Programmes 01 - Marketing and Quality Control 101 - Marketing Facilities 01 - Agricultural Marketing (Voted)	418.84	296.50 (70.79)	It is due to non clearance of Bills by the Treasury and due to transfer of Officer to other schemes
5.	2702 - Minor Irrigation 02 - Ground Water 103 - Tubewells 10 - Providing Funds for payment of Loan and Interest taken by Punjab Agro Industrial Corporation from Punjab Bank (Voted)	1000.00	1000.00 (100)	Reasons not furnished.
	Revenue Plan CSS			--do--
6.	2401 - Crop Husbandry 102 - Food Grains 07 - Programme for the Development of Major Crops (Wheat & Rice) (Voted)	515.00	315.65 (61.29)	
7.	105 - Manures and Fertilizers 02 - Reclamation of Alkali Soils (Voted)	300.00	300.00 (100)	--do--
8.	09 - Improvement of Soil Health (Voted)	167.00	167.00 (100)	--do--
9.	107 - Plant Protection 05 - Scheme for the Pest and Weed Management (Voted)	134.50	134.50 (100)	--do--
10.	109 - Extension and Farmers Training 09 - Scheme for Information and Technology (Voted)	165.00	165.00 (100)	Reasons not furnished.

11.	119 - Horticulture and Vegetable Crops 05 - Development of Fruits (Voted)	159.45	159.45 (100)	Funds (Rs.149.59 lakh) not released by the Government & misclassification of Rs.9.86 lakh.
12.	800 - Other Expenditure 06 - Development of Bee Keeping for improving Crop Productivity (Voted)	400.00	400.00 (100)	Reasons not furnished.
13.	2402 - Soil and Water Conservation 102 - Soil Conservation 17 - Scheme for Harvesting of Rain Water/ Base and Low For Ground Water Recharge and Life Saving (Voted)	150.00	150.00 (100)	Scheme was not sanctioned by the Government
	Revenue Plan Share			
14.	2402 - Soil and Water Conservation 102 - Soil Conservation 16 - Efficient use of Irrigation Water (Voted)	152.00	152.00 (100)	Funds Rs.52 lakh not released by Government of India and misclassification of Rs.82.95 lakh
15.	2435 - Other Agricultural Programmes 01 - Marketing and Quality Control 101 - Marketing Facilities 02 - Development of Agricultural Marketing – Infrastructure and Information System (Voted)	236.00	236.00 (100)	Reasons not furnished by the department
16.	2810 - Non Conventional Sources of Energy 01 - Bio Energy 001 - Direction and Administration 01 - Scheme for the Creation of Bio-Gas Cell in the Agriculture Department (Voted)	180.00	180.00 (100)	The reasons for saving not furnished.
	Revenue Plan State			
17.	2401- Crop Husbandry 800 - Other Expenditure 03 - Establishment of Remote Sensing appliances Centre in Punjab (Voted)	701.00	654.80 (93.41)	Reasons not furnished.
18.	2406 - Forest and Wildlife 01 - Forestry 102 - Social and Farm Forestry 09 - Externally Aided Social Forestry Project (Voted)	11447.85	3553.82 (31.04)	--do--
19.	2415 - Agriculture Research and Education 01 - Crop Husbandry 120 - Assistance to other Institutions 03 - Scheme for Agricultural Research and Development for Major Break Through in Diversification (Voted)	200.00	200.00 (100)	--do--
	Revenue Plan State			
20.	2575 - Other Special Areas Programmes 60 - Others 101 - Forest 01 - Integrated Watershed Development Project(Hills) Forest Part (Voted)	1830.92	206.08 (11.26)	It is due to non filling of vacant posts.

	Capital Plan State			
21.	4575 - Capital Outlay on other Special Areas Programmes 60 - Others 101 - Forest 01 - Integrated Watershed Development Project(Hills) Forest Part (Voted)	4157.76	2108.78 (50.72)	It is due to non concurrence of the World Bank regarding upgradation of remaining rural roads of Phase-I
22.	6401 - Loans for Crop Husbandry 800 - Other Loans 10 - Purchase of Debentures of Punjab State Cooperative Land Mortgage Bank Ltd. For purchase of Tractors (Voted)	500.00	500.00 (100)	Reasons not furnished.
23.	13 - Ordinary Debentures/ Special Debentures for ARDC/ NABARD Schemes in Agriculture (Voted)	117.50	117.50 (100)	--do--
24.	6401 - Loans for Crop Husbandry 800 - Other Loans 19 - Assistance to PAIC for setting up of Agriculture Horticulture Processing Units (Voted)	600.00	600.00 (100)	Reasons for saving not furnished.
25.	20 - Scheme for Cool Chain Infrastructure with NABARD Assistance (Voted)	1000.00	1000.00 (100)	--do--
26.	21 - Assistance to PAGREXCO for Exports (Voted)	200.00	200.00 (100)	--do--
27.	05 - Education	435.05	100.75 (23.16)	The Saving is due to non-passing of bill by the Treasury Officer in March, 2002.
	Revenue Non-Plan State			
	2058 - Stationery and Printing 001 - Direction and Administration 01 - Direction and Administration (Voted)			
28.	103 - Government Presses 01 - Government Presses (Voted)	881.80	199.22 (22.59)	-do-
29.	2202 - General Education 01 - Elementary Education 101 - Government Primary Schools 01 - Government Primary Schools (Voted)	64787.43	20196.54 (31.17)	Saving is due to inclusion of Budget Estimates in respect of 10601 posts of various Categories which were not in position.
30.	2202 - General Education 02 - Secondary Education 001 - Direction and Administration 01 - Direction and Administration (Voted)	1347.63	154.04 (11.43)	Savings is due to vacant posts.
31.	2202 - General Education 03 - University and Higher Education 104 - Assistance to Non-Government Colleges and Institutes 01 - Assistance to Non-Government Colleges and Institutes (Voted)	8112.81	2712.81 (33.44)	The Saving is due to non-passing of bill by the Treasury Officer in March 2002.

32.	80 - General 001 - Direction and Administration 01 - Direction and Administration (Voted)	971.96	128.90 (13.26)	Saving is due to vacant posts.
33.	2204 - Sports and Youth Services 102 - Youth Welfare Programme for Students 01 - National Cadet Corps General Establishment (Voted)	725.67	135.98 (18.74)	The Saving is due to posts of various categories remaining vacant and non passing of bills by the Treasury Officer in 3 rd & 4 th quarter of the year.
Revenue Plan CSS				
34.	2202 - General Education 02 - Secondary Education 105 - Teachers Training 02 - Teachers Training Setting up of 4- DIET's J.B.T. training (Voted)	685.00	193.50 (28.25)	Saving is due to vacant posts.
Revenue Plan Share				
35.	2202 - General Education 02 - Secondary Education 109 - Government Secondary Schools 24 - Sarv Shiksha Abhiyan (Voted)	567.00	567.00 (100)	Savings is due to non release of funds (Rs.324.75 lakh) by Govt., non-passing of bills (Rs.50.00 Lakh) by the Treasury Officer and misclassification (Rs.192.25 lakh)
Revenue Plan State				
36.	2202 - General Education 02 - Secondary Education 109 - Government Secondary Schools 09 - Upgradation of Government Middle Schools to High Standard (Voted)	5000.00	1284.72 (25.69)	Saving is due to 820 vacant posts.
37.	11 - Introduction of 10+2 System of Education in Government Schools (Voted)	7101.00	826.19 (11.63)	Saving is due to 825 vacant posts.
38.	27 - Schools for Brilliant S.C. - Poor and Other Economically Weaker Class Students (Voted)	100.00	100.00 (100)	Reasons for savings not furnished.
39.	2204 - Sports and Youth Services 104 - Sports and Games 11-Modern Sports Complex at Mohali (Voted)	300.00	300.00 (100)	Reasons for saving not furnished.
40.	18 - Holding of National Games in Punjab during the year 1999-2000 (Voted)	1022.35	522.35 (51.09)	Savings is due to non-release of funds (Rs.172.35 lakh) by the Government & due to misclassification (Rs.350.00 lakh).
08 - Finance Revenue Non Plan State				
41.	2047 - Other Fiscal Services 103 - Promotion of Small Savings 01 - Direction (Voted)	5324.35	1313.48 (24.67)	Reply not furnished by the department
42.	2049 - Interest Payments 01 - Interest on Internal Debt 200 - Interest on other Internal debts 03 - Loans from the National Agricultural Credit (Long Term Operation) Funds of Reserve Bank of India (Charged)	5849.94	1556.69 (26.61)	--do--

