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

FOR THE YEAR ENDED 31 MARCH 1994

NO. 3

(CIVIL)

GOVERNMENT OF HARYANA



TABLE OF CONTENTS

	Paragraph(s)	Page(s)
Prefatory Remarks		(ix)
Overview		(xi to xxii)

CHAPTER - I

ACCOUNTS OF THE STATE GOVERNMENT

Summary of Accounts of State Government	1.1-1.24	1-43
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CHAPTER - II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

General	2.1-2.6	44-51
Drawal of funds in advance of requirement	2.7	52-53
Trend of recoveries and credits	2.8	53-54
Trend of supplementary demand and usage of token provisions	2.9	54

(ii)

Paragraph(s) Page(s)

CHAPTER - III

CIVIL DEPARTMENTS

Finance Department

Haryana State Lotteries 3.1 55-78

Education Department

Improvement of science education
in schools 3.2 79-90

Avoidable extra expenditure 3.3 90-91

Excess payment of house rent
allowance 3.4 91-92

Idle wages 3.5 92-93

Purchase of cloth 3.6 93-94

Technical Education Department

Non-recovery of transport charges 3.7 94-95

Health Department

Non-utilisation of Central assistance
for National Cancer Control Programme 3.8 95-97

(iv)

	Paragraph(s)	Page(s)
Irrigation Department		
Defective lining of Khajuri Distributary	4.4	128-130
Public Health Department		
Avoidable expenditure	4.5	130-131
Unfruitful expenditure	4.6	131-134
Outstanding inspection reports	4.7	134-138

CHAPTER - V

STORES AND STOCK

Public Works Department (Buildings and Roads)

Stores and Stock	5.1	139-147
------------------	-----	---------

Agriculture Department

Purchase of reverse rotary rig machine	5.2	147-148
---	-----	---------

(v)

Paragraph(s) Page(s)

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

Procurement of sub-standard cement 5.3 149-151

CHAPTER - VI

**FINANCIAL ASSISTANCE TO LOCAL
BODIES AND OTHERS**

General 6.1 152-154

Education Department

Audit Under Section 14

General 6.2 154-155

Nugatory expenditure 6.3 155-156

Avoidable expenditure 6.4 156-157

Development Department

Desert Development Programme 6.5 158-161

Rural Development Department

Jawahar Rozgar Yojana 6.6 161-184

(vi)

	Paragraph(s)	Page(s)
Audit under section 19		
General	6.7	184
Housing Department		
Infructuous expenditure	6.8	185-186
Loss owing to construction of houses on unapproved layout plan	6.9	187-188
Town and Country Planning Department (Haryana Urban Development Authority)		
Non-recovery of development charges	6.10	188-189
Injudicious grant of extension of time	6.11	189-191

CHAPTER VII

COMMERCIAL ACTIVITIES

General	7.1	192-193
Food and Supplies Department		
Avoidable payment of wages	7.2	193-194
Printing and Stationery Department		
Extra expenditure	7.3	194-196

(vii)

Paragraph(s) **Page(s)**

**Transport Department
(Haryana Roadways)**

Delay in implementation of increase in fares	7.4	196-197
Excess consumption of high speed diesel	7.5	197-198
Avoidable payment of interest	7.6	198-199

APPENDICES

Appendix I	Statement showing details of companies whose accounts were in arrears.	201-202
Appendix II	Unnecessary Supplementary Grants	203
Appendix III	Excessive Supplementary Grants	204
Appendix IV	Insufficient Supplementary Grants	205
Appendix V	Grants/Appropriations where excess requires regularisation	206
Appendix VI	Unutilised provision and surrender thereof	207-210

		Page(s)
Appendix VII	Drawal of funds in advance of requirement	212-217
Appendix VIII	Significant cases of shortfall/excess in recoveries	218
Appendix IX	Statement showing cases of misappropriation, defalcations etc. under departmental investigations	220-221
Appendix X	Losses due to thefts, fire, irrecoverable revenue, etc. written off during 1993-94.	222
Appendix XI	Instances of delay in completion of works	223-228
Appendix XII	Statement showing utilisation certificates outstanding as on 31 August 1994 for grants paid up to 31 March 1993	229-230
Appendix XIII	Statement showing the names of bodies and authorities, the accounts of which have not been received	231-233
Appendix XIV	Summarised financial results of Government Commercial/quasi-commercial departmental undertakings	234
Appendix XV	Glossary of abbreviations	235

PREFATORY REMARKS

This Report No.3 for the year ended 31 March 1994 has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts and Finance Accounts of the State for 1993-94, together with other points arising from the audit of financial transactions of Government of Haryana. It also includes certain points of interest arising from the Finance Accounts for the year 1993-94.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during 1993-94 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 1993-94 have also been included, wherever considered necessary.



OVERVIEW

This Report includes two Chapters on the Finance and Appropriation Accounts of the Government of Haryana for the year 1993-94, and five other Chapters comprising 4 reviews and 35 paragraphs, based on the audit of certain selected programmes and activities and of financial transactions of Government. A synopsis of the findings contained in the Report is presented in this Overview.

1. Accounts of the State Government

Revenue receipts of the State Government increased by 117 *per cent*, from Rs.1607.24 crores in 1989-90 to Rs.3481.45 crores in 1993-94; the growth during 1993-94 in relation to 1992-93 (Rs.1103.81 crores) was of the order of 46 *per cent*.

Tax revenue (Rs.1588.91 crores) and non-tax revenue (Rs.1340.55 crores) raised by the State Government during 1993-94 constituted 46 and 38 *per cent* respectively of the total revenue receipts. While the receipts on account of tax revenue increased by Rs. 142.04 crores during 1993-94 over the previous year, non-tax revenue increased by Rs.880.28 crores (191 *per cent*) during the same period. The State received Rs.551.99 crores in 1993-94 from the Government of India toward its share of Income Tax and Union Excise Duties and grants-in-aid, which accounted for 16 *per cent* of its revenue receipts during the year.

Revenue expenditure had almost doubled from Rs.1701.73 crores in 1989-90 to Rs.3401 crores during 1993-94. Whereas the Non-Plan expenditure increased by 122 *per cent*, from Rs.1334.78 crores in 1989-90 to Rs.2966.11 crores in 1993-94, the Plan expenditure increased at a lower rate of 19 *per cent*, from Rs.366.95 crores to Rs.434.89 crores during the same period.

The abbreviations used in this Report have been listed in the Glossary in Appendix XV

Assistance to local bodies during the five-year period constituted 5 to 8 *per cent* of the tax and non-tax revenue receipts. In relation to 1989-90, the amount of assistance during 1993-94 had increased by 163 *per cent* to Rs.196.37 crores.

By the end of 1993-94, the Public Debt and other liabilities had increased by Rs.1733.77 crores, from Rs.2398.31 crores (1989-90) to Rs.4132.08 crores (1993-94), an increase of 72 *per cent*. The outgo on account of interest payments had more than doubled in the last five years, from Rs.206.42 crores in 1989-90 to Rs.421.70 crores in 1993-94.

As on 31 March 1994, the total investment of Government in the share capital of statutory corporations, Government companies, joint stock companies, co-operative banks and societies, etc., stood at Rs.1444.94 crores. The dividend of Rs.0.95 crore received during 1993-94 which worked out to nominal 0.07 *per cent* whereas the rate of interest on Government borrowings during the year was 13.5 *per cent*.

(Paragraphs 1.1 to 1.24)

2. **Appropriation Audit and control over expenditure**

The supplementary provisions of Rs.1007.21 crores obtained during 1993-94 constituted 24.40 *per cent* of the original budget provisions. In 9 grants/appropriations, the expenditure exceeded the budget provisions by Rs.48.20 crores; the excess requires regularisation under Article 205 of the Constitution of India.

Supplementary provisions of Rs.20.44 crores obtained in 3 grants during the year proved unnecessary since the actual expenditure was less than even the original budget provisions. In

(xiii)

4 other cases, supplementary grants aggregating Rs.77.66 crores were obtained when the additional requirement of funds was only Rs.60.76 crores; the saving in each case exceeded Rs.10 lakhs. On the other hand, in 5 grants, the supplementary provision of Rs.56.47 crores proved insufficient by more than Rs.10 lakhs in each case.

In 11 cases funds aggregating Rs.412.92 lakhs were drawn during January-March 1994 for purchase of equipment, machinery and other materials and disbursement of loans much in advance of requirement, and retained outside the Government account in the form of cash/bank drafts or in savings bank accounts. Out of the funds so retained, Rs.338.67 lakhs were lying undisbursed as of July 1994.

In another case, drawal of funds by the Director, Primary Education, much in advance of actual requirement resulted in funds amounting Rs.69.96 lakhs remaining outside the Government account for 25 to 37 months leading to loss of interest of Rs.24.40 lakhs as of April 1994.

(Paragraph 2.1, 2.2.1, 2.2.2 and 2.7)

3. Haryana State Lotteries

With a view to augmenting resources for developmental activities in the State, a lottery scheme was introduced in Haryana from September 1968. As of July 1994, five daily lottery schemes, namely, Jai Durga, Mahalaxmi, Jai Vishnu, Mahabali and Shri Ganesh were in operation.

During 1989-90 to 1993-94, the actual receipts throughout fell short of the estimates, the shortfall ranging between Rs.26.41 lakhs and Rs.984.16 lakhs.

- The continuation of two daily lottery schemes, running in losses right from the day one, was not reviewed, as prescribed, for over three months. By the time the schemes were discontinued in October 1992, losses of Rs.82.14 lakhs had already been incurred.
- The scheme of appointing main stockists introduced during 1992-93 proved a failure. Whereas dues amounting to Rs.753.35 lakhs as of 3 December 1992 as per departmental computation, were under dispute and *sub judice*, the Department was unable to invoke a bank guarantee for Rs.371 lakhs issued by a bank at Patna due to its failure to present the original guarantee which had been left behind at Chandigarh.
- Instead of bank drafts, a Sales Officer of the Department had irregularly accepted cheques for Rs.52.34 lakhs which got dishonoured. He also failed to deduct Rs.19.12 lakhs towards administrative expenses and income tax and on account of prize winning tickets not produced.
- Excessive claims on account of prize winning tickets resulted in loss of Rs.32.64 lakhs during February 1989 to June 1992.
- The loss of interest suffered due to part/delayed remittances in 1993-94 by eight Sales Officers worked out to Rs.12.17 lakhs.
- Continued printing of tickets with counterfoils, though no longer required, resulted in avoidable expenditure of Rs.40.74 lakhs over the period from October 1991 to June 1992. Printing of lottery tickets in excessive numbers resulted in 10.85 crore tickets printed at the cost of Rs.39.60 lakhs remaining unsold during 1993-94.

- Failure of the Printing and Stationery Department to analyse the comparative costs involved in the two rates received for printing of lottery tickets, one with paper and the other without paper resulted in extra expenditure of Rs.47.03 lakhs on the printing of 103.36 crore lottery tickets.

(Paragraph 3.1)

4. **Jawahar Rozgar Yojana**

Jawahar Rozgar Yojana (JRY), a Centrally sponsored scheme, was launched in April 1989 and aimed at providing employment to rural unemployed and under-employed, both men and women. Against the total available funds of Rs.11092.48 lakhs, Rs.10714.42 lakhs were utilised during 1989-94.

- According to the annual progress reports submitted to the Government of India, 172.75 lakh mandays were generated during 1989-90 to 1993-94 as against the target of 181.74 lakh mandays. The achievement as reported was, however, not fully reliable. Test check in 2 blocks indicated inflation of figures by about 19 *per cent* while sending reports to the State Government.
- Though 30 *per cent* of the employment opportunities were to be reserved for women, the actual coverage ranged between 13 and 18 *per cent* during 1989-94. In Ambala district, not even a single woman was employed under the Yojana during this period.
- The houses constructed under the Indira Awas Yojana for being provided free of cost to SCs/STs and freed bonded labourers living below the poverty line were not provided with sanitary latrines and smokeless *chullahas* as envisaged in the scheme.

- The State Government did not implement the Million Wells Scheme during 1989-90 reportedly due to the scheme being not suitable for the State. Out of the expenditure of Rs.1666.67 lakhs incurred during 1990-94, Rs.63.40 lakhs were spent on works not falling within the purview of the scheme, and 279 of the 973 wells constructed in Rohtak and Hisar districts were not functional as these required the use of electric motors for which there was no provision in the scheme.
- The DRDA, Ambala, denied having ever approved some of the works executed at the cost of Rs.24.22 lakhs by the Forest Department in Morni Hills. A departmental enquiry further revealed that works had been excess measured, the consequent excess payment being Rs.21.43 lakhs. Further, works costing Rs.34.46 lakhs were non-functional as of May 1994.

(Paragraph 6.6)

5. Improvement of science education in schools

The main objective of this Centrally sponsored scheme was to improve the quality of science education and to develop, in the child, well-defined abilities and values to enable the learner to acquire problem-solving and decision-making skills and to discover the relationship of science with health, agriculture, industry and other aspects of daily life.

- Expenditure of Rs.406.03 lakhs was incurred on the implementation of the scheme during the period from 1989-90 and 1993-94 against Central assistance of Rs.861.40 lakhs received during 1988-89 and 1993-94.

(xvii)

- The shortfalls in respect of various activities taken up under the scheme were abnormally high except in the case of provision of science kits and ranged between 57 and 100 *per cent*.
- In 13 of 37 schools which made their relevant records available for scrutiny in audit, the science books procured were never issued to any student or teacher.
- The scheme provided for purchase of 4-5 sets of text books in each school for use by teachers and poor students but these had not been purchased. On the other hand, 21 titles of books in English medium purchased at the cost of Rs.3.90 lakhs for the senior secondary schools were supplied to 641 secondary schools where these were not required.
- Science raw materials valued at Rs.1.33 lakhs supplied during 1990-91 were still lying unconsumed in 53 schools and those valued at Rs.1.06 lakhs were short accounted or not accounted for at all in 50 schools, out of 96 schools the records of which were test-checked.
- No District Resource Centres for Science Education were set up though this was to be done in each district. Training to teachers was not provided except during 1993-94 and no assistance was provided to any voluntary organisation.

(Paragraph 3.2)

6. State Highways, District and Village roads

- Against the budget provision of Rs.11854.10 lakhs, expenditure of Rs.12492.39 lakhs was incurred during

1987-94 on construction and improvement of roads and construction of bridges.

- Norms for the annual maintenance of roads have not been fixed. The per km. expenditure incurred on maintenance of State highways, district roads and village roads in the State during 1993-94 was Rs.0.27 lakh, Rs.0.16 lakh and Rs.0.08 lakh respectively, as against Rs.0.71 lakh, Rs.0.56 lakh and Rs.0.36 lakh being the average of the norms fixed by the Ministry of Surface Transport in March 1993. This was indicative of the urgent need for fixation of suitable norms.
- Expenditure of Rs.37.03 lakhs was noticed as incurred in 2 divisions on original works of widening, etc., of roads from out of the provision for maintenance of roads thereby reducing the availability of funds for the latter.
- Works of construction of village roads were being sanctioned without assurance of funds. Due to paucity of funds, 125 on-going works costing Rs.1500 lakhs were desanctioned by Government in June 1992. In 43 such cases, expenditure of Rs.21.53 lakhs incurred on partly constructed roads was rendered wasteful. However, 112 new works (cost Rs. 2124.10 lakhs) were again sanctioned between July 1992 and March 1994.
- Delay in completion of 228 works ranged from 4 months to 12 years. Of the 165 incomplete works as on 31 March 1994, in 136 cases the scheduled completion period was over; 3 of these were started over 15 years back and 12 others between 10 and 15 years back. The investment of Rs.1125.60 lakhs made on these works was thus still to bear fruit.

- A sum of Rs.3.91 lakhs was noticed as overpaid to contractors due to failure to reduce the rates for execution of works proportionately on reduction in the consumption of material for road surfacing.

(Paragraph 4.1)

7. **Desert Development Programme**

- In 48 of the 104 ponds deepened at the cost of Rs.14.51 lakhs during 1990-91 to 1993-94 in order to ensure availability of water throughout the year for fish farming, no fish seed was stocked. The entire expenditure consequently was unfruitful.
- Under the programme, afforestation was to be done on community lands, etc., for meeting the needs of the rural poor and restoring the productivity of the land. Afforestation was, however, done at the cost of Rs.6.87 lakhs on 66.5 hectares of private lands, too.

(Paragraph 6.5)

8. **Other points of interest**

- In three districts, 3584 employees of Education Department were paid excess house rent allowance of Rs.3.99 lakhs in a period of only three months test-checked in audit.

(Paragraph 3.4)

- Delay in the issue of inspection note in respect of the first batch of supply resulted in avoidable expenditure of Rs.5.42 lakhs on purchase of cloth for uniform of girl

(xx)

students due to increased rates for supply of the balance quantity.

(Paragraph 3.6)

- In seven districts, non-recovery of charges from corporate bodies, etc., in advance for deployment of additional police personnel had resulted in recoveries amounting to Rs.90.41 lakhs remaining uneffected.

(Paragraph 3.9)

- Defective construction of a diversion road led to avoidable expenditure of Rs.3.26 lakhs on dismantlement and re-construction of portions of the road which had settled and subsided.

(Paragraph 4.2)

- Of the 15,270 feet of the sewerage line to be laid in Jhajjar town, the work had been completed only to the extent of 11526 feet, 23 and 18 years after administrative approval and commencement of work, respectively. Further, due to an incomplete portion of 89 feet, 8380 feet sewerage line constructed at the cost of Rs.5.71 lakhs was still non-functional.

(Paragraph 4.6)

- In 8 B&R Divisions, out of 32 test-checked, materials valued at Rs.15.59 lakhs had been lying un-utilised for the last 2 to 20 years.

(Paragraph 5.1.6)

A payment of Rs.17.60 lakhs, representing 90 *per cent* of the cost of a reverse rotary rig machine, was released by the Agriculture Department notwithstanding the fact that the consignee had found, after visual inspection, that the machine was below specifications. The machine was procured in August 1991 for boring upto a depth of 600 feet, but failed to bore beyond 350 feet and was being utilised for boring-of tubewells of lesser depths.

(Paragraph 5.2)

Failure of the Gurgaon Water Supply Construction Division No.4, Bahadurgarh and the Provincial Division, Nuh, to get the cement tested from a reputed laboratory as stipulated in the supply order resulted in acceptance of sub-standard cement valued at Rs.27.61 lakhs against which payment of Rs.24.23 lakhs had been released. Further, of the supply received, sub-standard cement valued at Rs.9.23 lakhs had already been consumed on works. The security deposit of the supplier available with the Director, Supplies and Disposals, Haryana, amounted to only Rs.3.46 lakhs.

(Paragraph 5.3)

The Horticulture Division, Haryana Urban Development Authority, Gurgaon, executed horticulture works in the Industrial Complex, Dharuhera, at the cost of Rs.6.62 lakhs without obtaining administrative approval and technical sanction of the competent authority, and also incurred an expenditure of Rs.6.43 lakhs on subsequent maintenance of these works. The expenditure was, however, not included in the total cost to be recovered from allottees of the industrial plots. This resulted in non-recovery of Rs.11.37 lakhs in respect of

(xxii)

27 (out of 31) plots already allotted with a further likely loss of Rs.1.68 lakhs.

(Paragraph 6.10)

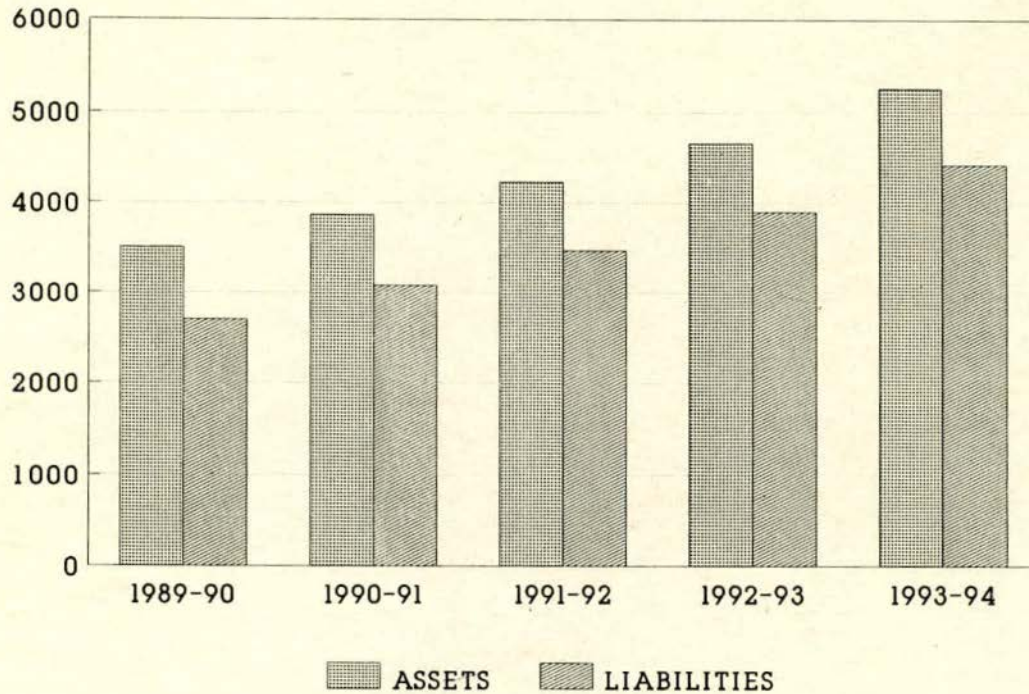
- Delay of over four months by the Chandigarh depot of Haryana Roadways in implementation of the increased bus fares resulted in an avoidable loss of Rs.2.52 lakhs.

(Paragraph 7.4)



ASSETS AND LIABILITIES OF THE STATE

(Rupees in crores)



(Paragraph 1.2)

CHAPTER-I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Summarised Financial Position

The financial position of the Government of Haryana as on 31 March 1994 emerging from the Appropriation Accounts and the Finance Accounts for the year 1993-94 and the abstract of Receipts and Disbursements for the year are given in the Statements I and II appearing at the end of this Chapter. The sources and application of funds are detailed in Statement III.

Based on these statements and other supporting data, the following paragraphs in this Chapter present an analysis of the management of the finance of the State Government during 1993-94 relating it to the position obtaining in the earlier four years.

1.2 Assets and Liabilities of the State

The assets comprising capital investments and loans advanced and the total liabilities of the State Government during the last five years were as under :

Year	Assets	Liabilities
(Rupees in crores)		
1989-90	3503.93	2694.36
1990-91	3865.56	3075.92
1991-92	4229.28	3471.05
1992-93	4654.51	3899.24
1993-94	5259.82	4424.09

While the assets have grown by 50 per cent during the five years, the liabilities have grown by 64 per cent. The gap between assets and liabilities was on account of overall surplus.

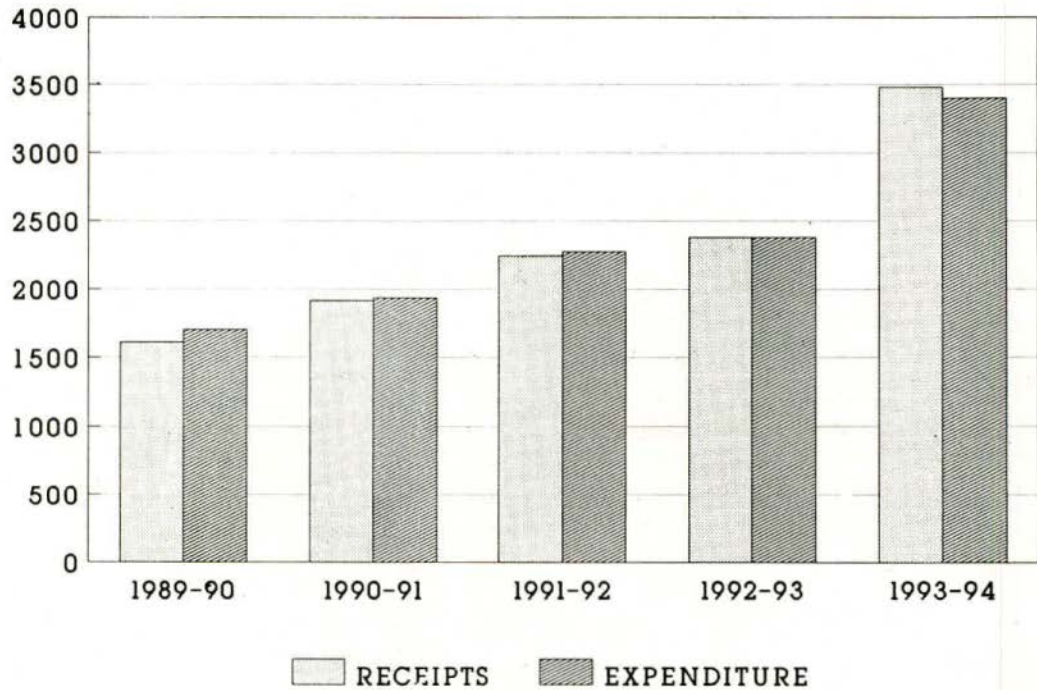
1.3 Budget Estimates and Actuals

The figures of Budget estimates, Revised Estimates and actuals concerning revenue receipts, revenue expenditure, revenue surplus/deficit and capital expenditure are given below :

Year	Revenue Receipts			Revenue Expenditure		
	Budget Estimates	Revised Estimates	Actuals	Budget Estimates	Revised Estimates	Actuals
(Rupees in crores)						
1989-90	1665.52	1719.69	1607.24	1623.35	1779.68	1701.73
1990-91	1894.14	1946.10	1913.42	1915.98	2043.28	1933.07
1991-92	2257.19	2281.55	2241.79	2305.32	2311.80	2274.02
1992-93	2506.57	2506.11	2377.64	2557.87	2489.42	2379.34
1993-94	2872.99	3541.43	3481.45	2829.32	3533.22	3401.00

REVENUE RECEIPTS AND EXPENDITURE

(Rupees in crores)



(Paragraph 1.3)



Year	Revenue Surplus(+)/Deficit(-)			Capital Expenditure		
	Budget Estimates	Revised Estimates	Actuals	Budget Estimates	Revised Estimates	Actuals
(Rupees in crores)						
1989-90	(+) 42.17	(-) 59.99	(-)94.49	126.29	90.02	132.68
1990-91	(-) 21.84	(-) 97.18	(-)19.65	151.26	142.62	186.17
1991-92	(-) 48.13	(-) 30.25	(-)32.23	179.34	166.81	145.99
1992-93	(-) 51.30	(+) 16.69	(-) 1.70	213.89	218.71	228.33
1993-94	(+) 43.67	(+) 8.21	(+)80.45	255.37	314.46	302.92

1.4 Revenue Surplus

For planned development, it is desirable that there should be positive savings on Government Account. Its importance was once again emphasised by the observation (December 1989) of the Ninth Finance Commission that the revenue deficit on a large scale year after year, implies an infraction of one of the fundamental principles of sound public finance in any economy, particularly in a developing economy. The State had been continuously in the deficit from 1988-89 to 1992-93. However, the year 1993-94 closed with a revenue surplus.

