सत्यमेव जयते

Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors

(Non-Public Sector Undertakings)

for the year ended 31 March 2018

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of Punjab

Report No. 4 of the year 2019

Report of the

Comptroller and Auditor General of India

on

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(Non-Public Sector Undertakings)

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Table of contents

Appendices

Preface

This Report for the year ended 31 March 2018 has been prepared for submission to the Governor of the State of Punjab under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the departments/autonomous bodies of Government of Punjab under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2017-18 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2017-18 have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains two performance audits *viz.* (i) Information Technology Audit of e-Aushadhi and (ii) Working of Punjab Building and Other Construction Workers' Welfare Board and 19 paragraphs involving money value of ₹ 194.53 crore.

PERFORMANCE AUDIT

1. Information Technology Audit of e-Aushadhi

With a view to strengthening and streamlining the supply chain management system for storage and distribution of drugs and consumables in the State of Punjab and to eliminate the prevailing manual system of processes followed in the hospitals where the chances of human errors are significant, a customized Drugs and Vaccine Distribution Management System (DVDMS) named 'e-Aushadhi' was implemented (August 2014) in Health and Family Welfare Department (Department). An information technology audit of the 'e-Aushadhi' brought out shortcomings/deficiencies in its implementation that undermined the achievement of its objectives in the State. Some of the significant audit findings are summarised below:

The Department had not prepared any time-bound roll-out plan for implementation of e-Aushadhi system for 360 health institutions still to be covered.

(Paragraph 2.1.6.1)

In the absence of a barcode system, users were not entering the data on real time basis resulting in critical data input errors.

(Paragraph 2.1.7.2 (ii & iii))

As many as 4,405 delivery challans were freezed after a delay of up to 531 days. In 1,424 instances, the drugs/consumables were accepted with shorter shelf-life by three Drug Warehouses. The users while verifying the supplies of drugs/consumables ignored the system alert with regard to shorter shelf-life in these cases.

(Paragraph 2.1.7.3 (i)(a) & (ii))

1,324 samples of drugs/consumables were sent for quality check to Central Quality Control Cell (CQCC) after a delay of up to 412 days.

(Paragraph 2.1.7.4 (iii))

Test reports of samples of drugs/consumables were received after a delay of up to 315 days (387 batches) from Government laboratory and up to 51 days (686 batches) from empanelled laboratories. Activation of drugs not of standard quality (NOSQ) and their distribution showed that the system was not robust and lack of internal control diluted the quality assurance for testing of drugs/consumables.

(Paragraph 2.1.7.5 (ii & iv to vii))

Inadequate logical access controls, application standards, audit trails and non-conducting of internal audit showed weak information system security of e-Aushadhi.

(Paragraph 2.1.8)

2. Working of Punjab Building and Other Construction Workers' Welfare Board

Punjab Building and Other Construction Workers' Welfare Board (Board) was constituted in April 2009 to implement the welfare schemes in the State. The performance audit on the working of the Board brought out various deficiencies in planning to identify/register workers as well as establishments, poor financial management, inefficient implementation of welfare schemes and disbursement of benefits to ineligible workers, besides inadequate manpower and monitoring system. Some of the significant audit findings are enumerated below:

State Advisory Committee and Expert Committee were not holding meetings regularly to discuss the efficient implementation of welfare schemes as provided in the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act).

(Paragraph 2.2.6.1)

No mechanism existed to register the establishments under the Act and the Board failed to identify/encourage the workers for registration.

(Paragraphs 2.2.6.2(i) and 2.2.6.3(i))

Poor financial management of the Board was noticed as only ₹ 590.38 crore was spent on the welfare schemes despite availability of ₹ 1,471.08 crore during 2013-18, besides the Board failed to recover ₹ 23.97 crore from cess collecting authorities.

(Paragraphs 2.2.7 and 2.2.7.4)

Welfare schemes were not efficiently/effectively implemented. Irregular payments of ₹ 4.44 crore to 5,198 ineligible workers in nine schemes were noticed.

(Paragraphs 2.2.8 and 2.2.8.1)

Under Pension scheme, the Board failed to clear 3,274 pension cases and 1,456 family pension cases despite identification of beneficiaries. Non-funding to the Life Insurance Corporation as per requirement of the scheme would result in denial of pensionary rights to 90,000 eligible workers.

(Paragraph 2.2.8.2)

Monitoring and internal control system was weak as no targets were fixed for regular inspections to assess the effectiveness of the welfare schemes.

(Paragraph 2.2.11)

COMPLIANCE AUDIT

Delay in release of funds by Punjab Mandi Board for payment of land compensation led to avoidable extra payment of ₹ 2.80 crore.

(Paragraph 3.1)

Failure of the Drawing and Disbursing Officers and the District Treasury Officers to exercise prescribed checks on the bills presented to treasury facilitated suspected fraudulent drawal and misappropriation of ₹ 29.13 lakh.

(Paragraph 3.2)

Due to laxity on the part of the Medical Education and Research Department and Baba Farid University of Health Sciences in providing requisite grant-in-aid and additional staff, the upgraded building constructed at a cost of ₹ 4.88 crore could not be put to use even after more than four years of its taking over by Senior Medical Officer, Civil Hospital, Badal, thereby rendering the expenditure of ₹ 4.88 crore unfruitful.

(Paragraph 3.3)

Failure of the Drawing and Disbursing Officers to observe codal provisions and compromise of the internal control mechanism facilitated suspected misappropriation of ₹ 0.83 lakh in Primary Health Centre, Alamwala and Sub-Divisional Hospital, Badal. The amount had been deposited in treasury/with the hospital by the concerned officials after being pointed out by Audit.

(Paragraph 3.4)

The Police Department had not prepared comprehensive Strategic Policing Plan. Adequate funds for police buildings were not provided by the State Government. Twenty *per cent* of the police stations were functioning in dilapidated/condemned buildings. Infrastructural facilities ranging between 8 and 96 *per cent* were not available in 14 inspected police stations. The State could achieve only 16 *per cent* satisfaction level in providing accommodation to police personnel against 100 *per cent* as recommended by the National Police Commission. Twenty-eight *per cent* of the available family quarters (including 24 *per cent* dilapidated/condemned quarters) were lying vacant for the period ranging up to 24 years.

(Paragraph 3.5)

Funds ranging between 31 and 100 *per cent* could not be utilised. The jails lacked adequate modern security equipment besides having deficiencies in building structures. There was shortage of Warder staff ranging between 30 and 45 *per cent;* and that of periodical inspection of jails ranging between 15 and 88 *per cent* during 2015-18. Due to various weaknesses found in jail security, cases of possession of prohibited articles with the prisoners were noticed and 31 prisoners escaped during January 2015 to March 2018.

(Paragraph 3.6)

There was delay in paying instalments by the Police Department for land made available by Chandigarh Administration due to non-release of funds and non-passing of bills by Finance Department. This resulted in avoidable burden of ₹ 1.35 crore on the State exchequer on account of interest for late payment.

(Paragraph 3.7)

The Irrigation Department awarded a work of construction of an irrigation distributary without obtaining the requisite prior permission from the Railway authorities despite the fact that a railway line crossed the proposed alignment of the distributary. As a result, the irrigation facility had not become functional thereby resulting in blockade of an expenditure of ₹ 3.86 crore.

(Paragraph 3.8)

Guru Teg Bahadur Diagnostic and Superspeciality Block constructed at a cost of ₹ 24.27 crore could not be made functional for intended purposes for more than three years since its completion due to non-provision of requisite staff and funds by the Department of Medical Education and Research.

(Paragraph 3.9)

Non-provision of requisite manpower to make the Bhabhatron-II machine functional not only rendered the expenditure of ₹ 1.39 crore idle, but also denied the in-house treatment of advance cases of cancer for more than two years from its procurement.

(Paragraph 3.10)

Annual maintenance plan was not prepared for regular maintenance of link roads. 197 link road works and 44 badly damaged roads were lying incomplete due to short/non-release of funds besides creating liability of ₹ 12.35 crore. Repeated change in scope of work led to cost overrun of ₹ 20.83 crore. Execution of all road safety items was not ensured. Six physically verified link roads were in dilapidated condition due to poor quality of execution within two to six years of completion.

(Paragraph 3.12)

Irregular waiver of cultural and cancer cesses and non-deduction of culture cess by the respective Executive Engineers from the contractors' payments had inflicted loss of ₹ 8.72 crore on the State exchequer and extended undue financial benefit to the contractors.

(Paragraph 3.13)

The decision to award the consultancy works of eight road corridors without considering the financial implications and midway abandonment thereof coupled with non-commencement of work after completion of consultancy activity rendered the expenditure of ₹ 5.34 crore as idle.

(Paragraph 3.14)

Full pay and allowances were allowed to newly recruited faculty of the Maharaja Ranjit Singh Punjab Technical University, Bathinda instead of minimum of pay band in violation of the Notification issued by Finance Department resulting in inadmissible payment of ₹ 2.42 crore.

(Paragraph 3.16)

Expenditure of ₹ 8.63 crore incurred on amphibious bus project in Harike Wetlands had been rendered unfruitful as the bus operated for 10 days only; besides creation of liability on account of cost of operations.

(Paragraph 3.17)

Imprudent decision of the Chief Town Planner not to allow the developer to deposit Change of Land Use (CLU) charges in December 2015 coupled with undue extensions beyond permissible limits led to loss of ₹ 3.04 crore to the State exchequer and ₹ 16.11 crore to Punjab Urban Development Authority/Greater Mohali Area Development Authority.

(Paragraph 3.18)

Annual groundwater extraction as compared to annual recharge was very high in the State mainly due to irrigation of water intensive paddy crop. Free power to farmers coupled with absence of any legislation and negligible artificial recharging efforts rendered more than three-fourth of the blocks as over-exploited. Very high groundwater contamination especially in the south-western region of the State was awaiting State's attention. Groundwater monitoring required structured approach.

(Paragraph 3.19)

Chapter-I
Introduction

Chapter-I

Introduction

1.1 Budget profile

There are 39 departments and 36 autonomous bodies in the State. The position of budget and expenditure incurred there against by the State Government during 2013-18 is given in **Table 1.1** below:

Table 1.1: Budget and actual expenditure during 2013-18

(₹ in crore)

Expenditure	2013-14		2014-15		2015-16		2016-17		2017-18	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue expenditure										
General Services	20,093.58	20,192.19	22,781.77	23,043.09	24,324.90	24,713.44	28,964.59	28,487.93	34,091.34	34,499.50
Social Services	13,717.31	11,319.09	15,659.68	13,729.05	16,845.48	14,897.86	17,872.31	15,672.10	19,072.44	15,469.74
Economic Services	10,499.78	9,599.73	10,073.54	9,237.32	11,011.59	9,756.04	13,859.37	10,217.61	15,341.16	11,194.41
Grants-in-aid and Contributions	798.97	529.66	467.75	604.03	982.56	706.15	2,037.53	918.41	2,676.96	1,301.20
Total	**45,109.64**	**41,640.67**	**48,982.74**	**46,613.49**	**53,164.53**	**50,073.49**	**62,733.80**	**55,296.05**	**71,181.90**	**62,464.85**
Capital expenditure										
Capital Outlay	4,232.54	2,200.61	3,948.28	3,118.44	4,353.57	3,059.42	6,117.46	4,346.30	4,388.76	2,352.08
Loans and Advances disbursed	177.89	165.13	326.89	270.27	445.20	5,968.59	42,870.86	41,364.12	2,197.12	760.05
Repayment of Public Debt (including Ways and Means Advances)	16,544.35	16,682.94	21,673.04	23,074.72	20,636.48	22,051.13	32,791.86	32,443.29	35,029.64	34,969.58
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Account disbursements*	34,654.60	33,994.60	40,593.44	40,526.50	46,227.64	53,446.58	51,520.73	50,599.95	15,987.07	45,525.90
Closing Cash Balance	--	630.42	--	-137.76	-	(-) 14.63		395.28		488.45
Total	**55,609.38**	**53,673.70**	**66,541.65**	**66,852.17**	**71,662.89**	**84,511.09**	**1,33,300.91**	**1,29,148.94**	**57,602.59**	**84,096.06**
Grand Total	**1,00,719.02**	**95,314.37**	**1,15,524.39**	**1,13,465.66**	**1,24,827.42**	**1,34,584.58**	**1,96,034.71**	**1,84,444.99**	**1,28,784.49**	**1,46,560.91**

Source: Annual Financial Statements and Explanatory Memorandum of the Budget of the Government of Punjab
**** Excludes transactions of investment of cash balances and departmental cash in chests.***

1.2 Application of resources of the State Government

During 2017-18, against the total budget outlay of ₹ 1,28,784.49 crore, the State Government incurred an expenditure of ₹ 1,46,560.91 crore. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State increased by 129.52 *per cent* from ₹ 44,007 crore in 2013-14 to ₹ 1,01,006 crore in 2016-17, but decreased to ₹ 65,577 crore in 2017-18. It decreased by ₹ 35,429 crore (35.08 *per cent*) from the previous year. The revenue expenditure increased by ₹ 20,824 crore (50 *per cent*) from ₹ 41,641 crore to ₹ 62,465 crore and capital expenditure increased by 6.86 *per cent* from ₹ 2,201 crore to ₹ 2,352 crore during the period 2013-18.

The revenue expenditure constituted 85 to 95 *per cent* of the total expenditure during the years 2013-18. During this period, the revenue expenditure grew at an annual average rate of 9.66 *per cent* whereas revenue receipts grew at an annual average rate of 10.62 *per cent*.

1.3 Grants-in-aid from Government of India

Details of grants-in-aid received from Government of India (GoI) during the years 2013-18 are given in **Table 1.2** below**:**

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

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-plan grants	1,064.11	2,003.87	1,274.64	1,610.35	0.00
Total non-plan grants	**1,064.11**	**2,003.87**	**1,274.64**	**1,610.35**	**0.00**[1]
Plan grants of which					
Grants for State Plan Schemes	1,058.26	3,597.61	2,320.12	2,523.14	162.81
Grants for Central Plan Schemes	7.67	80.06	341.76	78.65	3,096.13
Grants for Centrally Sponsored Plan Schemes	1,271.34	188.41	237.20	563.69	(-) 0.63
Finance Commission Grants	-	-	-	-	355.69
Other Transfer/Grants to States (GST/Compensation)	-	-	-	-	4,037.00
Total plan grants	**2,337.27**	**3,866.08**	**2,899.08**	**3,165.48**	**3,614.00**
Total grants	**3,401.38**	**5,869.95**	**4,173.72**	**4,775.83**	**7,651.00**
Percentage increase in grants over previous year	22.55	72.58	(-)28.90	14.43	60.20
Percentage of total grants to revenue receipts	9.69	15.04	10.05	9.95	14.43

Source: Finance Accounts

Grants-in-aid from GoI increased at an annual average rate of 28.17 *per cent* during the period 2013-14 to 2017-18. It decreased by 28.90 *per cent* in 2015-16 over 2014-15 and again increased by 60.20 *per cent* in the current year over the previous year. This significant increase was mainly because the total grant of ₹ 7,651 crore received during the year 2017-18 included compensation of ₹ 4,037 crore on account of loss of revenue arising out of implementation of Goods and Services Tax (GST) Act which is 52.76 *per cent* of total grant. The contribution of grants-in-aid towards revenue receipts increased from 9.69 *per cent* in 2013-14 to 14.43 *per cent* in 2017-18.

1.4 Planning and conduct of audit

The audit process commences with risk assessment of various departments, autonomous bodies and schemes/projects based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stake holders. Previous audit findings are also considered in this exercise. Based on the risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit of each office, an Inspection Report containing audit findings is issued to the head of the office with a request to furnish replies to the audit findings within four weeks of its receipt. Important audit observations are processed for inclusion in the Audit Reports of the

[1] Non-plan and Plan grants merged with effect from 01 April 2018.

Comptroller and Auditor General of India which are submitted to the Governor of Punjab under Article 151 of the Constitution of India.

During 2017-18, compliance audit of 1,413 drawing and disbursing officers of the State, 121 Panchayati Raj Institutions/Urban Local Bodies and 28 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Punjab. In addition, two[2] performance audits were also conducted.

1.5 Significant audit observations and response of Government to audit

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have impact on the success of the programmes and functioning of the departments. The focus was on offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens. The departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks of their receipt. Two performance audits and 19 draft paragraphs on compliance audit proposed for inclusion in this Audit Report were forwarded to the concerned Administrative Secretaries of Departments. Reply of the Government has been received in only eight cases[3] (August 2019).

1.6 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice during audit were referred to the departments/State Government through Inspection Reports for further investigation and recovery under intimation to Audit. An amount of ₹ 2.75 crore was recovered by various departments during 2017-18.

1.7 Lack of responsiveness of Government to Audit

The Principal Accountant General (Audit), Punjab conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Inspection Reports which are required to be replied to within four weeks of their receipt. Serious irregularities are also brought to the notice of the heads of the departments by the office of the Principal Accountant General (Audit), Punjab through a half yearly report of pending Inspection Reports sent to the Principal Secretary (Finance).

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2 (i) Information Technology Audit of e-Aushadhi; and (ii) Working of Punjab Building and Other Construction Workers' Welfare Board.

3 (i) Information Technology Audit of e-Aushadhi; (ii) Suspected fraudulent drawal of pay and allowances (Part-A); (iii) Security mechanism in jails; (iv) Avoidable extra payment of interest; (v) Construction, upgradation and repair of link roads by Public Works Department (Buildings & Roads) with Punjab Mandi Board and State Budgetary funds; (vi) Idle expenditure on consultancy; (vii) Avoidable payment of interest; and (viii) Unfruitful expenditure on amphibious bus project.

As of June 2018, 15,678 Inspection Reports containing 40,207 paragraphs (issued upto March 2018) were outstanding, of which 8,891 IRs containing 13,628 paragraphs pertained to the period prior to April 2013 i.e. were more than five years old. The year-wise position of outstanding Inspection Reports/paragraphs is given in **Table 1.3** below:

Table 1.3: Outstanding Inspection Reports/paragraphs

Particulars	Prior to April 2013	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Inspection Reports	8,891	1,314	1,510	1,404	1,234	1,325	**15,678**
Paragraphs	13,628	4,446	4,750	5,200	4,900	7,283	**40,207**

Source: Office records

Pendency of such large number of paragraphs indicated lack of responsiveness of the Government departments to Audit.

1.8 Follow-up action on Audit Reports

At the instance of the Public Accounts Committee (PAC), the Finance Department issued (August 1992) instructions to all administrative departments to initiate *suo motu* action on all paragraphs and reviews figuring in the Audit Reports irrespective of whether the cases were taken up for examination by the PAC or not. The administrative departments were also required to furnish to the PAC detailed notes, duly vetted by Audit, indicating the remedial action taken or proposed to be taken by them within a period of three months of the presentation of the Reports to the State Legislature.

As regards the Audit Reports relating to the periods 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 which have been laid before the State Legislature, detailed notes in respect of 37 paragraphs and six performance audits had not been received in the Audit office as on 31 March 2019 ***(Appendix 1.1)*** even after lapse of the prescribed period of three months.

1.9 Status of placement of Separate Audit Reports of autonomous bodies in the State Legislature

Fifteen Separate Audit Reports (SAR) in respect of six autonomous bodies, as detailed in **Table 1.4** below, issued between July 2015 and June 2018 were pending for placement before the Legislature.

Table 1.4: Details of SARs pending for placement before Legislature as on 31 March 2018

Sr. No.	Name of autonomous body	Years for which SARs were pending for placement before Legislature
1.	Punjab Legal Services Authority, Chandigarh	2011-12, 2012-13 and 2013-14
2.	Punjab Khadi and Villages Industries Board Chandigarh	2012-13, 2013-14 and 2014-15
3.	Punjab State Human Rights Commission, Chandigarh	2016-17
4.	Punjab Labour Welfare Board, Chandigarh	2003-04, 2004-05 and 2005-06

Sr. No.	Name of autonomous body	Years for which SARs were pending for placement before Legislature
5.	Punjab Building and Other Construction Workers' Welfare Board	2013-14, 2014-15, 2015-16 and 2016-17
6.	Punjab State Electricity Regulatory Commission	2016-17

Source: Departmental information

1.10 Year-wise details of performance audits and paragraphs appeared in Audit Reports

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years along with their money value is given in **Table 1.5** below**:**

Table 1.5: Details of performance audits and paragraphs appeared in the Audit Reports during 2015-17

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Paragraphs
2015-16	4	42.96	20	183.27	1	1
2016-17	4	60.63	27	218.84	-	4

Two performance audits (₹ 83.43 crore) and 19 paragraphs (₹ 111.10 crore) involving money value of ₹ 194.53 crore have been included in this Report for the year ended March 2018.

Chapter-II
Performance Audit

Chapter-II

Performance Audit

HEALTH AND FAMILY WELFARE DEPARTMENT

2.1 Information Technology Audit of e-Aushadhi

With a view to strengthening and streamlining the supply chain management system for storage and distribution of drugs and consumables in the State of Punjab and to eliminate the prevailing manual system of processes followed in the hospitals where the chances of human errors are significant, a customized Drugs and Vaccine Distribution Management System (DVDMS) named 'e-Aushadhi' was implemented (August 2014) in Health and Family Welfare Department (Department). An information technology audit of the 'e-Aushadhi' brought out shortcomings/deficiencies in its implementation that undermined the achievement of its objectives in the State. Some of the significant audit findings are summarised below:

Highlights

- **The Department had not prepared any time-bound roll-out plan for implementation of e-Aushadhi system for 360 health institutions still to be covered.**

  (Paragraph 2.1.6.1)

- **In the absence of a barcode system, users were not entering the data on real time basis resulting in critical data input errors.**

  (Paragraph 2.1.7.2 (ii & iii))

- **As many as 4,405 delivery challans were freezed after a delay of up to 531 days. In 1,424 instances, the drugs/consumables were accepted with shorter shelf-life by three Drug Warehouses. The users while verifying the supplies of drugs/consumables ignored the system alert with regard to shorter shelf-life in these cases.**

  (Paragraph 2.1.7.3 (i)(a) & (ii))

- **1,324 samples of drugs/consumables were sent for quality check to Central Quality Control Cell (CQCC) after a delay of up to 412 days.**

  (Paragraph 2.1.7.4 (iii))

- **Test reports of samples of drugs/consumables were received after a delay of up to 315 days (387 batches) from Government laboratory and up to 51 days (686 batches) from empanelled laboratories. Activation of drugs not of standard quality (NOSQ) and their distribution showed that the system was not robust and lack of internal control diluted the quality assurance for testing of drugs/consumables.**

  (Paragraph 2.1.7.5 (ii & iv to vii))

- **Inadequate logical access controls, application standards, audit trails and non-conducting of internal audit showed weak information system security of e-Aushadhi.**

(Paragraph 2.1.8)

2.1.1 Introduction

The Department of Health and Family Welfare, Punjab is providing preventive, promotive and curative healthcare through a network of various District Hospitals (DH), Sub Division Hospitals (SDH), Community Health Centres (CHC), Primary Health Centres (PHC) and Sub-Centres (SC). The State Government provides free generic medicines to all health institutions. In order to strengthen and streamline the supply chain management system for storage and distribution of drugs and consumables in the State of Punjab, a Memorandum of Understanding (MoU) was signed (July 2013) between the Punjab Health Systems Corporation[1] (PHSC) and Centre for Development of Advanced Computing (CDAC)[2], Noida for implementation of a customized Drugs and Vaccine Distribution Management System[3] (DVDMS) named 'e-Aushadhi'. The system was rolled out in August 2014.

e-Aushadhi is a web based Supply Chain Management system which deals with purchase, inventory management and distribution of various drugs and consumables to the health institutions of the State. Initially, the application (DVDMS) was in Oracle, but later on, it was converted to PostGRES (Open Source). The application was developed using programming language Java, with front-end as Red Hat JBoss 6.1 and Database in PostGRES 9.1 (EDB). It was hosted at CDAC, Noida and had five modules *viz.*-

- **Inventory Management**: It is the entry point for all the modules operated by Drug Warehouse (DWH) and all the health institutions. It includes sub-modules for raising demands, issuing stock, receiving stock, acknowledging of stock, issue to patient, challan process, receiving from third party and acknowledgement of stock transferred;

- **Order Management**: It is used for generation of Purchase order, replacement order and condemnation register and is operated by PHSC;

- **Supplier Interface Desk**: The suppliers enter the details of the stock dispatched;

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1 The Punjab Health Systems Corporation was enacted through a special Act of Legislation to provide for the constitution of a Corporation for establishing, expanding, improving and administering medical care in the State of Punjab.

2 CDAC is the premier Research and Development (R&D) organization of the Ministry of Electronics & Information Technology (MeitY), Government of India for carrying out R&D in IT, Electronics and associated areas.

3 Already implemented in States of Rajasthan and Maharashtra.

- **Quality Control Desk**: The module is used for sending samples of drugs/consumables from DWHs to Central Quality Control Cell (CQCC) by DWH, allotting samples to Government/empanelled laboratories and entering laboratory results by CQCC; and

- **Financial Management**: All details related to payment such as material receipt report validation, passing of supplier bills, etc. are done in this module by PHSC.

The objectives of the e-Aushadhi application were to:

- streamline the purchase, supply and distribution of the drugs in the State in optimized and efficient manner;
- enhance the usage of technology as a cost-effective solution to support the Drug Warehouse administration;
- support the operational and strategic information needs of the drug stores; and
- provide an infrastructure for sharing of information throughout the State.

Chart 2.1: Work flow diagram of e-Aushadhi system

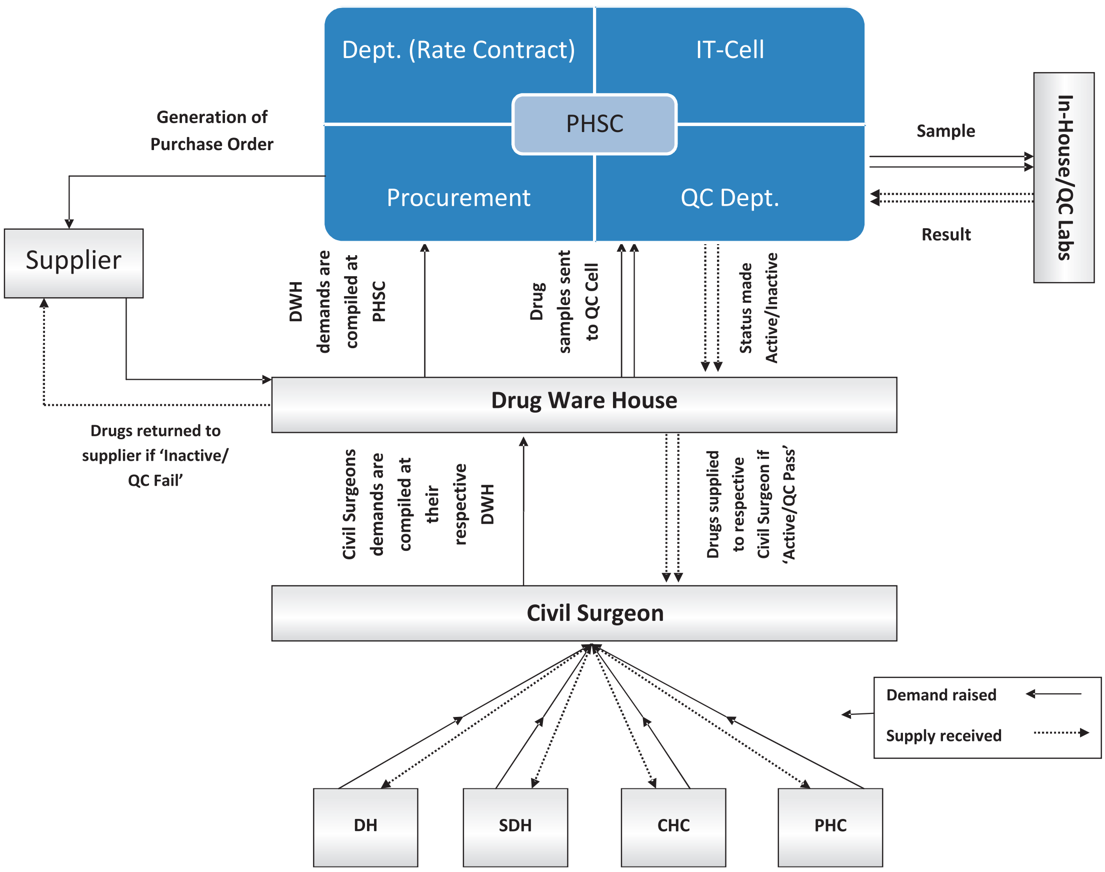
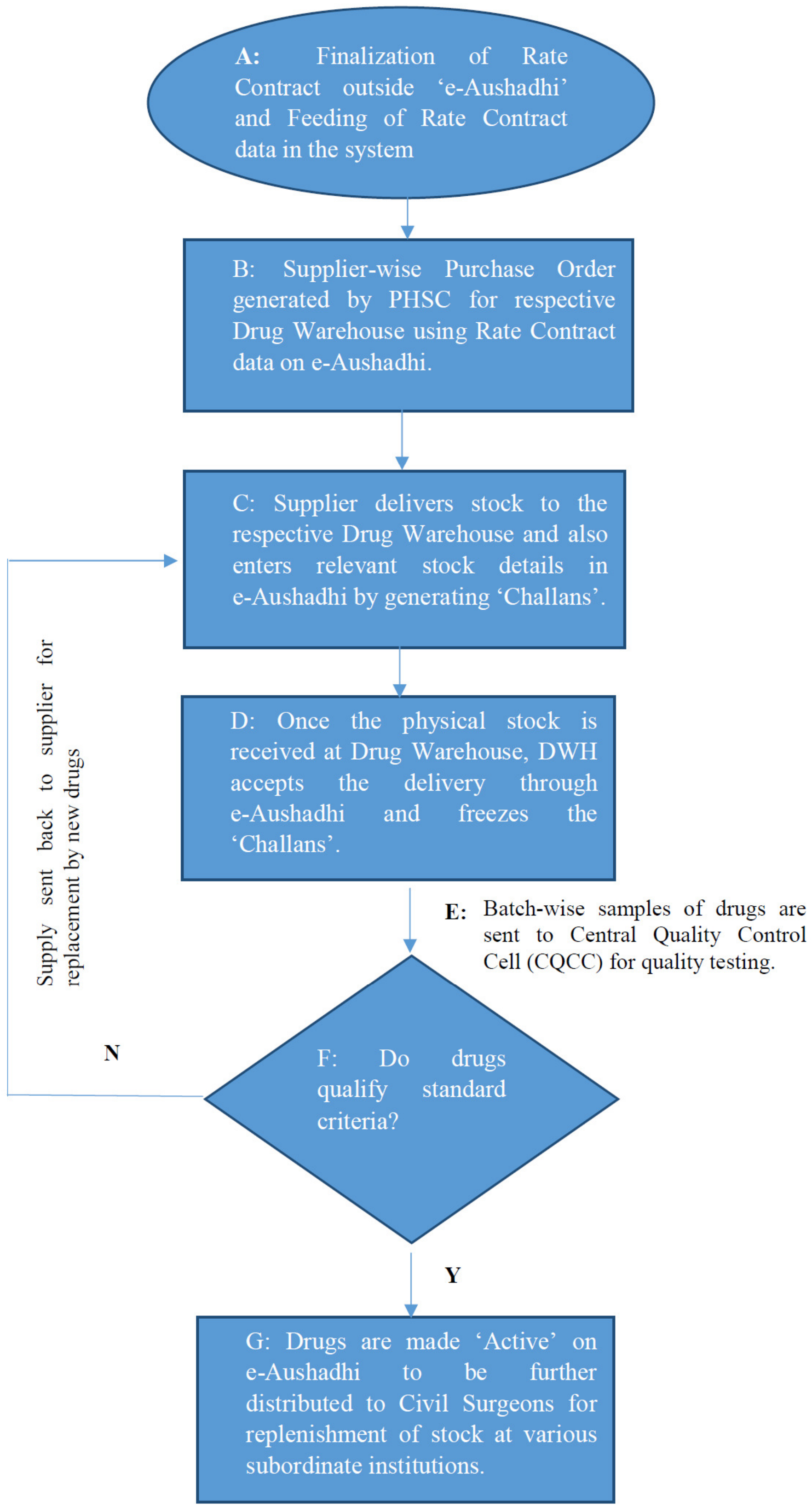


Chart 2.2: Process flow diagram of e-Aushadhi system



2.1.2 Organisational set-up

The Additional Chief Secretary, Department of Health and Family Welfare (DH&FW) is the administrative head and the Director, Health and Family Welfare is the departmental head for providing quality health services to public. The PHSC was declared (September 2013) a nodal agency (Implementing Agency) to do all kinds of procurement activities including rate contract of drugs/consumables, other purchases, etc., placement of purchase orders, receipt of supplies, testing of drugs, online management of inventory through IT based Drug Inventory Management System (e-Aushadhi).

2.1.3 Audit objectives

The audit objectives were to ascertain whether:

- planning and implementation of e-Aushadhi system was effective;
- input, processing and output controls were adequate to ensure integrity of the system and it complied with the rules and procedures; and
- reliable controls were in place to ensure security of information system.

2.1.4 Audit scope and methodology

The e-Aushadhi application was implemented in 103 institutions[4] in first phase. Though the application was rolled out in August 2014, it came into operation in March 2015. The Information Technology (IT) Audit covered the period 2015-18 and was conducted between January and August 2018 by test-check of records of PHSC, seven[5] out of 22 District Hospitals (DH), three[6] Regional Drug Warehouses (DWH) and Central Quality Control Cell (CQCC) at Kharar. The data analysis was done with the help of an analytical tool 'Interactive Data Extraction and Analysis' (IDEA).

An entry conference was held with the Principal Secretary, Health and Family Welfare Department in February 2018 wherein the audit objectives, scope & methodology and audit criteria were discussed. The findings of the information technology audit were discussed with the Additional Chief Secretary (ACS), Department of Health and Family Welfare in the exit conference held in January 2019. The replies furnished by the Government/Department in the exit conference and subsequently received in February 2019 have been suitably incorporated in the report.

[4] Drug Warehouse (3); District Hospitals (22); Sub Divisional Hospitals (41); Community Health Centres (36); and Primary Health Centres (1).

[5] (i) Amritsar; (ii) Gurdaspur; (iii) Hoshiarpur; (iv) Jalandhar; (v) Patiala; (vi) Sangrur; and (vii) Sri Muktsar Sahib, by adopting Probability Proportional to Size Without Replacement (PPSWOR) method, taking expenditure incurred on procurement of drugs and consumables as the size measure.

[6] (i) Bathinda; (ii) Kharar; and (iii) Verka.

2.1.5 Audit criteria

The audit criteria were derived from the following sources:

- Memorandum of Understanding between PHSC and CDAC;
- e-Aushadhi User Manual;
- e-SAFE guidelines issued by Department of IT, GoI and generally accepted good IT practices; and
- Drugs & Cosmetics Act, 1940, Drug Policy of the State Government (2012-13), Rate Contracts, other instructions issued by Department of Health and Family Welfare, Punjab.

Audit findings

2.1.6 Planning and management

2.1.6.1 No milestones set for roll out

There are 485[7] health institutions in the State. In the first phase, the implementing agency (IA) decided (October 2014) to implement e-Aushadhi in 100 (out of 485) institutions and three[8] Regional Drug Warehouses[9] (DWH). The application was implemented in these institutions up to March 2015 but no timelines were fixed for rolling out the system in the remaining health institutions.

Out of 100 health institutions, 80 were using the system, one[10] was not generating indents through the system and 19 were generating indents through the system but were not issuing the items in stock to different hospital wards through the system. Further, out of five modules of e-Aushadhi, one sub-module 'Issue to patient'[11] (end user) under the main module 'Inventory Management' was not functional in any of the health institutions as of March 2018.

In August 2017, it was decided that supply of medicines and consumables to DHs, SDHs, CHCs and PHCs of a district would be routed through the Civil Surgeon. Hence, it was crucial to ensure adequate storage capacity of stores operated by Civil Surgeons. However, this was not done as a result of which orders were revised (October 2017) allowing Senior Medical Officers of DHs, Ludhiana and four out of the sampled district hospitals (Amritsar, Hoshiarpur, Jalandhar and Mata Kaushalya Hospital, Patiala) to draw their medicines directly from respective DWHs. Due to this, 273 out of 3,501 stock items were issued manually to these DHs by the respective Civil Surgeons of four test-checked districts during the period from September 2017 to February 2018.

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7 District Hospitals (22); Sub Divisional Hospitals (42); Community Health Centres (157); Primary Health Centres (239), Civil Surgeons (22) and Medical Colleges (03).

8 (i) Bathinda (covering eight districts); (ii) Kharar (covering six districts); (iii) Verka (covering eight districts).

9 A centralized store for receipt, storage and distribution of drugs/consumables to various health institutions.

10 CHC Khemkaran.

11 Drugs prescribed by the doctor of the institute are issued to the patient through this sub-module.

The Department stated (July 2019) that 22 Civil Surgeons and three medical colleges had been covered under e-Aushadhi system and attributed the reasons for not rolling out the system in the remaining (360) health institutions throughout the State to shortage of manpower.

2.1.6.2 Project cost

The work of implementation of e-Aushadhi was assigned (July 2013) to CDAC at a cost of ₹ 3.29 crore[12] to be completed in four stages within one and half years from the date of signing of MoU (15 July 2013) though it was valid up to July 2015.

It was observed that all stages of the project were completed by April 2016 although the MoU had expired in July 2015. However, CDAC continued to handle the project as of March 2018, on the basis of extensions given by IA for executing various activities, thereby enhancing the project cost to ₹ 5.04 crore (excluding taxes), of which an amount of ₹ 3.99 crore had been paid to CDAC as of March 2018. Further, out of the enhanced project cost of ₹ 1.75 crore (₹ 5.04 crore *less* ₹ 3.29 crore), an amount of ₹ 1.13 crore could have been avoided as detailed below:

(i) As per MoU, the data hosting charges and software support charges for e-Aushadhi application were fixed at ₹ 0.15 crore (excluding taxes) for a period of 18 months and 12 months respectively from the date of signing off User Acceptance Testing (UAT). In case of hosting beyond the said period, the cost of hosting and software support was to be charged with 15 *per cent* increase on yearly basis.

UAT of e-Aushadhi system was signed off on 24 July 2014 and the application was made functional on 1 August 2014. However, extensions were given to CDAC for data hosting and software support till March 2018 for which additional expenditure amounting to ₹ 0.79 crore[13] was incurred. IA did not take cognizance of taking over these activities, as no action was taken even after State Data Center (SDC)[14] being managed by the Department of Governance Reforms, Punjab was made operational with effect from October 2017. SDC was hosting several IT applications implemented in the State, free of cost. **The total avoidable expenditure on account of data hosting charges (₹ 0.07 crore) and software support charges (₹ 0.11 crore) worked out to ₹ 0.18 crore for the period from October 2017 to March 2018.**

(ii) IT Cell is responsible for assisting in data entry tasks related to generation of MIS reports and purchase orders, monitoring information flow in the system right from generation of indents to supply of drugs and consumables to the various health institutions. As per MoU, the IT Cell would be managed by CDAC for 17 months from the date of initiation of service i.e.

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[12] Includes charges of ₹ 0.88 crore for Open Source Conversion of the application as per addendum to MoU (March 2014); project management cost of ₹ 0.13 crore; and cost of ₹ 0.17 crore in respect of third party softwares for the purpose.

[13] ₹ 0.27 crore for Data hosting and ₹ 0.52 crore for software support.

[14] The main purpose of SDC is to provide a physical facility for hosting various State level e-Government applications.

from 18.02.2014 to 15.07.2015 at a fixed cost of ₹ 0.43 crore. Thereafter, extension was given for 12 months from 17.07.2015 at a cost of ₹ 0.35 crore[15] per annum. As per MoU, requisite trainings were imparted to staff for the e-Aushadhi system at a cost of ₹ 0.15 crore[16]. However, the Department failed to develop in-house expertise for operating the IT Cell and IA kept giving (August 2017) extensions to IT Cell service till July 2018. **Thus, the total cost of project on account of IT Cell service worked out to ₹ 0.95 crore[17] for the period from 17.07.2015 to 31.03.2018.**

The Department attributed (February 2019) the reasons for providing extensions to above elements of the project to the system being in implementation stage and stated that customizations were being made in the application as per the requirements of IA and field staff. The reply of the Department was not in line with the project plan and deliverables of MoU.

2.1.7 Audit findings according to Process Flow covering application controls

2.1.7.1 Next step (B) is supplier-wise generation of Purchase Order by PHSC for concerned Drug Warehouse using Rate Contract data. Findings related to this are discussed below:

Drugs were not classified as Fast, Medium and Slow moving in the database in order to have better monitoring of consumption pattern of drugs/consumables. Besides, re-order levels in respect of quantity of drugs/consumables had not been defined in the system for generating alerts for issuing of purchase orders for stock replenishment. The IA stated (February 2019) that the MIS report was available in the dashboard.

The relevant provisions should have been mapped in the database for ensuring automatic triggers and minimizing human intervention.

2.1.7.2 Next step (C) is that supplier enters relevant stock details in the system using Supplier Interface Desk module against the Purchase Order by generating challans and delivers stock to the respective Drug Warehouse accordingly. Findings related to this are discussed below:

(i) In 3,358 out of 6,158 records, delivery challan date was greater than the delivery date. But the system did not restrict this discrepancy.

(ii) There were 952 out of 13,322 records in the system with same batch numbers but different expiry/manufacturing dates. Batch numbers in 68[18] cases were modified even after verification and freezing of delivery challans. This discrepancy could lead to depiction of expired drugs/consumables in the system, as discussed in paragraph 2.1.7.6 (vii). The Department stated (February 2019) that batch numbers were modified due to errors committed by the suppliers while entering the stock details in the system. **Thus, in-built validation checks were not available in the system which resulted in data**

15 Calculated on pro-rata basis.
16 As of January 2017, payment of ₹ 0.02 crore had been made.
17 ₹ 35.16 lakh per annum x 32 months and 15 days.
18 DWHs, Bathinda (26); Kharar (12) and Verka (30).

input errors. No unique identifier has been allotted to the batch of drugs for traceability of modified records. It was further noticed that IA had decided (April 2016) to introduce barcode[19] system in order to verify/capture details of supply on receipt from suppliers in the system for which nine bar code readers were also purchased. **Despite data input errors, the barcode system was not implemented as of March 2018.**

(iii) **System was allowing null entries for some crucial fields like manufacturing date, expiry date, quantity of samples issued to CQCC.** As many as 935 records were entered in the system with null manufacturing date. Further, in 969 records, null entries or dummy expiry date (01/01/2000) were found in the transaction tables used for issuing the stock items. The Department stated (February 2019) that the system did not allow null entries and identified records were entered for training purpose. The reply was not acceptable as all these identified cases were flagged as valid records in the system.

(iv) Units for quoting the rates are not uniform as in some cases it is quoted as 10 for tablets/capsules, in other case it is quoted as 10x10 for tablets/capsules and for an injection it is quoted as an ampoule. Therefore, in the system, a unique ID has been assigned for each unit. However, in five test-checked cases, these IDs were mapped improperly, as 'No.' unit instead of '10x10 tablet/capsule strip' were assigned to the items. **Thus, incorrect rates were mapped in the system as a result of which wrong valuation of drugs/consumables was being reflected in the output results.** The Department stated (February 2019) to have rectified the discrepancy after being pointed out (July 2018) by Audit.

2.1.7.3 Next step (D) is that Drug Warehouse accepts the delivery through the system and freezes the challans. Findings related to this are discussed below:

(i) Freezing of stock

The drugs and consumables procured centrally by PHSC are received directly in respective DWHs. As per Drug Policy (2012-13) and e-Aushadhi User Manual, the respective DWHs are required to acknowledge and freeze supply challans after verification of NABL[20] reports which are uploaded in the system by the respective suppliers in respect of each batch of drugs. Freezing is the process for validating and adding the stock in the inventory of the receiving store prior to quality check. The DWH after freezing the fresh stock of items provides the details to Central Quality Control Cell (CQCC), which after analyzing the details, collects drug samples through Drug Inspectors for onward transfer to Government/empanelled laboratories for testing. The testing laboratories are to provide sample reports within 10 or 21 days[21] depending upon the testing period of sample prescribed for various categories of drugs and consumables. The test reports are received in CQCC for further

[19] A barcode is a visual, machine-readable representation of data; the data describes something about the object that carries the barcode.
[20] National Accreditation Board for Testing and Calibration Laboratories.
[21] Time limit of reporting in respect of Government laboratories was not available.

process. The supplies are deemed to be completed only after receipt of quality certificates from the laboratories and till then the drugs are kept in "Quarantine" status (Not to be issued).

Freezing is the first stage of supply chain and any delay in freezing the stock will have a spill over effect on other stages of supply chain management. To ensure no delay in freezing, there should be a window in which DWH is required to complete the process within a reasonable timeframe. This will also ensure that the items supplied without necessary attachments like NABL report, invoice etc. are returned to the suppliers. Similarly, there should also be a window to complete the process of sending samples to CQCC for quality check within a reasonable timeframe. **The Department did not define any timelines for streamlining these processes.**

Analysis of e-Aushadhi database revealed that:

(a) In 4,405[22] out of 6,914 instances, for the period from April 2015 to March 2018, delivery challans were freezed after delays ranging from 3 to 531 days. Of these, in 4,139 cases (94 *per cent* of total cases of delay), the delay was in the range of 3 to 50 days. **Delay in freezing of challans results in reducing the shelf-life of drugs besides increasing the warehousing costs.** The delay in freezing of challans during 2015-16 and 2016-17 was mainly attributed to non-receipt of NABL reports. The Department stated (February 2019) that instructions had been given to all the suppliers to upload NABL reports at the time of entering the bills in the system. However, **the system has no provision to restrict acceptance of stock without NABL report.**

(b) NABL reports in 174 cases (DWHs, Bathinda: 54; Kharar: 67; and Verka: 53) were not uploaded by the suppliers in the system during August 2016[23]-March 2018 though the challans were acknowledged. Of these, 84 challans were freezed. **The system did not restrict freezing of challans in cases where NABL reports were not uploaded.** The Department stated (February 2019) that requisite instructions in this regard had been issued to the suppliers and DWHs.

The system should not allow suppliers to submit stock details without uploading NABL reports. However, under exigent circumstances, the supplier may be allowed to submit the stock details without NABL reports, samples of which in turn could be sent to CQCC for quality testing. But, there should be a provision in the system for raising red flags to the concerned head of organisation for all such cases.

(ii) Shelf-life of drugs

As per drug policy (2012-13) of the State Government and terms and conditions of rate contracts, the material supplied should have five-sixth (5/6th) shelf-life remaining at the time of delivery. Analysis of data, however, revealed that in 1,424 out of 13,322 instances, the drugs/consumables were accepted with shorter shelf-life by DWHs Bathinda (461) ranging between

[22] DWHs Bathinda: 1,343 (3 to 304 days); Kharar: 1,625 (3 to 531 days); and Verka: 1,437 (3 to 430 days).

[23] Supplier interface was introduced in August 2016.

37 to 83 *per cent*, Kharar (406) ranging between 18 to 83 *per cent* and Verka (557) ranging between 20 to 83 *per cent* at the time of delivery during 2015-18. Out of these, six[24] drugs got expired at three DWHs. **Though the system had the in-built feature for giving alerts regarding shorter shelf-life of drugs/consumables, it provided users the option to accept drugs with lesser shelf-life. This was an undue advantage to suppliers as they could supply drugs with lesser shelf-life by contravening terms and conditions of the rate contracts.**

2.1.7.4 Next step (E) is that batch-wise samples of drugs are sent to Central Quality Control Cell (CQCC) for quality testing. Findings related to this are discussed below:

Drawal of samples from DWHs for quality check

Prior to August 2017, samples from common batches of drugs received at the DWHs were being drawn for quality check randomly from only one DWH. Protocol for testing of medicines and consumables was changed in August 2017 which prescribed that samples from all batches would need to be drawn from all DWHs by the district level committee headed by the Deputy Medical Commissioner and sent to CQCC. It was further emphasized that the selection of empanelled laboratory should be done on random basis.

(i) **In 463[25] out of 6,049 cases, samples were issued by three DWHs in advance i.e. prior to freezing of challans, but there was no validation check in the system to restrict this.** In absence of this check, there is a possibility that a particular stock item for which the above sample was issued in advance could be rejected/returned on the basis of any shortcoming like non-availability of NABL report, shortfall in quantity received, and so on.

(ii) It was noticed that Form 17 (an intimation to a person from whom sample is taken), which is required to be used by Drug Regulatory Authorities while drawing samples as mandated under Section 23 of Drugs & Cosmetics Act, was not being generated through the system in respect of Government laboratories and intimation regarding sample collection in respect of empanelled laboratories was being sent by the DWHs to CQCC through e-mail.

(iii) As many as 1,324 out of 6,049 samples of drugs were sent to CQCC by three DWHs[26], during the period from April 2015 to March 2018 after a delay of up to 412 days. Of these, in 1,220 cases (92 *per cent* of total cases of delay), the delay was in the range of 4 to 50 days.

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[24] DWHs (i) Bathinda: Two (Clotrimazole Vaginal Pessaries 100 mg with Applicator (Batch No.VZ-254), Diclofenac Sodium Tab 50 mg (Batch No.DRP-801)); (ii) Kharar: Three (Pentazocine Lactate Injection 30mg/ml (Batch No.PZ1522), Anti D-Immunoglobulin Inj 300 mg (Batch No.A10016001), Gentamycin Inj. 80 mg (Batch No.I-3917)); and (iii) Verka: One (PVC Ryles tube silicon sterilized disposable X-ray opaque line FG 14 (Batch No.DRT005)).

[25] DWHs Bathinda: 117; Kharar: 231; and Verka: 115.

[26] DWHs Bathinda: 419 (4 to 322 days); Kharar: 248 (4 to 158 days), Verka: 657 (4 to 412 days). Samples in respect of common batches were being collected from one DWH and testing of some of the items *viz.* chlorine pallets, disposal chest electrodes, urine container, etc. was not required.

The Department attributed (February 2019) the delay in sample collection to shortage of staff and assured that such delays would be curtailed during the course of time.

(iv) Analysis of data in respect of three DWHs revealed that samples of 539[27] out of 1,848[28] batches of items i.e. drugs/consumables were not drawn from the respective DWHs for quality check during the period from August 2017 to March 2018.

The CQCC stated (May 2018) that there was no MIS report available in the system to identify batches of items pending for testing from respective DWHs.

2.1.7.5 Next step (F) is that CQCC sends samples to the empanelled/Government laboratories for testing and enters the result of laboratory report in system. Standard quality drugs are made 'Active' for distribution and drugs those are not of standard quality (NOSQ) are made 'Inactive' and the respective stock of those drugs is returned to supplier by the respective Drug Warehouse for replacement. Findings related to this are discussed below:

Delay in quality check of drug samples and issue of sub-standard drugs

The supplies of drugs/consumables are deemed to be completed only after receipt of quality certificates from the laboratories and till then the drugs/consumables are kept in "Quarantine" status (Not to be issued). The quality certificates/reports are to be uploaded by the laboratories in the system. If the drugs/consumables pass the laboratory test, the CQCC updates the status thereof in the system as "Active". Where the drugs/consumables fail the laboratory test, the status is updated as "Rejected". Active status drugs/consumables are ready for issue while rejected drugs/consumables are returned to the suppliers. **There was no provision in the system for uploading the reports. The test reports were being sent to CQCC through e-mails and the relevant entries were captured manually in the system on their receipt.**

(i) **No provision was made in the system for random selection of empanelled laboratory and it was being done manually by CQCC.** Besides, list of empanelled laboratories was not updated as it was displaying names of those laboratories which were no longer empanelled.

(ii) During 2015-18, out of 5,894 batches of drugs/consumables, test reports of 387 samples were received with delay of up to 315 days[29] from Government laboratory[30]. Of these, in 85 *per cent* of cases, the reports were received with delays of up to 50 days and in 10 *per cent* cases, the reports were received with delay ranging from 51 to 101 days. Test reports for

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[27] DWHs Bathinda (167); Kharar (193); and Verka (179).

[28] DWHs Bathinda (543); Kharar (646); and Verka (659).

[29] Delay has been calculated taking a benchmark of 30 days for reporting by Government laboratories, as per the guidelines issued by Ministry of Health and Family Welfare, GoI.

[30] There is only one Drug Testing Government laboratory situated at Kharar in the State.

686 batches (out of total 691 cases of delay) of drugs/consumables were received with a delay of up to 51 days from empanelled laboratories[31].

(iii) Penalty is leviable on the empanelled laboratories by PHSC at prescribed rates for different periods of delay. Master data related to testing fee for different drugs was not available in the system, in the absence of which penalty charges on account of delay in submission of reports were not being computed by the system. CQCC was computing the period of delay manually.

Thus, delay in streamlining the process for supply of drugs diluted the objective of distribution of the drugs in the State in optimized and efficient manner.

Analysis of database and test-check of manual records such as drug sample test reports, drug sample collection records in CQCC and three DWHs at Bathinda, Kharar and Verka revealed the following:

(iv) In six[32] cases checked randomly, **drugs declared as 'Not of Standard Quality' (NOSQ) as per the laboratory report were found activated in the system and these drugs were also issued (February 2015-March 2018) to the health institutions**.

The sample of Cetrizine Syrup IP (Batch No. 06036-BPB5) taken (April 2016) from DWH, Kharar was declared (May 2016) of standard quality by an empanelled laboratory. Subsequently, on repeat-testing the same batch of medicine after taking sample from DWH, Kharar, the Government laboratory declared (27 December 2016) the medicine as NOSQ. Similarly, sample of Lactulose 3.335 gm/5ml syrup (Batch No. STL-16468) drawn (April 2017) by Drug Inspector, Central Drugs Standard Control Organization, GoI under the provisions of Drugs and Cosmetics Act, 1940, was declared as NOSQ on 18 July 2017. However, DWH Kharar continued to issue these medicines even after they were declared as NOSQ, as no action had been taken by CQCC to change the status to "inactive" in e-Aushadhi system. Resultantly, 7,400 units of Cetrizine Syrup IP (Batch No. 06036-BPB5) and 1,200 units of Lactulose 3.335 gm/5ml syrup (Batch No. STL-16468) had been issued by DWH, Kharar to various Government hospitals during May 2017 and August-November 2017 respectively. It was further noticed that the data related to re-testing of batches of items had not been entered in the system. **Thus, non-availability of drug sample test reports in the system resulted in activation of NOSQ declared drugs.**

The ACS while assuring to look into the matter stated (January 2019) that responsibility in this case would be fixed.