43.	03 - Interest on Small Savings, Provident Fund etc. 104 - Interest on State Provident Fund 01 - Interest on General Provident Fund (Charged)	58388.60	10002.40 (17.13)	Reply not furnished by the Department
44.	2049 - Interest Payments 05 - Interest on Reserve Funds 101 - Interest on Depreciation Renewal Reserve Funds 02 - Depreciation on Reserve Funds (Motor Transport) (Charged)	354.91	123.21 (34.72)	The saving is due to non purchase of buses.
45.	2054 - Treasury and Accounts Administration 097 - Treasury Establishment 01 - Treasury Establishment (Voted)	1195.16	197.83 (16.55)	Savings is due to stoppage of payments by the Government
46.	098 - Local Funds Audit 01 - Local Funds Audit (Voted)	798.51	116.20 (14.55)	Saving is due to non payment of arrears of ACP to employees due to delayed (March, 2002) receipt of clarification from Finance Department.
47.	2235 - Social Security and Welfare 60 - Other Social Security and Welfare Programmes 200 - Other Programmes 02 - Ex- Gratia Payments to Family of Ministers, Government Servants, etc. Dying in Harness (Voted)	1400.00	382.51 (27.32)	Reply not furnished by the department
Capital Non Plan State				
48.	6004 - Loans and Advances from the Central Government 06 - Ways and Means Advances 800 - Other Ways and Means Advances 01 - Other Ways and Means Advances (Charged)	52000.00	9500.00 (18.27)	Reply not furnished by the department
49.	7610 - Loans to Government Servants etc. 202 - Advances for Purchase of Motor Conveyances 01 - Advances for Purchase of Motor Conveyances of Government Servants (Voted)	799.95	240.87 (30.11)	--do--
50.	800 - Other Advances 01 - Festival Advance (Voted)	450.00	152.80 (33.96)	Reply not furnished by the department
11 - Health and Family Welfare Revenue Non- Plan State				
51.	2210 - Medical and Public Health 01 - Urban Health Services Allopathy 001 - Direction and Administration 01 - Direction (Voted)	675.67	232.94 (34.48)	Savings is due to vacant posts and non-clearance of bills by the Treasury Officer
52.	02 - District Administration (Voted)	773.11	114.16 (14.77)	-do-

53.	110 - Hospital and dispensaries 02 - Medical Relief to Rajindra Hospital, Patiala (Voted)	1183.18	138.10 (11.67)	Savings is due to vacant posts, non-clearance of bills by the Treasury Officer and non-finalization of tenders.
54.	03 - Medical Relief to Mental Hospital, Amritsar (Voted)	569.01	170.93 (30.04)	Saving is due to vacant posts and non-clearance of bills by the Treasury Officer
55.	07 - Medical Relief to other Hospital and Dispensaries (Voted)	7812.27	1154.25 (14.77)	-do-
56.	03 - Rural Health Services- Allopathy 103 - Primary Health Centre 01 - Primary Health Centre (Voted)	6401.82	1028.43 (16.06)	-do-
57.	110 - Hospital and Dispensaries 01 - Medical Relief to Hospital and Dispensaries (Voted)	3632.33	695.66 (19.15)	-do-
58.	05 - Medical Education Training and Research 105 - Allopathy 01 - Glancy Medical College, Amritsar (Voted)	2412.33	342.69 (14.21)	-do-
59.	02 - Government Medical College, Patiala (Voted)	2567.15	493.54 (19.23)	-do-
60.	06 - Public Health 101 - Prevention and Control of Diseases 01 - National Malaria Eradication Programme (Rural)(Voted)	3568.55	672.65 (18.85)	Saving is due to vacant posts and non-clearance of bills by the Treasury Officer
61.	04 - Other Preventive Measures (Voted)	575.59	171.01 (29.71)	-do-
62.	2211 - Family Welfare 101 - Rural Family Welfare Services 01 - Rural Family Welfare Services (Voted)	1287.15	165.74 (12.88)	Bills not Passed by the Treasury Officer
Revenue Plan CSS				
63.	2211 - Family Welfare 001 - Direction and Administration 02 - State/ District Family Welfare (Voted)	418.00	202.33 (48.40)	-do-
64.	03 - Training 05 - Special Training to Scheduled Castes Candidates M.P.W. (Male) at Kharar, Amritsar and Nabha (Voted)	157.50	103.88 (65.96)	-do-
65.	101 - Rural Family Welfare Services 01 - Rural Family Welfare Services (Voted)	1569.00	586.82 (37.40)	-do-
66.	102 - Urban Family Welfare Services 02 - Revamping of Organisation of Services of Delivery (Voted)	690.00	393.72 (57.06)	-do-

67.	105 - Compensation 01 - Compensation 01 - Compensation for IUD and Sterilization- Ex-gratia financial assistance to Family Welfare (Voted)	340.00	139.07 (40.90)	Bills not Passed by the Treasury Officer
68.	200 - Other Services and Supplies 01 - Other Services and Supplies (Voted)	880.00	441.74 (50.20)	Bills not Passed by the Treasury Officer
69.	2235 - Social Security and Welfare 60 - Other Social Security and Welfare Programmes 200 - Other Programmes 03 - Reimbursement of Medical Charges to Punjab Government Pensioners (Voted)	746.73	328.61 (44.01)	Savings is due to non-clearance of bills by the Treasury Officer
Revenue Plan State				
70.	2210 - Medical and Public Health 01 - Urban Health Services- Allopathy 001 - Direction and Administration 20 - Grant recommended by 10 th Finance Commission for Health Services. (Voted)	482.64	482.64 (100)	Sanction to incur the expenditure of Rs.362.00 lakh was not received from the Government & Rs.120.64 lakh could not be drawn due to delayed (21/03/ 2002) receipt of sanction.
71.	21 - Setting up of Institute of Paramedical Sciences at Village Badal (Muktsar) (Voted)	400.01	400.01 (100)	Savings is due to misclassification
72.	110 - Hospitals and Dispensaries 23 - Opening of new Dispensaries in Urban/Slum Area Other Suitable Places (Voted)	850.00	850.00 (100)	-do-
73.	25 - Revamping of Emergency Medical Care Services in the Selected Institution in the State (Voted)	900.00	154.09 (17.12)	Savings is due to non-requirement/ non-demand of funds from the Government
12 - Home Affairs and Justice				
Revenue Non Plan State				
74.	2014 - Administration and Justice 114 - Legal Advisers and Counsels 04 - District Attorneys (Voted)	812.80	205.27 (25.25)	Reasons for saving were not furnished.
75.	2055 - Police 003 - Education and Training 01 - Police Training College (Voted)	1136.50	139.07 (12.24)	Bills were not passed by the treasury due to financial crisis in the State.
76.	2055 - Police 101 - Criminal investigation and vigilance 01 - Criminal Investigation Department (Voted)	5373.27	774.81 (14.42)	--do--
77.	114 - Wireless and computers 01 - Police Wireless and Computer Staff (Voted)	4042.24	508.73 (12.59)	Bills not cleared by the Treasury Officer due to financial crisis in the State.
78.	111 - Railway Police 01 - Railway Police (Voted)	1825.82	220.16 (12.06)	It is due to vacant posts and non passing of bills by the Treasury Officer.

Audit Report (Civil) for the year ended 31 March 2002

79.	2056 - Jails 101 - Jails 02 - District Jails (Voted)	1580.34	254.29 (16.09)	Saving is due to pending bills in various treasuries.
80.	102 - Jail Manufacturers 01 - Central Jails (Voted)	253.77	125.29 (49.37)	-do-
	Capital Plan State			
81.	4055 - Capital Outlay of Police 211 - Police Housing 01 - Police Housing (Voted)	1822.69	943.81 (51.78)	Reasons for the savings not furnished.
	TOTAL		78,456.78	

Appendix XXI
(Reference : Paragraph 2.9.4 Page 33)
Persistent savings in grants/appropriations

Sr. No	Grant/Head of Account/Name of Scheme	Total Grant/ Amount of Savings (per cent)		
		1999-2000	2000-2001	2001-2002
	01-Agriculture and Forests			
		(Rupees in lakh)		
	Revenue – Plan – CSS			
1.	2401-Crop Husbandry 102 - Foodgrain crops 03-Scheme for Rice, Maize, Bajra, Wheat, Minikits (Voted)	65/65 (100)	65/65 (100)	65/65 (100)
2.	103-Seeds 02-Scheme for setting up of National Seed Testing Centre with modern seed testing laboratories and strengthening of the Seed Quality Control Organization (Voted)	15/15 (100)	15/15 (100)	15/15 (100)
3.	105-Manure and Fertilizers 07-Balanced and Integrated use of Fertilizers (Voted)	22.10/22.10 (100)	75/75 (100)	75/75 (100)
4.	108-Commercial crops 05-Scheme for Intensive Cotton Development Programme including Aerial Spray on Cotton (Voted)	450/450 (100)	600/600 (100)	75/75 (100)
5.	06-Scheme for the Oil Seeds Production Programme (Voted)	121.46/98.72 (81.28)	125.38/100.42 (80.09)	90/76.22 (84.69)
6.	113-Agricultural Engineering 03-Scheme for the Promotion of Agricultural mechanization by providing small Tractors on subsidy (Voted)	60/60 (100)	75/75 (100)	91.8/91.8 (100)
7.	2406-Forestry and Wild Life 01-Forestry 102-Social and Farm Forestry 13-Collection, Certification, Grinding and Storage of Seed of Forests Species including Legumes and Grasses (Voted)	20/20 (100)	20/20 (100)	20/20 (100)
8.	02 - Environment Forestry and Wild Life 110-Wild Life Preservation 02-Assistance for the Development of Sanctuaries (Voted)	50/33.34 (66.68)	50/40.01 (80.02)	50/48.84 (97.68)
9.	Revenue Plan Share			
	2401-Crop Husbandry 108-Commercial Crops 07-National Pulses Development Project (Voted)	34.98/18.81 (53.77)	40.65/40.65 (100)	28/28 (100)