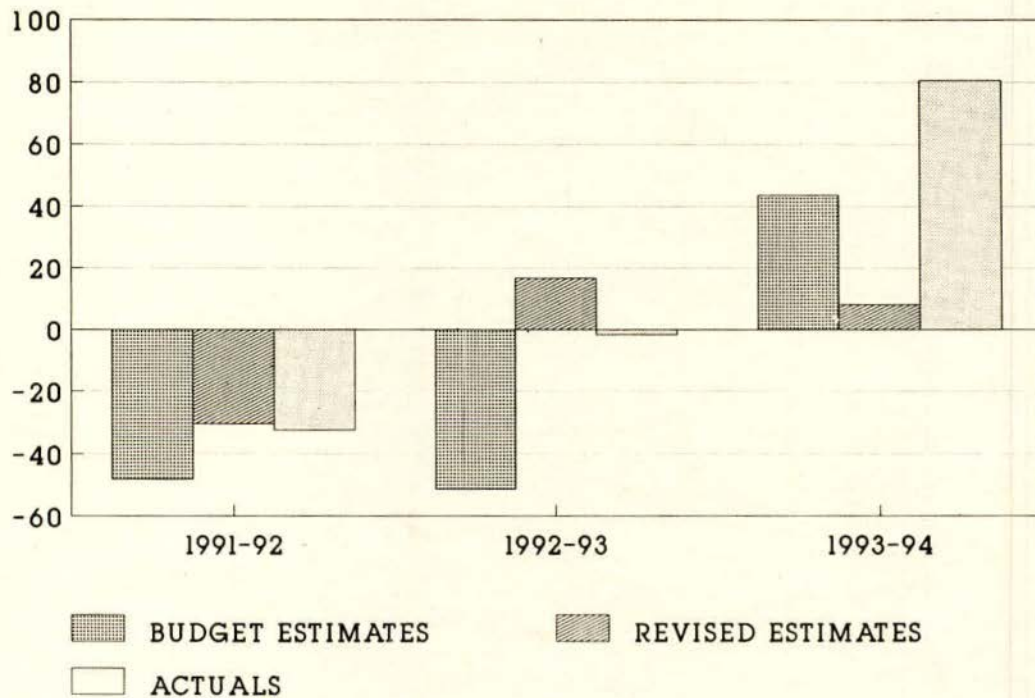
By the end of 1993-94, the revenue receipts had grown by 116.61 *per cent* over 1989-90 as against the growth of 99.86 *per cent* in the revenue expenditure during the same period. The year 1993-94 closed with revenue surplus of Rs. 80.45 crores against the revenue deficit of Rs. 94.49 crores in 1989-90.

The position is summarised in the following table:

Year	Revenue			Percentage increase over the previous year		Revenue deficit(-) surplus(+) as percentage of revenue expenditure
	Receipts	Expenditure	Deficit(-)/ Surplus(+)	Revenue Receipts	Revenue Expenditure	
(Rupees in crores)						
1989-90	1607.24	1701.73	(-) 94.49	11.53	17.93	(-) 5.55
1990-91	1913.42	1933.07	(-) 19.65	19.05	13.59	(-) 1.02
1991-92	2241.79	2274.02	(-) 32.23	17.16	17.64	(-) 1.42
1992-93	2377.64	2379.34	(-) 1.70	6.05	4.63	(-) 0.07
1993-94	3481.45	3401.00	(+) 80.45	46.42	42.94	(+) 2.37

REVENUE DEFICIT/SURPLUS

(Rupees in crores)



(Paragraph 1.4)



The revenue deficit/surplus as envisaged in the Budget Estimates and the Revised Estimates *vis-a-vis* the actuals was as follows:

Year	Revenue Deficit (-)/Surplus (+)			Percentage of actual Deficit(-)/ Surplus(+) to revenue receipts
	Budget Estimates	Revised Estimates	Actuals	

(Rupees in crores)

1989-90	(+)42.17	(-)59.99	(-)94.49	(-)5.88
1990-91	(-)21.84	(-)97.18	(-)19.65	(-)1.03
1991-92	(-)48.13	(-)30.25	(-)32.23	(-)1.44
1992-93	(-)51.30	(+)16.69	(-)1.70	(-)0.07
1993-94	(+)43.67	(+) 8.21	(+)80.45	(+)2.31

1.5 Revenue expenditure

The revenue expenditure (Plan) during 1993-94 was Rs. 434.89 crores against Budget Estimates of Rs.616.65 crores (including Supplementary of Rs.29.85 crores) disclosing a shortfall of Rs.181.76 crores. The Non-Plan revenue expenditure during the year was Rs.2966.11 crores (Rs.1945.30 crores during the previous year) against the estimates of Rs.3025.16 crores (including Supplementary: Rs.782.64 crores) disclosing a shortfall of Rs.59.05 crores. The details of the less expenditure are given in the Chapter II of this Report. Further details are available in the Appropriation Accounts of the State Government for 1993-94.

The revenue expenditure (both Plan and Non-Plan) during 1993-94 was Rs.3401 crores as against Rs.2379.34 crores during 1992-93. The detailed reasons for variation are given in Statement No.I of the Finance Accounts of the State Government for 1993-94.

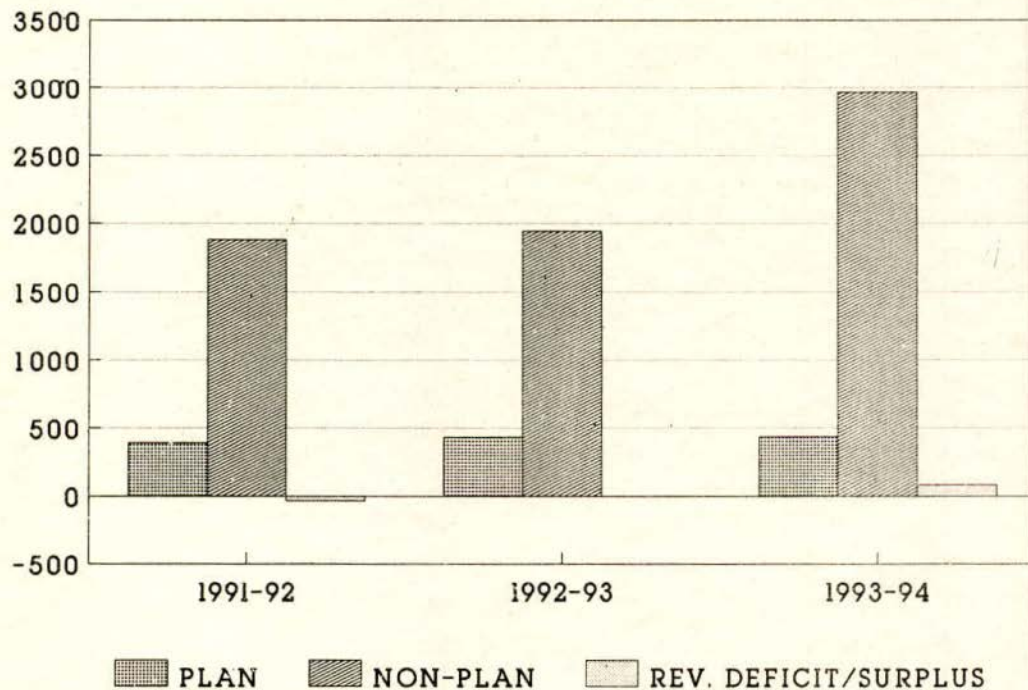
1.6 Growth of revenue expenditure

The growth of revenue expenditure (both Plan and Non-Plan) in the last five years was as follows :

Year	Revenue Expenditure			Revenue Deficit(-)/ Surplus(+)	Percentage of Deficit(-)/ Surplus(+) to Non-Plan expenditure
	Plan	Non-Plan	Total		
(Rupees in crores)					
1989-90	366.95	1334.78	1701.73	(-) 94.49	(-) 7.08
1990-91	346.79	1586.28	1933.07	(-) 19.65	(-) 1.24
1991-92	392.67	1881.35	2274.02	(-) 32.23	(-) 1.71
1992-93	434.04	1945.30	2379.34	(-) 1.70	(-) 0.09
1993-94	434.89	2966.11	3401.00	(+) 80.45	(+) 2.71

The revenue expenditure (both Plan and Non-Plan) went up from Rs.1701.73 crores in 1989-90 to Rs.3401 crores in 1993-94 showing an increase of 99.86 *per cent*. The revenue expenditure (Plan) went up by 18.51 *per cent* between 1989-90 to 1993-94 whereas the expenditure under Non-Plan increased during the same period by 122.22 *per cent*. The Non-Plan expenditure in 1993-94 constituted 87.21 *per cent* of the total revenue expenditure during the year.

GROWTH OF REVENUE EXPENDITURE & DEFICIT (Rupees in crores)



(Paragraph 1.6)



1.7 Financial assistance to local bodies and others

The quantum of assistance provided to different bodies in the last five years is given below :

Name of body	1989-90	1990-91	1991-92	1992-93	1993-94
(Rupees in crores)					
1. Educational institutions (including Universities)	24.85	33.43	79.97	44.47	37.04
2. Panchayati Raj institutions	1.80	21.23	29.63	33.73	52.76
3. Municipal Councils/ Corporations	5.81	0.63	3.72	4.53	4.34
4. Other institutions (including statutory bodies)	42.22	20.60	32.03	101.23	102.23 (a)
Total	74.68	75.89	145.35	183.96	196.37 (a)
5. Percentage growth over previous year	(-)36.72	1.62	91.53	10.02	6.74
6. Revenue Receipts (Tax and Non-Tax)	1356.05 (b)	1580.64 (b)	1846.30 (b)	1907.14 (b)	2929.46 (b)
7. Percentage of assistance to Revenue Receipts	5.51	4.80	7.87	8.39 (c)	5.80 (d)
8. Revenue Expenditure	1701.73	1933.07	2274.02	2379.34	3401.00
9. Percentage of assistance to Revenue Expenditure	4.39	3.93	6.39	6.72 (c)	5.00 (d)

- (a) Includes Rs. 26.34 crores representing grants from Capital Outlay on Water Supply and Sanitation
- (b) Excludes receipts/collections under "0021-Taxes on income other than Corporation Tax".
- (c) After excluding Rs.24.04 crores representing grants from Capital Outlay on Water Supply and Sanitation
- (d) After excluding Rs.26.34 crores representing grants from Capital Outlay on Water Supply and Sanitation

Thus the total assistance at the end of 1993-94 has increased by 163 *per cent* over the level of 1989-90. The assistance to local bodies and others during 1989-90 to 1993-94 ranged between 4.80 and 8.39 *per cent* of the Revenue Receipts (Tax and Non-Tax) and 3.93 and 6.72 *per cent* of the Revenue Expenditure.

1.8 Interest payments

The quantum of interest payments in the last five years had been rising as indicated below :

Year	Interest payments	Opening balance as on 1 April each year					Total	Percentage of Interest to total
		Internal Debt	Small Savings etc.	Loans and Advances from Central Government	Reserve Funds	Other obligations		
(Rupees in crores)								
1989-90	206.42	343.11	468.58	1292.09	45.19	-	2148.97	9.61
1990-91	242.03	416.53	552.90	1428.88	50.35	3.00	2451.66	9.87
1991-92	321.86	499.84	679.99	1641.21	59.02	10.00	2890.16	11.14
1992-93	343.31	547.98	814.81	1830.88	67.03	6.60	3267.30	10.51
1993-94	421.70	629.55	947.16	2004.76	76.37	6.60	3664.44	11.51

While the rate of interest of market borrowings of the State Government for 1993-94 was 13.5 *per cent per annum*, the dividend and profit received during the year was Rs. 0.95 crore on investment of Rs.1444.94 crores (as on 31 March 1994) in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative institutions which works out to a nominal 0.07 *per cent*.

1.9 Non-Plan revenue expenditure

The following table shows the details of Non-Plan revenue expenditure other than interest payments, where there has been significant increase over ten years:

	1984-85	1993-94	Percentage variance
	(Rupees in crores)		
Police	37.28	153.53	411.83
Pensions and Miscellaneous General Services	34.66	930.43	2684.45
Education, Sports, Art and Culture	110.77	396.13	357.61
Medical, Public Health, Sanitation, Water Supply, Housing and Urban Development	31.26	163.58	523.29
Irrigation and Power	76.19	258.40	339.15
Transport	101.64	295.10	290.34

The growing revenue expenditure was due mainly to (i) increase in the staff strength of departments, (ii) revision of pay scales and enhanced dearness allowance to Government employees, (iii) modernisation of police force, (iv) introduction of more lottery schemes and increase in the number of retirees, (v) provision of more educational and health facilities to public, (vi) more expenditure on development of irrigation projects, and (vii) increase in the fleet strength of Haryana Roadways.

1.10 Capital expenditure

The capital expenditure during 1993-94 was Rs.302.92 crores against Budget Estimates of Rs.430.02 crores (including supplementary Rs.174.65 crores) disclosing a shortfall in expenditure of Rs.127.10 crores.

The main reasons for shortfall in expenditure are given in Chapter II of this Report. Further details are available in Appropriation Accounts of the State Government for 1993-94.

1.11 Revenue receipts

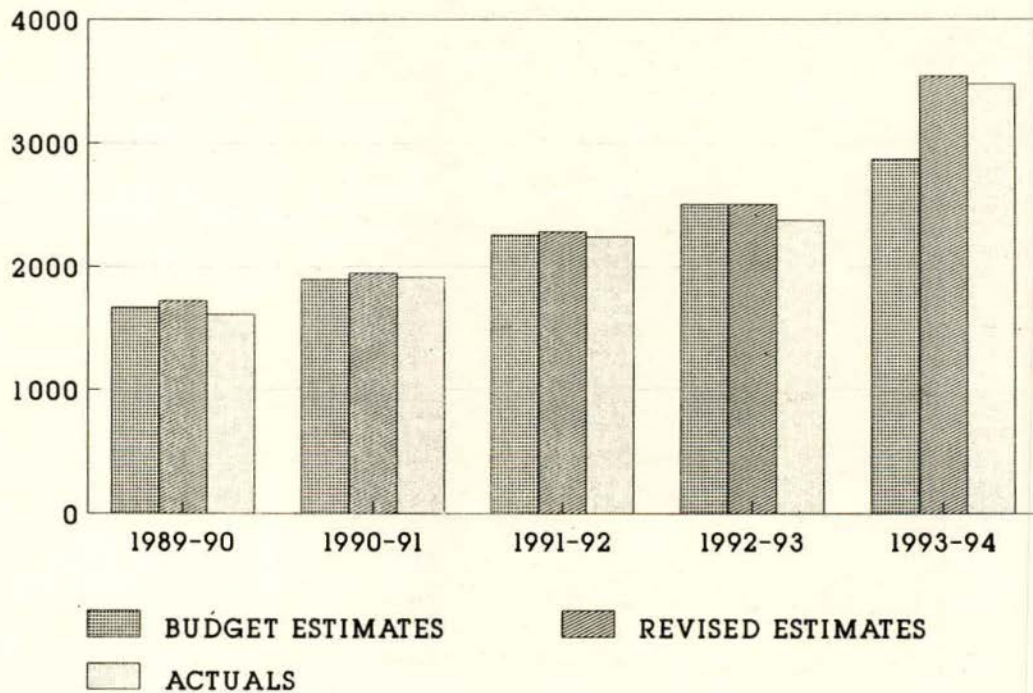
The actual revenue receipts during the five years ending 1993-94 are given below :

Year	Budget Estimates	Revised Estimates	Actuals	Percentage of growth over the previous year
(Rupees in crores)				
1989-90	1665.52	1719.69	1607.24	11.53
1990-91	1894.14	1946.10	1913.42	19.05
1991-92	2257.19	2281.55	2241.79	17.16
1992-93	2506.57	2506.11	2377.64	6.06
1993-94	2872.99	3541.43	3481.45	46.42

The position of revenue raised by the State and of the

REVENUE RECEIPTS

(Rupees in crores)



(Paragraph 1.11)



State's share of Union taxes and grants received from the Government of India was as follows :

	1991-92	1992-93	1993-94
	(Rupees in crores)		
I. Revenue raised by the State Government			
(a) Tax Revenue	1300.21	1446.87	1588.91
(b) Non-tax Revenue	546.09	460.27	1340.55
Total	1846.30	1907.14	2929.46
II Receipts from Government of India			
(a) State's share of			
- Income Tax, etc.	63.41	75.65	95.53
- Union Excise Duties	156.04	186.29	186.92
(b) Grants-in-aid	176.04	208.56	269.54
Total	395.49	470.50	551.99
III Total receipts of State Government (Revenue Account)	2241.79	2377.64	3481.45
IV Percentage of revenue raised to total receipts	82	80	84

1.12 (a) Tax revenue

The growth of tax revenue in the last five years was as indicated below:

Year	Tax revenue* (Rupees in crores)	Percentage growth over previous year
1989-90	910.12	14.42
1990-91	1069.54	17.52
1991-92	1300.21	21.57
1992-93	1446.87	11.28
1993-94	1588.91	9.82

While the revenue receipts of Government increased by 19, 17, 6 and 46 *per cent* during 1990-91, 1991-92, 1992-93 and 1993-94, the tax revenue grew at 18, 22, 11 and 10 *per cent* over the preceding years.

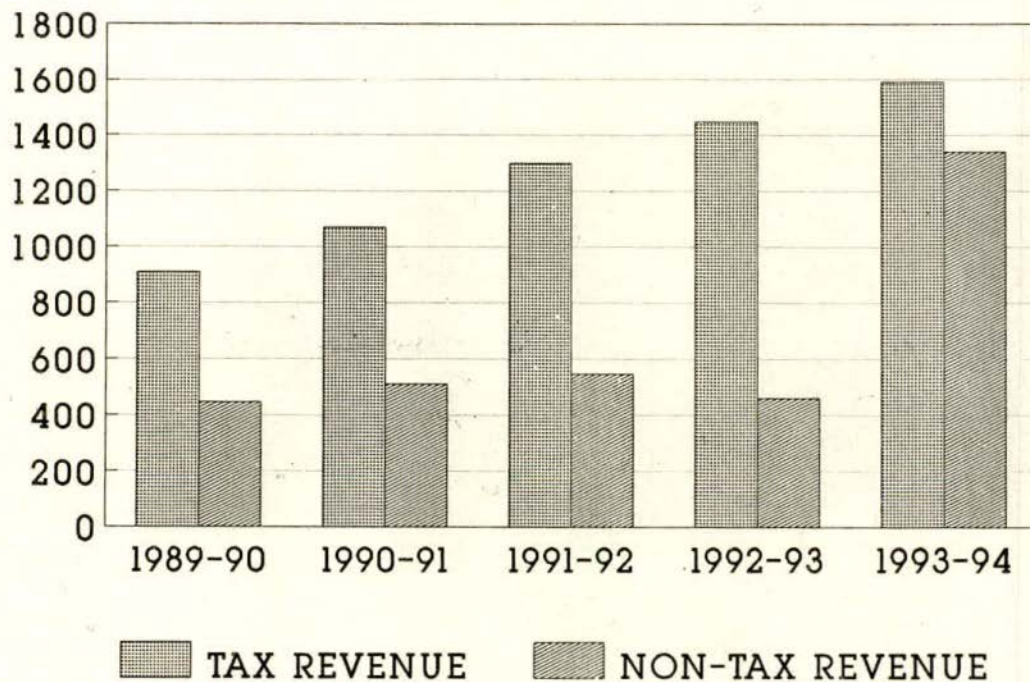
The analysis of tax revenue raised by the State Government is given below :

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
1. Sales Tax	415.18 (46)	494.70 (46)	620.30 (48)	676.41 (47)	768.51 (48)
2. State Excise	236.68 (26)	286.35 (27)	341.87 (26)	393.84 (27)	431.76 (27)
3. Taxes on Goods and Passengers	100.88 (11)	102.10 (10)	119.83 (9)	141.02 (10)	161.52 (10)
4. Stamps and Registration Fees	92.55 (10)	101.50 (10)	97.72 (8)	104.72 (7)	119.64 (8)

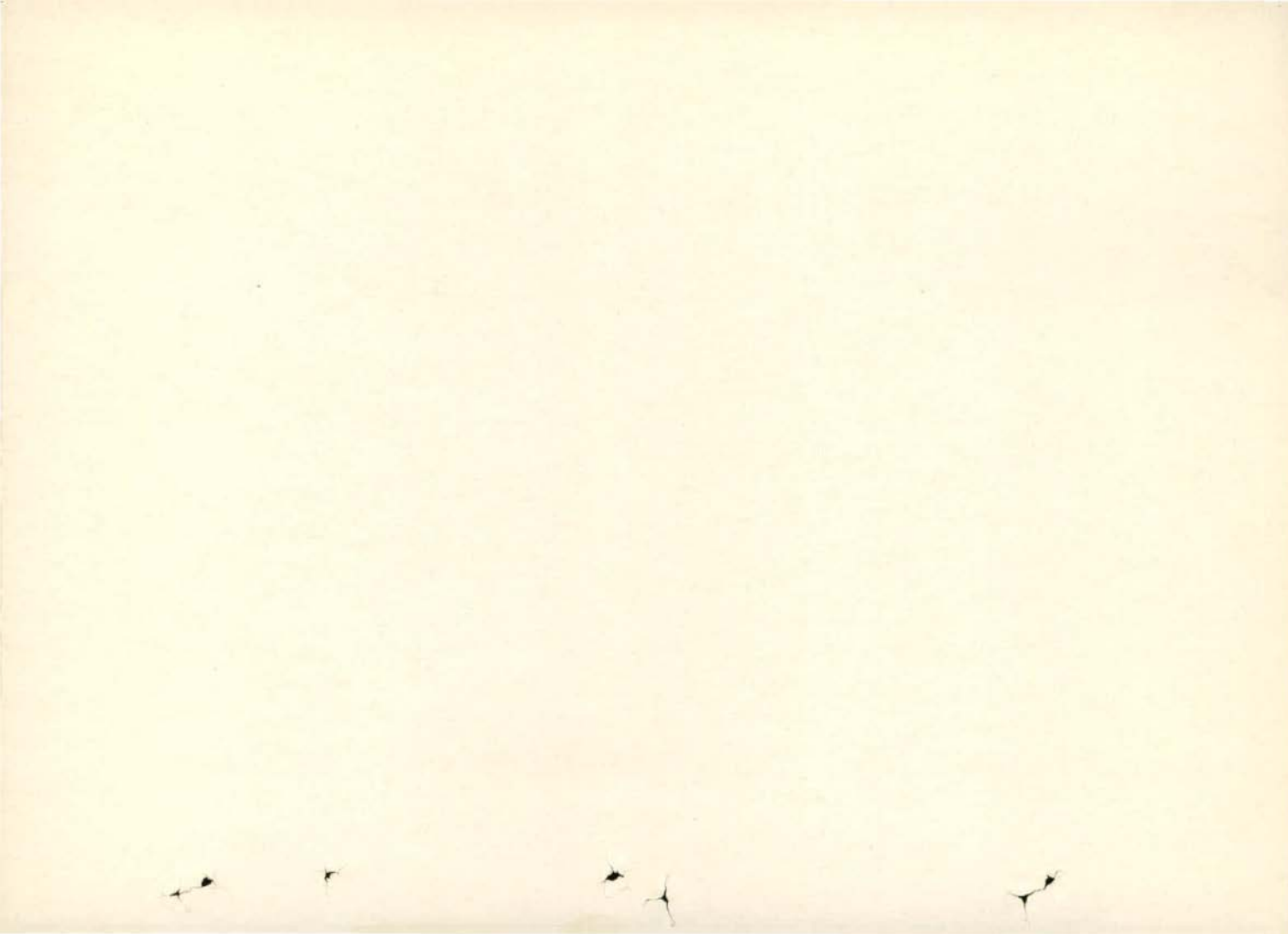
* Excludes receipts/collection under "0021-Taxes on income other than Corporation Tax".

TAX REVENUE AND NON-TAX REVENUE

(Rupees in crores)



(Paragraphs 1.12(a) and 1.13)



1989-90 1990-91 1991-92 1992-93 1993-94
(Rupees in crores)

5.	Taxes and Duties on Electricity	29.42 (3)	34.36 (3)	38.49 (3)	43.43 (3)	39.06 (3)
6.	Taxes on Vehicles	21.39 (2)	35.78 (3)	68.47 (5)	71.15 (5)	52.17 (3)
7.	Other Taxes	14.02 (2)	14.75 (1)	13.53 (1)	16.30 (1)	16.25 (1)
	Total	910.12 (100)	1069.54 (100)	1300.21 (100)	1446.87 (100)	1588.91 (100)

Figures within brackets denote the percentage share of individual taxes in the total tax revenue raised during the year.

(b) Cost of collection of revenue

Expenditure incurred on collection of the major revenue receipts during the year 1989-90 to 1993-94 was as follows:

Head of Revenue	Year	Gross collec- tion	Expenditure	Percentage of expenditure to gross collection
(Rupees in crores)				
Sales Tax	1989-90	415.18	8.97	2.16
	1990-91	494.70	9.60	1.94
	1991-92	620.30	10.45	1.68
	1992-93	676.41	12.51	1.85
	1993-94	768.51	14.28	1.86
State Excise	1989-90	236.68	0.84	0.35
	1990-91	286.35	0.93	0.32
	1991-92	341.87	0.99	0.29
	1992-93	393.84	1.16	0.29
	1993-94	431.76	1.30	0.30

Head of Revenue	Year	Gross collection (Rupees in crores)	Expenditure	Percentage of expenditure to gross collection
Stamps and Registration Fees	1989-90	92.55	0.41	0.44
	1990-91	101.50	0.65	0.64
	1991-92	97.72	0.57	0.58
	1992-93	104.72	0.56	0.53
	1993-94	119.64	1.26	1.05
Taxes on Vehicles	1989-90	21.39	0.65	3.04
	1990-91	35.78	0.85	2.37
	1991-92	68.47	1.16	1.69
	1992-93	71.15	1.32	1.85
	1993-94	52.17	1.78	3.41
Other Taxes and Duties (including Taxes on Goods and Passengers and Taxes and Duties on Electricity)	1989-90	143.59	0.42	0.29
	1990-91	150.91	0.47	0.31
	1991-92	171.85	0.54	0.31
	1992-93	200.75	0.67	0.33
	1993-94	216.83	0.85	0.39

1.13 Non-tax revenue

The growth of Non-tax revenue during the last five years is indicated below:

Year	Non-tax revenue (Rupees in crores)	Percentage growth (+)/ shortfall (-) over the previous year
1989-90	445.93	25.72
1990-91	511.10	14.61
1991-92	546.09	6.85
1992-93	460.27	(-)15.72
1993-94	1340.55	191.25

It will be seen that the growth of Non-tax revenue had been erratic during the period 1989-90 to 1993-94. The increase of Rs.880.28 crores during the year 1993-94 over the previous year was due mainly to sale of more lottery tickets consequent upon floating of new schemes (Rs.805.16 crores), increase in bus fares and fleet strength of Haryana Roadways (Rs.32.65 crores) and more receipts from departmental commercial undertakings (Rs.21.44 lakhs) as explained in notes to Statement No. 1 of the Finance Accounts.

1.14 State's share of Union taxes, duties and Central grants

The aggregate of State's share of Union Excise Duties, Income Tax and grants-in-aid from Central Government during the year 1993-94 was Rs.551.99 crores representing 15.86 *per cent* of the total revenue receipts and 16.23 *per cent* of the revenue expenditure of the State Government. The year-wise details for the last five years from 1989-90 to 1993-94 are given below :

Year	State's share of Union taxes*	Grants	Total	Percentage to total	
				Revenue receipts	Revenue expenditure
(Rupees in crores)					
1989-90	154.11	97.08	251.19	15.63	14.76
1990-91	185.90	146.88	332.78	17.39	17.22
1991-92	219.45	176.04	395.49	17.64	17.39
1992-93	261.94	208.56	470.50	19.79	19.77
1993-94	282.45	269.54	551.99	15.86	16.23

1.15 Arrears of revenue

The position of arrears of revenue as against total revenue

* Includes receipts/collections under "0021-Taxes on income other than Corporation Tax".

raised by the State Government during the period 1989-90 to 1993-94, as reported by the departments, is given below :

Year	Revenue raised	Arrears of revenue	Percentage of arrears to revenue receipts	Percentage of growth of revenue raised over previous year	Percentage of growth of arrears over previous year
(Rupees in crores)					
1989-90	1356.05*	98.10	7.23	17.91	26.55
1990-91	1580.64*	116.79	7.39	16.56	19.05
1991-92	1846.30*	141.53	7.67	16.81	21.18
1992-93	1907.14	167.66	7.05	3.33	18.46
1993-94	2929.46	216.60	6.22	53.60	29.19

The main arrears were under 'Sales Tax', 'Taxes and Duties on Electricity' and 'State Excise'.