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[31] There were five testing laboratories as of March 2018 namely (i) Devansh Testing & Research Laboratory; (ii) Ozone Pharmaceuticals Ltd.; (iii) Standard Analytical Lab; (iv) Delhi Test House; and (v) Sophisticated Industrial Materials Analytic Labs Pvt. Ltd.

[32] (i) Isoxsuprine HCL Injection (Batch No.1412017); (ii) Phenytoin Sodium Injection (Batch No.BIO16702); (iii) Calcium (Vitamin D-3) 250 IU tablets (Batch No.OC-623); (iv) Cetrizine Syrup IP (Batch No. 06036-BPB5); (v) Lactulose 3.335 gm/5ml syrup (Batch No. STL-16468); and (vi) Amoxicillin and Potassium Clavulanate tablet (Batch No. YAP52135).

(v) As many as 2,02,454 number of tablets/injections of six[33] test-checked drugs were issued to various health institutions prior to receipt of quality test reports from respective laboratories, of which three[34] drugs were declared as NOSQ. **The system should debar issuance of drugs without uploading of quality test reports.**

Audit noticed in the test-checked districts that out of 1,80,689 Oxytocin injections issued to various health centres before receipt of its quality test report (NOSQ) from laboratory, 60,197 injections had been consumed.

The Department stated (January 2019) that due to urgent requirement, medicines were issued on the basis of test report submitted by the manufacturer. However, on receipt of test report from the laboratory declaring the medicines as sub-standard, the distribution of medicines was stopped.

Since, the system design should have restricted the issue of drugs which were marked as "Quarantine" or "Inactive", drugs issued prior to receipt of reports indicate failure of validation checks in the system.

(vi) In seven[35] test-checked cases, no record related to quality tests were available with the CQCC though these drugs were found activated in the system.

The CQCC stated (May 2018) that neither the samples of some of the drugs were received nor were activated by them, and a few were activated inadvertently and the IT Cell had been requested to deactivate the same. The reply of CQCC should be seen in the light of the fact that as per protocol, the status of drugs could be defined by CQCC only. This showed that **the system lacked robust checks for limiting privileges of actions to authorized users. Besides, the System was not capturing unique IP address for an individual user system in the user logs for traceability**, as discussed in paragraph 2.1.8.5. Database and application logs were not provided to Audit for further analysis.

For ensuring lack of bias in testing drugs and consumables, it is recommended that confidentiality be maintained regarding details of empanelled laboratories to which samples are sent for quality check. Similarly, details of suppliers should not be disclosed to the laboratories while sending samples. Further, it may be a good practice to have reports of empanelled laboratories cross validated by other accredited laboratories occasionally for having higher degree of quality assurance.

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33 (i) Ceftriaxone & Sulbactum Injection 5gm (Batch No. 315-45) quantity: 2,400; (ii) Phenytoin Sodium Injection (Batch No. BIO16702) quantity: 1,050; (iii) Calcium (Vitamin D-3) 250 IU tablets (Batch No. OC-623) quantity: 11,250; (iv) Ringer Lactate injection (Batch No. P16F096) quantity: 5,065; (v) Amlodipine tablet (Batch No. STN-170405) quantity: 2,000; and (vi) Oxytocin injection (Batch No. P6A058) quantity: 1,80,689.

34 (i) Oxytocin injection (Batch No. P6A058); (ii) Phenytoin Sodium Injection (Batch No. BIO16702); and (iii) Calcium (Vitamin D-3) 250 IU tablets (Batch No. OC-623).

35 (i) Trifluperazine 5 mg tablet (Batch No. HT150221); POP Bandage-4 Batch Nos. (ii) 7091; (iii) 7649; (iv) 7650; (v) 7651; (vi) Paracetamol injection 150 mg/ml (Batch No. PLI2510); and (vii) Amlodipine tablet 5 mg (Batch No. MNT-152913).

(vii) The DWH, Bathinda had received 1.97 lakh Calcium+ Vitamin D3 tablets (Batch No. OC-619) on 20 January 2017. However, test report of the sample received (16 May 2017) from Government laboratory declared this medicine 'not of standard quality' (NOSQ), as the contents of Vitamin D3 was found to be Zero I.U/UC[36] against the labelled claim of 250 I.U/UC. Subsequently, on repeat-testing of the sample of same batch taken (October 2017) from the same DWH, the medicine (Calcium+ Vitamin D3) was declared (8 December 2017) of standard quality by Government laboratory, without considering/analysing the contents of Vitamin D3. Audit noticed that the whole quantity (1.97 lakh tablets) had been issued (22 February–5 March 2018) to CSs of four[37] districts for onward supply to hospitals under their jurisdiction.

The DWH, Bathinda stated (August 2018) that the medicine was issued only after the same was made active by CQCC in e-Aushadhi system for issue to Government hospitals. On being enquired from CQCC, it was stated (August 2018) that they had not received any adverse test report of the medicine, instead a report issued by Government Analyst declaring the medicine of standard quality was received in CQCC and accordingly the medicine was made active in the system. The Director, Food and Drug Laboratory[38], Punjab stated (October 2018) that the concerned parameter (Vitamin D3) was not considered in the report (8 December 2017) due to technical error and software problem arising at that time. There was no provision in the Drugs and Cosmetics Act, 1940 for retesting the same sample of medicine once declared NOSQ by the same laboratory. However, reasons/ circumstances under which the same batch of medicine from same place was got re-tested were not provided to Audit. The ACS while assuring to look into the matter stated (January 2019) that responsibility in this case would be fixed.

The system should not allow re-testing of a drug declared as NOSQ. This showed that the system was not robust and lack of internal control diluted the quality assurance for testing of drugs/consumables.

2.1.7.6 Next step (G) is that Drugs made 'Active' are distributed to Civil Surgeons for replenishment of stock at various institutions. Findings related to this are discussed below:

Inadequacies in transactions relating to issue of drugs

As per instructions issued by IA from time to time (October 2014-October 2017), all 100 health institutions and three DWHs were to use online system for receipt and issue of drugs/consumables to the end user.

Analysis of data and test-check of manual records revealed that the system was not used by DH, Gurdaspur for a period of eight[39] months,

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[36] International Unit/Unit conversion.

[37] (i) Barnala (16,640); (ii) Bathinda (90,000); (iii) Faridkot (40,000); and (iv) Moga (50,000).

[38] Government Laboratory.

[39] July 2017 to February 2018.

DH Hoshiarpur for six[40] months and DH Sangrur for more than one and a half years[41]. It was further noticed that:

(i) Medicines can be issued from one health institution to another by generating a drug transfer order on the system. If any item is in short supply in any health institution, then a drug transfer order can be created for the hospital store having excess quantity of the item. It was, however, noticed that this process was obviated and 170 items of drugs/consumables were received manually by the selected DHs[42] from CHCs/PHCs and were not recorded in the system afterwards. Further, 239 items of drugs/consumables were received by the selected DHs[43] from respective DWHs without raising any demand. Thus, detail of indenters and consumption of these drugs could not be traced through the system.

(ii) Stock details of 375 Hepatitis-C drugs received by the selected DHs were not entered in the system since procurement (May 2016) and these drugs were distributed manually by the respective DWHs and the Civil Surgeons during the period from June 2016 to February 2018. Test check of records at DH, Jalandhar revealed that two[44] of these drugs had expired. The online system for receipt and distribution of Hepatitis-C drugs was adopted from March 2018 onwards.

(iii) As many as 53 drugs/consumables with quantity ranging from 100 to 84,000 valuing ₹ 11.09 lakh though shown as issued on 31 August 2017 in the system were not found recorded as receipts in the stock register maintained in the OPD ward of the District hospital, Hoshiarpur. DH, Hoshiarpur did not give any reply.

(iv) The receiving store has to acknowledge receipt of items through 'Acknowledge' desk. After acknowledgement, the items are added in the receiving store and the same is deducted from the issuing store. However, in 129 out of 987 instances, return indents[45] were not acknowledged by DWHs, Bathinda (79), Kharar (34) and Verka (16) due to which veracity on the transfer of stock could not be ascertained.

(v) User creates an indent for receiving items from the issuing store i.e. DWH/Civil Surgeon/Sub-store. An indent can be for single drug/consumable or it can be a composite indent comprising more than one drug. In case of a composite indent, once the indent is generated, system clears the indent even if a single item is issued against the demand for multiple items. Thus, the

[40] February 2017 to May 2017 and September 2017 to October 2017.

[41] April 2015, June 2015, January 2016, June 2016 to September 2016, November 2016 to April 2017, July 2017, August 2017 and October 2017 to January 2018.

[42] DHs (i) Amritsar (0); (ii) Gurdaspur (7); (iii) Hoshiarpur (6); (iv) Jalandhar (18); (v) Patiala (14); (vi) Sri Muktsar Sahib (7); and (vii) Sangrur (118).

[43] DHs (i) Amritsar (13); (ii) Gurdaspur (14); (iii) Hoshiarpur (53); (iv) Jalandhar (56); (v) Patiala (65); (vi) Sri Muktsar Sahib (21); and (vii) Sangrur (17).

[44] Capsule Ribavirin-20 (Batch No.2HR4364 & 2HR4365); Tablet Ledipasvir 90 mg and Sofosbuvir 400 mg (Batch No.8052538).

[45] Return request is initiated in case of excess stock or when issued stock is to be returned to DWH.

system does not give the correct status of pending indents. However, in case none of the item is issued, the indent remains as pending in the system.

Audit noticed that the system allowed generation of new indents for similar items for which earlier indents were pending. There was no provision in the system to clear the pending indents before generating new indents for similar items. Analysis of database and test-check of MIS reports revealed that as of March 2018, 183 indents[46] for 1,637 drugs, included repeat order for 385 drugs, in respect of seven test-checked DHs pertaining to the period April 2015 to February 2018 were pending for issue in the system**. System should not allow creation of repeat orders for those drugs where previous orders for the similar drugs were pending.**

Analysis of data and e-Aushadhi application for the period 2015-18 revealed the following:

(vi) The system did not have the provision for issuing drugs on the basis of 'First Expiry First Out' (FEFO). In 24,164 out of 6,74,253 instances, FEFO method was not followed while issuing the drugs/consumables. Users who issue the stock were able to select any batch irrespective of the expiry date. **The system was neither enforcing issue of drugs in seriatim of expiry dates nor it was generating any alert to select drug nearing expiry.** The user had to verify the same from MIS report. The Department stated (February 2019) that when drugs were issued to sub-stores, FEFO pattern was followed. It was added that the requisite system alerts for identification of drugs nearing expiry would be incorporated in the system. The reply of the Department was not convincing, as in 6,060 out of 24,164 instances, the drugs were issued to sub-stores by DWHs where FEFO was not applied.

(vii) During analysis of database and MIS reports in respect of seven test-checked DHs and three DWHs, 1,006[47] drugs/consumables were found expired during 2015-18. It was noticed that data related to 6,120 indents issued off-line (not in real time) were entered in the system after a delay of up to 947 days by using issue to sub-store off-line screen. In this delayed process, the system did not allow to enter those indents of drugs/consumables issued off-line which had already expired at the time of data entry at later stage.

The IA and DH, Amritsar stated (March and May 2018) that the institutes were not working online at that time and therefore the drugs were reflecting in their stock balances. All the drugs were consumed before expiry and system was showing them as expired because online posting of some transactions could not be completed. The fact, however, remains that **the system was not showing correct position of expired drugs thereby impairing effective inventory management through e-Aushadhi.**

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[46] (i) Amritsar (80); (ii) Gurdaspur (12); (iii) Hoshiarpur (18); (iv) Jalandhar (46); (v) Patiala (19); (vi) Sangrur (1); and (vii) Sri Muktsar Sahib (7).

[47] DHs (i) Amritsar (11); (ii) Gurdaspur (409); (iii) Hoshiarpur (139); (iv) Jalandhar (5); (v) Patiala (10); (vi) Sri Muktsar Sahib (45); (vii) Sangrur (296); DWHs (viii) Bathinda (70); (ix) Kharar (10); and (x) Verka (11).

The above inadequacies indicated that the procedure for recording of inter-unit transfers was not properly followed and there was no effective control over inventory management.

2.1.7.7 Other system discrepancies

(i) No dashboard reflecting daily activities was accessible to users at DWHs and DHs though the same was available with IA. The Department stated (February 2019) that MIS reports were available. In case any requirement related to dashboard occurred, it would then be provided to the users. The reply of the Department was not acceptable as it was the responsibility of IA to determine the requirements for making an interactive system.

(ii) Drug Brand Master table defines a unique ID for all the stock items i.e. drugs, consumables or sutures. However, it was found that multiple IDs were allotted to the same items[48].

(iii) 'Third party issue' module is used to issue items to institutions such as Zila Parishads, Jails etc. who have been assigned a unique ID for identification in the system. Analysis of data in respect of three DWHs revealed that multiple master record entries were made for the same institutions whereas in some of the records name of the institution was left blank. Test-check of MIS report with the master table records revealed 20 such records. Stock items valuing ₹ 86.90 crore[49] were issued using 'third party issue' module (offline) during 2015-18. Due to the above discrepancy, MIS report was not reflecting correct status of stock issued to the respective institutes.

(iv) **System should not allow 'Zero' quantity for sample while issuing the stock items to CQCC for quality testing.** Whereas, 'Zero' sample quantity was accepted by the system in six cases.

2.1.8 Information system security

2.1.8.1 Logical access controls

In any computerized system, data access is required to be restricted to authorized users only. Audit observed that the logical access controls available in the application were inadequate due to the following reasons:

➢ Single user ID allotted was shared by multiple users in three DWHs. In three test-checked DHs viz. Amritsar, Jalandhar and Patiala, the user ID of Senior Medical Officer was shared with Pharmacists for performing the functions of approval of transactions related to demand/issue of drugs/consumables. In the absence of individual user IDs, the transactions made in the system could not be traced to an individual.

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48 (a) 'Dextrose 25%' and 'Dextrose I.V 25%'; (b) 'Disposable syringe 10ml' and 'Syringe 10cc'; (c) 'IFA (Large)' and 'Iron and Folic Acid (Large)'; and (d) 'Povidone Oint 5%' and 'Povidine Ointment 5%'.

49 DWHs, Bathinda (₹ 23.72 crore); Kharar (₹ 34.03 crore); and Verka (₹ 29.15 crore).

- Login access to first time users of a system is allowed using default passwords created by the system administrator. After this, as a best practice[50], the system should prompt the users to create new passwords. Further, users should not be allowed to reuse previously changed passwords. Analysis of data revealed that the passwords were not changed since allotment in respect of 47 users and 73 users reused previously used passwords. Further, 1,957 users were allotted common default passwords by the administrator. The Department stated (February 2019) that in spite of providing instructions, majority of the users were using default password.

Thus, in the absence of segregation of duties and weak access controls, the system was vulnerable to errors or manipulation.

2.1.8.2 Application standards

As a best practice, the e-SAFE GD210 guidelines[51] issued by Department of IT, GoI, refers that the application should display an approved system use notification message before granting access, informing the potential users. The system use notification message provides appropriate privacy and security notices and remains on the screen until the user logs on to the information system. The application notifies the user, upon successful login, of the date and time of the last login, and the number of unsuccessful login attempts since the last successful login. Interface of the web application, however, revealed that none of the provisions except for details of last login were incorporated.

2.1.8.3 IT Security Policy, Business Continuity Plan and Disaster Recovery Plan

IT Security policies, procedures, and their enforcement enables an organisation to protect its IT infrastructure from unauthorised users. IT security policy for an organisation lays out the requirements for the organisation and its employees to be followed in order to safeguard its critical assets. Further, the objective of having a Business Continuity and Disaster Recovery Plan and associated controls is to ensure that the organization can still accomplish its mission and it would not lose the capability to process, retrieve and protect information maintained in the event of an interruption or disaster leading to temporary or permanent loss of computer facilities. However, no such policy documents were provided by IA, stating (July 2018) that these were available with CDAC.

Further, as a best practice[52], the third party security audit of the system was required to be conducted from cert-in empanelled agencies prior to hosting of the system. However, the same was got conducted in July 2017 by CDAC after more than three years of implementation of the system (August 2014). **Though as per the certification, the application was OWASP[53] compliant but third party security audit was not conducted for the application.**

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50 As per password policy of National Informatics Centre.

51 Important aspects covering system/user authentication were seen.

52 As per guidelines for Indian Government Websites issued by Department of Information Technology, Ministry of Communication and Information Technology, GoI (Paragraph 7.7.1).

53 Open Web Application Security Project (OWASP) is a charitable organization focused on improving the security of software.

2.1.8.4 Internal audit

Effective internal audit satisfactorily reviews the computer systems and ensures that the controls are in place. Audit observed that:

- **There was no audit module in the e-Aushadhi system to generate customized reports for facilitating conduct of internal audit.** The Department stated (February 2019) that the staff of CDAC (IT Cell) operating from PHSC had conducted internal audit and verified the physical stock of all the three DWHs. The reply was not convincing as the internal audit was conducted once in March 2018 after being pointed out by Audit.

- The Food and Drugs Administration (FDA), DH&FW, Punjab directed (June 2016) the Zonal Licensing Authorities (ZLAs) from Sangrur, Amritsar and SAS Nagar to conduct monthly stock verification of drugs and consumables at three DWHs Bathinda, Amritsar (Verka) and Kharar respectively. Audit, however, noticed shortfalls ranging between 38 and 90 *per cent* in carrying out the monthly stock verification at DWHs between June 2016 and March 2018, even when discrepancies related to the quantity of stock and its distribution were being pointed out in the stock verification reports by ZLAs. The reasons for shortfall were attributed to multifarious duties assigned to ZLAs. The Department assured (January 2019) to conduct the stock verification of medicines and consumables in a time bound manner in future.

It was also noticed that the entries related to the physical stock verification were not captured in the system.

2.1.8.5 Audit trail

Audit trail depicts the flow of transactions necessary in a system in order to track the history of transactions, changes/modifications in data, system failures, erroneous transactions, etc. Analysis of the database revealed that:

- **User systems were not assigned unique IP address to keep track of unauthorized use of system**, as in some cases, the users denied to have created records, as discussed in paragraph 2.1.7.5(vi). It was observed that a common IP address was assigned to multiple user systems.

- Login IDs were not captured in 844 out of 13,459 records in case of unsuccessful login attempts.

- In five[54] tables, date/time stamp was not functional thereby creating doubt on the credibility of data.

The discrepancies mentioned above indicate inadequate audit trails in the system.

[54] (i) gblt_user_mst; (ii) hstt_return_req_dtl; (iii) hstt_issue_dtl; (iv) qc_issue_rec_dtl; and (v) qc_dtl.

2.1.9 Conclusion

The e-Aushadhi system had many gaps, due to which the objectives of its implementation in the State could not be achieved in full measure. The Department had not prepared any roll-out plan for implementation of the e-Aushadhi system in remaining health institutions of the State. Non-functioning of bar code system resulted in various inadequacies relating to issue of drugs and system discrepancies which impaired the quality assurance system and effective inventory management through e-Aushadhi. Instances of delay in freezing of stock of drugs/consumables and sending samples to CQCC, late receipt of quality test reports from empanelled/Government laboratories, issue of sub-standard drugs, acceptance of drugs/consumables with shorter shelf-life and availability of substantial number of expired drugs/consumables in the system were noticed. Besides, inadequate logical access controls, application standards, weak validation controls, inadequate audit trails and non-conducting of internal audit showed weak information system security.

2.1.10 Recommendations

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

(i) shifting of servers to State Data Centre for providing better network connectivity to the respective users;

(ii) developing in-house expertise to take over the activities performed by IT Cell (CDAC);

(iii) self generation of purchase orders by the system in case re-order level of a drug is reached. To allow human judgement, editable forms can be generated and sent to the approving authority which may edit or otherwise directly approve;

(iv) implementing bar coding system which is already present in e-Aushadhi system to avoid human errors and to enable real time data processing;

(v) framing timelines and its adherence to every functional stage in the system;

(vi) red flag alert generation for critical deadlines or incidents which should be made available to relevant supervisory level;

(vii) framing departmental policies on Business Continuity Process/Disaster Recovery, Information Technology Security, Human Resource and Segregation of duties;

(viii) reconciliation of physical stock annually *vis-a-vis* the system; and

(ix) reviewing user logs to rule out any security incident.

LABOUR DEPARTMENT

2.2 Working of Punjab Building and Other Construction Workers' Welfare Board

Punjab Building and Other Construction Workers' Welfare Board (Board) was constituted in April 2009 to implement the welfare schemes in the State. The performance audit on the working of the Board brought out various deficiencies in planning to identify/register workers as well as establishments, poor financial management, inefficient implementation of welfare schemes and disbursement of benefits to ineligible workers, besides inadequate manpower and monitoring system. Some of the significant audit findings are enumerated below:

Highlights

- **State Advisory Committee and Expert Committee were not holding meetings regularly to discuss the efficient implementation of welfare schemes as provided in the Act.**

  (Paragraph 2.2.6.1)

- **No mechanism existed to register the establishments under the Act and the Board failed to identify/encourage the workers for registration.**

  (Paragraphs 2.2.6.2(i) and 2.2.6.3(i)

- **Poor financial management of the Board was noticed as only ₹ 590.38 crore was spent on the welfare schemes despite availability of ₹ 1,471.08 crore during 2013-18, besides the Board failed to recover ₹ 23.97 crore from cess collecting authorities.**

  (Paragraphs 2.2.7 and 2.2.7.4)

- **Welfare schemes were not efficiently/effectively implemented. Irregular payments of ₹ 4.44 crore to 5,198 ineligible workers in nine schemes were noticed.**

  (Paragraphs 2.2.8 and 2.2.8.1)

- **Under Pension scheme, the Board failed to clear 3,274 pension cases and 1,456 family pension cases despite identification of beneficiaries. Non-funding to the LIC as per requirement of the scheme would result in denial of pensionary rights to 90,000 eligible workers.**

  (Paragraph 2.2.8.2)

- **Monitoring and internal control system was weak as no targets were fixed for regular inspections to assess the effectiveness of the welfare schemes.**

  (Paragraph 2.2.11)

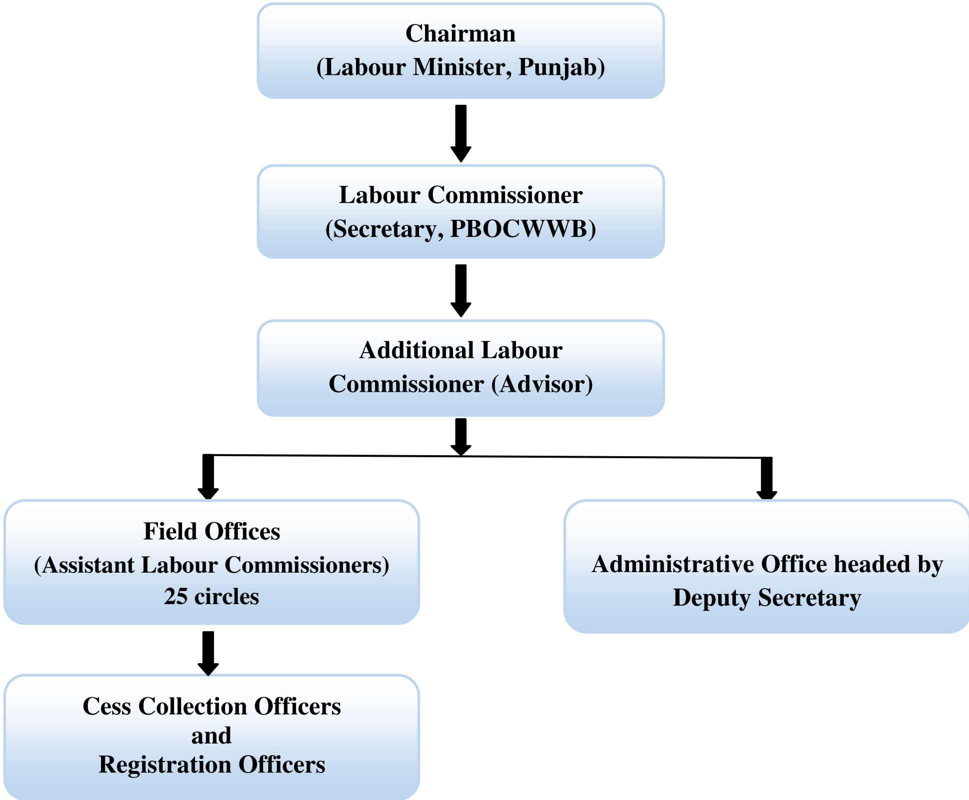
2.2.1 Introduction

The Government of India (GoI) enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Act) and Building and Other Construction Workers Welfare Cess Act (Cess Act) in 1996 with the aim to provide safety, health and welfare measures for the benefit of building and other construction workers through levy/collection of cess. The GoI also framed (November 1998) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998 (Rules) and Building and Other Construction Workers Welfare Cess Rules (Cess Rules) in 1998. The Act *inter alia* mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act.

Government of Punjab (GoP) notified the Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008 (PBOCW Rules) after 12 years from the enactment of the Act and implemented (November 2008) the collection of labour cess at the rate of one *per cent* on the cost of construction incurred by employers. The provisions of the Act is applicable to "every establishment[55] which employs, or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work". Further, the Act provides that every building worker in the age group of 18 to 60 years who was not a member of any Welfare Fund established under any law and had completed a period of ninety days of service during the preceding twelve months as construction worker in the State could be registered as beneficiary. The Punjab Building and Other Construction Workers' Welfare Board (Board) was constituted (April 2009) for implementation of the welfare schemes as provided in *ibid* Act and Rules. The Board had registered 5,90,579 workers during 2013-18.

[55] Establishment means any establishment belonging to, or under the control of, Government, anybody corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor but does not include an individual who employs such workers in any building or construction work in relation to his own residence, the total cost of such construction not being more than ₹ ten lakh.

2.2.2 Organisational set-up



State Labour Minister is the Chairman of the Board. The Board consists of Labour Commissioner who acts as the Secretary of the Board, Additional Labour Commissioner as Advisor, who is assisted by the Deputy Secretary to implement the welfare schemes and general administration. The State was divided in 25 circles[56] each headed by an Assistant Labour Commissioner (ALC) or Labour-cum-Conciliation Officer (LCO) who are assigned the work of collection of labour cess as well as registration of construction workers.

2.2.3 Audit objectives

The audit objectives were to ascertain whether:

- proper planning was done for registration of establishments/workers and schemes were effectively implemented;
- financial management was effective; collection and utilisation of labour cess was efficient;
- welfare schemes were effectively implemented and were adequate for sustainable development of the construction workers; and
- adequate monitoring and internal control mechanism was in place.

[56] (i) Amritsar-I; (ii) Amritsar-II; (iii) Amritsar-III; (iv) Batala; (v) Bathinda; (vi) Fazilka; (vii) Ferozepur; (viii) Gurdaspur; (ix) Hoshiarpur; (x) Jalandhar-I; (xi) Jalandhar-II; (xii) Jalandhar -III; (xiii) Kapurthala; (xiv) Ludhiana-I; (xv) Ludhiana-II; (xvi) Ludhiana- III; (xvii) Ludhiana-IV; (xviii) Ludhiana-V; (xix) Ludhiana-VI; (xx) Moga; (xxi) Pathankot; (xxii) Patiala; (xxiii) Rajpura; (xxiv) S.A.S. Nagar; and (xxv) Sangrur.

2.2.4 Audit scope and methodology

Audit covering the period 2013-18 was conducted between November 2017 and August 2018 by test checking the records of the Board, Labour Department and its seven circles[57] selected by Probability Proportional to Size Without Replacement method taking circle wise expenditure incurred on welfare schemes as the size measure, selected designated authorities[58] for collection of labour cess and Registering Authorities[59], besides physical verification of sampled beneficiaries. Entry and exit conferences were held on 22 November 2017 with Labour Commissioner and 9 October 2018 with Additional Labour Commissioner, respectively. The replies of the Department given in the exit conference have been suitably incorporated in the report.

Mention had been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3), on non-achievement of objectives due to non-utilisation of cess fund which included findings mainly on planning, receipts of the Board, registration of workers, collection of cess, implementation of welfare schemes and Human Resource Management. The Report was discussed in the Public Accounts Committee (PAC) in October 2015. Audit also examined the compliance of the recommendations of the PAC.

2.2.5 Audit criteria

Criteria, against which the audit findings were benchmarked, were derived from the following sources:

- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Building and Other Construction Workers' Welfare Cess Act, 1996;
- Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Central Rules, 1998;
- Building and Other Construction Workers Welfare Cess Rules, 1998;
- Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008;
- Punjab Financial Rules (PFR); and
- Guidelines/instructions issued by Government of India and Government of Punjab from time to time.

57 (i) Amritsar-I; (ii) Gurdaspur; (iii) Jalandhar-I; (iv) Jalandhar-III; (v) Moga; (vi) Patiala; and (vii) Sangrur.

58 Local Government Department, Development Authorities, Irrigation Department, Public Works Department, Water Supply and Sanitation Department and Rural Development Department.

59 Local Government Department, Development Authorities, Irrigation Department, Public Works Department, Water Supply and Sanitation Department and Rural Development Department.

Audit findings

2.2.6 Planning

2.2.6.1 Formation of committees

(i) Section 4(1) of the Act provides that the State Government had to constitute a committee viz; State Advisory Committee (SAC) to advise the State Government on such matters arising out of the administration of the Act and the State Advisory Committee had to conduct meetings[60] at least once in six months.

Audit observed that the State Advisory Committee was constituted twice[61] after notification of PBOCW Rules in 2008. As per the conditions of notification of the formation of SAC, the term of the Committee was three years from the date of notification. As such, the Committee formed in 2010 was in existence till September 2013 and thereafter SAC was again re-constituted in October 2017. No committee was formed from November 2013 to September 2017. Further, up to 31 March 2018 only two meetings were held, one in September 2012 and another in December 2015 against the prescribed norms of meetings to be held once in every six months.

(ii) Further, Section 5(1) of the Act stipulates that the Government may constitute one or more expert committees consisting of persons specially qualified in building and other construction works for advising the Government to make rules under the Act. Though, an expert committee was constituted in August 2014 with the condition that the committee will meet at least once in a month or at such an interval as considered necessary by the Chairman, no expert committee meeting was held till date (September 2018). In the absence of such meetings, the schemes could not be implemented efficiently to provide due benefits to the workers (as referred in the paragraph 2.2.8).

While admitting the facts (October 2018), the Department assured compliance in future.

(iii) The Supreme Court of India directed (February 2012)[62] that every Welfare Board would hold its meeting at least once in every two months and submit the minutes to the Secretary (Labour) of the Government quarterly, so that the implementation of the schemes could be reviewed periodically.

Audit observed that the Board had conducted only 17 meetings against the required 30, during 2013-18. As such, implementation of all the schemes could not be discussed, and out of 20 schemes, two schemes[63] were not implemented at all by the Board and implementation of the remaining 18 schemes could not be reviewed periodically.

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[60] Under the provision of PBOCW Rule 219(1).
[61] (i) 29 October 2010; and (iii) 23 October 2017.
[62] Civil Writ Petition No. 318 of 2006.
[63] Tool kit scheme and Housing scheme.

The Department stated (October 2018) that as the Chief Minister/Minister is the Chairman of the Board, the meetings could only be conducted as per his availability. However, the point had been admitted for future compliance.

2.2.6.2 Registration of establishments

(i) Identification of unregistered establishments

Section 7 of the Act stipulates that every employer, undertaking construction work, would make an application to the registering officer for registration of the establishment within 60 days from the commencement of the work. Further, Rule 222(1) of PBOCW Rules specifies the manner of making application for registration of the establishments.

Audit observed that 493 establishments were registered in seven selected circles upto March 2018; however, the Board had not maintained any data about the registration of establishments. To ensure registration of all eligible establishments, a formal mechanism ensuring linkages with the Government and planning authorities including local bodies in the State undertaking and authorising construction activities was essential to identify prospective establishments to be covered under the Act. It was noticed that regular inspections of establishments were not done by the Department to identify the unregistered establishments. However, on the directions of Punjab and Haryana High Court, the Secretary, PBOCW Board had conducted only one inspection from 15 September 2015 to 15 November 2015 wherein it was noticed that 54 establishments (36 *per cent)* were not found registered out of 149 establishments inspected. Further, despite operation of 3,000 brick-kilns in the State and instructions (February 2018) of GoP, no effort was made by the Board to register these kilns. As such, adequate number of exercises to identify unregistered establishments was not carried out by the Department.

Mention had been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3.5.2 (a)). While discussing the matter (October 2015), the PAC recommended that registration of establishments should be done as per Cess Rules, 1998 and progress may be intimated to the PAC. In spite of this, no regular exercise to identify the unregistered establishments was carried out by the Department.

While admitting the facts, the Department stated (October 2018) that mechanism would be developed for mandatory registration of establishments undertaking building and other construction works.

(ii) Non-levy of fine for delay in registration

As per the Rule 226(1) of PBOCW Rules, fee[64] was to be charged along with the application for grant of a certificate of registration to the establishments.

64

Sr. No.	Number of workers	w.e.f. November 2008 (in ₹)	w.e.f. 27 June 2014 (in ₹)
1	0-100	500	1,000
2	101-500	2,000	4,000
3	501-1000	4,000	8,000
4	1001 onwards	5,000	10,000

If application is received beyond the prescribed period of 60 days, the registering officer may entertain an application for registration, with an additional fee at the rate of fifty *per cent* of the fee prescribed under the rule. Audit observed that in seven selected circles, out of 493 establishments registered (upto March 2018), 132 establishments (27 *per cent)* had submitted the application after 60 days of commencement of work. Despite the delay ranging between 4 and 1,768 days, fine of ₹ 0.86 lakh was not levied.

The Department admitted the facts (October 2018).

(iii) Non-assurance of safety norms

Section 43 of the Act (read with Section 44) empowers the inspectors to inspect the premises of any establishment where construction work was being carried on to check safety measures and facilities provided to the workers.

Audit observed that the Board had not conducted[65] any inspection during 2013-18 through its officials. In the absence of which, the emphasis to provide the welfare facilities as well as ensuring the safety norms could not be ensured.

The Department admitted (October 2018) the facts and attributed the reasons to shortage of manpower.

2.2.6.3 Registration of building workers

Rule 260 of PBOCW Rules provides that every building worker in the age group of 18 to 60 years who was not a member of any Welfare Fund established under any law and had completed a period of ninety days of service during the previous year as construction worker in the State could be registered as beneficiary. A certificate from the employer or the contractor certifying that the applicant was a building worker was required along with application for registration. A registration fee of ₹ 25 (October 2014) was to be deposited by the worker at the time of registration alongwith monthly contribution of ₹ 10 for minimum one year and maximum five years and thereafter he was required to get his registration renewed. If a beneficiary commits default in payment of contribution continuously for a period of one year, he would cease to be a beneficiary of the fund. The irregularities noticed in the process of registration of beneficiaries are discussed below:

(i) Failure to identify the workers for registration

Section 15 of the Act states that every employer would maintain a register in such form as may be prescribed showing the details of employment of beneficiaries employed in the building or other construction work and the Secretary of the Board or any other officer duly authorized by the Board could inspect the same without prior notice. Further, the Supreme Court directed (January 2009) the State Governments to ensure a proper mechanism to identify/register the beneficiaries.

[65] Except the inspection conducted by Secretary, Labour Department from 15 September to 15 November 2015 on the directions of Punjab and Haryana High Court.

Audit observed that the Board had registered 6,95,014 workers in the State upto March 2018. During this period, only 3,57,477 registered workers (51 *per cent*) had contributed to the fund regularly and continued their membership. The Board had estimated [66] (March 2017) that there were 15,33,000 construction workers in the State. Upto June 2017, the Board had 5,79,823 registered workers and it had fixed the target to register the remaining 9,53,177 unregistered workers during 2017-18 but only 1,15,191 (12.08 *per cent)* workers were registered during 2017-18 due to non-inspection/non-conduct of survey by the officers of the Board. Besides this, no record regarding live registered workers[67] and un-registered workers was maintained by any of the selected field offices as well as by the Board. Only a consolidated figure of live workers was provided to audit.

Mention had been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3.5.2 (b)). The matter was discussed in the PAC in October 2015. The PAC recommended that registration of beneficiaries should be increased as per PBOCW Rules and progress may be intimated to the Committee. The Department, however, did not intimate to PAC any new efforts taken to increase the registration of beneficiaries.

Thus, non-adoption of any mechanism by the Board as prescribed in the ibid rules as well as non-adherence to the directions of the Supreme Court to identify the unregistered workers had resulted into non-achievement of targets besides denial of welfare benefits to the construction workers due to non-registration.

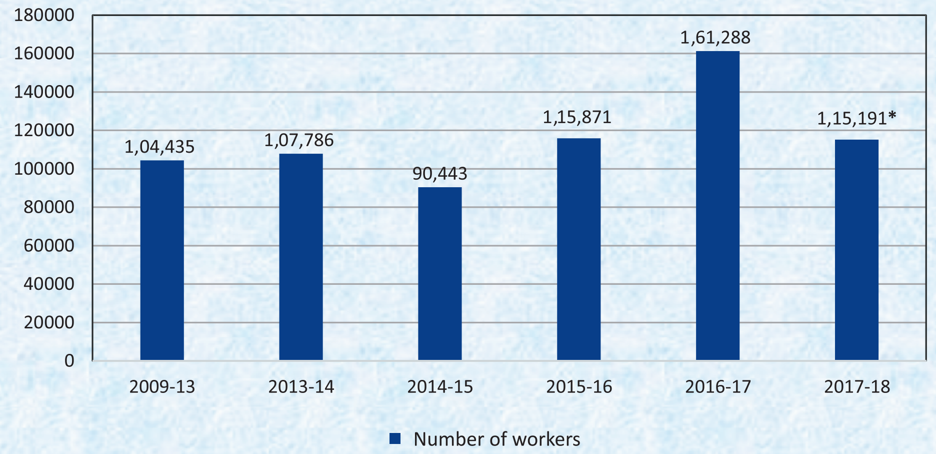
(ii) Online registration system for workers

Audit observed that the system of online registration of workers was started in September 2017. All the manually registered workers up to September 2017 were also required to get their registration copies migrated to online registration system.

[66] Six *per cent* of the total population (2.55 crore approx.) of the State was considered as construction workers.

[67] Live workers are those who registered during the current year alongwith the previous members who got their registration renewed during the year.

Chart 2.3: Number of workers registered during the year



Source: Departmental data

* ***Includes 88,835 workers registered through online system between September 2017 and March 2018.***

During the year 2017-18, the pace of online registration was slower than the manual registration system. On an average 13,441 workers per month were registered during 2016-17 which was reduced to 12,691 per month after online registration system (September 2017 to March 2018). The Board had set (July 2018) the target to register all the workers by the year 2022 through online system which would take about four years to achieve the target. The reasons for fixing such a long period to register the existing registered workers through online system were not found on records.

The Department stated (February 2019) that Aadhaar Card was made mandatory for the registration and renewal of workers to avoid double benefits. The reply was not relevant because the department did not furnish any justification for fixing the long period of four years to register the construction workers through online system which would delay the welfare benefits to the workers.

(iii) Allocation of Universal Access Number to worker

Secretary, Ministry of Labour and Employment, Government of India informed (September 2015) the Supreme Court that they were going to introduce Universal Access Number (UAN) to every registered worker so that if he or she migrates from one State to another, the benefit of registration does not get lost and the construction worker is not required to get himself/herself registered in another State.

Audit observed that no system of providing UAN to the construction worker was introduced by the Board till date.

The State Government may introduce Universal Access Number (UAN) to every registered worker, as was contemplated by the GoI (Ministry of Labour and Employment) during the year 2015 for the facility of migrant workers from one State to another besides taking the effective measures to register all the unregistered workers.

2.2.7 Financial management

The main source of income of the Board is cess levied and collected under Cess Act and the registration and contribution fee received from the registered construction workers.

Table 2.2.1: Details of receipts and expenditure of the Board for the period 2013-18

(₹in crore)

Year		Receipts				Expenditure		
	Opening Balance	Cess collected	Beneficiaries' contribution	Interest earned	Total funds available	Expenditure	*Per cent* of expenditure	Closing Balance
2013-14	408.43	120.52	1.60	43.47	574.02	81.78	14.25	492.24
2014-15	492.24	155.49	1.90	47.50	697.13	65.16	9.35	631.97
2015-16	631.97	145.97	3.13	55.95	837.02	126.79	15.15	710.23
2016-17	710.23	201.16	5.23	55.51	972.13	169.28	17.41	802.85
2017-18	802.85	163.82	4.76	56.64	1,028.07	166.81	16.23	861.26
Total		**786.96**	**16.62**	**259.07**		**609.82**		

Source: Departmental records

It is evident from the table that:

➢ **Out of available funds of ₹ 1,471.08 crore[68] with the Board, an expenditure of ₹ 609.82 crore (including ₹ 19.45 crore administrative expenses) was incurred on the welfare schemes for construction workers during 2013-18 which ranged between 9.35 and 17.41 *per cent* only**. This showed that the Board was not formulating sufficient schemes or not implementing the schemes effectively to provide maximum benefits to the workers**.**

➢ Due to short proposals or non/short implementation of the welfare schemes, there was huge accumulation of funds amounting ₹ 861.26 crore as on 31 March 2018, which was enhanced by ₹ 452.83 crore (i.e. more than 110 *per cent*) during the last five years.

The Department admitted the facts and stated (October 2018) that efforts would be made to speed up the utilisation of the collected cess on welfare schemes.

The Department may ensure implementation of schemes to provide maximum benefits to the eligible workers, thereby avoiding accumulation of funds.

2.2.7.1 Non-compliance of budgetary provisions

Section 25 of the Act provides that the Board would prepare budget for the next financial year showing the estimated receipts and expenditure and forward the same to the GoP and GoI for approval. During 2013-18, a budget provision of ₹ 902.31 crore was made by the Board against which expenditure of ₹ 609.82 crore was incurred as detailed in **Table 2.2.2** below:

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68 Opening Balance (₹ 408.43 crore) + Cess collected (₹ 786.96 crore) + Beneficiary share (₹ 16.62 crore) + Interest earned (₹ 259.07 crore) = ₹ 1,471.08 crore.

Table 2.2.2: Details of budget provisions viz-a-viz expenditure incurred during 2013-18

(₹in crore)

Year	Budget provisions for Admn. expenses	Budget provisions for welfare schemes	Total budget provisions	Expenditure for Admn. expenses	Expenditure for welfare schemes	Total expenditure	Savings	*Percentage* of savings	Savings against budget provided for schemes (percentage)
1	**2**	**3**	**4=2+3**	**5**	**6**	**7=5+6**	**8**	**9**	**10=3-6**
2013-14	51.73	87.78	139.51	2.60	79.18	81.78	57.73	41	8.6 (10)
2014-15	7.96	135.30	143.26	3.43	61.73	65.16	78.10	54	73.57(54)
2015-16	9.36	197.70	207.06	4.01	122.79	126.80	80.26	39	74.91(38)
2016-17	5.19	197.02	202.21	4.89	164.39	169.28	32.93	16	32.63(17)
2017-18	5.44	204.83	210.27	4.52	162.29	166.81	43.46	21	42.54(21)
Total	**79.68**	**822.63**	**902.31**	**19.45**	**590.38**[69]	**609.83**	**292.48**		

Source: Departmental data

Analysis of the above table revealed that the budget estimates were prepared without any demand from the field offices. As a result of this, there were huge savings against the budget estimates ranging between 16 and 54 *per cent*. Whereas, in case of implementation of schemes, despite the fact that sufficient budget provisions were made but due to failure on the part of Board to implement the welfare schemes effectively, it was only able to utilize 10 to 54 *per cent* of the provided budget.

The Department admitted (October 2018) the facts and stated that efforts would be made to make the budget provision for the year approximately near to the actual expenditure.

2.2.7.2 Injudicious expenditure of ₹48.87 crore

(i) The Board had launched (May 2013) skill upgradation and vocational education scheme. Under the scheme, four skill development centres[70] were to be constructed so that training to the construction workers and their wards could be provided. For this purpose, the Board had released (between August 2015 and March 2017) ₹ 42.26 crore[71] to various executing/ development agencies from labour cess.

Further, the Board in a meeting (August 2014) decided to share ₹ 15 crore (i.e. 25 *per cent* of project cost) with Technical Education and Industrial Training Department for construction of four[72] Multi Skill Development Centres (MSDC). Consequently, the Board transferred (May 2016) ₹ 6.61 crore to Punjab Skill Development Mission.

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69 It includes expenditure of ₹ 4.06 crore on advertisement (₹ 3.11 crore) and on printing of Registration copies/forms (₹ 0.95 crore).

70 (i) Amritsar; (ii) Jalandhar; (iii) Ludhiana; and (iv) Mohali.

71 ₹ 30.88 crore during August 2015 to May 2016 and ₹ 11.38 crore during August 2015 to March 2017.

72 (i) Amritsar; (ii) Ludhiana; (iii) Hoshiarpur; and (iv) Bathinda.

Audit observed that the Hon'ble Supreme Court ordered (September 2015) not to use the labour cess for construction of buildings of the schools, training centres etc. **In spite of that an expenditure of ₹ 39.70 crore was spent during September 2015 to March 2017.** The construction work was stopped (August 2016) on the orders of GoI (June 2016) and buildings were lying incomplete (February 2019) after spending of ₹ 48.87 crore.

Incomplete MSDC building at Amritsar, as on 24 May 2018

The Department admitted (October 2018) the facts and stated that the action would be taken as per directions issued by GoI.

Thus, injudicious decision of the Department to incur expenditure on construction of buildings in violation of Supreme Court orders tantamounts to contempt of Court. Appropriate action should be taken against delinquent officials.

(ii) Irregular expenditure on advertisements

Hon'ble Supreme Court ordered (September 2015) that expenditure incurred on advertisements out of the cess fund was not appropriate and any amount spent for this purpose should be recouped to the fund.

Audit observed that the Board had spent ₹ two crore on the advertisement of various schemes through print media and audio visual publicity[73] after September 2015 to March 2018 in contravention of *ibid* orders of the Supreme Court and not adhering to the GoP's instructions in this regard.

The Department stated (February 2019) that the expenditure was incurred on awareness campaigns, printing of leaflets, posters, forms, etc. on the directions (October 2010) of GoI. The reply was not acceptable because as per orders of the Supreme Court (September 2015), the expenditure incurred on advertisement was not appropriate.

2.2.7.3 Loss of interest ₹ 48.72 lakh

A Memorandum of Understanding (MoU) was signed (April 2015) with the Punjab Health Systems Corporation (PHSC) to provide health insurance to the construction workers registered with the Board under Rashtriya Sehat Bima Yojna (RSBY) scheme. The Board was to provide the funds to PHSC at the rate of ₹ 750 per family in the corpus in respect of live construction workers. Fifty *per cent* amount was to be provided in the corpus in advance and rest of the amount was to be deposited after utilization of 75 *per cent* of the earlier advance amount. PHSC was to create corpus to cover the construction workers. Any interest earned from the corpus was to be ploughed back in the corpus to provide support for the scheme. M/s. United India Insurance

[73] All India Radio, Doordarshan, FM radio, newspaper, flex banners and camps.

Company was engaged for this purpose. The insurance cover was limited to ₹ 50,000 per annum per family.

The Board had deposited (8 May 2015) an amount of ₹ 5.70 crore (50 *per cent* premium) for 1,52,016 live workers in the account of the PHSC and intimated (January 2016) the PHSC to invest the funds in fixed deposit account till the scheme came into force. But, PHSC did not invest the funds in fixed deposit account. The Insurance Company issued 16,429 health cards to the workers under the scheme. The scheme could not come into force because of introduction of a new health scheme [74] (March 2016) under which the beneficiaries were to be covered. The Board intimated the PHSC not to start the RSBY scheme and as such no benefit of the scheme was passed to any beneficiary. Thereafter, PHSC returned (16 June 2016) ₹ 5.70 crore on the request (March 2016) of the Board. The Board worked out an interest of ₹ 53.65 lakh at the rate of 8.5 *per cent* and administrative charges ₹ 4.93 lakh[75] and demanded remaining interest amounting to ₹ 48.72 lakh from the PHSC. However, PHSC declined to pay the interest as it had not invested the funds in any interest earning schemes. Thus, due to failure of the Board to insert investment clause in the MoU and ensure effective implementation of the scheme before investment of funds with PHSC had resulted into loss of interest of ₹ 48.72 lakh besides blockade of funds.

The Department stated (October 2018) that the matter would be taken up with the PHSC. Compliance is awaited in audit (July 2019).

2.2.7.4 Non-deposit of labour cess of ₹ 23.97 crore by the cess collecting authorities

GoP (Department of Labour) issued instructions (November 2008) for levy of labour cess at the rate of one *per cent* of the cost of construction. The cess collecting authorities would deposit the same with the Board on or before 10th of succeeding month. Section 8 of the Cess Act also provides that if any employer fails to pay any amount of cess within the time specified in the order of assessment, such employer shall be liable to pay interest on the amount to be paid at the rate of two *per cent* for every month. Section 9 of the Act provides that if any amount of cess is not paid within the date specified in the order of assessment, the authority may impose a penalty not exceeding the amount of cess.

Audit scrutiny of cess assessment files of 11 development authorities[76] (DAs) in seven selected circles revealed that though the DAs had collected ₹ 23.97 crore for the period between April 2013 and March 2018 as cess for

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[74] Bhagat Puran Singh Sehat Bima Extended Yojna (BPSSBY) scheme.

[75] At the rate of ₹ 30 for 16,429 health cards issued by the Insurance Company to the beneficiaries.

[76] (i) Municipal Corporation (MC), Amritsar: ₹ 7.24 crore; (ii) Municipal Council (MCl.), Gurdaspur: ₹ 4.25 lakh; (iii) MC, Jalandhar: ₹ 10.36 crore; (iv) MC, Patiala: ₹ 4.22 crore; (v) MCl, Rajpura: ₹ 74.26 lakh; (vi) MCl, Sangrur: ₹ 71.80 lakh; (vii) Improvement Trust (IT), Amritsar: ₹ 13.73 lakh; (viii) IT, Gurdaspur: ₹ 11.86 lakh; (ix) Jalandhar Development Authority: ₹ 29.42 lakh; (x) Water Supply and Sanitation Division (WSS), Batala: ₹ 7.84 lakh; and (xi) WSS Division, Gurdaspur: ₹ 1.46 lakh.

various works executed but the same was not deposited with the Board. **Non-deposit of cess is an offence. Despite this, the Board had neither imposed any penalty against the DAs nor initiated any action to recover the arrears of cess.**

The Department while admitting (October 2018) the facts stated that an online system of deposit of cess would be developed to ensure the deposit of labour cess directly in the Board account. However, the reply was silent about the recovery of ₹ 23.97 crore.

The cases pointed out are based on the test-check conducted by Audit. The Department may examine similar cases and instruct the DAs to deposit the labour cess with the Board at the earliest. Responsibilities of the cess collecting authorities may be fixed for failing to collect the labour cess from the DAs.

2.2.7.5 Short-assessment and realisation of labour cess on Building Plans

The GoP issued (November 2013) instructions for collection of cess at the time of approval of building plans at ₹ 900 per square feet on the total covered area. Further, Rule 5(3) of the Cess Rules provides that the cess collected should be remitted to the Board within 30 days after deducting the collection charges at the rate not exceeding one *per cent* of the cess collected.

Audit observed that 12 DAs ***(Appendix 2.1)*** had approved 1,576 residential/ commercial building plans for an area of 61,10,490.54 sq. feet at a cost of ₹ 549.94 crore between November 2013 and March 2018. But, against the required collection of cess of ₹ 5.50 crore, only ₹ 3.23 crore were collected from them. Thus, due to short assessment/realisation of labour cess, the Board had suffered a loss of ₹ 2.27 crore.

Mention had been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3.5.2 (c) (i) and (ii)). While discussing the matter (October 2015), the Department apprised the PAC that a high power committee was constituted to look after the collection of cess.

Despite the constitution of committee (March 2015), the shortfall in deposit/collection of cess had increased from ₹ 48.52 lakh (April 2009 to March 2012) to ₹ 26.24 crore (as discussed in Paragraph 2.2.7.4 and 2.2.7.5) upto March 2018.

The Department admitted (October 2018) the facts and stated that instructions would be issued to collect the labour cess as per prescribed rates.

2.2.8 Implementation of welfare schemes

The cess collected by the Board was required to be spent on the welfare schemes run by the Board for registered workers under the Act. Twenty welfare schemes were launched upto March 2018.

During 2013-18, the Board incurred ₹ 590.38[77] crore on 18 welfare schemes and benefit was given in 4,00,608 cases. However, the Board failed to implement two schemes viz. tool kit scheme and housing scheme. Tool kit scheme was linked with Punjab Skill Development Mission under which skill development centres were still lying incomplete and housing scheme was yet to be implemented by the Board. In the seven test checked circles the Board had implemented 13[78] welfare schemes out of 18, details of which are given in **Table 2.2.3** below:

Table 2.2.3: Details showing monetary benefits disbursed under various welfare schemes in selected circles during 2013-18

(₹in crore)

Name of Circle	Amritsar		Gurdaspur		Jalandhar-I		Jalandhar-III		Moga		Patiala		Sangrur		Total	
Name of Scheme	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
Ex-gratia	86	2.19	96	1.97	187	3.52	124	1.68	297	6.90	236	4.48	232	4.57	1258	25.31
Shagun	538	1.54	649	1.80	631	1.71	528	1.32	1906	5.38	982	2.63	1223	3.28	6457	17.66
Funeral	155	0.24	447	0.64	250	0.34	159	0.20	538	0.84	336	0.64	288	0.52	2173	3.42
LTC	2388	0.48	31	0.01	171	0.03	422	0.08	3144	0.63	7591	1.52	3365	0.65	17112	3.40
Maternity	106	0.07	155	0.08	21	0.02	2	0	313	0.19	44	0.03	53	0.04	694	0.43
Stipend	7352	3.24	17028	10.19	8520	4.52	9519	4.57	24400	15.55	13503	8.88	10442	6.59	90764	53.54
Occupational Disease	0	0	0	0	2	0.02	0	0	59	0.40	0	0	1	0.01	62	0.43
General Surgery	0	0	150	0.18	37	0.11	12	0.02	254	0.41	0	0	37	0.04	490	0.76
Denture, Spectacles, etc.	0	0	62	0.01	3	0	2	0	1	0	0	0	7	0	75	0.01
Labour Shed*	0	0	0	0	0	0	1	0.05	2	0.40	0	0	2	0.13	5	0.58
Balri	0	0	0	0	3	0	0	0	0	0	2	0.01	0	0	5	0.03
Mentally Retarded	0	0	0	0	0	0	0	0	101	0.20	35	0.07	18	0.04	154	0.31
Cycle	188	0.05	800	0.20	1250	0.31	387	0.10	2967	0.74	6957	1.75	6192	1.55	18741	4.70
Total	10813	7.81	19418	15.08	11075	10.60	11156	8.02	33982	31.64	29686	20.01	21860	17.42	137990	110.58

Source: Departmental data

****Benefit of the labour shed was meant for workers as a whole. Therefore, individual beneficiary could not be ascertained.***

Irregularities noticed in the implementation of the welfare schemes are discussed below:

2.2.8.1 Irregular disbursement of monetary benefits under welfare schemes

(a) Section 14 of the Act provides that a registered worker would cease to be a beneficiary when he attains the age of 60 years or not engaged in building or other construction work for more than ninety days during the previous year. However, audit observed various irregularities in disbursement of welfare benefits in contravention of provisions of the Act, as detailed in **Table 2.2.4** below:

[77] It includes expenditure on advertisement (₹ 3.11 crore) and on printing of Registration copies/forms (₹ 0.95 crore).