10.	2402-Soil and Water Conservation 102-Soil Conservation 09-Treatment of Catchment area of Thein Dam River valley project (Voted)	15.32/15.32 (100)	15.33/15.33 (100)	70/70 (100)
11.	2810-Non conventional Sources of Energy 01-Bio Energy 001-Direction and Administration 01-Scheme for the creation of Bio Gas cell in the Agriculture Department (Voted)	300/300 (100)	180/180 (100)	180/180 (100)
	Revenue Plan State			
12.	2401-Crop Husbandry 105-Manure and Fertilizers 02-Reclamation of Alkali Soils (Voted)	322.08/225.85 (70.12)	300.01/300.01 (100)	28/28 (100)
13.	108-Commercial Crops 05-Scheme for Intensive Cotton Development Programme including Aerial Spray on Cotton (Voted)	150/94-01 (62.67)	200/200 (100)	25/25 (100)
14.	06-Scheme for the Oil Seeds Production Programme (Voted)	40.48/40.48 (100)	41.78/41.78 (100)	30/25.41 (84.7)
15.	2402-Soil and Water Conservation 001-Direction and Administration 03-Provision for Machinery Division at Headquarter (Voted)	40/40 (100)	40/40 (100)	35/35 (100)
16.	2415-Agricultural Research and Education 01-Crop Husbandry 120-Assistance to other Institutions 03-Scheme for Agricultural Research and Development for major breakthrough in Diversification. (Voted)	100/100 (100)	100/100 (100)	200/200 (100)
	Capital Non-Plan State			
17.	4401-Capital Outlay on Crop Husbandry 107-Plant Protection 01-Plant Protection (Voted)	123.50/84.76 (68.63)	117.32/34.47 (29.38)	117.32/36.58 (31.18)
	Capital Plan State			
18.	6402-Loans for Soil and Water Conservation 102-Soil Conservation 04-Advances for Soil and Water Conservation Programme in other Areas of the State (General) (Voted)	45/45 (100)	22.50/22.50 (100)	22/22 (100)
19.	05-Advance for purchase of debentures floated by Punjab State Co-operative Land Mortgage Bank Ltd. for carrying out Soil and Water conservation works under A.R.D.C/NABARD Schemes (Voted)	10/10 (100)	10/10 (100)	10/10 (100)

20.	05-Education			
	Revenue- Non-Plan –CSS			
	2204-Sports and Youth Services 102 - Youth Welfare Programmes for Students 03-National Service Scheme (Voted)	105.88/105.88 (100)	105.88/105.88 (100)	133/73.32 (55.13)
21.	Revenue Non-Plan State			
	2058 - Stationery and Printing 104 - Cost of Printing by Other Sources 02 - Cost of Printing at Private Presses (Voted)	244.53/244.53 (100)	193.12/103.45 (53.57)	44.11/31.57 (71.57)
22.	Revenue Plan CSS			
	2202 - General Education 02-Secondary Education 109 - Government Secondary Schools 06-Improvement of Science Education in Schools (Voted)	100/100 (100)	1345/1343.87 (99.92)	1345/1345 (100)
23.	19 - Setting up of Vocational Wings at District/Directorate-Provision of Instructional Material in schools (Voted)	200/200 (100)	500/500 (100)	805.13/805.13 (100)
24.	20-Environment Orientation to School Education (Voted)	15/15 (100)	15/15 (100)	15/15 (100)
25.	21-Operation Black Board Scheme at Upper Primary Schools (Voted)	3000/1896.30 (63.21)	3000/1843.37 (61.45)	3000/1813.98 (60.47)
26.	22-Pre-Vocational Scheme at Lower Secondary Stage (Voted)	20/20 (100)	20/20 (100)	20/20 (100)
27.	2204-Sports and Youth Services 102-Youth Welfare Programmes for Students 05-Taking over of N.F.C. Schemes (Voted)	496/224.57 (45.28)	398/205.74 (51.69)	203/108.12 (53.26)
28.	Revenue Plan State			
	2202-General Education 01-Elementary Education 101-Government Primary Schools 04-Opening of Primary Schools (Voted)	100/33.99 (33.99)	110/24.74 (22.49)	105/28.28 (26.93)
29.	05-Grants under 10th Finance Commission (Up-gradation of Primary Schools) (Voted)	130.89/109.86 (83.93)	165.95/165.95 (100)	165.95/165.95 (100)
30.	04-Adult Education 800-Other Expenditure 01-Adult Education Programme (Literacy Programme) (Voted)	200/192.50 (96.25)	150/148.51 (99.01)	90/90 (100)

31.	2204-Sports and Youth Services 104-Sports and Games 02-Competition Schemes (Voted)	71.90/71.90 (100)	70/33.38 (47.69)	50/50 (100)
32	03-Scholarship Schemes (Voted)	13.95/13.95 (100)	20/17.47 (87.35)	15/15 (100)
33.	12-Laying of Synthetic Track at Jalandhar and Hockey turf at Ludhiana (Voted)	150/150 (100)	46.90/46.90 (100)	50/50 (100)
34.	08 Finance			
	Capital Non-Plan State			
	7615 -Miscellaneous Loans 200 -Miscellaneous Loans 01-Loans to MLAs/ MLCs for construction of Houses (Voted)	80/26.78 (33.48)	100/66.40 (66.4)	50/36.20 (72.4)
35	02-Loans to MLAs/ MLCs for purchase of Motor Conveyances (Voted)	50/26 (52.0)	80/50 (62.5)	60/37.80 (63)
36.	11 Health and Family Welfare			
	Revenue Non-Plan State			
	2235-Social Security and Welfare 60-Others Social Security and Welfare Programmes 200-Other Programmes 03-Reimbursement of Medical Charges to Punjab Government Pensioners (Voted)	459.81/116.41 (25.32)	569.06/138.66 (24.37)	746.73/328.61 (44.01)
37.	Revenue Plan CSS			
	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 36-Grant-in-aid to Punjab State Institute of Medical Sciences, Jalandhar (Voted)	1000/1000 (100)	1000/250 (25)	1000/1000 (100)
38.	02-Urban Health Services-Other System of Medicine 101-Ayurveda 08-Establishment of Post Graduate Institute in Ayurvedic College, Patiala (Voted)	40/40 (100)	40/40 (100)	40/40 (100)
39.	06-Public Health 101-Prevention and Control of Diseases 07-National Programme for the Control of Blindness (Voted)	35/32.56 (93.03)	35/35 (100)	100/100 (100)
40.	13-National Cancer Control Programme (Voted)	50/50 (100)	50/50 (100)	50/50 (100)
41.	102-Prevention of Food Adulteration 03-Strengthening of Food Testing Laboratories (Voted)	42/42 (100)	115/115 (100)	115/115 (100)
42.	104-Drug Control 02-Strengthening of Drug Control Organization (Voted)	58/58 (100)	80/80 (100)	80/80 (100)

43.	03-Augmentation of Drug Testing Laboratory (Voted)	60/60 (100)	65/65 (100)	65/65 (100)
44.	2211-Family Welfare 003-Training 01-Training (Voted)	95/46.34 (48.78)	150/60.43 (40.29)	156.70/76.99 (49.13)
45.	101-Rural Family Welfare Services 01-Rural Family Welfare Services (Voted)	1210/272.68 (22.54)	1450/554.64 (38.25)	1569/586.82 (37.40)
46.	102-Urban Family Welfare Services 02-Revamping of Organization of Services of Delivery (Voted)	520/269.75 (51.88)	625/260.92 (41.75)	690/393.72 (57.06)
47.	104-Transport 01-Transport (Voted)	85/59.33 (69.8)	100/74.48 (74.48)	292/277.01 (94.87)
48.	108-Selected Area Programmes (Including India Population Project) 01-Health Guide Scheme (Voted)	72/58.36 (81.05)	72/66.98 (93.03)	72/72 (100)
49.	200-Other Services and Supplies 01-Other Services and Supplies (Voted)	665/227.59 (34.22)	800/266.48 (33.31)	880/441.74 (50.2)
50.	Revenue Plan Share			
	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospital and Dispensaries 05-Medical Relief to T.B. Clinics and Sanatoria (Voted)	200/200 (100)	200/175 (87.5)	10/10 (100)
51.	06-Public Health 101-Prevention and Control of Diseases 01-National Malaria Eradication Programme (Rural) (Voted)	220/188.43 (85.65)	220/161.53 (73.42)	75/75 (100)
52.	09-Provision of Additional Laboratory Technicians at each P.H.C (Voted)	50/50 (100)	50/46.06 (92.12)	10/10 (100)
53.	10-National Malaria Eradication Programme Anti Larva (Urban) (Voted)	160/158.26 (98.91)	160/151.32 (94.58)	20/20 (100)
54.	Revenue Plan State			
	2210-Medical and Public Health 01-Urban Health Services - Allopathy 110-Hospital and Dispensaries 05-Medical Relief to T.B. Clinics and Sanatoria (Voted)	491.33/186.56 (37.97)	200/175 (87.5)	10/10 (100)
55.	05-Medical Education, Training and Research 105-Allopathy 07-Setting up of Advance Cardiac Centre at Patiala (Voted)	29/29 (100)	50/50 (100)	50/50 (100)