1.16 Investments and returns

During 1993-94, the Government invested Rs.17.29 crores (net) in the share capital of Statutory Corporations (Rs.1.51 crores), Government Companies (Rs.9.80 crores), Joint Stock Companies and Partnerships (Rs.0.01 crore) and Co-operative Banks and Societies etc. (Rs.5.97 crores).

The total investment of the Government in the share capital of different concerns at the end of 1991-92, 1992-93 and 1993-94 was Rs.605.70 crores, Rs.1427.65 crores and Rs.1444.94 crores, respectively. The dividend received therefrom was Rs.0.68 crore, Rs.0.85 crore and Rs.0.95 crore which worked out to 0.11 *per cent*, 0.06 *per cent* and 0.07 *per cent* of the investment in the respective years against the average rate of interest of 12.75 *per cent* for Government borrowings during this period the rate worked out to 13.5 *per cent* for the year 1993-94. The accumulated losses of 10 companies in which Government investment as on 31 March 1994 was Rs.45.58 crores amounted to Rs.59.94 crores, as disclosed in the accounts rendered by them for various years from 1985-86 to 1992-93.

* Includes receipts/collections under "0021-Taxes on income other than Corporation Tax".

The share of dividends received from Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative institutions is indicated below :

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
Statutory Corporations	0.21	0.21	0.20	0.35	0.44
Government Companies	0.20	-	0.01	0.04	0.26
Joint Stock Companies and partnerships	0.07	0.03	0.32	0.01	0.03
Co-operative Banks and Societies	0.12	0.15	0.14	0.45	0.22

1.17 Financial results of irrigation works

The financial results of 7 major irrigation commercial projects (Western Jamuna Canal, Jui Canal, Jawahar Lal Nehru Canal, Sewani Lift Irrigation, Loharu Lift Irrigation, Gurgaon Canal and Naggal Lift Irrigation) with total capital outlay of Rs.280.56 crores at the end of March 1994 showed that revenue realised (Rs.10.48 crores) from these schemes during 1993-94 was 3.73 per cent of the Capital outlay and this was not sufficient even to cover the direct working expenses (Rs.13.73 crores). After meeting the working expenses and interest charges (Rs.28.02 crores), the schemes suffered a net loss of Rs.17.54 crores. The losses in the case of Western Jamuna Canal Project, Jui Canal Project, Jawahar Lal Nehru Canal Project, Sewani Lift Irrigation Project, Loharu Lift Irrigation Project and Gurgaon Canal Project were Rs.3.73, Rs.0.74, Rs.8.65, Rs.1.80, Rs.1.75 and Rs.1.33 crores, respectively whereas the Naggal Lift Irrigation Project earned a profit of Rs.0.46 crore.

1.18 Public Debt

Under Article 293 (1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the

Consolidated Fund of the State, within such limits, if any, as may from time to time be fixed by an Act of Legislature of the State. No law has been passed by the Haryana Legislature laying down such a limit.

The details of the total liabilities of the State Government during the five years ending March 1994 are given below :

Year	Internal Debt	Loans and advances from the Central Government	Total Public Debt	Other liabilities	Total liabilities*
(Rupees in crores)					
1989-90	416.53	1428.88	1845.41	552.90	2398.31
1990-91	499.84	1641.21	2141.05	679.99	2821.04
1991-92	547.98	1830.88	2378.86	814.81	3193.67
1992-93	629.55	2004.76	2634.31	947.16	3581.47
1993-94	798.15	2216.49	3014.64	1117.44	4132.08

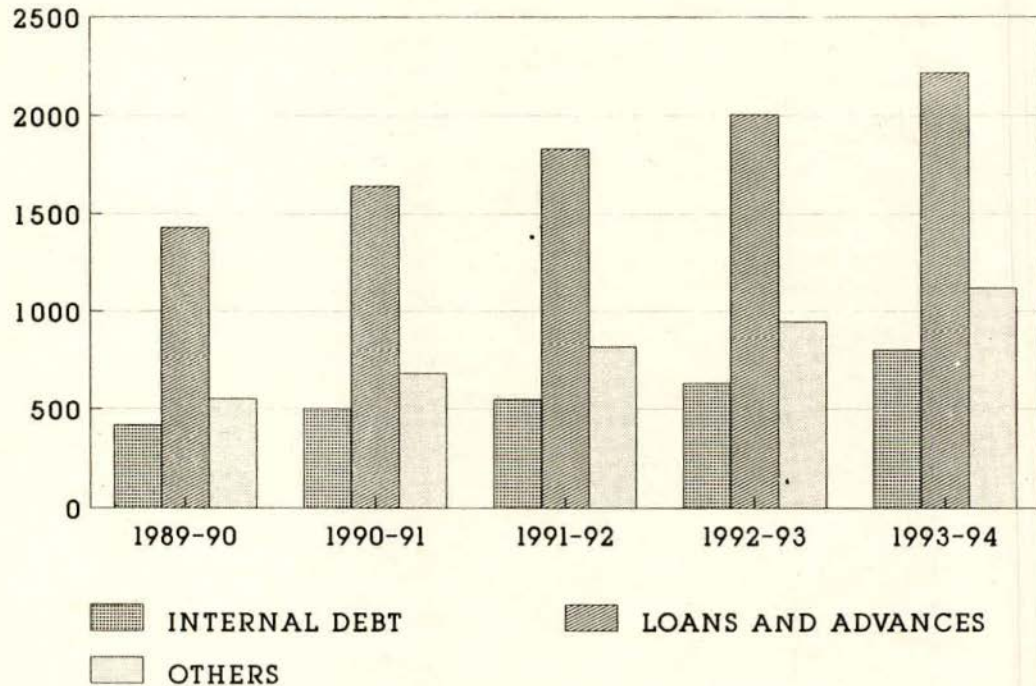
It will be seen from the table above that the total liabilities of Government had increased from Rs.2398.31 crores in 1989-90 to Rs.4132.08 crores in 1993-94 registering an increase of 72 *per cent* over a period of 4 years.

1.19 Debt servicing

The annual debt servicing obligation according to schedule of repayment of principal and payment of interest was Rs.855.70 crores. The actual discharge was Rs.587.59 crores compared to Rs.419.08 crores during 1992-93.

* Does not include Deposits, Reserve Funds, Other obligations, etc.

PUBLIC DEBT (Rupees in crores)



(Paragraph 1.18)



The State Government had made amortisation arrangements for the repayment of the following loans :

Name of the Sinking Fund	Balance as on 1 April 1993	Addition during the year	Withdrawals during the year	Balance as on 31 March 1994
(Rupees in crores)				
Loans received for Bhakra Nangal Project by the Composite State of Punjab	0.22	-	-	0.22
Loans received out of consolidated open market borrowings of the Government of India	1.84	0.03	-	1.87
Total	2.06	0.03	-	2.09

Out of total balance in the Sinking Fund for repayment of loans received from consolidated open market borrowings of the Government of India, Rs.0.50 crore were invested at the end of March 1994 in the securities of the Government of India.

The outflow of funds on account of interest payments (gross) has been gradually rising with the interest payment in 1993-94 being 104.29 *per cent* more than the level of outflow in 1989-90. The position is summarised in the following table :

Year	Revenue expenditure	Interest payments	Interest payments as a percentage of revenue expenditure
(Rupees in crores)			
1989-90	1701.73	206.42	12.13
1990-91	1933.07	242.03	12.52
1991-92	2274.02	321.86	14.15
1992-93	2379.34	343.31	14.43
1993-94	3401.00	421.70	12.40

Thus, outflow of funds for payment of interest ranged between 12.13 and 14.43 *per cent* of the revenue expenditure during the period.

The repayment of Government of India loans and payment of interest thereon by the State Government during the last five years were as follows :

Year	Repayments			Loans received during the year	Percentage of repayment to loans received
	Principal	Interest	Total		
(Rupees in crores)					
1989-90	85.22	112.21	197.43	222.01	88.93
1990-91	69.02	119.31	188.33	281.35	66.94
1991-92	74.16	175.72	249.88	263.83	94.71
1992-93	81.24	192.14	273.38	255.12	107.16
1993-94	92.22	209.89	302.11	303.95	99.39

The repayment of Central loans and accrued interest constituted 67 to 107 *per cent* of the loans received from the Central Government.

The net Central assistance to the State by way of loans during 1993-94, after repayment of earlier loans and interest, amounted to 0.61 *per cent* of the receipts from Government of India during the year.

1.20 Ways and Means Advances and Overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily cash balance of Rs.30 lakhs. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdraft from time to time. The limit was Rs.16.80 crores for ordinary and Rs.6 crores for special ways and means advances during 1993-94.

The extent to which Government maintained the minimum balance with the Bank during the period 1989-90 to 1993-94 is given below :

	1989-90	1990-91	1991-92	1992-93	1993-94
(i) Number of days on which minimum balance was maintained :					
(a) Without obtaining any advance	329	309	328	350	333
(b) By obtaining ways and means advances	35	37	37	11	16
(ii) Number of days on which overdraft was taken	1	19	1	4	16

The position of ways and means advances and overdraft taken by the State Government and interest paid thereon during 1989-90 to 1993-94 is detailed below :

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
Ways and Means Advances					
(i) Advances taken during the year (gross)	55.07	105.14	65.71	22.80	74.84
(ii) Advances outstanding at the end of the year	-	-	-	-	-
(iii) Interest paid	0.10	0.18	0.07	0.07	0.16

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
Overdraft					
(i) Overdraft taken during the year (gross)	3.07	34.77	0.94	5.35	60.85
(ii) Overdraft outstanding at the end of year	-	-	-	-	-
(iii) Interest paid	-	0.03	-	0.01	0.05

1.21 Loans and Advances by State Government

The State Government have been advancing loans to Government companies, corporations, autonomous bodies, co-operatives, non-Government institutions, etc. for developmental and non-developmental activities. The position of such loans for five years 1989-90 to 1993-94 is given below :

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
Opening balance	1015.13	1180.06	1359.90	756.44*	970.44
Amount advanced during the year	189.56	203.38	227.04	245.02	289.36
Amount repaid during the year	24.63	23.54	30.50	31.02	31.96
Closing balance	1180.06	1359.90	1556.44	970.44	1227.84
Net addition	164.93	179.84	196.54	214.00	257.40
Interest received and credited to revenue	36.77	42.26	48.77	6.01	5.74

* Excludes Rs.800 crores transferred proforma to capital section due to conversion of loan into share capital.

The net loans and advances disbursed during 1989-90, 1990-91, 1991-92, 1992-93 and 1993-94 constituted 78.46, 60.83, 82.65, 83.77 and 67.68 *per cent* respectively.

Recoveries in arrears

Out of loans advanced to various bodies, other than the Haryana State Electricity Board (HSEB), the detailed accounts of which are kept in the office of the Accountant General (Accounts and Entitlement), recovery of Rs.19.89 crores (principal : Rs.7.01 crores and interest : Rs.12.88 crores) was in arrears as on 31 March 1994. In the case of HSEB, loans totalling Rs.10.21 crores were outstanding at the end of March 1994 and the amount of interest due for recovery as on that date was not worked out. Interest amounting to Rs.226.18 crores was realised up to 31 March 1994 from HSEB.

According to the orders issued by Government, the administrative departments were required to intimate to the Accountant General (Accounts and Entitlement), by July each year, the arrears in recovery of principal and interest on loans, the detailed accounts of which were maintained by the departmental officers, as at the end of the preceding March. During the year 1993-94, 129 statements were due from 14 departmental officers out of which only 25 statements were received. According to these statements, recovery of Rs.20.25 crores (principal: Rs.13.48 crores and interest: Rs.6.77 crores) was in arrears on 31 March 1994. The major part of the arrears related to loans for 'Co-operation' (principal : Rs.5.38 crores and interest : Rs.4.09 crores), Revenue (principal : Rs.5.35 crores and interest : Rs.2.66 crores) and Panchayats (principal : Rs.2.22 crores).

1.22 Guarantees given by State Government

The position of contingent liability for guarantees given by the State Government for repayment of loans and payment of

Serial number	Name of Corporation/ Board	Name of Department	Date of incorporation	Period of accounts	Total capital invested	Profit (+)/ Loss(-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
					(A)	
					(Figures in columns 6 to 7)	
1.	Haryana State Electricity Board	Irrigation and Power	3 May 1967	1993-94 (Provisional)	2951.76	(-)408.32
2	Haryana Financial Corporation	Industries	1 April 1967	1993-94	314.30	(+)1.94
3.	Haryana Warehousing Corporation	Agriculture	1 November 1967	1993-94	56.99	(+) 11.43

- (A) Capital invested represents paid-up capital plus long term loans and free reserves.
- (B) Capital employed (except in the case of Haryana Financial Corporation) represents net fixed assets (excluding capital works-in-progress) plus working capital.
- (C) In case of Haryana Financial Corporation, capital employed represents the mean of aggregate of opening and closing balances of paid-up capital, bonds, reserves and borrowings.

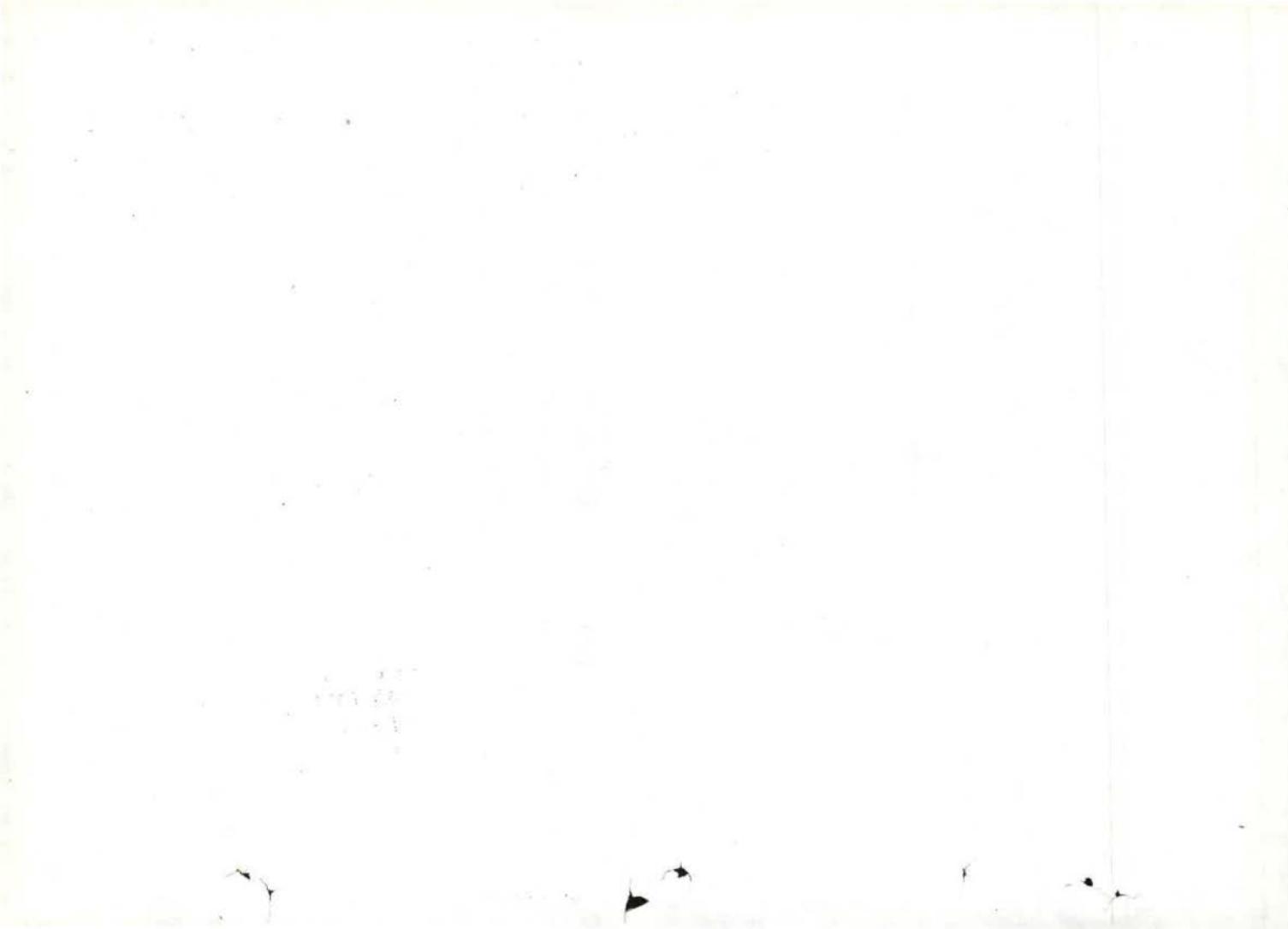
Total interest charged to Profit and Loss Account	Interest on long term loans	Total return on capital invested	Capital employed	Total return on capital employed	Percentage of total return on capital invested	Percentage of total return on capital employed
		(7+9)	(B)	(7+8)		
(8)	(9)	(10)	(11)	(12)	(13)	(14)

12 are in crores of rupees)

170.92	150.87	(-)257.45	1496.27	(-)257.45	-	-
29.48	29.48	31.42	(C) 273.98	31.42	10.00	11.5
0.52	0.52	11.95	67.31	11.95	20.97	17.75

1.24 Reconciliation of expenditure

Reconciliation of accounts figures with the departmental figures was not done during 1993-94 in respect of the minor head 'Direction and Administration' subordinate to the major head, 2215-Water Supply and Sanitation.



Statement
Summarised Financial Position of the
(Amount in

Amount as on 31 March 1993	Liabilities	Amount as on 31 March 1994
629.55	Internal Debt including Ways and Means Advances	798.15
518.15	Market Loans bearing interest	582.05
0.89	Market Loans not-bearing interest	0.91
53.70	Loans from LIC	65.48
56.81	Loans from other Institutions	149.71
2004.76	Loans and Advances from Central Government	2216.49
329.09	Pre 1984-85 Loans	302.58
1083.00	Non-Plan loans	1202.54
570.18	Loans for State Plan Schemes	689.93
1.41	Loans for Central Plan Schemes	1.24

I
Government of Haryana as on 31 March 1994
(crores of rupees)

Amount as on 31 March 1993	Assets	Amount as on 31 March 1994
3632.79	Gross Capital Outlay on Fixed Assets	3935.72
1427.65	Investment in shares of Companies, Corporations etc.	1444.94
2205.14	Other Capital Outlay	2490.78
970.44	Loans and Advances	1227.84
618.13	Loans for Power Projects	849.14
322.06	Other Development Loans 1227.84-(849.14+32.91)	345.79
29.25	Loans to Government Servants and Miscellaneous Loans	32.91
0.06	Other advances	0.06
12.74 (-) 1.26 (a)	Remittances balances	26.51
31.03	Suspense and Miscella- neous balances (37.63-0.03+0.05)	37.65
8.71	Cash	32.04

Amount as on 31 March 1993	Liabilities		Amount as on 31 March 1994
21.08	Loans for Centrally Sponsored Plan Schemes Contingency Fund	20.20	10.00
10.00			
947.16	Small Savings		1117.44
161.02	Deposits		141.26
146.75	Reserve Funds		140.75
756.53 (-) 1.26 (a)	Surplus on Govern- ment Account		835.73
756.97	Previous year	755.28 (b)	
(-) 1.70	Current Year	80.45	
4654.51			5259.82

(a) Difference of Rs.(-) 1.26 crores was due to pro forma adoption of bal-

(b) Increased pro forma by Rs. 0.01 crore due to allotment of bonus shares.

Amount
as on
31 March
1993

Assets

Amount
as on
31 March
1994

(-) 0.15	Cash in Treasuries and Local Remittances	(-)0.11
(-) 57.44	Deposits with Reserve Bank	(-)91.77
0.04	Departmental balances	0.76
0.07	Permanent cash imprest	0.07
66.19	Cash Balance Investment and other Reserve Fund Investment	123.09

4654.51

5259.82

nces from Punjab under the Punjab Re-organisation Act, 1966.

Explanatory Notes

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

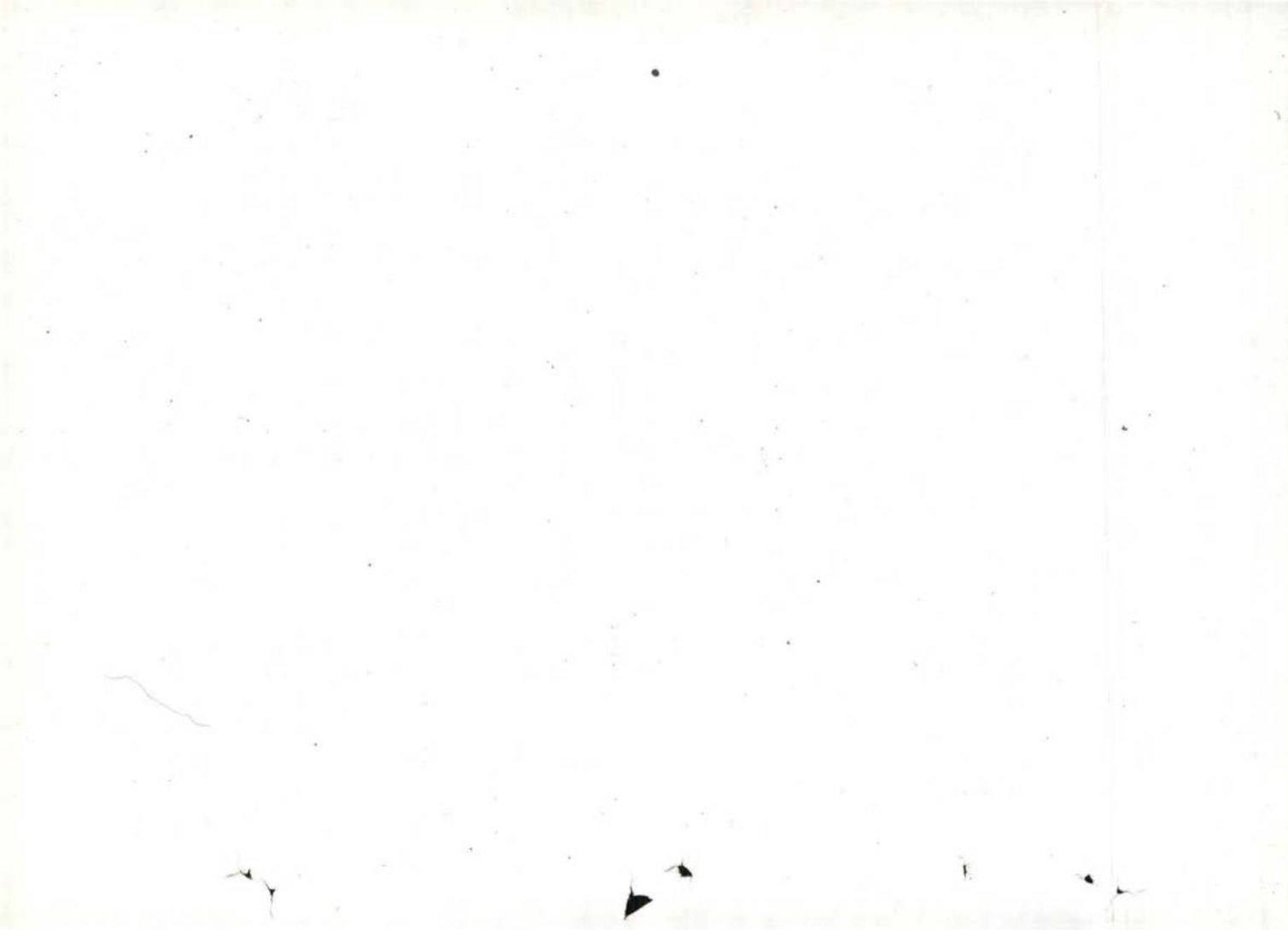
2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.

3. Although a part of revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of State Government remains unaffected by end use.

4. Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government Account with the result that the cumulative position of such surplus or deficit is not ascertainable. The balancing figure of Rs.475.01 crores as on 31 March 1983 was, therefore, treated as cumulative surplus for drawing up the first instalment of financial position for 1983-84 which took the place of a Balance Sheet.

5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of other States and others pending settlement, etc. The balance under Suspense and Miscellaneous had increased from Rs.31.03 crores as on 31 March 1993 to Rs.37.65 crores as on 31 March 1994.

6. The closing cash balance as per Reserve Bank of India, was Rs.90.98 crores (debit), against the general cash balance of Rs.91.77 crores (credit) shown in the accounts. The difference was yet to be reconciled (December 1994).



**Statement
Abstract of Receipts and
Section A**

RECEIPTS

(Rupees in crores)

I.	Revenue Receipts		3481.45
(i)	Tax Revenue	1588.91	
(ii)	Non-Tax Revenue	1340.55	
(iii)	State's Share of Union	282.45	
	Taxes		
(iv)	Non-Plan Grants	34.53	
(v)	Grants for State Plan Schemes	65.02	
(vi)	Grants for Central and Centrally sponsored Schemes	169.99	
	269.54-(34.53+65.02)		

Total Section-A**3481.45**

* The figures of actual expenditure shown in these accounts are net after

- II

Disbursements for the year 1993-94

- Revenue

DISBURSEMENTS

		(Rupees in crores)			
		Non-Plan	Plan	Total	
I.	Revenue Expenditure Sector				3401.00*
(i)	General Services	1636.99	6.91	1643.90	
(ii)	Social Services	656.61	218.33	874.94	
(iii)	Agriculture and Allied Activities	90.90	101.45	192.35	
(iv)	Rural Development	13.05	54.61	67.66	
(v)	Irrigation and Flood Control	198.40	27.01	225.41	
(vi)	Energy	60.00	0.22	60.22	
(vii)	Industry and Minerals	3.81	14.70	18.51	
(viii)	Transport	295.10	1.15	296.25	
(ix)	Science, Technology and Environment	0.07	2.15	2.22	
(x)	Other General Economic Services	5.34	8.36	13.70	
(xi)	Grants-in-aid	5.84	-	5.84	
II.	Revenue surplus carried over to Section B				80.45
		2966.11	434.89	3401.00	3481.45

taking into account the recoveries.

RECEIPTS

Section B

II	Opening Cash Balance including Permanent Advance and Cash Balance Investment and Reserve Fund Investment	8.71
-----------	---	------

III.	Recoveries of Loans and Advances	31.96
-------------	---	-------

(i)	From Power Projects	-
(ii)	From Government Servants	13.49
(iii)	From Others	18.47

The figures of actual expenditure shown in these accounts are net after

DISBURSEMENTS**Others****III. Capital Outlay
Sector**

302.92*

(i)	General Services	6.84
(ii)	Social Services	70.46
(iii)	Agriculture and Allied Activities	56.62
(iv)	Irrigation and Flood Control	110.63
(v)	Energy	0.87
(vi)	Industry and Minerals	7.02
(vii)	Transport	48.68
(viii)	General Economic Services	1.80

**IV. Loans and Advances
Disbursed**

289.36

(i)	For Power Projects	230.01
(ii)	To Government Servants	17.15
(iii)	To Others	42.20

taking into account the recoveries.