[78] Details of implementation of five schemes circle-wise were not available with the Board.

Table 2.2.4: Irregularities in disbursement of benefits under welfare schemes

S. No.	Welfare scheme	Audit observations
1.	**<u>Ex gratia scheme</u>:** The scheme was launched on 11 March 2010. Under the scheme, immediate relief to the family [79] of the construction worker was provided in case of his/her accidental/natural death [80]. ₹ 25.31 crore were disbursed to 1258 beneficiaries of ex-gratia relief by the Board in seven selected circles during 2013-18.	The online registration system for registration and disbursement of benefits was started by the Board in September 2017 for all welfare schemes except ex-gratia. Therefore, the possibility of irregular/delayed payments could not be ruled out. ➢ In five circles [81], 24 cases of ex-gratia were approved due to the death of registered workers between April 2013 and May 2017. Scrutiny of assessment files revealed that the workers had already attained the age of 60 years at the time of their death. Therefore, they were not eligible for the benefits. In spite of that, payments amounting ₹ 47.50 lakh were made to families of these 24 workers against the spirit of the rules/scheme. ➢ In 28 cases of five circles [82], ₹ 73 lakh were disbursed to major sons and brothers of the workers. As major sons and brothers did not fall under the definition of family, the payment of ₹ 0.73 crore was unauthorised. ➢ Scrutiny of employer certificates provided for the registration of two beneficiaries revealed that they had started work in the establishment on 31.3.2014. However, both of them were registered on 3.2.2014 by the Board i.e. prior to the date of start of work. Ignoring this fact, ex-gratia payment of ₹ 2 lakh was made to their family members which was not as per instructions of the scheme. In respect of another, it was noticed that beneficiary was registered on 20.4.2015 without getting any employer certificate and a blank/unsigned certificate was found attached in the file. Hence, payment of ₹ 5 lakh[83] was disbursed to the ineligible workers. ➢ In Sangrur circle, ₹ 3 lakh were disbursed to the family of a worker who was found registered on 8.3.2016 but had died on 20.1.2016 i.e. was registered after his death. ➢ Six circles [84] irregularly disbursed ex-gratia payment of ₹ 1.24 crore to 55 beneficiaries without ensuring that the workers were engaged in construction work for 90 days in last year. It includes seven workers of Jalandhar-III circle who were paid ₹ 7 lakh despite the fact that they had not paid their contribution for the last two years.

[79] Family means the husband or wife, minor sons (including major sons who are insane or physically handicapped and unable to earn), unmarried daughters and the parents of the building worker who are solely dependent on him.
[80] ₹ One lakh (revised to ₹ 1.5 lakh w.e.f. August 2014 and w.e.f. October 2015 in case of accidental death: ₹ 4 lakh and natural death: ₹ 3 lakh).
[81] (i) Jalandhar-1: one case; (ii) Jalandhar-III: five cases; (iii) Moga : six cases; (iv) Patiala: five cases; and (v) Sangrur: seven cases.
[82] (i) Amrisar-1:six; (ii) Jalandhar-1:four; (iii) Moga: seven; (iv) Patiala: three; and (v) Sangrur: eight.
[83] One lakh each to two beneficiaries and ₹ 3 lakh to one beneficiary.
[84] (i) Amritsar-1: 10; (ii) Moga: 10; (iii) Jalandhar-1: 10; (iv) Jalandhar-III: 8; (v) Patiala: 7; and (vi) Sangrur: 10.

S. No.	Welfare scheme	Audit observations
		➢ Jalandhar-I circle disbursed ₹ 1.50 lakh to the family member of a deceased beneficiary who was not covered under the category of construction worker. ➢ Moga circle disbursed ₹ 4 lakh irregularly to a beneficiary who was covered under Bhagat Puran Singh Sehat BimaYojna (BPSSBY) scheme.
2.	**Funeral scheme**: The scheme was launched on 28.5.2013. Under the scheme, benefit of ₹ 20,000[85] was to be given for cremation and performance of last rites on the death of registered construction worker or to his family members.	➢ Five circles[86] disbursed ₹ 2.50 lakh to the families of 16 workers who were above the age of 60 years at the time of death. ➢ Two circles[87] disbursed ₹ 0.90 lakh to five major sons of the deceased workers. ➢ Jalandhar-I circle disbursed ₹ 0.10 lakh to a beneficiary who was not a construction worker. ➢ Sangrur circle disbursed ₹ 0.40 lakh to the family members of three deceased workers who were registered after their death. ➢ Five circles [88] disbursed ₹ 3.60 lakh to 23 beneficiaries without ensuring that the beneficiaries were engaged in construction work for 90 days during last year or not.
3.	**Shagun scheme**: Shagun scheme was launched in June 2011. Under the scheme, each registered construction worker was entitled to get ₹ 31,000[89] on the occasion of marriage of two daughters. During 2013-18, ₹ 17.66 crore were disbursed to 6,457 beneficiaries.	➢ Gurdaspur and Moga circles disbursed ₹ 0.93 lakh and ₹ 0.31 lakh to three and one beneficiaries, respectively for the marriages of their daughters despite the fact that the marriages were solemnised prior to the registration of beneficiaries. ➢ Four circles [90] disbursed ₹ 19.79 lakh to 69 beneficiaries who had already attained the age of 60 years at time of getting the benefit of the scheme. ➢ Three circles [91] disbursed ₹ 1.46 lakh to six beneficiaries on the marriage of their sisters. As sisters are not covered under the definition of the family, the payments were irregular. ➢ Three circles [92] disbursed ₹ 8.31 lakh to 31 beneficiaries without verification of work done for 90 days during the last year. ➢ Five circles [93] disbursed ₹ 8.06 lakh to 26 beneficiaries on the marriages of their under aged

85 Upto 22 December 2015: ₹ 10,000.
86 (i) Jalandhar-1: 2 cases; (ii) Jalandhar-III: 2 cases; (iii) Moga: 8 cases; (iv) Patiala: 2 cases; and (v) Sangrur: 2 cases.
87 (i) Amritsar-1:4 cases; and (ii) Sangrur: one case.
88 (i) Amritsar-1: eight cases, ₹ 1.50 lakh; (ii) Jalandhar-III: six cases, ₹ 0.60 lakh; (iii) Moga: four cases, ₹ 0.80 lakh; (iv) Patiala: one case, ₹ 0.20 lakh; and (v) Sangrur: four cases, ₹ 0.50 lakh.
89 Upto 29 March 2015: ₹ 21,000.
90 (i) Amritsar-I: 3 cases, ₹ 0.73 lakh; (ii) Moga:10 cases, ₹ 3.10 lakh; (iii) Patiala: 22 cases, ₹ 6.12 lakh; and (iv) Sangrur: 34 cases, ₹ 9.84 lakh.
91 (i) Jalandhar-III: 4 cases, ₹ 0.84 lakh, (ii) Moga: one case, ₹ 0.31 lakh and (iii) Sangrur: one case, ₹ 0.31 lakh.
92 (i) Jalandhar-I: 7 cases, ₹ 1.37 lakh; (ii) Patiala: 13 cases, ₹ 3.53 lakh; and (iii) Sangrur: 11 cases, ₹ 3.41 lakh.
93 (i) Amritsar-I: 2 cases, ₹ 0.62 lakh; (ii) Gurdaspur: 5 cases, ₹ 1.55 lakh; (iii) Moga: 8 cases, ₹ 2.48 lakh; (iv) Patiala: 7 cases, ₹ 2.17 lakh; and (v) Sangrur: 4 cases, ₹ 1.24 lakh.

S. No.	Welfare scheme	Audit observations
		(below 18 years) daughters in contravention of Section 2(a) of the Prohibition of Child Marriage Act, 2006.
4.	**Cycle scheme:** The scheme was launched on 18.2.2014 (for children of the construction workers) and on 16.2.2016 (for construction workers). Under the scheme, free cycles were to be provided to the children of registered workers once during the period they studied in 9th to 12th class. Further, registered construction worker was also entitled for a free cycle after at least one year of the registration and next entitlement was after every five years.	➢ The Board received applications from 57,647 workers and procured 32,424 cycles between April 2016 and August 2017. Out of these, 31,620 cycles were distributed among the beneficiaries. Remaining 804 cycles valuing ₹ 19.12 lakh were lying undistributed due to implementation of Election Code of Conduct in January 2017 in Punjab and non-tracing of applicants (June 2019). ➢ The cycle scheme for the wards of the workers was started in February 2014 but cycles were distributed among beneficiaries between April 2016 and August 2017 due to delay in procurement process, thereby denying the benefit to the wards for more than two years. ➢ In four circles[94], cycles were irregularly distributed to 67 beneficiaries who ceased to be construction workers at the time of sending demand of cycles to the Board. ➢ In Patiala and Sangrur circles, 10 and 20 cycles were irregularly distributed, respectively to 30 beneficiaries whose registration had expired by more than two years ago. ➢ In three circles[95], cycles were irregularly distributed to 51 beneficiaries who had not completed one year of registration at the time of sending demand for cycles to the Board. ➢ In all the seven circles, service entries of 90 days in the identity cards in the previous year was not verified before distribution of cycles in 4164 cases[96]. Thus, under the Cycle scheme ₹ 102.54 lakh was irregularly disbursed to 4,312 beneficiaries.
5.	**Leave Travel Concession Scheme**: The scheme was launched on 28.6.2011. Under the scheme, every registered construction worker would be eligible for Leave Travel Concession of ₹ 2,000 after every two years for journeys to religious/ historical places in India or visiting their home towns.	➢ Amritsar-I and Moga circle disbursed ₹ 0.14 lakh to seven workers who were registered after performing the journeys. ➢ Sangrur and Moga circle disbursed ₹ 0.24 lakh to 12 workers who were more than 60 years of age at the time of journey. ➢ Amritsar-I circle disbursed ₹ 0.18 lakh to nine workers without verification by the competent authority.

94 Gurdaspur-23, Moga-10, Patiala-10 and Sangrur-24.

95 Jalandhar I-1, Moga-3, and Sangrur-47.

96 Amritsar I-46, Gurdaspur-800, Jalandhar I-1025, Jalandhar III-173, Moga-1994, Patiala-36 and Sangrur-90.

S. No.	Welfare scheme	Audit observations
6.	**Stipend scheme:** The scheme was launched on 09.06.2009. Under the scheme, the benefit was to be given once in every class from Ist class to post-graduation level to the wards of registered construction workers. To get the benefit under the scheme, a certificate from the educational institute certifying that the applicant is/was a bonafide student of the educational institute, was also required.	➢ Out of 427 records test checked in schools where wards of construction workers were studying, it was seen that in case of 43 records, stipend of ₹ 1.84 lakh[97] was disbursed to non-construction workers. ➢ In six circles[98], an amount of ₹ 20.10 lakh was irregularly disbursed to 378 workers for their wards for the same class in different years against the instructions[99] of the scheme. ➢ In seven circles[100], an amount of ₹ 6.10 lakh was irregularly disbursed to 75 workers without ensuring that the workers were engaged in construction work for 90 days during last year or not. ➢ Jalandhar-III and Sangrur circle had disbursed ₹ 0.13 lakh to two workers without certification from the concerned school.

(b) Miscellaneous irregularities in other schemes

(i) Maternity Scheme:

The scheme provides that female and male construction workers would be entitled for ₹ 21,000 and ₹ 5,000 respectively on birth of each child upto a maximum of two children. The gap between date of registration and date of birth of child should be more than six months.

It was noticed that four circles[101] disbursed ₹ 3.23 lakh to 39 workers despite the fact that:

- ➢ The gap between the birth of their children and date of registration of workers was less than six months;
- ➢ Benefit was given on the birth of the third child, in contravention of instructions of the scheme.

(ii) General Surgery Scheme:

Under the scheme, financial benefit upto ₹ 50,000 or the actual expenses, whichever is less, could be paid to the registered beneficiary and their family members for general surgery.

[97] (i) Amritsar-I: 6 cases, ₹ 0.39 lakh, (ii) Gurdaspur: 10 cases, ₹ 0.43 lakh; (iii) Jalandhar-I: 8 cases, ₹ 0.34 lakh; (iv) Jalandhar-III: 3 cases, ₹ 0.07 lakh; (v) Sangrur: 9 cases, ₹ 0.36 lakh; and (vi) Patiala: 7 cases, ₹ 0.25 lakh.

[98] (i) Amritsar-1: 40 cases; (ii) Gurdaspur: 51 cases; (iii) Jalandhar-I: one case; (iv) Moga: 135 cases; (v) Patiala: 48 cases; and (vi) Sangrur: 103 cases.

[99] Stipend, uniform and education allowance shall not be granted in case wards have failed in last class.

[100] (i) Amritsar-1: 13 cases; (ii) Gurdaspur: 11 cases; (iii) Jalandhar-I: 10 cases; (iv) Jalandhar-III: 11 cases; (v) Moga: 9 cases; (vi) Patiala: 6 cases; and (vii) Sangrur: 15 cases.

[101] (i) Amritsar-1: eight cases, ₹ 0.56 lakh; (ii) Moga: 19 cases, ₹ 1.59 lakh; (iii) Sangrur: 10 cases, ₹ 0.98 lakh; and (iv) Jalandhar-I: two cases, ₹ 0.10 lakh.

It was noticed that three circles[102] irregularly disbursed ₹ 3.69 lakh to 23 workers who were above the age of 60 years and without verification of prescribed criteria[103].

(iii) Occupational disease scheme:

Under the scheme, every registered worker or his family members were entitled to maximum of ₹ one lakh for the treatment of 16 types of dangerous diseases.

In Moga circle, ₹ one lakh was disbursed to one worker who was above the age of 60 years in contravention of scheme instructions.

The Department while admitting the audit observations stated (February 2019) that field offices had been instructed to ensure compliance of the guidelines while sanctioning the cases for payments in future.

Thus, failure of the department to ensure compliance with the guidelines of the schemes prior to release of benefits had resulted in irregular disbursement of ₹ 4.44 crore to the 5,198 ineligible workers *(Appendix 2.2).*

The cases pointed out are based on the test-check conducted by Audit. The Government may examine similar cases in all the welfare schemes so that the eligibility as well as genuineness of the beneficiaries/cases could be ensured prior to the release of benefits under the welfare schemes.

2.2.8.2 Poor implementation of pension scheme

The GoP started (December 2013) a pension scheme for the welfare of construction workers. Under the scheme, a registered worker having three years of membership and who had completed 60 years of age was entitled for a pension of ₹ 2,000 per month and a family pension of ₹ 1,000 per month to the family member(s) of the beneficiary if he/she dies after completion of one year of registration.

The Board entered (February 2014) into an MoU with the Life Insurance Corporation (LIC) of India to launch the scheme which provided that the LIC would maintain database of eligible beneficiaries, manage funds of the Board for Pension scheme and provide annuity to the eligible beneficiaries as per rules of the scheme. As per MoU, the Board had to send quarterly data of eligible registered construction workers to LIC for issue of membership certificates[104]. Field offices would collect applications from the eligible beneficiaries and submit to the Board. After verification of requisite documents, the Board would submit the cases to LIC for issuance of Pension certificate.

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[102] (i) Sangrur: nine cases, ₹ 1.85 lakh (ii) Gurdaspur: 12 cases, ₹ 1.59 lakh; and (iii) Moga: two cases, ₹ 0.25 lakh.

[103] Beneficiary was not a member of Employee State Insurance and had exhausted the limit of ₹ 50,000 under Bhagat Puran Singh Sehat Bima Yojna.

[104] Membership certificate is issued to the eligible registered worker as per the availability of corpus fund with LIC.

Audit observed that the Board transferred (between February 2014 and January 2017) ₹ 235 crore to LIC for implementation of the scheme. Despite 3,57,477 live registered workers in the State, the Board had sent information of only 2,25,090[105] (as on 31 March 2018) registered workers to LIC. Out of which, LIC issued membership certificates to 1,35,090[106] workers up to March 2018. **It was further observed that the Board had identified 1,588 (upto January 2018) and 3,307 (upto March 2018) eligible registered workers for family pension and pension cases, respectively. But, only 165 cases (132 family pension and 33 pension cases) were approved upto January 2019 for issue of pension benefits**. Despite lapse of one year from the date of identification of beneficiaries, the field offices failed to submit 1,456 family pension and 3,274 pension cases along with requisite documents to the Board for onward submission to LIC.

Failure of field offices/Board to finalise pension/family pension cases of the eligible workers had deprived the pension/family pension to eligible workers; besides, non-funding to the corpus as per demand raised by LIC would deny the future pensionary benefits to 90,000 eligible workers.

The Department admitted the facts (February 2019) and stated that the field offices generally send incomplete data/information about the eligible construction workers.

The Government must ensure the clearance/finalisation of pension/family pension cases at the earliest so that the benefits of the scheme could be timely provided to the beneficiaries.

2.2.8.3 Implementation of National Health Mission scheme without survey

The Board decided (January 2016) to support 21 urban health kiosks[107] (UHKs) in seven[108] cities at the rate of ₹ 20,000 per month per kiosk under Urban Health Mission scheme[109]. For this purpose, a MoU for ten years was executed with State Health Society Punjab (SHSP) without having any feasibility study about the scheme. The kiosks were providing health facilities to all nearby slum area dwellers besides registered construction workers. The Board was to release ₹ 50.40 lakh to the account of SHSP for the operation and maintenance cost of 21 UHKs for the year 2016-17 in four instalments.

The Board released ₹ 37.80 lakh[110] to SHSP for the first three quarters of 2016-17. But, no data about the medical check-up of workers was provided to

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105 Information about remaining registered workers was not sent to LIC as these workers had not completed three years of membership with the Board.

106 The Board was periodically releasing the funds to LIC for corpus, created for the scheme. But, due to non-funding by the Board to the corpus during the last two years, membership certificates to 90,000 eligible workers were not issued by LIC.

107 A pre-fabricated structure equipped to provide basic health care services.

108 (i) Amritsar; (ii) Bathinda; (iii) Jalandhar; (iv) Ludhiana: (v) Malerkotla; (vi) Patiala; and (vii) SAS Nagar.

109 A scheme being in operation by the State Health Department.

110 ₹ 12.60 lakh on 22 March 2016 and ₹ 25.20 lakh on 2 February 2017.

audit by SHSP/Board. After analysis (November 2017) of data relating to medical check-up of construction workers in UHKs, the Board noticed that during March 2017 to September 2017, only 297 construction workers visited (out of total 660 patients) the UHKs for medical check-up. Keeping in view the high operating cost[111] of UHKs, the Board decided (March 2018) to stop funding the UHKs.

Audit observed that the scheme was started without any feasibility study or survey of the area. Therefore, it was withdrawn within two years due to high cost of expenditure per worker. **Thus, failure of the department to fund a scheme without proper survey had resulted into withdrawal of scheme without obtaining significant benefits for the workers besides having incurred huge expenditure**.

The Department admitted (October 2018) the facts and assured to rationalise the scheme on cost and benefit basis.

2.2.8.4 Non-maintenance of diary register

The Supreme Court issued directions (January 2010) that each State Government shall appoint Registering Officers and set up centres in each district to receive and register the applications and issue receipts for the same.

Audit observed that no diary register was maintained by the field offices to enter the applications received in support of claims and applications for registration. In its absence, date of receipt of application and delay in processing of application could not be verified in audit. The department did not furnish the reasons for non-maintenance of diary register.

The Government may ensure the maintenance of diary register at the Registering Officers level.

2.2.9 Human resource management

Availability of sufficient manpower is required for the successful implementation of any project/scheme. The Supreme Court also issued directions (January 2010) to all the States for the formation of Welfare Boards with adequate full time staff within three months.

Audit observed that the Board had not set up regional offices for the implementation of the Act and the work of registration of construction workers was entrusted to the regional offices of the Labour Commissionerate. In the circle offices, the officers of the Labour Commissionerate and Assistant Computer Operators (appointed by the Board) carried out the work of the Board.

It was further observed that there was shortage of staff in the Board as well as in circle offices, as detailed in **Table 2.2.5** below:

[111] ₹ 20,000 x 21 x 7 months = ₹ 29.40 lakh to be paid by the Board for 297 workers in seven months i.e. ₹ 9,900 per worker.

Table 2.2.5: Details showing vacant posts in the Labour Department and the Board

Detail of vacant posts in the Labour department				Detail of vacant posts in the Board			
Post	**Sanctioned posts as on 25 February 2005**	**Person in position**	**Vacant as on 31 March 2018**	**Post**	**Sanctioned posts as on 30 April 2009**	**Person in position**	**Vacant as on 31 March 2018**
ALC/LCO	26	19	7	Project Director	1	0	1
Inspector grade-I	41	28	13	Assistant	4	1	3
Inspector grade-II	35	16	19	Public Relation Officer	1	0	1
-	-	-	-	Asstt. Computer Operator	91	78	13
Total	**102**	**63**	**39**		**97**	**79**	**18**

Source: Departmental data

Out of 199 posts, 57 (29 *per cent*) posts were vacant as on 31 March 2018. **Inadequate manpower had adversely affected the registration of establishments (as discussed in Paragraph 2.2.6.2), registration of construction workers (as discussed in Paragraph 2.2.6.3) and implementation of the schemes (as discussed in Paragraph 2.2.8).** But the department had not made any effort after July 2015 to fill the vacant posts.

Mention about this had been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3.7). While discussing the matter (October 2015), the PAC recommended to fill the vacant posts. However, the posts are still lying vacant.

The Department stated (October 2018) that the matter would be taken up with the State Government to fill the vacant posts. The reply was not acceptable because no effort was made by the department after July 2015 to fill the vacant posts; besides, **the Board had not ensured compliance to the *ibid* recommendations of PAC.**

2.2.10 Impact Assessment

2.2.10.1 Beneficiary survey

Audit visited (April 2018 to September 2018) 11 construction sites[112] along with the concerned labour inspectors and 214 workers were enquired about the schemes. The findings are discussed below:

- Only 20 (nine *per cent*) workers were found registered.
- 19 (nine *per cent*) were found aware about the welfare schemes.
- 6 (three *per cent*) workers had applied for the welfare scheme. However, workers were unable to show the receipt of deposit of applications for

[112] (i) P. K. Verma M/s Brahmputra Infrastructure Pvt. Ltd., Amritsar; (ii) Mukat Pipes, Rajpura; (iii) Showroom at Rajpura; (iv) Yadvendra Dreams Hotel, Sangrur; (v) Hotel Chef, Sangrur; (vi) Jalandhar Heights, Jalandhar; (vii) Bridge on main road at Banga; (viii) AGI Infra Ltd., Jalandhar; (ix) DC complex, Amritsar; (x) Hotel Lemon Tree, Amritsar; and (xi) Patel Infrastructure and Construction Ltd., Moga.

benefit. In the absence of which, authenticity of deposit of application could not be verified.

- 4 (two *per cent*) workers had availed the benefit of the welfare schemes.
- 4 (two *per cent*) workers had attended the camps organised for registration and awareness about the welfare schemes.
- 134 (63 *per cent*) workers were found migrant from other states.
- No worker was found aware about seven[113] out of 20 schemes at construction sites.

The Department admitted (October 2018) the facts.

2.2.10.2 Awareness campaigns

The Supreme Court directed (January 2010) that awareness should be built up about the registration of building workers and about the benefits available under the Act. There should be effective use of media, AIR and Doordarshan, for creating awareness.

Audit observed that the Board had organised following awareness campaigns in seven selected circles during 2013-18:

- Only 405 camps were organised. 24,588 workers were registered out of 30,768 persons who visited the camps;
- displayed 526 banners for welfare schemes;
- eight public meetings were held;
- Broadcast 2083 spots (May 2015 to July 2017) through All India Radio and FM radio;
- telecast welfare schemes for 1,61,865 seconds on Doordarshan from May 2015 to November 2016;
- Publicised welfare schemes 28 times in Newspapers.

It is evident from the above that more efforts are required to make the workers aware about the welfare schemes. Further, only 19 (nine per cent) workers were found aware of the schemes, out of 214 construction workers surveyed at 11 construction sites (as depicted in Paragraph 2.2.10.1). Thus, intensified efforts for aggressive campaign are needed to spread awareness about the schemes.

[113] (i) Labour Shed scheme; (ii) Mentally Retarded Children Benefit scheme; (iii) Urban Health Kiosk; (iv) Occupational Disease scheme; (v) Mobile Lab scheme; (vi) Tool Kit scheme; and (vii) Skill Development Centres scheme.

2.2.10.3 Sustainable Development Goals

The Board achieved the following Sustainable Development Goals:

- Good Health and Well-being Standards (SDG 3): The Board had started/implemented six health oriented schemes for the upliftment of the health standard of the workers and incurred ₹ 8.62 crore for 1,61,876 workers.

- Quality Education (SDG 4): The Board had also disbursed stipend to 1,40,947 workers to provide educational and learning opportunities to the wards of the workers in the State.

Decent Work and Economic Growth (SDG 8): The Board had incurred ₹590.38 crore on the implementation of 18 welfare schemes for the upliftment of construction workers and benefits were given to 4,00,608 workers during 2013-18. But, the Board failed to achieve the goal of providing technical education to the construction workers due to non-completion of Skill Development Centres. Besides, 8,37,986 workers were deprived of the benefits of the welfare schemes due to non-registration during 2017-18.

The Board stated (October 2018) that powers have been given to the inspectors to speed-up registration of the workers under online system. So far as incomplete Skill Development Centres are concerned, the Board stated that the action would be taken as per directions issued by the GoI. However, compliance was still awaited (July 2019).

The State Government should ensure the availability of sufficient funds at the earliest to complete the Skill Development Centres so that skilled labour could be developed.

2.2.11 Monitoring and internal control mechanism

(i) Section 15 of the Act provides that every employer would maintain a register in such form as may be prescribed showing the details of employment of beneficiaries employed in the building or other construction work. Section 43 read with Section 44 of the Act empowers the inspectors to inspect the premises of any establishment where construction work was in progress and ensure the safety measures taken by the establishments for safety of the workers. Such inspections would help in identifying the unregistered employers. Section 47 to 50 of the Act provide that imprisonment for a term up to three months or fine up to ₹ two thousand or both could be imposed for violations of the provisions of the Act.

➢ Inspection reports did not contain any information about the maintenance of register at site and submission of returns of employed labour.

➢ The Board had neither fixed any targets nor maintained any data of inspections carried out by ALCs in circle offices.

- No action was taken against 74 establishments found deficient of safety measures, 43 establishments found deficient of toilet facilities and 49 establishments who had not provided information about commencement of work as provided in the Act.

- State Advisory Committee decided (December 2015) to set up Internal Audit System for the Board. But no such system had been adopted as yet (February 2019). In the absence of which, effectiveness of the welfare schemes could not be assessed.

The Department stated (October 2018) that shortage of manpower was the major constraint in monitoring and internal control of the Board and in respect of non-setting up of Internal Audit System, it was stated that no such system was set up as yet and the matter would be discussed in the next meeting. However, compliance was still awaited (July 2019).

(ii) Loss of ₹ 25.24 lakh due to non-revalidation of cheques/demand drafts

Audit observed that 80 cheques of labour cess amounting ₹ 25.24 lakh received from the different departments/organisations were dishonoured during 2013-18 due to difference in titles, insufficient funds, outdated and stale instruments and signature mismatch. The Board had neither taken any action to re-validate the dishonoured cheques from the concerned quarters nor initiated any action to collect the new cheques which led to loss of ₹ 25.24 lakh to the Board.

Mention had also been made in the Comptroller and Auditor General of India's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 (Paragraph 3.3.8), but the irregularity still persists.

The Department stated (October 2018) that mechanism would be devised for 100 *per cent* online deposit of cess into Board account. However, compliance is awaited in audit.

2.2.12 Conclusion

The functioning of the Board and implementation of the schemes were affected due to shortfall in regular meetings of State Advisory Committee and Expert Committees. Non existence of effective mechanism to register the establishments under the Act was noticed and workers were not identified or encouraged for registration; besides online registration system was very slow. Only ₹ 590.38 crore was spent during 2013-18 against the availability of ₹ 1,471.08 crore resulting in huge accumulation of cess fund with the Board. Thus, labour was being impoverished, as despite collecting a part of the workers' money, only meagre benefits were being provided to them through various schemes. Cases of short-collection and non-deposit of labour cess by cess collecting authorities were noticed. Various deficiencies in the implementation of schemes were noticed due to which irregular payments of ₹ 4.44 crore to 5,198 ineligible workers were made. Lack of intensified efforts for aggressive campaigning to spread awareness about the welfare schemes was also noticed. Shortage of staff, inadequate monitoring at Board level and lack of internal control had also contributed to ineffective implementation of welfare schemes.

2.2.13 Recommendations

In the light of audit findings, the State Government/Board must ensure:

(i) conduct of proper survey to enrol more establishments as well as encourage workers for registration and pursue with registered workers to continue their membership so as to avail benefits as envisaged in the Act;

(ii) to evolve proper mechanism to ensure that the cess was being collected and deposited regularly by the deductors;

(iii) to prepare efficient annual budget, keeping in view the available resources so that maximum benefits could be provided to the beneficiaries by proper implementation of welfare schemes; and

(iv) to strengthen the monitoring and internal control mechanism for proper implementation of Act and follow up of welfare schemes to access the economic growth of the workers.

The matter was referred to Government in September 2018; reply was awaited (August 2019).

Chapter-III
Compliance Audit

Chapter-III

Compliance Audit

AGRICULTURE DEPARTMENT

3.1 Avoidable payment of land compensation

Delay in release of funds by Punjab Mandi Board for payment of land compensation led to avoidable extra payment of ₹ 2.80 crore.

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (New Act) came into force with effect from 1 January 2014 in place of Land Acquisition Act, 1894 (Old Act). The Department of Revenue, Rehabilitation & Disaster Management, Government of Punjab (Revenue Department) clarified (March 2014) that in respect of the land acquisition proceedings, where notification under Section 4 of the Old Act had been published prior to 1 January 2014, the declaration is required to be issued under Section 6 of the Old Act; however, compensation shall be awarded under the provisions of the New Act. Before issue of declaration under Section 6, the acquiring department should ensure provision of adequate funds for payment of the compensation.

Test check of records (November 2017) of the Director, Colonisation Department, Punjab (Director) showed that the Department of Agriculture, Government of Punjab (Department), issued (August 2013) notification under Section 4 of the Old Act for acquisition of 269 *Kanal* and 6 *Marla* land for setting up of a new *Mandi* by the Punjab State Agricultural Marketing Board (known as Punjab Mandi Board-PMB) at Bhucho in district Bathinda. District Land Price Fixation Committee (DLPFC), Bathinda, under the chairmanship of the Deputy Commissioner, Bathinda, fixed the rates of the land on 21 October 2013. The Department approved (December 2013) these rates and published declaration under Section 6 of the Old Act on 01 March 2014.

For making payment of compensation to the land owners, the Department sanctioned a draft award amounting to ₹ 33.48 crore[1] on 21 July 2014 but PMB, the acquiring department, released amount of the draft award on 19 January 2016. As a result, the award could be announced on 20 January 2016 and possession of the land was also taken. But the amount of award had to be increased to ₹ 36.38 crore due to updation of 12 *per cent* per annum payable[2] on market value of the land. Thus, delay in providing funds

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1 ₹ 13.90 crore-Market value of land and assets; ₹ 13.90 crore-*Solatium* (100 *per cent*); ₹ 1.57 crore-Appreciation at the rate of 12 *per cent* per annum for the period 10 August 2013 to 17 July 2014; and ₹ 4.11 crore-14 *per cent* departmental charges.

2 From the date of notification under Section 4 till the date of award or the date of taking possession of the land, whichever was earlier.

by PMB led to avoidable payment of compensation of ₹ 2.80 crore ***(Appendix 3.1)*** on account of 12 *per cent* per annum on market value for 537 days from 1 August 2014[3] to 19 January 2016 (₹ 2.46 crore) and 14 *per cent* departmental charges paid to the Colonisation Department (₹ 0.34 crore).

On being enquired (April 2018), the Secretary, PMB admitted (August 2018) that though the Land Acquisition Officer requested (June 2014) PMB to release the award amount but PMB obtained sanction of its 'Board of Directors' for obtaining loan from banks for the land acquisition on 25 August 2014. PMB, being the acquiring department, had to ensure the provision of adequate funds for payment of compensation before 1 March 2014, the date of declaration under Section 6, which was not done. Further, scrutiny of financial statements of PMB revealed that sufficient funds[4] were available with PMB but these were not provided to make payment for compensation of land award as per the requirement. Hence, the decision of the Board to obtain loan from the banks for acquisition of land had prolonged the announcement of award leading to extra payment of compensation of ₹ 2.80 crore.

On being pointed out (March 2018), the Director stated (April 2018 and August 2018) that it was the PMB which had to provide funds for the award and the delay occurred on their part. Award was announced on 20 January 2016 after receipt of funds from PMB on 19 January 2016. The reply was not acceptable as the award was to be announced within a period of six months from the date of declaration under section 6 of the Land Acquisition Act, but it was announced after a period of one year 10 months and 19 days.

Thus, delay by PMB in providing the funds for payment of compensation coupled with failure of the department to announce the award within scheduled period had led to avoidable extra payment of ₹ 2.80 crore.

The State Government may ensure timely availability of funds for announcement of award alongwith compliance of instructions contained in the Land Acquisition Act to avoid burden on State exchequer.

The matter was referred to Government in July 2018; reply was awaited (August 2019).

[3] Excluding 10 days for announcement of award after its sanction on 21 July 2014 (which have been taken on higher side keeping in view that the Director announced the award on the very next day of receipt of funds).

[4] (₹ 104.11 crore in March 2014 and ₹ 127.56 crore in March 2015).

EDUCATION, FINANCE AND PUBLIC WORKS (BUILDINGS & ROADS) DEPARTMENTS

3.2 Suspected fraudulent drawal of pay and allowances

Failure of the Drawing and Disbursing Officers and the District Treasury Officers to exercise prescribed checks on the bills presented to treasury facilitated suspected fraudulent drawal and misappropriation of ₹ 29.13 lakh.

Rule 2.31(a) of Punjab Financial Rules, Volume I provides that a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Therefore, he should acquaint himself with various financial checks which are required to be exercised for prompt detection of any attempt at defalcation. With a view to see that all amounts drawn from the treasury have been entered in the cash book, the head of office should obtain from the Treasury Officer by the 15th of every month a list of all bills drawn by him during the previous month and trace all the amounts in the cash book. Rule 192 of the Punjab Treasury Rules, Volume I provides that if a bill received in the treasury as a claim for money is, on examination, found deficient *inter alia* in respect of arithmetical correctness and of totals, quotations of sanctions or authority where necessary, it shall not be passed for payment but shall be returned to the drawing officer for completion. Note 1 below Rule 192 further provides that the Treasury Officer is required to ensure that the arithmetic calculations in a bill have been checked properly.

(a) Test check of the records (December 2017) of the Executive Engineer, Electrical Division, PWD (B&R), Amritsar (EE) and information collected subsequently (March 2018) showed that in 15 bills[5] submitted by the EE to the District Treasury Officer, Amritsar (DTO) for drawal of salary of the staff, the total amount payable against each bill was overstated by an amount ranging between ₹ 26,539 and ₹ 12 lakh as compared to the total of the salary of the individual employees. Though the correct details of employees in respect of whom salary was claimed and the correct salary of each of these employees was included in the salary statement appended to the respective bills, the total amount of salary in this statement was deliberately overstated to match with the amount entered in the bill. The number of employees entered on the face of the bills was also inflated by one. Difference between the correct salary total and the inflated total amount was credited to the account of this additional fictitious employee. In all these cases, the DTO ordered the payment of the full amounts claimed in the respective bills without matching the figure of number of employees entered on the face of the bill with the actual number of employees whose details were included in the appended statements and without totaling the individual salary of each employee to

[5] Four in March 2017; 10 in April 2017; and one in September 2017 for drawal of salary for the months of February, March & April and September 2017, respectively.

ensure that the total matched with the amount claimed in the bills. An examination of the pay orders issued by the DTO and those kept on the record of the Division revealed that the pay orders on the records of the Division and on whose basis entries in the cash book were made were not the same as the actual pay orders issued by the DTO. The pay orders had been altered by a Junior Assistant to remove the details of the beneficiary in whose accounts the excess drawn amount was credited. The pay orders kept in the records of the Division, therefore, contained the correct details of the employees and their correct salaries and did not indicate that excess money had been fraudulently drawn in the name of an additional fictitious beneficiary.

In all the 15 salary bills, ₹ 24.17 lakh ***(Appendix 3.2)*** were drawn in excess of the actual amount due and the excess drawn amount was credited in two[6] bank accounts held by the same person.

The Under Secretary while admitting (August 2018) the facts stated that a Junior Assistant of EE's office used to download bill tracking reports and pay orders issued by DTO from Integrated Financial Management System (IFMS) website and manipulated them and entries in the cash book were made accordingly. He further stated that the Junior Assistant was suspended in January 2018. The EE stated (October 2018) that ₹ two lakh were recovered from the Junior Assistant.

This shows weak internal controls of the Division as neither the bills were properly checked before submission to treasury nor the amounts entered in the cash book were reconciled with the amounts drawn as per the treasury records (the respective pay orders generated by DTO) which were available online on IFMS and were also meant for verification purposes. Had proper check been done as per ibid rules and had the DTO ensured the correctness of arithmetic calculations of the bills, no excess amount could have been drawn from the treasury.

The DTO stated (July 2018) that the responsibility for drawing a bill rests on the drawer of the bill. Further, DTO stated that IFMS is an online system wherein there was no possibility of arithmetic mistakes. However, bill can be prepared on this system by mentioning wrong figures. The reply was not acceptable because advent of IFMS does not absolve the DTO from carrying out his assigned functions. While sending bills online, the DDO also sends hardcopies to the DTO. Hence, it is incumbent upon the DTO to check the arithmetic accuracy as well as to check whether the online bill and the manual copy submitted to treasury were same.

(b) Similarly, test check of records (November 2017) related to pay bills of the Block Primary Education Officer (BPEO) Jagraon, District Ludhiana

[6] IDBI Bank account No. 00721404000327039 - ₹ 11,00,000 and ICICI Bank account No. 366501500845 - ₹ 13,17,175.

showed that pay bills were prepared by a junior official which were passed by the Drawing and Disbursing Officer (DDO) before their submission to the Treasury Officer (TO) for drawal and disbursement through e-payments. Scrutiny of arrear bills revealed that an amount of ₹ 4.96 lakh was irregularly drawn through six bills from the treasury between March and December 2015 as arrears of pay bills of various officials (***Appendix 3.3*)**. The drawer adopted the procedure of preparing the bills in the names of various employees and these bills were submitted to be credited in the name of one person (Nacchhatar Singh, JBT). The TO issued the Pay Orders in his name and account without verifying the sanctions submitted by the DDO as required under *ibid* rules. In three cases[7], where ₹ 2,73,991 were drawn, the sanction was accorded in the name of Nacchhatar Kaur and Ravinder Kaur but without verifying the details in the sanction, the TO issued Pay Orders in the name/account of Nacchhatar Singh. Similarly, in case of two bills[8], where ₹ 4,00,159 were drawn on account of arrears of pay (including ₹ 29,913 belonging to Nacchhatar Singh), the Pay Orders for ₹ 1,55,826 were issued in favour of Nacchhatar Singh. An amount of ₹ 96,143 (***Serial No. 1 of Appendix 3.3***) was drawn through bill No. 254 dated 24.03.2015 which was not authenticated by the DDO. This led to fraudulent drawal of ₹ 4.96 lakh.

On being pointed out (November 2017), the DDO, while accepting the inadmissible payments made to the official, stated (October 2018) that FIR against the defaulting officials had been lodged and they were suspended.

On being enquired (June 2018), the TO stated that the DDO was submitting the prepared bills through online mode by filling bank account details of the officials and that their office had neither the data of the officials nor a mechanism to check the authenticity of the data submitted by the DDO. The reply was not acceptable because the TO was required to check the sanctions submitted by the DDO with the detailed bills before issuing the Pay Orders. The TO failed to carry out this check which led to irregular/fraudulent drawl of ₹ 4.96 lakh and loss to the State exchequer.

Thus, failure of the Drawing and Disbursing Officers and the District Treasury Officers to exercise the prescribed checks on the bills presented to treasury for payment and proper accountal thereof facilitated suspected fraudulent drawal and misappropriation of Government money of ₹29.13 lakh.

The matter was referred to the Government in May 2018; reply was awaited (August 2019).

[7] Serial No. 4,5 and 6 of Appendix 3.3.
[8] Serial No. 2 and 3 of Appendix 3.3.

HEALTH & FAMILY WELFARE AND MEDICAL EDUCATION & RESEARCH DEPARTMENTS

3.3 Unfruitful expenditure arising from non-functional upgraded building of hospital

Due to laxity on the part of the Department and Baba Farid University of Health Sciences in providing requisite grant-in-aid and additional staff, the upgraded building constructed at a cost of ₹ 4.88 crore could not be put to use even after more than four years of its taking over by Senior Medical Officer, Civil Hospital, Badal, thereby rendering the expenditure of ₹ 4.88 crore unfruitful.

In order to have a good hospital as per norms[9] prescribed by Indian Nursing Council (INC) for imparting training to the students of the State Institute of Nursing and Para-Medical Sciences (SINPMS), village Badal, district Sri Muktsar Sahib under the jurisdiction of Baba Farid University of Health Sciences (BFUHS), Faridkot, the Government of Punjab (GoP) accorded (May 2011) approval to the proposal (April 2011) of the Vice Chancellor (VC), BFUHS, Faridkot for upgradation of the Civil Hospital (CH) i.e. Sub Divisional Hospital (SDH), village Badal, district Sri Muktsar Sahib (being situated within 30 kms of SINPMS) under Health and Family Welfare Department from 50 to 100 bedded under a Core Plan for upgradation of civil infrastructure of civil hospitals. Subsequently, GoP transferred (December 2011) the charge of CH, Badal to BFUHS with effect from 1 January 2012. As per terms and conditions of the notification (December 2011), requisite staff could be provided on deputation to CH, Badal and in case of non-availability of required staff on deputation, BFUHS was free to recruit requisite doctors and other staff for CH, Badal. BFUHS was also responsible for providing requisite infrastructure including machinery and equipment to CH, Badal. In order to meet salary of staff and other expenses, GoP was to provide grant-in-aid (GIA) of ₹ 0.50 crore to BFUHS during 2011-12 (January to March 2012) and ₹ 2.20 crore during 2012-13 onwards with increase of 10 *per cent* every subsequent year.

Audit of records (March 2018) of SDH (CH), Badal revealed that the upgradation work[10] (floor area: 35,076 square feet) of the hospital was completed in September 2012 at a cost of ₹ 4.88 crore and the upgraded building was taken over by Senior Medical Officer (SMO), CH, Badal in August 2013. However, the same was not put to use even after more than four years of its taking over by SMO as neither the requisite GIA nor the additional

[9] Norms include *inter alia* (i) college of nursing should have 100 bedded parent hospital; (ii) bed occupancy of the hospital should be minimum of 75 *per cent;* and (iii) maximum distance between affiliated hospitals and institutions should be 30 kms.

[10] Upgradation work includes provision for 50 beds, extension of OPD block, operation theatre block, x-ray room, ultrasound room, labour room, drug de-addiction block including counselling room and ward, blood bank, four private rooms and many other amenities for staff and patients.

staff (October 2018) was provided by Department of Medical Education and Research (DMER) and BFUHS respectively during January 2012 to May 2018[11], in contravention of the provisions *ibid* under the notification (December 2011).

On being enquired (June-November 2018) about the reasons for non-provision of requisite GIA by DMER and additional staff by BFUHS to make the upgraded building functional; no reply was received (November 2018).

Thus, due to laxity on the part of DMER and BFUHS in providing GIA and additional staff**,** the upgraded building constructed at a cost of ₹ 4.88 crore could not be put to use even after more than four years of its taking over by SMO, CH, Badal. This not only resulted into deprival of improved medical facilities to the masses in and around village Badal, but the objective of having a good hospital for imparting training to the students of SINPMS could also not be achieved, thereby rendering the expenditure of ₹ 4.88 crore as unfruitful.

The State Government may provide requisite funds and manpower to make the upgraded building of the hospital functional to fulfil its objective of having a good hospital for imparting training to the students of SINPMS.

The matter was referred to Government in May 2018; reply was awaited (August 2019).

HEALTH & FAMILY WELFARE DEPARTMENT

3.4 Suspected misappropriation of Government money

Failure of the Drawing and Disbursing Officers to observe codal provisions and compromise of the internal control mechanism facilitated suspected misappropriation of ₹ 0.83 lakh in Primary Health Centre, Alamwala and Sub-Divisional Hospital, Badal. The amount had been deposited in treasury/with the hospital by the concerned officials after being pointed out by Audit.

Rule 98 (1) of Punjab Treasury Rules provides that before signing the receipt and initialing its counterfoil, the head of an office or the person so authorized shall satisfy himself that the amount has been properly entered in the cash book. Rule 2.2 of the Punjab Financial Rules (PFR) Volume-1 requires that every officer receiving money on behalf of the Government should maintain a cash book and all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. The cash book should be closed regularly and completely checked. At the end

[11] GoP withdrew the charge of CH, Badal from BFUHS on 31 May 2018.

of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. Further, Rule 2.4 of PFR also stipulates that the head of the office, at the close of the day while signing the cash book, should see that the departmental receipts collected during the day are credited into the treasury on the same day or on the morning of the next day at the latest.

Government of Punjab had allowed (February 1997) the Punjab Health Systems Corporation (PHSC) to retain user charges collected from patients at the point of collection and use the same for meeting non-salary expenditure. PHSC instructed (February 2013) that user charges collected by the field offices should be deposited on daily basis in a separate savings bank account. It was further directed that no expenditure should be made out of the cash collections and the expenditure should be incurred after depositing the collections in the bank.

a) Audit of records (November 2017) in Community Health Centre (CHC), Alamwala, district Sri Muktsar Sahib revealed that the CHC was taken over by PHSC on its upgradation from Primary Health Centre (PHC) on 18 July 2016. Hence, the CHC was to retain the user charges received from patients with effect from 18 July 2016 and deposit the same in the savings bank account to be opened by Senior Medical Officer (SMO). Scrutiny of cash collection register and cash book, however, revealed that OPD charges amounting to ₹ 0.49 lakh[12], collected from patients between March 2016 and July 2016, of which ₹ 0.40 lakh pertained to the period before upgradation of CHC and its coming under the jurisdiction of PHSC, were neither entered in the cash book nor were deposited into treasury/bank. The SMO holding the charge of Drawing and Disbursing Officer (DDO) did not sign/verify the cash book with relevant records (cash collection register) to see as to whether the departmental receipts collected had been accounted for and credited into treasury/bank, as was required under the rules *ibid*. This resulted into suspected misappropriation of Government money amounting to ₹ 0.49 lakh.

On this being pointed out (29 November 2017) in audit, the SMO, CHC, Alamwala accounted for the OPD charges amounting to ₹ 0.49 lakh in the cash book, signed the cash book retrospectively and deposited the amount in treasury on 30 November 2017. The SMO stated (September 2018) that the money was lying in cash chest of the hospital because at that time the PHC was being upgraded to CHC and it could not be decided in which account (treasury or bank) the amount was to be deposited. The reply of SMO was not acceptable as the money had neither been accounted for in the cash book nor any certificate of cash verification conducted, if any, at that time showing availability of excess cash in chest was furnished to Audit. In the absence of

[12] March (₹ 0.03 lakh); April (₹ 0.03 lakh); May (₹ 0.08 lakh); June (₹ 0.18 lakh); and July (₹ 0.17 lakh).

this, it could not be proved that it was lying in the cash chest. Further, the orders for transferring the charge of CHC, Alamwala to PHSC with effect from 18 July 2016 were received by SMO on 29 July 2016. Therefore, prior to the effective date (18 July 2016), there should not have been any confusion about remitting the receipt into treasury or bank, as the amount of ₹ 0.40 lakh (out of ₹ 0.49 lakh) pertaining to the period from March 2016 to 17 July 2016 were to be deposited into treasury as per the codal provisions *ibid*.

b) Test-check of records[13] (March 2018) in Sub Divisional Hospital (SDH), Badal, district Sri Muktsar Sahib revealed that the SDH had collected user charges amounting to ₹ 19.01 lakh during the period from January 2017 to February 2018. Of these, ₹ 0.34 lakh was neither accounted for in daily collection register and cash book nor were deposited into the bank account being operated in the name of SMO, Civil Hospital, Badal ***(Appendix 3.4)***. The SMO while signing the cash book did not take cognizance of the actual cash collected by the cashier as per receipt books. This resulted into suspected misappropriation of Government money amounting to ₹ 0.34 lakh.

The SMO, SDH Badal stated (August 2018) that after verification of records, the due amount had been deposited (April and June 2018) by the concerned officials, who had also been warned for making such irregularity in future.

Thus, failure of the Drawing and Disbursing Officers to observe codal provisions *ibid* and compromise of internal control mechanism facilitated suspected misappropriation of Government money amounting to ₹ 0.83 lakh, which had been deposited in treasury/with the hospital by the concerned officials after being pointed out by Audit.

The State Government may impress upon all the concerned to ensure strict compliance to the codal provisions ibid to have a strong and reliable internal control mechanism with a view to prevent reoccurrence of such cases of suspected misappropriation of Government money.

The matter was referred to Government in May 2018; reply was awaited (August 2019).

[13] Counterfoils of receipt books, daily collection register, cash book, bank account statements, etc.

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.5 Management of police buildings

The Department had not prepared comprehensive Strategic Policing Plan. Adequate funds for police buildings were not provided by the State Government. Twenty *per cent* of the police stations were functioning in dilapidated/condemned buildings. Infrastructural facilities ranging between 8 and 96 *per cent* were not available in 14 inspected police stations. The State could achieve only 16 *per cent* satisfaction level in providing accommodation to police personnel against 100 *per cent* as recommended by the National Police Commission. Twenty-eight *per cent* of the available family quarters (including 24 *per cent* dilapidated/ condemned quarters) were lying vacant for the period ranging up to 24 years.

3.5.1 Introduction

An efficient police force is essential for maintenance of law and order and ensuring effective check on crimes and other unlawful activities. Since Police is a State subject, its modernisation and strengthening is the primary responsibility of the State Government. For effective policing, buildings[14] are important infrastructural requirement of police. Police units, especially the police stations where the police and public interact on a day-to-day basis, should have proper buildings equipped with necessary facilities and amenities. For police personnel whose duties are onerous; whose job is hazardous; and who have to put in regularly plenty of overtime, proper housing is all the more important.

The Additional Chief Secretary (ACS) to Government of Punjab, Department of Home Affairs and Justice is the administrative head at Government level. The Director General of Police (DGP) is head of the Department who is assisted by Additional Director General of Police (ADGP) at police headquarter and Commissioner of Police (CP) or Senior Superintendent of Police (SSP) at district level for management of police buildings. Besides, a dedicated construction agency - 'Punjab Police Housing Corporation' (PPHC) was established in 1989 to construct buildings (including houses) of the Police Department.

With a view to assessing the adequacy, efficiency and effectiveness in management of police buildings in the State, an audit covering the period 2015-18 was conducted (November 2017-April 2018) by test-checking the records of the offices of ACS, DGP, PPHC and seven[15] out of 27 police districts. In the selected police districts, 106 police stations, 36 police posts, seven police lines and 2,957 residential quarters were existing. The records pertaining to the selected police buildings were test-checked, besides 18 police

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[14] Police buildings include police offices, police lines, police stations/posts, residential units, etc.

[15] (i) Amritsar; (ii) Batala; (iii) Jalandhar (Rural); (iv) Ludhiana; (v) Mansa; (vi) Rupnagar; and (vii) SBS Nagar, selected through random sampling. The selection of police stations, residential buildings and police posts was made on judgemental basis.

stations/posts were also physically inspected to assess the adequacy of infrastructural facilities in police buildings.

Audit findings

3.5.2 Planning and financial management

The details of police stations and residential police quarters as on 31 March 2018 are given in **Table 3.1** below:

Table 3.1: Details of police stations and residential police quarters as on 31 March 2018

Number of Police Districts	27	-
Number of police stations	383	Excluding Government Railway Police (11) and State level police station/cells (6). Including 58 dilapidated and 20 condemned police stations.
Number of police stations in own buildings	252	Excluding one police station (NRI), Amritsar, information for which was not provided.
Number of police stations in buildings not owned by Punjab Police	130	Including 42 in rented buildings
Number of police personnel	55,363	-
Number of quarters available	9,018	Including 1,546 dilapidated and 662 condemned quarters

Source: Departmental information

3.5.2.1 Strategic Policing Plan

(i) Section 29 (1) of Punjab Police Act, 2007 provided for drawing up a Strategic Policing Plan[16] for a period of five years, in consultation with the State Police Board[17] (SPB), duly identifying the objectives of policing sought to be achieved during the said period and setting out an action plan for implementation.