56.	06-Public Health 101 - Prevention and Control of Diseases 09-Provision of Additional Laboratory Technicians at each P.H.C (Voted)	100.95/43.82 (43.41)	50/46.06 (92.12)	10/10 (100)
12-Home Affairs and Justice				
Revenue Non-Plan State				
57.	2055-Police 115-Modernisation of Police Force 01-Modernisation of Police Force (Voted)	84.65/43.78 (51.72)	3373.16/1925.34 (57.08)	3210/864.60 (26.93)
58.	2056-Jails 102-Jail Manufactures 01-Central Jails (Voted)	277.60/129.44 (46.63)	246.07/63.68 (25.88)	253.77/125.29 (49.37)
59.	02-District Jails (Voted)	37.80/19.12 (50.58)	39.61/15.34 (38.73)	42.57/31.01 (72.84)
Revenue Plan State				
60.	2056-Jails 101-Jails 04-Outlay recommended by 10th Finance Commission for Medical Facilities in Jails (Voted)	92.60/92.60 (100)	15.40/15.40 (100)	80/80 (100)

Appendix XXII

(Reference : Paragraph 2.9.5 Page 33)

Unusual Excess over Budget Grant

Sr. No.	Name of Grant/Head Of Account	Total Grant	Amount Excess (Per cent)	Contributing reasons as stated by Government/Department
		(Rupees in Lakh)		
1.	01 - Agriculture and Forests	0.01	131.37 (1313700)	Reasons for excess expenditure were not furnished.
	Revenue Non Plan State			
	2401 - Crop Husbandry 001 - Direction and Administration 01 - Direction (Charged)			
2.	2702 - Minor Irrigation 02 - Ground Water 103 - Tubewells 03 - Boring and Tubewell Organization (Voted)	454.97	868.29 (190.85)	-do-
	Revenue Plan Share			
3.	2406 - Forestry and Wildlife 01 - Forestry 102 - Social and Farm Forestry 11-Area Oriented Fuel Wood and Fodder Project (Voted)	25.00	100.68 (402.72)	-do-
	Revenue Plan State			
	11 - Area Oriented Fuel Wood and Fodder Project (Voted)			
4.	11 - Area Oriented Fuel Wood and Fodder Project (Voted)	25.00	100.68 (402.72)	-do-
	05 Education			
5.	Revenue Plan State	1.00	624.57 (62457)	The funds were drawn as per sanction of the Administrative Department accorded in November 2001
	2204 - Sports and Youth Services 104 - Sports and Games 14 - Construction of Sports Stadium at PAP Complex Jalandhar (Voted)			
	08 - Finance			
6.	Revenue Non Plan State	30.56	134.04 (438.61)	Reasons not furnished by the Department.
	2049 - Interest Payments 01 - Interest on Internal Debt 305 - Management of Debt 02 - Expenditure connected with the issue of new Loans (Charged)			
7.	04 - Interest on Loans and Advances from Central Government 106 - Interest on Ways and Means Advances 01 - Interest on Ways and Means Advances (Charged)	3140.00	450.84 (14.36)	Reasons not furnished by the Department.
	Revenue Non Plan State			

	11 - Health and Family Welfare			
	Revenue Non- Plan State			
8.	2210 - Medical and Public Health 01 - Urban Health Services- Allopathy 102 - Employees State Insurance Scheme 01 - Employees State Insurance Scheme (Voted)	2613.50	517.49 (19.80)	The department contended that the budget was revised to Rs.3980.23 lakh. and expenditure of Rs. 3128.79 lakh was incurred leaving a saving of Rs. 851.37 lakh. The reply was incorrect as per "Supplementary Demands for Grants for expenditure of the Government. of Punjab 2001-02"
	12 - Home Affairs and Justice			
	Revenue Non Plan State			
9.	2070 - Other Administrative Services 107 - Home Guards 01 - Home Guards Urban and Rural Wing (Voted)	3327.03	353.14 (10.61)	The department contended that the budget was revised to Rs.3758.72 lakh and there was a saving of Rs.76:11 lakh. The reply was incorrect as per "Supplementary Demands for Grants for expenditure of the Government of Punjab 2001-02".
10.	2059 - Public Works 60 - Other Buildings 053 - Maintenance and Repair 01 - Police (Voted)	90.24	101.63 (112.62)	The department intimated that Rs. 40.07 lakh only were spent and excess was due to misclassification.
	Total		3382.73	

Appendix XXIII

(Reference : Paragraph 2.9.6 Page 33)

Persistent excesses over Budget Provisions

Sr. No.	Grant/Head of Account/Name of Scheme	Total Grant/ Amount of Excesses (Per cent) (Rupees in lakh)		
		1999-2000	2000-01	2001-02
1.	01-Agriculture and Forests			
	Revenue Non-Plan State			
	2402-Soil and Water Conservation 001-Direction and Administration 01-Direction and Administration (Voted)	27.67/4.94 (17.85)	33.38/1.95 (5.84)	2686.85/123.45 (4.59)
2.	08 - Finance			
	Revenue Non-Plan State			
	2049- Interest Payments 01-Interest on Internal Debt 305-Management of Debt 02-Expenditure connected with the issue of New Loans (Charged)	134.55/16.07 (11.94)	23.61/123.27 (522.11)	30.56/134.04 (438.61)
3.	12-Home Affairs and Justice			
	Revenue Non-Plan State			
	2059-Public Works 60-Other Buildings 053-Maintenance and Repairs 01-Police (Voted)	94.98/56.51 (59.5)	90.24/120.83 (133.90)	90.24/101.63 (112.62)

Appendix XXIV

(Reference : Paragraph 2.9.7 Page 33)

Expenditure Without Budget Provision

Sr. No.	Grant/ Head of Account	Expenditure without Budget Provision (Rs. in lakh)	Contributing reasons as stated by Department
1.	01 - Agriculture and Forests	201.79	Reasons not furnished
	Revenue Non-Plan State		
	2435 - Other Agricultural Programmes 01 - Marketing and Quality Control 102 - Grading and Quality Control Facilities 01 - Scheme for Grading of Food grains and Oilseeds in the Regulated Markets in the State (Voted)		
2.	Revenue Plan CSS	0.58	The reply of the deptt. that funds were available under the scheme was incorrect as the said funds were available under the sharing basis scheme
	2401 - Crop Husbandry 108 - Commercial Crops 07 - National Pulses Development Project (Voted)		
3.	2810 - Non-conventional Sources of Energy 01 - Bio-Energy 001 - Direction and Administration 01 - Scheme for the Creation of Bio-Gas Cell in the Agriculture Department (Voted)	27.98	It is due to misclassification
4.	Revenue Plan Share	82.95	It is due to misclassification as per remarks at Sr. No. 14 of Appendix XX.
	2402 - Soil and Water Conservation 102 - Soil Conservation 08 - Encouraging Irrigation through use of Drip Irrigation (Voted)		
5.	05 - Education	70.00	The expenditure was incurred as per Government sanction accorded in June 2001.
	Revenue Plan State		
	2204 - Sports and Youth Services 104 - Sports and Games 19 - Construction of Indoor Stadium at Badal (Voted)		
6.	08 - Finance	120.70	Reasons not furnished by the Deptt.
	Revenue Non-Plan State		
	2049 - Interest Payment 104 - Interest on State Provident Funds 03 - Interest on Small Savings, Provident Fund etc. 02 - Interest on Contributory Provident Fund (Charged)		
7.	03 - Interest on All India Service Provident Fund (Charged)	124.71	-do-