RECEIPTS

IV.	Revenue Surplus brought down		80.45
V	Public Debt Receipts		668.21
(i)	Internal Debt other than Ways and Means Advances	228.57	
(ii)	Ways and Means Advances including overdraft	135.69	
(iii)	Loans and Advances from Central Government	303.95	
VI	Public Accounts Receipts		2231.05
(i)	Small Savings and Provident Funds	265.55	
(ii)	Reserve Funds	49.35	
(iii)	Suspense and Miscellaneous	167.52	
(iv)	Remittances	633.79	
(v)	Deposits and Advances	1114.84	
<hr/> Total Section-B Others <hr/>			3020.38

DISBURSEMENTS

V	Repayment of Public Debt		287.88
(i)	Internal Debt other than Ways and Means Advances	59.97	
(ii)	Ways and Means Advances including overdraft	135.69	
(iii)	Repayment of Loans and Advances to Central Government	92.22	
VI	Public Accounts Disbursements		2108.18
(i)	Small Savings and Provident Funds	95.27	
(ii)	Reserve Funds	55.34	
(iii)	Suspense and Miscellaneous	174.15	
(iv)	Remittances	648.82	
(v)	Deposits and Advances	1134.60	
VII	Cash Balance at end		32.04
(i)	Cash in Treasuries and Local Remittances	(-)0.11	
(ii)	Deposits with Reserve Bank	-91.77	
(iii)	Departmental Cash Balances	0.76	
(iv)	Permanent Cash Imprest	0.07	
(v)	Cash Balance Investment Reserve Fund Investment	123.09	

3020.38

**Statement
Sources and application of
(Rupees)**

I Sources

(i)	Revenue Receipts	3481.45
(ii)	Increase in Public Debt, Small Savings, Deposit and Ways and Means Advances	530.85

II Adjustments

(i)	Increase in Suspense Balances	(-)6.63
(ii)	Decrease in Reserve Funds	(-)5.99
(iii)	Effect on Remittance Balance	(-)15.03

Total

3984.65

- III
funds for the year 1993-94
in crores)

Application

(i)	Revenue Expenditure	3401.00
(ii)	Capital Expenditure	302.92
(iii)	Lending for Development	257.40
(iv)	Increase in closing cash balance (32.04 - 8.71)	23.33

3984.65

CHAPTER - II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2. General

2.1 The summarised position of actual expenditure during 1993-94 against grants/appropriations is as follows :

	Original grants/ appropriations	Supple- mentary	Total	Actual expendi- ture	Variations Saving (-)/ Excess (+)
(In crores of rupees)					
I. Revenue					
Voted	2407.01	804.93	3211.94	3084.34	(-) 127.60
Charged	438.42	7.57	445.99	428.04	(-) 17.95
II Capital					
Voted	467.20	174.59	641.79	631.60	(-) 10.19
Charged	1.00	0.06	1.06	1.36	(+) 0.30
III Public Debt					
Charged	546.82	-	546.82	287.88	(-) 258.94
IV Loans and Advances					
Voted	267.59	20.06	287.65	289.95	(+) 2.30
V Other					
Inter-State Settlement					
VI Transfer to Contin- gency Fund					
Transfer	-	-	-	-	-
Total	4128.04	1007.21	5135.25	4723.17*	(-)412.08

* The actual expenditure shown here is in gross and does not include recoveries.

2.2 The following results emerge broadly from the appropriation audit :

2.2.1 Supplementary provision

Supplementary provision obtained during the year constituted 24.40 *per cent* of the original budget provision as against 4.55 *per cent* in the preceding year.

2.2.2 Un-necessary/excessive/inadequate supplementary provision

Supplementary provision of Rs.20.44 crores obtained in 3 cases (Appendix II) during March 1994 proved un-necessary. In 4 other cases, where savings exceeded Rs.10 lakhs each, supplementary grants of Rs.77.66 crores obtained against the requirement of Rs.60.76 crores, resulting in saving of Rs.16.90 crores (Appendix III).

In 5 cases (Appendix IV), though the supplementary provision totalling Rs.56.47 crores was obtained, the provision proved in-sufficient by more than Rs.10 lakhs in each case, leaving an uncovered expenditure of Rs.21.22 crores.

2.3 The overall saving was Rs.460.28 crores in 25 grants and appropriations. The overall excess (Appendix V) was Rs.48.20 crores in nine grants/appropriations requiring regularisation under Article 205 of the Constitution.

2.4 Unutilised provision and surrender thereof

(i) Rules require that all savings should be surrendered as soon as the possibility of savings is foreseen from the trend of expenditure. It had, however, been noticed that while in 5 cases, total savings of Rs.5.43 crores were surrendered, in 16 cases, only Rs.116.42 crores were surrendered against the available

savings of Rs.153.90 crores. In 5 cases, the entire savings aggregating Rs.107.61 crores remained unsurrendered as detailed in Appendix VI.

(ii) In five voted grants, the amount surrendered exceeded the overall saving. Further, in case of six voted grants, Rs.5.65 crores were surrendered although the expenditure exceeded the grants and no savings were at all available for surrender as detailed below:

(a) Surrender of funds more than available savings

Serial number	Grant	Saving	Surrender	Excess funds surrendered
(Rupees in crores)				
Revenue Section				
1.	4-Revenue (Voted)	5.30	6.53	1.23
2.	14-Food and Supplies (Voted)	0.33	0.38	0.05
3.	16-Industries (Voted)	5.64	5.90	0.26
Capital Section				
4.	16-Industries (Voted)	2.62	3.05	0.43
5.	23-Transport (Voted)	2.42	2.68	0.26
	Total	16.31	18.54	2.23

(b) Surrender of funds in spite of overall excess expenditure

Excess expenditure Surrender
(Rupees in crores)

Revenue Section

1.	3-Home (Charged)	0.89	0.03
2.	3-Home (Voted)	2.69	1.13
3.	6-Finance (Voted)	0.04	0.28
4.	8-Buildings and Roads (Voted)	7.05	0.93
5.	25-Loans and Advances (Voted)	2.30	0.07

Capital Section

6.	15-Irrigation (Voted)	23.78	3.21
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Total		36.75	5.65
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2.5**Injudicious re-appropriation**

(i) A few instances of injudicious and inadequate

re-appropriation where the expenditure still exceeded the total grant, by more than Rs.25 lakhs in each case are given below:

Description of Grant	Major Head affecting the Grant	Total Grant	Total expenditure	Remarks
(Rupees in crores)				
3-Home	2055-Police O 86.40 S 11.71 R (-)1.32	96.79	98.91	Withdrawal of provision through re-appropriation was injudicious in view of final excess of Rs.2.12 crores.
8-Buildings and Roads	3054-Roads and Bridges O 3.79 R 0.36	4.15	8.31	Provision made through re-appropriation proved inadequate in view of final excess of Rs.4.16 crores.
	2059-Public Works O 30.71 S 2.11 R 0.64	33.46	35.41	Provision of additional funds through re-appropriation proved inadequate in view of final excess of Rs.1.95 crores.
	5054-Capital Outlay on Roads and Bridges 03-State Highways O 6.52 R.(-)4.52	2.00	3.88	Withdrawal of provision through re-appropriation was injudicious in view of final excess of Rs.1.88 crores.

Description of Grant	Major Head affecting the Grant	Total Grant	Total expenditure	Remarks
(Rupees in crores)				
	4059-Capital Outlay on Public works O 0.49 R(-)0.26	0.23	1.36	Withdrawal of funds through re-appropriation proved injudicious in view of excess of Rs.1.13 crores.
	5054-Capital Outlay on Roads and Bridges 101-Bridges O 7.00 R(-)1.75	5.25	7.67	Withdrawal of provision through re-appropriation proved injudicious in view of final excess of Rs.2.42 crores.
15-Irrigation	2702-Minor Irrigation O 1.50 R(-)0.41	1.09	2.19	Withdrawal of provision through reappropriation was injudicious in view of final excess of Rs.1.10 crores.
21-Community Development	2505-Rural Employment O Nil S 13.58 R(-)10.00	3.58	5.50	Withdrawal of provision through re-appropriation was injudicious in view of final excess of Rs.1.92 crores.

(ii) Significant cases of re-appropriation which turned out to be excessive/injudicious on account of non-utilisation are given below:

Description of Grant	Major Head affecting the Grant	Total Grant	Total expenditure	Remarks
(Rupees in crores)				
8-Buildings and Roads	4211-Capital Outlay on Family Welfare O 10.37 R 2.15	12.52	10.46	Provision made through re-appropriation proved excessive in view of final saving of Rs.2.06 crores.
9-Education	2202-General Education O 1.48 R 1.42	2.90	1.44	The entire provision made through re-appropriation proved unnecessary in view of final saving of Rs.1.46 crores.
10-Medical and Public Health	2215-Water Supply and Sanitation O Nil R 5.10	5.10	Nil	Entire provision through re-appropriation proved unnecessary in view of final saving of Rs.5.10 crores.

2.6 In spite of repeated recommendations of the Public Accounts Committee, rush of expenditure in the month of March 1994 was noticed in the following cases :

Serial number	Description of grants	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
					Total provision	Total expenditure
(In crores of rupees)						
Revenue						
1.	7-Other Administrative Services	853.35	827.19	778.80	91	94
2.	11-Urban Development	13.27	8.58	3.88	29	45
3.	16-Industries	26.59	20.95	7.95	30	38
4.	17-Agriculture	120.50	118.03	37.89	31	32
5.	19-Fisheries	4.85	3.89	1.55	32	40
6.	21-Community Development	89.94	72.03	26.08	29	36
7.	22-Co-operation	12.92	11.32	3.33	26	29
Capital						
8.	3-Home	4.00	3.60	2.00	50	56
9.	10-Medical and Public Health	42.72	26.33	16.72	39	64
10.	13-Social Welfare and Rehabilitation	3.54	1.76	0.90	25	51
11.	16-Industries	9.32	6.71	3.05	33	45
12.	22-Co-operation	8.92	7.50	6.36	71	85
13.	24-Tourism	2.40	1.80	1.14	48	63

2.7 Drawal of funds in advance of requirement

(a) Financial rules prescribe that money should not be drawn from the treasury unless it is required for immediate disbursement or for recoupment of the amount paid out of permanent advance. Drawal of advance from the treasury for the execution of works, the completion of which is likely to take considerable time, is also not permissible. Any unspent balance is required to be refunded into the treasury promptly.

During test-check, it was noticed that funds aggregating Rs.412.92 lakhs had been drawn in January-March 1994 by eleven drawing and disbursing officers for the purchase of equipment, machinery and other materials and for disbursement of loans much in advance of immediate requirement and retained in the form of cash/bank drafts or in savings bank accounts. Out of the funds so retained outside the Government account, Rs.74.25 lakhs were disbursed by the respective drawing and disbursing officers during 1994 but Rs.338.67 lakhs were lying undisbursed, as of July 1994 as per details given in Appendix VII.

(b) On the basis of two sanctions issued by Government on 7 September 1990 and 9 November 1990, the Director, Primary Education, withdrew Rs.42.46 lakhs from the treasury in March 1991 for purchase of sports materials (Rs.14.96 lakhs) and *tat pattis* (Rs.27.50 lakhs), placed orders on the Jails Department for the supply thereof by 31 March 1991 and converted the amount of Rs.42.46 lakhs into 3 bank drafts in favour of the Inspector General of Prisons. According to the terms and conditions of the supply orders, the payments were to be released on receipt of the materials. As of April 1994, whereas no sports material had been received, only 26,792 metres of *tat pattis* valued at Rs.3.03 lakhs had been received in September 1992, against 2.43 lakh metres

ordered for supply. No payment even for this quantity had, however, been made.

Interestingly, though the amount drawn in March 1991 for *tat pattis* was yet to be utilised, a further amount of Rs.27.50 lakhs was drawn from treasury in March 1992 against another Government sanction issued in May 1991 for the purchase of *tat pattis* and converted into 3 bank drafts in favour of the Inspector General of Prisons with whom another order for the supply of the material by 31 July 1992 was placed in March 1992. No payment had been made against this order also as the material had not been received (April 1994).

The Director, Primary Education, stated (June 1994) that the amounts had been drawn from the treasury since the supply orders had been placed. The reply was not tenable as draws had been made merely to avoid lapse of budgetary provisions, in clear violation of financial rules and had resulted in Government funds of Rs.69.96 lakhs remaining outside the Government account for 25 to 37 months leading to loss of interest of Rs.24.40 lakhs up to April 1994, at rates of interest on market borrowings of the State Government during the respective years.

These cases were referred to Government in September 1994 and December 1994 replies have not been received (December 1994).

2.8 Trend of recoveries and credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates. The anticipated amount of such recoveries during 1993-94 was Rs.223.04 crores (Revenue : Rs.16.11

crores; Capital : Rs.206.93 crores). The actual recoveries during the year, however, were Rs.442.00 crores (Revenue: Rs.111.38 crores; Capital : Rs 330.62 crores). Significant cases of shortfall/excess in recoveries have been given in Appendix VIII. Reasons for shortfall/excess have not been intimated (December 1994).

2.9 Trend of supplementary demands and usage of token provisions

'Supplementary demand' means a demand voted by the Legislative Assembly on a supplementary statement of expenditure presented to it within the current financial year. The token provision is a demand made to the Legislative Assembly for a nominal sum when it is proposed to meet, from savings within the grant, the expenditure, that may not be incurred without the specific vote of the Assembly, being a "new service" not contemplated in the budget of the year. The funds required in this connection are appropriated when the Appropriation Bill is enacted.

The trend of supplementary demands from 1989-90 to 1993-94 is given below:

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in crores)				
Revenue	167.94	131.51	120.43	143.83	812.50
Capital	1.66	53.41	11.68	19.96	174.65
Loans and Advances	-	-	-	-	20.06
Total	169.60	184.92	132.11	163.79	1,007.21

CHAPTER-III

CIVIL DEPARTMENTS

Finance Department

3.1 Haryana State Lotteries

3.1.1 Introduction

With a view to augmenting resources for developmental activities in the State, a lottery scheme was introduced in Haryana from September 1968 and the first draw was held in November 1968. Over the period 1989-90 to 1993-94, the lottery schemes run by or under the authorisation of the State Government numbered nine, of which two (Haryana Daily and Haryana Deluxe) were dropped in October 1992 and two others (Maha Dev and Hari Om) were dropped in March 1993. Between April 1989 and March 1994, altogether 2,707 draws had been held. As of July 1994, five daily lottery schemes, namely, Jai Durge, Mahalakshmi, Jai Vishnu, Mahabali and Shri Ganesh, were in operation.

As per the procedure laid down in August 1987, the printing of lottery tickets is arranged by the Lotteries Department through the Controller, Printing and Stationery Department, who enters into contract agreements with various printing presses after inviting open tenders. The print orders are thereafter placed by the Lotteries Department and the lottery tickets are received at the Distribution Centre, Delhi, which distributes the tickets to Sales Officers posted in different cities in the country as per their requirements for onward sale to agents/others.

The abbreviations used in this review have been listed in the Glossary in appendix- XV.

Whereas final responsibility for payment of all prizes on the prize winning tickets (PWTs) vests with the Department, as a matter of practice, all prizes except the first prize are disbursed by the agents who thereafter claim reimbursement from the Department against production of the PWTs; the Department is in no way responsible for any tickets remaining unsold with the agents. Up to September 1991, tickets used to be sold to agents at a commission ranging between 12 and 14 *per cent* supplemented by an annual bonus, both depending upon the number of lottery tickets lifted by them. From October 1991 onwards, however, the commission and bonus were discontinued and the tickets were sold at discounted rates, the quantum of discount being almost at par with the earlier quantum of commission and bonus.

From July 1992, the Department evolved a new scheme of appointing main stockists who enjoyed a monopoly in the sale of tickets but on failure of the system, as commented upon in paragraph 3.1.6.(b) *infra*, the Department switched back to pre-July 1992 system, from September 1992.

3.1.2 Organisations set up

The scheme is administered by the Director of Lotteries, assisted by a Joint Director, Senior Accounts Officer and Assistant Director.

Lottery tickets are sold against cash through authorised agents throughout the country. For this purpose, departmental Sales Officers are posted at Chandigarh, Delhi and Lucknow to sell and promote the sale of tickets. The Sales Officers are responsible for timely receipt of the tickets, their safe custody, submission of details of unsold tickets to the Distribution Centre, Delhi, and rendition of accounts to the Department.

3.1.3 Audit coverage

Mention was made of the working of the scheme during the period from 1984-85 to 1987-88 in paragraph 3.1 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 1988.

The Public Accounts Committee in its 36th Report presented to the State Legislature on 12 March 1993 observed that the existing procedure for the sale of lottery tickets was defective and that the whole procedure/system required revision for evolving a fool-proof procedure to avoid any misappropriation/embezzlement of Government money in future. The Committee also recommended prompt initiation of criminal/civil proceedings against those responsible for cases of misappropriation and loss to Government on account of sale of lottery tickets on credit.

Notwithstanding these recommendations, the working of the lotteries was seen to be suffering from procedural and other infirmities as noticed in the present review which covers the working of the scheme during the period from 1989-90 to 1993-94, based on test-check conducted in March-May 1994 of the records of the Directorate of Lotteries and in two sales offices at Chandigarh and Delhi.

3.1.4 Highlights

- The actual receipts throughout fell short of the estimates for the years 1989-90 to 1993-94, the shortfall ranging between Rs.26.41 lakhs and Rs.984.16 lakhs. Seventeen *per cent* of the additional resources generated during 1989-90 to 1991-92 were wiped out in the year 1992-93 when the scheme resulted in loss of Rs.488.32 lakhs

to Government, due mainly to appointment of main stockists for managing the lotteries on behalf of Government.

(Paragraph 3.1.5)

- The continuation of 2 daily lottery schemes, introduced from July 1992, but running in losses right from the day one, was not reviewed as prescribed, for over 3 months. By the time the schemes were discontinued in October 1992, losses of Rs.82.14 lakhs had already been incurred.

(Paragraph 3.1.6 (a))

- The scheme of appointing main stockists introduced during 1992-93 proved a failure. Whereas dues amounting to Rs.753.35 lakhs as of 3 December 1992 as per departmental computation, were under dispute and *subjudice*, the Department was unable to invoke a bank guarantee for Rs.371 lakhs issued by a bank at Patna due to its failure to present the original guarantee which had been left behind at Chandigarh. Further, instead of bank drafts, a Sales Officer of the Department had irregularly accepted cheques for Rs.52.34 lakhs which got dishonoured. He also failed to deduct Rs.19.12 lakhs towards administrative expenses and income tax and on account of prize winning tickets not actually produced.

(Paragraph 3.1.6 (b))

- There was short accountal of Rs.12.57 lakhs in the accounts of sales proceeds of lottery tickets for February and March 1994 submitted by a Sales Officer.

(Paragraph 3.1.6 (c))

- Excessive claims on account of prize winning tickets resulted in loss of Rs.32.64 lakhs during February 1989 to June 1992.

(Paragraph 3.1.6 (d))

- The loss of interest suffered due to part/delayed remittances in 1993-94 by eight Sales Officers of Delhi camp worked out to Rs.12.17 lakhs. In one case, the amount retained was as high as Rs.93.12 lakhs for some period.

(Paragraph 3.1.6(e))

- There were heavy outstandings aggregating Rs.26.23 lakhs relating to the period from 1989-90 to 1992-93 against the Sales Officers.

(Paragraph 3.1.6 (f))

- Continued printing of tickets with counterfoils, though no longer required, resulted in avoidable expenditure of Rs.40.74 lakhs over the period October 1991 to June 1992. Further, printing of lottery tickets in excessive numbers resulted in 10.85 crores tickets printed at the cost of Rs.39.60 lakhs remaining unsold during 1993-94.

(Paragraphs 3.1.7(a) and (b))

- Failure of the Printing and Stationery Department to analyse the comparative costs involved in the two rates received for printing of lottery tickets, one with paper and the other without paper, resulted in extra expenditure of Rs.47.03 lakhs on the printing of 103.36 crores lottery tickets.

(Paragraph 3.1.7 (c))

- Important records prescribed for ensuring proper accounting of receipts and payments were not maintained.

(Paragraph 3.1.9)

3.1.5 Financial results

Receipts and expenditure

Budgetary estimates of receipts and expenditure, the actuals and the additional resources generated during 1989-90 to 1993-94 were as follows:

Year	Receipts			Expenditure			Percent age of expendi- ture to receipts	Net addi- tional resour- ces	Percent- age of additional resources to receipts
	Esti- mated	Actual	Short- fall	Esti- mated	Actual	Short- fall			
(Rupees in lakhs)									
1989-90	10500	10361.44	138.56	9320.40	9318.36	2.04	90	1043.08	10
1990-91	13100	13073.59	26.41	11921.74	11921.67	0.07	91	1151.92	9
1991-92	13400	13230.60	169.40	12577.30	12575.77	1.53	95	654.83	5
1992-93	3619.92	3351.15	268.77	4103.17	3839.47	263.70	115	(-)488.32	(-)15
1993-94	85000	84015.84	984.16	83577.60	80991.77	2585.83	96	3024.07	4

The actual receipts during all the years fell short of the estimates, the shortfall ranging between Rs.26.41 lakhs and Rs.984.16 lakhs. There was a continuous declining trend in the percentage of additional resources mobilised to the receipts up to the year 1992-93. Further seventeen *per cent* of the additional resources aggregating Rs.2849.83 lakhs generated during 1989-92 had been wiped out in 1992-93 when the scheme suffered a loss of Rs.488.32 lakhs. The heavy loss during 1992-93 was due mainly to the appointment of the main stockists by the Department, as discussed in paragraphs and 3.1.6(b) *infra*. In 1993-94, however, the profit earned was substantially high owing to the introduction of 5 new daily lottery schemes with lottery tickets of a higher face value ranging between Rs.2 and Rs.33 as against the earlier face value of only Rs.2 per ticket.

3.1.6 Operation of lottery schemes

(a) Uneconomical running of two lottery schemes

Two daily lottery schemes, namely, 'Haryana Deluxe' and 'Haryana Daily' of the face value of Rs.10 and Rs.5 per ticket, respectively, were launched by the Department from 1 July 1992.

Under the Accounting Procedure of the Haryana Lottery Department, the Section Officer incharge of each lottery scheme in the Directorate was required to obtain full details of the sold and the unsold lottery tickets before each draw and obtain approval of the Assistant Director or any other senior officer for conducting the particular draw. In case the sale of the lottery tickets was not up to the desired extent and there was no likelihood of any profit, the draw was not to be conducted without the approval of the Director or the State Government.

Scrutiny in audit, however, revealed that both the schemes ran into losses from the very beginning and no profit

could be earned on any of the draws. On the first 10 draws of 'Haryana Deluxe' and 'Haryana Daily' lotteries, the Department sustained losses of Rs.3.71 lakhs and Rs.2.64 lakhs respectively, and of Rs.2.28 lakhs and Rs.3.41 lakhs during the next 10 draws. The total losses accumulated up to the draws number 62 (31 August 1992 of 'Haryana Deluxe') and 31 (31 July 1992 of 'Haryana Daily') amounted to Rs.20.48 lakhs and Rs.11.89 lakhs respectively. The percentages of tickets sold to the number of tickets printed was as low as 4.67 and 3.97 in respect of 'Haryana Deluxe' and 'Haryana Daily', up to 31 August 1992 and 31 July 1992 respectively. Even thereafter, when the number of tickets printed was reduced from 4.5 to 3 lakhs for 'Haryana Deluxe' and from 9 to 6 lakhs for 'Haryana Daily', the percentage of sales did not show improvement and ranged between 1.43 and 2.04 up to September 1992.

In spite of the low sales and continuing losses from the very beginning, the position was not specifically brought to the notice of either the Director or the State Government till 9 October 1992, when the daily sales had come down to as low as 2,700 (Haryana Deluxe) and 2,000 (Haryana Daily) and accordingly these schemes were closed on 24 October and 21 October 1992, respectively. By that time the total losses incurred aggregated Rs.82.14 lakhs (Haryana Deluxe : Rs.38.33 lakhs; and Haryana Daily : Rs.43.81 lakhs).

It was also noticed that the Finance Department had observed (October 1992) that a report on losses of these two schemes should have been submitted to Government much earlier, together with a proposal for their closure as the schemes had been running in loss from the very beginning. Responsibility for the delay in reporting the losses to Government was not fixed (October 1994).

(b) Appointment of main stockists

With a view to earning more profits under the scheme of lotteries, the Directorate introduced in 1992 a scheme of appointing 'Main Stockists' for managing the lotteries on behalf of Government.

On the basis of tenders invited in April 1992 and negotiations held with the tenderers, a private firm of New Delhi was appointed (7 May 1992) as 'main stockists' for running 7 lottery schemes (one for each day of the week) for one year from 1 July 1992.

The salient features of the scheme of 'main stockists' were as follows :

(i) The main stockists were required to pay to the Directorate an amount of Rs.1.97 lakhs towards royalty, at 4.11 *per cent* of the total face value of 24 lakh tickets (Rs.2 per ticket) per draw.

(ii) all prizes were to be paid by the main stockists to the winners direct, except for the amount of the first prize which was to be paid by the main stockists to the Department for disbursement to the ticket holder;

(iii) unsold tickets were to be retained by the main stockists and prize money thereon, too, was their property, and

(iv) the main stockists were required to furnish an irrevocable bank guarantee from a nationalised bank in favour of the Director for an amount of Rs.371 lakhs, to be arranged within a period of 15 days from the date of receipt of the appointment letter, after which a formal agreement was to be executed.

Without receiving the bank guarantee from the firm, the Directorate executed an agreement on 29 June 1992 providing, *inter alia*, (i) that all payments would be made by bank drafts at

Chandigarh. (ii) before delivery of the tickets for the first draw, the firm would furnish the requisite bank guarantee, (iii) the main stockists would pay Rs.2,700 per 1 lakh tickets as charges for printing paper and designs, etc., Rs.1,000 per draw as miscellaneous administrative expenses, Rs.15,000 per draw as charges for publishing the results of draw in newspapers and (iv) 10 *per cent* of the first prize would be deducted by the Directorate towards office expenses.

Although the firm had not furnished the bank guarantee, it was allowed to lift lottery tickets from 1 July 1992. The bank guarantee for Rs.371 lakhs issued by a nationalised bank at Patna on 28 July 1992 was furnished by the firm on 3 August 1992. The firm was, however, not able to run the lotteries profitably and stopped lifting the tickets from 15 September 1992. According to the Directorate, the main reason for the poor sale of lottery tickets was that the main stockists had not been honouring the prize winning tickets available with the agents which led to considerable loss of goodwill to Haryana lotteries. In terms of provisions of the agreement, the Directorate started the sale of lottery tickets on its own from 18 September 1992, at the risk and cost of the main stockists.

The Directorate worked out the liability of the main stockists up to 27 October 1992 as under:

	Rupees in lakhs
(i) Prize winning tickets lying with the agents as intimated to the Directorate	150.00
(ii) Amount of royalty prior to 15 September 1992 due from the main stockists (including administrative charges)	45.64
(iii) Amount of royalty and cost of printing and publicity from 15 September 1992 to 27 October 1992	119.55
Total	315.19

On 3 December 1992, when the liability of the main stockists had increased to Rs.753.35 lakhs, the Directorate approached the Patna Bank for invoking the bank guarantee towards adjustment of its dues against the main stockists. The Bank, however, refused to encash the bank guarantee as the original guarantee was not presented to it having been left at Chandigarh. On 7 December 1992, the firm filed a civil suit in a Patna court for declaring the agreement as illegal and void and for issuing an injunction restraining the Haryana Government from enforcing the bank guarantee on which a stay order was granted by the Court on 18 December 1992 in favour of the firm. On 23 June 1993, the court passed an order/judgement declaring that the bank guarantee stood terminated and not enforceable against the main stockists. On 16 August 1993, regular first appeal was filed by the Government against the judgement in the Patna High Court as also an application for stay of operation of the judgement. The application for stay of operation of the judgement was dismissed by the Patna High Court on 22 November 1993. A special leave petition was filed by the State Government in the Supreme Court on 29 November 1993. The Supreme Court stayed the operation of the order of the Patna High Court directing the latter to decide the appeal filed by the State of Haryana expeditiously. The hearing was concluded on 5 September 1994 but the judgement was yet to be pronounced by the Court (October 1994).

The Director attributed (September 1994) the delay of more than two months in approaching the Patna Bank for invoking the bank guarantee to time taken in (i) ascertaining the procedure for invoking the bank guarantee, (ii) working out the recoveries due from the main stockists, and (iii) obtaining advice from the Director, Institutional Finance and Credit Control, Haryana, and the Legal Remembrancer, Haryana. The following points were also noticed:

(i) A Sales Officer at Delhi had accepted 14 cheques dated 18 August 1992 to 22 August 1992 for Rs.52,34,106, instead of bank drafts for issuing tickets to the firm. The cheques were dishonoured on presentation on 20,26 and 29 August 1992 owing to insufficient balance in the account of the main stockists. The Director stated (September 1994) that the Sales Officer had been suspended and charge-sheeted and that a criminal case under the Negotiable Instruments Act had been filed with the Metropolitan Magistrate, Delhi/Commissioner, Police, New Delhi, on 4 November 1992 against the 'main stockists'. The latest date fixed for hearing of the case was 23 November 1994. Further developments were awaited (November 1994).