Audit observed that the Department had prepared a Strategic Policing Plan for the period 2016-21 which included a plan for construction of 162 police stations in the State, but it did not include any proposal for construction of other buildings. However, the Department did not confirm as to whether the Strategic Policing Plan was prepared after consultation with SPB.

On being enquired (January and May 2018) about preparation of any comprehensive Strategic Policing Plan identifying objectives/requirements in respect of other police buildings, the Department stated (August 2019) that

16 A plan setting out the proposed arrangement for policing during a specified period, and includes priorities of the financial resources expected to be available and of the proposed allocation of those resources.

17 Comprising of the Chief Minister, Punjab (Chairperson); Home Minister (Vice Chairperson); three members (Chief Secretary, Punjab, Principal Secretary to Government of Punjab, Department of Home Affairs and Justice and the Advocate General, Punjab); and Director General of Police (Member Secretary).

PPHC had taken (November 2018) a loan of ₹ 150 crore from the Housing and Urban Development Corporation Limited (HUDCO) for construction of police stations and other police buildings.

(ii) There were 383 police stations operating in 27 police districts as of March 2018. Of these, 130 police stations were not situated in their own buildings. Further, 78 police stations i.e. 20 *per cent* (including 24 police stations not situated in their own buildings) in 16 civil police districts were dilapidated (58) and condemned (20).

The Department prepared (February 2016) a Strategic Policing Plan for construction of 162 police stations in 27 police districts in a phased manner during 2016-21[18] involving an expenditure of ₹ 307.80 crore. As many as 70 out of 162 police stations were to be constructed during 2016-18 at an estimated cost of ₹ 133 crore. While preparing AAPs for the years 2016-17 and 2017-18, only 13[19] police stations were included out of 162 police stations as envisaged in the Strategic Policing Plan 2016-21. However, the State Government did not release funds for construction of any of the police stations during 2016-18. It was further noticed that AAPs for the years 2016-18 also included five other police stations and police buildings like residences, central *malkhanas*, office of ACP traffic, garages, toilets for staff, stables, etc. not forming part of Strategic Policing Plan 2016-21. The Police Department did not justify the reasons for deviation from Strategic Policing Plan while preparing AAPs. The Finance Department attributed (August 2019) the reasons for non-release of funds to critical fiscal position of the State.

The Department stated (August 2019) that PPHC had taken a loan of ₹ 150 crore from HUDCO for construction of police stations and other police buildings and tender for construction work of 22 police stations in Punjab had been initiated in January 2019.

Thus, AAPs so prepared were based on short term planning and in an adhoc manner which did not flow from the strategic policing plan 2016-21 and even these AAPs could not be implemented due to non-release of funds by the Finance Department. This impaired the effective management of police buildings.

3.5.2.2 Budget and expenditure

(i) Funding under MSPF Scheme

(a) In order to assist the States in adequately equipping their police forces, the Government of India (GoI) introduced (1969) the scheme for "Modernisation of State Police Force" (MSPF) to augment the operational efficiency of the State Police forces. The scheme was revised in 2000-01 by GoI which continued till 2010-11. The scheme was further revised for five years from 2012-13 to 2016-17. Under the scheme, central assistance was

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[18] 2016-17 (35); 2017-18 (35); 2018-19 (30); 2019-20 (31) and 2020-21 (31) at the rate of ₹ 1.90 crore per police station.

[19] 2016-17 (12); and 2017-18 (10, which included nine police stations planned to be constructed in AAP 2016-17).

provided under Non-plan and Plan components. The items required by the State Police under mobility, weapons, equipment, training, etc. were to be funded under Non-Plan whereas the construction/upgradation of police stations, police posts, police lines, police housing, etc. were to be funded under the Plan budget of Ministry of Home Affairs.

Under the scheme, the States were grouped into two categories, i.e. Category 'A' (90:10) and Category 'B' (60:40) for the purpose of funding both under Non-Plan and Plan budget of the Scheme. Punjab being a category 'B' State was eligible for financial assistance on 60:40 (Centre and State) sharing basis. GoI continued the funding under Plan component till 2014-15 after which funds were provided only for the Non-Plan components of the scheme.

The fund flow for MSPF under the Construction (Plan) component for the period from 2013-14 to 2017-18 is detailed in **Table 3.2** below:

Table 3.2: Position of funds under MSPF (police buildings) during 2013-14 to 2017-18

(₹in crore)

Year	Sanctioned		Approved		Released by FD		Date of release		Expenditure (as on 03/2018)	
	Centre	State	Centre	State	Centre	State	Centre	State	Centre	State
2013-14	29.34	19.64	29.34	19.64	29.34	19.64	12/2014	01/2015	29.34	19.64
2014-15	23.91	16.18	23.91	16.18	23.91	16.18	12/2014	03/2016	23.91	16.18
2015-16	No funds were provided for Plan component since 2015-16									
2016-17										
2017-18										

Source: Departmental data

Audit observed that the State share of ₹ 35.82 crore (2013-14: ₹ 19.64 crore and 2014-15: ₹ 16.18 crore) under MSPF scheme was released in January 2015 and March 2016 with delay of one and 15 months respectively from the release of Central Share (December 2014).

(b) Submission of incorrect utilisation certificate

As per guidelines of MSPF Scheme issued (February 2013) by GoI, the State Government was required to furnish utilisation certificate (UC) after utilising the funds for intended purposes. Further, GoI asked (May 2016) the State Government to provide status of utilisation of State share along with UC in respect of Central share. Details of funds allocated and their utilisation under MSPF are depicted in **Table 3.3** below:

Table 3.3: Details of allocation and utilisation of funds under MSPF

(₹in crore)

Department	Funds released by GoI	Funds released by State	Funds transferred to PPHC by State	Funds actually utilised by PPHC	
				GOI	State
Police	23.91	16.18	40.09	18.82	6.21
Home Guards and Vigilance Bureau	1.12	0.50	1.62	0.89	0.22
Total	**25.03**	**16.68**	**41.71**	**19.71**	**6.43**

Source: Departmental records

Audit observed that out of the funds released by GoI (₹ 25.03 crore as its share of 60 *per cent)* in August 2014 and the State Government (₹ 16.68 crore as its share of 40 *per cent*) in March 2016 under MSPF Scheme, funds of ₹ 23.91 crore (Central share) and ₹ 16.18 crore (State share) pertained to the Police Department. The State Government transferred the Central share and State share to PPHC in December 2014 and March 2016 respectively for execution of various construction works of police buildings. It was noticed that the Department furnished (June 2016) UC of Central share along with status of utilisation of State share to GoI disclosing that the entire funds i.e. Central share of ₹ 23.91 crore and State share of ₹ 16.18 crore (excluding funds pertaining to Home Guards and Vigilance Bureau) had been utilised. Whereas, as of March 2018, Central share of ₹ 18.82 crore and State share of ₹ 6.21 crore in respect of Police Department had only been utilised by PPHC, thereby submitting incorrect UC to GoI.

The Department stated (August 2019) that PPHC had issued UC as most of the works were under progress and some were being allotted. It was added that UC was issued as per the requirement of GoI. The reply of the Department was not in line with the MSPF guidelines which provided to furnish UC after utilising the funds for intended purposes.

(ii) Funding from State resources

The position of funds from State resources on management of police buildings[20] is given in **Table 3.4** below:

Table 3.4: Budget and expenditure during 2015-18

(₹in crore)

Year	Funds demanded by the Department	Budget provision	Funds released	Expenditure	Savings
2015-16	68.76	1.82	1.82	1.82	0
2016-17	74.52	12.25	12.25	0	12.25
2017-18	74.30	0.26	0.25	0	0.25
Total			**14.32**	**1.82**	**12.50**

Source: Departmental data

Audit observed that though the Department had utilised full budget provision of ₹ 1.82 crore during 2015-16, no expenditure was incurred during 2016-18 against the release of ₹ 12.50 crore due to non-passing of bills by treasury.

The Finance Department attributed (July 2019) the reasons for non-clearance of bills by treasury to shortage of funds, as the State had unfunded gap during the past three years. It was stated that targets of expected revenue during these years were also not achieved rendering the budget provisions unrealistic.

Thus, due to non-provision/non-release of adequate funds by the State Government, various works relating to construction/special repair of police stations, residential quarters, etc. could not be undertaken, which

20 Excluding armed battalion, Home Guards and training.

compromised the objective of providing adequate infrastructure for policing needs.

The State Government may consider improving its planning to identify and remedy shortfalls in infrastructure. It may also revamp its financial management for better implementation of AAPs in order to fulfill the requirement of police buildings.

3.5.3 Adequacy of building infrastructure

3.5.3.1 Non/Delayed completion of works

The MSPF Scheme guidelines (2013) provided that projects to be covered under the Scheme should be prepared keeping in mind their actual requirement and land for the buildings free from all encumbrances would be provided by the State Government. Further, as per codal provisions (Paragraph 2.92 of PWD Code), no work should be commenced on land which has not been duly made over by the competent authority.

(i) Construction works of police buildings under MSPF Scheme

Audit examination in respect of works carried out under MSPF Scheme revealed that:

➢ Out of Central share of ₹ 23.91 crore under MSPF scheme (2014-15) released (December 2014) to PPHC, an expenditure of ₹ 18.82 crore was incurred for construction of eight police buildings[21]. As of March 2018, six out of eight construction works started between January 2015 and January 2016 had been completed (June 2016-January 2017) at a cost of ₹ 16.12 crore. It was noticed that –

- Out of six completed works, one work of construction of Police Station, Kila Lal Singh, Batala was completed with a delay of 184 days at a cost of ₹ 1.28 crore.
- Two works *viz.* (i) Construction of Police Station, Ropar City; and (ii) Construction of 11 out of 37 rest rooms with attached toilets for women personnel in police stations in seven police districts[22] were yet to be completed/started (June 2018). The construction of Police Station, Ropar City was delayed by 669 days on which expenditure of ₹ 0.97 crore had been incurred.

[21] (i) Police Station, Kila Lal Singh, Batala; (ii) Police Station, Ropar City; (iii) Construction of ORs barrack and NGO Mess in New Police Lines, Fazilka; (iv) Construction of Administrative Block, Quarter Guard, hospital building and MT wing in New Police Lines, Fazilka; (v) Construction of GO Mess in New Police Lines, Fazilka; (vi) Essential services in New Police Lines, Fazilka; (vii) Construction of barracks for 200 men in Police Lines, PAP Line, Jalandhar Cantt; and (viii) Construction of rest rooms with attached toilets for female police personnel.

[22] (i) Pathankot: City Pathankot, Sadar Pathankot; (ii) Hoshiarpur: Sadar Hoshiarpur, Mukerian; (iii) Sri Muktsar Sahib: Sadar Muktsar; (iv) Patiala: City Rajpura, (v) Fatehgarh Sahib: Badali Ala Singh; (vi) SAS Nagar: Phase-8, Phase-I, City Kharar; and (vii) Commissioner of Police, Ludhiana: Focal Point.

➢ Out of State share of ₹ 16.18 crore released (March 2016) to PPHC under MSPF, one (out of 13) construction work of police station at Chohla Sahib, Tarn Taran, started in January 2016 was completed (November 2016) at a cost of ₹ 1.50 crore. The remaining twelve[23] works were started between March 2017 and October 2017 i.e. after 12-18 months from receipt of funds and were to be completed between October 2017 and June 2018. However, these works were in progress on which ₹ 4.71 crore had been incurred as of March 2018.

The delay in completion of works was attributed (April 2018 and August 2019) to non-availability of clear site, increase in scope of work, delay in demarcation of site by Revenue Department, change of site, diversion of funds, etc.

(ii) Construction works of police buildings under State budget

In order to provide robust organizational and infrastructural support by the Government for a stress-free working environment, GoI issued (May 2014) guidelines to the State Government to provide basic infrastructure amenities for Women Police Force.

Audit observed that the Department transferred (March 2015) funds of ₹ 2.80 crore out of State budget to PPHC for construction of 35 rest rooms with attached toilets (at the rate of ₹ eight lakh per rest room) for women police personnel in police stations. As of July 2018, 25 rest rooms with attached toilets had been constructed at a cost of ₹ 1.56 crore[24] and construction of remaining ten rest rooms with attached toilets had not yet been started despite availability of funds with PPHC. In test-checked districts, seven out of 35 rest rooms with attached toilets were to be constructed. Of these, six rest rooms with attached toilets in three police districts[25] had been constructed at a cost of ₹ 0.30 crore and construction of one rest room with attached toilet in police station, Jhunir, district Mansa had not yet been started.

The Department stated (August 2019) that remaining 10 rest rooms with attached toilets were not constructed due to non-availability of suitable space, non-receipt of tenders, etc.

Thus, due to non-adherence to the guidelines/codal provisions *ibid*, the police buildings planned to be constructed could not be completed timely despite availability of funds, thereby depriving the Police Department of the much needed building infrastructure.

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23 Construction of police station buildings at (i) Kathgarh, SBS Nagar; (ii) Urban Estate, Patiala; (iii) Sadar Rajpura; police posts at (iv) Jandu Singha, Jalandhar; (v) Ghariala, Tarn Taran; (vi) Bhunga, Hoshiarpur; (vii) Nadala, Kapurthala; (viii) Bassi Pathana; (ix) Jogewala Ferozepur; (x) 28 rest rooms with attached toilet for women police personnel; (xi) Quarter Guard and Magazine Room at Police Lines, Sri Muktsar Sahib; and (xii) 12 ORs Quarters at Amritsar.

24 Final bills were yet to be settled.

25 (i) Batala: Dera Baba Nanak, Fatehgarh Churian, and Sri Hargobindpur; (ii) Mansa: Bareta; and (iii) Rupnagar: Morinda and Chamkaur Sahib.

3.5.3.2 Inadequate infrastructural facilities in police buildings

In order to assess the adequacy of infrastructural facilities in police stations/police posts, Audit inspected (February-April 2018) 18 units (14 police stations and four police posts) in seven[26] test-checked police districts and found the following discrepancies:

(i) Audit noticed during physical inspection of Police Station, Sadar Mansa that the police station housed in a more than 100 years old building was in a dilapidated condition. However, the building was not got declared dilapidated from the competent authority i.e. Public Works Department by SSP, Mansa.

100 years old building of PS Sadar, Mansa (22-02-2018)

The Deputy Commissioner (DC), Mansa offered (February 2016) a piece of land measuring two acres to SSP, Mansa for construction of police station, which was accepted by the SSP in February 2016 itself. Subsequently, the SSP repeatedly (March 2016-December 2017) took up the matter with the local authorities i.e. District/Block Development Programme Officer (BDPO) for handing over the possession of said land. Despite not receiving any response from the local authorities, the SSP did not approach DGP, Punjab to intervene in the matter for possession of land.

The Department stated (August 2019) that some private persons had filed appeal to Divisional Commissioner, Faridkot claiming themselves as owners of this land, and Gram Panchayat, Mansa Khurd and BDPO were perusing the case. The fact, however, remains that police station continued to work in the dilapidated building, endangering lives of staff and public visiting the police station.

(ii) In two (Amritsar and Ludhiana) out of seven test-check police districts, quarter guards and magazine rooms in Police Lines were functioning in old and dilapidated buildings having problems like leakage in roof of buildings, etc., giving rise to the risk of harm to arms and ammunition. Though PPHC submitted (May-June 2017) rough cost estimates to

Magazine Room in Police Lines, Ludhiana (28-03-2018)

[26] (i) Amritsar (1 police station and 3 police posts); (ii) Batala (1 police station and 1 police post); (iii) Jalandhar Rural (2 police stations); (iv) Ludhiana (3 police stations); (v) Mansa (3 police stations); (vi) Rupnagar (2 police stations); and (vii) SBS Nagar (2 police stations), selected on judgmental basis.

DGP for construction of buildings for quarter guards and magazine rooms in Ludhiana (₹ 55.78 lakh) and Amritsar (₹ 55.78 lakh), funds for the purpose were not provided by the State Government in 2017-18.

The Department stated (August 2019) that work would be taken up on allocation and release of funds.

(iii) The Bureau of Police Research and Development (BPRD), Ministry of Home Affairs, GoI prescribed (2016) norms for common facilities in modern police stations buildings. Audit examined the provision of these facilities in 14 police stations across seven police districts of Punjab and observed that the requisite facilities ranging between 8 and 96 *per cent* ***(Appendix 3.5)*** were lacking in these police stations, as discussed below:

- Recreation Room and Gym was not available in any of the test-checked police stations.

- Facilities *viz.* barracks for lady officials, counselling room, conference room, witness examination room and room for officers were not available in 13 police stations.

- Reader room, witness examination room and reception area in 12 police stations, whereas disabled friendly entry, ladies room, canteen/kitchen, duty officers' room in 11 police stations were yet to be provided.

- Facilities *viz.* armoury, proper *malkhana*, store rooms, separate lock-ups for men and women, women help desks, rest rooms with toilets, etc. were lacking in 6-10 police stations.

Improper *malkhana* at Police Station, Salem Tabri, CP Ludhiana (28-03-2018)

Non-functional toilet at Police Post, Shivala, Amritsar (06-04-2018)

Further, three[27] out of four police posts inspected in the police district Amritsar were functioning in dilapidated buildings. Besides, basic amenities like potable water, washroom/toilet, etc. were also not available. Though the Commissioner of Police (CP), Amritsar had requested (October 2015-March 2018) DGP for release of funds for repair of these police posts, no

[27] Police posts at (i) Shivala; (ii) Court Complex; and (iii) Lawrence Road.

funds were released by the Department/State Government. The Finance Department attributed (August 2019) the reasons for non-release of funds to critical fiscal position of the State.

The Department stated (August 2019) that funds were being demanded in budget and the requisite facilities would be provided on allocation and release of funds.

Thus, despite the fact that the police personnel were working from old/dilapidated buildings and without having required infrastructural facilities, no timely action was taken by the Department/State Government to get the buildings inhabitable nor were adequate funds made available for construction of new buildings in lieu of dilapidated ones, thereby impairing effective management of police buildings.

3.5.3.3 Shortage of residential quarters

The National Police Commission (NPC) recommended (1977) 100 *per cent* accommodation for all police personnel. Further, Bureau of Police Research and Development (BPRD) in its five-year projection on modernisation and upgradation of police infrastructure was of the view (March 2000) that the performance of the police was better in States where accommodation was available in large numbers. The Review Committee of Ministry of Home Affairs (MoHA), GoI also endorsed the recommendation of NPC to provide 100 *per cent* accommodation to police personnel.

Audit observed that against the men-in-position of 55,363 police personnel, 9,018 family quarters were available in 27 civil police districts as on 31 March 2018 leaving a shortfall of 46,345 family quarters. Thus, the State could achieve only 16 *per cent* satisfaction level against 100 *per cent* as recommended by NPC. In seven[28] test-checked police districts, the satisfaction level in providing accommodation to police personnel remained between 2 and 33 *per cent* as of March 2018.

Despite huge shortfall in fulfilling the requirement of residential accommodation, the Department demanded funds for only 1-143 family quarters during 2015-18[29]. This showed lack of priority in providing residential quarters to police personnel.

The Department attributed (April 2018 and August 2019) the reasons for non-construction of family quarters as per recommendation of NPC to non-availability of land and non-provision/release of funds by the State Government. As regards CP Amritsar, it was stated that construction of 12 quarters was under process and a new proposal for construction of family quarters was being sent to PPHC. The Finance Department stated (August 2019) that due to critical fiscal condition of the State, adequate

[28] (i) Amritsar (19 *per cent*); (ii) Batala (5 *per cent*); (iii) Jalandhar-Rural (2 *per cent*); (iv) Ludhiana (28 *per cent*); (v) Mansa (10 *per cent*); (vi) Rupnagar (33 *per cent*); and (vii) SBS Nagar (4 *per cent*).

[29] 2015-16 (143); 2016-17 (131); and 2017-18 (1).

financial support could not be provided to improve the satisfaction level for residential accommodation.

3.5.3.4 Utilisation of family quarters

(i) Audit observed that out of 9,018 family quarters available in 27 civil police districts, 2,488 family quarters[30] (28 *per cent*) were lying vacant for the period ranging between 1 and 24 years. Of these, 2,208 quarters (i.e. 24 *per cent* of the total quarters) were uninhabitable (dilapidated: 1,546 and condemned: 662).

(ii) In one test-checked police district Rupnagar, 194 family quarters allotted to police personnel as of March 2018 included 126 dilapidated quarters. The SSP, Rupnagar stated (June 2018) that the dilapidated quarters were allotted on need basis of individual officials.

(iii) Audit observed from the information in respect of all 27 civil police districts obtained from DGP office that 98 family quarters (Police Lines, Mansa city: 56 i.e. 24 for Non-Gazetted Officers (NGO) and 32 for Other Ranks (OR); and Police Lines, Muktsar city: 42 i.e. 30 for NGOs and 12 for ORs) handed over to SSP Mansa (April 2012) and SSP Sri Muktsar Sahib (January-December 2012) were not allotted to the police personnel despite the fact that 321 police personnel were posted in the vicinity of Mansa city (182 police personnel i.e. 25 NGOs and 157 ORs) and Muktsar city (139 police personnel i.e. 12 NGOs and 127 ORs). These quarters were being used for other purposes *viz.* dog squads, stay of outside forces, motor transport store, miscellaneous store, etc.

The SSP Mansa assured (August 2019) to allot the quarters to the applicants very soon while the SSP, Sri Muktsar Sahib stated (August 2019) that funds for construction of police office building had been demanded from the State Government and on construction of the office building, the quarters would be vacated.

Thus, the recommendations of NPC ensuring availability of residential accommodation to all personnel were not given due importance by the State Government, as against the prescribed level of 100 *per cent*, the achievement of satisfaction level was 16 *per cent* only. Even 24 *per cent* of the available quarters were not inhabitable.

The State Government may consider prioritizing provision of adequate residential quarters to the police personnel to achieve satisfaction level in a phased manner so as to improve the performance of police personnel.

3.5.4 Conclusion

The management of police buildings in the State was sub-optimal due to various reasons. The Department had not prepared comprehensive Strategic Policing Plan. Adequate funds for police buildings were not provided by the

[30] Status of six family quarters was not provided to Audit.

State Government. Twenty *per cent* of the police stations were functioning in dilapidated/condemned buildings. Infrastructural facilities ranging between 8 and 96 *per cent* were not available in 14 inspected police stations. The State could achieve only 16 *per cent* satisfaction level in providing accommodation to police personnel against 100 *per cent* as recommended by the National Police Commission. Twenty-eight *per cent* of the available family quarters (including 24 *per cent* dilapidated/condemned quarters) were lying vacant for the period ranging up to 24 years.

The matter was referred to Government in May 2018; reply was awaited (August 2019).

3.6 Security mechanism in jails

Funds ranging between 31 and 100 *per cent* could not be utilised. The jails lacked adequate modern security equipment besides having deficiencies in building structures. There was shortage of Warder staff ranging between 30 and 45 *per cent;* and that of periodical inspection of jails ranging between 15 and 88 *per cent* during 2015-18. Due to various weaknesses found in jail security, cases of possession of prohibited articles with the prisoners were noticed and 31 prisoners escaped during January 2015 to March 2018.

3.6.1 Introduction

Prison means any jail or place used permanently or temporarily under the general or special orders of the State Government for detention of prisoners. The Home Affairs and Justice Department (Jails Department) seeks to protect society from criminals and also endeavour to reform and re-assimilate offenders in the social milieu by giving them appropriate correctional treatment. The management and administration of jails fall exclusively in the domain of the State Government and are mainly governed by the Prisons Act, 1894 and Punjab Jail Manual, 1996 (PJM).

There are 26 jails of six types in Punjab, as briefly detailed in **Table 3.5** below:

Table 3.5: Details of various categories of jails in Punjab

Sr. No.	Type of jail	Number of jails	Brief description
1.	Central Jail	9[31]	Any prison in which criminal convicted prisoners are received, for the purpose of undergoing their sentence, by transfer from any other jail and in which such prisoners are not, when committed to prison, in the first instance are ordinarily received.
2.	Maximum Security Jail	1 (Nabha)	Prison which is meant for confinement of dangerous, habitual, professionals, terrorists, organised and sophisticated types of criminals.

[31] (i) Amritsar; (ii) Bathinda; (iii) Faridkot; (iv) Ferozepur; (v) Gurdaspur; (vi) Hoshiarpur; (vii) Jalandhar at Kapurthala; (viii) Ludhiana; and (ix) Patiala.

Sr. No.	Type of jail	Number of jails	Brief description
3.	District Jail (Medium Security Jail)	6[32]	Any prison to which prisoners from one or more districts are in the first instance, ordinarily committed and includes every jail other than a central jail or a special jail.
4.	Special Jail	2[33]	Any prison provided for the confinement of a particular class or classes of prisoners and classed as a Special Jail by the State Government.
5.	Open Jail (Minimum Security Jail)	1 (Nabha)	Prison meant for keeping well-behaved prisoners, governed by a system based on self-discipline and sense of responsibility of the inmates.
6.	Sub Jail	7[34]	Any place so declared by the State Government by general or special order, and used permanently or temporarily under that authority for the detention of prisoners.

Source: Punjab Jail Manual

The Additional Chief Secretary (ACS) to Government of Punjab, Department of Home Affairs and Justice is the administrative head at Government level. The Director General of Police[35] (DGP) (Prisons) is head of the Department who is assisted by Inspector General of Prisons (IGP) and Deputy Inspector General of Prisons (DIGP). The jails in the State are managed by Jail Superintendents/Deputy Superintendents.

With a view to assessing security mechanism in jails, an audit for the period 2015-18 was conducted (January-May 2018) by test-checking the records of offices of ACS, ADGP (Prisons) and 9[36] out of 26 jails.

Apart from PJM 1996, the Model Prison Manual (MPM) prepared (2003) by the Government of India (GoI) following the directions of Supreme Court (1996) and revised in 2016 representing the best practices across the country had been circulated to all the States with an advisory to revise their existing prison manuals in line with the MPMs 2003 and 2016. Though the Government of Punjab (GoP) has not revised its PJM (February 2019), the provisions of MPMs 2003 and 2016 were being followed in the State, thus, the same have also been taken as criteria to assess security mechanism in jails in the State.

The findings arising out of the Chief Controlling Officer (CCO) based audit of Jails Department were included in the Comptroller and Auditor General of India's (C&AG) Report on Social, General and Economic Sectors (Non-Public Sector Undertakings) for the year ended 31 March 2012 – Government of

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32 (i) Barnala; (ii) Mansa; (iii) Muktsar; (iv) New Jail Nabha; (v) Rupnagar; and (vi) Sangrur.

33 (i) Borstal Jail, Ludhiana; and (ii) Women Jail, Ludhiana.

34 (i) Dasua; (ii) Fazilka; (iii) Malerkotla; (iv) Moga; (v) Pathankot; (vi) Patti; and (vii) Phagwara.

35 Additional Director General of Police (ADGP) (Prisons) was holding the charge of the Jails Department.

36 Central Jails: (i) Amritsar, (ii) Gurdaspur, (iii) Jalandhar at Kapurthala, (iv) Ludhiana; District Jails: (v) Maximum Security Jail, Nabha, (vi) Sangrur, (vii) Rupnagar; Sub Jails: (viii) Patti and (ix) Pathankot, selected by adopting Probability Proportion to Size without Replacement method taking into account the expenditure incurred by Central and District Jails and population of inmates in Sub Jails during the period 2014-18.

Punjab. The report was discussed in the Public Accounts Committee (PAC) in September 2014.

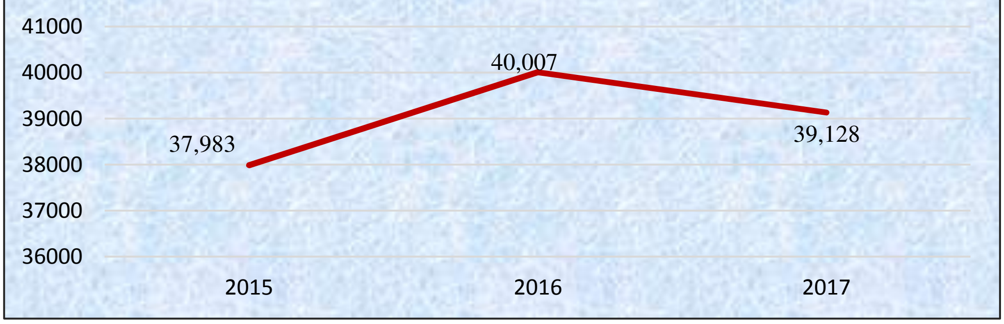
On 27.11.2016, the Nabha Jail break incident took place by a daring act of gangsters in breaking the security of a high security prison in Punjab, from where four gangsters and two hardcore terrorists escaped. A committee[37] constituted (November 2016) by the State Government to look into the lapses that led to this jail break at Nabha and for security of other jails in the State, submitted (January 2017) a report highlighting the lapses/shortcomings and recommending various measures to revamp security in the jails of Punjab.

Audit also examined the follow-up action of the Department on related issues on the recommendations of PAC and Nabha Jail break report.

Incidence of crime and its relation to prisons

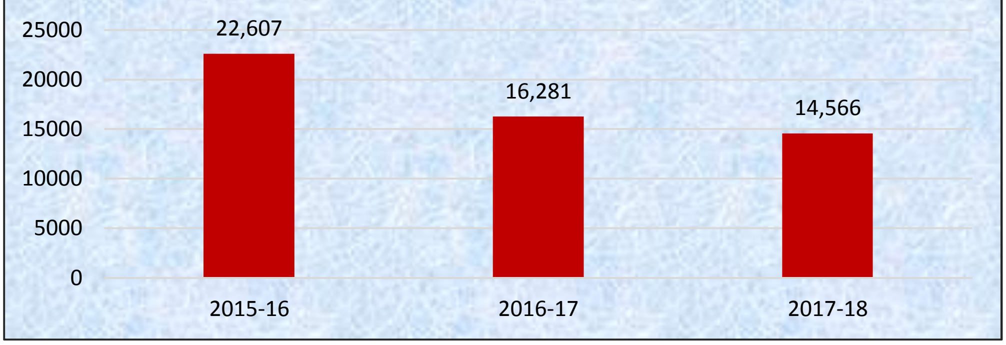
The number of inmates in prisons is related to the incidence of crimes and conviction rates in a State. The yearly incidences of crime in Punjab, as published in Statistical Abstract of Punjab 2018, during the period from 2015-18 indicated a gradual increase, as depicted in the **Chart 3.1** below:

Chart 3.1 : Total cognizable crimes under IPC in Punjab



The number of convicts in jails of Punjab during 2015-18 ranged between 14,566 and 22,607, as shown in **Chart 3.2** below:

Chart 3.2: Total number of convicts received in jails



[37] Comprised of Additional Chief Secretary (Home); DGP (Law & Order); and ADGP (Prisons).

Though suitable action was taken by the State Government to increase the capacity of prisons in line with the number of convicts *vis-a-vis* available capacity, a few instances of overcrowding in some of the jails were noticed, as discussed in paragraph 3.6.3.4.

Audit findings

3.6.2 Financial management

The expenditure for providing security (other than salary) in jails was being met out of the general budget under the Capital Head of Account[38]. The position of budget and expenditure for the purpose during 2015-18 is given in **Table 3.6** below:

Table 3.6: Budget and expenditure on machinery and equipment during 2015-18

(₹in crore)

Year	Budget	Expenditure	Savings (percentage)
2015-16	4.58	--	4.58 (100)
2016-17	12.00	5.24	6.76 (56)
2017-18	7.88	5.47	2.41 (31)
Total	**24.46**	**10.71**	**13.75 (56)**

Source: Departmental data

Audit observed that as against the budget of ₹ 24.46 crore, the Department spent ₹ 10.71 crore only and there was persistent savings ranging from 31 to 100 *per cent* during 2015-18. During 2017-18, though the Department utilised the full budget allocation of ₹ 4.88 crore provided for Central Jails, it utilised only ₹ 0.59 crore out of ₹ 3.00 crore provided for District and Sub Jails, leaving a saving of ₹ 2.41 crore, which included ₹ 0.69 crore due to non-clearance of bills by the treasury.

The Home Affairs and Justice Department (Department) stated (August 2019) that budget for the year 2015-16 lapsed due to non-clearance of bills by the treasury and during 2016-18 bills were not submitted to the treasury due to non-procurement of 4G jammers as no model of 4G jammer was approved by GoI during 2016-18. The reply of the Department was not acceptable, as Bharat Electronics Limited (BEL), in September 2016, had submitted techno-commercial proposal for installation of 4G Jammers (Model: JTLS201) which showed that 4G jammers were available at that time. Moreover, the funds could have also been utilised to overcome the problems of shortage/ non-functional machinery and equipment; and other shortcomings in building infrastructure of jails, as discussed in paragraphs 3.6.3.1 and 3.6.3.2. The Finance Department attributed (July 2019) the reasons for non-clearance of bills by treasury during 2015-16 and 2017-18 to shortage of funds, as the State had unfunded gap during the past three years. It was stated that targets of expected revenue during these years were also not achieved rendering the budget provisions unrealistic.

[38] 4055-Capital outlay on Police, 800-Other Expenditure (NP), 02-Central Jails/District Jails, 52-Machinery and Equipment.

Thus, lack of funds impacted creation and maintenance of infrastructure of prisons which were found deficient in various jails as also brought out in the Nabha Jail break report, affecting provision of adequate safety measures that could prevent security breaches.

The State Government may consider improving financial management ensuring provision of adequate funds to improve security mechanism in jails.

3.6.3 Security mechanism

3.6.3.1 Lack of modern equipment, arms and ammunition

Paragraph 4 (xii) of PJM stipulates that custody being the basic function of prisons, appropriate security arrangements shall be made in accordance with the need for graded custody. Further, as per paragraph 23.18 of MPM 2003 and paragraph 25.17 of MPM 2016, the prisons shall be equipped with modern security equipment like jammers, metal detector and other electronic devices for maintaining security. A report on security measures for jails (January 2017) after Nabha Jail break also emphasised the need for upgradation of the jammers from 3G to 4G technology, installation of X-ray baggage inspection machines and other security equipment like CCTV cameras, metal detectors, etc. While discussing paragraphs 5.1.11.4 and 5.1.11.5 of the C&AG's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012, regarding lack of modern equipment, arms and ammunition, the PAC recommended (September 2014) that the State Government may provide requisite funds from time to time for modernization of jails and efforts should be made to replace the old equipment.

Test-check of records of ADGP and nine selected jails revealed that the jails in the State still lacked adequate gadgets and equipment required for security, surveillance and search, as discussed below:

(i) Mobile jammers

Audit noticed that out of 26 jails, 2G/3G mobile jammers were installed (October 2012-December 2016) only in four jails i.e. Central Jail (CJ) Jalandhar at Kapurthala (13), CJ Gurdaspur (10), District Jail (DJ) Sangrur (8) and Maximum Security Jail (MSJ) Nabha (6). In these four test-checked jails, the following shortcomings were noticed:

➢ **CJ Jalandhar at Kapurthala:** In accordance with the approval (November 2015) of the Secretary (Security), GoI, the Department got 13 mobile jammers installed (December 2016) in CJ Jalandhar at Kapurthala, from an authorised public sector undertaking i.e. Bharat Electronics Limited (BEL) at a cost of ₹ 4.35 crore to restrict the mobile signal inside the jail premises. It was, however, observed that installation (December 2016) of a

Base Transceiver Station (BTS) at the jail residential quarters within the same campus affected the effective functioning of the mobile jammers. The BEL recommended (December 2017) removal of BTS tower for effective functioning of jammers. But no reply in this regard was furnished by the Department (August 2019). This not only defeated the purpose of restricting mobile signals in CJ Jalandhar at Kapurthala, but also resulted into unfruitful expenditure of ₹ 4.35 crore.

As many as 10 out of 13 mobile jammers installed (December 2016) in CJ Jalandhar at Kapurthala were not functional (seven: since May 2017; and three: since January 2018) as their accessories (antenna, cables, etc.) were damaged by the inmates. These jammers could not be repaired for want of funds amounting to ₹ 11.63 lakh.

- **CJ Gurdaspur**: 7 out of 10 mobile jammers installed (January and August 2015) in CJ Gurdaspur were damaged by the inmates and were non-functional since March 2017 for want of repair despite availability of funds. Thus, the Jail authorities did not ensure safety of mobile jammers by installing these beyond the reach of inmates.

BEL had recommended (December 2017) ADGP (Prisons) certain measures to be taken for safety of mobile jammers such as blocking all such points/places from where the prisoners can climb and damage jammers using barbed/blade wire, removing concrete platforms above the windows etc., or by using 20 feet high concrete tower in the centre point of barracks secured with blade wire. The status of implementation of these recommendations by the Department was not made available to Audit (July 2019).

- **DJ Sangrur and MSJ Nabha**: The 2G/3G mobile jammers installed in remaining two jails[39] i.e. DJ Sangrur (8) and MSJ Nabha (6) were working satisfactorily to restrict 2G/3G mobile signals. Audit, however, noticed that with the current availability of 4G signals in the State, 2G/3G mobile jammers installed in four test-checked jails would not be able to restrict 4G signals in the jail premises.

The Department stated (August 2019) that the repair of 3G jammers was not carried out as the purpose of restricting signal of mobile phones would not have been achieved due to availability of 4G technology and model of 4G jammers was approved by GoI in August 2018. The contention of the Department for not getting the jammers repaired was not acceptable, as BEL, in November 2016, had submitted the proposal to upgrade the jammers from 3G to 4G for CJ Kapurthala, which showed that 4G jammers technology was available at that time.

[39] Fourteen 2G/3G jammers were installed in DJ Sangrur and MSJ Nabha between October 2012 and August 2015.

(ii) Other security equipment

Audit noticed that:

- In seven[40] test-checked jails, door frame metal detectors (DFMD), hand held metal detectors (HHMD) and CCTV cameras were not functional for want of repair since April 2014-February 2018, as required under the provisions of MPMs 2003 and 2016. The Department stated (August 2019) that repair of damaged security equipment was carried out from time to time.

- All the nine test-checked jails were not equipped with modern security equipment like binoculars, breath analyzer (alcohol meter) and flash/search lights. The Department stated that a proposal to procure these equipment had been initiated.

- Communication connectivity from ward-to-ward and ward-to-*deodi* (courtyard) was lacking in the test-checked jails.

- X-ray baggage inspection machine had not been provided in any of the seven Sub Jails (SJ) in the State. The Department attributed (August 2019) the reasons for this to presence of less number of inmates in SJs and stated that checking of inmates were being done manually. The reply of the Department was not in line with the provisions/recommendations under PJM, MPMs 2003 & 2016 and Nabha Jail break report.

(iii) Arms and ammunition

Provision of arms and ammunition is governed by PJM (Paragraphs 275, 308 & 312) which require that all Warders be provided with arms which would be stored in the armoury. Further, paragraph 23.18 of MPM, 2003 and paragraph 25.17 of MPM 2016 provide that the armoury of the prison should be well equipped with all types of sophisticated and automatic weapons.

- Authorities at eight test-checked prisons stated that adequate arms were available. However, in the absence of any specific norms in PJM with regard to scale of arms required, Audit could not examine the adequacy of provision of armoury in test-checked jails.

- Women Jail, Ludhiana was not having any arms and ammunition (except for two revolvers) in the jail armoury.

The Department stated (August 2019) that funds of ₹ 3.30 crore had been received from the State Government and 71 pistols of 9 mm had been procured and remaining arms would be received by October 2019. It was

[40] (i) CJ Amritsar: 2 out of 5 DFMDs since April 2016; 4 out of 9 HHMDs since August 2016 and 7 out of 83 CCTV cameras since February 2018; (ii) CJ Jalandhar at Kapurthala: 5 out of 74 CCTV cameras since February 2018; (iii) CJ Ludhiana: 8 out of 11 HHMDs and 1 out of 3 DFMDs; (iv) CJ Gurdaspur: 64 out of 75 CCTV cameras since March 2017; (v) MSJ Nabha: 1 out of 2 DFMDs since January 2018; (vi) SJ Pathankot: 1 out of 2 DFMDs since December 2016, 2 out of 4 HHMDs since December 2016; and (vii) Patti: 1 out of 2 DFMDs since April 2014 and 2 out of 6 HHMDs since April 2014.

added that no provision with regard to scale of arms required in each jail had been prescribed in the jail manual. Thus, in the absence of specific information of such norms, Audit could not examine the adequacy of provision of armoury in test-checked jails.

Thus, despite recommendations (September 2014) of PAC and highlighting the seriousness of the issue in the Nabha Jail break report (January 2017), the much needed security practices being followed in the jails were still lacking and not in tune with the modern security and surveillance needs.

The State Government may consider improving/ensuring provision of required security equipment besides timely repair/replacement of defective ones.

3.6.3.2 Shortcomings in jail building structure

Paragraph 23.03 of MPM 2003 and paragraph 25.03 of MPM 2016 provide that the high security enclosures/prisons should have a thick outer masonry wall at least 20 feet in height, with watch towers at all its corners and one central tower within the enclosure.

Information collected from the office of ADGP (Prisons) in respect of all 26 jails showed that 10 jails i.e. eight CJs (excluding CJ Gurdaspur), one MSJ Nabha and one DJ Sangrur were having high security zones. Audit noticed the following shortcomings in structure of jail buildings:

- There was no central watch tower in two jails *viz.* CJ Ludhiana and DJ Sangrur having high security enclosures/prisons.

- The height of jail boundary was below the prescribed standard of 20 feet (as per provisions under MPMs) in five[41] jails.

The Department stated (August 2019) that a proposal had been made to install central watch tower in CJ Ludhiana. No reply with regard to shortcomings in building infrastructure in remaining jails was furnished.

Audit also observed that poor infrastructure conditions were also highlighted in the Nabha Jail break report which recommended (January 2017) re-construction of seven[42] jails, which were unsafe structures and were no longer suitable for putting in place security measures that could effectively prevent security breaches. The status of re-construction of these jails was called for; no reply was furnished by the Department (August 2019).

The State Government may consider putting in place a suitable system to monitor timely repair of jail buildings and conduct of regular structural safety audits to ensure that security is not breached due to defective and old structures.

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[41] Central Jails: (i) Ferozepur; (ii) Ludhiana; (iii) Hoshiarpur; District Jails; (iv) Sangrur; and (v) MSJ, Nabha.

[42] (i) MSJ, Nabha (being 100 years old and in dilapidated condition); CJs (ii) Ferozepur; (iii) Gurdaspur; (iv) Hoshiarpur; SJs (v) Malerkotla; (vi) Moga; and (vii) Patti.

3.6.3.3 Management of prisoners

Paragraph 4 (xii) of PJM provides for provision of appropriate security arrangements for prisoners to be made in accordance with the need for graded custody. Paragraph 23.01 of MPM 2003 and paragraph 25.01 of MPM 2016 provide that High Security Prisoners (HSP) are to be lodged in separate enclosures demarcated as high security enclosures within the existing prisons and under no circumstances should HSPs be kept with under-trial prisoners and other convicts. Further, paragraph 2.05 (xiv) of MPMs 2003 & 2016 also provide that under-trials will be lodged in separate enclosures away from convicted prisoners.

Audit noticed that:

- Seven out of 11 HSPs along with four other inmates created ruckus and vandalism in CJ Gurdaspur on 24 March 2017 and attempted to escape from jail by making a small hole in the outer wall of *Kot Moka* (armoury), breaking CCTV cameras, mobile jammers and rampaging of other articles/medicines, which inflicted a loss of ₹ 32.82 lakh. It was noticed that CJ Gurdaspur did not have any high security zone (HSZ) and thus these prisoners should not have been lodged there. Two of these inmates were transferred from CJ Amritsar and CJ Jalandhar at Kapurthala, where HSZ existed. All 11 HSPs were transferred (24-26 March 2017) to CJs Bathinda (3), Ludhiana (2); Ferozepur (2); Patiala (3); and Amritsar (1) having HSZ.

- As of March 2018, 11 HSPs were lodged in two jails which did not have any HSZ *viz.* CJ, Gurdaspur (1) and DJ Rupnagar (10) along with under trials and other convicts. Though HSZ existed in DJ Sangrur, six HSPs were kept in the same cell along with under-trial prisoners and convicts.

- In all nine test-checked jails, though the double gate/locking system was being followed as per provisions contained in PJM and MPMs 2003 & 2016, the under-trials were being lodged together with the convicts in the same barrack/cell in contravention of the provisions *ibid*. The ADGP attributed (September 2019) the reasons to overcrowding in jails and shortage of watch & ward.

Thus, there were lapses in following norms prescribed in management of prisoners which could lead to a security threat. Deficiency in availability and management of HSZ in jails was also highlighted in the Nabha Jail break report. Remedial action taken in management of HSZ was not furnished to Audit.

3.6.3.4 Overcrowding in jails

Paragraph 903 of PJM provides that when the population of the jail is approaching the maximum number for which there is accommodation, the Inspector General and Superintendent of Police should be informed with a view to having some of the convicts transferred or arrangements made for their temporary shelter outside, as the case may be. Mention in this regard was also made in paragraph 5.1.8.2 of the C&AG's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012.

Audit analysis of the existing capacity of the jails taking into account the inmates housed therein revealed that the problem of overcrowding still persisted in 12 out of 24 jails[43] as the capacity was not utilised optimally in a scientific manner, as 2,405 convicts (male: 2,298 and female: 107) from 11 jails could have been shifted to other jails having capacity to adjust more inmates, as detailed in ***Appendix 3.6***.

Had the jail administration adjusted the convicts out of total inmates evenly in proportion to the capacity of the jails, not only the problem of overcrowding would have been solved at large, but would have also resulted in better security administration.

The Department stated (August 2019) that the inmates were kept in the jails as per orders of the Hon'ble Court. As per State policy, the convicts were to be kept in home districts so that their family members could meet them. It was added that to mitigate the overcrowding in jail, proposal was under process for construction of two jails at Mohali and Goindwal at Amritsar. The reply of the Department was not convincing as PJM provided for transfer or making arrangements for some of the convicts for their temporary shelter outside, as the case may be.

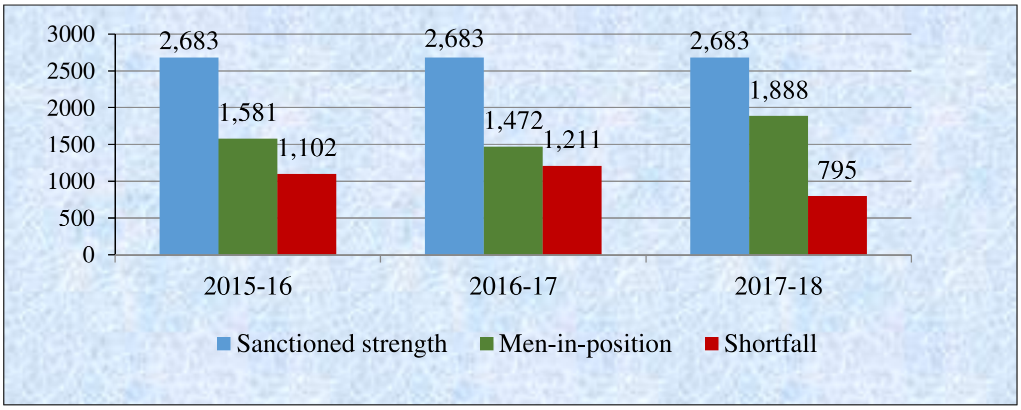
3.6.4 Manpower management

3.6.4.1 Shortage of Warder staff

Paragraph 4.02 of MPMs 2003 and 2016 provides that the strength of custodial/guarding staff will be determined keeping in view the requirements of security, discipline, programme emphasis, duty posts, workload and distribution of functions. It also recommends one guarding staff for every six prisoners. While discussing paragraphs 5.1.11 (I) and 5.1.11.1 of the C&AG's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012, regarding shortage of Warder staff and disproportionate deployment of watch and ward staff, the PAC recommended (September 2014) that the Finance Department may release requisite funds to meet the shortage of staff.

The position of overall sanctioned strength and men-in-position of Warder staff during 2015-18 is given in **Chart 3.3** below:

Chart 3.3: Details of sanctioned strength, men-in-position and shortfall of Warder staff during 2015-18



Source: Departmental data

[43] Excluding Open Air Jail at Nabha and Borstal Jail, Ludhiana.

The above chart shows that there was shortage of Warder staff ranging between 30 and 45 *per cent* during 2015-18. Audit further noticed that:

- Ratio of sanctioned strength of Warder staff (2,683) to authorized capacity (23,218 inmates) of jails was 1:9 and that of Warder staff in position (1,888) to actual population of inmates (22,375 inmates) was 1:12 as of March 2018 which was below the norms of MPMs of providing one guarding staff for every six prisoners.

- Although the authorized capacity of six jails[44] was increased during the period 2015-17, yet the sanctioned strength of Warder staff in these jails was not increased (March 2018).

- As of March 2018, despite shortage, 21 Warder staff of six jails[45] drawing salary from the respective jails were posted at headquarters (ADGP office) since the period between 2005 and 2017.

The Department stated (August 2019) that the process for recruitment of 670 Warders was under process. In addition, to strengthen the security of jails, 2,197 employees of Punjab Armed Police (PAP), India Reserve Battalion (IRB), Home Guard and Punjab Ex-servicemen Corporation (PESCO) had been deployed. Audit, however, observed that Nabha Jail break report disclosed that deployment of Home Guards for security was not effective and deployment of PESCO personnel was an undesirable practice, as far as jail security was concerned.

Thus, despite recommendations (September 2014) of PAC and those included in the report on security measures for jails after Nabha Jail break to fill up the vacant posts, the shortage of staff was still persisting.

The State Government may consider providing adequate manpower to revamp security in jails.

3.6.4.2 Non-availability of reserve guard/quick reaction team

Paragraph 120 (1) of PJM provides that the Deputy Superintendent shall satisfy himself that a sufficient strength of the guard to meet all emergencies is at all times present at the jail. Further, Paragraph 5.04 of MPMs 2003 and 2016 provides that in all Central and District Prisons, there will be a reserve guard/quick reaction team consisting of eight to twenty Warders, who have undergone commando training, with use of modern weapons and unarmed combat. This reserve guard will always be ready in the guard room to meet any emergency.

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44 Central Jails: (i) Amritsar: 1,615 to 2,266 in 2016-17; (ii) Bathinda: 1,146 to 2,375 in 2015-16; (iii) Gurdaspur: 750 to 950 in 2015-16; (iv) Patiala: 1,401 to 1,801 in 2016-17; (v) New District Jail, Nabha: 600 to 800 in 2016-17; and (vi) District Jail, Sri Muktsar Sahib: 69 to 900 in 2015-16.

45 Central Jails: (i) Ferozepur (1); (ii) Ludhiana (1); (iii) Hoshiarpur (3); (iv) Patiala (2); (v) District Jail, Rupnagar (8); and (vi) Borstal Jail, Ludhiana (6).

Audit noticed that six[46] out of seven test-checked Central/District Jails were not provided with reserve guard/quick reaction team to meet with any emergency situation in jails. Though the reserve guard/quick reaction team was available in CJ Amritsar, the commando training with use of modern weapons was not imparted to the Warders.

The Department stated (August 2019) that process to recruit 670 Warders was under process and reserve guard would be provided in jails thereafter.

3.6.5 Internal control mechanism

Internal control and monitoring mechanism of activities of a department plays a vital role in successful implementation of various measures and efficient and effective running of the department. Some of the deficiencies in internal control and monitoring mechanism noticed during the test-check of records with regard to security mechanism in jails are discussed as under:

3.6.5.1 Inadequate inspection of jails

Paragraph 25 of Chapter V of PJM provides that the Inspector General, as far as may be, shall visit and inspect every jail at least once in each year with a view to satisfy himself that the provisions of the Prisons Act, 1894 are duly enforced and that the management of each jail is in all respects efficient and satisfactory. While discussing Paragraph 5.1.12.1 of the C&AG's Report on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012, the PAC recommended (September 2014) that the Department could prepare a calendar to conduct periodical inspection of jails.

Test-check of records of ADGP office revealed that shortfall in inspection of jails ranged between 15 and 88 *per cent* during 2015-18, as out of 26 jails in the State, ADGP/IGP inspected only 3 jails (12 *per cent*) in 2015-16, 13 jails (50 *per cent*) in 2016-17 and 22 jails (85 *per cent*) in 2017-18. **It was also noticed that in spite of recommendation of PAC, the Department had not prepared any calendar to conduct periodical inspection of jails (July 2018).**

3.6.5.2 Non-maintenance of history tickets of under-trial prisoners

Paragraphs 422 to 427 of PJM provide that every prisoner shall immediately on his reception into jail be provided with a history ticket throughout the period during which such prisoner remains in confinement. The history ticket shall contain the name, prison number and other particulars necessary for the identification of prisoner, medical status, a brief record of every occurrence of any importance affecting the prisoner, which takes place while he remains in confinement, etc.

Audit noticed that as of March 2018, 26 jails of the State were not maintaining the history tickets in respect of 13,400 under-trial prisoners though the same was being maintained in respect of convicts in all jails.

[46] Central Jails: (i) Gurdaspur; (ii) Jalandhar at Kapurthala; (iii) Ludhiana; District Jails (iv) MSJ Nabha; (v) Sangrur; and (vi) Rupnagar.

The Department stated (August 2019) that requisite instructions had been issued in July 2019 to maintain history tickets of under-trial prisoners.

3.6.6 Impact assessment

Audit noticed that due to various weaknesses found in jail security, as discussed in this report, the following lapses occurred in jails during 2015-18:

- As many as 2,151 mobiles, 907 mobile SIMs, 34 mobile accessories were recovered from inmates.

- Arms and ammunition *viz.* one pistol, two cartridges, five live rounds of .32 bore besides substantial quantity of narcotic drugs[47] and cash amounting to ₹ 1.27 lakh were also seized.

- Thirty-one[48] prisoners (including four gangsters and two hard-core terrorists from High Security Jail, Nabha) escaped from 13[49] jails during the period from January 2015 to March 2018 by adopting various measures i.e. scaling/jumping jail boundary, external help, from outside jail garden, etc. owing to shortcomings in building structures i.e. insufficient height of jail boundary, inadequate watch towers, shortage of Warder staff, etc.

The Department stated (August 2019) that data depicted above itself showed that search of inmates were being done as a result of which the recoveries had been made by the Department. However, reasons for breach of security as to how the mobiles and arms reached inmates were not furnished by the Department.