8.	05 - Interest on Reserve Fund 107-Interest on depreciation renewal Reserve Funds 01 - Motor Transport Reserve Fund (Accident Reserve Fund) (Charged)	5.27	Reasons not furnished by the Deptt.
9.	2235 - Social Security and Welfare 60 - Other Social Security and Welfare Programmes 104 - Deposit Linked Insurance Scheme - Govt. P.F. 01 - Deposit Linked Insurance Scheme - Govt. P.F. (Voted)	95.43	-do-
10.	3451 - Secretariat Economic Services 092 - Other Offices 04 - State Finance Commission (Voted)	116.22	-do-
	Capital Non-Plan State		
11.	6003 - Internal Debt of the State Government 101 - Market Loans 02 - Market Loans not bearing Interest 10 - 8.75 per cent Punjab Loan 2000 (Charged)	19.69	-do-
	11 - Health and Family Welfare		
	Revenue Plan State		
12.	2210 - Medical and Public Health 01 - Urban Health Services – Allopathy 110 - Hospital and Dispensaries 14 - Strengthening of Intensive Care Units at District level Hospitals (Voted)	14.14	Savings is due to misclassification.
13.	16 - Upgradation of Existing Hospitals (Voted)	59.76	-do-
14.	30 - Dental clinic at Hospitals and CHCS (Voted)	66.34	-do-
15.	31-Dental Clinics in 100 Bedded and Above Hospitals (Voted)	32.84	-do-
16.	32 - Opening of New Dispensaries in Slum Area/ Suitable Urban Places (Voted)	77.30	-do-
17.	48 - Setting up of State Institute of Paramedical Science at Village Badal District Muktsar (Voted)	400.00	-do-
18.	03- Rural Health Services – Allopathy 103- Primary Health Centres 02- Opening/ Establishments of PHCs by Upgrading existing SHCs (Voted)	14.53	-do-
19.	03- Establishment of Mobile Medical Teams in Border Area of the State (Voted)	12.07	-do-

20.	04- Establishment of Community Health Centres (Voted)	481.37	Savings is due to misclassification.
21.	06- Public Health 101- Prevention and Control of Diseases 06- National Leprosy Control Programme (Rural) (Voted)	39.08	Reasons for excess expenditure were not furnished.
22.	12- Home Affairs and Justice	0.75	Reasons not furnished by the Deptt.
	Revenue Non-Plan State		
	2059- Public Works 60- Other Buildings 101- Construction 01 - Police (Voted)		
		Voted 1793.13 Charged 270.37 Total 2063.50	

Appendix XXV
(Reference : Paragraph 3.15, Page 54)
Statement showing paragraphs/ reviews for which explanatory notes were not received.

Sr. No.	Name of the Department	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	Total
1.	Agriculture	-	-	-	-	1	-	1
2.	Commercial Activities	-	-	-	1	-	1	2
3.	Defence services Welfare	-	-	-	2	-	-	2
4.	Education Department	-	-	-	-	-	1	1
5.	Election	-	-	-	1	-	-	1
6.	Financial assistance to local bodies	-	-	-	-	1	-	1
7.	Food & Supplies Department	-	-	-	-	-	1	1
8.	General (Admn. Home, Transport & Justice)	1	-	3	1	1	2	8
9.	General paras	-	-	2	3	-	1	6
10.	Health and Family Welfare	-	-	-	-	1	4	5
11.	Industries Department	-	-	-	1	-	2	3
12.	Public Works Department (B&R)	-	-	-	-	-	4	4
13.	Public Works Department (Irri.)	-	-	1	2	-	3	6
14.	Public Relations	1	-	-	-	-	1	2
15.	Revenue Department	-	-	-	-	1	1	2
16.	Rural Development & Panchayat	-	-	-	2	-	-	2
17.	Relief and Resettlement Department	-	-	1	-	-	1	2
18.	Social Welfare	-	-	2	-	-	3	5
19.	Science and Technology	-	-	-	2	-	-	2
20.	Soil Conservation Department	-	2	-	-	-	-	2
21.	Transport Department	-	-	-	1	1	-	2
22.	Forest Department	-	-	-	-	-	2	2
	Total	2	2	9	16	6	27	62

Appendix XXVI
(Reference : Paragraph 4.1.6.3, Page 59)
Statement showing details of excess expenditure under various Sub-heads
(Figures from Detailed Appropriation Account)

(Rupees in lakh)

Sr. No.	Major Head	Minor/ Sub minor/ Sub-head	Budget Provision	Expenditure	Excess	Percentage of excess
1999-2000						
1.	2059	60/053/03	35.15	124.02	88.87	253
2.	2059	60/053/04	303.44	609.84	306.40	101
3.	2059	60/053/05	425.50	456.37	30.87	7
4.	2059	60/053/10	19.90	63.22	43.32	218
5.	2059	60/053/11	29.50	90.30	60.80	206
6.	2059	60/053/13	50.70	226.43	175.73	347
7.	2059	60/053/16	365.85	752.13	386.28	106
8.	2059	60/053/17	34.25	62.52	28.27	83
9.	2059	80/001/01	510.95	553.02	42.08	8
10.	2059	80/105/01	12.26	29.91	17.65	144
11.	2059	80/105/799	370.00	15111.77	14741.77	3984
12.	3054	03/337/01	4199.98	4993.13	793.15	19
13.	3054	80/107/759	700.00	3930.85	3230.85	462
14.	3054	80/07/800	100	33.01	32.01	3201
15.	5054	800/03	1000.00	1583.61	583.61	58
2000-01						
16.	2059	80/799/01	370.00	7602.30	7232.30	1955
17.	3054	03/337/01	142.00	3495.47	3253.47	2291
18.	3054	03/800/01	120.00	629.72	509.72	425
19.	3054	80/799/01	700.00	1374.57	674.57	98
20.	3054	80/797/01	100.00	1433.00	1333.00	1333
21.	4059	80/051/02	700.00	938.11	238.11	34
22.	5054	03/800/02	1.00	32.39	31.39	3139
23.	5054	03/800/04	1000.00	1436.56	436.56	44
2001-02						
24.	2059	60/053/19	180.84	249.57	68.73	38
25.	2059	80/759/01	100.00	12115.02	12015.02	12015
26.	3054	03/337/01	871.75	2885.27	2013.52	231
27.	3054	80/799/01	700.00	1911.30	1211.30	173
28.	3054	80/797/01	100.00	1027.00	927.00	927
29.	5054	03/101/01	700.00	2223.89	1523.89	218
30.	5054	03/337/04	25.00	1173.40	1148.40	4594
31.	5054	03/800/04	1000.00	3594.42	2594.42	259

Appendix XXVII
(Reference : Paragraph 4.1.6.4, Page 59)
Statement showing details of expenditure incurred without budget provision
under various sub heads
(Figures collected from detailed Appropriation Account)

			(Rupees in lakh)
Sr. No.	Major Head	Minor/ Sub minor/ Sub-head	Expenditure
	1999-2000		
1.	2059	60/052/03	16.88
2.	3054	80/011/01	4587.55
3.	3054	80/001/03	38.70
4.	4059	80/001/01	113.07
5.	4059	80/051/08	232.37
6.	4059	80/051/09	2.50
7.	4059	80/051/10	142.59
8.	4059	80/052/01	16.30
9.	5054	03/052/03	23.53
	2000-01		
10.	2059	60/052/02	15.53
11.	2059	60/053/03	98.70
12.	2059	60/053/04	488.57
13.	2059	60/053/05	729.26
14.	2059	60/053/06	73.21
15.	2059	60/053/07	286.62
16.	2059	60/053/09	8.64
17.	2059	60/053/10	49.29
18.	2059	60/053/11	72.29
19.	2059	60/053/12	7.24
20.	2059	60/053/13	192.66
21.	2059	60/053/14	4.22
22.	2059	60/053/16	677.07
23.	2059	60/053/17	49.01
24.	2059	60/053/20	2.49
25.	2059	60/101/02	1.18
26.	2059	60/101/03	5.65
27.	2059	60/101/05	18.23
28.	2059	80/001/02	703.50
29.	2059	80/011/03	9551.00
30.	2059	80/011/04	27.38
31.	2059	80/011/05	7.53
32.	2059	80/011/06	290.45
33.	2059	80/011/08	1601.98
34.	2059	80/011/01	0.93
35.	2059	80/709/02	9301.84
36.	3054	04/800/02	949.06
37.	3054	04/800/03	1100.19
38.	3054	80/001/01	3701.21
39.	3054	80/052/01	1.44
40.	3054	80/052/03	20.35
41.	3054	80/799/02	1070.32
42.	5054	01/337/01	2509.47
43.	5054	02/101/01	9.24

44.	5054	80/001/10	152.77
45.	4059	80/051/39	54.48
46.	4059	80/052/01	21.82
47.	5054	03/001/01	229.08
48.	5054	03/052/01	21.86
49.	5054	03/337/01	86.03
50.	5054	03/800/01	526.11
	2001-2002		
51.	2059	60/052/02	4.30
52.	2059	60/052/03	49.55
53.	2059	60/053/03	111.28
54.	2059	60/053/04	473.85
55.	2059	60/053/05	1010.38
56.	2059	60/06	90.65
57.	2059	60/07	261.63
58.	2059	60/09	10.58
59.	2059	60/10	50.78
60.	2059	60/11	73.41
61.	2059	60/12	6.91
62.	2059	60/13	193.41
63.	2059	60/14	4.78
64.	2059	60/16	728.94
65.	2059	60/17	64.38
66.	2059	60/20	5.98
67.	2059	60/101/02	1.52
68.	2059	60/101/03	8.29
69.	2059	80/001/02	690.44
70.	2059	80/001/03	11798.30
71.	2059	80/001/04	12.19
72.	2059	80/001/05	14.98
73.	2059	80/001/06	323.51
74.	2059	80/001/07	2127.96
75.	2059	80/799/02	18189.15
76.	3054	04/800/01	1087.03
77.	3054	04/800/02	886.18
78.	3054	04/800/03	349.02
79.	3054	80/001/01	4500.99
80.	3054	80/799/02	1998.15
81.	5054	01/337/02	3.53
82.	4059	80/001/01	289.15
83.	5054	03/001/01	4211.57
Total			89518.00