(ii) Thirty-three first prize winning tickets (PWTs) of Rs.1.00 lakh each were accepted by the Sales Officer, Delhi, and lottery tickets issued thereagainst without deducting 10 *per cent* for office expenses resulting in loss of Rs.3.30 lakhs.

(iii) An amount of Rs.12.57 lakhs recoverable on account of income tax to be deducted at source from 33 PWTs of Rs.1.00 lakh each was also not deducted before issuing the tickets to the main stockists.

(iv) PWTs on which the main stockists had claimed to have allowed prizes aggregating Rs.3.25 lakhs were not found enclosed with the adjustment accounts of two schemes received from the main stockists.

(c) Sale proceeds not accounted for

Under the Accounting Procedure, the accounts of the draws received from the Sales Officers were required to be checked within a week of their receipt.

Test-check of the accounts of Mahalakshmi lottery scheme revealed that the Sales Officer, Delhi Camp, had

collected Rs.76.42 lakhs from the sale of tickets of 39 draws from draw number 1087 of 15 February 1994 to draw number 1125 of 25 March 1994 but had rendered accounts for only Rs.63.85 lakhs. The amount short deposited, thus, amounted to Rs.12.57 lakhs, as per the following details :

(i) In the account for draw number 1091 of 19 February 1994 received on 15 June 1994, the number of tickets sold was shown as 6,07,000 whereas 6,27,000 tickets had actually been sold. The value of 20,000 tickets short accounted for amounted to Rs.2.07 lakhs, the selling price of each ticket of the face value of Rs.11 being Rs.10.36.

(ii) In the account for draw number 1105 of 5 March 1994 received on 25 May 1994, the amount of treasury challans sent to the Directorate was first shown as Rs.4,04,315, but was subsequently modified to Rs.76,520 intimating that for the balance amount of Rs.3,27,795 the treasury challans had already been submitted. Out of Rs.3,27,795, challans for only Rs.3,02,375 were found to have been actually submitted by the Sales Officer leaving the balance of Rs.0.26 lakh unaccounted for. This was neither noticed at the time of checking of the account, nor was the discrepancy taken up with the Sales Officer.

(iii) In the account for draw number 1107 of 7 March 1994 received on 30 May 1994, the sale proceeds of Rs.3,69,720 were shown as having been remitted through bank drafts. However, no such bank drafts appeared to have been received or accounted for. The account was checked at headquarters, but no discrepancy was pointed out.

(iv) The total net sale proceeds in the account for draw number 1109 of 9 March 1994, received at the headquarters on 25 May 1994, were reduced by Rs.3.53 lakhs on the plea that PWTs for this amount had already been sent with the account for draw number 1091 of 19 February 1994 (mentioned in sub-

paragraph (i) *supra*) whereas no such excess in PWTs was found in that account. This fact, though noticed by the Department while checking the account, was not pointed out to the Sales Officer. Thus, Rs.3.53 lakhs remained unaccounted for.

(v) In the account for draw number 1125 held on 25 March 1994, received at the headquarters on 15 June 1994, an amount of Rs.3,70,755 was shown as deposited against treasury challans. However, in the consolidated account for Rs.52.76 lakhs of deposits made through treasury challans during March 1994 received earlier at the headquarters on 31 March 1994, the amount deposited against this account was shown as only Rs.69,443. There was, thus, a difference of Rs.3.01,312, for which treasury challans had not been received nor was any account rendered thereafter by the Sales Officer.

The sales accounts received from the Sales Officer, Delhi Camp, were, thus, not reliable. Action taken, if any, to recover the amount of Rs.12.57 lakhs short deposited or to fix responsibility had not been intimated (November 1994).

(d) Loss due to excess claims of prize winning tickets

According to the general scheme of the lotteries run by the Directorate, since only one prize is admissible and guaranteed in each block of ten tickets, the number of prizes has a direct correlation with the number of the tickets sold. The PWTs received from Sales Officers are first punched in the parcel branch of the Directorate before being sent to the respective branches for checking that these are within the framework of the concerned lottery scheme. Discrepancies, if any, are to be brought to the notice of concerned Sales Officers for necessary recovery.

It was, however, noticed that the checks prescribed had not apparently been exercised with care as a result of which the

remitted a further Rs.87.02 lakhs in instalments up to 20 November 1993, retaining a balance of Rs.6.10 lakhs even as of August 1994. Action, if any, taken to get the amount deposited has not been intimated as of August 1994.

(f) Outstandings against Sales Officers

Sale of lottery tickets is done by the various camp Sales Officers and the accounts thereof are required to be submitted by them immediately on sale. These accounts are compiled and consolidated by the Directorate after exercising prescribed checks. Scrutiny of the consolidated accounts for the period from 1989-90 to 1992-93 revealed that as of 31 March 1994, an amount of Rs.26.23 lakhs was outstanding for recovery against 11 Sales Officers under 9 different schemes on account of various irregularities like inadmissible PWTs, bonus or commission to agents, contingencies, etc. Year-wise details of the amounts outstanding were as under:

	(Rupees in lakhs)
1989-90	1.01
1990-91	2.22
1991-92	10.05
1992-93	12.95
Total	26.23

The consolidated accounts for the year 1993-94 were not closed as of May 1994.

The Director stated (April 1994) that all the concerned Sales Officers had been advised to reconcile the amounts outstanding against them and that steps were being taken for adjustment/recovery of these amounts. Further progress has not been intimated (August 1994).

3.1.7 Printing of lottery tickets

(a) Infructuous expenditure on the printing of counterfoils of tickets

Lottery tickets are sold to public through agents and retail sellers. Till 30 September 1991, a bonus was payable to the sellers on the PWTs on production of the counterfoils thereof. Accordingly, tickets were being printed with counterfoils. For this purpose, contract for the printing of lottery tickets (16 x 6 cms) with counterfoils was entered into with a firm of Delhi for the year 1991-92, at Rs.3,175 per one lakh tickets inclusive of the cost of paper.

Due to certain amendments in the Income Tax Act, 1961, made in August 1991 but effective from 1 October 1991, providing for deduction of tax at source at the rate of 10 *per cent* of the commission, bonus or any other incentive payable to the agents and consequent reluctance of the agents to lift the tickets for sale until the lottery schemes were suitably amended so as to avoid deduction of tax at source, the pattern of payment of agent's share/bonus on PWTs was modified in September 1991. Under the revised pattern, instead of paying any bonus, the tickets were sold to agents at rates lower than their face value. Accordingly, the condition about production of counterfoils became redundant from 1 October 1991.

The Directorate, however, did not amend its print orders doing away with the printing of counterfoils till June 1992. Printing of tickets without counterfoils (12 x 7 cms) was ordered

only from July 1992, at Rs.2,500 per one lakh tickets. The continued printing of counterfoils for the intervening period of 9 months resulted in infructuous expenditure of Rs.40.74 lakhs, on the printing of 6035.45 lakh tickets printed between October 1991 and June 1992 at the differential rate of Rs.675 per one lakh tickets.

(b) Avoidable expenditure on the printing of lottery tickets

Printing of lottery tickets for 1993-94 was being executed by a private firm of Delhi, at Rs.3,000 per lakh tickets for 'Jai Durge' daily lottery scheme and Rs.3,750 per lakh tickets for other daily lottery schemes.

The 'Jai Durge' scheme was launched from 1 April 1993 and 15 lakhs tickets of the face value of Rs.2 per ticket were printed for each daily draw. In spite of the fact that a large number of tickets ranging between 79,000 and 3,54,000 up to 7 April 1993 between 2,53,750 and 6,75,000 up to 28 April 1993 and between 10,96,350 and 12,39,900 up to 5 May 1993 remained unsold, the number of tickets printed daily was raised from erstwhile 15 lakhs to 20 lakhs from 8 April 1993 and subsequently to 25 lakhs from 29 April 1993. It was only when the number of unsold tickets went up to as high a level as 12.40 lakhs on 5 May 1993, that the Department reduced the daily printing to 20 lakh tickets from 6 May 1993 and 15 lakh tickets from 20 May 1993.

The injudicious print orders resulted in 10.85 crore tickets printed at the cost of Rs.39.60 lakhs remaining unsold between April 1993 and March 1994.

(c) Defective tender valuation leading to extra expenditure

In pursuance of an indent received (January 1990) from the Director, State Lotteries, the Controller, Printing and Stationery, Haryana, invited in February 1990 tenders for printing of approximately one crore lottery tickets per week during 1990-91. The tenderers were required to quote their rates for printing both with and without paper. The paper was to be of 70 grams per square metre offset paper/Map litho conforming to IS specifications. Of the five offers received, the rates of Rs.1,350 per lakh tickets without paper of firm 'A' of New Delhi and Rs.3,148 per lakh tickets with paper of firm 'B' of Chandigarh were the lowest.

The Printing and Stationery Department did not however, analyse and include in the agenda note put up to the High Powered Committee (HPC), the comparative costs involved in the two rates, one with paper and the other without paper. The HPC was as such not afforded an opportunity to determine as to which of the two rates was more economical. After negotiating with the firms, the HPC decided (12 April 1990) to allot the work of printing with paper at the rate of Rs.3148 per lakh tickets to Firms 'B' of Chandigarh (1 scheme) and 'C' of New Delhi (2 schemes); two other Firms 'D' (2 schemes) and 'E' (1 scheme added subsequently) of New Delhi, were also allotted work at the same rate in view of their past performance, although they had not participated in the tendering process.

103.36 crore tickets were printed accordingly during 1990-91. The rate of firm 'A' of New Delhi for printing without paper at Rs.1,350 per lakh tickets was not considered on the ground that the firm was not willing to take up the work at Rs.3,148 per lakh tickets with paper.

It was noticed (September 1992) in audit that the rate of paper specified and used in lottery tickets by the firm ('B' to 'E') was Rs.18,075 per tonne (inclusive of all charges). With this rate of paper and the lowest rate of printing of Rs.1,350 per lakh tickets without paper quoted by firm 'A', the total cost of printing per lakh tickets would have worked out to Rs.2,693 as against Rs.3,148 at which the work was awarded to the firms 'B' to 'E'.

By not making the correct choice in the given context, the Department incurred extra expenditure of Rs.47.03 lakhs on the printing of 103.36 crore tickets.

3.1.8 Other points of interest

(a) Avoidable expenditure

The amounts realised on the sale of lottery tickets in respect of Punjab camp at Chandigarh were being deposited into Government account through bank drafts and not in cash. This camp office of the Department was located in the same premises housing the Directorate. The Sales Officers, instead of depositing the cash with the cashier of the Directorate, used to obtain bank drafts from another bank located on ground floor of the camp office or directly in the State Bank of India branch located in close proximity of the Directorate, and then hand over the drafts to the cashier who, in turn, deposited the drafts with the aforementioned branch of the State Bank of India. The circuitous procedure entailed avoidable payment of commission charges to the bank, apart from avoidable delays in depositing the amounts into Government account.

The commission charges paid by the Department during 1989-90 to 1993-94 amounted to Rs.1.39 lakhs, which was avoidable.

The Department started depositing the receipts direct into the State Bank of India from April 1994, after the matter was raised in audit in March 1994.

(b) Loss of interest due to delayed clearance of bank drafts

Under the Accounting Procedure, the sales account of each draw is required to be sent to the Directorate by each Sales Officer immediately after the close of the sale of each draw or on the date of draw. The bank drafts received either with the sales account or otherwise are required to be handed over by the Parcel Clerk to the cashier immediately, after first entering these in the bank drafts register. The bank drafts register is required to be put up to the Assistant Director daily for ensuring that the bank drafts have been duly accounted for in the cash book and deposited into the Bank.

Test-check of records revealed (i) that the bank drafts had not been sent by the Sales Officers in time and (ii) the drafts received had not been deposited into the Bank on the same day or the next day, as required under the financial rules. During 1992-93 and 1993-94, in 817 cases, the delays between the dates of preparation of bank drafts, their receipt at headquarters and their clearance from the bank ranged between 2 and 185 days, even after allowing for a margin of 7 days. This resulted in loss of interest of Rs.6.69 lakhs.

(c) Non-clearance of bank drafts/cheques

Under the financial rules, every drawing and disbursing officer and officers receiving money on behalf of Government are required to obtain a Consolidated Treasury Receipt (CTR) by the 15th of the following month in respect of all deposits made into the treasury during the month.

Test-check of the CTR register revealed that 5 bank drafts for an aggregate amount of Rs.4.61 lakhs relating to the period between September 1989 and February 1993 remitted into the banks had not been credited to Government account even as of June 1994. The Director stated (June 1994) that the matter had been taken up with the bank authorities. Further developments had not been intimated as of August 1994.

(d) Non-disposal of unsold tickets

In Delhi camp office, 15.73 crore unsold tickets weighing about 834 quintals pertaining to different lottery schemes that operated during 1993-94 were lying packed as of March 1994 in three large rooms of the Haryana Government Canal Rest House from where the camp office was functioning. On the basis of last disposal of such tickets made on 14 April 1993 at Rs.463.85 per quintal, the realisable value of these unsold tickets worked out to Rs.3.87 lakhs.

At the same time, due to inadequate accommodation for the camp office, the Department had to hire separate accommodation from February 1994 at the monthly rent of Rs.0.58 lakh in Connaught Place, New Delhi, for two of the Sales Officers who were earlier functioning along with 3 other Sales Officers from the Canal Rest House premises. It is, thus, desirable to instal a procedure for regular speedy disposal of unsold tickets to minimise blocking of space.

3.1.9. Non-maintenance of prescribed records

(a) Under the Departmental Accounting Procedure, each Sales Officer was required to maintain a sales register of tickets in which all tickets sold to agents/sellers were to be recorded at the time of issue or at the end of the day and daily progressive totals worked out draw-wise, which would form the basis of the account to be rendered by the Sales Officer and would also

facilitate knowing, at a glance, the extent of sales of each draw and the up-to-date position of the payments received. However, no such register had been maintained.

(b) Each Sales Officer was also required to maintain a bank drafts register in his camp in a prescribed *pro forma* wherein details of bank drafts received from time to time and sent to headquarters would be recorded. But no such register was maintained.

(c) Section Officer (Incharge), headquarters, was required to maintain the under-mentioned records:

(i) Party-wise sales register of lottery tickets in which draw-wise sales of tickets with numbers for each Sales Officer would be recorded on the basis of the sales statement received from the Sales Officers. Claims like bonus payment on prizes, annual bonus paid to agents/sellers, etc., were to be recorded in the register to avoid any overpayments.

(ii) A PWT claims register, in which draw-wise and denomination-wise claims of PWT would be recorded along with the payments so as to avoid any possibility of overpayments.

Such records had, however, not been maintained, as a result of which authenticity of PWT claims sent by the Sales Officers could not be ascertained.

3.1.10 These points were referred to Government in August-September 1994; reply has not been received (December 1994).

Education Department

3.2 Improvement of science education in schools

3.2.1 Introduction

The Centrally sponsored scheme of 'Improvement of science education in schools' was launched by the Government of India in 1987 to improve the quality of science education as envisaged in the National Policy on Education, 1986. It was proposed to use the resource and the agency of the State Governments and non-Government Organisations for this purpose. As envisaged in the scheme, the highest priority was to be accorded to the teaching of science and mathematics at the school stage so as to develop in the child well-defined abilities and values to enable the learner to acquire problem-solving and decision-making skills and to discover the relationship of science with health, agriculture, industry and other aspects of daily life. The main components of the scheme, fully financed by the Central Government, were (i) the provisions of science kits to upper primary schools, (ii) upgradation and strengthening of science laboratories in secondary and higher secondary schools, (iii) library assistance to secondary and higher secondary schools, (iv) setting up of District Resource Centres for Science Education (DRECSEs) for teachers' training, development of instructional materials, etc., and (v) assistance to voluntary organisations for undertaking innovative projects and resource support activities in science education.

The abbreviations used in this review have been listed in the Glossary in Appendix-XV.

3.2.2. Organisaional set up

The Director of Secondary Education (Director) is in overall charge for implementation of the scheme at the State level. He is assisted by the District Education Officers (DEOs) and Sub-divisional Education Officers (SDEOs) at the district and the sub-division levels respectively.

A Purchase Committee headed by the Commissioner and Secretary, Education Department, Haryana, and two Technical Committees to advise on the selection of books and equipment were constituted by the State Government in February 1990.

3.2.3. Audit coverage

Implementation of the scheme during the years 1988-89 to 1993-94 was reviewed in audit between January 1994 and March 1994, based on test-check of the records of the Director and 96 (out of 1,932 in March 1989 and 2,323 in March 1994) secondary and senior secondary schools in 5 sub-divisions (Ferozpur Zhirka, Gurgaon, Jind, Narwana and Nuh) of 2 (Gurgaon and Jind) out of the 6 districts¹, where the scheme was being implemented in the State. The results of the review are mentioned in the succeeding paragraphs.

3.2.4. Highlights

- Expenditure of Rs.406.03 lakhs was incurred on implementation of the scheme during 1989-90 and 1993-94 against Central assistance of Rs.861.40 lakhs received by the State Government during 1988-89 and 1993-94. Central assistance was not even sought for by the State Government

¹ Faridabad, Gurgaon, Hisar, Jind, Mohindergarh and Rohtak.

during 1989-90 and 1991-93. No expenditure was also incurred by the State during 1990-93.

(Paragraph 3.2.5)

- Except in the case of provision of science kits to upper primary schools, where the shortfall in achievement of targets was 28 *per cent*, the shortfalls in respect of all other activities taken up under the scheme were abnormally high and ranged between 57 and 100 *per cent*.

(Paragraph 3.2.6)

- In 13 of 37 schools, which made their relevant records available for scrutiny in audit, the science books procured were never issued to any student or teacher. In 23 other schools, the total issue of these books ranged between only 1 and 40 during the last 4 years.

(Paragraph 3.2.7.1)

- The scheme provided for purchase of 4-5 sets of text books in each school for use by teachers and poor students, but these had not been purchased. On the other hand, 21 titles of books in English medium purchased at the cost of Rs.3.90 lakhs for the senior secondary schools were supplied to 641 secondary schools where these were not required.

(Paragraphs 3.2.7.2 and 3.2.7.3)

- Science raw materials valued at Rs.1.33 lakhs supplied during 1990-91 were still lying unconsumed in 53 schools and those valued at Rs.1.06 lakhs were short accounted or not accounted for at all in 50 schools, out of 96 schools the records of which were test-checked.

(Paragraph 3.2.8)

- The State Government was required to conduct a survey of the laboratories of the schools selected for assistance to determine the exact deficiencies to be made good. In the absence of proper survey, 681 schools were provided with assistance at the uniform scale of Rs.0.25 lakh notwithstanding the fact that the schools where no laboratory existed were eligible for assistance at the higher scales of Rs.0.75 lakh/0.90 lakh.

(Paragraph 3.2.9)

- No District Resource Centres for Science Education were set up, though this was to be done in each district. Training to teachers was not provided except during 1993-94 and no assistance was provided to any voluntary organisation.

(Paragraphs 3.2.10 to 3.2.12)

3.2.5 Financial outlay and expenditure

The position of funds released by the Government of India and the expenditure incurred thereagainst during 1988-89 to 1993-94, was as under:

Year	Requirement of funds intimated by the State Government	Central assistance received	Funds allocated by the State Government	Expenditure
(Rupees in lakhs)				
1988-89	243.27	279.66	Nil	Nil
1989-90	Nil	Nil	279.66	279.66
1990-91	160.40	Nil	Nil	Nil
1991-92	Nil	Nil	Nil	Nil
1992-93	Nil	121.71	134.97	Nil
1993-94	477.49	460.03	126.37	126.37
Total	881.16	861.40	541.00	406.03

The Central assistance being generally received towards the close of the year, the State Government had been making budgetary allocations therefor only in the following years.

(i) No expenditure was incurred during the years 1990-91 to 1992-93.

(ii) No Central assistance was received during the years 1989-90 to 1991-92 and it was not even sought for by the State Government during 1989-90, 1991-92 and 1992-93.

3.2.6 Targets and achievements

The expenditure incurred was on purchase of library books (Rs.153.68 lakhs), laboratory equipment (Rs.235.77 lakhs), science kits (Rs.15.26 lakhs) and training (Rs.1.32 lakhs).

The cumulative targets and achievements thereagainst under various activities taken up under the scheme up to the close of the year 1993-94 were as follows:

	Targets	Achievements	Shortfall	Percentage of shortfall
	-----	-----	-----	-----
	(In numbers)			
1. Upper primary schools to be provided science kits	1,204	868	336	28
2. Existing laboratories to be upgraded	2,446	1,040	1,406	57
3. Secondary/senior secondary schools to be provided library assistance	2,446	1,040	1,406	57

	Targets	Achievements	Shortfall	Percentage of shortfall
	(In numbers)			
4. DRECSEs to be established	16	-	16	100
5. Senior secondary teachers to be trained in summer institutions	1,082	40	1,042	96
6. Secondary teachers to be trained in Teachers Training Institutes, etc.	3,142	155	2,987	95
7. Summer institutes to be organised	27	2	25	93
8. Training courses to be organised for secondary teachers	68	10	58	85
9. Upper primary teachers to be trained in District Institutes of Education and Training/DRECSEs	2,805	75	2,730	97
10. Training courses to be organised for upper primary teachers	61	5	56	92

(i) Except in the case of provision of science kits to upper primary schools where the shortfall in achievement of targets was somewhat modest at 28 *per cent*, the shortfalls in respect of all other activities taken up under the scheme were abnormally high and ranged between 57 and 100 *per cent*.

(ii) The total number of secondary/senior secondary schools providing science education in the state was 2323 in March 1994 as intimated by the Department in April 1994 to the Government of India. As per the norms, these schools were to be given one-time grant for upgradation of laboratories as well as for the purchase of library books. The cumulative target of 2446 schools fixed for the years 1988-89 (723), 1990-91 (440) and 1993-94 (1283), however, exceeded even the total number of such schools in the State. Reasons for the variation were awaited (December 1994).

3.2.7 Library books and text books

For upgrading the standard of education in secondary and senior secondary schools, one-time library grant of Rs.0.15 lakh up to 1992-93 and Rs.0.18 lakh from 1993-94 onwards, was to be given to each school for purchasing about 500 new volumes in different subject areas.

3.2.7.1 Purchase of books of doubtful utility

An amount of Rs.279.66 lakhs was drawn on 28 February 1990 for the purchase of library books, equipment, etc. and deposited in current account with a bank at Chandigarh. Out of this, expenditure of Rs.102.04 lakhs was incurred during 1990-91 for the supply of a set of 470 titles of books to 641 secondary and 40 senior secondary schools at Rs.0.15 lakh per school. Of the schools test-checked, 91 produced the library accession registers for scrutiny by Audit. Of these, 54 did not produce their library books issue registers. It could not, thus, be ascertained as to whether the books were being issued to the students/teachers. In 13 of the remaining 37 schools, not a single book was ever issued to any student or teacher while in 23 schools, the total issue of books during the 4-year period from 1990-91 to 1993-94 ranged between only 1 and 40.

The school authorities of 63 of the schools stated (January-March 1994) that there was no demand for these books since the medium of instruction of the students was Hindi (whereas about 50 *per cent* of the books purchased were in English) and also as the reference/supplementary books supplied were of a standard higher than that of the students. Thus, the expenditure of Rs.102.04 lakhs incurred on the purchase of the books proved largely infructuous.

3.2.7.2 Non-supply of text books

The scheme provided that 4-5 sets of science text books for all the classes should also be purchased for use by teachers and the poor students. The text books had, however, not been purchased and issued to any of the secondary and senior secondary schools test-checked. Thus, teachers and poor students of these schools were deprived of the benefit envisaged under the scheme. The Director stated (September 1994) that text books for use by teachers and poor students could be purchased by the schools from out of Amalgamated Fund available with them and those for students belonging to scheduled castes and backward classes were made available in the State under the book bank scheme.

3.2.7.3 Supply of 10+2 standard books to secondary schools

Twenty one titles of books in English medium purchased at the cost of Rs.3.90 lakhs meant for the senior secondary schools were supplied during April-August 1990 to 641 secondary schools where these were of no use.

3.2.8 Laboratory equipment

Assistance of Rs.0.75 lakh (Rs.0.90 lakh from 1993-94 onwards) for the establishment of new laboratories and

Rs.0.25 lakh (Rs.0.30 lakh from 1993-94) for deficient laboratories for acquiring necessary equipment/apparatus and facilities was to be provided in each secondary and senior secondary school.

(i) Out of Rs.170.25 lakhs released by the Government of India in February 1989, science equipment valued at Rs.161.24 lakhs were purchased during 1989-90 for 681 school laboratories leaving a balance of Rs.9.01 lakhs lying unutilised as of March 1994.

(ii) The purchase of laboratory equipment and raw materials was made by the Director, Secondary Education, centrally, for supply to 641 secondary and 40 senior secondary schools. Supplies were f.o.r. destination to SDEOs who were to arrange further transfer of the materials to the concerned schools. Seventy seven of the 96 schools test-checked made available their stock accounts of science equipment for scrutiny in audit. In the case of 50 of these schools, science material supplied between May 1990 and March 1993 valued at Rs.1.06 lakhs was noticed as having not been accounted for at all (Rs.0.96 lakh) or short accounted for (Rs.0.10 lakh).

(iii) Science raw materials valued at Rs.1.33 lakhs supplied during 1990-91 were lying unconsumed in 53 schools as of February 1994.

(iv) Laboratory materials worth Rs.0.45 lakh purchased in January-March 1992 were not issued by the SDEOs to the schools even as of May 1994 resulting in short equipping of the laboratories to that extent.

3.2.9 Selection of schools without proper survey

The State Government was required to conduct a survey of laboratories and libraries in the schools selected for assistance

to determine the existing deficiencies and thereafter to formulate a phased programme for equipping the laboratories/ libraries.

The State Council of Education Research and Training, to which the task of identification of deficient school laboratories/libraries and preparation of project proposals was assigned, selected the schools on the basis of only a sample survey (1987-88) without, however, pinpointing the exact deficiencies in each school.

The following points were noticed in the 96 schools tested:

(i) Only 2 schools had separate science laboratories for all the three streams of science, 84 had only one classroom converted into laboratory, 6 had no laboratory at all and the remaining 4 schools did not furnish the information.

(ii) Fifteen schools had provision for both electricity and water, 38 schools had only electricity, 34 schools had neither electricity nor water facilities and the information was not furnished by the remaining 9 schools.

(iii) There was no post of laboratory attendant in any of the schools.

In the absence of proper survey, assistance actually required for upgradation of laboratories could not be determined and 681 schools were provided with science equipment/materials at the uniform scale of Rs.25,000 each, meant only for the upgradation of the existing science laboratories, notwithstanding the fact that the schools where no laboratory existed were eligible

for assistance at the higher scales of Rs.75,000/90,000 per school.

3.2.10 Non-setting up of District Resource Centres for Science Education

The scheme envisaged the setting up of District Resource Centres for Science Education (DRECSEs) to look after the training of science and mathematics teachers and also to take up other activities for promotion of science education till this work was taken over by the District Institutes of Education and Training (DIETs). Each DRECSE was to be assisted up to Rs.1.00 lakh for the creation of necessary facilities. No DRECSE was, however, set up in any district of the State.

3.2.11 Training of teachers

The scheme contemplated that a programme for improvement of science education could not be successful if teachers were not properly trained and motivated.

This component of the scheme was not taken up for implementation from 1988-89 to 1992-93 due to non-provision of any funds by the Central Government for this purpose. During 1993-94, however, 270 teachers were sent for training to different workshops.