3.6.7 Conclusion

The security mechanism in jails left a lot of scope for improvement. Funds ranging between 31 and 100 *per cent* could not be utilised. The jails lacked adequate modern security equipment besides having deficiencies in building structures. There was shortage of Warder staff ranging between 30 and 45 *per cent;* and that of periodical inspection of jails ranging between 15 and 88 *per cent* during 2015-18 which showed weak internal control system in the Department. Due to various weaknesses found in jail security, cases of possession of prohibited articles with the prisoners were also noticed and 31 prisoners escaped during January 2015 to March 2018.

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[47] Ganja, afeem, smack, poppy husk, heroin, intoxicating pills/tablets, cigarettes, tobacco, etc.

[48] 18 (out of 31) prisoners escaped from police custody for the period from 01.01.2017 to 31.03.2018.

[49] Central Jails: (i) Amritsar (7); (ii) Ferozepur (2); (iii) Jalandhar at Kapurthala (3); (iv) Ludhiana (1); (v) Faridkot (2); (vi) Hoshiarpur (2); (vii) Bathinda (1), (viii) Patiala (2); District Jails: (ix) Barnala (1); (x) Rupnagar (1); (xi) Mansa (1); (xii) MSJ Nabha (6); and (xiii) Sub Jail, Phagwara (2).

HOME AFFAIRS & JUSTICE AND FINANCE DEPARTMENTS

3.7 Avoidable extra payment of interest

There was delay in paying instalments by the Police Department for land made available by Chandigarh Administration due to non-release of funds and non-passing of bills by Finance Department. This resulted in avoidable burden of ₹ 1.35 crore on the State exchequer on account of interest for late payment.

Rule 2.10 of Punjab Financial Rules (PFR), Volume-I provides that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Each Head of Department is responsible for enforcing financial order of strict economy at every step. It further provides that every Government employee is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Test-check of records (February 2017) of the office of Director General of Police (DGP), Punjab revealed that the Chandigarh Administration allotted (June 2007) a piece of land measuring 5,065.555 square yards (revised to 5,064.960 square yards in July 2008) to the Punjab Police Department (Department) for construction of Punjab Police Integrated Transit Complex in Chandigarh on free hold basis at a premium[50] (cost) of ₹ 4.01 crore (i.e. ₹ 7,920/- per square yard). On payment (September 2007) by the Department of ₹ 1.01 crore towards 25 *per cent* of the total premium of the land, the Estate Officer (EO), Chandigarh Administration issued an allotment letter for the purpose in October 2007. As per terms and conditions of the allotment letter, the balance 75 *per cent* of the premium together with interest thereon at the rate of 10 *per cent* per annum was payable in three equated annual instalments of ₹ 1.21 crore each falling due[51] on 11 October during the years 2008, 2009 and 2010. In case the instalment was not paid on due date, interest at the rate of 20 *per cent* per annum was payable from the due date to the date of actual payment.

Audit observed that the Department paid the first and second instalment of ₹ 1.21 crore each on 06.11.2008 (by due date) and 23.12.2009 (with a deficit of ₹ 404 and after a delay of 74 days) respectively due to late release of funds by the Finance Department (FD). The EO kept raising demand from time to time for payment of third instalment of ₹ 1.21 crore (including the deficit of ₹ 404 of the second instalment) along with interest at the rate of 20 *per cent* per annum, as per terms and conditions of the allotment letter. The Department, however, could not pay the due amount from October 2010 to January 2016, as despite budget provisions/sanctions, the funds were either not released by FD on time or, if released, the bills were not passed by the treasury during 2010-11 to 2014-15. During 2012-13, the bill was returned by

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50 "Premium" means the price paid or promised for the transfer of a right to enjoy immovable property.

51 Payable up to 10 November of 2008, 2009 and 2010.

the treasury due to non-holding of Drawing and Disbursing Officer powers with the Department to operate the head of account and non-furnishing of other requisite documents/certificates along with the bill. Finally, the Department paid (February – November 2016) the due amount of ₹ 2.56 crore together with interest of ₹ 1.35 crore[52] at the rate of 20 *per cent* per annum for the period from October 2009 to February 2016.

The Home Affairs and Justice Department while reiterating the facts stated (May 2019) that the delay in payment of instalments was due to non-release of funds and non-clearance of bills by the State Government/treasury. However, the FD did not furnish any reply (May 2019).

Thus, non-fulfillment of requisite conditions for passing the bill, by the Police Department and non-release of funds and non-passing of bills by FD/treasury for making payment of instalments of land by due dates despite budget provisions resulted in an avoidable extra burden on State exchequer on account of payment of interest amounting to ₹ 1.35 crore.

IRRIGATION DEPARTMENT

3.8 Blockade of expenditure

The Department awarded a work of construction of an irrigation distributary without obtaining the requisite prior permission from the Railway authorities despite the fact that a railway line crossed the proposed alignment of the distributary. As a result, the irrigation facility had not become functional thereby resulting in blockade of an expenditure of ₹ 3.86 crore.

Paragraph 2.22 of 'Punjab Public Works Department Code' (Code) provides that whenever the alignment of a new road, canal, drain, etc. passes close to, or involves any alteration to or diversions of pre-existing railways, or interferes with any works or land appurtenant to the same, the written acceptance of the authorities in charge of such Railways to the proposals involved by the construction of the new road, canal, drain, etc. must invariably be obtained before any work thereon is put in hand, and the departmental authorities concerned should, therefore, obtain the views of the responsible Railways authority in such cases during the survey.

Test check of the records (June 2017) of the Executive Engineer, Investigation Division (J), Hoshiarpur (EE) showed that with a view to provide irrigation facility to 748 hectare land, EE awarded (April 2016) the work of construction of Mehangrowal distributary[53] from RD 4360 to 8053 metres at a cost of ₹ 2.98 crore . The work was to be completed latest by 18 August 2016. Subsequently, the EE allotted (19 October 2016) another work of construction of underground irrigation distribution system of the Mehangrowal distributary at a cost of ₹ 4.07 crore to the same contractor. The work was to be completed within 90 days i.e. by 16 January 2017.

52 Total amount paid (₹ 5.98 crore) *minus* amount due (₹ 4.63 crore).
53 Off taking at RD 88731 metre of Kandi Canal Stage-II.

Audit observed that though the Department was aware that a railway line crossed the proposed alignment of the distributary at RD 6713, it did not seek prior approval of the Railways authority as required under afore-mentioned provisions of the Code. While sanctioning the estimate of the work (11 February 2016), it was specifically mentioned that sanction from the Railways Department would be obtained if any objection was raised by the Railways. The EE took up the matter with the Railways only on 3 June 2016 for obtaining No Objection Certificate for laying a pipeline underneath the railway line[54]; but it was yet to be obtained. The matter was still under correspondence (September 2019) with the Railways and the two sections of the Mehangrowal distributary on either side of the railway line had not been linked. As a result, the main distributary could only be made functional upto RD 6713 metres and pipelines laid from RD 6713 metres to RD 8053 metres could not be made functional after a lapse of more than two years from the scheduled date of completion (18 August 2016). The works costing ₹ 1.05 crore[55](out of ₹ 2.90 crore) of the main distributary and ₹ 2.81 crore[56](out of ₹ 3.74 crore) of the distribution system had been completed but remained non-functional at site, thereby resulting in blockade of expenditure.

Thus, due to not obtaining prior clearance from the Railway authorities for laying a pipeline below the railway line, an expenditure of ₹ 3.86 crore incurred on two works remained blocked and failed to achieve the intended objectives.

The matter was referred to the Government in May 2018; reply was awaited (August 2019).

MEDICAL EDUCATION AND RESEARCH DEPARTMENT

3.9 Non-functional Diagnostic and Superspeciality Block

Guru Teg Bahadur Diagnostic and Superspeciality Block constructed at a cost of ₹ 24.27 crore could not be made functional for intended purposes for more than three years since its completion due to non-provision of requisite staff and funds by the Department of Medical Education and Research.

With a view to providing access to specialized tertiary healthcare services to people of Punjab, especially those living in sensitive Indo-Pakistan border areas and to boost medical education facilities, Government of India (GoI), Ministry of Health and Family Welfare, selected (January 2009) Government Medical College, Amritsar (GMC) for upgradation, on the proposal of the Government of Punjab (GoP). The upgradation *inter alia* included provision of a Diagnostic and Superspeciality Block[57] (DSB) under Pradhan Mantri

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54 At km 60.5 to 60.8 on upstream of Railway bridge No.205 near village Bharatpur Jattan.

55 ₹ 2.90 x (1,340/3,693) = ₹ 1.05 crore.

56 75 *per cent* of ₹ 3.74 crore = ₹ 2.81 crore.

57 In the name of Guru Teg Bahadur Diagnostic and Superspeciality Block consisting of ground plus five floors.

Swasthya Suraksha Yojna (PMSSY). As per PMSSY guidelines, the State Government was to provide manpower, support staff and meet the recurring expenditure for running this block.

Audit of records (May 2017) of GMC, Amritsar revealed that GoI had the DSB constructed (January 2012-May 2015) at GMC, Amritsar through a contractual agency at a cost of ₹ 24.27 crore. In the meantime, on the proposal[58] (September 2011) of GMC, the Department of Medical Education and Research (DMER), GoP notified (October 2013) some posts of specialists/faculty for recruitment for running the superspeciality services in GMC, Amritsar. However, no suitable candidates could be shortlisted by the Department. The State Government also did not provide funds for running the block. The GMC did not take over the DSB primarily due to non-provision of additional manpower (medical and para-medical) and requisite funds for meeting recurring expenses and for maintenance expenditure (October 2018).

Although it was clear at the time of approval of the project that the State Government would be required to provide staff and funds for running the super-speciality block, the DMER and the State Government has been unable to do so even after three years of construction of the block. As a result, the State could not obtain value for money for ₹ 24.27 crore spent on the construction of the block, thereby not achieving the intended objectives.

The State Government may provide requisite manpower and funds to make the Guru Teg Bahadur Diagnostic and Superspeciality Block functional to deliver envisaged medical facilities to public.

The matter was referred to the Government in May 2018; reply was awaited (August 2019).

3.10 Idle expenditure arising from non-functional machine for treatment of cancer patients

Non-provision of requisite manpower to make the Bhabhatron-II machine functional not only rendered the expenditure of ₹ 1.39 crore idle, but also denied the in-house treatment of advance cases of cancer for more than two years from its procurement.

The Secretary to Government of Punjab, Department of Medical Education and Research (DMER) requested (December 2014) the Tata Memorial Centre, Department of Atomic Energy (DoAE), Government of India (GoI) for provision of Bhabhatron-II machine[59]- an advanced digital Cobalt therapy machine - with Cobalt source to be installed at Government Medical College (GMC), Patiala for treatment of cancer patients. While making the request, the Secretary, DMER assured DoAE (GoI) that requisite infrastructure was

[58] Proposal for creation of 1,294 posts (Group 'A' specialist/faculty: 209; Group B:447; Group C: 269; and Group D: 369).

[59] In place of old Theratron 780 machine.

available at GMC, Patiala for operating the machine. Accordingly, DoAE, GoI granted (May 2015) financial assistance of ₹ 2.80 crore for the purpose.

Audit of records (October 2017) of GMC, Patiala revealed that the Department, through Punjab Health Systems Corporation, procured (June 2016) the Bhabhatron-II machine from a firm at a cost of ₹ 2.01 crore, of which ₹ 1.39 crore had been paid as of March 2018. The machine was installed in GMC, Patiala between October 2016 and June 2017. However, the same could not be put to use for want of requisite manpower i.e. Radiation Oncologist and Medical Physicist since June 2016[60] and February 2018[61] respectively. Though the Department had initiated (May 2016) the process for filling up the posts of Radiation Oncologist, the same could not be finalized (May 2018) despite repeated requests of GMC, Patiala till April 2018. Although the Department appointed two Radiation Oncologists in May and August 2018, it could not deploy the Medical Physicist as of December 2018.

The Department stated (December 2018) that the State Government had advertised the posts of Medical Physicist in December 2018. Subsequent reply of the Department was awaited (August 2019).

Thus, non-provision of requisite manpower to make the Bhabhatron-II machine functional not only rendered the expenditure of ₹ 1.39 crore idle, but also denied the in-house treatment of advance cases of cancer for more than two years from its procurement.

The matter was referred to Government in April 2018; reply was awaited (August 2019).

3.11 Idle expenditure arising from non-functional Multidisciplinary Research Units

Laxity on the part of the Department to complete the process of selection of staff for more than four years from receipt of funds from GoI not only resulted in idle expenditure of ₹ 0.76 crore on procurement of equipment but the objectives of the scheme also remained unachieved.

The Government of India (GoI) approved (July 2013) a scheme for "Establishment of Multi-Disciplinary Research Units (MRUs) in Government Medical Colleges/Research Institutions" (Scheme) in the 12th Plan period during 2013-15, which would be continued till 2019-20. The main objective of the scheme was to improve the overall health status of the population by creating evidence-based application of diagnostic procedures/processes/ methods. Under the scheme, one time financial assistance of ₹ 5.25 crore[62]

[60] The Radiation Oncologist i.e. Professor and Head of Radiotherapy Department, available at the time of procurement of the machine was transferred (June 2016) on his request to GMC, Amritsar.

[61] The Medical Physicist (deployed on contract basis) first remained absent from duties from February 2018 and then resigned in July 2018.

[62] ₹ 5.00 crore for purchase of equipment; and ₹ 0.25 crore for minor civil works.

was to be provided to the selected Government medical college for setting up a modern biological laboratory/multi-disciplinary research unit.

Audit of records (June 2018) of the Government Medical College (GMC), Patiala and subsequent information collected up to January 2019 revealed that GoI sanctioned (September 2014) the establishment of MRU in GMC and released (October 2014) first instalment of ₹ 1.25 crore[63] to GMC. Subsequent two instalments of ₹ two crore each were to be released on achievement of the laid down markers/milestones[64] and after submission of utilisation certificate (UC) along with the audited statement of account to GoI. Besides, financial assistance of ₹ 0.34 crore[65] per year towards staff to be engaged on contractual basis (₹ 0.19 crore) and for consumables/training/ contingencies (₹ 0.15 crore) were also to be provided by GoI for a period of five years.

Audit observed that GMC, after a delay of more than two years, procured (September 2016-October 2018) 12 machinery and equipment valuing ₹ 0.76 crore[66] and spent ₹ 0.24 crore on civil work, thereby utilizing a total grant of ₹ 1.00 crore. The UCs in respect of partial expenditure of ₹ 1.00 crore were sent to GoI during July 2017-November 2018, leaving ₹ 0.25 crore unspent with GMC. The procurement of remaining three[67] equipment was pending due to non-finalization of technical specifications (two equipment) and tendering process (one equipment). Further, though the GMC had constituted (October 2016) the Local Research Area Committee (LRAC), it did not complete the process for selection of contractual staff, due to which 12 machinery and equipment procured between September 2016 and October 2018 were lying idle with GMC, Patiala (January 2019).

The GMC, Patiala assured (July 2018) to complete the process of purchase of remaining equipment at the earliest and take up the matter with GoI for release of second instalment. The Department further stated (January 2019) that the contractual staff would be recruited to make the idle equipment/machines functional by the end of May/June 2019. Subsequent reply of the Department was awaited (August 2019).

Thus, due to laxity on the part of the Department to complete the process for procurement of equipment and selection of contractual staff for more than four years from receipt of funds (October 2014), the UC for the entire amount of first instalment could not be sent to GoI, thereby causing non-release of subsequent funds from GoI. This not only resulted in idle expenditure of

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63 ₹ 1.00 crore for purchase of 15 equipment; and ₹ 0.25 crore for minor civil works.

64 Release of second instalment on (i) completion of civil work; (ii) constitution of Local Research Advisory Committee (LRAC) and development of research projects; (iii) placement of orders for procurement of equipment with clear delivery scheme; and (iv) completion of the process for selection of contractual staff whereas third instalment was to be released on (i) holding of at least two meetings of Research Committees; (ii) certification of appointment of contractual staff after release of second instalment; and (iii) review of performance by ICMR Evaluation Committee.

65 Enhanced (May 2018) to ₹ 0.47 crore (₹ 0.25 crore for salary and ₹ 0.22 crore for contingency) till 2019-20.

66 Payment of ₹ 0.02 crore in respect of one equipment *viz.* Centrifuge Machine (4 Nos.) procured in October 2018 was yet to be made (January 2019).

67 (i) Fully automatic Hematology Analyzer; (ii) Cryostat; and (iii) Microtone.

₹ 0.76 crore on procurement of equipment but the objectives of the scheme remained unachieved.

The State Government may ensure completion of process for selection of requisite staff to make the existing machinery and equipment functional. It may also ensure procurement of remaining equipment and send the utilization certificate of entire amount along with other requisites to get subsequent funds from GoI so as to achieve envisaged benefits under the scheme.

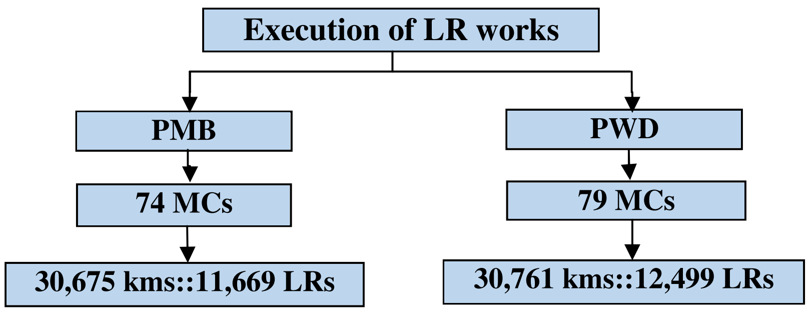
The matter was referred to Government in September 2018; reply was awaited (August 2019).

PUBLIC WORKS (BUILDINGS & ROADS) AND AGRICULTURE DEPARTMENTS

3.12 Construction, upgradation and repair of link roads by Public Works Department (Buildings & Roads) with Punjab Mandi Board and State budgetary funds

Annual maintenance plan was not prepared for regular maintenance of link roads. 197 link road works and 44 badly damaged roads were lying incomplete due to short/non-release of funds besides creating liability of ₹ 12.35 crore. Repeated change in scope of work led to cost overrun of ₹ 20.83 crore. Execution of all road safety items was not ensured. Six physically verified link roads were in dilapidated condition due to poor quality of execution within two to six years of completion.

Punjab has 50,362 sq. km of area and 63 *per cent* of its population reside in rural areas. The State has total road network of 72,243.36 kms which includes 61,436 kms (85 *per cent*) of link roads (LRs[68]) numbering 24,168. Therefore, rural/link roads are lifeline of rural economy of the State, facilitating carriage of agricultural produce to markets. The LRs of the State fall under jurisdiction of 153 Market Committees (MCs) under the administrative control of Punjab State Agricultural Marketing Board, also known as Punjab Mandi Board (PMB). PMB, under the administrative control of Department of Agriculture, is the nodal agency for link roads in Punjab. The repair and maintenance works of LRs are done both by PMB and the Public Works Department (PWD) in the areas falling under their jurisdiction as illustrated below:



[68] Link/Village Roads are roads connecting villages or cluster/group of villages with each other and to the nearest road of higher category. The road way width of rural roads is on the basis of single lane carriage way of 3.75 metres.

The scope of audit was restricted to scrutinise the records of PWD executing maintenance and repair works with PMB and State budgetary funds. Audit covering the period 2013-18 was conducted by test checking the records of the Secretary, PMB, Chief Engineer (CE), PWD and Quality Control *cum* Chief Vigilance Officer, PWD. For test checking the execution of LR works, out of 21 districts executing the LR works in the State, six districts, having 15 divisions (out of 39) of PWD, were selected. During the period covered under audit, following irregularities were noticed:

3.12.1 Non-preparation of annual maintenance plan

Government of Punjab (Department of Agriculture) notified (December 2015) 'Policy on maintenance of village roads' (Policy) by PWD and PMB. Para 5.4 read with Para 6.4 of the Policy makes it mandatory for every division to send the proposal for routine maintenance works to PMB, preferably by September each year. This would form the basis of working out an Annual Maintenance Plan (AMP) for each division. The annual maintenance includes routine maintenance, particularly pot holes' repairs, maintenance of shoulders and cleaning of cross drainage works, etc.

However, examination of records of PMB and CE, PWD showed that neither any AMP was prepared nor any work of routine maintenance of LRs was executed during 2013-18. Only special[69] repair of LRs, after six years of the last date of repair, was done based on condition of the road and availability of funds.

The PMB while admitting the observation stated (July 2019) that funds for maintenance could not be earmarked in the budget proposal due to financial constraints.

3.12.2 Delay in release of funds

(a) PMB transferred funds of ₹ 518.56 crore under the scheme RB-09 (2015-16) to the EEs of PWD for making payments for repair/maintenance works of LRs. Similarly, under the SRP of 2013-14 and 2016-17, PMB was periodically releasing the funds to PWD.

However, audit observed that in 15 selected divisions, funds of ₹ 384.85 crore were released after a delay ranging between 31 and 900 days by PMB against the demands raised by EEs. Due to which 66 *per cent* (969 out of 1458) LR works (***Appendix 3.7)*** in 11 selected divisions[70] allotted during November 2013 to July 2016 were completed after delay ranging between 19 and 527 days beyond the stipulated dates of completion.

[69] Under special repairs, the repairs such as filling of large potholes, side settlements, pavement rectification, etc. are carried out.

[70] (i) Central Works Division No. 2, Amritsar-94 roads; (ii) CD No. 2, Bathinda-120 roads; (iii) CD No. 1, Hoshiarpur-79 roads; (iv) CD No. 2, Hoshiarpur-64 roads (v) PD, Hoshiarpur-109 roads; (vi) CD No. 1, Kapurthala-82 roads; (vii) CD No. 2, Kapurthala-124 roads; (viii) CD No. 1, Ludhiana-38 roads; (ix) CD No. 3, Ludhiana-73 roads; (x) PD, Ludhiana-79 roads; and (xi) CD, Mukerian-107 roads.

Similarly, in eight[71]divisions, out of 366 LRs, 197[72] LR works ***(Appendix 3.8)*** of special repair were still lying (31 March 2018) incomplete after lapse of 243 to 758 days beyond the respective stipulated dates of completion due to short release of funds, despite spending ₹ 28.22 crore. As against the demand of ₹ 415.07 crore, ₹ 384.85 crore were released during 2013-18. The demands were raised between June 2013 and March 2017 whereas the funds were released between July 2013 and January 2018.

(b) Short/non-release of funds leading to non-completion of badly damaged roads

GoP accorded (December 2016) administrative approval to immediate special repair of 559.32 kms of badly damaged 80 roads at a cost of ₹ 102.04 crore. The State Finance Department (FD) sanctioned (December 2016) ₹ 40 crore during 2016-17 under the Head 5054-'Capital Outlay on Roads and Bridges'.

Audit observed that despite lapse of more than 27 months after the administrative approval, works of only 123.03 kms (30 *per cent*) in respect of 24 LRs were completed out of 68 link roads[73] allotted for 406.95 kms**.** Whereas, remaining 44 roads having length of 283.92 kms were still lying incomplete after execution of works between eight and 85 *per cent*. It was noticed that the premix carpet (PC) ranging between 18 and 86 *per cent* was not completed in 19 roads and in case of 25 roads having length of 110.43 kms, no PC was laid.

In 10[74] out of 15 test checked divisions, 18 special repair works, having length of 125.44 kms, were allotted (December 2016 to January 2017) to 10 agencies at a cost of ₹ 15.26 crore for completion within 2-4 months. However, audit observed that Premix Carpet (PC) was completed in 45.40 kms length of 10 roads and eight roads were lying incomplete after execution of works between 38 and 85 *per cent*. The PC ranging between zero and 70 *per cent* only was laid (March 2019) due to which these LRs were not traffic worthy as depicted in pictures below:

[71] (i) Construction Division (CD) No. 1, Amritsar-09 roads; (ii) Central Works Division No. 2, Amritsar-03 roads; (iii) Provincial Division (PD), Amritsar-26 roads; (iv) CD No. 2, Bathinda-11 roads; (v) PD, Bathinda-10 roads; (vi) PD, Hoshiarpur-70 roads; (vii) CD No. 1, Hoshiarpur-49 roads; and (viii) CD, Mukerian-19 roads.

[72]

Year	No. of Divisions	Total roads	Incomplete roads
2015-16	1	93	18
2016-17	8	273	179
Total		**366**	**197**

[73] Out of 80 roads approved, work of 12 link roads were not allotted.

[74] (i) Construction Division (CD) No. 2, Amritsar-2 roads; (ii) Provincial Division (PD), Amritsar-1 road; (iii) Central Works Division No. 2, Amritsar-1 road; (iv) PD, Hoshiarpur-1 road; (v) CD No. 1, Hoshiarpur-2 roads; (vi) CD No. 2, Hoshiarpur-2 roads; (vii) CD No. 1, Kapurthala-1 road; (viii) CD No. 2, Kapurthala-5 roads; (ix) CD No. 1, Ludhiana-2 roads; and (x) CD, Mukerian-1 road.

Ajnala Chogawan Road to Kotla Doom on to Amritsar Chogawan Ranian Road, Amritsar (23 July 2019)	L.M. road to Kaind to Dulley to Chupki to Jassowal to Bihla, Ludhiana (29 July 2019)

Plying of traffic on incomplete roads would not only create environmental pollution but also deteriorate the pavement of roads, reduce the life of vehicles and increase the risk of accidents.

The works could not be completed because only ₹ 0.66 crore were released/spent during 2016-17. The works were lying incomplete since December 2017, after execution of works valuing ₹ 37.57 crore, due to non-release of funds.

The Deputy Secretary admitted (May 2019) that due to financial constraints, works could not be completed and added that the matter had been sorted out. Payment of ₹ 25.22 crore had been made to the contractors and works would be completed shortly. The reply was not acceptable because audit did not notice any physical progress since December 2017 till March 2019.

Thus, failure of the department to arrange sufficient funds for the completion of works had resulted in non-completion of the badly damaged road works, besides creating liability of ₹ 12.35 crore *(Appendix 3.9)*.

3.12.3 Repeated change in scope of works after allotment led to cost over run

Paragraph 2.89 of PWD code provides that no work shall commence unless a properly detailed design and estimate have been sanctioned and allotment of funds made by the competent authority. Further, as per instructions (February 2009) of GoP, the works had to be allotted within 105 days[75] after receipt of administrative approval under all circumstances. Rule 2.67(3) of PWD code provides that if any necessity arises of making change in specifications after tenders have been invited but before they have been received or accepted, fresh tenders should, as a rule, be invited.

Audit observed that the Secretary, PMB accorded (03 May 2013) administrative approval to special repair of 3,372.37 kms length of 1,674 link roads at a cost of ₹ 401.21 crore. It was, however, observed from the records

[75] Period for issue of Detailed Notice Inviting Tender after receipt of administrative approval must be limited to a maximum period of two months and acceptance of tender within 45 days thereafter.

of 13[76] out of the 15 selected divisions, that 132 tenders in respect of 580 LRs out of 863 initially approved were allotted (November 2013 to February 2014) with a delay of 84 to 193 days beyond the prescribed period of 105 days.

Meanwhile, audit observed that a committee[77] was constituted (December 2013) which decided to delete those roads from the received tenders where work was not commenced, if the codal rules permit so. Thereafter, without taking cognizance of codal provisions mentioned *ibid*, Secretary, PMB accorded (February 2014) revised administrative approval to special repair of 1,911.90 kms length of 1,141 LRs at a cost of ₹ 277.35 crore, which was re-revised (March 2014) to ₹ 297.59 crore in respect of 1,994.37 kms length of 1,192 LRs on the recommendations (March 2014) of the Chief Minister.

Table 3.7: Details of repeated change in scope of work after allotment

Approval	Date of approval	Number of LRs	Length of LRs (kms)	Cost (₹ in crore)	Reasons for change
1st approval	May 2013	1,674	3,372.37	401.21	--
Revised approval	February 2014	1,141	1,911.90	277.35	On the recommendation of committee, but without following the codal rule
Re-revised approval	March 2014	1,192	1,994.37	297.59	On the recommendation of Chief Minister

This frequent change in scope of work after allotment resulted into:

- **deletion of 1,378 kms length of 482 LRs initially approved which were not repaired till the date of audit;**
- **completion of 1,910.78 kms of roads at a cost of ₹ 248.25 crore against 3,372.37 kms originally envisaged; and**
- **repeated change in the scope of work after allotment is in violation of *ibid* codal provisions and had defeated the objective of competitive biddings.** This vitiated the tendering process by creating entry barriers for other prospective small bidders and Labour & Co-operative Societies due to high value of works as per Notice Inviting Tenders; thus, depriving them of the opportunity of bidding for the works. Consequently, competition was curtailed in the bidding process.

PMB stated (July 2019) that tenders were called four times during 2013-14 by including the maintenance clause, but no agency had applied for the works. Thereafter, maintenance clause was deleted, and number of roads

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76 (i) Central Works Division No. 2, Amritsar-39 works; (ii) Provincial Division (PD), Amritsar-63 works; (iii) Construction Division (CD) No. 2, Bathinda-28 works; (iv) PD, Bathinda-90 works; (v) Construction Division (CD) No. 2, Hoshiarpur-81 works; (vi) CD No. 1, Hoshiarpur-47 works; (vii) PD, Hoshiarpur-50 works; (viii) CD No. 1, Ludhiana-18 works; (ix) CD No. 3 Ludhiana-37 works; (x) PD, Ludhiana-23 works; (xi) CD No. 1, Kapurthala-11 works; (xii) CD No. 2, Kapurthala-18 works; and (xiii) CD, Mukerian-75 works.

77 Comprising of Financial Commissioner (Development), Lieutenant General (Retd.) Shri B.S. Dhaliwal (Special invitee), Secretary, PWD and Secretary, PMB.

was reduced due to paucity of funds. However, it was seen that, as per balance sheet, sufficient funds were available with PMB, whereas changes after receipt/allotment of tenders was in violation of codal provisions.

Non-allotment of the works within the prescribed time coupled with frequent changes in length and number of LRs to be repaired had delayed the completion of the works and consequent increase in cost. This resulted in extra expenditure of ₹ 20.83 crore[78].

3.12.4 Non-execution of mandatory items of road safety

Para 6.1 of Rural Road Manual (RRM) provides that an adequate drainage is required for maintaining the structural and functional adequacy of the road. Paragraph 1 of the PMB guidelines (February 2013) provides that detailed estimates for LRs were to be prepared in accordance with a prescribed standard estimate containing different items and specifications. Further, Para 8 of the guidelines provides that 100 *per cent* payment of premix carpet should only be released after ensuring installation of village sign boards, rumble strips, kilometre stones, boundary pillars and dressing of berms, etc.

Audit observed that in six[79] divisions, out of 86 LRs, in case of 24 link roads measuring 80.78 kms executed by PWD at a cost of ₹ 20.15 crore, cross drainage works such as side/span type culverts, hume pipe culverts and side drains, etc. were not executed though these were allotted to the contractors in the agreements.

Similarly, in five[80] divisions out of 904 LRs, in case of 110 LRs measuring 267.17 kms, the contractual agencies short executed the items of village sign boards (43 numbers) rumble strips (1,951.77 meters), kilometre stones (58 numbers), boundary pillars (325 numbers) and dressing of berms (1,70,628.29 sqm) and videography (55 numbers) against that provided[81] in the respective estimates and allotted to the contractors, **due to which fatal accidents could not be ruled out.** Despite non-completion of road safety items, the EEs concerned had released the final payments to the contractors in violation of the guidelines *ibid*.

G.T. road to Khurampur via DhakPalahi road, Kapurthala, showing non construction of boundary pillars (26 November 2018)

78 Cost per km as per original approval =₹ 11.90 lakh.
Cost per km for the completed roads= ₹ 12.99 lakh.
Excess expenditure = 1910.78 x 1.09= ₹ 20.83 crore.

79 (i) Provincial Division (PD), Bathinda-3 roads; (ii) Construction Division (CD) No. 2, Bathinda-6 roads; (iii) PD, Hoshiarpur-7 roads; (iv) CD No. 1, Hoshiarpur-2 roads; (v) PD, Ludhiana-4 roads; and (vi) CD No. 3, Ludhiana-2 roads.

80 (i) Provincial Division (PD), Bathinda-3 works (17 LRs); (ii) Construction Division (CD) No. 2, Bathinda-4 works (42 LRs); (iii) PD, Hoshiarpur-3 works (14 LRs); (iv) CD No. 3, Ludhiana-5 works (23 LRs); and (v) PD, Ludhiana-4 works (14 LRs).

81 Village sign boards (100 numbers), rumble strips (2,141.60 meters), kilometre stones (96 numbers), boundary pillars (740 numbers) and dressing of berms (5,77,917.56 sqm) and videography (95 numbers).

The Deputy Secretary stated (May 2019) that these works were executed by other agencies like Gram Panchayats, whereas in some cases, the residents of area opposed the execution of cross drainage works. Other items such as rumble strips, earth-work, etc were executed as per site requirements. The reply was not acceptable because there was shortfall in the execution of the mandatory items as per records. **The fact of non-execution of mandatory items verified by Audit during field visit as depicted in the photograph *ibid* reflect that department had compromised with the safety of commuters.**

3.12.5 Poor quality of execution of roads

During field visit (May 2018 - January 2019) of 48 LRs[82], audit noticed patches/pot holes in 19 LRs of 10 divisions. Out of these, five LRs which were completed at a cost of ₹ 1.57 crore between July 2014 and May 2017 were found damaged/dilapidated condition as detailed in **Table 3.8** below:

Table 3.8: Details of poor quality of execution of roads

Sr. No.	Name of Division	Name of the Road	Periodicity (in years)	Actual date of completion	Expenditure incurred (₹ in lakh)	Picture of Roads
1.	Provincial Division, Hoshiarpur	Patti Harmoya Badla	>5<6	12.10.2016	46.03	
2.	Construction Division No. 2, Hoshiarpur	Garhshankar Santokhgarh road to Pipli to Tibbian	>4<5	28.05.2017	29.71	
3.	Provincial Division, Bathinda	Phirni Village Bajjoana	>3<4	22.07.2014	29.97	
4.	Construction Division No. 1, Ludhiana	Pakhowal Road to DAV School Chhabra Colony	>3<4	20.06.2016	20.45	
5.	Construction Division No. 2, Hoshiarpur	Mahilpur Garhshankar road to Meghowal Jandialan	>3<4	28.03.2017	31.03	
Total					**157.19**	

[82] > 10 years old : 15
>6 and <10 years: 14
<6 years old: 19

The premature damage to the roads reflects poor quality of execution by the department.

Another work of special repair of link road Ponga to Kotli Koka to Raipur Kalan[83] having length of 3.75 kms in MC Ajnala, district Amritsar was completed (June 2016) at a cost of ₹ 68.37 lakh under SRP 2015-16. But during physical visit (May 2018), the road was found damaged within two years after its completion as depicted in the photographs below:

Ponga to Kotli Koka to Raipur Kalan link road, Amritsar (18 May 2018)

The Additional Chief Secretary directed (November 2018) that technical audit would be conducted for the executed works before payments are released to the contractors.

3.12.6 Inefficient internal control and monitoring system

(i) Due to inefficient internal control an overpayment of ₹ 0.92 crore[84] to 14 contractors was made on account of incorrect calculation of price adjustment of bitumen in respect of 21 works in six divisions.

(ii) The panel of independent monitors to conduct technical audit of the village/link roads had not been constituted as provided in para 7.4 of the policy of village/link roads.

(iii) No road user satisfaction survey was conducted by the department (June 2018) despite having provision under Para 8.4 of the Policy.

3.12.7 Conclusion

Thus, the Department had not prepared Annual Maintenance Plan for regular maintenance of LRs. Funds administratively approved were not released timely by the PMB as well as State Government leading to inadequate flow of funds which in turn led to non/delayed completion of the works. The repeated changes in scope of work led to cost overrun. Execution of the works was also

[83] Executed by EE, Central Works Division No.2, Amritsar.

[84] (i) Construction Division (CD) No. 2, Amritsar-₹ 0.07 crore (3 works); (ii) Provincial Division (PD), Hoshiarpur-₹ 0.17 crore (3 works); (iii) CD No.1, Hoshiarpur-₹ 0.26 crore (1 work); (iv) CD No.1, Kapurthala-₹ 0.07 crore (1 work); (v) CD No.2, Kapurthala-₹ 0.15 crore (6 works); and (vi) CD No.3, Ludhiana-₹ 0.20 crore (7 works).

found deficient as audit noticed irregularities in calling tenders and award of works such as post tender changes leading to vitiating the tendering process and curtailing the competition in bidding. The works of special repair of badly damaged roads were lying incomplete due to non-release of funds. Internal control and monitoring system was found weak and inefficient.

PUBLIC WORKS (BUILDINGS & ROADS), FINANCE AND TOURISM & CULTURAL AFFAIRS DEPARTMENTS

3.13 Irregular waiver and non-deduction of cultural and cancer cesses

Irregular waiver of cultural and cancer cesses and non-deduction of culture cess by the respective Executive Engineers from the contractors' payments had inflicted loss of ₹ 8.72 crore on the State exchequer and extended undue financial benefit to the contractors.

(a) Under Section 6 of the Punjab Ancient, Historical Monuments, Archaeological Sites and Cultural Heritage Maintenance Board Act, 2013 enacted[85] on 15 April 2013 (Punjab Act No. 29 of 2013), a cess at the rate of one *per cent* is to be levied on the construction cost of roads, bridges, flyovers, rail over bridges, rail under bridges, etc. undertaken by the Public Works Department (PWD), Punjab Mandi Board, Punjab Infrastructure Development Board and Punjab Roads & Bridges Development Board. The cess is also to be levied on all buildings costing more than ₹ 50 crore (revised to ₹ 15 crore in December 2013) constructed by the agencies of the State out of their own or the State's resources. The amount of cess so imposed is to be deposited into the consolidated fund of the State.

Test check of records (November 2017) of the Executive Engineer (EE), Construction Division (CD) No. 2, Amritsar and information collected subsequently (May-June 2018) from six other divisions[86] revealed that in case of 11 works tendered after the date of the enactment of the Act *ibid*, against the due amount of ₹ 8.01 crore on account of cultural cess, only ₹ 0.22 crore were deducted from the contractors against the payments of ₹ 800.98 crore ***(Appendix 3.10)***, leaving ₹ 7.79 crore unrecovered.

The short deduction was due to irregular waiver of cultural cess as discussed below:

On a request made by a contractor (27 February 2017) to the Deputy Chief Minister (Deputy CM), Punjab to issue suitable instructions to PWD to release the amount of cultural cess deducted from his payments in respect of a work[87]

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85 To provide for a dedicated fund for conservation and preservation of the protected and unprotected built heritage of the State as well as funding for heritage memorials to be created/constructed, and operation and maintenance and upkeep thereof.

86 (i) Central Works Division No. 2, Amritsar; (ii) Provincial Division (PD), Bathinda; (iii) PD, Chandigarh; (iv) CD, Fazilka; (v) CD No. 1, Kapurthala; and (vi) CD, Sri Muktsar Sahib.

87 Development and beautification of roads and junctions from Town Hall to Golden Temple, Amritsar.

awarded to him in October 2015 on the grounds that there was no provision for deduction of the cess in the tender of the work, the Deputy CM constituted a Committee[88] headed by the Additional Chief Secretary (Finance) and ordered (28 February 2017) it to resolve the matter within a week. The Committee, in addition to the above said work also considered the issue of recovery of the cultural cess from the contractors' payments in respect of 13 other works[89] awarded after the date of notification of Punjab Act No. 29 of 2013 as per the list submitted by the Chief Engineer (South), (CE) PWD, convener of the Committee.

The Committee decided (8 March 2017) that no recovery be made from the contractors on account of the cess in respect of the work, "Development and beautification of roads and junctions leading to Golden Temple, Amritsar" and 12[90] out of 13 other works.

The decision of the Committee was not warranted in view of advice already tendered (20 March 2015) by the Legal Remembrancer-*cum*-Secretary to Government of Punjab, Department of Legal & Legislative Affairs (LR) which *inter alia* clarified that in case of the projects awarded prior to issuance of the notification dated 15 April 2013, a tax/cess can be recovered if there was specific clause regarding recovery of any tax/cess to be levied by the Government in future in the tender. In case of projects awarded after the date of issuance of the notification, the LR clarified that cultural cess was applicable even though levy of cess was not mentioned in DNIT. Thus, in view of clauses 13 and 42 of the contract agreement (which states that the bid price quoted by the contractors was inclusive of all taxes, levies, etc.) and advice of the LR, the cess was recoverable in all the works.

The waiver ordered (March 2017) after completion of the tendering process and allotment of the works (October 2013-March 2016) vitiated the tendering process as it jeopardized the rights of all the other bidders as well as other prospective bidders, and extended financial favour to the contractors amounting to ₹ 7.79 crore as detailed in ***Appendix 3.10***.

The EEs furnished (May 2018) different replies for non-deduction of cultural cess which were not convincing due to reasons indicated against each in ***Appendix 3.10.***

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88 Having three other members viz. Secretary, PWD (B&R); Director Cultural Affairs; and Chief Engineer (South), PWD who was also convener of the Committee.

89 Mention of non-deduction of cultural cess in two out of 14 works *viz.* (i) furnishing work of basement of the plaza except four halls of interpretation centre at main entrance of Sri Harmandir Sahib, Amritsar; and (ii) construction of Judicial Court Complex at SAS Nagar, had already been made in paragraphs No. 3.16.4 (i) and 3.17 respectively of the Comptroller & Auditor General's Audit Report on Social, General and Economic Sectors (Non-Public Sector Undertakings) for the year ended March 2017-Government of Punjab.

90 Except one work *viz.* Construction of Girls Hostel, Married Students Hostel and outer development in Punjab Technical University, Main campus, Jalandhar-Kapurthala Highway (PTU), Phase-IV in case of which PWD clarified during pre bid that the bid price was inclusive of all taxes, levies, etc. as per clause 42 of Detailed Notice Inviting Tender (DNIT).

(b) Section 6(d) of the Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act[91], 2013 (Act No. 27 of 2013) dated 09 April 2013 read with Government of Punjab, Department of Health and Family Welfare notification of 30 April 2013 stipulates that one *per cent* of the tender amount of the infrastructural development projects such as construction of roads, bridges and flyovers having value of more than ₹ 50 crore (revised to ₹ 15 crore in December 2013) is to be deposited in Government account[92] on account of cancer cess under Head 0210-Medical and Public Health. It was further clarified (March 2015) by the Chief Engineer (Infrastructure Projects) Punjab PWD (B&R) that this one *per cent* cancer cess is to be deducted from the running bills of the contracting agencies.

Audit observed that the Executive Engineer (EE), Central Works Division No. 2, PWD (B&R), Amritsar invited tenders (September 2015) for the work "Development and beautification of roads and junctions from Town Hall to Golden Temple", Amritsar and the work was allotted (October 2015) to a contractor for ₹ 71.40 crore. The work was completed (November 2016) at a cost of ₹ 93.36 crore. The department had deducted (upto October 2016) cancer cess of ₹ 0.92 crore.

Subsequently, the contractor made a request on 27 February 2017 to the Deputy Chief Minister (Deputy CM), Punjab to issue suitable instructions to PWD to release the amount withheld on account of cancer cess which was deducted without justification, as there was no such provision in the tender. The Deputy CM constituted a Committee[93] headed by Additional Chief Secretary (Finance) and ordered (28 February 2017) that the matter be resolved within a week. The Committee decided (8 March 2017) that no recovery was to be made from the contractor on account of cancer cess in respect of the said work. As a result, the deducted cancer cess was refunded (March 2017) to the agency.

Audit further observed that the decision of the Committee was not warranted as clause 13 of 'Instruction to Bidders' of the Detailed Notice Inviting Tender (DNIT) provided that all taxes, duties and other levies payable by the bidder under the contract, or for any other cause would be included in the rates, prices and total bid price submitted by the bidder. This had resulted into loss to the Government.

The EE stated (July 2018) that though the cancer cess of ₹ 0.92 crore was deducted but it was refunded to the agency in the light of waiver order of the

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[91] (a) to create and upgrade infrastructure including buildings, machinery and equipment for treatment and rehabilitation of cancer patients and for de-addiction of drug addicts; (b) to create awareness about and prevention, detection and treatment of cancer through any means; (c) to create awareness about mal-effects of drugs and drug addiction and prevention thereof and opportunities of treatment of drug addiction; and (d) for any other object for furtherance of the welfare of patients afflicted with cancer and drug addiction in the State.

[92] Notification No. 5/5/13-4c4/782 dated 30 April 2013.

[93] Having three other members viz. Secretary, PWD; Director, Cultural Affairs; and Chief Engineer (South), PWD who was also convener of the Committee.

Committee. The waiver order of the Committee was in contravention of the *ibid* clause of DNIT, resulting in a loss of ₹ 0.93 crore[94] to the state exchequer besides providing undue financial benefit to the contractor.

Thus, irregular waiver of cultural and cancer cesses and non-deduction of culture cess by the respective EEs from the contractors' payments had inflicted loss of ₹ 8.72 crore on the state exchequer and extended undue financial benefit to the contractors.

The matter was referred to Government in June 2018; reply was awaited (August 2019).

PUBLIC WORKS (BUILDINGS & ROADS) DEPARTMENT

3.14 Idle expenditure on consultancy

The decision to award the consultancy works of eight road corridors without considering the financial implications and midway abandonment thereof coupled with non-commencement of work after completion of consultancy activity rendered the expenditure of ₹ 5.34 crore as idle.

Rule 2.10(a)(1) of Punjab Financial Rules, Volume I provides that every Government employee is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Before taking up implementation of any project, it must be ensured that adequate funds are available for its execution.

Test check of records (July 2015) of the Executive Engineer (EE), Construction Division No. 3, PWD (B&R), Ferozepur and information collected subsequently (January 2016-May 2018) from the Chief Engineer (Infrastructure Projects), Punjab PWD (B&R Branch) (CE) and the Managing Director, Punjab Infrastructure Development Board (PIDB) showed that based on recommendation of the CE and approval (October 2012) of the then Public Works Minister, the Executive Committee (EC) of the Board approved (December 2012) upgradation, operation and maintenance of 12 roads on Public Private Partnership (PPP) basis. These 12 roads were clubbed into nine[95] road corridors[96], which were then divided into three packages for bidding purposes. The CE awarded (May 2013) the work of preparation of detailed projects reports on Design, Build, Finance, Operate and Transfer basis

94 Cost of work completed ₹ 93.36 crore; therefore, cancer cess required to be deducted at the rate of one *per cent* = ₹ 0.93 crore.

95 (i) SAS Nagar-Landran-Chunni-Sirhind-Patiala road; (ii) Phillaur-Naggar-Rahon road; (iii) Mukerian-(NH-1A)-Gurdaspur (NH-15) road; (iv) Barnala (NH-64)-Mansa-Sardulgarh-Sirsa (Upto Haryana Border) road; (v) Ratiya (SH-21)-Boha-Budhlada-Bhikhi (SH-12A) road; (vi) Rampura-Maur-Talwandi Sabo-Rama Mandi road; (vii) Ferozepur (NH-95)-Zira-Dharamkot road; (viii) Kapurthala-Tarn Taran-Chhabal-Attari road; and (ix) Muktsar-Malout road.

96 Under the name of Package III divided into three sub packages III-A, III-B and III-C.

to two consultants at the rate of ₹ 1,20,000, ₹ 1,16,800 and of ₹ 1,41,000 per km for packages III-A, III-B and III-C, respectively.

Audit observed that after one year of awarding these works and after preparation of 84 *per cent* project development activities, a decision was taken (30 June 2014) in the meetings held under the chairmanship of the Chief Minister of Punjab *cum* Co-Chairman, PIDB[97] to put on hold eight[98]out of nine road corridors due to change in priority of projects for ensuring better utilisation of financial resources. The Managing Director, PIDB requested (30 July 2014) the CE not to proceed with project development activities in respect of these eight projects which were consequently lying abandoned since August 2014. These works were not revived till date (June 2019). An amount of ₹ 4.46 crore had been paid to the consultants for the consultancy services in respect of the abandoned eight road corridors. Further, consultancy work of one road corridor which was not put on hold, was completed in November 2016 after incurring an expenditure of ₹ 0.88 crore. However, construction of this road could not commence till date (June 2019) due to non-providing of funds by PIDB. Hence, expenditure of ₹ 5.34 crore incurred on the nine road corridors has been rendered idle.

The Under Secretary, PWD stated (August 2018) that the consultants were asked not to proceed with the project development activities of the eight projects as per decision of PIDB. The General Manager, PIDB (GM) stated (May 2018) that in order to ensure proper utilisation of the available funds, prioritisation of projects was done in the meetings held on 14 July 2014 and accordingly the works were put on hold. It was further stated that EC noted the decision in its meeting held on 15 September 2014. The reply of the GM was not acceptable as the financial implications of the projects and availability of sufficient funds should have been assessed before awarding the consultancy works, which was not done as can be gauged from the agenda as well as minutes of meeting of EC wherein the projects were approved. The fact that as many as eight out of the nine corridors had to be shelved after a year of approval indicates that there was lack of adequate due diligence before proceeding with these projects and awarding the work of preparation of DPRs to consultants. Further, the meeting dated 14 July 2014, which was attended by only two[99] participants apart from the Co-chairman was, thus, neither of the Board nor of EC which were the only two bodies empowered under the Act for selection, prioritisation and sequencing of infrastructure projects. The plea of taking note of the decision by EC was not acceptable as all the project development activities of the eight roads had already been stopped (August 2014) by the CE in compliance to PIDB's request of 30 July 2014 much before the meeting of EC on 15 September 2014.

Thus, the decision to award the consultancy works of eight road corridors without considering the financial implications and their mid-way abandonment

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[97] And thereafter under the chairmanship of the Deputy Chief Minister, Punjab on 14 July 2014.

[98] Except SAS Nagar-Landran-Chunni-Sirhind-Patiala road.

[99] Managing Director, PIDB and Principal Secretary to Deputy Chief Minister, Punjab.

coupled with non-commencement of construction work after completion of consultancy activity on one work, rendered the expenditure of ₹ 5.34 crore as idle.

PUBLIC WORKS (BUILDINGS & ROADS) AND LOCAL GOVERNMENT DEPARTMENTS

3.15 Avoidable payment of interest

Failure of the PWD to ensure hindrance free site prior to award of work coupled with delay in providing sufficient funds for payment of award by MC, Ludhiana resulted in avoidable payment of ₹ 0.80 crore.

Paragraph 2.92 of the Punjab Public Works Department code (Code) provides that no work should be commenced on land which has not been duly made over by the responsible civil officers. Further, Paragraph 2.112(IV) of the Code provides that in case of deposit works, the necessary funds for the prosecution of the work must be realised and paid into the Government treasury either in a lump-sum or in such instalments and by such dates as the Government may decide in each case.

The Superintending Engineer, Municipal Corporation (MC), Ludhiana accorded (October 1996) administrative approval for construction of approach roads to Rail Over Bridge in place of existing wooden bridge in Ludhiana at a cost of ₹ 9.36 crore. The work was to be executed by Public Works Department (Department) as a deposit work.

Test check of records of the Executive Engineer, Provincial Division, Ludhiana (EE) showed (October 2017) that the EE allotted (10 March 1997) the work[100] to a contractor for completion by 9 September 1998 (within 18 months) at a cost of ₹ 5.99 crore without ensuring the availability of hindrance free site[101] as well as deposit of sufficient funds[102] for the completion of work. As the EE could not provide a hindrance-free site and necessary funds to the contractor, the work could not be completed till June 2006 and the EE terminated (June 2006) the agreement on 'as is where is' basis. Aggrieved by non-fulfillment of contractual obligations by the Public Works Department, the contractor sought (14 May 2008) arbitration. The Arbitrator-*cum*-Superintending Engineer, Construction Circle, Ludhiana awarded (29 March 2011) a compensation of ₹ 1.55 crore[103] and nine *per cent pendente lite* interest to the contractor. In case of non-payment of the award

[100] 'Construction of flyover bridge (excluding Railway portion) in replacement of existing pedestrian wooden bridge at Km 376.164 on Ludhiana-Amritsar Rail Section at Ludhiana'.

[101] PWD was aware in June 1996 that many shops/khokhas were lying on both sides of the road where the work was to be executed.

[102] Only ₹ 3.78 crore was deposited by MC, Ludhiana against the allotted cost of ₹ 5.99 crore.

[103] (i) ₹ 1.51 crore on account of prolongation of contract; and (ii) ₹ 3.60 lakh on account of interest on delayed payments.

amount within 30 days, the contractor was entitled to nine *per cent* per annum future interest from the date of award till the date of payment. The EE requested (April–May 2011) the MC to provide funds for settling the award but the latter did not respond.

On the matter being referred (April 2011) to the District Attorney, Ludhiana (DA) by the EE for his opinion, the DA viewed (28 April 2011) that the judgement was correct and the Department also had no objection to it. The EE thereafter referred (27 June 2011) the case to the Chief Engineer, PWD (B&R) (CE) along with an undertaking from the contractor that he would not claim interest on award amount after the date of award i.e. after 29 March 2011, if total award amount and interest upto 29 March 2011 was released to him at an early date. But despite the repeated (April-May 2011) requests of PWD, the MC did not deposit the requisite funds for payment of award due to which the Department filed an appeal[104] against the award in the Court of Additional District Judge, Ludhiana which was rejected (January 2014) on the ground of being time barred. Thereafter, the Department filed appeals in the Punjab & Haryana High Court and then in the Supreme Court of India, which were also dismissed on 24 April 2014 and 13 February 2015, respectively.

The EE again requested (28 April 2014) the Commissioner, Municipal Corporation, Ludhiana to deposit the award amount of ₹ 1.97 crore (₹ 1.55 crore award money as on 29 March 2011 and ₹ 0.42 crore as interest on award). However, the MC kept on denying the funds on the plea that the project and the consequences thereupon was to be dealt with exclusively by the Public Works Department, including arbitration and further litigation in the courts, and there was no involvement of MC. After prolonged correspondence, the MC transferred (December 2015 to January 2017) ₹ 2.77 crore to the EE who paid the same to the contractor. Thus, award of work without ensuring hindrance free site and sufficient funds resulted in termination of contract and late payment to the contractor which consequently led to avoidable payment of interest amounting to ₹ 0.80 crore for the period 30 April 2011 to 28 January 2017.