Appendix XXVIII
(Reference : Paragraph 4.1.17.4, Page 65)
Statement showing the detail of works executed without technical sanction
(Rupees in lakh)

Sr.No.	Name of works	Expenditure
	I. R&B-I Mohali	
1.	Stg. Morinda Chamkaur Sahib Bela Road Km 15.40 to 19.20	74.82
2.	Raising/Stg./Imp. of Guru Gobind Singh Marg	93.42
3.	Raising old Morinda Ropar Road Km 0.44 to 2.05	46.17
4.	Widening of Chamkaur Sahib Road along Sirhind Canal Km-1 to 15.50	127.96
5.	Construction of 5 span Bridge 24.75 meter over Siswan Nadi.	118.71
6.	Widening/Stg. Behrampur Road 0.60 to 1.30 Kms, 7.01 to 7.49, 5 to 6	46.26
7.	Raising Ropar Nurpur Bedi Road Km 5, 6, 21 to 23	85.17
8.	Construction H/L Bridge 9.0 M over Dhalota Khad on Bharatgarh Nalagarh Road	103.04
9.	Construction H/L Bridge over Sagrao Nadi on Rangilpur Manpur	82.49
10.	Stg. RGN Road Km 41.60 to 42, 43 to 47 and 53	93.39
11.	Imp./Raising/Stg. Old Morinda Ropar Road.	237.45
12.	Raising Ropar Bela Road 0 to 0.96, 3 to 3.61, 5.60 to 6.79	45.70
13.	Raising Chamkaur Sahib Bela Road 1,2,3,4,7,15,19.55 to 20.12	43.28
14.	Raising Sirhind Morinda Kurali Road	84.86
	II. R & B-II Mohali	
15.	Construction of R.O.B. in replacement level crossing No. 175 UMB to LDH Rail Line at Rajpura	380.89
16.	Construction of 11 span 21.25m each H/L Bridge over Tangari Choe X-ing Lalroo Handesa, Khellan Mallan.	315.14
17.	Construction of approaches over H/L Bridge over Tangari Choe	48.94
18.	Construction of 4 span 12 m each H/L Bridge over Jhirmal choe	71.15
19.	Widening/Stg. Rajpura Patiala Road in Rajpur Town	150.62
	III. R&B Hoshiarpur	
20.	Construction of H/L Bridge over Usman Sahid Choe X-ing Dasuya Hazipur Road 5 span	69.25
21.	Construction of H.L.Bridge over Black Bein(Pul Pukhta) with approaches 35 span 25 each	272.66
22.	Const. Of H.L. Bridge over Beas along both side Guide Branch on Tanda Hargobindpur	1662.74
	IV. C.W.Division Hoshiarpur	
23.	Construction of Bridge over Pur Hiran Choe at X-ing Road phase III	75.15
	Approaches	10.76
	Correction Longitudinal X-Profile on HSP Adampur Road	19.92
24.	Imp. Of Road from Mall to Una Road within MC Limit of Hoshiarpur Phase I & II	11.22
25.	Imp.of road from Shamshan Ghat to Vidya Mandir School	7.32
26.	Construction of Road from Hazipur Bus Stand to Ground Mukerian	7.50
	TOTAL	4385.98

Appendix XXIX
(Reference : Paragraph 4.1.18.1, Page 67)
Details of un-authorised possession of land

Name of the Division	Area	Value of Land (Rupees in lakh)	Since when first notice issued
Roads & Bridges Division, Patiala	15.07 (KM) 1600.25 (Sq. ft.)	Not given	1/99
Rural Works Division, Sirhind	4.07 (KM)	--	11/99
Provincial Division, Jalandhar	244.00 (Sq. ft.)	2.50	2/90
Central Works-2, Division, Amritsar	1.44 (Acre)	Not given	1978 onwards
Roads & Bridges Division, Amritsar	80781.00 (Sq.ft.)	20.75	For the last 20 years
Central Works-2, Division, Patiala	207.35 (Sq. Mtr.)	20.82	More than 20 years
Roads & Bridges Division, Hoshiarpur	4.18 (KM) 206.00 (Sq. ft.)	82.31	10/96
Central Works Division, Hoshiarpur	0.95 (Kanal)	38.00	12/99
	TOTAL	164.38	
		Say Rs. 1.64 crore	

Appendix XXX
(Reference : Paragraph 4.4.1, Page 72)
Year wise and Sub-head wise details of Miscellaneous Public Works
Advances lying unadjusted as on 31.3.2002

(Rupees in lakh)

Year	Irrigation and Power Department		B&R of PWD	
	No. of items	Amount	No. of items	Amount
Upto 1989-90	2549	1952.19	1260	71.38
1990-91	108	214.30	16	9.86
1991-92	97	23.52	40	184.95
1992-93	71	78.39	46	2.62
1993-94	55	33.48	27	12.77
1994-95	79	33.58	39	10.14
1995-96	84	54.98	46	86.30
1996-97	56	175.04	42	58.60
1997-98	58	81.86	49	80.95
1998-99	30	117.66	64	395.04
1999-2000	51	320.56	80	425.18
2000-01	96	435.07	85	531.93
2001-02	126	539.50	156	1173.18
Total	3460	4060.13	1950	3042.90

Name of Sub-Head				
Sales on credit	1	0.07	633	41.41
Expenditure incurred on deposit works in excess of deposit received	32	13.27	10	8.93
Losses, retrenchment, errors etc.	208	24.80	24	4.18
Other items	3219	4021.99	1283	2988.38
Total	3460	4060.13	1950	3042.90

Appendix XXXI
(Reference : Paragraph 4.4.2 (iii), Page 73)
Details of outstanding items of Miscellaneous Public Works Advances
Outstanding against Contractors/Suppliers

A: IRRIGATION & POWER DEPARTMENT

(Amount in Rupees)

Sr. No.	Name of Division	Outstanding Against			
		Contractors		Suppliers	
		Amount	No. of items	Amount	No. of items
1.	Sarala Const. Division SYL, Patiala	66428	3	503894	6
2.	Chandpur Const. Division SYL, Chandigarh	4022919	10	--	--
3.	Kharar Const. Division SYL, Chandigarh	1902677	8	2204290	4
4.	Patiala Ki Rao, SYL, Const, Division Chandigarh	2676636	15	--	--
5.	Intensive Investigation Division, Hoshiarpur	7204	4	--	--
6.	Kandi Water Shed Drainage Division, Hoshiarpur	14922580	5	--	--
7.	Investigation Division (J), Hoshiarpur	33149	7	552892	6
8.	Amritsar Drainage Division, Amritsar	589576	1	41419	4
9.	Jandiala UBDC Division, Amritsar	4186	2	--	--
10.	Madhopur UBDC Division, Gurdaspur	2577	4	97679	3
11.	Lehal Division Irrigation Branch, Patiala	5492	4	--	--
12.	Janauri Chohal Const. Division, Hoshiarpur	957	1	176144	4
13.	Harike Canal Division, Ferozepur	83292	39	33900	10
14.	Devigarh Division (IB), Patiala	5216	5	22536	3
15.	Mech. Drainage Division, Amritsar	445691	8	650248	60
16.	Maili Const. Division, SAS Nagar	175957	3	23157	3
17.	Ludhiana Drainage Division, Ludhiana	2650	1	--	--
18.	Rajasthan Feeder Division, Ferozepur	15000	3	--	--
19.	Drainage Const. Division, Ferozepur	25050	14	121845	15
20.	Sagrao Const. Division SYL, Chandigarh	--	--	6630	9
21.	Irrigation Development Investigation Division I, Chandigarh	--	--	420381	2
22.	SNE Mechanical Division, Hoshiarpur	--	--	346003	23
26.	Mechanical Drainage Const. Division, Ferozepur	--	--	1107440	72
24.	Drainage Construction Division, Faridkot at Malout <i>and at Giddarbaha</i>	--	--	295382	2
25.	Majitha UBDC Division, Amritsar	--	--	10878	1
26.	Mansa Division (IB), Mansa	--	--	1935	1
27.	Shah Nahar H/W Division, Talwara	--	--	217317	35
	Total	24987237	137	6833970	263

B: P.W.D. (B & R)

Sr. No.	Name of Division	Contractors	
		Amount	No. of Items
1.	Provincial Division B&R, Ludhiana	18000	4
2.	Road & Bridges Division, Patiala	317318	9
3.	Rural Works Division, Batala	1078000	1
4.	Road & Bridges Division, Barnala	160764	4
5.	Road & Bridges Division, No. I Ludhiana	51039	4
6.	Rural Works Division, Sirhind	6522673	11
7.	Road & Bridges Division, Pathankot	2452000	4
8.	Road & Bridges Division, No. II, SAS Nagar	864000	4
9.	Central Works Division, Pathankot	1804333	7
	Total	13268127	48