3.2.12 Assistance to voluntary organisations

Under the scheme, voluntary organisations suitable for taking up programmes in the field of science education were to be assisted for taking up innovative programmes for promoting scientific temper, increasing awareness, promotion of science education, teacher training programmes, development of instructional materials/text books, etc.

No assistance was, however, provided to any voluntary organisation in the State for this purpose (May 1994).

3.2.13 Evaluation

The scheme envisaged that Government would have an evaluation of the scheme made to ensure that the benefits intended had been obtained. No evaluation of the scheme had, however, been done as of March 1994.

3.2.14 These points were referred to Government in September 1994; reply has not been received (December 1994).

3.3 Avoidable extra expenditure

Under the New Educational Technology Scheme introduced with effect from 1986, the Government of India sanctioned (22 March 1991) grant of Rs.50 lakhs for the purchase of 5,000 radio-cum-cassette players (RCCPs) for educational use in primary schools in the State at Rs.1,000 per RCCP during 1990-91 itself. The grant could not, however, be utilised during 1990-91 apparently because the sanction had been issued at the fag end of the year. In June 1991, the Government of India permitted utilisation of the amount during 1991-92. The State Government had a subsisting rate contract valid for one year from 3 January 1991 with a firm of Hyderabad at Rs.930.79 per unit inclusive of taxes and duties.

The Department placed an order for 3,914 RCCPs on the Hyderabad firm on 1 January 1992 asking the firm to complete the supply before 2 January 1992. The firm informed the Department on 15 January 1992 that as the rate contract had expired on 2 January 1992, it could supply the material only at Rs.998 each. Subsequently, the firm supplied 2,400 RCCPs at Rs.956.68 per RCCP and 1,514 RCCPs at Rs.965.86 per RCCP which the Department accepted in November 1992. Payment of

Rs.37.58 lakhs was accordingly made in December 1992, the amount having earlier been drawn from the treasury in March 1992 and kept in the shape of two bank drafts.

Audit scrutiny revealed that sanction of the State Government for the purchase of RCCPs was sought for by the Director of Secondary Education late, in December 1991, six months after the Government of India had permitted utilisation of the grant during 1991-92. Thus, delay in processing the case resulted in avoidable extra expenditure of Rs.1.15 lakhs, apart from depriving the students of the intended benefits for over one year. Besides, drawal of the amount in March 1992 and its retention outside the Government account involved loss of interest of Rs.3.26 lakhs, computed at 13 *per cent per annum* being the rate of interest on Government borrowings during 1992-93.

The matter was referred to Government in September 1993; reply has not been received (December 1994).

3.4 Excess payment of house rent allowance

According to the instructions issued by Government in February 1965 (as amended in September 1965), a Government servant, whose place of duty was within eight kilometres of the qualifying limits of any city and who resided within that city, was entitled for house rent allowance (HRA) admissible for that city. The State Government, however, issued instructions on 26 March 1993 that HRA would be admissible on the basis of the place of posting or the actual rent, whichever was less, and not at rates admissible for the city within eight kilometres of the qualifying limits of which the place of posting falls. It was clarified that amounts claimed under the earlier orders of September 1965 would not have to be refunded.

During test-check of establishment vouchers for April 1993, December 1993 and May 1994 (Karnal and Yamuna Nagar districts) and April 1993, January 1994 and May 1994 (Rohtak district), it was noticed that HRA was paid to 3,584 employees¹ at the rates admissible for residing in 'A' class cities though they were actually entitled to lower rates as admissible for unclassified cities/towns where they were posted or the actual rent paid by them, whichever was less. Even presuming that they were actually paying rent in excess of that admissible, there was excess payment of HRA of at least Rs. 3.99 lakhs² in a period of three months only.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

3.5 Idle wages

The Director, Secondary Education, Haryana, posted two drivers in May 1990 and October 1991 in the office of the Director, State Council of Educational Research and Training (SCERT), Gurgaon.

It was noticed in audit in September 1992 that the Council had only one vehicle for which one driver was already in position and the two additional drivers were posted without providing any additional vehicle.

On this being pointed out in audit (September 1992 and March 1993), the Director, SCERT, stated (January 1994) that the matter regarding sanction of new vehicle was under correspondence with the Department and that the question of

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- 1 Karnal : 1422, Rohtak : 1461 and Yamuna Nagar : 701
 - 2 Karnal : Rs. 1.83 lakhs, Rohtak : Rs. 1.26 lakhs and Yamuna Nagar : Rs. 0.90 lakh.

shifting of the post of driver had been under correspondence with the Director, Secondary Education, since May 1990. The Department transferred one driver in September 1992 but re-posted him in April 1993. In August 1993, however, the driver was again transferred. The other driver was transferred in April 1993. In the meantime, idle wages amounting to Rs.1.32 lakhs had already been paid to the two drivers for varying periods between May 1990 and August 1993. Government stated (December 1994) that services of the drivers could not be utilised due to ban on the purchase of new vehicles and non-availability of vacant posts of drivers at other places.

3.6 Purchase of cloth

To meet their urgent requirements for the supply of uniforms, free of cost, to girl students of classes I to XII belonging to scheduled castes and weaker sections during 1989-90, Government accorded (June 1989) sanction to the expenditure of Rs.129 lakhs. Accordingly, two orders were placed by the Director, Primary Education, and Director, Secondary Education, for the supply of 8.32 lakh and 2.04 lakh metres of poplin cloth respectively in March 1990 on the National Textile Corporation, Ahmedabad, a Government of India undertaking. The supply, at the rate of Rs.12.32 per metre as approved by the High Powered Purchase Committee (HPPC) of the Department in March 1990, was to be made by the firm at 2 lakh metres per month from the date of issue of the supply orders.

On 3 May 1990, the firm offered 4.5 lakh metres of cloth for inspection which was carried out on 18 May 1990 by a joint committee constituted by the Director, Secondary Education. No inspection note was, however, issued. On 28 June 1990, the firm informed the two directorates that due to non-receipt of the inspection note, it had not been able to despatch the material and, as a consequence, would also not be in a position to adhere to the

stipulated delivery schedule as also the price for supply of the balance quantity. The Committee issued the inspection note on 3 August 1990, whereafter the firm despatched the already inspected quantity of 4.5 lakh metres. It was noticed in audit that the sample of cloth collected on 18 May 1990 was sent to a laboratory in Delhi for testing only on 29 June 1990 after the firm had protested about the delay in the issue of the inspection note.

While acknowledging receipt of the inspection note on 17 August 1990, the firm demanded an increase in the rate for supply of the balance quantity of cloth. The revised price, higher by Re.1 per metre, was approved by the HPPC in February 1991, for supply of 5.42 lakh metres based on the re-assessed requirement. The supply was completed by July-August 1991.

Thus, delay in the issue of the inspection note resulted in avoidable extra expenditure of Rs.5.42 lakhs which, coupled with the initial delay in processing the case for purchase of the cloth after the issue of the Government sanction in June 1989, had also deprived the girl students belonging to weaker sections of society of the benefit of free uniforms during 1989-90 and 1990-91.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Technical Education Department

3.7 Non-recovery of transport charges

The Board of Governors of Chhotu Ram State College of Engineering, Murthal (Sonipat district), decided (February 1989) to provide free transport facility to the children/dependents of its staff for attending schools and colleges in Sonipat town, subject to the approval of the State Government. The matter was referred to the Government for approval in March 1989. But,

without waiting for approval, the Institute implemented this decision from April 1989. Government informed (July 1989) the Institute that the decision of the Board of Governors was not proper and should not be implemented. The Institute approached Government repeatedly between August 1989 and January 1990 for reconsideration of the decision, but every time Government rejected the decision of the Board. However, the Institute continued to provide free transport facility till March 1993.

On the irregularity being pointed out (June 1991) by Audit, the Institute again approached (February and May 1992) Government for approval of the Board's decision. However, Government not only rejected it but also ordered (July and October 1992) recovery of the cost of free transportation from the concerned staff. The Institute started recovery from April 1993 and also approached Government (February 1994) for sanction for waiver of the recovery of Rs.1.47 lakhs calculated @ Rs.2.50 per km for 58,744 kms. The Institute also intimated in July 1994 that some of the affected members of its staff had approached a court of law and had been granted an interim stay of recovery by the court.

The matter was referred to Government in May 1994; reply has not been received (December 1994).

Health Department

3.8 Non-utilisation of Central assistance for National Cancer Control Programme

Since nearly 70 *per cent* of cancer cases are associated with environmental factors and life styles and, therefore, potentially preventable, the Government of India released Central assistance of Rs 2 lakhs under the National Cancer Control Programme in March 1990, for undertaking health education

activities in the State. The State was required to take the support of community health guides and teachers to ensure massive community participation, development of health education aids like posters, charts, films, dramas, role playing, group discussions and use of mass media like TV, radio and newspapers, etc.

The assistance received late during the year 1989-90 was allowed (January 1991) to be utilised up to 31 March 1991 by the Government of India who was approached for it in December 1990. The Director General, Health Services, Haryana, allocated the amount of Rs.2 lakhs among the 16 district Civil Surgeons in the State in March 1991. Of this, Rs.1.45 lakhs were utilised by 13 of the Civil Surgeons. Three Civil Surgeons (Kaithal, Panipat and Rohtak) did not utilise the amount of Rs.10,000 each allocated to them.

Test-check of the expenditure incurred by 4 of the Civil Surgeons (Ambala, Karnal, Sirsa and Sonapat) revealed (November-December 1993) that out of Rs.0.72 lakh spent by them, only a sum of Rs.0.02 lakh was utilised by the Civil Surgeons, Sirsa and Sonapat, for the purpose for which it was meant, and the remaining Rs.0.70 lakh (97 *per cent*) had been diverted towards purchase of laboratory equipment and chemicals, etc., not connected with the programme.

Thus, of the Central assistance of Rs.2 lakhs, Rs.0.55 lakh were not utilised at all, and out of the balance Rs.1.45 lakhs, at least Rs.0.70 lakh were spent on purposes other than those for which the assistance was received. This, for all practical purposes, resulted in the envisaged health education activities not being undertaken in the State.

Director General, Health Services, Haryana, stated (November 1994) that Civil Surgeons, Kaithal, Panipat and Rohtak could not utilise the funds due to late allocation of the

amounts to them in March 1991 and Civil Surgeons, Sirsa and Sonipat, had diverted the assistance in public interest. The reply was not tenable as the Government of India had communicated its 'no objection' to the utilisation of assistance during 1990-91 on 9 January 1991 and, as such, the allocation could have been made to the Civil Surgeons much earlier than in March 1991, and the diversion of assistance by the Civil Surgeons, Sirsa and Sonipat, was in any case irregular.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Home Department

3.9 Non-recovery of charges in advance for deployment of police personnel

Punjab Police Rules, 1934, as applicable in Haryana, provide that Superintendents of Police shall bill parties and corporate bodies supplied with additional police month by month, in advance, as per prescribed charges. The Rules further stipulate that additional police shall not be supplied until advance payment had been received.

Test-check of records maintained in seven* district police offices conducted between April 1993 and August 1994 revealed that additional police had been supplied to Indian Oil Corporation, Bhakra Beas Management Board, Punjab National Bank, Haryana State Electricity Board, Cabinet Secretariat and Bharat Electronics Limited without recovering any charges in advance. Subsequent billing had resulted in recoveries remaining uneffected since October 1988. The arrears for the period from

* Ambala, Faridabad, Gurgaon, Hisar, Karnal, Kurukshetra and Rewari.

October 1988 to March 1994 in these offices had accumulated to Rs.90.41 lakhs**.

On this being pointed out (between June 1993 and September 1994) in audit, the Department issued instructions (March 1994) to all the district police offices in the State to take concrete steps to ensure compliance of rules, raise bills and recover the dues in time in future and realise the outstanding balances without any loss of time.

An amount of Rs.2.99 lakhs pertaining to the years 1991-92 and 1992-93 was reported (May 1994) to have been recovered by the Superintendent of Police, Karnal. Progress of recovery in the remaining cases has not been received (September 1994).

The matter was referred to Government in July 1994; reply has not been received (December 1994).

Animal Husbandry Department

3.10 Outstanding inspection reports/paragraphs

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to Heads of Offices and to next higher authorities through inspection reports. The more important irregularities are reported to the Heads of Department and Government. Half-yearly reports of audit observations outstanding for more than six months are also sent to Government to get their settlement expedited.

** Ambala : Rs.40.57 lakhs, Faridabad : Rs.8.22 lakhs, Gurgaon : Rs.17.51 lakhs, Hisar : Rs.6.66 lakhs, Karnal : Rs.2.99 lakhs, Kurukshetra : Rs.13.17 lakhs and Rewari : Rs.1.29 lakhs

A review of the outstanding inspection reports relating to the Animal Husbandry Department revealed that action was pending as of June 1994 in respect of 213 paragraphs contained in 100 inspection reports issued up to December 1993, as detailed below :

Period during which issued	Number of		Money value (Rupees in lakhs)
	inspection reports	paragraphs	
1988-89 and earlier years	27	41	54.33
1989-90	7	12	9.15
1990-91	9	25	89.61
1991-92	22	47	215.78
1992-93	12	40	84.00
1993-94 (up to December 1993)	23	48	79.41
Total	100	213	532.28

Of the 100 inspection reports issued between June 1984 and December 1993, even the first replies to 82 inspection reports containing 180 paragraphs which were required to be submitted within six weeks had not been received in the Audit Office as of June 1994. In 17 other cases, the first replies were received with delay ranging between 15 days and 33 months.

The more important types of irregularities commented upon in inspection reports which had not been settled, broadly fall under the following categories:

	Nature of irregularity	Number of paragraphs	Money value (Rupees in lakhs)
1.	Blocking up funds/idle machinery	16	133.46
2.	Misappropriation/shortage/ losses/ theft of cash/stores	38	104.63
3.	Irregular purchases/ expenditure	38	100.01
4.	Non-recovery of dues from other departments/ organisations/ individuals	14	71.77
5.	Drawal of funds from treasury to avoid lapse of budget grant	8	54.23
6.	Irregular payment of pay and allowances, travelling allowance and bonus	36	19.01
7.	Non-adjustment of advances	2	18.32
8.	Non-observance of rules relating to custody and handling of cash, reconciliation of withdrawals from treasury and maintenance of cash book	16	14.29

	Nature of irregularity	Number of paragraphs	Money value (Rupees in lakhs)
9.	Amounts held under objection for want of actual payees' receipts	17	11.38
10.	Non-disposal of unserviceable store articles/vehicles	20	3.56
11.	Non-utilisation of insecticides/medicines	5	0.84
12.	Payment of idle wages	3	0.78
	Total	213	532.28

The matter was referred to Government in December 1994; reply has not been received (December 1994).

General

3.11 Misappropriations, defalcations, etc

Cases of misappropriation, defalcation, etc. of Government money reported to Audit up to the end of March 1994 on which final action was pending at the end of August 1994 were as under:

	Number	Amount (Rupees in lakhs)
1. Cases reported up to the end of March 1993 and outstanding on 31 August 1994	306	98.59
2. Cases reported between April 1993 and March 1994	19	2.36
	325	100.95
3. Cases closed between September 1993 and August 1994	11	3.23
Balance	314	97.72

Of these, 186 cases (Rs.47.57 lakhs) were outstanding for more than 5 years.

239 cases involving Rs.59.23 lakhs were outstanding with Buildings and Roads, Education, Forest, Irrigation, Public Health and Transport Departments. The department-wise break-up of the cases in which final action was pending at the end of August 1994 is indicated in Appendix IX.

3.12 Write off of losses, revenue, etc.

During 1993-94, Rs.2.40 lakhs representing losses due to theft, fire, irrecoverable revenue, etc. were written off in 6 cases, as per details given in Appendix X.

CHAPTER-IV

WORKS EXPENDITURE

Buildings and Roads Department

4.1 State Highways, District and Village roads

4.1.1 Introduction

Roads are said to be the harbingers of all social, political and economic advancement of the country. No programme for better health, education, recreation and other social services can succeed without the existence of roads. The State has a predominantly agriculture-based economy with 80 *per cent* of its people living in villages. In order to bring these villages into the mainstream of development, it is essential to have an efficient transport system.

The total length of roads (excluding National Highways) in the State with an area of 44,212* square kilometres was 4,336 kilometres (km) at the time of its formation in November 1966. The road network progressively increased to 20,064 km by March 1987 and 21,579 km by March 1994. There was marked rise (90 *per cent*) in the length of village roads which increased from a mere 1,348 km in November 1966 to 15,346 km by March 1987 and 16,857 km by March 1994.

4.1.2. Organisational set up

The Engineer-in-Chief, Public Works Department (B & R), is in overall charge for the execution of works connected with construction of roads and bridges. He is assisted

The abbreviations used in this review have been listed in the Glossary in Appendix XV

* As per census of 1981

by one Chief Engineer (Roads) at headquarters and 8 Superintending Engineers and 30 Executive Engineers in the field.

4.1.3. Audit coverage

Mention was made in paragraph 5.1 of the Report of the Comptroller and Auditor General of India for the year 1986-87- (Civil) about the delays and consequent increase in cost of construction and also about non-fixing of norms for expenditure on maintenance of roads by the Department. The Public Accounts Committee in its 34th Report observed (March 1992) that (i) all factors should be judged before taking up the works and these should be completed within the scheduled period to avoid delays and extra expenditure, (ii) completion reports of the works should invariably be prepared and (iii) suitable norms of maintenance cost of roads should be fixed.

Review of the activities related to construction, maintenance and improvement of roads and bridges for the period 1987-88 to 1993-94 was conducted between February 1994 and May 1994 with reference to the records maintained in the office of the Engineer-in-Chief and the Executive Engineers of 12 Divisions¹ in the 6 districts² which were test-checked.

4.1.4. Highlights

- Capital expenditure of Rs.12492.39 lakhs was incurred during 1987-88 to 1993-94 against the budget provision of Rs.11854.10 lakhs.

(Paragraph 4.1.5)

1 Provincial Divisions Bhiwani, Charkhi Dadri, Fatehabad, Hansi, No.1 Hisar, Jhajjar, Jind, Narwana, No.1 Rohtak, No.1 and II Sirsa and Sonipat.

2 Bhiwani, Hisar, Jind, Rohtak, Sirsa and Sonipat.

- Norms for the annual maintenance of roads have not been fixed. The per km. expenditure on maintenance of State highways, district roads and rural roads in the State during 1993-94 was only Rs. 0.27 lakh, Rs.0.16 lakh and Rs.0.08 lakh respectively, as against Rs.0.71 lakh, Rs.0.56 lakh and Rs.0.36 lakh being the average of norms fixed by the Ministry of Surface Transport in March 1993. This was indicative of the urgent need for fixation of suitable norms.

- Surfacing of state highways/major district roads and rural roads was being done every sixth and tenth year respectively against the norm of fifth and seventh years.

(Paragraph 4.1.7)

- Expenditure of Rs.37.03 lakhs was incurred in 2 divisions on original works of widening, strengthening, raising, etc. of roads from out of the provision for maintenance of roads thereby reducing the availability of funds for maintenance of roads.

(Paragraph 4.1.7)

- Delay in completion of the works, inadequate provision in estimates and escalation in the cost of material and labour resulted in cost overrun of Rs.555.35 lakhs (38 per cent) in respect of 163 works in 12 divisions.

(Paragraph 4.1.8)

- Works of construction of village roads were being sanctioned without assurance of funds. Due to paucity of funds, 125 on-going works costing Rs.1500 lakhs were frozen by Government in June 1992. In 43 such cases, expenditure of Rs.21.53 lakhs incurred on partly constructed roads was rendered wasteful. However, 112 new works

(cost : Rs.2124.10 lakhs) were again sanctioned between July 1992 and March 1994 though there was no improvement in availability of funds.

(Paragraph 4.1.9 (a))

- Delay in completion of 228 works ranged from 4 months to 12 years. Of the 165 incomplete works as on 31 March 1994, in 136 cases the scheduled completion period was over; 3 of these were started over 15 years back and 12 others between 10 and 15 years back. The investment of Rs.1125.60 lakhs made on these works was thus still to bear fruit.

- Completion reports were not prepared in respect of any of the 301 works completed during 1987-88 to 1993-94.

(Paragraph 4.1.9(b))

- Five works were executed at the cost of Rs.6.85 lakhs without administrative approval and expenditure of Rs.1942.51 lakhs was incurred on 282 works out of 466 works taken up by the 12 divisions test-checked without technical sanction of the competent authority. The prescribed quality control checks were also not being exercised fully.

(Paragraphs 4.1.10 and 4.1.11)

- A sum of Rs.3.91 lakhs was noticed as having been overpaid to contractors due to failure to reduce the rates for execution of works proportionately on reduction in the consumption of material for road surfacing.

(Paragraph 4.1.12)

4.1.5 Financial outlay and expenditure

Against the Plan outlay (capital) of Rs.11548.20 lakhs from 1987-88 to 1993-94, total expenditure incurred on

construction; of various categories of roads (including improvement of roads and construction of bridges) was as under :

	(Rupees in lakhs)
State Highways	3824.44
District roads	1235.60
Rural roads	7274.93
Direction and Administration	131.18
Plant and machinery	26.24
Total	12492.39

Year-wise details of Plan outlay, budget provisions and the expenditure incurred thereagainst during the period 1987-88 to 1993-94 were as under :

Year	Plan outlay	Budget provision	Expenditure	Excess (+)/ Saving (-)	Percentage of Excess(+)/ Saving (-)
-----	-----	-----	-----	-----	-----
1	2	3	(Rupees in lakhs)		6
			4	5	
1987-88	900.00	1124.44	1293.07	(+)168.63	(+)15
1988-89	1500.00	1581.00	1569.03	(-) 11.97	(-)
1989-90	1500.00	1500.46	1509.77	(+) 9.31	(+)
1990-91	1600.00	1600.00	1638.02	(+) 38.02	(+)
1991-92	2030.00	2030.00	2097.85	(+) 67.85	(+)
1992-93	2106.20	2106.20	2075.42	(-) 30.78	(-)
1993-94	1912.00	1912.00	2309.23	(+)397.23	(+)
Total	11548.20	11854.10	12492.39	(+)638.29	

The expenditure during 1987-88 exceeded the budget provision by 15 *per cent* due mainly to incurring of expenditure of Rs.105.45 lakhs on districts and other roads under the World Bank aided project without a corresponding provision of funds and the excess during 1993-94 was due mainly to expenditure of Rs.226.85 lakhs and Rs.109.78 lakhs in excess of the budget provision on construction of a High Level Bridge over river Yamuna on the Karnal-Meerut road and bridges on rural roads, respectively.

4.1.6. Physical targets and achievements

The position of physical targets and achievements during the period 1987-88 to 1993-94 was as follows :

Year	State Highways			Major district roads		
	T	A	Shortfall(-) /Excess (+)	T	A	Shortfall(-) /Excess (+)
	(Kilometres)		(Per cent)	(Kilometres)		(Per cent)
1987-88	5	-	(-) 100	2	-	(-) 100
1988-89	-	1	-	-	3	-
1989-90	-	-	-	-	-	-
1990-91	5	-	(-) 100	2	-	(-) 100
1991-92	-	-	-	-	-	-
1992-93	5	-	(-) 100	2	-	(-) 100
1993-94	-	-	-	-	-	-
Total	15	1	(-)93	6	3	(-)50

(T = Target and A = Achievement)

Other district and village roads

Widening and strengthening of roads

Other district and village roads			Widening and strengthening of roads		
T	A	Shortfall(-) /Excess (+)	T	A	Shortfall(-) /Excess(+)
(Kilometres)	(Kilometres)	(Per cent)	(Kilometres)	(Kilometres)	(Per cent)
143	296	(+) 107	419	408	(-) 3
220	223	(+) 1	465	440	(-) 5
298	312	(+) 5	365	341	(-) 7
213	240	(+) 13	312	260	(-) 17
180	211	(+) 17	176	213	(+) 21
103	131	(+) 27	340	183	(-) 46
115	98	(-) 15	215	257	(+) 20
1272	1511	(+)19	2292	2102	(-) 8

(i) As regards the meagre achievement under the State highways (1 km) and major district roads (3 km) during 1987-94 when compared to the expenditure incurred on these roads, the Engineer-in-Chief stated (November 1994) that whereas the target fixed were for bye-passes to be constructed on these roads, the physical progress achieved had been exhibited under rural roads as the bye-passes had not as yet been declared as State highways and/or major district roads. The actual length of bye passes constructed on these roads was not, however, intimated.

(ii) The main emphasis of the State Government appeared to be on the construction of rural roads as out of total length of 1515 kms constructed during 1987-94, the length of rural roads alone was 1511 kms. However, the achievements under rural roads were somewhat inflated due to classification of bye-passes constructed on State highways/major district roads also under rural roads, vide (i) above.

(iii) Shortfall in respect of widening and strengthening of roads ranged between 3 and 17 *per cent* during 1987-88 to 1990-91 and 46 *per cent* in 1992-93, for which reasons had not been intimated by the department (November 1994).

4.1.7 Maintenance of roads

The Public Accounts Committee in its 34th Report observed (March 1992) that the norms of expenditure per km on maintenance of roads fixed by the Finance Commission or any other authority might not be applicable to Haryana because the State did not suffer as much from floods as other States of the country and recommended that suitable norms should be fixed for carrying out different types of road works. The Department had not, however, fixed any norms for the maintenance of roads in the State. The Engineer-in-Chief stated (June 1994) that the norms as fixed by the Ministry of Surface Transport, Government of India, for maintenance of roads had been

forwarded (October 1993) to the State Government for approval. Further developments were awaited (October 1994). The actual expenditure per km incurred on maintenance of different categories of roads was, however, as tabulated below :

Year	State highways			District roads			Rural roads		
	Length (km.)	Expenditure	Expenditure per (Km.)	Length (Km.)	Expenditure	Expenditure per (Km.)	Length (Km.)	Expenditure	Expenditure per (Km.)
	(Rupees in lakhs)			(Rupees in lakhs)			(Rupees in lakhs)		
1987-88	3,134	339.00	0.11	1,584	123.00	0.07	15,642	941.00	0.06
1988-89	3,135	366.00	0.12	1,587	152.00	0.10	15,865	915.00	0.06
1989-90	3,135	447.00	0.14	1,587	192.00	0.12	16,177	982.00	0.06
1990-91	3,135	610.00	0.19	1,587	195.00	0.12	16,417	1,421.00	0.09
1991-92	3,135	783.00	0.25	1,587	228.00	0.14	16,628	1,791.00	0.11
1992-93	3,135	640.00	0.20	1,587	152.00	0.10	16,759	1,427.00	0.09
1993-94	3,135	831.00	0.27	1,587	254.00	0.16	16,857	1,279.00	0.08
Total		4,016.00			1,296.00			8,756.00	

(i) Computed with reference to the average of rates for maintenance of roads as per the norms fixed by the Ministry of Surface Transport in March 1993 on the basis of intensity of vehicular traffic on different roads, the per km. expenditure on the maintenance of State highways, district roads and rural roads would work out to Rs.0.71 lakh, Rs.0.56 lakh and Rs.0.36 lakh respectively, as against which the actual expenditure incurred by the Department during 1993-94 was only Rs.0.27 lakh, Rs.0.16 lakh and Rs.0.08 lakh respectively. This was indicative that the State of maintenance of roads in the State might deserve a close look. There is thus an urgent need for fixation of suitable norms for proper maintenance of roads in the State.

In the absence of any prescribed norms of maintenance cost, judiciousness of the expenditure on maintenance cannot be ensured.

(ii) There was a decline in per km maintenance cost of State highways, district roads and rural roads in 1992-93 by 20, 29 and 18 *per cent* in comparison to per km maintenance cost during 1991-92.

(iii) According to the departmental instructions, the State highways and district roads should be surfaced every fifth year and rural roads every seventh year. Test-check in 9 divisions³ revealed that the average annual maintenance coverage of roads by these 9 divisions during the years 1987-88 to 1993-94 was 333.51 km of State highways and district roads and 615.06 km of rural roads. The total length of State highways and district roads under these divisions was 1989.23 km and that of rural roads 5,975.59 kms. Thus, the annual surfacing was being done, on an average, once in about six years for State highways and district roads and in 10 years for rural roads as against the prescribed schedule of 5 and 7 years, respectively.