The Under Secretary (PWD) stated (June 2018) that they had made all possible efforts to get the money from the funding agency as well as from their own department but did not receive any funds for making payment to the contractor on account of the award. Thus, allotment/ commencement of work without ensuring hindrance free site as well as deposit of sufficient funds, resulted in delay in completion of the work and avoidable arbitrage, which led to payment of ₹ 0.80 crore as interest.

[104] As per directions (July 2011) of Chief Engineer.

TECHNICAL EDUCATION AND INDUSTRIAL TRAINING DEPARTMENT

3.16 Inadmissible payment of pay and allowances

Full pay and allowances were allowed to newly recruited faculty of the University instead of minimum of pay band in violation of the Notification issued by Finance Department resulting in inadmissible payment of ₹ 2.42 crore.

The Finance Department, Government of Punjab (FD) issued Notification and a subsequent amendment (January 2015) governing the service conditions of new recruits in Government/Boards/Corporations/Autonomous bodies, etc. As per condition 2(i) of the amendment, a newly recruited employee is to be paid fixed emoluments i.e. minimum of the pay band of the service or post to which concerned employee is appointed and shall not include Grade pay, annual increment or any other allowance except travelling allowance during the period of probation of two years.

Examination of the records (June 2017) of the Maharaja Ranjit Singh Punjab Technical University, Bathinda (University) showed that the Finance Committee of the University in its 2nd meeting held on 5 April 2016 decided to seek exemption from condition 2(i) of the Notification from the FD, which was declined by the FD (June 2016). Ignoring the rejection of this request by the FD, the Board of Governors, in their meeting held on 3 August 2016, approved the proposal to allow full pay and allowances to newly recruited employees. Resultantly, the University paid excess amount of ₹ 2.42 crore (***Appendix 3.11***) as full pay and allowances to 34 newly faculty instead of minimum of pay band, in violation of Notification *ibid*.

The University stated (February 2018) that as per clause 13 (7) of University Act, the Board of Governors was the supreme authority of the University and as per sub clause (l), the Board had the power to approve the emoluments and terms and conditions of the service of the faculty and staff of the University. The University further stated that the Principal Secretary, FD was a member of the Finance Committee and the Board of Governors and was present in the 2nd meeting (April 2016) of Finance Committee whereas his representative was present in the meeting of Board of Governors. Hence, no separate sanction of FD was needed.

The reply of the University was not acceptable as the University was established under an Act of Punjab Government and the notification of January 2015 specifically covered all Boards/Corporations/Autonomous Bodies, etc. of the State. Further, mere presence of a representative of the FD in the meeting of the Board of Governors did not imply automatic approval of the FD to the decisions taken in the meeting. The fact that the University had referred the matter seeking exemption of condition 2(i) of the notification to the FD, which was declined, shows that the University was aware that permission of the FD was required for allowing full pay and allowances to its newly recruited faculty.

Thus, payment of full pay and allowances to newly recruited faculty of the University in violation of the notification resulted in inadmissible payment of ₹ 2.42 crore.

The matter was referred to Government in March 2018; reply was awaited (August 2019).

TOURISM AND CULTURAL AFFAIRS DEPARTMENT

3.17 Unfruitful expenditure on amphibious bus project

Expenditure of ₹ 8.63 crore incurred on amphibious bus project in Harike Wetlands had been rendered unfruitful as the bus operated for 10 days only; besides creation of liability on account of cost of operations.

Rule 2.10(a)(1) of Punjab Financial Rules, Volume I provides that every Government employee is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Test check of records (May 2018) of the Punjab Heritage and Tourism Promotion Board (Board) showed that the Chief General Manager (Projects) submitted (May 2015) a proposal for water based tourism through amphibious bus to the Chief Minister, Punjab (CM) seeking in-principle approval. The CM directed the Chief Secretary, Punjab (CS) to put up the complete proposal after examining the same. The CS *inter alia* proposed (July 2015) that the Board should get all the technical, financial and administrative aspects of the project evaluated by hiring the services of appropriate technical consultants. The CM approved this proposal on 12 August 2015. However, the Deputy Chief Minister, Punjab in another meeting held on 12 August 2015 directed that project of water based tourism through amphibious buse be implemented in Harike Wetlands by December 2015.

The Board placed (January 2016) an order for procurement of one amphibious bus[105] for ₹ 4.52 crore after evaluation of two bids received for this purpose without conducting any technical, financial and administrative feasibility of the project. A concession agreement was signed (November 2016) with a firm (concessionaire) for operation and maintenance of the bus on Public-Private-Partnership basis for 4,500 engine hours or 10 years, whichever is later. The concessionaire was to be paid an upfront one-time payment of ₹ 53.13 lakh for purchase of boats, life jackets and drafting and buoys for marking, ₹ 1.30 crore towards annual maintenance contract besides, ₹ 2.60 crore per annum was fixed on account of cost of operations on monthly basis. As per the concession agreement, the concessionaire shall pay to the Government, by way of revenue sharing, 80 *per cent* of the daily total ticket sale in case of sale upto ₹ one lakh, 70 *per cent* in case of sale between ₹ one to two lakh and 60 *per cent* in case of sale above ₹ two lakh.

[105] Make : SCANIA G310 4X2; and Model : November 2015.

The firm delivered the bus on 13 February 2017. An amount of ₹ 8.63 crore[106] (including cost of the bus) was spent on various activities for operating the bus which commenced its commercial operations with effect from 31 May 2017. The bus was operated for trial run of 10 days and it managed to garner revenue of ₹ 70,600 only against the projection of ₹ 19.58 lakh[107] during this period. Therefore, it was stopped after trial run of 10 days only which was not a sufficient period to assess actual financial viability of the project. Further, in view of the decision (June 2018) of the Minister of Tourism and Cultural Affairs, Punjab to shelve the project, no further action was required to be taken to implement the project. Thus, making the State exchequer liable for payment of cost of operations payable monthly to the concessionaire under the concession agreement.

The Deputy Secretary admitted (April 2019) the facts that no feasibility report was prepared but feasibility of the project was discussed in the various meetings of the technical committee constituted in October 2015. He further stated that during the discussion with the State Government, number of trips, estimated number of tourists and amount of revenue expected to be generated was discussed at the top level. As such, it is incorrect to say that no feasibility was worked out. The reply was not acceptable as the site was selected for implementation of the project without preparation of any feasibility study report of the project by way of evaluation of the technical, financial and administrative aspects of the project. As regards discussion of the feasibility in the meeting of the committee[108] constituted in October 2015, it was observed from the minutes of the meetings of the committee that it deliberated upon implementation of the project at Harike rather than assessing the feasibility. Further, the bus was operated only for 10 days whereas the committee, constituted (February 2018) to examine the unviable project, was of the opinion that financial viability can only be assessed after running the amphibious bus for a minimum period of six months to one year.

Thus, expenditure of ₹ 8.63 crore incurred on amphibious bus project in Harike Wetlands had been rendered unfruitful as the bus operated for 10 days only, besides creation of liability on account of cost of operations.

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[106] Cost of bus- ₹ 4.52 crore; insurance charges- ₹ 5.61 lakh; construction of ramps in Harike lake- ₹ 87.36 lakh; upfront payment- ₹ 53.13 lakh; operation and maintenance charges- ₹ 1.30 crore; construction of boundary wall, parking, tuck shop for facility of tourists- ₹ 1.25 crore; advertisement expenses- ₹ 3.45 lakh; designing charges for four cladding panels of the bus- ₹ 0.47 lakh; TA/DA including taxi charges- ₹ 3.04 lakh; inauguration expenses- ₹ 2.08 lakh; salary and wages of security guard- ₹ 0.78 lakh; expenditure for repair and maintenance- ₹ 0.25 lakh.

[107] At the rate of ₹ 1,95,795 per day projected for three trips per day.

[108] With Principal Secretary, Tourism and Cultural Affairs, Punjab as Chairman and four other members viz. (i) Additional Chief Secretary to Government of Punjab (GoP), Public Works Department or representative; (ii) Financial Commissioner to GoP, Forest Department or representative; (iii) Secretary, Irrigation Department; and (iv) Director, Tourism and Cultural Affairs.

TOWN AND COUNTRY PLANNING DEPARTMENT

3.18 Loss of revenue to the State exchequer

Imprudent decision of the Chief Town Planner not to allow the developer to deposit CLU charges in December 2015 coupled with undue extensions beyond permissible limits led to loss of ₹ 3.04 crore to the State exchequer and ₹ 16.11 crore to PUDA/GMADA.

Government of Punjab (GoP), Department of Housing and Urban Development (Department) notified (May 2013) various charges to be deposited by the promoters/developers seeking to acquire land for residential/commercial purposes. Notification provides that Change of Land Use (CLU) charges at the rate of ₹ 8.00 lakh per acre plus 10 *per cent* moratorium alongwith other charges[109] for the residential area under the jurisdiction of Greater Mohali Area Development Authority (GMADA) would be deposited by the promoters/developers.

Test check of records (February 2017) of the Chief Town Planner, Punjab (CTP) revealed that permission for CLU was granted (March 2014) to a developer[110] for 108.58 acre land to construct a residential housing colony in village Palheri and Raihamanpur, district SAS Nagar, Mohali. The developer was directed to deposit ₹ 8.69 crore as CLU charges alongwith a condition to submit the consents given by the land owners duly verified from Notary in original and further stated that if there was any change in the land area due to change in the consents, the revised amount of CLU charges would be intimated. A reminder was issued to the developer (April 2014) to deposit ₹ 8.69 crore. Thereafter, a demand notice to deposit CLU charges was again issued (01 July 2014) whereby a time extension of three months was granted upto 22 August 2014 from the date of notification (May 2014)[111]. After verification of records, it came to the notice of CTP that an area of 82 kanal 11 marla was overlapping with another developer[112]**.** The developer requested the Department (October 2014) to grant permission for CLU for total land including 82 kanal 11 marla to deposit the required CLU charges. The overlapping area was got surrendered (November 2014) from M/s. Altus Space Builders Pvt. Limited. Thereafter, the department directed (January 2015) the developer to deposit the CLU charges upto 22 January 2015 i.e. after lapse of stipulated period of five months as mentioned in notification (May 2014). A revised demand notice for deposit of CLU charges of ₹ 8.69 crore and processing fee of five months amounting to ₹ 5.65 lakh was issued on 14 January 2015. The developer showed his

[109] External Development Charges (EDC) at the rate of ₹ 36 lakh per acre, Licence Fee (LF) at the rate of ₹ 4 lakh per acre, State Infrastructure Fund (SIF) at the rate of 5 *per cent* of CLU to PUDA and at the rate of 5 *per cent* of total sum of EDC and LF to GMADA.
[110] M/s. Indian Co-operative House Building Society Limited.
[111] Notification regarding time limit for extension was issued vide No. 18/17/14-5Hg2/226614/1 dated 23 May 2014.
[112] M/s. Altus Space Builders Pvt. Limited.

inability (January 2015) to deposit the CLU charges and demanded further extensions without any time limit. The Department neither rejected the case due to non-deposit of processing fee by the developer nor granted any time extensions.

In December 2015, the developer showed his intent to deposit the CLU charges on the basis of revised demand notice issued in January 2015. But the Department adopted delaying attitude to further extend the case by re-verifying the land with revenue records *ab initio* (though this process was completed in January 2015 while issuing the revised demand notice) and extended the case till May 2016, when a new notification (May 2016) was issued by the GoP. According to this, charges leviable for residential area were reduced[113] in GMADA area.

As the case was already approved in March 2014 and revised in January 2015, it did not fall under the ambit of new notification. Moreover, in response to the clarification[114] sought (03 March 2016) by Special Secretary, Housing and Urban Development, Punjab, the CTP clarified (16 March 2016) that in case the extensions for 19 months (upto 22 March 2016) be granted, the Government would get ₹ 21.47 lakh scrutiny fees alongwith CLU charges and thus, the Government would get higher revenue if the developer is granted extensions. The proposal was approved on 02 May 2016. Despite that, another proposal to approve the case as per the new notification was made and a demand notice at the reduced rates was issued (May 2016) which led to a loss of ₹ 3.04 crore to the State exchequer along with loss of ₹ 16.11 crore to PUDA/GMADA (**Table 3.9**).

Table 3.9: Details of loss to the State exchequer and PUDA/GMADA in respect of CLU, EDC, SIF and LF charges

(Amount in ₹)

Particulars	CLU	SIF	EDC	LF	SIF
	To State exchequer	To PUDA	To GMADA		
1	2	3 = 5 *per cent of Col.* 2	4	5	6 = 5 *per cent of Col. (4 + 5)*
Amount required to be obtained vide Notification dated May 2013	9,55,50,400	47,77,520	42,99,76,800	4,77,75,200	2,38,87,600
Amount required to be obtained as per Notification dated May 2016	6,51,48,000	32,57,400	29,31,66,000	3,25,74,000	1,62,87,000
Difference	**3,04,02,400**	**15,20,120**	**13,68,10,800**	**1,52,01,200**	**76,00,600**
Say	**3.04 crore**	**16.11 crore**			

Source: Departmental data

113 External Development Charges (EDC) at the rate of ₹ 27 lakh per acre, Change of Land use (CLU) charges at the rate of ₹ 6 lakh per acre, Licence Fee (LF) at the rate of ₹ 3 lakh per acre, State Infrastructure Fund (SIF) at the rate of 5 *per cent* of CLU to PUDA and at the rate of 5 *per cent* of total sum of EDC and LF to GMADA.

114 How the Government would get higher revenue? Whether by granting extensions in the earlier case or by getting afresh application?

Thus, lapse on the part of the Department:

- to get the CLU deposited in December 2015 when the developer intended to deposit it;
- to grant irregular extensions without deposit of any processing fee as required under the notification of May 2014; and
- to adopt delaying attitude in dealing with the case for more than two years from the original approval (March 2014) had resulted in loss of ₹ 3.04 crore to the State exchequer.

The CTP stated (November 2018) that though the demand notice issued in March 2014 was extended upto August 2014 but the developer did not deposit the CLU charges. In May 2016, the charges were reduced and on the demand notice dated 30 May 2016, the conversion/CLU charges were received as per Para 8(c) of the notification dated 22 June 2010 which stipulated that the conversion/CLU charges would be charged at the rate as on the date of grant of permission of CLU. The reply was not acceptable because the Department failed to enforce the notification dated 23 May 2014 which provides that maximum extension of five months could be granted[115] and that too with receipt of processing fee. Moreover, the case was prolonged without granting any extensions on the plea (January 2015) of shortage of funds with the developer.

Thus, imprudent action of the Department not to allow the developer to deposit the CLU in December 2015 coupled with irregular extensions beyond permissible limits had not only provided undue favour to the developer but also inflicted loss of ₹ 3.04 crore to the State exchequer and ₹ 16.11 crore to PUDA/GMADA.

The matter was referred to the Government in March 2018; reply was awaited (August 2019).

[115] In order to avoid financial loss and technical hassles and to fix a timeframe within which the charges could be deposited by the developer.

WATER RESOURCES, AGRICULTURE AND SOIL & WATER CONSERVATION DEPARTMENTS

3.19 Groundwater Management in Punjab

Annual groundwater extraction as compared to annual recharge was very high in the State mainly due to irrigation of water intensive paddy crop. Free power to farmers coupled with absence of any legislation and negligible artificial recharging efforts rendered more than three-fourth of the blocks as over-exploited. Very high groundwater contamination especially in the south-western region of the State was awaiting State's attention. Groundwater monitoring required structured approach.

3.19.1 Introduction

Water is essential for life, living and livelihood and thus, indispensable for life but its availability and sustainability is not uniform on earth. Considering its importance, United Nations Member States jointly committed (September 2015) to the Sustainable Development Goal-6 (SDG-6) which *inter alia* provide for ensuring availability and sustainable management of water and sanitation. India is home to nearly 18 *per cent* of the world's population but has only four *per cent* of the average global annual runoff in rivers. Thus, groundwater, a valuable natural resource, has become the primary source of water for agriculture, domestic and industrial uses.

Punjab is one of the smallest states of India having only 1.5 *per cent* (50,362 sq. kms) geographical area of the country but is a major contributor of wheat and rice to the central pool. During 2017-18, Punjab contributed 38 *per cent* of wheat and 31 *per cent* of rice to the central pool which accounted for 66 *per cent* and 88 *per cent* of its own yield of wheat and rice respectively.

Despite enactment of "The Punjab Preservation of Sub-soil Water Act, 2009" (April 2009) to prohibit sowing nursery of paddy and transplanting paddy before the notified dates, agriculture in Punjab continued to be dominated by paddy (a water intensive crop) which has led to over-exploitation of water resources in Punjab. In addition to the surface water fed through canal system, there was an increasing pressure on the groundwater resource which was being over-exploited to meet the needs of intensive irrigation. As per Report of Ground Water Resources of Punjab (March 2017), the stage of Groundwater Development[116] in Punjab has increased to 165 *per cent* from 149 *per cent* in 2013 which was the highest in the country and was 240 *per cent* of the national average (62 *per cent*). It is, therefore, most essential that groundwater be used and managed in a sustainable manner to meet present and future demands.

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[116] Stage of GW Development or (Stage of GW Extraction) = $\dfrac{\text{Gross groundwater extraction for all uses}}{\text{Recharged groundwater from all sources}} \times 100$

Water Resources and Environment Directorate, Punjab (WRED) is responsible for groundwater related activities in the State including framing of policy matters like groundwater legislation, State water policy, groundwater monitoring, dynamic groundwater estimation, deep groundwater investigation to identify aquifer parameters, etc. In the Department of Water Resources, a separate 'Directorate of Ground Water Management' was setup in November 2017 with a view to focus on designing policies, programs and strategies for the conservation, utilisation and management of groundwater resources of the State in a judicious, equitable and sustainable manner and to ensure optimal utilisation of surface water resources with the objective of conserving Groundwater.

3.19.2 Audit Framework

With a view to assess adequacy of State's information about groundwater, measures to control groundwater access and to protect the groundwater from depletion and contamination, an audit was conducted (April to August 2018) by test checking the records of WRED, Punjab. Data from the report on "Ground Water Resources of Punjab–2017", prepared jointly by WRED and Central Ground Water Board (CGWB), was taken into consideration and information was also obtained from CGWB, Agriculture and Soil & Water Conservation Departments.

To ensure correctness of data analysis and technical issues, experts from IIT, Rupnagar and Department of Geology and Department of Environment Studies, Panjab University, Chandigarh were consulted. The views of these experts have also been taken into consideration.

3.19.3 Financial management

The budget allotment and expenditure incurred by the Punjab Water Resources and Environment Directorate under various schemes during the period 2013-18 was as follows:

Table 3.10: Funding position of Water Resources and Environment Directorate

(₹in crore)

Year	Allotment	Expenditure	Remarks
Hydrology Project (Plan)			
2013-14	14.72	5.21	
2014-15	21.00	19.71	
2015-16	3.46	2.09	Project closed on 31.03.2016
NABARD			
2013-14	Nil	Nil	
2014-15	5.17	5.17	
2015-16	2.29	2.15	Project closed on 31.03.2016
National Hydrology Project (NHP)			
2016-17	2.22	Nil	
2017-18	5.44	0.43	

Source: Departmental information

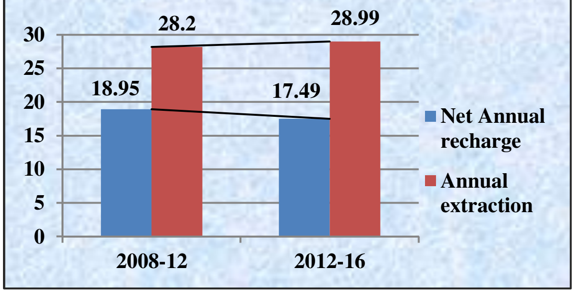
Audit observed that ₹ 2.22 crore provided by Ministry of Water Resources (MoWR) remained unspent in 2016-17. The MoWR revalidated it for

2017-18 and in addition released a sum of ₹ 3.22 crore. Out of these, only ₹ 0.43 crore were spent on works/ activities under NHP during 2017-18.

3.19.4 Availability and utilisation of groundwater in Punjab

As per Report on 'Groundwater Resources of Punjab' (31 March 2017) prepared jointly by CGWB and WRED, against 'Net Annual Groundwater Availability'[117] of 17.49 Million Acre Feet (MAF), during 2012-16, groundwater extraction for all uses was 28.99 MAF.

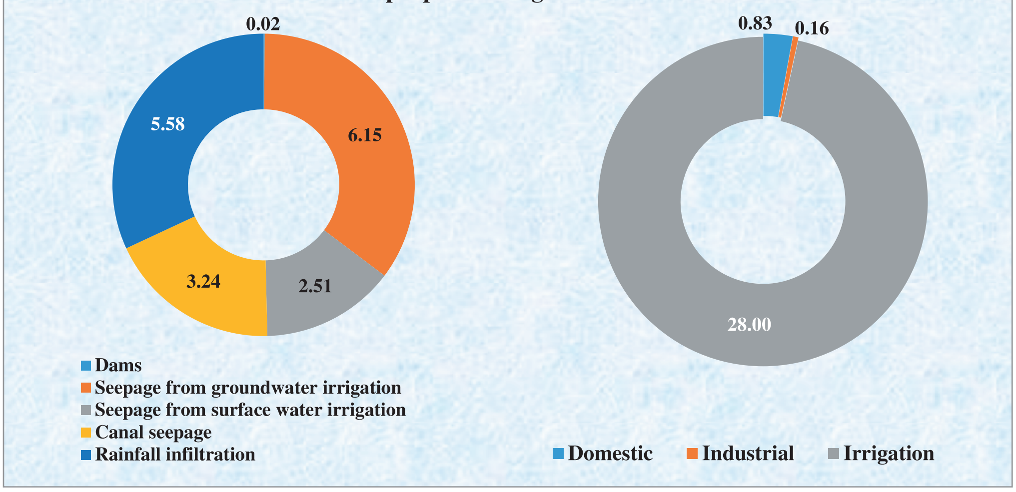
Chart 3.4: Annual recharge *vis-à-vis* Annual extraction



Source: Report on Groundwater resources of Punjab

Further, during 2012-16, the net annual groundwater recharge decreased by eight *per cent* (1.46 MAF) over 2008-12. On the other hand, the groundwater extraction increased by three *per cent* (0.79 MAF) during the same period.

Chart 3.5 : Net groundwater recharge by source and extraction by purpose during 2017-18



Source: Report on Groundwater resources of Punjab

As is evident from **Chart 3.5**, out of 28.99 MAF groundwater extracted for all purposes, 28.00 MAF (97 *per cent*) was being utilised for irrigation alone and 0.99 MAF for domestic and industrial purposes. Thus, single major contributor for decreasing availability of groundwater was irrigation.

Audit analysis and the reasons for decreasing availability of groundwater are discussed in the subsequent paragraphs:

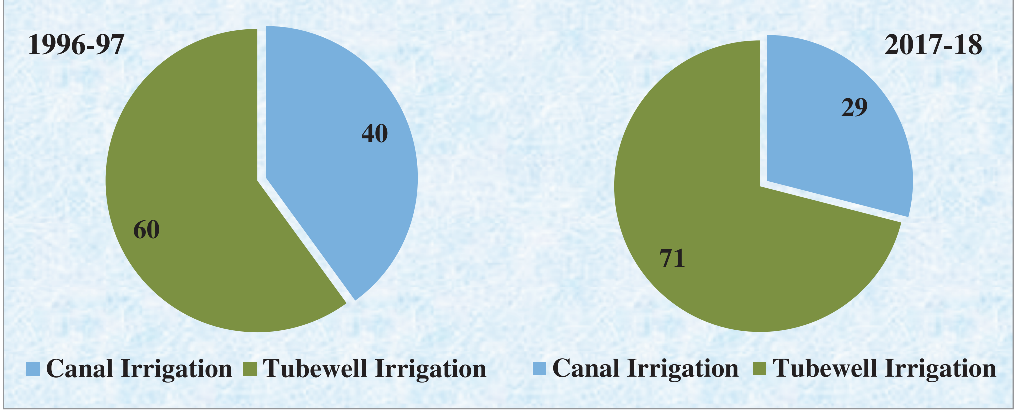
3.19.4.1 Indiscriminate withdrawal of groundwater for irrigation

Although there was network of canal system in Punjab which was fed through three perennial rivers namely Sutlej, Beas and Ravi and one non-perennial

[117] It is the sum of annual recharges from rainfall and other sources during monsoon and non-monsoon seasons offset by natural discharges.

river Ghaggar, it was observed that there was shifting preference of irrigation from canal to electricity operated tube-wells. The number of electricity operated tube-wells increased by 84 *per cent* from 7.25 lakh in 1996-97 to 13.36 lakh in 2017-18. Further, it was observed that 40 *per cent* (1,620 thousand hectare) of the net irrigated area (4,035 thousand hectare), which was under canal irrigation in 1996-97 was gradually taken over by electricity operated tube wells, thereby reducing the canal water irrigated area to 29 *per cent* in 2017-18 i.e. 1,176 thousand hectare out of 4,124 thousand hectare.

Chart 3.6: Comparison of source of irrigation during 1996-97 vis-à-vis 2017-18



Source: Statistical abstract of Punjab

Increased preference for tube well irrigation was on account of non-availability of canal water at right time and in required quantity. Besides this, providing free electricity to the agriculture sector since March 1997 and levying of water charges[118] on usage of canal water provided an added impetus to the users for shifting to tube-well irrigation. This resulted in unchecked withdrawal of groundwater, besides putting burden of subsidy on electricity on the State exchequer.

Audit noticed that State's expenditure on subsidy to meet the expenses for providing free power to agriculture in 2017-18 was ₹ 6,578 crore, which was 94 *per cent* of the total subsidies of ₹ 6,982 crore and 11 *per cent* of total revenue expenditure of ₹ 62,465 crore.

3.19.4.2 Preference for water intensive paddy cultivation

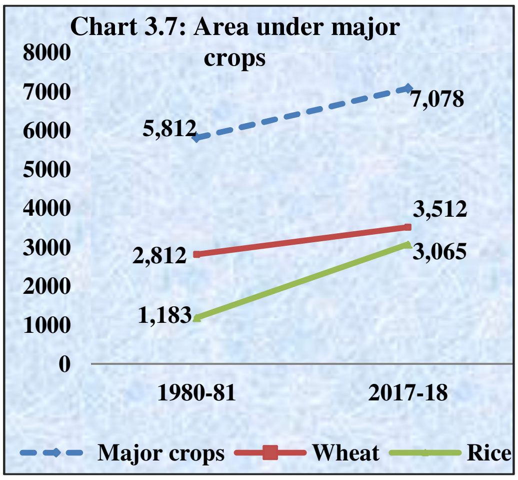
Even though rice is neither a native crop nor the staple food of Punjab, still the area sown under paddy was increasing.

118

(Amount in ₹)

Crop season	Rate of abiana per crop / per acre (prior to 12.11.2014)	Rate of water cess per crop / per acre (w.e.f. 12.11.2014)
Rabi	75	50
Kharif	75	50

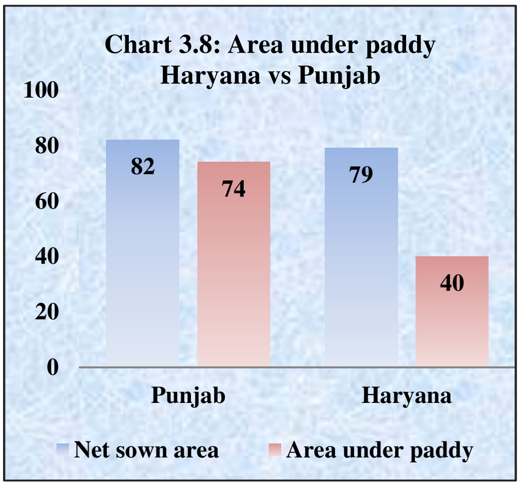
(i) Audit observed that the area under major crops[119] in Punjab had increased from 5,812 thousand hectare in 1980-81 to 7,078 thousand hectare ***(Appendix 3.12)*** in 2017-18 (22 *per cent*). The area under wheat crop increased proportionately to total increase in area under major crops i.e. from 2,812 thousand hectare to 3,512 thousand hectare (25 *per cent*), whereas the area under water intensive rice crop increased significantly from 1,183 thousand hectare to 3,065 thousand hectare (159 *per cent*) over this period.



Source: Statistical abstract of Punjab

Further, comparison with the neighbouring State of Haryana showed that although the net sown area in both the states, Punjab and Haryana was around 80 *per cent*, yet area under paddy had shown a gross disparity. Despite paddy being the most water intensive crop, it covers 74 *per cent* of the net sown area in Punjab, whereas in Haryana it was restricted to 40 *per cent* only.

Thus, sown area of paddy in Punjab was 185 *per cent* of Haryana's coverage as shown in **Chart 3.8.**



Source: Statistical abstract of Punjab & Statistical abstract of Haryana

It was further seen that power required to extract groundwater was supplied free of cost to agriculture sector in Punjab and power supply to 90 *per cent* farmers was not metered even. The neighbouring State of Haryana charges ₹ 200 per British Horse Power (BHP) per year from all the agricultural consumers. This was found to be the significant factor for difference in area under rice cultivation among both the States.

Thus, continuous increase in area under rice crop put tremendous pressure on the water resources as rice requires 15-20 irrigations[120] after its transplantation which was maximum among kharif crops[121].

As per an estimate of Punjab Agricultural University (PAU) that has featured in draft Agriculture Policy of Punjab-2013, paddy cultivation

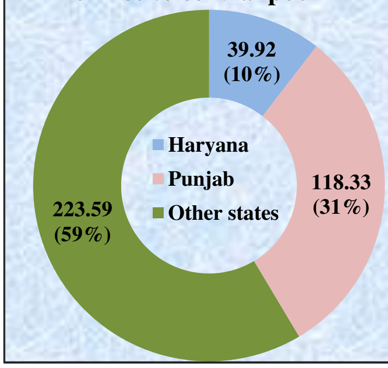
[119] Sugarcane; oil seeds; cotton and food grains.
[120] Paddy fields are filled with water 15-20 times during growth period.
[121] (i) Bajra 2-3; (ii) Cotton (American) 4-6; (iii) Cotton (Desi) 3-4; (iv) Groundnut 2-3; (v) Jowar 1-2; (vi) Maize 3; (vii) Soya Beans 2-3; and (viii) Sugarcane 2-9.

covering an area of 3,065 thousand hectare in 2017-18 was proposed to be reduced to 1,600 thousand hectare only, so as to contain its adverse effects on the groundwater levels.

(ii) Further, the system for its assured procurement for supply to other states through the public distribution system, besides supply of free electricity, had attracted farmers into growing paddy.

Out of the Centre's total procurement of rice from rice growing states for Kharif Marketing Season (KMS) 2017-18, Punjab's contribution was 31 *per cent* whereas Haryana contributed only 10 *per cent* as exhibited in **Chart 3.9**. Punjab contributed 88 *per cent* rice of its own yield, whereas Haryana contributed 82 *per cent* of its yield**.**

Chart 3.9: Contribution of rice to central pool



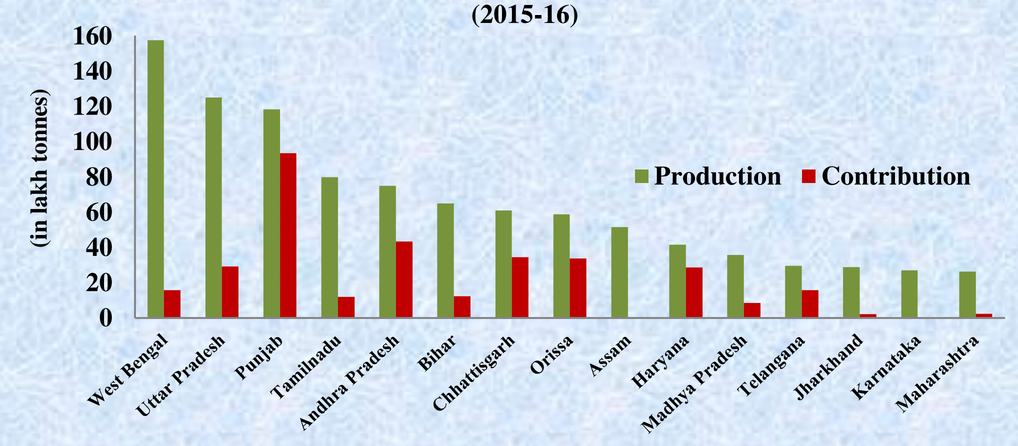
Source: www.fci.gov.in

As per Punjab Agricultural University, Punjab uses 2,488 litres of water to grow 1 kg of rice. During 2017-18, Punjab's contribution to the central pool of rice was 118.33 lakh tonnes which required 23.87 MAF of water.

Thus, a water starved State was using most of its water to fulfil the food security needs of the nation.

Audit analysis of the production of rice by the top 15 rice growing states in the country *vis-a-vis* their contribution to the central pool during 2015-16 disclosed that Punjab was contributing maxium rice to the central pool though it falls at third place in production of rice after West Bengal and Uttar Pradesh.

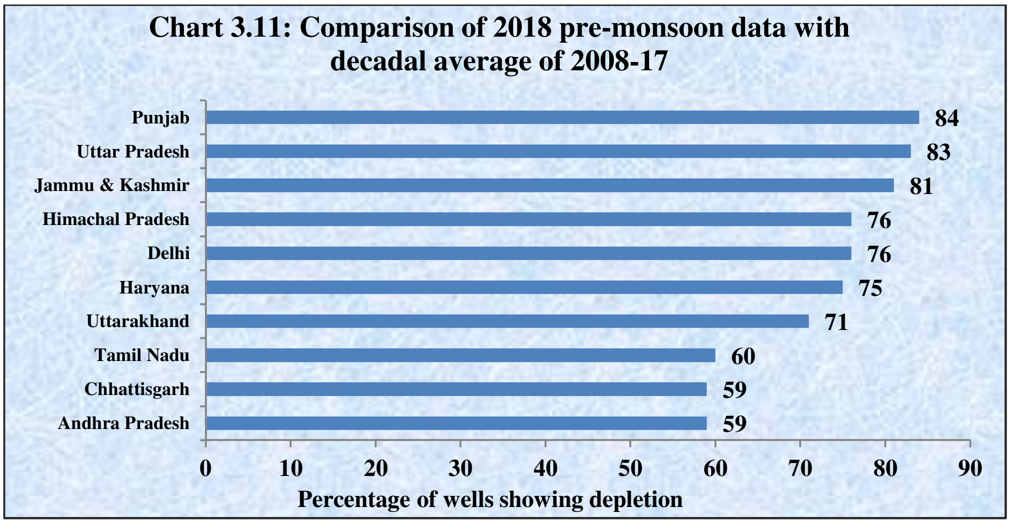
Chart 3.10: Production of rice *vis-a-vis* contribution to central pool (2015-16)



Source: www.mospi.nic.in (for production) & www.fci.gov.in (for contribution)

Thus, free unmetered power supply to agriculture consumers and assured procurement of paddy on MSP for the central pool induce the farmers to cultivate paddy despite it being the most water intensive crop thereby putting tremendous pressure on the groundwater.

(iii) According to the answer given to a question in Lok Sabha on 27 June 2019, Punjab has the maximum percentage of observation wells showing depletion in groundwater among the top ten affected Indian States in pre-monsoon water level data 2018 when compared with the decadal average (2008-2017) water levels as is shown in the **Chart 3.11** below:



Source: www.indiaenvironmentportal.org.in

As per report of WRED on water resources in Punjab as on March 2017, 37 *per cent* of the area in Punjab exhibited fall up to 10 metres in groundwater in June 2016 as compared to June 1984. During the same period, groundwater in as much as 48 *per cent* of the area fell by more than 10 metres. In the remaining about 15 *per cent* area of the State groundwater had risen during this period.

Thus, the continuous practice of sowing paddy along with availability of free power required for extracting groundwater to irrigate paddy fields lead to decrease of groundwater availability in the State. The study conducted (July 2017) by Punjab Agricultural University, Ludhiana[122] also concluded that high irrigation requirement dependent on the cropping pattern and rainfall and subsidized or free power were responsible for the rapid depletion and over-exploitation of groundwater resources.

3.19.5 Cost of irrigation

The Commission for Agricultural Costs and Prices (CACP), Government of India is mandated to advise on the price policy of paddy/rice, wheat, etc. with a view to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the

122 Study conducted by i) Samanpreet Baweja; ii) Rajan Aggarwal; and iii) Mandeep Brar of Department of Soil & Water Engineering, Punjab Agricultural University, Ludhiana.

producer and the consumer. While recommending price policy, the Commission keeps in mind, the cost of cultivation (CoC), which, among other factors, is an important factor that goes as an input in determination of minimum support price (MSP). The cost of cultivation includes irrigation charges.

The CACP uses crop-wise, state-wise cost estimates provided by the Directorate of Economics & Statistics (DES), Ministry of Agriculture and Farmers Welfare compiled under Comprehensive Scheme (CS) for studying the CoC of principal crops in India.

3.19.5.1 Impeding diversification from paddy crop

Audit observed that among the major kharif crops i.e. Paddy, Maize and Cotton, the factor of irrigation cost was the maximum for paddy in CoC – it being a water intensive crop, as detailed in **Table 3.11** below:

Table 3.11: Cost of irrigation of major kharif crops

Year	Cost of irrigation in cost of cultivation of major kharif crops (₹ per hectare)		
	Paddy	Maize	Cotton
2013-14	2,164	NA	175
2014-15	2,623	787	615
2015-16	2,400	807	611
2016-17	2,419	408	525
2017-18	NA	NA	NA

Source : DES estimates

In Punjab, irrigation in as much as, 71 *per cent* of the net irrigated area was by means of tube-wells using groundwater and in only 29 *per cent* canal water was being used. The cost of irrigation using groundwater was being borne by the State Government in Punjab as free power was being provided to farmers to extract groundwater. As regards canal water irrigation, the water charges[123], though levied, but were recovered between zero and nine *per cent* only. Thus, the cost of irrigation included in the CoC was passed to the farmers through MSP, without it being incurred by them.

Since the factor of irrigation cost was the maximum in the CoC of paddy (which was borne by the State Government through free power supply to the farmers) among all major kharif crops, it was one of the major incentives to the farmers and in-turn a deterrent factor for diversification to crops other than paddy, which may be considered by the State Government in crop diversification schemes.

123

(₹ in crore)

Period	Nomenclature of water charges	Recoverable	Recovered up to 03/19	Percentage
Outstanding as on 12.11.2014	*Abiana*	400.95	Nil	Zero
12.11.2014 to 31.03.2019	Water cess	181.81	16.83	9.26

3.19.6 Indiscriminate extraction of groundwater by industries

With a view to ensure sustainability of groundwater both in terms of quantity and quality, Central Ground Water Authority (CGWA) from time to time, has been issuing guidelines for evaluation of proposals/requests for groundwater extraction by industries. As per guidelines, obtaining No Objection Certificates (NOCs) for groundwater withdrawal was made mandatory for all industries/projects using groundwater irrespective of its date of coming into existence, category of the area and quantum of groundwater withdrawal. This was to ensure regulated groundwater extraction and installation of rain water harvesting structures by the industries.

Central Ground Water Authority notified (between December 1998 and November 2012) 45 areas (blocks) in Punjab for the purpose of regulation of groundwater extraction. These 45 notified areas of Punjab fall under 14 districts. The District Administrative Heads (Deputy Commissioner/ District Magistrate/District Collector) in case of Administrative Blocks or Taluka, or the Head of the Municipality (in case of Municipal Area) of the District is nominated 'Authorised Officer' for grant of NOC in notified area and CGWA issues NOCs in the non-notified areas for groundwater abstraction by Industries/ Infrastructure/Mining projects.

Audit observed that not all the notified 45 blocks were having highest levels of groundwater development.

3.19.6.1 Mechanism of issue of NOCs in Notified Areas

All issues pertaining to granting of NOCs for groundwater withdrawal, checking violations, sealing of groundwater extraction structures, launching of prosecution against offenders, attending to complaints, etc., are to be addressed by the Authorised Officers in notified areas.

Out of 14 districts, in which notified areas fall, only 36 'No Objection Certificates' (NOCs) for groundwater extraction falling in six[124] districts were issued by the respective Authorised Officers during 2013-18.

3.19.6.2 Functioning of District Advisory Committees in the notified areas

It was seen that District Advisory Committee[125] under the chairmanship of all the six Authorised Officers (DC) was a dedicated agency for regulation of groundwater extraction.

Scrutiny of records of these six Authorised Officers revealed that:

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[124] (i) Fatehgarh Sahib (16); (ii) Sangrur (7); (iii) Ludhiana (5); (iv) Patiala (5); (v) Rupnagar (2); and (vi) Jalandhar (1).

[125] (i) Deputy Commissioner, Chairman; (ii) Asstt. Geologist; (iii) Regional Director, Central Ground Water Board; (iv) Executive Engineer, Punjab Pollution Control Board; and (v) General Manager, Industry, etc.

(i) Only three[126] Authorised Officers had fixed time period of 60 days for processing of NOCs. However, Audit observed that all the Authorised Officers except Ludhiana issued NOCs within a period of 60 days. In Ludhiana, five applications seeking NOCs were pending (March 2018) which were cleared in October 2018 with a delay ranging between 91 and 180 days.

(ii) No guidelines/norms for site inspection were available with the Authorised Officers. Further, four Authorised Officers[127] had no mechanism to monitor the compliance of conditions of NOCs issued. However, Authorised Officers at Patiala and Ludhiana constituted the monitoring teams to monitor the required compliance but no site inspection was carried out during 2013-18 by both the Authorised Officers.

(iii) No Authorised Officer had any mechanism to ensure that project/ industry whose NOC was due for renewal actually applied for renewal in time or not.

(iv) There was no fixed periodicity to hold meetings of the advisory committee. It was seen that meetings were held only when applications for issue of NOCs were to be discussed.

3.19.6.3 Deficiencies in NOCs issued in notified areas

Permission to extract groundwater was granted by the Authorised Officers in consultation with the advisory committees constituted for this purpose in accordance with CGWA guidelines. Audit examined records and carried out site inspection in respect of 36 NOCs issued and found following deficiencies:

- 21 NOCs were issued without obtaining proof of not having public water supply in the premises. These NOCs were granted by obtaining a self-declaration only from the proponents about having inadequate or no public water supply.
- 26 NOCs were granted without incorporating any condition of installation of piezometers. Ten[128] units where the condition of installation of piezometer was incorporated in the NOC, piezometer was not installed except for one unit only i.e. Dream Land Palace, Sangrur.
- Out of 36 units:
  - In 16 units, either the condition of installation of water meter (three[129]) or the quantum of groundwater extraction permitted (nine)

[126] (i) Fatehgarh Sahib; (ii) Patiala; and (iii) Rupnagar.

[127] (i) Fatehgarh Sahib; (ii) Sangrur; (iii) Rupnagar; and (iv) Jalandhar.

[128] (i) Branco Industry, Sangrur; (ii) R.V. Industry, Jalandhar; (iii) Raghuvesh Infrastructure, Sunam; (iv) Raghuvesh Infrastructure, Malerkotla; (v) Raghuvesh Infrastructure, Ahmedgarh; (vi) Dream Land Palace, Sangrur; (vii) Ramsons Crown Hotel, Sangrur; (viii) PGIMER, Sangrur; (ix) Thapar University, Patiala; and (x) Pawani Buildwell, Patiala.

[129] (i) A-Z Waste Management Ltd, Ludhiana; (ii) Shri Guru Amardas Hospital and Institute of Medical Science, Sec. 32, Ludhiana; and (iii) ESIC Dispensary-3, Ludhiana.

was not mentioned in the NOCs and four units, though were permitted, did not construct groundwater extraction structures.

- In the remaining 20 units, where groundwater was being extracted, four units[130] were not maintaining log books, extraction of groundwater by seven units was within the limits permitted in the NOCs, 8 units[131] were extracting groundwater without installation of water meters and Thapar University, Patiala exceeded (October 2015–March 2018) the permissible limits.

➢ While 22 units constructed 27 bore-wells as permitted, four units, though permitted, did not install any bore-well. Of the remaining 10 units:

- three units[132] constructed two bore-wells each against permission of one; and
- seven units constructed 13 bore-wells without having any mention of number of bore-wells permitted in the NOCs. Of these seven units, one unit had two out lets on one bore-well and water metre was fixed on one outlet. Thus, groundwater being extracted from another out-let remained off the records.

➢ Only 30 out of 47 requisite rain water harvesting/artificial recharge structures were found constructed though 36 units were granted NOCs to extract groundwater on the assurance of installation of rain water harvesting structures.

➢ In seven units[133] (five infrastructure projects and two industries) out of 36, groundwater extracted through tube-well/bore-well was also being used for purposes other than drinking such as in the chilling unit and building construction.

➢ 17 out of 31 units, where groundwater extraction structures were constructed, did not monitor the groundwater quality for its onward intimation to the authorized nodal agency and CGWB.

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[130] (i) Virasat Vila, Fatehgarh Sahib; (ii) The Bath Grand, Fatehgarh Sahib; (iii) RSD Rice Mills, Fatehgarh Sahib; and (iv) M/s Modi Construction Company, Morinda.

[131] (i) Guru Nanak Cold Store, Amloh; (ii) M/s Waheguru Cold Store, Amloh; (iii) PGIMER, Sangrur; (iv) Principal Captain Ram Singh Educational Society, Sunam; (v) Ramsons Crown Hotel, Sangrur; (vi) Dream Land Palace, Sangrur; (vii) R V Industries, Jalandhar; and (viii) Guru Nanak Rice Mills, Khera.

[132] (i) A-Z Waste Management Ltd, Ludhiana; (ii) Aulakh Health Care Hospital, Ludhiana; and (iii) M/s Waheguru Cold Store, Amloh, Fatehgarh Sahib.

[133] (i) Guru Nanak Cold Store, Amloh; (ii) Ashoka Builders, Fatehgarh Sahib; (iii) Balvinder Singh, Rupnagar; (iv) Modi Construction Company, Morinda; (v) PGIMER at Sangrur; (vi) A-Z Waste Management, Ludhiana; and (vii) Guru Nanak Rice Mills, Fatehgarh Sahib.

- In 32 out of 36 units where bore-wells/hand-pumps were constructed, it was noticed that during 2013-18, only one unit had submitted the details to the Authorised Officer and CGWB. Eight units did not submit the details to Authorised Officer and CGWB whereas 23 units submitted strata details to the Authorised Officers only after it was pointed out by audit during site inspection.
- Out of 31 units inspected, it was noticed that one unit[134] constructed tube well of 8.4 inches diameter against prescribed 3 inches and it was abstracting groundwater after expiry of NOC on 28 March 2016. In the remaining five units[135], capacity of the pump was found between 15 HP and 35 HP against the permissible limit of 5 HP.

The Department admitted (July 2019) the facts.

3.19.6.4 Grant of NOC in non-notified areas to extract more water than permissible

With a view to ensure sustainability of groundwater both in terms of quantity and quality, CGWA had been issuing guidelines from time to time, for evaluation of proposals/requests for groundwater extraction. As per guidelines issued by CGWA in November 2012, revised in November 2015, CGWA fixed criteria, as detailed below, for issuing of NOCs for groundwater withdrawal for industries based on the categorisation of the area/block in which such industry was located.

Category	Withdrawal permitted (*per cent* of proposed recharge)
Safe	NOC is required for groundwater withdrawal subject to adoption of artificial recharge to groundwater.
Semi-critical	Withdrawal may be permitted subject to undertaking of groundwater recharge measures. The withdrawal should not exceed 200 *per cent* of the recharged quantity.
Critical	Withdrawal may be permitted subject to undertaking of groundwater recharge measures. The withdrawal should not exceed 100 *per cent* of the recharged quantity.
Over-exploited	Withdrawal may be permitted subject to undertaking of groundwater recharge measures. The withdrawal should not exceed 50 *per cent* of the recharged quantity.

Scrutiny of 50 NOCs out of 170 NOCs selected randomly revealed that 36 NOCs were issued to industries and 14 to infrastructure projects. Out of 36 NOCs issued to industries, 11 falls under safe zone, one in critical and 24 in over-exploited areas.

Audit observed that, in seven out of 24 NOCs issued in over-exploited areas, the industries proposed to recharge 111.88 lakh cum of groundwater without

[134] Pawani Builders, Patiala.

[135] (i) Aulakh Health Care, Ludhiana (15 HP); (ii) M/s Pawani Builders, Patiala (15 HP); (iii) Thapar University, Patiala (15-35 HP and 25 HP); (iv) Raghuvesh Infrastructure (15 HP), Sunam; and (v) Raghuvesh Infrastructure (15 HP), Sangrur.

having any mention of hydro-geological conditions in the NOC, against which maximum of 55.94 lakh cum (50 *per cent* of recharge quantity) of groundwater withdrawal was permissible. However, CGWA permitted groundwater withdrawal of 108.27 lakh cum ***(Appendix 3.13)***, thereby exceeding the permissible limits by 52.33 lakh cum (94 *per cent*). The permission to withdraw groundwater in safe and critical areas was as per the prescribed criterion.

This violation of the guidelines in over-exploited areas resulted not only in defeating the very purpose of exercising control over groundwater extraction but also allowed further over-exploitation of the already over-exploited zones. Further, CGWB had put no mechanism in place to assess its impact on groundwater post NOC.

On being pointed out (July 2018, February 2019 and July 2019); no reply was furnished by the CGWB (August 2019).

The cases pointed out are based on the test-check conducted by Audit. The Department may consider not generalizing the grant of NOC to industries for withdrawal of groundwater; rather exercise due diligence and consider peculiarities of each case while processing cases of NOC.

3.19.6.5 Extraction of groundwater without NOCs due to lack of co-ordination

Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 provides that the entrepreneur was required to obtain consent of the Punjab Pollution Control Board (PPCB) to operate an outlet before putting into operation any industrial plant/project/activity.

During 2013-18, PPCB granted 'Consent to Operate' (CTO) to 17,311 water using industries. The CTOs were granted on the condition that the project proponent will obtain NOC for groundwater extraction from the concerned authority. During this period, only 206 NOCs were issued by the Authorised Officers (36) in the notified areas and by CGWB (170) in the non-notified areas to Industries/Infrastructure projects.

Among the industries issued consent to operate, 20 industries were selected randomly for field inspection, to ascertain the compliance of obtaining NOC. During site inspection of these units, it was noticed that:

- 13 units were extracting groundwater by installing 17 tube-wells without getting NOC from the competent authority[136]. However, five[137] out of these 13 units had applied (between May 2017 and November 2018) for the NOC but their applications were pending (December 2018) with the competent authority for want of clarification and/or submission of rain water harvesting plans.

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[136] Deputy Commissioner is the competent authority in Notified areas and CGWA in non-notified areas.

[137] (i) M/s Kay Jay Forgings Pvt. Ltd. Ludhiana; (ii) M/s Deluxe Fabrics Limited, Ludhiana, (iii) M/s Friends Printers, Ludhiana, (iv) M/s Schreiber Dynamics Dairies Pvt. Ltd. Fazilka and (v) M/s J R Agrotech Pvt. Ltd, Gurdaspur.

- Groundwater extraction structures were not constructed by seven[138] units, thus were not extracting any groundwater.

Audit observed that there was no mechanism with six test checked Authorised Officers to ensure that each infrastructure project (other than individual households) requiring NOC for groundwater extraction had applied for NOC. However, Authorised Officer, Patiala stated that instructions were issued to line departments to ensure compliance of CGWA guidelines and notifications. Further, no estimation of number of individual households/infrastructure projects that were extracting groundwater without proper NOC existed. No show cause notices were issued/penalty imposed by the Authorised Officers against the defaulters during 2013-18 except in Ludhiana. In Ludhiana, four show cause notices were issued and the groundwater extraction structure of one defaulter was dismantled.

Thus, absence of co-ordination between the PPCB and the Authorised Officers (DC) or the CGWA, as the case may be, to ensure that all the industries operating on CTO issued by PPCB and started using groundwater, had applied for NOC to the authority concerned led to unchecked extraction of groundwater by these industries.

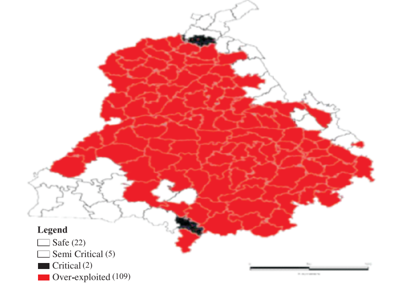
The cases pointed out are based on the test-check conducted by Audit. The Government may examine similar cases and consider adopting an effective mechanism for enforcing penal provisions strictly against the cases of violation of conditions mentioned in the NOCs for effective groundwater regulation by industries. The department may fix responsibility of officials who failed to monitor industries operating without NOCs.

3.19.7 Over-exploitation of groundwater

Based on the stage of groundwater extraction and long-term groundwater level trend, assessment units (blocks) are categorized as over exploited, critical, semi-critical and safe. The criteria of categorization of blocks are as under:

Stage of groundwater extraction	Category
≤70%	Safe
>70% and <90%	Semi Critical
>90% and <100%	Critical
>100%	Over-exploited

Chart 3.12 : Categorization of blocks



Source: Report on Groundwater resources of Punjab

Out of total 149 blocks of the State, 138 blocks were taken for study in the Report on Groundwater resources of Punjab (March 2017) of which 109 blocks (79 *per cent*) were assessed as over-exploited, two blocks (one *per cent*) as critical, five blocks (four *per cent*) as semi-critical and only 22 blocks (16 *per cent*) falls under safe category.

[138] (i) M/s B. H Enterprises, Ludhiana; (ii) M/s Birdi Steel Industries, Ludhiana; (iii) M/s Lloyds Infra systems, Ludhiana; (iv) M/s Sabharwal Cycle Industries, Ludhiana; (v) Shree Ram Polymers, Ludhiana; (vi) M/s G.S. Engineering Works, Hoshiarpur; and (vii) Schreiber Dynamix Dairies Pvt. Ltd., Fazilka.