Appendix XXXII
(Reference : Paragraph 4.4.2 (iv), Page 73)
Details of outstanding items of Miscellaneous Public Works Advances
Amounts outstanding against Departmental employees

A: IRRIGATION & POWER DEPARTMENT

Sr. No.	Name of Division	Employees			
		Retired		Expired	
		Amount	No. of items	Amount	No. of items
1.	Sarala Const. Division SYL Patiala	435682	2	109649	4
2.	BML Patiala Division, Patiala	4792614	8	422651	3
3.	Patiala Drainage Division, Patiala	44561	9	83121	2
4.	Chandpur Const. Division, SYL Chandigarh	4628	1	--	--
5.	Intensive Investigation Division Hoshiarpur	77871	2	15233	2
6.	Investigation Division (J) Hoshiarpur	36572	8	18159	3
7.	Mech. Drainage Const. Division Hoshiarpur	1809228	6	--	--
8.	Abohar Canal Division, Abohar	2360502	86	--	--
9.	Majitha UBDC Division, Amritsar	1133450	1	114805	1
10.	Amritsar Drainage Division, Amritsar	1287554	42	--	--
11.	Jandiala UBDC Division, Amritsar	24372	12	1733	3
12.	Madhopur UBDC Division, Gurdaspur	670828	16	570599	5
13.	Lehal I B Division, Patiala	142700	3	21455	2
14.	Janauri Chohal Const. Division, Hoshiarpur	7560	2	1336	1
15.	SNE Mech. Division, Hoshiarpur	23006	2	930	1
16.	Canal Lining Division, Ferozepur	205000	8	483000	3
17.	Harike Canal Division, Ferozepur	367832	2	-	--
18.	Mansa Division (I B) Mansa	76720	8	--	--
19.	Mech. Drainage Division Amritsar	306139	17	54061	1
20.	Ludhiana Drainage Division Ludhiana	680280	2	2700	1
21.	Sidhawan Canal Division Ludhiana	13633	2	103079	10
22.	Drainage Const. Division, Ferozepur	89005	2	--	--
23.	Kharar Const. Division, SYL, Chandigarh	--	--	980	1
24.	Mech. Drainage Cont Division, Ferozepur	--	--	621496	2
25.	Abohar Canal Division, Abohar	--	--	67361	6
	Total	14589737	241	2692348	51

B: PWD (B&R)

S.No.	Name of Division	Employees			
		Retired		Expired	
		Amount	No. of Items	Amount	No. of Items
1.	Provincial Division B&R, Chandigarh	176850	4	115200	2
2.	Panchayati Raj (RW) Division, Ludhiana	1648	1	--	--
3.	Provincial Division, B&R, Ludhiana	105630	1	--	--
4.	Rural Works Division No. 2, Ludhiana	1493541	2	--	--
5.	Central Works Division No. 2, Patiala	1294198	7	6569	4
6.	Rural Works Division, Batala	32000	2	8000	1
7.	Road & Bridges Division, Barnala	70554	12	13176	3
8.	Road & Bridges Division No. 1, Ludhiana	12150	2	26429	2
9.	R.W. Division, Sirhind	39309	2	26368	1
10.	Road & Bridges Division, Pathankot	118000	7	--	--
11.	Central Works Division, Pathankot	16770	1	3262	2
12.	Panchayati Raj (C&M) Division, Amritsar	106176	3	--	--
13.	R&B Division I, SAS Nagar	--	-	15889	2
14.	R&B Division, Patiala	--	-	84653	2
15.	R&B Division II, SAS Nagar	--	--	90792	1
	Total	3466826	44	390338	20

Appendix XXXIII
(Reference : Paragraph 4.4.3(i), Page 73)
Irregular debit to MPWA
Irrigation & Power Department

Sr. No.	Name of Division	Amount	Items
1.	Sarala Const. Division, SYL, Patiala	433000	8
2.	BML Division., Patiala	3794817	32
3.	Intensive Investigation Division, Hoshiarpur	5571661	26
4.	Kandi Watershed Drainage Division, Hoshiarpur	1098000	1
5.	Madhopur UBDC Division, Gurdaspur	69482	3
6.	Lehal Division I B, Patiala	310790	16
7.	Mansa Division (I B), Mansa	52205	2
8.	Maili Const. Division, SAS Nagar	7877335	14
9.	Ludhiana Drainage Division, Ludhiana	28623925	22
10.	Rajasthan Feeder Division, Ferozepur	635000	1
11.	Drainage Const. Division, Ferozepur	1284800	2
	Total	49751015	127

Appendix XXXIV
(Reference : Paragraph 6.1.5.1 (ii) Page 90)
Details of permissible limits of control of Suspended Particulate Matter
(SPM)

Area	Permissible Limit	Concentration of SPM during 1996-2000			
		Amritsar	Jalandhar	Ludhiana	Mandi Gobindgarh
Residential	140ug/m ³	371-446 ug/m ³	293-391 ug/m ³	426-548 ug/m ³	381-422 ug/m ³
Industrial	360 ug/m ³	396-476 ug/m ³	323-386 ug/m ³	336-588 ug/m ³	382-443 ug/m ³

Appendix XXXV

(Reference : Paragraph 6.2.6.2(ii), Page 101)

Details of houses constructed/ material purchased through Sarpanches

District	Block	GP	Funds (Rs.in lakh)	Year	No. of beneficiaries
Amritsar	Valtoha	Mehdipur	5.00	2000-01	25
	Chola Sahib	Pakhopur	0.88	1997-98	5
			5.88		30
Ferozepur	Zira	Nurpur	3.68	1997-98	21
	Ghalkhurd	Ghalkhurd	3.85	1997-98	22
	Zira	Thatha	1.00	1999-2000	5
	Zira	Sanour	1.00	1999-2000	5
	Zira	Bandala Purana	0.40	2000-01	2
	Khuian Sarwar	Jandwala Hanuwanta	0.80	2000-01	4
	Khuian Sarwar	Bakainwala	1.00	2000-01	5
Khuian Sarwar	Khipanwali	1.00	2000-01	5	
			12.73		69
GRAND TOTAL			18.61		99

Appendix XXXVI

(Reference : Paragraph 6.2.7.1, Page 102)

Details of targets and achievements for construction of new houses and upgradation of Kutcha houses in the test checked districts

New construction

Distt	1997-98		1998-99		1999-2000		2000-01		2001-02		Total	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Amritsar	416	403	666	719	494	429	404	397	412	558	2392	2506
Ferozepur	214	291	243	57	290	355	302	346	308	270	1357	1319
Patiala	223	110	257	230	308	116	308	370	314	264	1410	1090
Ropar	139	230	223	135	373	132	373	459	381	154	1489	1110
Total	992	1034	1389	1141	1465	1032	1387	1572	1415	1246	6648	6025

Upgradation of Kutcha houses

Distt	1999-2000		2000-01		2001-02		Total	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Amritsar	282	75	202	202	206	297	690	574
Ferozepur	151	56	151	170	154	136	456	362
Patiala	154	51	154	188	157	127	465	366
Ropar	187	70	187	286	190	103	564	459
Total	774	252	694	846	707	663	2175	1761

Source: Progress Reports of JDC

Appendix XXXVII
(Reference : Paragraph 6.2.9, Page 103)

Physical performance of construction of houses, provision of smokeless chulhas and sanitary latrines

Progress reported by JDC to Government of India

District	1997-1998			1998-1999			1999-2000			2000-2001			2001-2002			Total		
	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided
Amritsar	403	403	403	719	719	719	429 75*	429 75*	429 75*	397 202*	397	397	558 297*	203	-203	3080	2226	2226
Ferozepur	291	291	291	57	57	57	355 56*	355 56*	355 56*	346 170*	346 170*	346 170*	270 136*	-----	-----	1681	1275	1275
Patiala	110	110	110	230	230	230	116 51*	116	116	370 188*	370	370	264 127*	235	235	1456	1061	1061
Ropar	230	230	230	135	80	152	132 70*	132	132	459 286*	459	459	154 103*	154	154	1569	1055	1127
TOTAL	1034	1034	1034	1141	1086	1158	1284	1163	1163	2418	1742	1742	1909	592	592	7786	5617	5689

Details supplied to audit by Zila Parishads

District	1997-1998			1998-1999			1999-2000			2000-2001			2001-2002			Total		
	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided	Houses constructed/ upgraded	Smokeless chulhas provided	Sanitary latrines provided
Amritsar	123	--	--	629	--	--	533 75*	--	--	509 202*	--	--	467 229*	467	467	2767	467	467
Ferozepur	240	--	--	71	--	--	355	--	355	346	301	45	270 136*	270	----	1418	571	400
Patiala	110	110	110	230	230	230	179	122	122	558	370	370	264 127*	235	235	1468	1067	1067
Ropar	230	230	230	160	160	160	192 70*	192	192	459 282*	459	459	133 86*	133	133	1612	1174	1174
TOTAL	703	340	340	1090	390	390	1404	314	669	2356	1130	874	1712	1105	835	7265	3279	3108