(iv) Instances were also noticed where original works such as widening, strengthening, raising, etc. of roads and construction of culverts, etc. had been executed out of the funds provided for annual maintenance and repairs, thereby reducing the availability of funds for maintenance of roads. In 2 divisions⁴, 6 original works such as, strengthening, widening and raising of roads and construction of culverts had been executed at the cost of Rs.37.03 lakhs during 1991-92 to 1993-94 and the entire expenditure was debited under annual maintenance and repair of roads.

3 Provincial Divisions, Bhiwani, Charkhi Dadri, Fatehabad, Hansi, No.I Hisar, Jhajjar, Jind, No.I and No.II Sirsa.

4 Provincial Divisions, Fatehabad and Hansi.

the 12 divisions test-checked during the period 1993-94 was as under :

Period	Number of works taken up	Estimated cost (Rupees in lakhs)	Number of works completed up to March 94	Expenditure (Rupees in lakhs)	Number of works remaining up to March 94
Up to					
1986-87	223	1747.58	157	1299.38	
1987-88	52	403.54	38	184.02	
1988-89	26	219.48	17	80.20	
1989-90	63	635.42	33	249.80	
1990-91	52	633.55	27	135.22	
1991-92	18	116.74	16	92.33	
1992-93	12	75.12	9	30.89	
1993-94	20	341.72	4	20.06	
Total	466	4173.15	301	2091.90	165

(i) Of the 301 works completed, 228 were estimated cost of Rs.1588.24 lakhs and were Rs.1659.74 lakhs; delay in completion ranged between 6 months and 12 years in these cases. The delay in completion was attributed by the divisions mainly to delay in land, land disputes, delay in construction of bridges, funds and shortage of material. However, completion of none of the 301 completed works had been pending in 1994.

(ii) Of the 165 incomplete works, 136 were

4.1.8 Cost overrun

In 12 divisions test-checked, expenditure of Rs.2029.52 lakhs was incurred on 163 works against the estimated cost of Rs.1474.17 lakhs, resulting in cost overrun of Rs.555.35 lakhs (38 per cent). In 12 of these cases, the cost overrun ranged between 112 and 304 per cent. The cost overrun was attributed mainly to delay in completion of works, less provision for items of work in the estimates and escalation in the cost of labour and material over the period of execution of works.

The excess expenditure over the estimates had not been regularised by obtaining sanction of the competent authority.

4.1.9(a) Sanction of new roads without assurance of funds

It is usual to specify, depending on the nature of the works, any period between 3 months and 48 months for construction of new rural roads. To adhere to this schedule, it is necessary, *inter alia*, to ensure flow of adequate funds. It was, however, observed that new works of village road construction were being sanctioned without regard to availability of funds.

In April 1992, the total cost incurred on on-going works of rural roads (length : 1,903 kms) sanctioned by the Department was Rs.6324 lakhs. The balance works required to be done comprised 464 km of earth work, 910 km of stone soling, 988 km of stone metalling and 1,162 km of black topping, besides construction of bridges and culverts. The aggregate estimated cost of the balance works added up to Rs.4600 lakhs. The actual provision made in the annual plan (1992-93) for such works was only Rs.545 lakhs.

Considering the paucity of funds, the State Government decided (June 1992) to freeze 125 on-going works

(cost : Rs.1500 lakhs) where expenditure to Rs.0.50 lakh or 10 per cent of the amount approval which ever was more had been incurred by 31.12.1992. It was noticed in test-check that expenditure of Rs.21.53 lakhs already incurred on these works was rendered wasteful.

Meanwhile, 112 new works of road sanctioned at the cost of Rs.2124.10 lakhs during March 1994. Due to sanction of new works, the funds for completion of the works rose to Rs.1095 lakhs only were provided against which Rs.1095 lakhs only were provided in the plans for 1992-93 and 1993-94.

The Engineer-in-Chief stated (June 1994) that these works should not have been sanctioned as funds were insufficient even for completion of on-going roads. He further stated that new works were sanctioned keeping in view the aspirations of the people. It is untenable as such sanctions result in the squandering of resources over many projects with consequent delay in completion of the roads, resultant cost escalation and the benefits of investments, apart from possibility of waste in such projects.

4.1.9(b) Time overrun

The Public Accounts Committee in its report observed that all factors should be judged before work completed within the scheduled period. It noted unnecessary expenditure and delay in completion of works taken up, completed and those remaining.

5 Provincial Divisions, Bhiwani, Fatehabad, Haridwar, Jind, No.I Rohtak, No.I & II Sirsa and Sonapat.

even after the scheduled completion period, rendering the investment of Rs.1125.60 lakhs therein as idle for varying periods ranging up to 15 years and more. The extent of delay was as under :

Period	Number of works
Up to 5 years	71
5 to 10 years	50
10 to 15 years	12
Beyond 15 years	3

Total	136

The delay in the completion of these works was due mainly to paucity of funds (107 cases), land disputes (13 cases), change in alignment (5 cases), non-construction of bridges (3 cases), non-availability of consolidation path (3 cases), non-construction of railway level crossing (3 cases) and delay in execution by contractors (2 cases). A few individual cases of delay in completion are indicated in Appendix XI.

4.1.10(a) Construction of roads without sanction

Rules provide that no work should be commenced until it is administratively approved by the competent authority. However, in 4 divisions⁶, 5 works were taken up during 1990-91 and 1992-93 without obtaining administrative approval of the competent authority. These works were completed during the same period at Rs.6.85 lakhs. While administrative approval for

6 Provincial Divisions, Fatehabad, Narwana, No.II Sirsa and Sonapat.

one of these works (cost : Rs.1.24 lakhs) was received in May 1991 in Provincial Division, Narwana, approval for the remaining 4 works was awaited as of March 1994.

(b) Execution of works without technical sanction of estimates

Rules provide that execution of works shall not be commenced without obtaining technical sanction of detailed estimates from the competent authority. It was noticed that technical sanction of the competent authority was not obtained in respect of 282 out of 466 road works completed/in progress during 1987-88 to 1993-94 in the 12 divisions test-checked. Thus, expenditure of Rs.1942.51 lakhs has been incurred on such works up to 31 March 1994 in contravention of codal provisions.

4.1.11 Quality control

Quality control is important for ensuring quality and reliability of the durable assets that are created and to effect saving in vehicle operating cost. In September 1985, the Engineer-in-Chief (B&R) laid down that the responsibility for carrying out the prescribed quantum of checks on physical progress of works would be carried out by the Junior Engineer, the Sub-Divisional Engineer and the Executive Engineer in the ratio 7: 2: 1 and directed all the Superintending Engineers and the Executive Engineers that the quality control checks should be conducted well in time. The checks exercised were to be entered and initialled in page-numbered quality control registers, to be issued by the Executive Engineers. It was further decided that every third running bill and the final bill must be correlated both with the measurement book and with the quality control register for cross reference. It was, however, noticed in the 12 divisions test-checked that these instructions were not followed. In 3

divisions⁷, quality control registers were not maintained. In 2 divisions⁸, the quality control registers revealed that while the grading tests of the material were conducted, the other aspects such as compaction of earth, rate of spreading of binder, surface evenness, etc. were not checked. The other 7 divisions⁹ test-checked did not produce any record and did not supply any information to Audit about the quality control checks being conducted by them.

4.1.12 Other points of interest

(i) Overpayment to contractors

According to the PWD Schedule of Rates, 1988, the rate for painting the road surface, using precoated aggregate with bitumen is Rs.123.25 per hundred square metres. As per specifications for this rate 11 kg bitumen and 0.10 cubic metres (cum) of bajri were to be used for every 10 square metres of road surface.

However, in July 1992, the Engineer-in-Chief advised adoption of PW Specification, 1963, thereby reducing the consumption of bitumen and bajri to 8 kg and 0.06 cum per 10 square metres, respectively. It was, however, noticed in audit that even after reduction in the consumption of material, the payment to contractors was allowed at the earlier rate of Rs.123.25 per hundred square metres or at rates slightly reduced on ad hoc basis, for 17.84 lakh square metres of road surfacing in 7 divisions during August 1992 to October 1993. The analytical rate derived and paid by other divisions under the control of PWD, B & R Circle, Hisar, for the work of surfacing was at the correct derived rate of Rs.108.90 per hundred square metres.

7 Provincial Divisions, Bhiwani, Jhajjar and Narwana.

8 Provincial Divisions, Fatehabad and No. I Hisar.

9 Provincial Divisions, Charkhi Dadri, Hansi, Jind, No. I Rohtak, No. I and No. II Sirsa and Sonapat.

Failure to regulate the payments at the proportionately reduced rates resulted in overpayment of Rs.3.91 lakhs to contractors as detailed below :

Sr. No.	Name of Division	Number of cases	Quantity executed (Sq.mt)	Amount paid	Amount payable	Amount excess paid	Period
(Rupees in lakhs)							
1.	Provincial Division, Bhiwani	55	3,77,124	7.38	6.94	0.44	October 1992 to September 1993
2.	Provincial Division, Charkhi Dadri	37	3,35,203	6.54	5.78	0.76	August 1992 to June 1993
3.	Provincial Division, Hansi	3	36,783	0.75	0.67	0.08	May 1993 to September 1993
4.	Provincial Division No.1, Hisar	20	1,45,900	3.30	2.80	0.50	March 1993 to September 1993
5.	Provincial Division, Jhajjar	37	2,44,687	4.89	4.36	0.53	March 1993 to October 1993
6.	Provincial Division, Naraingarh	24	1,87,152	3.77	3.33	0.44	September 1992 to August 1993
7.	Provincial Division, Narnaul	43	4,56,882	9.98	8.82	1.16	September 1992 to September 1993
Total		219	17,83,731	36.61	32.70	3.91	

An amount of Rs.1.34 lakhs overpaid by Provincial Divisions, Charkhi Dadri, Hansi and No.1 Hisar, had, been recovered after being pointed out in audit.

(ii) Extra expenditure

Construction of a bridge over river Markanda including its approaches at Ambala-Hisar road near village Jalbera was administratively approved by Government in August 1981 for Rs.95.55 lakhs. The construction of main bridge was awarded to a contractor in September 1982 by the Executive Engineer, Provincial Division No.II, Kurukshetra, to be completed within 24 months. The main bridge was, however, completed in December 1992. Revised estimate for Rs.182.99 lakhs for construction of bridge and approaches was submitted in July 1992 but it remained un-sanctioned as of November 1994. The delay in construction was attributed (March 1994) by the Executive Engineer to delay in approval of drawings, plugging of wells and shortage of cement.

For the approaches, the earthwork (estimated quantity : 50,700 cum) was commenced departmentally through Mechanical Division, Ambala, in June 1983, but the construction of main bridge was not commenced by the contractor. Therefore, after completion of 2,334 cum earth work, further execution was suspended in March 1984. About 60 *per cent* of main bridge work was completed during 1984 to 1986 and visualising the progress of bridge construction, 37,953 cum earthwork (including 2,334 cum executed up to March 1984) was executed till October 1987 at the cost of Rs.5.65 lakhs. Due to slow progress of further construction of main bridge, the earthwork was again suspended up to November 1990.

In November 1990, tenders for the balance earth work of 12,747 cum were called for and the work was allotted to a contractor in May 1991 at Rs.21.30 per cum. While the

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earthwork was in progress, the Chief Engineer directed (May 1992) reduction of the length of approaches by 250 metres thereby decreasing the total requirement of earthwork, from 50,700 cum to 41,510 cum. It was noticed (August 1992) in audit that against the revised balance quantity of 3,557 cum, the actual quantity executed at site during June 1991 to August 1992 was 15,568 cum. As per departmental calculations, 12,011 cum extra earthwork had to be executed at the cost of Rs.2.56 lakhs to recoup the earthwork that had been washed away during 1987 to 1990 due to delay in completion of the bridge. Thus, failure of the Department to synchronise the construction of approaches and the bridge due to delay in approval of drawings, etc. resulted in extra expenditure of Rs.2.56 lakhs.

(iii) Blocking of funds

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In the Provincial Division, Hansi, strengthening of Tohana-Sanyana Road from km 3 to 7 and km 14 to 17 was administratively approved by Government in February 1987 for Rs.7.17 lakhs. In May 1987, the supply of 1,494 cum stone metal for km 3 to 7 was allotted to contractor 'A' at the cost of Rs.2.58 lakhs. The contractor 'A' supplied only 308.72 cum stone metal valued at Rs.0.33 lakh in August 1987 and thereafter left the work. The supply of the balance quantity of material re-valued at Rs.2.26 lakhs was allotted to contractor 'B' in November 1990 at the risk and cost of contractor 'A'. The contractor 'B' supplied 940.18 cum stone metal in December 1990 and January 1991 for which he was paid Rs.2.27 lakhs (September 1991). In April 1993, the Executive Engineer submitted a detailed estimate for the work with a proposal to replace the specification of additional crust strengthening with second coat surfacing in all the kilometres and widening of road in km 3 to 7. The work of widening the road was also not taken up. Of the quantity of 1,248.90 cum stone metal procured at the cost of Rs.2.60 lakhs, only 38 cum stone metal was consumed on the heavy patch work and 55.28 cum was transferred to other

the existence of an unlined channel parallel to the diversion to carry storm water which damaged the sub-base by saturating it.

(iv)

The reply was not tenable as the factors mentioned were within the knowledge of the departmental officers and could have been taken care of during the execution of the work.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

4.3 Avoidable extra expenditure

Anti-termite treatment being a specialised job, the Engineer-in-Chief had issued instructions in January 1985 that to provide effective and lasting protection to Government buildings/structures, this item of work should be allotted only to such agencies as possessed a thorough knowledge of chemicals, the soil, the insects to be dealt with, etc., and had been actively involved in this field for a period of 8 to 10 years. The instructions further provided that a contractor entrusted with the main building work was not to be allowed to take up anti-termite treatment work directly, or even indirectly through a sub-agency. Preference was to be given to firms registered with the Pest Control Association of India.

In disregard of these instructions, the Executive Engineer, Provincial Division No.2, Karnal, did not invite tenders from specialised agencies, but instead allowed the building contractors themselves to whom the building works had been allotted during 16 May 1992 to 14 July 1992 to execute 2,724.54 square metres of anti-termite treatment work in 4 buildings at Rs.133.75 per square metre plus 55 per cent premium. The item of work was not even included in the detailed notice inviting tenders (DNIT) and had been awarded without inviting any competitive bids. Final payments aggregating Rs.5.65 lakhs had been made to the

contractors (May 1994). In the same Division, however, anti-termite treatment work in some other buildings had been allotted in December 1992 to a firm engaged in anti-pest and fumigation services, after inviting quotations, at the comparatively lower rate of Rs.133.75 per square metre plus a premium of 10 *per cent*.

The failure of the Executive Engineer to get the anti-termite job done through an agency specialising in such works, in violation of instructions issued by the Engineer-in-Chief, would render the quality of the work done suspect. Even otherwise, award of the works without inviting competitive bids resulted in avoidable extra expenditure of over Rs.1.64 lakhs.

The Engineer-in-Chief stated (November 1994) that the anti-termite work had been entrusted to main contractors on the basis of discussions with the authorities of the World bank (since these works had been taken up under a World Bank aided project) whose guidelines provided that all the works relating to a building project were necessarily to be executed through a single agency. A perusal of the record note of the discussions with the World Bank representatives revealed that the decision to entrust the works to a single agency had been taken on 16 July 1992. However, the decision dated 16 July 1992 did not dispense with bidding for works, but stated instead that works would be allotted on the basis of composite bidding. In the instant case, the main works were allotted before the decision of 16 July 1992 and the same contractors were allowed to do the anti-termite work also without going in for any tenders. Further, the concept of a single agency was not extended to electrical and public health components of these works. The reply was also not tenable as, in any case, the item of work should have been included in the ~~DNIT for the construction of the buildings, so~~ as to avail of the benefit of the competitive rates, which was not done.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Irrigation Department

4.4 Defective lining of Khajuri Distributary

Construction of a lined channel parallel to the existing (*kutcha*) Khajuri Distributary (RD 0 to 40.575), with water surface slope of 0.22 foot per thousand feet as approved by the Superintending Engineer (SE), Canal Lining Circle No.II, Hisar, in August 1984, was taken up in different stretches by the Canal Lining Division No.19, Tohana, and was completed during August 1984 to January 1987. The work was completed in reaches 0 to 28000, 31478 to 32648, 32720 to 34850, 34903 to 37656, 37786 to 38200, 38210 to 38350 and 38890 to 40504, at the cost of Rs.20.36 lakhs.

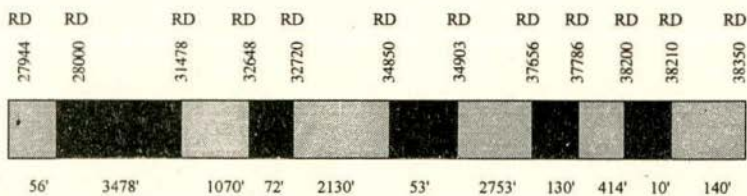
While the work was in progress, the cultivators approached (January 1986) the Department for raising the full supply level of the Distributary so that the land then covered under 'Jhallar' (lift) irrigation could also avail of the benefit of flow irrigation from the lined channel. On this, the Chief Engineer, Projects, decided (January 1986) to adopt the water surface slope of 0.15 foot per thousand feet, instead of the earlier approved slope of 0.22 foot per thousand feet. Accordingly, the design of the water surface slope from RD 11,000 to RD 40,575 was revised (January 1986) by the SE. By that time, the work in reaches 0 to 7,000, 8,000 to 11,000, 15,000 to 16,075 and 38,890 to 40,504 had been completed at the cost of Rs.6.72 lakhs in accordance with the earlier design. Work in the remaining reaches was completed during 1987-88, as per design revised in January 1986 except in case of RDs 7,000 to 8,000 where the work was completed in accordance with the earlier design to maintain continuity. In May 1986, the SE intimated the Chief Engineer that with this change, the lining in reaches 38,890 to 40,504 would have to be dismantled and relaid at the estimated cost of Rs.0.58 lakh. However, this work had not been taken up as of June 1994.

LINING OF KHAJURI DISTRIBUTARY

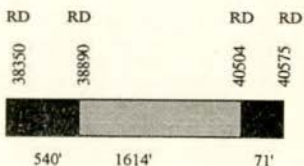
(Paragraph 4.4)

COMPLETED PORTION IN USE

RD 0 ←-----> RD 27944

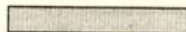


OLD KUTCHA CHANNEL

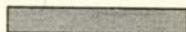


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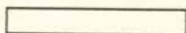
Lined portion in use



Lined portion not functional

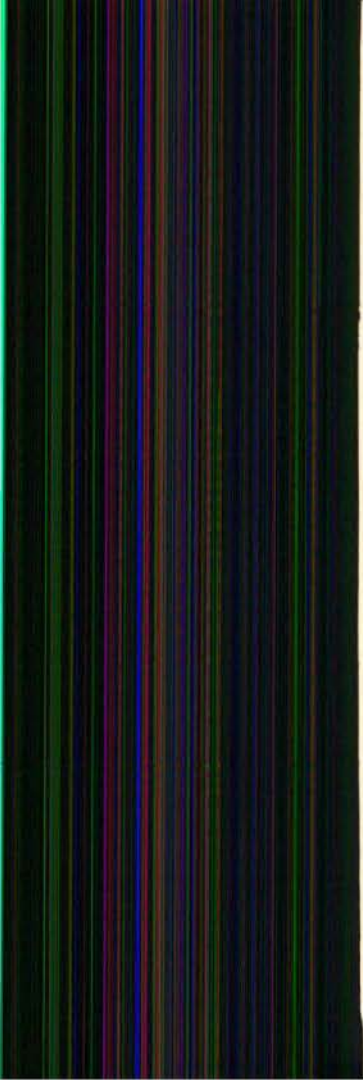


Old Kutcha Channel



Gaps





The incomplete channel was commissioned in February 1988 but the water could flow in the lined channel only up to RD 27,944, whereafter it had to be diverted to the old unlined kutchha channel due to the following defects noticed during Hydraulic survey conducted (May 1993) by the Executive Engineer of Canal Lining Division No.7, Hisar, at the instance of SE:

(i) In reaches 0 to 4,000 and 8,000 to 11,000, the bed levels were slightly higher whereas in reaches 21,000 to 28,000, these were lower by 3 to 6 inches. Free board available was also on the lower side

(ii) The bed of the lined channel from RD 31,500 to 38,500 was higher by 6 to 10 inches. The water was, therefore, not being run through this portion of the lined channel. Further, the bed level in reaches 39,100 to 40,575 was lower by 2 feet than that designed.

The Executive Engineer, Canal Lining Division No.19, Tohana, reported to the SE in August 1993 that the balance work in remaining portions in reaches 28,000 to 40,575 could not be taken up because of major variations in the bed level due to which the entire portion had been rendered of no use to the Department. He also pointed out that lining of gaps that still remained to be covered, too, was not likely to serve any useful purpose. Thus, the expenditure of Rs.3.70 lakhs incurred on the construction of lined channel in reaches beyond RD 27,944 was rendered infructuous.

The Executive Engineer stated (April 1994) that estimated expenditure to remove the defects in lining had not been assessed as different proposals were under consideration of the higher authorities. Further development were awaited (September 1994).

The matter was referred to Government in August 1994; reply has not been received (December 1994).

Public Health Department

4.5 Avoidable expenditure

The Construction Public Health Division, Sonipat, completed and commissioned in February 1988, a scheme for supply of drinking water to Garhi Ujjalekhan group of 4 villages. The inlet channel constructed to carry raw water off-took from the Israna distributary at RD 1,31,350.

In the drawing, still lying unapproved (October 1994) but given to the contractor along with the agreement, the bed level of the inlet channel was kept at par with the bed level of the distributary. While executing the work, however, the bed level of the inlet channel was kept higher at 98.57 metres as against the level of the distributary at the off-take point which was 98.34 metres, without obtaining sanction of the competent authority. This led to lesser supply of raw water from the distributary. Accordingly, the matter was taken up (August 1990) by the Public Health Division, Gohana, (to which the scheme had been transferred in March 1990) with the Executive Engineer Panipat Division, Western Jamuna Canal (WJC), Binjhol, responsible for the running of the distributary. The latter Division responded (October 1990) by pointing out that the main problem was the defective construction of the inlet channel whose bed level was higher by 8 inches than that of the distributary. The reply was reiterated in February 1992 on receipt of another reference from the Gohana Division.

The existing inlet channel was finally lowered by 8 inches in April - June 1992 by dismantling and remodelling the inlet channel at the cost of Rs.1.65 lakhs. The Executive Engineer, Public Health Division, Gohana, stated (June 1994) that the bed level of the inlet channel at the off-take point had been kept higher with a view to ensuring that silt did not enter the inlet channel and that it was a technical requirement. The reply was not tenable as the bed level had ultimately to be lowered as a final solution to the problem.

Thus, the initial construction of the bed of the inlet channel at a level higher than that of the distributary had resulted in the intended supply of drinking water to the inhabitants of the four villages remaining erratic for over 4 years. There was also an avoidable expenditure of Rs.1.65 lakhs on remodelling of the inlet channel.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

4.6 Unfruitful expenditure

Providing sewerage in Jhajjar town, Phase I, for a length of 15,270 feet at the cost of Rs.19.71 lakhs was administratively approved by the Haryana State Sanitary Board in November 1971.

(a) The work (subsequently transferred in June 1977 to Public Health Division, Jhajjar) was split up into two parts.

(Part I : 1,680 feet and Part II : 13,590 feet) for execution by the Public Health Division No.I, Rohtak. The second part of the

work was to be connected with the first part of the sewerage line. The two parts were successively allotted to contractors as under :

Name of contractor	Date of allotment	Length of sewerage line allotted completed (In feet)		Amount paid (Rupees in lakh)	Date of last payment	Remarks
Part-I (length : 1,680 feet)						
A	January 1976	1,680	354	1.09	February 1979	Work left incomplete by contractor A
B	July 1981	188	188	0.15	August 1981	Left over work of contractor A
C	January 1982	1,099	1049	0.95	August 1984	
D	May 1994	89	-			Still in progress (August 1994)
			----- 1591 -----			
Part-II (length: 13,590 feet)						
E	September 1984	13,590	8,765	2.85	May 1986	Work left incomplete:left-over work allotted to Contractor F.
F	June 1990	4,825	1,170	0.27	March 1991	Left-over work in a length of 3655 feet yet to be allotted (August 1994).
			----- 9,935 -----			

Thus, out of 15,270 feet of the sewerage line to be laid, the work had been completed to the extent of 11,526 feet, 23 and 18 years after administrative approval and commencement of work respectively. It was also noticed that due to an incomplete portion of 89 feet, 8380 feet sewerage line constructed at the cost of Rs.5.71 lakhs was still non-functional.

(b) As the works had been awarded to successive contractors at the risk and cost of their predecessors, the total amounts recoverable from them worked out to Rs.5.22 lakhs including the cost of materials (at penal rates) remaining unutilised with them but excluding the liabilities, if any, of contractor F since the length left incomplete by him was yet to be allotted as of August 1994, as per the following details:

Name of contractor	Risk and cost	Compensation	Value of unutilised material	Miscellaneous recoveries	Total	Amount recovered	Balance
			(Rupees in lakhs)				
A	0.01	0.26	0.46	-	0.73	0.11	0.62
C	1.38	0.12	-	0.84	2.34	0.12	2.22
E	0.90	0.38	1.10	-	2.38	-	2.38
Total	2.29	0.76	1.56	0.84	5.45	0.23	5.22

Thus, of the total recoverable amount at Rs.5.45 lakhs, only Rs.0.23 lakh had been recovered from the running bills of contractors and security deposits aggregating Rs.0.29 lakh only were available with the Department leaving a balance amount of Rs.4.93 lakhs still recoverable. The Division had filed a claim with the arbitrator for recovery of Rs.2.22 lakhs against contractor 'C' only. The action taken to effect recovery from the other contractors has not been intimated as of August 1994.

The matter was referred to Government in September 1994; reply has not been received (December 1994)

4.7 Outstanding inspection reports

Audit observations on financial irregularities and defects noticed in the initial accounts and records during local audit and not settled on the spot are communicated to the concerned Heads of Offices and next higher authorities through inspection reports so that appropriate action can be taken to rectify the defects and omissions. More important irregularities are also reported to the Heads of Departments and Government. Half-yearly reports of audit observations outstanding for more than six months are also sent to Government to get their settlement expedited.

A review of the inspection reports issued up to December 1993 pertaining to 40 divisions of the Public Health Department disclosed that 673 paragraphs relating to 244 inspection reports and involving Rs.5711.05 lakhs remained outstanding at the end of June 1994. These included 27 inspection reports containing 33 paragraphs which had remained unsettled for more than 10 years.

The year-wise position of unsettled inspection reports/ paragraphs was as under :

Period during which issued	Number of inspection reports	Number of paragraphs	Amount involved (Rupees in lakhs)
-----	-----	-----	-----
Up to			
1983-84	27	33	27.17
1984-85	9	9	10.42

Period during which issued	Number of inspection reports	Number of paragraphs	Amount involved
-----	-----	-----	-----
			(Rupees in lakhs)
1985-86	8	11	7.72
1986-87	9	12	11.45
1987-88	13	22	31.58
1988-89	19	24	103.34
1989-90	23	39	68.56
1990-91	25	62	306.48
1991-92	35	86	403.05
1992-93	36	125	2113.18
1993-94	40	250	2628.10
Total	244	673	5711.05
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In respect of 16 inspection reports consisting of 101 paragraphs issued between May 1993 and April 1994, even the initial replies which were required to be furnished within nine weeks were not received as of June 1994.