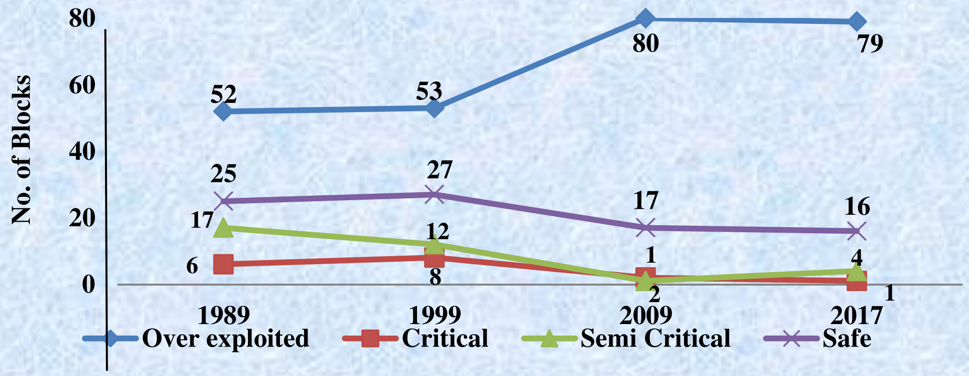
Audit observed that as per report on groundwater resources of Punjab (March 2017), ten[139] central western districts of Punjab were the worst affected, where average groundwater extraction was 207 *per cent* (ranging between 148 and 260 *per cent*). Of these, in eight central western districts, the groundwater extraction even exceeded the State's average of 165 *per cent*.

At the same time, three south-western districts[140] had water logging problem, as groundwater extraction in these districts was less than the recharge. In other parts of the south-western districts[141] high levels of groundwater extraction, ranging between 141 and 167 *per cent*, was recorded.

As per 2017 report, in the districts falling in Kandi[142] area of Punjab, groundwater extraction was also recorded in excess of the total recharge.

Audit further analysed that the results of groundwater assessment made between 1989 and 2017 showed an increasing trend of over-exploited blocks, as shown in **Chart 3.13** below:

Chart 3.13: Categorisation of blocks - 1989-2017



Source: Report on Groundwater resources of Punjab

Thus, the unchecked groundwater extraction deteriorated the groundwater table, which led to converting critical, semi-critical and safe blocks into over-exploited ones.

3.19.8 Aggravating water logging in south-western Punjab

The State is facing the dual phenomenon of rising water table (mostly in south-western parts, where water extraction is limited due to brackish/saline quality) and falling water table in north-western, central, southern and south-eastern parts of the State, where groundwater is generally fresh and fit for irrigation.

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139 Amritsar-148 *per cent*, Tarn Taran-153 *per cent*, Ludhiana-183 *per cent*, Fatehgarh Sahib-208 *per cent*, Barnala-211 *per cent*, Patiala-217 *per cent*, Kapurthala-224 *per cent*, Moga-229 *per cent*, Jalandhar-239 *per cent* and Sangrur-260 *per cent*.

140 Sri Muktsar Sahib-74 *per cent*, Bathinda-98 *per cent* and Fazilka-99 *per cent*.

141 Mansa-141 *per cent,* Ferozepur-164 *per cent* and Faridkot-167 *per cent*.

142 Hoshiarpur-103 *per cent,* Nawanshahr-116 *per cent*, Rupnagar-117 *per cent*, Mohali-119 *per cent* and Gurdaspur-134 *per cent*.

Out of 41.24 lakh hectare irrigated area in Punjab, 13.01 lakh hectare (32 *per cent*) irrigated area falls under six[143] south-western districts of Punjab. In these districts, groundwater in area ranging between 48 and 96 *per cent* (of individual districts) was saline and unsafe for all purposes.

Audit observed that during 2017-18, 75 *per cent* of area in these south-western districts (area of individual districts ranging between 29 and 100 *per cent*) of Punjab was being irrigated through canal water as compared to seven *per cent* in the rest of Punjab (area of the individual district ranging between zero and 46 *per cent*).

Punjab exhibited an increase of 3.60 *per cent* (68.32 lakh hectare to 70.78 lakh hectare) in area under major crops during last two decades (1996-97 to 2017-18). However, south-western districts witnessed decrease of 2.98 *per cent* (13.41 lakh hectare to 13.01 lakh hectare) in area under major crops during this period.

Despite decrease in the total area under cultivation in these districts during 1996-97 to 2017-18, the area under water intensive rice crop (which requires 15-20 irrigations) increased by 118 *per cent* (3.90 lakh hectare to 8.49 lakh hectare) and the area under cotton crop (which requires 3–6 irrigations) decreased by 46 *per cent* (5.18 lakh hectare to 2.81 lakh hectare).

Increased area under rice crop augmented the use of canal water for irrigation, thereby aggravating the already persisting problem of water logging and salinisation. **Panjab University opined that rice production especially by freshwater use be reduced.**

Thus, irrigating the paddy fields in south-western districts majorly with canal water impacted the water logging. The fact has been substantiated by WRED in its report on water resources of Punjab as on March 2017. Long-Term Fluctuation data pertaining to the period from June 1984 to June 2016 disclosed that the average yearly rate of rise of water level (more than 5 m) in Bathinda, Fazilka, Sri Muktsar Sahib and Mansa worked out to be approximately 0.32 m/year.

Experts opined that to contain the problem of water logging, the State may consider way outs like conjunctive use of groundwater and surface water for irrigation and/or artificial sub-surface drainage.

3.19.9 Regulatory control over groundwater extraction

It was observed that efforts of the State Government to control and regulate the extraction of groundwater were not adequate despite declining groundwater level, as explained below:

[143] (i) Bathinda; (ii) Faridkot; (iii) Fazilka; (iv) Ferozepur; (v) Mansa; and (vi) Sri Muktsar Sahib.

(a) Non-implementation of Indian Easement Act, 1882

Section 7 (g) of Indian Easement[144] Act, 1882, adopted by Punjab vide Act No. 29 of 1961, states that every owner of land has the right to collect and dispose within his own limits of all water under the land which does not pass in a defined channel. Hence, by this Act, the owner of a piece of land does not own the groundwater under the land if it passes through a defined channel. The groundwater passes in aquifers under the land, however, the State did not take measures to own the right of the aquifer groundwater and to check its extraction by the owners of the land.

The WRED stated (October 2018) that Aquifer cannot be termed as a defined channel as only the direction of flow of underground water can be known from lithological studies but other parameters like its width, depth, length, gradient, velocity and discharge, etc. cannot be established as of now. The reply of the Department was not tenable as the Master Plan prepared by CGWB, GoI for artificial recharge in India (2013) classified aquifers in Punjab as fairly thick, narrow and regionally extensive on parameters of width, depth and length. **The experts (Panjab University) have also clarified that principle of public trust, as is applicable to surface water, applies to flowing groundwater in the aquifers and not to the percolating groundwater.**

(b) Non-adoption of Groundwater Model Bill

With a view to regulate and control the extraction and management of groundwater, the Central Government, from time to time, came up with a Model Bill[145]. The latest Model Bill was brought out by the Central Government in 2016 with the objectives to ensure that groundwater is protected, conserved, regulated and managed through enactment. But it was observed that no effort was made by the State to enact an Act to control use of groundwater. Despite setting up of a separate 'Directorate of Groundwater Management' in November 2017, the Model bill was still not passed and was in the consideration of the State Government (March 2019).

Hence, neither the Central Act was implemented, nor any State Act had been enacted to prevent indiscriminate withdrawal of groundwater.

(c) Absence of State Water Policy

The WRED submitted a Draft State Water Policy to the Government in November 2008 with the overall objectives to ensure equitable distribution among agriculture, industry and domestic sectors, safe drinking water, develop water resources, restore depletion, manage water logging, promote awareness & participation of stakeholders, contain water pollution, maintain ecological

[144] Easement is a right which the owner or occupier of certain land possesses, as such, for the beneficial enjoyment of that land, to do and continue to do something, or to prevent and continue to prevent something being done, in or upon, or in respect of, certain other land not his own.

[145] 1970, 1992, 1996, 2005 and 2016.

balance, encourage safe disposal and re-cycling the waste water, introduce systematic irrigation reforms and develop a scientific hydrological information system etc.

This policy was yet to be approved. WRED admitted the facts (October 2018). By the year 2012, fourteen States[146] had formulated their State Water Policies.

Thus, inadequacy of regulatory control through enactment and policy lead to over-exploitation of groundwater and continuous increase in the area under water intensive paddy crop. This resulted in 79 *per cent* of the blocks to fall under over-exploited category.

3.19.10 Recharging of groundwater

Central Ground Water Board (CGWB) in consultation with the State Governments developed (January 2013) a master plan for artificial recharging of groundwater in India by assessing the total recharge potential available in the country along with suitable designs of structures for such recharge. The master plan was to be implemented over a period of 10 years.

3.19.10.1 Negligible creation of artificial recharging structures

As per Master Plan, Punjab is one of the States requiring highest quantities of recharge with assessment of 43,340 sq. kms area of the State feasible for artificial recharge. A total of 70,071 MCM of surface water was required to be recharged by artificial methods to saturate the aquifer up to three meters below ground level. However, volume of water available for recharge was assessed to be 1,201 MCM in addition to 187 MCM of water through Roof Top Rain Water Harvesting. For this, 4.55 lakh artificial recharge structures[147] were assessed to be feasible for the State.

Audit observed that against 4.55 lakh recharge structures assessed by CGWB in consultation with State Government, only 103 structures had been constructed (1992-2015) in the State so far which were just 0.02 *per cent* of the total requirement. Of the 103 structures, the Department of Soil and Water Conservation, Punjab constructed 73 small rainwater harvesting dams/ structures during the Eighth Five Year Plan (1992-97); WRED constructed (January 2013 to March 2015) 27 artificial recharge schemes under NABARD assisted project within the premises of Government rest houses; and CGWB constructed (February–March 2015) three artificial recharge structures in the State.

Further, these recharging structures have never been got de-silted/serviced since their completion (between February 2013 and March 2015) and were in

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[146] Andhra Pradesh, Chhatisgarh, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Sikkim, Tamil Nadu & Uttar Pradesh.

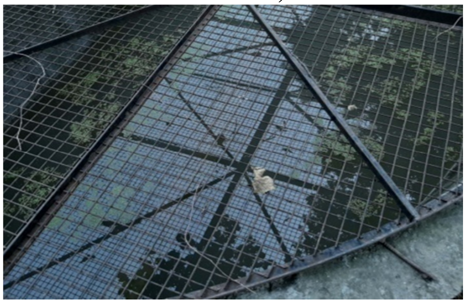
[147] Recharge Shafts: 79,839, Check Dams: 85, Rooftop Rainwater Harvesting (Housing): 3,00,000, Rooftop Rainwater Harvesting (Government and Institutional Buildings): 75,000.

a dilapidated condition as shown in the pictures (taken on 12 July 2019) below:

Artificial recharge structure at Allowal canal rest house, Patiala

Artificial recharge structure at Amloh canal rest house, Patiala

Artificial recharge structure at Dhangeria canal rest house, Patiala



Artificial recharge structure at Devigarh canal rest house, Patiala

The Department was preparing (July 2019) detailed project report for seeking funds from GoI under Pradhan Mantri Krishi Sinchai Yojna for maintenance of the recharging schemes.

The WRED stated (October 2018) that 372 structures were constructed through 38 Artificial Recharge Schemes till March 2015 under NABARD and Centrally Sponsored Schemes. On being asked (October 2018) regarding details of 372 structures, no reply was furnished (August 2019) by the Department. It was further stated that Detailed Project Report for Artificial Recharge schemes approved (June 2017) by the State Level Sanctioning Committee was under preparation for seeking funds from MoWR. However, the Chief Conservator of Soil, Punjab admitted (January 2019) that no structure had been installed after 2012-13.

Thus, efforts to recharge the groundwater in the State had been negligible despite the fact that State had the highest stage of groundwater extraction in the country.

3.19.10.2 Non-prioritising the over-exploited area for recharging

As per criteria prescribed in the master plan, the priority areas suitable for artificial recharge schemes have to be identified on the basis of i) notified areas; ii) declining water level trends during post monsoon; and iii) stage of groundwater extraction (highest to lowest). In Punjab, WRED started (December 2011 to January 2015) 27 artificial recharge schemes to augment groundwater resources under NABARD assisted project. Audit observed that:

(a) Out of 27 schemes, 11 schemes were installed in notified areas, but the sites were not chosen in the descending order of Groundwater Extraction (GWE) as the areas with comparatively lower GWE were taken up for recharge schemes leaving the areas having higher GWE ***(Appendix 3.14 & 3.15).***

(b) First four recharge schemes undertaken (December 2011) by the Department in the areas where GWE was between 237 and 197 *per cent* leaving the areas with much higher GWE, that ranged upto 416 *per cent* ***(Appendix 3.15)***.

(c) Audit further analysed that for all the remaining artificial recharge schemes, the priority in the descending order of GWE was also not adhered to ***(Appendix 3.14).***

WRED stated (October 2018) that the stage of groundwater extraction is not the only governing criteria for fixing priorities of the recharging schemes to be executed. The reply of WRED was not acceptable as the artificial recharge schemes installed were not as per the criteria prescribed in the master plan for artificial recharge. Since stage of groundwater extraction was worked out by taking into consideration various factors including pre/post monsoon water level trends and areas were also notified on the basis of higher groundwater extraction. Therefore, groundwater extraction was the major criteria. The WRED had no comments to offer on the issue of impact assessment of these recharging structures.

Thus, negligible creation of recharge structures that too in the Government rest houses without considering the hydro-geological conditions coupled with non-maintenance thereof indicate that groundwater recharge had not found requisite priority in the State plans so far. Even the areas covered with recharge structures were not prioritised in order of stage of groundwater extraction.

The Department may consider simulation of proposed recharging efforts at the planning stage and also assess its actual impact after execution.

3.19.11 Direct Benefit Transfer to farmers to save groundwater

The GoP notified (June 2018) a scheme titled *"Pani Bachao Paise Kamao"* to incentivise the agriculture consumers to save the precious groundwater and earn money for the same.

Under this scheme, agriculture consumer of electricity, based on crop season and sanctioned load of the consumer, is given a fixed electricity entitlement for every month of the year. To encourage the farmers to volunteer for this scheme, the energy entitlement of paddy season is enhanced by 20 *per cent* over the previous year[148]. Any consumption measured lower than the

148 Power supply to agriculture consumers is being recorded at Feeder level, as power supply to agriculture pumpset is unmetered.

entitlement was to be reimbursed at the rate of ₹ 4.00 per KWH and excess consumption was to attract no charges. For recording actual power consumption, the State would meter power supply to individual farmers.

Audit of Agriculture Department showed that the scheme was being implemented in six feeders[149] as pilot project where 940 agriculture consumers were being fed. Analysis of status of enrolments and meter installations revealed the following in one year (as on 13 May 2019) since the scheme was notified:

- Out of 940 agriculture consumers, only 264 (28 *per cent*) had been enrolled.
- Of the 264 consumers enrolled, meters could only be installed for 190 consumers (20 *per cent*).

Despite implementation of the scheme in June 2018, so far only 20 *per cent* of the targeted consumers could actually be covered, which shows poor implementation of the scheme. However, the impact of the scheme on groundwater is yet to be assessed.

The Government should proactively incentivise farmers to opt for diversification of crops.

3.19.12 Groundwater Monitoring

As Punjab has the highest stage of groundwater extraction in the country, groundwater monitoring becomes critical to manage interventions for future.

3.19.12.1 Un-designed network of observation wells

The WRED is monitoring groundwater in the State through 802 Medium and Deep Groundwater Observation Wells (observation wells) spread in all the 22 districts of the State. Out of 802 observation wells, 43 were non-functional as these had been closed, dried or filled up ***(Appendix 3.16)***.

The WRED, in its report on Groundwater Resources of Punjab, proposed that there should be at least three spatially well distributed observation wells in the assessment unit (administrative block), or one observation well per 100 sq. km.

A block-wise analysis disclosed that four blocks[150] were having 1-2 observation wells and the coverage of area of 70 observation wells in 11 blocks of three districts[151] was not even meeting the set norms of having one observation well per 100 sq. km. Despite being asked specifically (July 2019) about the pattern adopted by the WRED to install observation

[149] 11 KV feeders at (i) Dhanoya in district Hoshiarpur; (ii) Nawajipur; (iii) Bambiwal-1 in district Jalandhar; (iv) Sunderpura; (v) Haripur and Kharora in district Fatehgarh Sahib.

[150] i) Adampur; ii) Jalandhar-East in Jalandhar district; iii) Bholath in Kapurthala district; and iv) Ahmedgarh in Sangrur district.

[151] i) Barnala (3 blocks & 14 wells); ii) Fazilka (4 blocks & 30 wells); and iii) Sri Muktsar Sahib (4 blocks and 26 wells).

wells, the WRED did not furnish any reply (August 2019). The department, however, intimated (October 2018) that selection of site of observation wells depend on suitable strata, geological conditions, safety of structures, etc.

3.19.12.2 Manual and non-recording of groundwater level

For the effective groundwater estimation, three water level readings during pre and post monsoon seasons and in the month of January/May preferably in successive years, are the minimum requirements. It would be ideal to have monthly water level measurements to record the peak rise and maximum fall in the groundwater levels.

Audit observed that groundwater levels were measured manually as well as with instruments like Piezometers and Digital Water Level Recorders (DWLRs). There were 802 observation wells installed in Punjab for monitoring groundwater levels, of which 43 were non-functional. Out of 759 functional observation wells, data from 546 observation wells was being recorded manually; from 115 it was being recorded with piezometers and only 98 wells were fitted with DWLRs for recording water level digitally ***(Appendix 3.16)***. Out of these 98 digital recorded observation wells, only 50 wells were equipped with telemetry system, capable of providing automated real time data to the receiving equipment for monitoring. Thus, except from these 50 observatory wells, the water level was being recorded manually by visiting the site on monthly basis and in case of 48 digital observation wells fitted with DWLRs, the data was being retrieved on quarterly basis by visiting the site.

Audit also observed that the department was facing shortage of field staff and therefore, water level data from 59 observation wells (7.8 *per cent*) in district Hoshiarpur was not recorded (October 2017) due to retirement of the surveyor.

The WRED proposed installation of 550 DWLRs with telemetry system under National Hydrology Project and in its justification submitted (June 2016) that manual recording of groundwater levels makes the data prone to errors and the department was also facing difficulties in collection of the data due to declining strength of field staff. The financial bids for the proposed National Hydrology Project were in evaluation process (July 2019).

As regards, the sites being non-functional, the department while admitting the fact also attributed (October 2018) it to fall in the water table, change in land use of site, accidental filling of the well, etc. and stated that it was a continuous process, as on reviving some of the non-functional sites, some other sites would become non-functional; however, further stated (July 2019) that no observatory well was revived during the last five years.

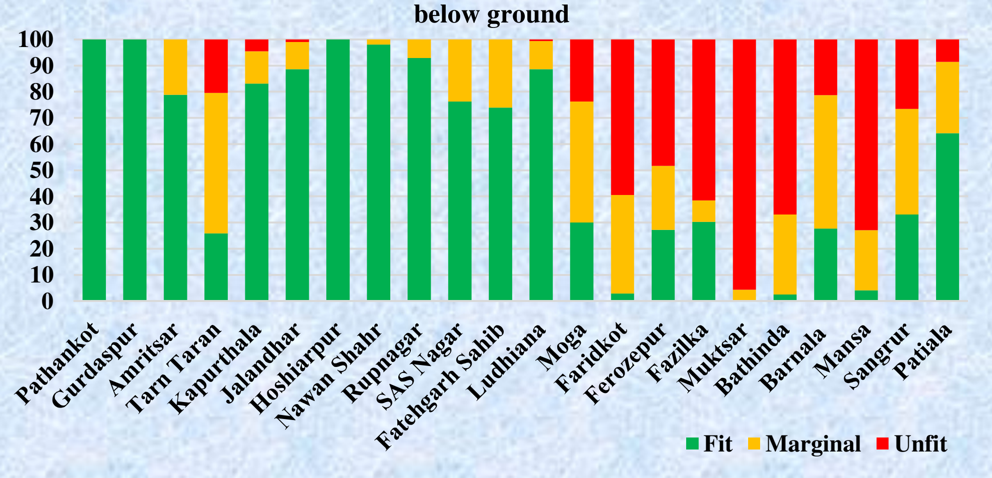
Thus, to have accurate assessment of groundwater, the State may consider spreading observation wells scientifically, expedite installation of DWLRs with telemetry to minimise manual recording of groundwater levels and consider making this data available in public domain.

3.19.13 Water pollution

3.19.13.1 Quality of groundwater

The quality of groundwater is classified as Fit, Marginal and Unfit on the basis of Electrical Conductivity[152] (EC) and Residual Sodium Carbonate[153] (RSC) which is indicative of salinity and alkalinity effect. The permissible limits for the classification of groundwater quality for irrigation purpose as determined and followed by Punjab Agricultural University is maximum 4000 micro mhos/cm at 25°C for EC and 5.0 meq/l for RSC. District wise status of quality of groundwater is exhibited in the **Chart 3.14** below:

Chart 3.14: Quality of water w.r.t. E C & RSC at 45 to 60 metres below ground



Source: Report on soil and groundwater quality in Punjab

In Punjab, about 60 *per cent* of groundwater was fresh and of good quality mostly in districts of Amritsar, Fatehgarh Sahib, Nawanshahar, Gurdaspur, Rupnagar, Hoshiarpur, Jalandhar, Kapurthala, Ludhiana and Pathankot, nearly 30 *per cent* saline/alkaline (marginal to moderate) in districts of Patiala, Moga, Ferozepur and Mansa and nearly 10 *per cent* was saline/alkaline which was unsafe for all purposes mostly in the districts of Faridkot, Sri Muktsar Sahib, Bathinda and Sangrur.

Audit observed that in 32 *per cent* area under cultivation of the South-Western districts[154] of Punjab, about 46 *per cent* of the total insecticides used in Punjab were used[155] in these districts during 2017-18.

While admitting the facts, WRED stated (October 2018) that study of salinity and assessment and monitoring of water logging problem in south western districts is proposed to be undertaken under the National Hydrology Project.

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152 It is the measure of the amount of electrical current a material can carry.

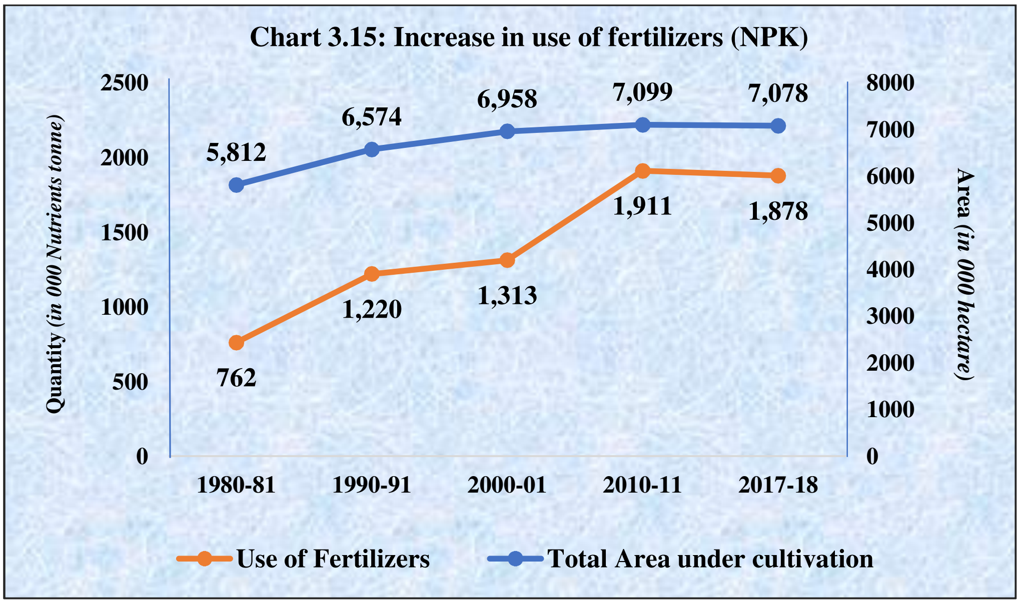
153 The RSC index is of irrigation water or soil water issued to indicate the alkalinity hazard for soil.

154 (i) Bathinda; (ii) Faridkot; (iii) Fazilka; (iv) Ferozepur; (v) Mansa; and (vi) Sri Muktsar Sahib.

155 As per information supplied by the Agriculture Department, GoP.

3.19.13.2 Use of fertilizers to increase production

After saturation of increase in area under cultivation, which was already 82 *per cent* of total area of the State, there was a shift to increased use of fertilisers to increase production of MSP supported crops. A comparison of trends of increase in the area under cultivation and increase in use of fertilisers disclosed that against the increase of 21.78 *per cent* in the land under cultivation, there was an increase of 146.46 *per cent* in the use of fertilisers during 1980-2018 as is exhibited in **Chart 3.15** below:



Source: Statistical abstract of Punjab ***N=Nitrogenous, P=Phosphatic, K=Potassic**

Increased use of fertilisers was causing water quality deterioration in both surface and groundwater, thereby affecting the net availability of fit/good quality water. Audit is of the opinion that increasing trend of use of fertilisers during 1980-2018 for enhancing the production of crops (particularly paddy) was one of the factors for deterioration in the quality of groundwater.

Experts from Panjab University also recommended controlling of excessive use of chemical pesticides and fertilisers to decrease water contamination.

3.19.13.3 Contamination of groundwater

As per concept note on geogenic contamination of groundwater in India prepared by the Central Ground Water Board (CGWB) in February 2014, groundwater in Punjab was found to be contaminated with chemicals and heavy metals beyond permissible limits, as discussed below:

(a) Chemical contamination in groundwater beyond norms

In 16 districts, Fluoride (above 1.5 mg/l), in 19 districts Nitrate (above 45 mg/l), in six districts Arsenic (above 0.05 mg/l) and in nine districts Iron (above 1.0 mg/l) was found beyond norms set by the Bureau of Indian Standards.

(b) Presence of heavy metals in groundwater

Punjab was one of the 15 States where heavy metals like Lead (above 0.01 mg/l), Cadmium (above 0.003 mg/l) and Chromium (above 0.05 mg/l) had been found in the groundwater over and above the permissible limits.

Heavy metal	Affected districts
Lead	Amritsar, Bathinda, Ferozepur, Gurdaspur, Sri Muktsar Sahib and Rupnagar.
Cadmium	Fatehgarh Sahib, Ludhiana, Nawanshahar, Patiala, Rupnagar, Sangrur, SAS Nagar and Tarn Taran.
Chromium	Amritsar, Barnala, Bathinda, Gurdaspur, Kapurthala, Mansa, Rupnagar, Sangrur, SAS Nagar and Tarn Taran.

Besides above, presence of radio active element such as uranium in groundwater had also been reported in significant proportion beyond the permissible limit in south and south-western part of the State by various agencies, as per Report on Groundwater Resources of Punjab (March 2017).

3.19.14 Decreasing sustainability of groundwater in the State

All United Nations (UN) Member States jointly committed to the Sustainable Development Goals (SDGs) in September 2015. The UN Member States declaration on the SDGs, *"Transforming Our World: The 2030 Agenda for Sustainable Development,"* noted that "Our Governments have the primary responsibility for follow-up and review, at the national, regional and global levels, in relation to the progress made in implementing the goals and targets over the coming fifteen years". SDG 6 is targeted for ensuring availability and sustainable management of water and sanitation for all which *inter alia* is to be achieved by substantially increasing the water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

It has, however, been observed that State was yet to give greater emphasis for ensuring the sustainability of this scarce natural resource, as is evident from the fact that State has neither implemented Indian Easement Act, 1882 nor yet adopted any Groundwater Legislation and even State Water Policy still eludes the State. Indiscriminate withdrawal of water continues in the State due to availability of free power to extract groundwater and ever increasing demand for water intensive cropping pattern leading to depleting water levels in the State which is aggravated due to negligible efforts for recharging the groundwater. The water quality of a significant portion of the State had also deteriorated as 10 *per cent* groundwater of the State was unsafe for all purposes and 30 *per cent* was marginally to moderately saline/alkaline. Groundwater resources of the State had witnessed contamination by fluoride, nitrate, arsenic, iron, heavy metals such as lead, cadmium, chromium and radioactive uranium.

3.19.15 Conclusion

The level of groundwater in the State was declining due to over-expolitation of groundwater which is very high (165 *per cent*) in the State mostly for irrigation of paddy crop which is highly water intensive. Free power to agriculture sector was a stimulus for State's high groundwater extraction, especially in the absence of any legislation having control over extraction of groundwater for irrigation in the State. The control over extraction of groundwater for industrial use was also weak especially in over-exploited blocks. The State was yet to enact legislation to protect, conserve, regulate and manage groundwater. Recharging potential of the State was not being tapped optimally as efforts in this direction were almost negligible. The problem of very high groundwater contamination, leaving only 60 *per cent* of groundwater fit for usage, was also awaiting the State's attention. Monitoring of groundwater resources required a structured approach to have a realtime, precise and dependable data for future interventions of groundwater management.

3.19.16 Recommendations

In the light of audit findings, the State Government may consider to:

(i) formulate State Groundwater Policy and undertake vigorous awareness campaigns for motivating farmers and also incentivising them to cultivate non-water intensive crops, avoid over-irrigation and control agricultural pumping of groundwater;

(ii) simulate the expected impact of proposed groundwater recharging schemes at the planning stage and also conduct mandatorily Impact Assessment to check if there has been reduction in rate of decline of groundwater;

(iii) follow certain scientifically designed pattern of observatory wells and minimizing errors in monitoring groundwater levels to enhance reliability of the data for sustainable development of groundwater resources;

(iv) estimate impact of groundwater withdrawal before grant of NOC to juxtapose post project actual impact; and

(v) strengthen control over use of excessive fertilisers and pesticides, groundwater extraction for industrial use and encourage effective groundwater recharging.

The matter was referred to the Government in August 2018; reply was awaited (August 2019).

CHANDIGARH	**(PUNAM PANDEY)**
The 22 October 2019	**Principal Accountant General (Audit), Punjab**

Countersigned

NEW DELHI	**(RAJIV MEHRISHI)**
The 30 October 2019	**Comptroller and Auditor General of India**

Appendices

Appendix 1.1

(Referred to in paragraph 1.8, page 4)

Details of performance audits/paragraphs of the Reports of the Comptroller and Auditor General of India for which departmental replies were not received up to 31 March 2019

Sr. No.	Name of the Department	2012-13		2013-14		2014-15		2015-16		2016-17		Total number of	
		PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.
1.	Agriculture	-	3.5	2.1*	-	-	3.1, 3.2	-	-	-	3.15*	01	04
2.	Animal Husbandry, Dairy Development and Fisheries	-	-	2.1*	-	-	-	-	-	-	-	-	-
3.	Cultural Affairs	-	-	-	-	-	-	-	-	-	3.16*	-	01
4.	Finance & Planning	-	-	-	-	-	3.4*, 3.15	2.2	3.10*	-	3.1*, 3.10*	01	05
5.	Governance Reforms	-	-	-	-	-	3.5	-	-	-	3.3	-	02
6.	Health & Family Welfare	-	-	-	-	-	-	-	3.2, 3.4	-	3.4	-	03
7.	Higher Education	-	-	-	-	2.2	3.17	-	-	-	3.5	01	02
8.	Home Affairs and Justice	-	-	-	-	-	-	-	3.5	-	3.6	-	02
9.	Housing and Urban Development	-	-	-	-	-	-	-	3.7	2.3	-	01	01
10.	Industry and Commerce	-	-	-	-	-	-	-	-	-	3.7, 3.8	-	02
11.	Information and Public Relations	-	-	-	-	-	-	-	-	-	3.9	-	01
12.	Irrigation	-	3.12	-	3.10	-	-	-	3.8, 3.9, 3.10*, 3.17*	-	3.10*, 3.17*, 3.18*	-	07
13.	Local Government	-	-	-	-	-	3.4*	-	-	-	3.11	-	01
14.	Public Works (B&R)	-	-	-	-	-	-	-	-	-	3.15*, 3.16*, 3.17*	-	-

Sr. No.	Name of the Department	2012-13		2013-14		2014-15		2015-16		2016-17		Total number of	
		PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.	PA	Para No.
15.	Revenue, Rehabilitation & Disaster Management	-	-	-	-	-	-	-	3.15, 3.16, 3.17*	-	3.1*, 3.18*, 3.19	-	03
16.	Rural Development and Panchayats	-	-	-	-	-	-	-	-	-	3.20, 3.23	-	02
17.	Science Technology and Environment	-	-	-	-	-	-	-	3.18	-	-	-	01
18.	Sports and Youth Affairs	-	-	-	-	-	-	2.4	-	-	-	01	-
19.	Welfare of SC and BC	-	-	-	-	-	-	-	-	2.4	-	01	-
	Total		**02**	**01**	**01**	**01**	**06**	**02**	**11**	**02**	**17**	**06**	**37**

Source: Office records

**** Para No. 2.1 of 2013-14, though pertains to two departments (Sr. Nos. 1 and 2), has been counted once.***
Para No.3.4 of 2014-15, though pertains to two departments (Sr. Nos. 4 and 13), has been counted once.
Para Nos.3.10 and 3.17 of 2015-16, though pertain to two departments (Sr. No.4, 12 and 15), have been counted once.
Para Nos.3.1, 3.10, 3.15, 3.16, 3.17 and 3.18 of 2016-17, though pertain to two departments (Sr. No. 1, 3, 4, 12, 14 and 15), have been counted once.

Appendix 2.1

(Referred to in paragraph 2.2.7.5, page 41)

Details of short/non-levy of labour cess by the development authorities

(₹in lakh)

Sr. No.	Name of Development Authority	Plan approved	Area approved (sq. feet)	Estimated cost of construction @ ₹ 900 per sq. feet	Cess to be collected as per notification of November 2013	Cess collected by the Authority	Short/non collection
1.	District Town Planner, Gurdaspur	48	1,30,462.00	1,174.16	11.74	4.99	6.75
2.	PUDA, Patiala (Non-levy)	41	46,951.19	422.56	4.23	0	4.23
	PUDA, Patiala (Short levy)	307	9,74,324.55	8,768.92	87.69	81.53	6.16
3.	Municipal Council, Sangrur	35	71,673.00	645.06	6.45	3.98	2.47
4.	District Town Planner, Patiala	19	44,221.23	397.99	3.98	2.28	1.70
5.	STP, Jalandhar	29	6,74,553.88	6,070.98	60.71	36.99	23.72
6.	Municipal Council, Gurdaspur	222	4,59,497.03	4,135.47	41.36	33.65	7.71
7.	Improvement Trust, Amritsar	362	13,26,921.00	1,1942.29	119.42	73.44	45.98
8.	Municipal Corporation, Amritsar	418	8,28,540.90	7,456.87	74.57	11.08	63.49
9.	Senior Town Planner, Patiala	60	10,49,270.44	9,443.43	94.43	50.68	43.75
10.	Senior Town Planner, Ludhiana	9	2,76,359.88	2,487.24	24.88	13.49	11.39
11.	District Town Planner, Jalandhar	12	28,670.44	258.03	2.58	0.96	1.62
12.	Senior Town Planner, Amritsar	14	1,99,045.00	1,791.41	17.91	10.18	7.73
	Total	**1576**	**61,10,490.54**	**54,994.41**	**549.95**	**323.25**	**226.70**

Source: Data/information collected from concerned development authority

Appendix 2.2

(Referred to in paragraph 2.2.8.1(b)(iii), page 47)

Details of irregular payments made to the beneficiaries

Sr. No.	Name of the scheme	No. of beneficiaries	Amount (₹ in lakh)
1.	Ex-gratia	113	258.00
2.	Shagun	136	38.86
3.	Funeral	48	7.50
4.	Leave Travel Concession	28	0.56
5.	General Surgery	23	3.69
6.	Maternity	39	3.23
7.	Stipend	498	28.17
8.	Occupational Diseases	01	1.00
9.	Cycle	4,312	102.54
	Total	**5,198**	**443.55**

Source: Departmental records

Appendix 3.1

(Referred to in paragraph 3.1, page 56)

Details of avoidable payment of land compensation due to delay in announcement of award

(Amount in ₹)

1.	Market value of land and assets	13,91,38,153
2.	Date of sanction of award	21-07-2014
3.	Award actually announced on	20-01-2016
4.	Delay in announcement of award (from 1 August 2014 to 19 January 2016) excluding 10 days for announcement of award after its sanction on 21 July 2014 (which have been taken on higher side keeping in view that the Director announced the award on the very next day of receipt of funds)	537 days
5.	Avoidable payment of 12 *per cent* appreciation on market value of land and assets for 537 days	2,45,64,555
	Say	**2.46 crore**
6.	Avoidable Departmental charges @ 14 *per cent* of (5)	34,39,037
	Say	**0.34 crore**
7.	**Total avoidable payment (5+6)**	**2,80,03,592**
	Say	**2.80 crore**

Source: Departmental records

Appendix 3.2

(Referred to in paragraph 3.2 (a), page 58)

Details of suspected fraudulent drawal of pay and allowances

Sl. No.	Salary for the month	Bill No. / Date	Token No.	Voucher No./Date	No. of employees as per Pay Bill	No. of employees for which pay drawn	Pay drawn (in ₹)	Pay due (in ₹)	Excess drawal (in ₹)	Bank details where excess amount was transferred		Name of the beneficiary
										Bank	Account No.	
1.	Feb-17	215/4.3.2017	39957	42/7.3.2017	8	9	3,64,352	3,30,725	33,627	ICICI Bank	366501500845	Sukhdev Singh
2.	Feb-17	216/4.3.2017	39958	40/7.3.2017	15	16	4,62,631	4,33,213	29,418	ICICI Bank	366501500845	Tarsem Singh
3.	Feb-17	217/4.3.2017	39959	45/7.3.2017	8	9	2,44,785	2,18,246	26,539	ICICI Bank	366501500845	Manohar Lal
4.	Feb-17	213/4.3.2017	39955	1/6.3.2017	8	9	5,00,007	4,42,416	57,591	ICICI Bank	366501500845	Manjeet
5.	Mar-17	1/6.4.2017	1818	42/19.4.2017	8	9	5,71,297	5,21,297	50,000	IDBI Bank	72104000327039	Gulshan Singh
6.	Mar-17	2/6.4.2017	1819	32/19.4.2017	8	9	4,58,915	3,28,915	1,30,000	IDBI Bank	72104000327039	
7.	Mar-17	3/6.4.2017	1820	47/19.4.2017	15	16	6,51,576	5,21,576	1,30,000	ICICI Bank	366501500845	
8.	Mar-17	4/6.4.2017	1821	38/19.4.2017	8	9	3,35,382	2,25,382	1,10,000	ICICI Bank	366501500845	
9.	Mar-17	7/6.4.2017	1824	44/19.4.2017	10	11	5,08,056	4,28,056	80,000	ICICI Bank	366501500845	
10.	Apr-17	21/28.4.2017	4871	7/3.5.2017	8	9	6,24,071	5,24,071	1,00,000	ICICI Bank	366501500845	
11.	Apr-17	22/28.4.2017	4872	16/3.5.2017	8	9	4,80,425	3,30,425	1,50,000	ICICI Bank	366501500845	
12.	Apr-17	23/28.4.2017	4873	19/3.5.2017	15	16	6,47,731	5,17,731	1,30,000	IDBI Bank	72104000327039	
13.	Apr-17	24/28.4.2017	4874	8/3.5.2017	8	9	3,45,182	2,35,182	1,10,000	IDBI Bank	72104000327039	
14.	Apr-17	27/28.4.2017	4877	20/3.5.2017	10	11	5,12,188	4,32,188	80,000	IDBI Bank	72104000327039	
15.	Sep-17	148/29.9.2017	24823	36/6.10.2017	10	11	16,37,275	4,37,275	12,00,000	IDBI Bank ICICI Bank	72104000327039 366501500845	
Total							**83,43,873**	**59,26,698**	**24,17,175**			

Source: Departmental records

Appendix 3.3

(Referred to in paragraph 3.2 (b), page 59)

Statement showing suspected fraudulent drawal of arrears in Account No. 10926361712

Sr. No.	Bill No./Date	Bill drawn in favour of (Amount in ₹)	Sanction No./Date	Amount (in ₹)	Cheque No./ Pay Order No./ Date	Unauthorized credit (in ₹)
	1	2	3	4	5	6
1.	254/24.03.2015	Nacchhatar Singh	4744-46/ 13.03.2014	96,143	Online ECS payment	96,143
2.	10/10.04.2015 230/10.03.2015	**Manjit Kaur-10,380**	No separate sanction being DA Arrear Bill	Total-1,67,952 Credit to Nacchhatar Singh-70,296 Excess-58,128 (70,296-12,168)	Online ECS payment	58,128
		Nacchhatar Singh-12,168				
		Jaswinder Kaur-14,592				
		Soma Devi-10,794				
		Ravinder Kaur-10,476				
		Sukhwinder Kaur-11,886				
		Total-70,296				
		Daljeet Kaur-10,212				
		Surender Pal Kaur-10,620				
		Mukhtiar Kaur-12,888				
		Gurmail Kaur-10,932				
		Ravinder Kaur-10,476				
		Jasvir Kaur- 11,280				
		Paramjeet Kaur-9,198				
		Amarjeet Kaur-11,592				
		Paramjeet Kaur-10,458				

Sr. No.	Bill No./Date	Bill drawn in favour of (Amount in ₹)	Sanction No./Date	Amount (in ₹)	Cheque No./ Pay Order No./ Date	Unauthorized credit (in ₹)
	1	2	3	4	5	6
3.	229/10.03.2015 12/11.04.2015	**Nacchhatar Singh-17,745**	No separate sanction	Total-2,32,207 Credit to Nacchhatar Singh-85,530 Excess-67,585 (85,530-17,745)	Online ECS payment	67,585
		Jaswinder Kaur-21,280				
		Ravinder Kaur-15,281				
		Soma Devi-15,743				
		Ravinder Kaur-15,281				
		Manjeet Kaur-6,486				
		Daljeet Kaur-14,889				
		Paramjeet Kaur-15,267				
		Surender Pal Kaur-8,852				
		Mukhtiar Kaur-10,740				
		Gurmail Kaur-15,946				
		Jasvir Kaur-16,450				
		Paramjeet Kaur- 13,412				
		Amarjeet Kaur-16,905				
		Paramjeet Kaur-13,074 Sukhvinder Kaur-14,856				
4.	80/07.09.2015	Nacchhatar Kaur	Without any Sanction No.	1,02,830	Online ECS payment	1,02,830
5.	79/01.09.2015	Nacchhatar Kaur Ravinder Kaur	134-36/ 31.08.2015	69,904	Online ECS payment	69,904
6.	114/04.12.2015	Nacchhatar Kaur	140-42/ 02.12.2015	1,01,257	Online ECS payment	1,01,257
Total						**4,95,847**

Source: Departmental records

Appendix 3.4

(Referred to in paragraph 3.4(b), page 63)

Details of short deposit of Government money in bank during January 2017 to February 2018

(Amount in ₹)

Month	Total collection* during the month	Total collection as per Daily Collection Register	Amount accounted for in cash book	Amount deposited in bank	Difference Short deposit (-) Excess deposit (+)
1	2	3	4	5	6 (5-2)
January 2017	1,34,375	1,30,605	1,20,200	1,20,200	(-) 14,175
February 2017	1,32,065	1,29,450	1,29,605	1,29,605	(-) 2,460
March 2017	1,49,992	1,49,170	1,57,600	1,57,600	(+) 7,608
April 2017	1,43,440	1,44,015	1,31,620	1,31,620	(-) 11,820
May 2017	1,82,915	1,83,185	1,84,915	1,84,915	(+) 2,000
June 2017	1,49,830	1,49,460	1,54,485	1,54,485	(+) 4,655
July 2017	1,56,150	1,56,330	1,57,650	1,57,650	(+) 1,500
August 2017	1,25,380	1,24,670	1,08,990	1,08,990	(-) 16,390
September 2017	1,21,745	1,18,245	1,33,620	1,33,620	(+) 11,875
October 2017	1,02,535	1,00,780	1,07,075	1,07,075	(+) 4,540
November 2017	1,18,919	1,17,280	1,17,320	1,17,320	(-) 1,599
December 2017	95,631	95,775	95,875	95,875	(+) 244
January 2018	1,38,195	1,22,065	1,06,000	1,06,000	(-) 32,195
February 2018	1,50,280	1,46,025	1,62,090#	1,62,090#	(+) 11,810
Total	**19,01,452**	**18,67,055**	**18,67,045**	**18,67,045**	**(-) 34,407**

Source: Departmental records

*** Total collection includes user charges, parchee fee and de-addiction charges.***
 # Includes amount of ₹ 32,825/- pertaining to period prior to March 2018 which was accounted for in cashbook and deposited in bank in March 2018.

Appendix 3.5

(Referred to in paragraph 3.5.3.2(iii), page 72)

Inadequate infrastructural facilities in police stations

Sr. No.	Facilities in police stations	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Kathgarh	Banga Sadar	Singh Bhagwantpur	Rupnagar City	Mansa City	Mansa Sadar	Mansa City II	Ghuman (Batala)	Maqsudan (Jalandhar-Rural)	Salem Tabbri (CP LDH)	Shimlapuri (CP LDH)	Jodhewal (CP LDH)	Civil Lines (CP ASR)	Patara (Jalandhar –Rural)
1.	Disable-friendly Entry	×	×	×	×	×	√/×	√/×	×	×	×	×	×	×	√
2.	Reception area with a reception counter	×	√/×	×	×	√	×	×	×	×	×	×	×	×	×
3.	Visitor & Disable-friendly Toilet	×	×	√/×	×	√	×	√/×	×	×	×	×	√/×	×	×
4.	Women Help Desk	×	√	×	×	√	×	×	×	√/×	×	×	√/×	×	×
5.	SHO Room	×	√/×	√	√	√	√/×	√	√	×	√/×	√/×	√/×	√/×	×
6.	Rest Room & Toilet	×	√/×	√/×	√	√	×	√	×	×	√	√/×	×	√/×	×
7.	Room for officers in a Police Station	×	×	×	×	√	×	×	×	×	×	×	×	×	×
8.	Ladies Room	×	×	×	√	√	×	×	√/×	×	×	×	×	×	×
9.	Community Policing Room	×	×	√	×	√	×	√/×	×	√/×	×	×	×	×	×
10.	Malkhana	×	√/×	√/×	×	√	√/×	√/×	×	×	√/×	×	√/×	√/×	×
11.	Armoury-Kote-Bell of Arms	×	√/×	×	×	√	×	√/×	×	×	×	×	×	√/×	×
12.	Suspect-Witness Examination Room	×	×	×	×	√	×	×	×	×	×	×	×	×	×
13.	Conference-Briefing Room	×	×	×	×	√	×	×	×	×	×	×	×	×	×
14.	Lockup-Separate for Men-Women	×	√/×	√/×	×	√	×	√/×	×	√/×	×	×	×	×	×

Sr. No.	Facilities in police stations	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Kathgarh	Banga Sadar	Singh Bhagwantpur	Rupnagar City	Mansa City	Mansa Sadar	Mansa City II	Ghuman (Batala)	Maqsudan (Jalandhar-Rural)	Salem Tabbri (CP LDH)	Shimlapuri (CP LDH)	Jodhewal (CP LDH)	Civil Lines (CP ASR)	Patara (Jalandhar –Rural)
15.	Wireless and Communication Room	√	√	×	√/×	√	√	×	×	×	×	×	×	√	×
16.	Room for CCTNS terminals - Separate	×	√/×	×	×	√/×	×	√/×	√/×	×	√/×	×	√/×	×	×
17.	Record Room-separate store room	×	√	×	×	√	√/×	×	√/×	×	√/×	×	√/×	×	×
18.	Barracks separate for ASI-HC	×	√/×	√/×	×	√	×	×	×	×	×	√/×	×	×	×
19.	Barracks for Lady Officials	×	×	×	×	√	×	×	×	×	×	×	×	×	×
20.	Recreational Room & Gym	×	×	×	×	×	×	×	×	×	×	×	×	×	×
21.	Interrogation Room	×	×	×	×	√	×	×	√/×	×	×	×	×	×	×
22.	Chitha Munshi Room	×	√	×	×	√	×	√/×	×	×	×	√/×	×	√	×
23.	Reader Room	×	×	×	×	√	×	×	×	×	√	×	×	×	×
24.	Counselling Room	×	×	×	×	√	×	×	×	×	×	×	×	×	×
25.	Duty Officer	×	×	×	×	√	×	×	×	×	×	×	√	×	×
26.	Canteen-Kitchen	×	×	√/×	×	√/×	×	×	×	×	×	×	×	×	×
Yes (percentage) 0 to 84 %		1 (4)	4(15)	2(8)	3(12)	22(84)	1(4)	2(8)	1(4)	0	2(8)	0	1(4)	2(8)	1(4)
No (percentage) 8 to 96 %		25 (96)	14(54)	18(69)	22(85)	2(8)	21(81)	16(62)	21(81)	23(88)	20(77)	22(85)	19(73)	20(77)	25(96)
Partial (percentage) 0 to 31 %		0	8(31)	6(23)	1(4)	2(8)	4(15)	8(31)	4(15)	3(12)	4(15)	4(15)	6(23)	4(15)	0

Source: Result of joint inspection of police stations ***Yes(√); No(×), partial Yes/No(√/×)***

Appendix 3.6

(Referred to in paragraph 3.6.3.4, page 84)

Lodging of convicts according to capacity of jails

Sr. No.	Name of Jail	Inmates		Capacity		Overcrowding		Convicts		Convicts who could have been transferred	
		(As on 31 March 2018)									
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1.	CJ Ludhiana	3,118	0	3,200	0	-82	0	890	0	-	-
2.	CJ Bathinda	1,261	52	2,100	275	-839	-223	644	20	-	-
3.	CJ Gurdaspur	871	53	880	70	-9	-17	508	27	-	-
4.	CJ Faridkot	1,595	96	1,908	164	-313	-68	808	37	-	-
5.	MSJ Nabha	189	0	462	0	-273	0	138	0	-	-
6.	New District Jail Nabha	668	49	750	100	-82	-51	341	33	-	-
7.	DJ Sri Muktsar Sahib	458	0	900	0	-442	0	244	0	-	-
8.	DJ Barnala	318	0	420	15	-102	-15	66	0	-	-
9.	SJ Moga	64	0	75	0	-11	0	26	0	-	-
10.	SJ Malerkotla	126	0	170	0	-44	0	25	0	-	-
11.	SJ Pathankot	224	0	280	0	-56	0	84	0	-	-
12.	WJ Ludhiana	0	166	0	320	0	-154	0	52	-	-
13.	CJ Jalandhar at Kapurthala	2,654	173	2,870	120	-216	53	801	55	-	53
14.	CJ Ferozepur	1,247	64	1,100	136	147	-72	527	25	147	-
15.	CJ Patiala	1,749	93	1,688	113	61	-20	896	36	61	-
16.	CJ Amritsar	3,263	152	1,982	284	1,281	-132	1,125	62	1,125	-
17.	CJ Hoshiarpur	751	49	478	45	273	4	319	12	273	4
18.	DJ Sangrur	799	107	584	66	215	41	437	37	215	37
19.	DJ Rupnagar	714	40	338	25	376	15	242	13	242	13
20.	DJ Mansa	606	25	401	32	205	-7	307	9	205	-
21.	SJ Dasuya	22	0	20	0	2	0	0	0	-	-
22.	SJ Patti	226	0	204	0	22	0	31	0	22	-
23.	SJ Fazilka	55	0	48	0	7	0	16	0	7	-
24.	SJ Phagwara	23	0	20	0	3	0	1	0	1	-
Total										**2,298**	**107**

Source: Departmental data

CJ=Central Jail; DJ=District Jail; SJ=Sub-Jail; MSJ=Maximum Security Jail; and WJ=Women Jail

Appendix 3.7

(Referred to in paragraph 3.12.2(a), page 95)

Statement showing delay in completion of works

Sr. No.	Name of Division	Year	No. of Roads	Total No. of Roads executed	Nos. of Roads completed with delay	Length (in Kms.)	Delay (in days)
1.	Central Works Division No.2, PWD B&R Branch, Amritsar	2013-14	41	145	94	187.13	29 to 301
		2015-16	77				
		2016-17	27				
2.	Construction Division No. 2, PWD B&R Branch, Bathinda	2013-14	48	197	120	257.60	162 to **527**
		2015-16	127				
		2016-17	22				
3.	Construction Division No. 1, Hoshiarpur	2013-14	47	174	79	152.39	55 to 238
		2015-16	77				
		2016-17	50				
4.	Construction Division No. 2, Hoshiarpur	2013-14	81	150	64	102.97	49 to 261
		2015-16	55				
		2016-17	14				
5.	Provincial Division, PWD B&R Branch, Hoshiarpur	2013-14	51	197	109	170.50	31 to 407
		2015-16	93				
		2016-17	53				
6.	Construction Division No. 1, PWD B&R Branch, Kapurthala	2013-14	11	82	82	115.01	64 to 358
		2015-16	39				
		2016-17	32				
7.	Construction Division No. 2, PWD B&R Branch, Kapurthala	2013-14	18	124	124	224.78	40 to 419
		2015-16	55				
		2016-17	51				
8.	Construction Division No. 1, PWD B&R Branch, Ludhiana	2013-14	18	54	38	48.97	35 to 333
		2015-16	31				
		2016-17	5				
9.	Construction Division No. 3, PWD B&R Branch Ludhiana	2013-14	37	96	73	190.13	**19** to 489
		2015-16	30				
		2016-17	29				
10.	Provincial Division, PWD B&R Branch, Ludhiana	2013-14	26	92	79	141.59	35 to 523
		2015-16	41				
		2016-17	25				
11.	Construction Division, PWD B&R Branch, Mukerian	2013-14	77	147	107	217.49	58 to 365
		2015-16	51				
		2016-17	19				
Total				**1,458**	**969**	**1,808.56**	

Source: Departmental data

Appendix 3.8

(Referred to in paragraph 3.12.2(a), page 96)

Statement showing incomplete works

Sr. No.	Name of Division	Year	Total No. of Roads	Incomplete Link Roads	Length (in km)	Expenditure incurred (₹ in lakh)	Delay (in days)
1.	Construction Division No. 2, PWD B&R Branch, Bathinda	2016-17	22	11	20.23	172.38	**243**
2.	Central Works Division No. 2, PWD B&R Branch, Amritsar	2016-17	27	3	5.98	36.40	486 to 513
3.	Provincial Division, PWD B&R Branch, Hoshiarpur	2015-16	93	70	113.02	853.86	519 to **758**
		2016-17	53				
4.	Construction Division No. 1, PWD B&R Branch, Hoshiarpur	2016-17	50	49	68.22	555.02	519
5.	Construction Division, PWD B&R Branch, Mukerian	2016-17	19	19	32.61	277.95	531 to 532
6.	Provincial Division, PWD B&R Branch, Bathinda*	2016-17	56	10	22.23	209.55	527 to 581
7.	Construction Division No. 1, PWD B&R Branch, Amritsar*	2016-17	20	9	15.42	63.06	263 to 537
8.	Provincial Division, PWD B&R Branch, Amritsar*	2016-17	26	26	49.03	653.83	512 to 573
	Total		**366**	**197**	**326.74**	**2,822.05**	