* Upgradation

Appendix XXXVIII
(Reference : Paragraph : 6.3.7 Page 110)
Year-wise details of Financial Assistance disbursed to Individual beneficiaries and SHGs

(Amount represent Rupees in lakh)

Name of D.R.D.A.	Sanctioned						Disbursed						Pending					
	Individuals		SHG		Total		Individuals		SHG		Total		Individuals		SHG		Total	
	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy	Number	Amount of Loan & subsidy
1999-2000																		
Amritsar	1579	782.92	--	--	1579	782.92	1579	782.92	--	--	1579	782.92	--	--	--	--	--	--
Fatehgarh Sahib	209	40.07	12(127)	24.79	336	64.86	209	40.07	12(127)	24.79	336	64.86	--	--	--	--	--	--
Ferozepur	513	232.05	5(55)	7.90	568	239.95	491	219.55	5(55)	7.90	546	227.45	22	12.50	--	--	22	12.50
Kapurthala	422	98.14	--	--	422	98.14	422	98.14	--	--	422	98.14	--	--	--	--	--	--
Sangrur	259	93.64	--	--	259	93.64	259	93.64	--	--	259	93.64	--	--	--	--	--	--
Total	2982	1246.82	17(182)	32.69	3164	1279.51	2960	1234.32	17(182)	32.69	3142	1267.01	22	12.50	--	--	22	12.50
Year 2000-01																		
Amritsar	1122	534.66	10(120)	24.12	1242	558.78	845	373.02	10(120)	24.12	965	397.14	277	161.64	--	--	277	161.64
Fatehgarh Sahib	116	26.35	21(233)	64.63	349	90.98	116	26.35	21(233)	64.63	349	90.98	--	--	--	--	--	--
Ferozepur	634	294.61	24(279)	60.00	913	354.61	481	184.30	24(279)	60.00	760	244.30	153	110.31	--	--	153	110.31
Kapurthala	497	156.00	6(66)	18.85	563	174.85	497	156.00	6(66)	18.85	563	174.85	--	--	--	--	--	--
Sangrur	867	243.16	1(10)	2.50	877	245.66	867	243.16	1(10)	2.50	877	245.66	--	--	--	--	--	--
Total	3236	1254.78	62(708)	170.10	3944	1424.88	2806	982.83	62(708)	170.10	3514	1152.93	430	271.95	--	--	430	271.95
Year 2001-02																		
Amritsar	651	286.82	14(148)	35.01	799	321.83	78	39.20	11(117)	26.03	195	65.23	573	247.62	3(31)	8.98	604	256.60
Fatehgarh Sahib	90	24.51	4(43)	12.30	133	36.81	59	15.59	2(22)	6.00	81	21.59	31	8.92	2(21)	6.30	52	15.22
Ferozepur	357	151.19	11(115)	27.00	472	178.19	60	14.75	--	--	60	14.75	297	136.44	11(115)	27.00	412	163.44
Kapurthala	189	79.43	1(10)	2.80	199	82.23	96	41.60	1(10)	2.80	106	44.40	93	37.83	--	--	93	37.83
Sangrur	414	111.64	3(27)	6.41	441	118.05	263	70.19	2(18)	4.51	281	74.70	151	41.45	1(09)	1.90	160	43.35
Total	1701	653.59	33(343)	83.52	2044	737.11	556	181.33	16(167)	39.34	723	220.67	1145	472.26	17(176)	44.18	1321	516.44
Grant Total	7919	3155.19	112 (1233)	286.31	9152	3441.50	6322	2398.48	95 (1057)	242.13	7379	2640.61	1597	756.71	17 (176)	44.18	1773	800.89

Appendix XXXIX

(Reference: Paragraph 6.5, Page 112)

Statement showing the details of excess claim of grant by aided schools

(Rupees)

Sr. No.	Name of school	Period	Number of teachers		Salary for		
			Sanctioned strength	Actually deployed	Actual deployment	Excess deployment	
1.	Ewing Christian Primary School, Ludhiana	1999-2000	7	9	1019799	226622	
		April 2000 to June 2000	5	9	559438	248640	
		October 2000 to March 2001	5	6	483222	80537	
		April 2001 to June 2001	5	6	208518	34753	
2.	Shri Ganesh Vidyalaya Mandi Kesar Ganj, Ludhiana	2000-2001	4	5	589332	117866	
		April 2001 to September 2001	4	5	312139	62428	
3.	Ram Garhia Elementary School Miller Ganj, Ludhiana	August 1998 to June 1999	16	19	491459	77598	
		July 1999 to March 2000	16	17	1440277	84722	
		April 2000 to June 2000	16	20	540810	108162	
		July 2000 to September 2000	16	19	540716	85381	
		October 2000 to December 2000	16	18	522975	58108	
		January 2001 to March 2001	16	17	495299	29135	
		April 2001 to June 2001	16	17	473560	83569	
4.	Bhartiya Bal Vidya Mandir, Jalandhar	1999-2000	8	9	888957	98773	
		2000-2001	8	9	1032463	114718	
		April 2001 to September 2001	8	9	512915	56991	
5.	Ram Garhia Kanya Pathshala Kapurthala Road, Jalandhar	1999-2000	5	6	562190	93698	
		2000-2001	5	6	598045	99674	
		April 2001 to September 2001	5	6	352170	58695	
						11624284	1820070

Amount of excess claim of grant = $1820070 \times 95/100 = 1729066$

Say Rs. 17.29 lakh

Appendix XL
Glossary of Abbreviation

AAQM	Ambient Air Quality Monitoring
ADC-D	Additional Deputy Commissioner (Development)
APCDs	Air Pollution Control Devices
B&R	Buildings and Roads
BDPO	Block Development and Panchayat Officer
BML	Bhakra Main Line
Board	The Punjab Pollution Control Board
BPL	Below Poverty Line
CE	Chief Engineer
CI	Cast Iron
CM	Chief Minister
CW	Central Works
DDO	Drawing and Disbursing Officer
DFSCs	District Food & Supply Controllers
DLPFC	District Level Price Fixation Committee
DM	District Manager
DPI (Pr.)	Director Public Instruction (Primary)
DRDA	District Rural Development Agency
EIA	Environment Impact Assessment
ESI	Employees State Insurance Scheme
ESIC	Employees State Insurance Corporation
FBL	Freed Bonded Labourers
FCI	Food Corporation of India
FFDA	Fish Farmers Development Agency
GI	Galvanized Iron
GOI	Government of India
GP	Gram Panchayat
GPF	General Provident Fund
HL	High Level
HUDCO	Housing and Urban Development Corporation
IAY	Indira Awaas Yojana
IOC	Indian Oil Corporation

ISB	Industry Shop and Business
ITIs	Industrial Training Institutes
JBT	Junior Basic Training Teachers
JDC	Joint Development Commissioner
JRY	Jawahar Rojgar Yojana
Km	Kilometer
LAO	Land Acquisition Officer
LOC	Letter Of Credit
MARKFED	Punjab State Co-operative Supply and Marketing Federation Limited
MLA	Member Of Legislative Assembly
MML	Margin Money Loan
MOST	Ministry of Surface & Transport
MPWA	Miscellaneous Public Works Advances
MSP	Minimum Support Price
MSW	Municipal Solid Waste
MT	Metric Tonne
NABARD	National Bank for Agriculture and Rural Development
NAC	Notified Area Committee
NCDC	National Co-operative Development Corporation
NGO	Non-Government Organisation
NIT	Notice Inviting Tender
NREP	National Rural Employment Programme
NSLRS	National Scheme of Liberation and Rehabilitation of Scavengers
PAC	Public Accounts Committee
PAIC	Punjab Agro Industries Corporation Limited
PAO	Pay & Accounts Officer
PCC	Pollution Check Centres
PH	Public Health
PLAs	Personal Ledger Accounts
PMGY	Pradhan Mantri Gramodaya Yojana
PSEB	Punjab State Electricity Board
PSWC	Punjab State Warehousing Corporation Limited
PUCC	Pollution Under Control Certificate

PUNSUP	Punjab State Civil Supplies Corporation Limited
PVC	Poly - Vinyl Chloride
PW	Public Works
PWD	Public Works Department
RBI	Reserve Bank Of India
RLEGP	Rural Landless Employment Guarantee Programme
RPM	Respirable Particular Matter
RSL	Reserve Stock Limit
RW	Rural Works
RWS	Rural Water Supply
SBI	State Bank of India
SC/ST	Scheduled Castes/ Scheduled Tribes
SCDC	Punjab State Scheduled Castes Land Development and Finance Corporation
SDM	Sub Divisional Magistrate
SE	Superintending Engineer
SGSY	Swaranjayanti Gram Swarozgar Yojana
SHG	Self Help Group
SLCC	State Level Co-ordination Committee
SPM	Suspended Particulate Matter
SYL	Satluj Yamuna Link
T&P	Tool and Plant
TRYSEM	Training for Rural Youth for Self Employment
UC	Utilisation Certificate
UT	Union Territory
XEN	Executive Engineer
ZP	Zila Parishad