Source: Departmental data

*** In these divisions, no delay in completion of completed works was noticed by Audit.**

Appendix 3.9

(Referred to in paragraph 3.12.2 (b), page 97)

Statement showing creation of liability in respect of work under RB-09 Upgradation/Strengthening of badly damaged roads

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Ferozepur	Provl. Divn. Ferozepur	Ferozepur Zira Road to Akku Maste Ke	8.78	1.10	8.94	0.98	0.97	17%	0.16	0.00	0.00	0.16
2.	Ferozepur	Constn. Divn. No. I Ferozepur	F.F road to Chak Bhawra	5.00	0.69	5.00	0.65	0.65	50%	0.32	0.95	0.27	0.05
3.	Jalandhar -1	Divn No 1	S/R of Link road from Phillaur Burial Ground to Chhole Bazar	5.92	0.82	5.92	0.88	0.81	100%	0.81	5.92	0.00	0.81
4.	Jalandhar -1	Divn No 2	Kartarpur Mustapur road to Mustapur (J07008)	5.94	0.83	5.94	0.89	0.77	100%	0.77	5.94	0.73	0.04
5.	Jalandhar -1	Divn No 2	Jalandhar Pathankot road to Kharal Kalan (J03045)	1.40	0.18	1.40	0.18	0.16	40%	0.06	0.00	0.00	0.06
6.	Jalandhar -1	Divn No 2	Rastgo to Kharal Kalan (J03024)	2.42	0.31	2.42	0.32	0.28	100%	0.28	2.42	0.27	0.01
7.	Jalandhar -1	Divn No 2	Division of ROB from NH-1 -A to Rajpur (RD Km 0.00 to 0.98 22' wide)	0.98	0.27	0.98	0.26	0.22	100%	0.22	0.98	0.22	0.00
8.	Jalandhar -1	Divn No 2	Jalandhar Pathankot road to Ghorawahi upto Muchrowal (J03041)	0.90	0.12	0.90	0.12	0.11	50%	0.06	0.00	0.00	0.06
9.	Jalandhar -1	Divn No 2	Jalandhar Pathankot road to Gopalpur (J07071)	1.50	0.18	1.69	0.20	0.17	40%	0.07	0.00	0.00	0.07
10.	Jalandhar -1	Divn No 2	Jalandhar Pathankot road to Chamiari (J03026)	1.72	0.21	1.77	0.23	0.20	50%	0.10	0.00	0.00	0.10
11.	Jalandhar -1	Divn No 2	Adampur Bhogpur road to Ghorawahi to Kingra (J03042)	2.69	0.37	2.69	0.38	0.33	100%	0.33	2.69	0.31	0.02

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
12.	Jalandhar -1	Provl.Divn.	Jandu Singha to Kathar Km. 0.00 to 18.15	18.15	2.27	18.15	2.45	1.87	41%	0.77	4.90	0.64	0.13
13.	Jalandhar -1	Provl.Divn.	Jalandhar Pathankot Road to Adampur Bhogpur Via Kala Bakra (Section Nahlan to Dhirowal)	4.00	0.47	4.00	0.47	0.45	38%	0.17	0.00	0.00	0.17
14.	Jalandhar -1	Provl.Divn.	Phirni of Village Kotla	0.80	0.10	0.80	0.10		39%		0.00	0.00	
15.	Jalandhar -1	Provl.Divn.	Jhd. Road to Alwalpur Adampur Road	2.00	0.24	2.00	0.23	0.26	35%	0.17	0.28	0.00	0.17
16.	Jalandhar -1	Provl.Divn.	Padhiana to Harijan Basti	0.30	0.04	0.30	0.04		95%		0.30	0.00	
17.	Jalandhar -1	Provl.Divn.	Pandori Nijjran to Jhd. Road including Phirni of Dhehpur Kupur.	4.23	0.50	4.23	0.50	0.45	32%	0.20	0.00	0.00	0.20
18.	Jalandhar -1	Provl.Divn.	Padhiana to Daroli Kalan Gurudwara Baba Mati Dass	1.21	0.17	1.21	0.16		32%		0.00	0.00	
19.	Jalandhar -1	Provl.Divn.	Adampur Bhogpur Road to Chomo Railway Phatak	0.75	0.11	0.75	0.11		72%		0.00	0.00	
20.	Jalandhar -1	Provl.Divn.	Patara to Jaitewali Via Gurudwara Kullianwali and Sant Jiwan Dass	2.20	0.28	2.20	0.29	0.44	31%	0.15	0.00	0.00	0.15
21.	Jalandhar -1	Provl.Divn.	Adampur Kalra Mehtiana Road to Kandola	1.70	0.20	1.70	0.20		35%		0.00	0.00	
22.	Jalandhar -1	Provl.Divn.	Duhre to Mali Nangal	1.45	0.17	1.45	0.19	0.37	39%	0.14	0.00	0.06	0.08
23.	Jalandhar -1	Provl.Divn.	Alawalpur to Beaspind	1.71	0.20	1.71	0.21		45%	0.16	0.67	0.07	0.09
24.	Jalandhar -2	Kapurthala	Subhanpur Nadala road to Bammowal Sherowal Model Town (L.R)	6.50	0.75	6.50	0.71	0.70	70%	0.49	3.10	0.46	0.03
25.	Jalandhar -2	Kapurthala	Phagwara to Todarpur - Nadalon Ajnoha Sec. Phg. To Toderpur Wahad upto District Boundary. (17' wide) (L.R)	21.76	3.23	21.76	2.91	2.88	85%	2.45	15.30	2.23	0.22

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
26.	Jalandhar -2	Kapurthala	Phg. Nakodar road to Rurka Kalan upto District Boundary.(L.R)	6.60	0.70	6.00	0.68	0.67	63%	0.42	3.00	0.32	0.10
27.	Jalandhar -2	Kapurthala	Alluwal to Ahli Kalan.(L.R)	3.00	0.36	3.00	0.35	0.35	100%	0.35	3.00	0.33	0.02
28.	Jalandhar -2	Kapurthala	Baja to Old Band Naiyan da Dera.(L.R)	3.25	0.39	3.25	0.38	0.37	100%	0.37	3.25	0.36	0.01
29.	Jalandhar -2	Kapurthala	Sultanpur Fattudhinga road to Kutbewal (L.R)	1.95	0.24	1.95	0.23	0.23	100%	0.23	1.95	0.21	0.02
30.	Jalandhar -2	S.B.S. Nagar	Balachaur to Bunga Sahib via Rattewal, Kular (L.R)	16.00	0.93	16.00	0.93	0.93	100%	0.93	14.00	0.92	0.01
31.	Ludhiana	Constn. Divn. No.I, Ldhiana	Haibowal Chuharpur to Ladhowal	6.50	1.14	6.50	1.14	1.13	100%	1.13	6.50	1.13	0.00
32.	Ludhiana	Constn. Divn. No.I, Ludhiana	L.M. Road to Kaind to Dulley to Chupki to Jassowal to Bihla	5.44	0.48	5.44	0.48	0.48	45%	0.22	0.00	0.00	0.22
33.	Ludhiana	Constn. Divn. Moga	Daroli Bhai-Gajjanwala to Jaimalwala	7.65	0.54	7.65	0.58	0.53	8%	0.04	0.00	0.00	0.04
34.	Ludhiana	Constn. Divn. Moga	Talwandi Bhangerian to Chugawan	7.54	0.91	7.54	0.98	0.90	8%	0.07	0.00	0.00	0.07
35.	Ludhiana	Constn. Divn. Moga	Rauli to Talwandi Bhangerian Dosanjh Fatehgarh Korotana	5.33	0.71	5.33	0.76	0.70	8%	0.06	0.00	0.00	0.06
36.	Ludhiana	Constn. Divn. Moga	Kapure to Kokri Heran to Kokri Kalan	6.45	0.94	6.45	1.02	0.94	100%	0.94	6.45	0.90	0.04
37.	Ludhiana	Constn. Divn. Moga	Kahan Singh Wala to Maheshari-Kaliewala	5.40	0.55	5.40	0.59	0.54	18%	0.10	0.00	0.00	0.10
38.	Patiala -2	Constn. Divn. No. 2, Mohali at Fatehgarh Sahib	Bibipur to Sindhra link road	7.62	1.90	7.62	1.72	1.70	70%	1.19	4.20	1.06	0.13
39.	Patiala -2	Constn. Divn. No. 2, Mohali at Fatehgarh Sahib	Khant to Lutheri via Sandhari Majra road	5.74	0.62	5.74	0.65	0.56	29%	0.16	1.75	0.19	(-)0.03
40.	Amritsar	Amritsar	Ajnala Chogawan Road to Kotla Doom on to Amritsar	14.45	2.15	14.45	--	1.88	39%	0.73	2.75	0.00	0.73

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
			Chogawan Ranian Road.										
41.	Amritsar	Tarn Taran	Special Repair of Khemkaran to Bhura Kohna, Mastgarh raod via Theh Sirhali (Under Critical Condition) in M.C Khem Karan)	2.80	0.32	2.80	0.29	0.47	100%	0.47	2.80	0.00	0.47
42.	Amritsar	Tarn Taran	Special Repair of Khemkaran to Bhura Kohna, Mastgarh raod via Theh Sirhali (Under Critical Condition) in M.C Khemkaran)	2.75	0.20	2.75	0.19	--	100%	--	2.75	0.00	--
43.	Amritsar	Provincial Division	GT Road to Jalal Usman MC Boundary Mehta	8.90	2.00	8.90	--	1.67	38%	0.63	1.50	0.90	(-)0.27
44.	Chandigarh	Rupnagar	Special Repair of Khanpur Khui to Bhangal road from RD 0.00 to 7.70 Kms	7.70	4.24	0.00	0.00	3.79	10%	0.38	0.00	0.00	0.38
45.	Chandigarh	Rupnagar	Widening and upgradation of Nurpur Bedi-Garhshankar road to Rampur Kalan	2.20	0.81	2.20	0.67	0.66	100%	0.66	2.20	0.37	0.29
46.	Chandigarh	Rupnagar	Special Repair of Nangran to Sehjowal upto HP border	6.24	3.34	6.24	2.72	2.69	100%	2.69	6.24	2.35	0.34
47.	Chandigarh	Constn. Divn. No.-1, S.A.S. Nagar	Kharar Bajheri Garanga	10.86	1.70	10.86	1.52	1.50	20%	0.30	0.00	0.23	0.07
48.	Chandigarh	Constn. Divn. No.-1, S.A.S. Nagar	Ghataour Bhajoli Teur Shamipur Tapprian Ranimajra Dhodemajra Salamtpur Bharongian Ferozepur	11.00	1.81	11.00	1.62	1.60	40%	0.64	0.00	0.42	0.22
49.	Chandigarh	Constn. Divn. No.-1, S.A.S. Nagar	Teur Rurki Kham Palheri Paintpur upto Mullanpur Gurdwara L/R	10.12	1.74	10.12	1.56	1.54	20%	0.31	0.00	0.32	(-)0.01

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
50.	Chandigarh	Provl. Divn. PWD B&R, SAS Nagar	Special Repair of Rupnagar Bela Road to Manshuha Kamalpur in Constituency Shri Chamkaur Sahib, Distt. Rupnagar	5.23	0.58	5.23	0.51	0.50	50%	0.25	0.00	0.00	0.25
51.	Hoshiarpur	Provl. Divn. Hoshiarpur	Special Repair (Hoshiarpur Bye-Pass) to Dagana Kalan Hargarh Dhugga Sandhra Upto (Nasrala Nandachaur Road)	10.35	1.35	10.35	1.34	1.05	100%	1.05	10.35	1.00	0.05
52.	Hoshiarpur	Constn. Divn. No.1, Hoshiarpur	NH1 A to Kalyanpur via Zahura to Talwandi Dadian	7.50	0.81	7.50	0.80	0.66	45%	0.30	3.30	0.29	0.01
53.	Hoshiarpur	Constn. Divn. No.1, Hoshiarpur	Dasuya Miani road to Gorsian to Miani Mawa	6.00	0.97	6.00	0.96	0.78	55%	0.43	2.85	0.34	0.09
54.	Hoshiarpur	Constn. Divn. No.2, Hoshiarpur	Balachaur- Garhshankar road to Simbli upto MC limit including App. road to Vill. Dhamai	6.17	0.80	6.17	0.80	1.38	100%	1.38	6.17	0.63	0.08
55.	Hoshiarpur	Constn. Divn. No.2, Hoshiarpur	Singhpur to Pulli Tibba	7.00	0.91	7.00	0.91	--	100%	--	7.00	0.67	
56.	Hoshiarpur	Constn. Divn. Mukerian	Talwara Mubarikpur road to Bhol Badmania	5.12	0.72	5.12	0.71	0.70	100%	0.70	1.63	0.43	0.27
57.	Pathankot	Const. Div. Pathankot	Dinanagar Gharota Road	10.46	3.20	10.46	3.20	3.14	60%	1.88	8.56	1.44	0.44
58.	Pathankot	Const. Div. Pathankot	Kohian Bamial Road Palah up to J&K Boundary	15.20	4.25	15.20	4.25	3.94	71%	2.80	8.33	0.00	2.80
59.	Pathankot	Const. Div. Batala	Qadian Shri Hargobindpur road to Bhaini Banger Pandori Tugalwala	8.25	0.91	8.00	0.99	0.91	65%	0.59	5.50	0.00	0.59
60.	Pathankot	Const. Div. Batala	Kot Khan Mohamad Dhakkar upto Bhaini Khadar road	5.02	0.51	5.02	0.55	0.49	40%	0.20	0.00	0.00	0.20

Sr. No.	Name of Circle	Name of Division	Name of road	A/A Length (in km)	A/A Amount (in Crore)	T/S Length (in km)	T/S Amount (in Crore)	Tender Amount (in Crore)	Physical Progress (in %age)	Value of work	Total P.C Completed (in km)	Total Expenditure (in Crore)	Liability created (in Crore)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
61.	Pathankot	Provincial Division, Gurdaspur	Special Repair of Allawalpur, Tibber, Bahian, Manepur upto Peer Di sain	9.10	1.01	9.10	1.09	0.91	100%	0.91	9.10	0.88	0.03
62.	Pathankot	Provincial Division, Gurdaspur	Special Repair of Kalanaur Hakimpur Road to Village Bhangwan Kalanaur	5.63	0.63	5.63	0.68	0.60	100%	0.60	5.63	0.00	0.60
63.	Patiala-1	Const. Divn., PWD B&R, Patiala	S/R of Link Road Khanouri Arno Road to Sagra (Section Khanouri to Gurunanakpura Kangthala Taipur Chandhera, Behar Sahib)	7.00	1.02	9.30	1.02	1.00	72%	0.72	3.83	0.52	0.20
64.	Patiala-1	Provl. Divn. No. 2, PWD B&R, Patiala	GT Road to Shambhu Ghanour Road via jand Mangoli & Lachhru Kalan (Section Kami Khurd to Bapror) RD 2.35 to 11.35=9.00 km	9.00	1.25	9.00	1.23	1.21	40%	0.48	3.10	0.45	0.03
65.	Sangrur	Const. Division PWD B&R Barnala	Khudi Khurd via Ghunas to Tapa	6.00	0.25	3.77	0.27	0.22	100%	0.22	3.77	0.10	0.12
66.	Sangrur	Const. Division, PWD B&R Malerkotla	Malerkotla to Katron upto Pharwahi	13.00	2.93	10.20	3.15	2.60	50%	1.30	5.10	0.89	0.41
67.	Sangrur	Const. Division, PWD B&R Malerkotla	Malerkotla to Faridpur Kalan	7.00	0.92	5.80	0.98	0.81	35%	0.28	0.00	0.00	0.28
68.	Sangrur	Provl. Divn. PWD B&R Sangrur	Link road Duggal to Ladbanjara Kalan road (18' wide)	6.50	2.74	6.50	2.95	2.58	100%	2.58	6.50	2.31	0.27
	Total			**419.03**	**68.28**	**406.95**	**59.10**	**61.42**	**--**	**37.57**	**196.51**	**25.22**	**12.35**

Source: Departmental records

Appendix 3.10

(Referred to in paragraph 3.13(a), page 102 & 103)

Statement showing details of works where cultural cess was not deducted from the payments of the contractors

(₹ in crore)

Sr. No.	Name of the Executing Division of PWD (B&R)	Name of the work	Payment made to the contractor as of May 2018	Cultural cess due to be deducted from contactor's bill (@ one *per cent)*	Cultural cess actually deducted from contractor's bill	Amount of cultural cess not deducted from the payments of the contractor	Replies of the Executive Engineers	Rebuttal of the replies of the Executive Engineers
1.	Provincial Division, Chandigarh	Construction of Finance and Planning Bhawan, Plot No. 2-B, Sector 33-A, Chandigarh.	44.20	0.44	0	0.44	Cultural cess was not deducted as the Government of Punjab issued instruction for non- deduction of cultural cess.	The reply was not acceptable as cultural cess was recoverable in view of clause of 42.1 of the DNIT and advice dated 20 March 2015 of the Legal Remembrancer *cum* Secretary to Government of Punjab, Department of Legal & Legislative Affairs (LR). Further, the instructions of Government of Punjab for non-deduction of cultural cess as referred to in the reply were irregular as discussed in the Paragraph.
2..	Construction Division, Fazilka	Construction of Judicial Court Complex including residences at Fazilka	47.55	0.48	0	0.48	Due to lack of clear guidelines regarding implementation of the Act, cultural cess was not incorporated in the analysis of item-wise rates as well as in the DNIT. The provision for the amount of cultural cess was made in sanctioned administrative approval and technically sanctioned estimate. In the pre-bid conference, one of the bidders asserted that cultural cess should be paid by the department. Since the departmental rates did not have the provision of cultural cess, the bidder was informed (March 2014) that cultural cess would be paid by the department directly and it would not be deducted from the contractor. Since the	The reply was not acceptable as the contractor to whom the work was allotted had never asked for any clarification regarding deduction of cultural cess, and the clarification given to another bidder was exclusively given to that bidder only who was not awarded the work. The successful bidder had not asked for any clarification regarding cultural cess, these facts clearly indicate that his bid price was inclusive of the cultural cess as also required to be so under clause 42 of the DNIT. As regards query of one of the bidder that cultural cess should be paid by the department, it is informed that the

Sr. No.	Name of the Executing Division of PWD (B&R)	Name of the work	Payment made to the contractor as of May 2018	Cultural cess due to be deducted from contactor's bill (@ one *per cent)*	Cultural cess actually deducted from contractor's bill	Amount of cultural cess not deducted from the payments of the contractor	Replies of the Executive Engineers	Rebuttal of the replies of the Executive Engineers
							DNIT was same for all the bidders, the clarification squarely covered all bidders. So, the cultural cess was not deducted from the contractor's bill and was deposited by the department on its own. Moreover, a Committee constituted by the Deputy Chief Minister headed by Addl. Chief Secretary (Finance) gave its decision on 08.03.2017 at serial no.12(iii) that the cess would be recovered as per clarification given by the PWD. Furthermore, the Committee clarified in Para 12(ii) that in the absence of any clarification during the pre bid conference, no deduction from the contractor's bill can be made. Thus, non-deduction of cultural cess from contractor's bill is in accordance with the decision given by the Committee constituted in this regard.	query was received after the prescribed period and even after pre bid meeting and was liable to be rejected. Hence the action of the EE in replying to the query after pre bid meeting was irregular in itself. Moreover, the decision of the Committee as referred to in the reply was irregular as discussed in the Paragraph.
3.	Provincial Division, Bathinda	Construction of Punjab Institute of Technology (College Building and Admin Block) at village Nandgarh, District Bathinda	16.63	0.17	0	0.17	Cultural cess had not been deducted from the payments of the contractor as there was no provision in the Cultural Cess Act to deduct the cess from the contractor's payments.	The reply was not acceptable as the LR had already clarified in March 2015 that cultural cess was to be deducted from the payments of the contractors.

Sr. No.	Name of the Executing Division of PWD (B&R)	Name of the work	Payment made to the contractor as of May 2018	Cultural cess due to be deducted from contactor's bill (@ one *per cent)*	Cultural cess actually deducted from contractor's bill	Amount of cultural cess not deducted from the payments of the contractor	Replies of the Executive Engineers	Rebuttal of the replies of the Executive Engineers
4.	Provincial Division, Bathinda	Construction of Central Sudhar Ghar at Bathinda	174.69	1.75	0	1.75	Cultural cess had not been deducted from the payments of the contractor as there was no provision in the Cultural Cess Act to deduct the cess from the contractor's payments. However, ₹ 3.10 crore on account of cesses has been deposited by the department.	The reply was not acceptable as the LR had already clarified in March 2015 that cultural cess was to be deducted from the payments of the contractors.
5.	Provincial Division, Bathinda	Construction of Veterinary College & Hospital at Rampura Phul, district Bathinda.	22.16	0.22	0	0.22	Cultural cess had not been deducted from the payments of the contractor as there was no provision in the cultural cess Act to deduct the cess from the contractor's payments. However, ₹ 58.33 lakh cultural cess had been deposited by the department.	The reply was not acceptable as the LR had already clarified in March 2015 that cultural cess was to be deducted from the payments of the contractors.
6.	Provincial Division, Bathinda	Construction of Hostel Block for Boys and Girls, Guest House, Warden Residences (2 Nos.) and 750 sq. ft area House (24 Nos.) for Veterinary College at Rampura Phul, district Bathinda.	9.49	0.09	0	0.09	Cultural cess was not deducted from the payments of the contractor as there was no provision in the cultural cess Act to deduct the cess from the contractor's payments. However, Cultural cess would be deposited by the department.	The reply was not acceptable as the LR had already clarified in March 2015 that cultural cess was to be deducted from the payments of the contractors.

Sr. No.	Name of the Executing Division of PWD (B&R)	Name of the work	Payment made to the contractor as of May 2018	Cultural cess due to be deducted from contactor's bill (@ one *per cent)*	Cultural cess actually deducted from contractor's bill	Amount of cultural cess not deducted from the payments of the contractor	Replies of the Executive Engineers	Rebuttal of the replies of the Executive Engineers
7.	Central Works Division No. 2, PWD (B&R) Amritsar	Construction of Central Sudhar Ghar at Amritsar.	126.14	1.26	0.22	1.04	Cultural cess had been deposited (12/2013 and 09/2014) by the Chief Engineer (South), Patiala in respect of all the three newly constructed Central Sudhar Ghar in Punjab. However, cultural cess to the tune of ₹ 22.04 lakh had been deducted from the payments of the contractor paid vide voucher No. 27 dated 26.09.2016 which had not been deposited into the concerned head of account till date.	The reply was not acceptable as the cultural cess was to be recovered from the payments of the contractor in view of clauses (No. 13 of Instructions to the Bidders and No. 42 of General conditions of the contract) of DNIT as well as advice of LR.
8.	Construction Division No. 2, PWD (B&R Branch) Amritsar	Development of Karuna Sagar Maharishi Valmiki Tirath Asthan at Ram Tirath, Amritsar	194.80	1.95	0	1.95	Cultural cess had not deducted from the bill of contractor as same had been waived off vide letter No. Secy/ACSF/86 dated 10 March 2017.	The reply was not acceptable as the waiver itself was irregular as discussed in the Paragraph.
9.	Construction Division No. 1, Kapurthala	Construction of Girls Hostel, Married Students Hostel and outer Development in Punjab Technical University Main Campus, Jalandhar, Kapurthala Highway, Phase-IV	14.59	0.15	0	0.15	The EE stated that it was not clear as to how and from whom the cultural cess was to be recovered. It was further stated that estimate of the work was prepared on the basis of common schedule of rates (CSR) and cultural cess was added in the final estimate whereas tenders were invited on CSR rates alone.	The reply was not acceptable the LR had already clarified in March 2015 that cultural cess was to be deducted from the payments of the contractors whereas the bid for this work were invited in March 2016 i.e. after the LR's advice. Further, estimates and CSR rates are for departmental purposes and in the DNIT, it was no where mentioned that the bid price was exclusive of cultural cess. Rather, clauses of the DNIT provided that the bid prices would be inclusive of all the taxes, levies, etc. including their variations, and also of the new taxes and levies that may be imposed. Further, in the Committee's report, this work is listed at Sl. No. 12 and

Sr. No.	Name of the Executing Division of PWD (B&R)	Name of the work	Payment made to the contractor as of May 2018	Cultural cess due to be deducted from contactor's bill (@ one *per cent)*	Cultural cess actually deducted from contractor's bill	Amount of cultural cess not deducted from the payments of the contractor	Replies of the Executive Engineers	Rebuttal of the replies of the Executive Engineers
								cultural cess was not waived of because in the pre bid it was clarified that the rates quoted by the contractor would be deemed to be inclusive of all taxes as per clause 42 of the general conditions of the contract of the Standard Bidding Document.
10.	Construction Division, Sri Muktsar Sahib	Construction of District Sudhar Ghar, Sri Muktsar Sahib	57.37	0.57	0	0.57	Cultural cess had not been deducted from payments of the contactor. However, it had been deposited to concerned department at Head Office level.	The reply was not acceptable as the cultural cess was to be recovered from the payments of the contractor as discussed in the foregoing cases.
11.	Central Works Division No. 2, Amritsar	Development and Beautification of roads and junctions from Town Hall to Golden Temple at Amritsar	93.36	0.93	0	0.93	Cultural cess so deducted from the running bills of the contractor was refunded to him as per decision of the committee.	The reply was not acceptable because the waiver orders of the committee was in contravention of the *ibid* clause of DNIT, resulting in a loss of ₹ 0.93 crore to the State exchequer besides providing undue financial benefit to the contractor.
	Total		**800.98**	**8.01**	**0.22**	**7.79**		

Source: Departmental records

Appendix 3.11

(Referred to in paragraph 3.16, page 109)

Details of newly appointed faculty who were getting full pay and allowances instead of minimum of pay band

(Amount in ₹)

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
1.	Dr. Ashish Baldi, Professor	10-08-2016	₹ 37,400-67,000 Grade Pay ₹ 10,000	1,30,850 1,41,238	37,400 37,400	93,450 1,03,838 x 10	From date of appointment to 5/17 (9 months 22 days) 06/17 to 03/18 (10 months)	8,41,050 66,319 **9,07,369** 10,38,380 **19,45,749**
2.	Dr. Puneet Kumar, Associate Professor	10-08-2016	₹ 37,400-67,000 Grade Pay ₹ 9,000	1,14,680 1,23,774	37,400 37,400	77,280 86,374 x 10	From date of appointment to 5/17 (9 months 22 days) 06/17 to 03/18 (10 months)	6,95,520 54,844 **7,50,364** 8,63,740 **16,14,104**
3.	Dr. Uttam Kumar Mandal, Associate Professor	25-11-2016	₹ 37,400-67,000 Grade Pay ₹ 9,000 (on leave from 09/01/17 to 09/08/17)	1,05,400 1,14,030	37,400 37,400	68,000 76,630 x 8	From date of appointment to 12/16 (1 months 6 days) 08/17 to 03/18 (8 months)	68,000 13,161 **81,161** 6,13,040 **6,94,201**
4.	Dr. Kirandeep Kaur, Associate Professor	11-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 21 days) 06/17 to 03/18 (10 months)	3,06,000 23,032 **3,29,032** 4,59,360 **7,88,392**
5.	Dr. Sudhanshu Pratap Singh, Associate Professor	19-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 13 days) 08/17 to 03/18 (8 months)	3,06,000 14,258 **3,20,258** 4,59,360 **7,79,618**

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
6.	Dr. Kewal Kumar, Associate Professor	24-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 8 days) 08/17 to 03/18 (10 months)	3,06,000 8,774 **3,14,774** 4,59,360 **7,74,134**
7.	Dr. Meenu Associate Professor	18-10-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (7 months 14 days) 06/17 to 03/18 (10 months)	2,38,000 15,355 **2,53,355** 4,59,360 **7,12,715**
8.	Dr. Veena Sharma, Associate Professor	16-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 16 days) 06/17 to 03/18 (10 months)	3,06,000 17,548 **3,23,548** 4,59,360 **7,82,908**
9.	Dr. Pooja Devi, Associate Professor	16-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 16 days) 06/17 to 03/18 (10 months)	3,06,000 17,548 **3,23,548** 4,59,360 **7,82,908**
10.	Dr. Satnam Singh, Associate Professor	19-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 13 days) 06/17 to 03/18 (10 months)	3,06,000 14,258 **3,20,258** 4,59,360 **7,79,618**
11.	Dr. Gagan Gupta, Associate Professor	07-09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (8 months 24 days) 06/17 to 03/18 (10 months)	**2,72,000** 26,322 **2,98,322** 4,59,360 **7,57,682**

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
12.	Dr. Mukesh , Associate Professor	22-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 10 days) 06/17 to 03/18 (10 months)	3,06,000 10,968 **3,16,968** 4,59,360 **7,76,328**
13.	Dr. Pritpal Singh, Associate Professor	10-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 22 days) 06/17 to 03/18 (10 months)	3,06,000 24,129 **3,30,129** 4,59,360 **7,89,489**
14.	Dr. Anil Jindal, Associate Professor	28.09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (8 months 3 days) 06/17 to 03/18 (10 months)	2,72,000 1,020 **2,73,020** 4,59,360 **7,32,380**
15.	Dr. Kamaljit Singh Boparai, Associate Professor	12-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 20 days) 06/17 to 03/18 (10 months)	3,06,000 21,935 **3,27,935** 4,59,360 **7,87,295**
16.	Dr. Satpal Singh, Associate Professor	16-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 16 days) 06/17 to 03/18 (10 months)	3,06,000 17,548 **3,23,548** 4,59,360 **7,82,908**
17.	Dr. Gurpreet Singh, Associate Professor	24-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536 1,14,030	15,600 15,600 37,400	34,000 45,936 x 3 months 10 days 76,630	From date of appointment to 1/05/17 (9 months 8 days) 06/2017 to 10/09/17 (03 months 10 days) 11/09/17 to 03/18 (6 months 20 days)	3,14,774 1,52,626 3,55,958 **8,23,358**

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
18.	Dr. Shweta Rani, Associate Professor	12-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 20 days) 06/17 to 03/18 (10 months)	3,06,000 21,935 **3,27,935** 4,59,360 **7,87,295**
19.	Dr. Manoj Sharma, Associate Professor	28-09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (8 months 3 days) 06/17 to 03/18 (10 months)	2,72,000 3,400 **2,75,400** 4,59,360 **7,34,760**
20.	Mr. Kamaljit Singh Bhatia, Associate Professor	01-09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600	15,600	34,000 x 3 months 28 days	09/16 to 28.12.16 (3 months 28 days)	1,02,000 30,710 **1,32,710**
21.	Dr. Amit Kumar Manocha, Associate Professor	18-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536 1,14,030	15,600 15,600 37,400	34,000 45,936 x 1 month 10 days 76,630	From date of appointment to 7/17 (11 months 14 days) 01/08/17 to 10/09/17 11.09.2017 to 03/18 (06 months 20days)	**3,59,355** (45,936+15,312) 61,248 (45,978+51,087) 5,10,867 **9,31,470**
22.	Dr. Munish Kumar, Associate Professor	12-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 20 days) 06/17 to 03/18 (10 months)	3,06,000 21,935 **3,27,935** 4,59,360 **7,87,295**
23.	Dr. Amitoj Singh, Associate Professor	06-09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (8 months 25 days) 06/17 to 03/18 (10 months)	2,72,000 27,419 **2,99,419** 4,59,360 **7,58,779**

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
24.	Dr. Anju Sharma, Associate Professor	09-09-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (8 months 22 days) 06/17 to 03/18 (10 months)	2,72,000 24,129 **2,96,129** 4,59,360 **7,75,489**
25.	Sh. Sukhwinder Singh, Associate Professor	12-08-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 61,536	15,600 15,600	34,000 45,936 x 10	From date of appointment to 5/17 (9 months 20 days) 06/17 to 03/18 (10 months)	3,06,000 21,935 **3,27,935** 4,59,360 **7,87,295**
26.	Amit Bhatia, Associate Professor	07-11-2017	₹ 37,400-67,000 Grade Pay ₹ 9,000	1,14,030	37,400	76,630	From date of appointment to 3/18 (4 months 24 days)	3,06,520 61,304 **3,67,824**
27.	Rahul Deshmukh, Associate Professor	11-09-2017	₹ 37,400-67,000 Grade Pay ₹ 9,000	1,14,030	37,400	76,630	From date of appointment to 3/18 (6 months 20 days)	4,59,780 51,807 **5,11,587**
28.	Kamaljit Singh Sandhu, Associate Professor	04-10-2017	₹ 37,400-67,000 Grade Pay ₹ 9,000	1,14,030	37,400	76,630	From date of appointment to 3/18 (5 months 28 days)	3,83,150 69,214 **4,52,364**
29.	Anupurna Gupta, Associate Professor	11-09-2017	₹ 37,400-67,000 Grade Pay ₹ 9,000	1,14,030	37,400	76,630	From date of appointment to 3/18 (6 months 20 days)	4,59,780 51,087 **5,10,867**
30.	Kapil Arora, Assistant Professor	11-09-2017	₹ 15,600-39,100 Grade Pay ₹ 6,000	53,618	15,600	38,018	From date of appointment to 3/18 (6 months 20 days)	2,28,108 25,345 **2,53,453**
31.	Kajal Handa, Assistant Professor	11-09-2017	₹ 15,600-39,100 Grade Pay ₹ 6,000	53,118	15,600	37,518	From date of appointment to 3/18 (6 months 20 days)	2,25,108 25,012 **2,50,120**
32.	Amandeep Kaur, Assistant Professor	11-09-2017	₹ 15,600-39,100 Grade Pay ₹ 6,000	53,618	15,600	38,018	From date of appointment to 3/18 (6 months 20 days)	2,28,108 25,345 **2,53,453**

Sr. No.	Name of employee/ Designation	Date of Joining	Pay Scale	Monthly salary	Basic Pay	Monthly difference in salary	Period	Total Amount paid in excess
33.	Meenu Chaudhary, Assistant Professor	30-11-2017	₹ 15,600-39,100 Grade Pay ₹ 6,000	53,618	15,600	38,018	From date of appointment to 3/18 (4 months 1 day)	1,52,072 1,267 **1,53,339**
34.	Ved Parkash, Assistant Professor	26-12-2016	₹ 15,600-39,100 Grade Pay ₹ 6,000	49,600 53,618 61,536	15,600 15,600 15,600	34,000 38,018 45,936	From 26/12/16 to 31/12/16 (06 days) 01/01/17 to 31/05/17 (05 months) 01/06/17 to31/03/18 (10 months)	6,581 1,90,090 4,59,360 **6,56,031**
Total								**2,42,07,818**

Source: Departmental records

Appendix 3.12

(Referred to in paragraph 3.19.4.2(i), page 119)

Statement showing area under major crops
***vis-a-vis* area under rice and wheat**

(000 Hectares)

Year	Area under major crops	Area under Rice *(Per cent to area under major crops)*	Area under Wheat *(Per cent to area under major crops)*
1980-81	5,812	1,183 (20.35)	2,812 (48.38)
1990-91	6,574	2,015 (30.65)	3,273 (49.79)
1995-96	6,835	2,185 (31.97)	3,221 (47.13)
1996-97	6,832	2,159 (31.60)	3,232 (47.31)
1997-98	6,875	2,281 (33.18)	3,300 (48.00)
1998-99	6,886	2,518 (36.57)	3,278 (47.60)
1999-2000	6,935	2,604 (37.55)	3,388 (48.85)
2000-01	6,958	2,612 (37.54)	3,408 (48.98)
2001-02	6,987	2,489 (35.62)	3,422 (48.98)
2002-03	6,835	2,530 (37.02)	3,375 (49.38)
2003-04	6,948	2,614 (37.62)	3,444 (49.57)
2004-05	7,032	2,647 (37.64)	3,481 (49.50)
2005-06	7,041	2,647 (37.59)	3,464 (49.20)
2006-07	7,073	2,621 (37.06)	3,467 (49.02)
2007-08	7,071	2,609 (36.90)	3,487 (49.31)
2008-09	7,123	2,735 (38.40)	3,526 (49.50)
2009-10	7,131	2,802 (39.29)	3,522 (49.39)
2010-11	7,099	2,830 (39.86)	3,510 (49.44)
2011-12	7,154	2,814 (39.33)	3,527 (49.30)
2012-13	7,131	2,849 (39.95)	3,517 (49.32)
2013-14	7,103	2,849 (40.11)	3,510 (49.42)
2014-15	7,119	2,895 (40.67)	3,505 (49.23)
2015-16	7,111	2,970 (41.77)	3,506 (49.30)
2016-17	7,065	3,046 (43.11)	3,495 (49.47)
2017-18	7,078	3,065 (43.30)	3,512 (49.62)

Source: Statistical Abstracts of Government of Punjab

Appendix 3.13

(Referred to in paragraph 3.19.6.4, page 127)

Statement showing details of grant of NOC to extract more water than permissible

Sr. No	Name of Industry	District/ Block	Category of Area	Recharge quantity allowed (m3/year)	Abstract quantity allowed (m3/year)	Permissible abstract (m3/year) (As per Guidelines)	Excess allowance of water abstract (m3/year)	Date of NOC
1	2	3	4	5	6	7 (5/2)	8 (7-6)	9
1.	M/s. Sukhjit Mega Food Park & Infra Ltd. Sarai Road, Phagwara, Distt Phagwara.	Kapurthala/ Phagwara	Over-exploited	50,00,000	26,64,000	25,00,000	-1,64,000	27.12.2016
2.	M/s Atharv Technology vill. Mardanpur Salempur road Tehsil Rajpura, Distt. Patiala	Patiala/ Rajpura	Over-exploited	8,000	9,600	4,000	-5,600	24.03.2017
3.	M/s DBN Chemicals Pvt. Ltd. Sandharsi Kabulpur Vill Sandharsi, Sub Tehsil Ghanaur, Rajpura Distt Patiala	Patiala/ Rajpura	Over-exploited	12,375	6,600	6,188	-412	02.03.2016
4.	M/s Trident Ltd (Paper divn) at vill Dhaula Block Barnala, Distt Barnala	Barnala/ Barnala	Over-exploited	46,96,731	51,24,600	23,48,366	-27,76,234	03.04.2015
5.	M/s Chandigarh Distillers & Bottlers Ltd, Vill. Banur, Block Dera Bassi, SAS Nagar	Mohali/ Dera Bassi	Over-exploited	9,14,400	23,63,130	4,57,200	-19,05,930	11.05.2016
6.	M/s Trident Ltd (Yarn divn) at vill Sanghera Block Barnala, Distt Barnala	Barnala/ Barnala	Over-exploited	5,56,122	6,35,465	2,78,061	-3,57,404	30.04.2015
7.	M/s D.S Plastics at vill Hambra, Block Sidhwan Bet, Distt. Ludhiana	Ludhiana/ Sidhwan Bet	Over-exploited	532	24,000	266	-23,734	25.09.2017
				1,11,88,160	**1,08,27,395**	**55,94,081**	**-52,33,314**	
			Say	**111.88 lakh**	**108.27 lakh**	**55.94 lakh**	**-52.33 lakh**	

Source: Departmental records

Appendix 3.14

(Referred to in paragraph 3.19.10.2(a) & (c), page 134)

Statement showing priority while selecting the artificial recharge schemes based on DGWR-2013

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
1.	NN	PATRAN	PATIALA	287	
2.	NN	DHURI	SANGRUR	270	
3.	NN	PHAGWARA	KAPURTHALA	249	
4.	NN	BHOGPUR	JALANDHAR	248	
5.	NN	LUDHIANA	LUDHIANA	248	
6.	NN	BARNALA	BARNALA	246	
7.	NN	SHAHKOT	JALANDHAR	246	
8.	NN	JALANDHAR-EAST	JALANDHAR	244	
9.	NN	NAKODAR	JALANDHAR	241	
10.	NN	NIHAL SINGH WALA	MOGA	241	
11.	N	SHERPUR	SANGRUR	240	07.10.2014 (10)
12.	N	MOGA I	MOGA	233	16.01.2015 (24)
13.	N	SUNAM	SANGRUR	233	30.09.2014 (18)
14.	NN	ZIRA	FEROZEPUR	229	
15.	N	MOGA II	MOGA	229	23.01.2015 (25)
16.	NN	SANGRUR	SANGRUR	226	
17.	NN	RAIKOT	LUDHIANA	223	
18.	NN	AHMEDGARH	SANGRUR	219	
19.	NN	DHARAMKOT (Kot Isa Khan)	MOGA	218	30.09.2014 (20)
20.	NN	SANAUR	PATIALA	215	
21.	NN	LOHIAN	JALANDHAR	213	
22.	NN	BHAWANIGARH	SANGRUR	212	
23.	NN	BHUNER HERI	PATIALA	210	07.07.2014 (5) 07.07.2014 (19)
24.	N	KHANNA	LUDHIANA	208	30.09.2014 (8)
25.	NN	ANDANA	SANGRUR	205	30.09.2014 (9)
26.	NN	SULTANPUR LODHI	KAPURTHALA	204	
27.	NN	KHERA	FATEHGARH SAHIB	203	
28.	NN	DHILWAN	KAPURTHALA	203	
29.	NN	CHAMKAUR SAHIB	RUPNAGAR	202	
30.	NN	RURKA KALAN	JALANDHAR	201	
31.	NN	SAMRALA	LUDHIANA	201	
32.	NN	SAMANA	PATIALA	198	30.09.2014 (6)
33.	NN	LEHRAGHAGA	SANGRUR	194	
34.	N	AMLOH	FATEHGARH SAHIB	193	30.09.2014 (12) 07.10.2014 (14)
35.	NN	PAKHOWAL	LUDHIANA	193	
36.	NN	KHAMANON	FATEHGARH SAHIB	190	
37.	NN	NADALA	KAPURTHALA	188	
38.	N	PATIALA	PATIALA	187	07.10.2014 (17)

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
39.	NN	SIRHIND	FATEHGARH SAHIB	186	
40.	NN	BASSI PATHANA	FATEHGARH SAHIB	186	
41.	NN	NUR MAHAL	JALANDHAR	185	
42.	NN	SARDULGARH	MANSA	184	
43.	NN	JALANDHAR-WEST	JALANDHAR	183	
44.	NN	PHILLAUR	JALANDHAR	181	
45.	NN	GHALL KHURD	FEROZEPUR	180	
46.	NN	KAPURTHALA	KAPURTHALA	180	
47.	NN	ADAMPUR	JALANDHAR	179	
48.	NN	DEHLON	LUDHIANA	178	
49.	NN	SEHNA	BARNALA	177	
50.	NN	MORINDA	RUPNAGAR	177	
51.	NN	BUDHLADA	MANSA	175	
52.	NN	RAJPURA	PATIALA	172	
53.	NN	AJNALA	AMRITSAR	169	
54.	NN	PHUL	BATHINDA	169	
55.	NN	TANDA	HOSHIARPUR	168	
56.	NN	SIDHWAN BET	LUDHIANA	168	
57.	NN	NAUSHEHRA PANUAN	TARN TARAN	165	07.07.2014 (7)
58.	NN	AUR	NAWAN SHAHR	164	
59.	NN	KOT KAPURA	FARIDKOT	162	
60.	NN	BAGHA PURANA	MOGA	161	16.01.2015 (22)
61.	NN	PATTI	TARN TARAN	161	
62.	NN	FARIDKOT	FARIDKOT	158	29.01.2015 (26)
63.	NN	JANDIALA	AMRITSAR	155	02.07.2014 (15)
64.	NN	MANGAT	LUDHIANA	154	
65.	NN	MALER KOTLA	SANGRUR	153	
66.	NN	NABHA	PATIALA	152	
67.	NN	TARSIKA	AMRITSAR	151	
68.	NN	BATALA	GURDASPUR	151	
69.	NN	VALTOHA	TARN TARAN	151	
70.	NN	GHANAUR	PATIALA	148	02.07.2014 (23)
71.	NN	KHADUR SAHIB	TARN TARAN	148	
72.	NN	MAKHU	FEROZEPUR	146	
73.	NN	SUDHAR	LUDHIANA	146	
74.	NN	FAZILKA	FAZILKA	145	
75.	NN	RAYYA	AMRITSAR	144	
76.	NN	JALALABAD	FAZILKA	141	
77.	NN	MAHAL KALAN	BARNALA	140	
78.	NN	DERA BABA NANAK	GURDASPUR	140	
79.	NN	BANGA	NAWAN SHAHR	139	
80.	NN	JAGRAON	LUDHIANA	138	30.01.2015 (27)
81.	NN	FATEHGARH CHURIAN	GURDASPUR	133	
82.	NN	KALANAUR	GURDASPUR	131	
83.	NN	QADIAN	GURDASPUR	128	

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
84.	NN	TARN TARAN	TARN TARAN	128	
85.	NN	MAMDOT	FEROZEPUR	125	
86.	N	BHIKHI	MANSA/SANGRUR	125	07.10.2014 (13)
87.	NN	BHIKHIWIND	TARN TARAN	125	
88.	NN	MANSA	MANSA	125	
89.	NN	MAUR	BATHINDA	124	
90.	NN	KAHNUWAN	GURDASPUR	124	
91.	NN	DHARIWAL	GURDASPUR	122	
92.	NN	DERA BASSI	MOHALI	122	
93.	NN	FEROZEPUR	FEROZEPUR	121	
94.	NN	HOSHIARPUR-1	HOSHIARPUR	120	
95.	NN	CHOLA SAHIB	TARN TARAN	117	07.07.2014 (11)

GWE = Ground Water Extraction
N = Notified area
NN = Non-notified area

Appendix 3.15

(Referred to in paragraph 3.19.10.2(a) & (b), page 134)

Statement showing priority while selecting the artificial recharge schemes based on DGWR-2011

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
1.	NN	AHMEDGARH	SANGRUR	416	
2.	NN	PATRAN	PATIALA	412	
3.	NN	PHAGWARA	KAPURTHALA	364	
4.	NN	SUNAM	SANGRUR	358	
5.	NN	NAKODAR	JALANDHAR	345	
6.	NN	SHAHKOT	JALANDHAR	337	
7.	NN	JALANDHAR-EAST	JALANDHAR	317	
8.	NN	SHERPUR	SANGRUR	313	
9.	NN	BHAWANIGARH	SANGRUR	301	
10.	NN	DHURI	SANGRUR	270	
11.	NN	SAMRALA	LUDHIANA	269	
12.	NN	MALER KOTLA	SANGRUR	261	
13.	NN	LUDHIANA	LUDHIANA	258	
14.	NN	BARNALA	BARNALA	258	
15.	NN	NIHAL SINGH WALA	MOGA	257	
16.	NN	PHUL	BATHINDA	255	
17.	NN	LOHIAN	JALANDHAR	249	
18.	NN	SULTANPUR LODHI	KAPURTHALA	246	
19.	NN	KHANNA	LUDHIANA	246	
20.	NN	BHIKHI	MANSA	243	
21.	NN	SARDULGARH	MANSA	242	
22.	NN	KHAMANON	FATEHGARH SAHIB	240	
23.	NN	BHOGPUR	JALANDHAR	238	
24.	N	MOGA I	MOGA	237	16.12.2011 (4)
25.	NN	SANGRUR	SANGRUR	235	
26.	NN	GHALL KHURD	FEROZEPUR	233	
27.	NN	RAIKOT	LUDHIANA	232	
28.	NN	PAKHOWAL	LUDHIANA	228	
29.	NN	BUDHLADA	MANSA	227	
30.	NN	SANAUR	PATIALA	224	
31.	NN	SEHNA	BARNALA	224	
32.	NN	ZIRA	FEROZEPUR	222	
33.	NN	MOGA II	MOGA	220	
34.	N	KHERA	FATEHGARH SAHIB	218	19.12.2011 (3)
35.	NN	ANDANA	SANGRUR	218	
36.	NN	DEHLON	LUDHIANA	212	
37.	NN	CHAMKAUR SAHIB	RUPNAGAR	211	
38.	NN	NAUSHEHRA PANUAN	TARN TARAN	210	
39.	NN	AMLOH	FATEHGARH SAHIB	209	
40.	NN	PATTI	TARN TARAN	209	

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
41.	NN	DHILWAN	KAPURTHALA	207	
42.	NN	LEHRAGHAGA	SANGRUR	207	
43.	NN	MAUR	BATHINDA	206	
44.	NN	NUR MAHAL	JALANDHAR	204	
45.	NN	RURKA KALAN	JALANDHAR	202	
46.	NN	MANSA	MANSA	202	
47.	NN	PHILLAUR	JALANDHAR	201	
48.	NN	BASSI PATHANA	FATEHGARH SAHIB	199	
49.	NN	SIRHIND	FATEHGARH SAHIB	198	19.12.2011 (1)
50.	NN	BHUNER HERI	PATIALA	197	19.12.2012 (2)
51.	NN	JANDIALA	AMRITSAR	197	
52.	NN	KAPURTHALA	KAPURTHALA	196	
53.	NN	SAMANA	PATIALA	196	
54.	NN	FATEHGARH CHURIAN	GURDASPUR	195	
55.	NN	TARN TARAN	TARN TARAN	194	
56.	NN	MAKHU	FEROZEPUR	193	
57.	NN	NADALA	KAPURTHALA	192	
58.	NN	PATIALA	PATIALA	192	
59.	NN	HARSHA CHINA	AMRITSAR	188	
60.	NN	MORINDA	RUPNAGAR	188	
61.	NN	AJNALA	AMRITSAR	186	
62.	NN	CHOGAWAN	AMRITSAR	184	
63.	NN	DHARAMKOT (Kot Isa Khan)	MOGA	184	
64.	NN	RAJPURA	PATIALA	183	
65.	NN	GANDIWIND	TARN TARAN	181	
66.	NN	MAJITHA	AMRITSAR	180	
67.	NN	AUR	NAWAN SHAHR	180	
68.	NN	JALANDHAR-WEST	JALANDHAR	178	
69.	NN	VERKA	AMRITSAR	176	
70.	NN	TARSIKA	AMRITSAR	175	
71.	NN	TANDA	HOSHIARPUR	173	
72.	NN	CHOLA SAHIB	TARN TARAN	172	
73.	NN	BHIKHIWIND	TARN TARAN	170	
74.	NN	KHADUR SAHIB	TARN TARAN	168	
75.	NN	BAGHA PURANA	MOGA	167	
76.	NN	VALTOHA	TARN TARAN	166	
77.	NN	KOT KAPURA	FARIDKOT	163	
78.	NN	ADAMPUR	JALANDHAR	162	23.12.2011 (16)
79.	NN	SIDHWAN BET	LUDHIANA	160	
80.	NN	RAYYA	AMRITSAR	159	
81.	NN	DERA BABA NANAK	GURDASPUR	159	
82.	NN	FARIDKOT	FARIDKOT	157	
83.	NN	KALANAUR	GURDASPUR	157	
84.	NN	FAZILKA	FAZILKA	156	
85.	NN	BATALA	GURDASPUR	156	
86.	NN	GHANAUR	PATIALA	150	
87.	NN	NABHA	PATIALA	150	

Sr. No.	Area	Block	District	GWE	Date of start of scheme (Sr. No.)
88.	NN	JALALABAD	FAZILKA	148	
89.	NN	KAHNUWAN	GURDASPUR	147	
90.	NN	BANGA	NAWAN SHAHR	146	
91.	NN	SUDHAR	LUDHIANA	143	
92.	NN	JHUNIR	MANSA	141	
93.	NN	SRI HARGOBINDPUR	GURDASPUR	138	
94.	NN	FEROZEPUR	FEROZEPUR	136	
95.	NN	JAGRAON	LUDHIANA	135	
96.	NN	DERA BASSI	MOHALI	134	
97.	NN	QADIAN	GURDASPUR	132	
98.	NN	MANGAT	LUDHIANA	131	
99.	NN	DHARIWAL	GURDASPUR	128	23.12.2011 (21)

GWE = Ground Water Extraction
N = Notified area
NN = Non-notified area

Appendix 3.16

(Referred to in paragraph 3.19.12.1 & 3.19.12.2, pages 135 & 136)

Statement showing district-wise average area covered under observation wells

District	Area (Sq. Km.)	Total No. of Wells recorded manually	Digital recorded	Well with PZ/DP	Wells not working	Total No. of Wells (working)	Per sq. km. area under Observatory Wells
1	**2**	**3**	**4**	**5**	**6**	**7 (3+4+5-6)**	**8 (2/7)**
Amritsar	2,647	31	8	5	2	42	63.02
Barnala	1,410	10	3	1	2	12	117.50
Bathinda	3,385	37	5	8	3	47	72.02
Fatehgarh Sahib	1,180	21	5	2	2	26	45.38
Faridkot	1,469	8	2	5	0	15	97.93
Fazilka	3,113	16	4	10	0	30	103.77
Ferozepur	2,190	25	5	3	0	33	66.36
Gurdaspur	2,635	37	8	15	3	57	46.23
Hoshiarpur	3,365	46	4	10	1	59	57.03
Jalandhar	2,632	37	6	2	1	44	59.82
Kapurthala	1,632	18	4	7	1	28	58.29
Ludhiana	3,767	47	9	3	1	58	64.95
Mansa	2,171	22	4	4	2	28	77.54
Moga	2,216	25	1	5	2	29	76.41
Mohali	1,093	15	1	6	1	21	52.05
Sri Muktsar Sahib	2,615	16	4	6	5	21	**124.52**
SBS Nagar	1,267	20	5	0	0	25	50.68
Pathankot	929	20	0	8	5	23	**40.39**
Patiala	3,218	39	6	8	6	47	68.47
Rupnagar	1,369	20	5	3	1	27	50.70
Sangrur	3,610	41	5	1	0	47	76.81
Tarn Taran	2,449	36	6	3	5	40	61.23
	50,362	**587***	**100****	**115**	**43**	**759**	**66.35**

Source: http://www.punjabdata.com/Districts-of-Punjab.aspx and Departmental records
**** 41 wells not working***
***** 2 wells not working***