The irregularities commented upon in the inspection

reports which had not been settled as of June 1994 were of the following categories :

Serial number	Nature of irregularities	Number of paragraphs	Amount involved (Rupees in lakhs)
1.	Losses due to theft, misappropriation and embezzlement	42	23.67
2.	Loss of measurement books	8	-
3.	Non-accounting of material	20	43.65
4.	Undue financial aid to contractors	6	5.29
5.	Extra and avoidable expenditure	32	101.69
6.	Infructuous expenditure and blockade of funds	82	594.26
7.	Execution of substandard works	21	94.55
8.	Irregular and injudicious purchases	49	249.73
9.	Unfruitful expenditure	45	412.64
10.	Excess expenditure on deposit works	19	1128.25

Serial number	Nature of irregularities	Number of paragraphs	Amount involved (Rupees in lakhs)
11.	Non-closing of manufacturing accounts	4	92.86
12.	Short receipt of material	7	2.45
13.	Excess consumption of material	15	28.61
14.	Recoverable amounts from contractors on account of excess payment, excess issue of material, cost of work done at their risk and cost, etc.	154	251.75
15.	Recoverable amount on account of shortages/ excess payment to Government officials	75	68.04
16.	Non-recovery of sales tax from the contractors	14	6.73
17.	Irregular utilisation of departmental receipts	7	30.42
18.	Unsanctioned estimates	73	2576.46
	Total	673	5711.05

Of the 673 outstanding paragraphs, 46 cases involving Rs.76.29 lakhs were pending with courts and arbitrators and 27 cases (Rs.183.23 lakhs) were pending with Government/Engineer-in-Chief/Superintending Engineers for their comments. The remaining 600 paragraphs rested with the divisional offices.

An analysis of the system and procedure for monitoring and pursuance and final settlement of inspection reports and paragraphs revealed that checks prescribed by the Finance Department requiring the administrative departments to maintain registers containing the substance of all outstanding objections and details of action taken thereon, the reference made to subordinate offices, replies received from them, etc. were not exercised. Not satisfied with the pace of progress of settlement of audit objections, the Finance Department issued (January 1992) instructions that the departments should submit progress reports to Finance Department in the prescribed *pro forma* every quarter regarding action taken by them towards settlement of audit objections/ paragraphs. It was noticed that Public Health Department had submitted a quarterly progress report for the quarter ending March 1993 alone and no further reports were submitted as of June 1994.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

CHAPTER-V

STORES AND STOCK

Public Works Department (Buildings and Roads)

5.1 Stores and Stock

5.1.1 Introduction

Stores comprise all articles and material purchased or otherwise acquired for use on works. These include not only expendable and issuable articles in use or accumulated for specific purposes but also articles of dead stock of the nature of plant and machinery, instruments, furniture, equipment, fixtures, etc. On the basis of demand placed by field units, the material is purchased from approved sources/market or through the Director General, Supplies and Disposals (DGS&D), Government of India, or the Director, Supplies and Disposals, Haryana. Purchase of mechanical equipment and spare parts for all the Mechanical Divisions is centralised with the Mechanical (Stores and Procurement) Division, Karnal. According to the procedure prescribed for maintenance of stock accounts, value of stores received is debited to 'stock suspense' and on issue, it is cleared by charging to works. The valuation accounts of stores are kept in the Priced Store Ledger maintained at the Divisional level.

The position of receipts and issues of stores in 60 divisions as depicted in the monthly accounts (Form PWA - 29) for the year 1993-94 was as under :

	Rupees in lakhs
Opening balance as on 1 April 1993	15.02
Receipts	4895.01
Total	4910.03
Issues	4945.91
Closing balance as on 31 March 1994	(-)35.88

Of the 60 divisions, 32 divisions¹ were test-checked during April-May 1994 and the following points were noticed.

5.1.2 Minus balances

In 28 of the 60 divisions for which the accounts were available, there were minus closing balances aggregating Rs.541.52 lakhs as on 31 March 1994. In 17² of these 28 divisions test- checked, the minus balances totalling Rs.414 lakhs were due mainly to (i) non-adjustment/non-receipt of Accountant General memos for material received through DGS&D (Rs.353.54 lakhs) (ii) non-adjustment of profit/loss on stock (Rs.13.22 lakhs) and (iii) non-adjustment of cost of material transferred back to store from works (Rs.39.16 lakhs).

5.1.3. Priced store ledgers

Under the accounting procedure, the numerical quantities with their value showing opening balance, receipts, issues and closing balance are kept in the Priced Store Ledger (PSL.)

- 1 Provincial Divisions No.I and II, Ambala Cantt., No.I, II and III, Hisar, Jind, Kaithal, No.I,II,III and IV, Karnal, No.I and II, Kurukshetra, Naraingarh, Narwana, No.I, Panipat, No.I,II,III and IV, Rohtak, No.I and II, Sirsa, Sonipat, and Murthal Provincial Division, Sonipat; Electrical Divisions, Ambala Cantt., Hisar, Karnal and Rohtak; and Mechanical Divisions, Ambala Cantt., Hisar, Karnal, and (S&P), Karnal.
- 2 (1)Provincial Division No.I, Ambala Cantt. (2)Electrical Division, Ambala Cantt. (3)Provincial Division No.I, Hisar. (4)Provincial Division No.II, Hisar. (5)Provincial Division, Jind. (6)Provincial Division No.II, Karnal. (7)Provincial Division No.III, Karnal. (8)Provincial Division No.IV., Karnal. (9)Electrical Division, Karnal. (10)Provincial Division No.II, Kurukshetra, (11)Provincial Division, Narwana. (12)Provincial Division, Naraingarh. (13)Provincial Division No.I, Panipat. (14)Provincial Division No.III, Rohtak. (15)Provincial Division No.IV, Rohtak. (16)Electrical Division, Rohtak and (17)Provincial Division, Sonipat.

maintained in the Divisional Office. The ledger is required to be closed both for quantity and for value at the end of each month and its balances reconciled half-yearly with the balances in the Bin Cards (quantitative accounts maintained at Sub Divisional level).

- (a) In 11³ of the 32 divisions test-checked, value accounts in PSLs for the year 1993-94 (receipts : Rs.1226.56 lakhs; issues : Rs.1225.38 lakhs) were not maintained.
- (b) In 10 divisions⁴ (receipts : Rs.1163.48 lakhs; issues : Rs.1173.76 lakhs), the balances in the ledgers had not been reconciled with those shown in the Bin Cards allowing shortages to remain undetected.
- (c) In 11 divisions⁵, posting in the ledger was in arrears, and the delay ranged from 1 to 18 years.

3 (1)Provincial Division No.III, Hisar. (2)Provincial Division, Jind. (3)Provincial Division, Kaithal. (4)Provincial Division No.I, Karnal. (5)Provincial Division No.III, Karnal. (6)Mechanical Division, Karnal. (7)Mechanical Division (S&P), Karnal. (8)Provincial Division No.II, Kurukshetra. (9) Provincial Division, Naraingarh. (10)Provincial Division Narwana and (11)Provincial Division No.I, Panipat.

4 (1)Provincial Division No.III, Hisar. (2)Electrical Division, Hisar. (3)Provincial Division, Jind. (4)Provincial Division, Kaithal. (5)Provincial Division No.I, Karnal. (6)Provincial Division No.III, Karnal. (7)Provincial Division No.II, Kurukshetra. (8)Provincial Division, Naraingarh. (9)Provincial Division No.I, Panipat and (10) Provincial Division No.III, Rohtak.

5 (1)Electrical Division, Ambala Cantt., (2)Provincial Division No.I, Hisar. (3)Provincial Division No.II, Hisar. (4)Provincial Division No.II, Karnal. (5)Provincial Division No.IV, Karnal. (6)Provincial Division No.I, Sirsa. (7)Provincial Division No.II, Sirsa. (8) Murthal Provincial Division, Sonipat. (9)Provincial Division, Sonipat. (10)Provincial Division No.IV, Rohtak and (11)Electrical Division, Rohtak.

5.1.4. Reserve Stock Limit

According to the codal provisions, there is a limit in the value of stock (termed as 'Reserve Stock Limit') up to which the Divisional Officer can keep in his store, material required for use on works. The Executive Engineers are required to regulate the purchase of stock in such a way that during any month, the value of balance stock in hand does not exceed the Reserve Stock Limit.

In respect of 14 of the divisions⁶ test-checked, the Reserve Stock Limit for 1993-94 had not been sanctioned till May 1994. Of the others, in 3 divisions⁷ the value of stock held in excess of the Reserve Stock Limit during 1993-94 ranged between 3 and 68 *per cent*. The excess was attributed to receipt of bulk supply of material.

5.1.5. Storage charges

Storage rate is fixed annually for each Division on the principle that the total estimated annual expenditure on storage is recovered from the issues likely to be made during the year. On the basis of this rate, storage charges are calculated. The excess storage charges recovered during the year are required to be credited as revenue and any deficit in the storage charges is debited to 'Losses on Stock' with the approval of competent

6 (1)Electrical Division, Ambala Cantt., (2)Provincial Division No.II, Hisar, (3)Provincial Division No.III, Hisar, (4)Electrical Division, Hisar, (5)Provincial Division No.II, Karnal, (6)Provincial Division No.III, Karnal, (7)Electrical Division, Karnal, (8) Provincial Division, Naraingarh, (9)Provincial Division No.I, Panipat, (10)Electrical Division, Rohtak, (11)Provincial Division No.I, Sirsa (12) Provincial Division No.II, Sirsa, (13)Provincial Division, Sonapat and (14) Murthal Provincial Division, Sonapat.

7 (1)Mechanical Division, PWD (B&R), Karnal, (2)Provincial Division, Kaithal and (3)Provincial Division No.II, Rohtak.

authority. However, in 10⁸ of the divisions test-checked, excess storage charges aggregating Rs. 16.38 lakhs (March 1994) were not credited to revenue. In the Murthal Provincial Division, B&R, Sonipat, deficit of Rs.4.20 lakhs (March 1994) was not charged as losses on stock. The Executive Engineer intimated (May 1994) that the reasons for the deficit were being investigated.

5.1.6. Surplus materials

Rules provide that stores should not be held in excess of requirement and stores remaining in stock for more than one year should be declared surplus unless there were sufficient reasons to hold the same beyond that period. In 8 of the 32 divisions test-checked, materials valued at Rs. 15.59 lakhs had been lying unutilised for the last 2 to over 20 years, as detailed below:

	Name of Division	Amount	Period since when lying in the stores
		(Rupees in lakhs)	
1.	Provincial Division No.I, Ambala Cantt.	3.38	1984-1989
2.	Mechanical Division (PWD B&R), Hisar	2.78	1986-1992

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- 8 (1)Electrical Division, Ambala Cantt., (2)Provincial Division No.II,Karnal, (3)Provincial Division No.IV, Karnal, (4)Provincial Division No.II, Kurukshetra, (5)Provincial Division, Naraingarh, (6)Provincial Division No.I, Rohtak, (7)Provincial Division No.II, Rohtak, (8)Provincial Division No.III, Rohtak, (9)Provincial Division No.IV, Rohtak and (10)Electrical Division, Rohtak.

Name of Division	Amount	Period since when lying in the stores
	(Rupees in lakhs)	
3. Provincial Division, Jind	1.37	1980-1992
4. Provincial Division No.II, Karnal	1.01	1976-1992
5. Provincial Division No.I, Panipat	0.98	1982-1991
6. Provincial Division No.II, Rohtak	1.05	1973-1978
7. Provincial Division No.IV, Rohtak	1.16	1983-1991
8. Provincial Division No.I, Sirsa	3.86	1982-1991
Total	15.59	

5.1.7. Tools and Plant (T & P) returns

The numerical account of articles of Tools and Plant, both ordinary and special, is kept in a separate register. Every year ending September, a yearly tools and plant return is to be prepared for each Sub-Division, and consolidated in Divisional Office. However, in 5⁹ of the 32 divisions test-checked, the preparation of Tools and Plant returns was in arrears and the

9 (1)Provincial Division No.III, Karnal, (2)Mechanical Division, Karnal, (3)Provincial Division No.I, Rohtak, (4)Provincial Division No.II, Rohtak and (5)Provincial Division, Sonipat.

delay ranged from 6 to 24 years. Reasons for non preparation of returns were attributed by the Executive Engineers, Provincial Division No.II, Rohtak and Provincial Division, Sonipat, in April and May 1994 mainly to frequent changes of staff and re-organisation of divisions/sub-divisions.

5.1.8. Other points of interest

(i) Blocking of funds

An estimate for the procurement of a drilling unit for Research Laboratory, Haryana (PWD B&R), Hisar, was technically sanctioned in February 1988 for Rs.3 lakhs by the Engineer-in- Chief, Haryana (PWD B&R). According to the estimate, the unit was required for taking out samples of soil at substantial depths where manual working was not possible, and for determining the bearing capacity of different kinds of soil.

An order for its supply was placed in March 1989 with a Delhi based firm by the Director, Supplies and Disposals, Haryana. The equipment was received in May 1989 and payment of Rs.3.13 lakhs was made in May 1989 (Rs.2.80 lakhs) and August 1989 (Rs.0.33 lakh).

Scrutiny of the records revealed that the equipment had not been utilised ever since its purchase in May 1989.

On this being pointed out in audit, the Executive Engineer stated (March/May 1994) that the machine could not be used as no work had been received from the field, since the proposals for the construction of high level bridges across the rivers had not matured owing to financial constraints. The machine was, however, stated to have been used for demonstration and training of engineers. Thus, assessment of the need for the machine purchased proved wrong and the purchase resulted in blocking of funds of Rs.3.13 lakhs.

(ii) Short receipt of material

The Superintending Engineer, PWD, B & R Circle, Hisar, placed (March 1991) a supply order with a Government of India Corporation for 1,400 tonnes packed bitumen to be delivered in the Provincial Division No. II, Sirsa, against the rate contract of the DGS&D. The Corporation supplied 1,409 tonnes (8,712 drums) bitumen in February 1992 and payment of freight charges of Rs.11.15 lakhs was made in the same month to Railways by the Executive Engineer, Provincial Division II, Sirsa, against Railway Receipts. Of the total supply of 8,712 drums, the number of drums received by the Department between March 1992 and July 1992 was 8,561. The shortage of 151 drums (24.4318 tonnes) costing Rs.1.17 lakhs was noticed by the Department in July 1992 and was reported to the Chief Commercial Superintendent, Northern Railway, Bikaner, in August 1992 but the claim was rejected (June 1994) by the Railway authorities, being time-barred. The Department, however, again took up (August 1994) the matter with the Railways stating that claim had been lodged within the validity period. Further developments were awaited (September 1994). The amount was placed in 'Miscellaneous Works Advances' against the Railways.

(iii) Fictitious adjustment

According to the rules, fictitious stock adjustments with a view to avoiding lapse of budget grant are strictly prohibited. In 3¹⁰ divisions, material costing Rs.47.40 lakhs was debited to works in March 1992 (Rs.20.35 lakhs) and in March 1993 (Rs.27.05 lakhs) without actual requirement. The material was

10 (1) Provincial Division No.III, Karnal, (2) Provincial Division, Naraingarh and (3) Provincial Division No.I, Sirsa.

written back to stock in the subsequent financial years (1992-93 : Rs.20.35 lakhs and 1993-94 : Rs.27.05 lakhs.) The fictitious adjustment was obviously intended to avoid lapse of funds.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

Agriculture Department

5.2 Purchase of reverse rotary rig machine

For the implementation of a Centrally sponsored scheme for strengthening of minor irrigation units, the Director, Supplies and Disposals, Haryana, (DSD) placed (March 1991) an order, on behalf of the Agriculture Department, on a firm of Ghaziabad for the supply of a rotary rig machine capable of drilling holes of 27" diameter up to a depth of 600 feet. Though the firm had not supplied the rig of this capacity to any Government or semi-Government organisation in the past, the order was placed on the consideration that the firm's premises had earlier been inspected by a team of officers of the Agriculture Department and the Haryana State Minor Irrigation and Tubewell Corporation (HSMITC), who had reported that the firm had the requisite capacity to manufacture the rigs of the type sought to be procured. According to the terms and conditions of the order, 90 *per cent* payment was to be released against despatch documents, supported by satisfactory inspection note and physical delivery of the equipment to the Sub-Divisional Officer, Gobar Gas Plant, Kurukshetra (consignee), and the balance 10 *per cent* after satisfactory trial bore of 600 feet at site.

Inspection of the machine was carried out at the firm's premises on 5 August 1991 by a team of two officers of the Department who approved the machine as being according to the specifications. The machine was brought by the supplier to Kurukshetra on 16 August 1991. The consignee, on finding

visual defects in the machine, informed the Additional Director (Agriculture Engineering), the indenting officer, on 19 August 1991 that the machine was below specifications and, as such, 90 *per cent* payment should not be released. Notwithstanding this, the payment of Rs.17.60 lakhs was released (20 August 1991) to the firm by the Additional Director (Agriculture Engineer). Subsequently, the machine was put on trial bore at three sites, in October 1991, January 1992 and April 1992, when it failed to bore beyond the depths of 320, 330 and 350 feet respectively, and that, too, after repairs by the firm during the intervening periods. Since then, the machine, though acquired for boring up to a depth of 600 feet, was being utilised by the Department for boring of tubewells of lesser depths.

A committee appointed (February 1994) by the Director of Agriculture with an Executive Engineer each of HSMITC and Public Health Department and Additional Director, Agriculture Department, as members, concluded (February 1994) that pre-delivery inspection of the machine had not been carried out properly and that the machine of an unreputed make should not have been purchased. The Director of Agriculture, while informing the DSD that the machine had never worked satisfactorily, stated that it was below specifications, had remained out of order for long periods due to frequent breakdowns, and that the firm was not equipped to manufacture such a big machine. It was also requested by him that the 10 *per cent* balance payment of Rs.1.77 lakhs lying with the Agriculture Department and the security of Rs.0.75 lakh lying with the Director, Supplies and Disposals, be forfeited. Further developments were awaited (November 1994).

Responsibility for the purchase of substandard machine had, however, not been fixed (August 1994).

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Irrigation Department and Public Works Department (Buildings and Roads)

5.3 Procurement of sub-standard cement

An order for supply of 9,100 tonnes cement (Irrigation Department: 3,950 tonnes; Buildings and Roads Department: 4,250 tonnes and Public Health Department: 900 tonnes) was placed by the Director, Supplies and Disposals, Haryana, in November 1992. The terms of the supply order, *inter-alia*, provided that inspection of the material would be carried out by the Indenting Officer or by his authorised representative. Besides, bulk supply was to be obtained only after having the cement tested from a reputed laboratory and after receipt of satisfactory test report. Payment was to be made to the supplier after receipt of the cement at consignees' godowns.

(a) Against the supply order, 1,336.60 tonnes cement valued at Rs.23.26 lakhs was received by the Gurgaon Water Supply Construction Division No.4, Bahadurgarh, in November-December 1992. Part payment of Rs.20.88 lakhs was made to the firm for 1,200 tonnes in December 1992 without getting the samples tested from laboratory as required under the terms and conditions of supply order. While inspecting the works at site, the Executive Engineer noticed the poor quality of the cement and directed (December 1992) the Sub-Divisional Engineer not to use it on the slabs of bridges till receipt of the test report. He further instructed that no further supplies be accepted from the firm without obtaining the test report.

Results of test of the samples sent in January 1993 to the Shri Ram Institute for Industrial Research, Delhi, were received from the laboratory in February 1993 which disclosed that the cement did not conform to the required specification. Accordingly, the firm was asked (February 1993) to lift the defective cement and to refund the payments already made. The firm had not, however, taken any action as of June 1994.

Meanwhile, it was noticed that 442.40 tonnes of defective cement valued at Rs.7.70 lakhs had been consumed between November 1992 and January 1993 on other miscellaneous works prior to receipt of test reports and the balance quantity of 894.20 tonnes valued at Rs.15.56 lakhs was lying unused in the store (June 1994).

In July 1993, two Executive Engineers and three Sub-Divisional Engineers were placed under suspension for acceptance of sub-standard cement, but subsequently reinstated in October 1993. Further developments were awaited.

(b) Similarly, the Provincial Division, Nuh, received 250 tonnes of cement costing Rs.4.35 lakhs between 6 December 1992 and 19 December 1992 without getting the cement inspected and without having it tested in a laboratory. An advance payment of Rs.2 lakhs was made to the firm on 3 December 1992. The Executive Engineer directed (23 December 1992) the Sub-Divisional Engineer that since no prior inspection had been carried out, the cement should be tested before submission of bill of the firm to the Division for payment. However, it was seen in audit that notwithstanding these instructions, the Executive Engineer himself authorised further payment of Rs.1.35 lakhs on 24 December 1992 on the bill dated 19 December 1992 preferred by the firm.

The samples of cement were sent for laboratory test in February 1993 and the test report received in April 1993 disclosed that compressive strength of the cement was below the standard to the extent of 44 to 50 *per cent* as compared to the IS specification laid down in the supply order.

The Director, Supplies and Disposals, also directed (March 1993) the supplier to lift the defective cement for which payment was yet to be made and to replace the cement for which payment had been made by the consignee. The firm had not

replaced the sub-standard cement (March 1994) despite repeated requests by the Division. Meanwhile, 88.05 tonnes (cost: Rs.1.53 lakhs) of sub-standard cement had been consumed on various works during December 1992 to May 1993 and the balance 161.95 tonnes were lying with the Division as of September 1994.

Thus, failure of the divisions to get the cement tested from a reputed laboratory as stipulated in the supply order had resulted in acceptance of sub-standard cement valued at Rs.27.61 lakhs against which payment of Rs.24.23 lakhs (Irrigation Department: 1200 tonnes : Rs.20.88 lakhs; Buildings and Roads Department: 192.50 tonnes : Rs.3.35 lakhs) had already been released. Further, of the supply received, sub-standard cement valued at Rs.9.23 lakhs had already been consumed on works (Irrigation Department: 442.40 tonnes : Rs.7.70 lakhs; Buildings and Roads Department: 88.05 tonnes : Rs.1.53 lakhs). The security deposit available with the Director, Supplies and Disposals, amounted to only Rs.3.46 lakhs.

These cases were referred to Government in August 1994; replies have not been received (December 1994).

CHAPTER - VI

Financial Assistance to local bodies and others

6.1 General

During 1993-94, Government disbursed Rs.196.37 crores as grants to panchayats, municipalities, educational institutions and other institutions, etc. for the following broad purposes:

	Amount (Rupees in crores)
A. General Services	
Other Administrative Services	1.42
B. Social and Community Services	
(a) Art and Culture	0.05
(b) Water Supply and Sanitation	26.34
(c) Command Area Development Programme	26.53
(d) Family Welfare	0.18
(e) General Education	31.83
(f) Housing	0.65
(g) Medical and Public Health	2.87
(h) Social Security and Welfare	2.41
(i) Sports and Youth services	1.27
(j) Technical Education	3.89
(k) Urban Development	4.34

Amount
(Rupees in crores)

C. Economic Services

(a)	Agriculture Research	25.79
(b)	Animal Husbandry	1.29
(c)	Civil Aviation	0.32
(d)	Crop Husbandry	0.02
(e)	Ecology and Environment	0.08
(f)	Fisheries	1.31
(g)	Industries/Village and Small Industries	3.89
(h)	Non-conventional Sources of Energy	0.22
(i)	Other Rural Development Programmes	23.00
(j)	Other Scientific Research	1.41
(k)	Rural Employment	29.76
(l)	Secretariat-Economic Services	7.50

Total

196.37

Where grants are given for specific purposes, the administrative authorities are required under the financial rules of Government to furnish to the Accountant General certificates that grants had been utilised for the purpose for which these had been paid. The utilisation certificates are to be furnished within a reasonable time, unless a specific time limit is fixed by the sanctioning authority. Utilisation certificates had, however, not been received even as of August 1994 for Rs.293.30 crores (2,798 cases) out of Rs.441.95 crores (3,771 cases) paid by Government as grants during 1968-69 to 1992-93. Of these, certificates for Rs.37.80 crores (1172 cases) were due for over three years. The break-up of pending utilisation certificates is given in Appendix XII.

Audit under Section 14

6.2. General

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General. A body or authority is deemed to be substantially financed from the Consolidated Fund if the aggregate amount of grants and loans paid to it in a year is not less than Rs.25 lakhs (Rs.5 lakhs prior to 1983-84) and also not less than 75 *per cent* of its total expenditure during the year. To enable the Comptroller and Auditor General of India to determine the applicability of Section 14 of the act *ibid*, the accounts of bodies and authorities to which the grants and loans of not less than Rs.25 lakhs (Rs.5 lakhs prior to 1983-84) each had been paid by various departments in a financial year are to be obtained from the grantees by the Department and furnished to the Accountant General. On the basis of information available with Audit, 30 annual accounts for 23 bodies and authorities in

respect of grants/loans exceeding the limits mentioned above during the year 1993-94 and earlier years have not been received as of July 1994 by the Accountant General

The details are given in the Appendix XIII.

The matter was referred to Government in July 1994; reply has not been received (December 1994).

Of the 52 bodies/authorities, whose accounts for 1992-93 were received, 46 bodies/authorities were audited under Section 14 of the Act during 1993-94.

Education Department

6.3 Nugatory expenditure

Service and Conduct Rules for non-teaching employees of the Maharishi Dayanand University, Rohtak (MDU) provide that every employee appointed to a post would be placed on probation for one year. If the probation period was not extended during the pendency of such probation, the same would be deemed to have been completed satisfactorily and the employee confirmed from the due date, i.e., from the date the employee completed one year's service.

One Director Physical Education (Female) was employed on regular basis by the University in December 1978, on usual terms and conditions of service with a probation period of one year. Since the probation period of the official was not extended beyond one year, she was deemed to have successfully completed the period of probation. However, five months after completion of probation period, her services were terminated in June 1980 on the basis of some adverse report given by the Dean, Student Welfare, during May 1980, which was not conveyed to her.

The official filed (July 1980) a suit in the Punjab and Haryana High Court against the termination orders. The University was not represented at the time of hearing of the case by the court. The court, in its *ex parte* judgement of July 1992, set aside the termination orders relying on the provisions of rules for automatic confirmation of appointment in the absence of the extension in the period of probation. The University accordingly reinstated the officer in September 1992 and paid Rs.2.46 lakhs to her in October 1992 as arrears of pay and allowances from 20 June 1980 to 30 September 1992 for the period during which she did not render any service.

Thus, due to non-adherence to the prescribed service and conduct rules, the University had to incur a nugatory expenditure of Rs. 2.46 lakhs.

The Registrar of the University stated (March 1994) that it was meaningless to defend the case and as such it was not considered fit for filing an appeal in the higher court.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

6.4 Avoidable expenditure

The Executive Council of the Maharishi Dayanand University, Rohtak, resolved in March and October 1987 to set up a Chair in the name of Sir Chhotu Ram to conduct research on his work mainly in the fields of Political Science, History and Economics. Sanction was accorded by Government in April 1988 for setting up of the 'Chair' as also for the creation of posts necessary for the purpose.

It was noticed (July-October 1993) in audit that the University first delayed action by over 3 years, and then appointed (December 1991) a professor of Psychology on the 'Chair' and attached the 'Chair' to the Psychology Department. Thus, the direct nexus with the specified fields of study was lost. An expenditure of Rs.1.02 lakhs on the pay and allowances (Rs.1.01 lakhs) and contingencies (Rs.0.01 lakh) was incurred for the incumbent, who joined the 'Chair' in February 1992 and resigned from the post in September 1992 without doing any specific research work.

Later on, in December 1992, the Director, Higher Education, Haryana, issued specific directions to make appointment against the 'Chair' in the fields such as History, Political Science and Rural Development where Sir Chhotu Ram's work is remembered and also pointed out that the Department of Psychology had no relevance. The 'Chair' was set up in July 1993 in the Department of Rural Development of the University.

Apart from delay in establishment of the 'Chair' by more than 5 years for research work in the specified field, the University incurred an infructuous expenditure of Rs.1.02 lakhs in a field which did not serve the desired purpose.

The University stated (October 1993) that the fields of History, Political Science and Economics were approved by the Executive Council for research ideology under the 'Chair' and not for appointment of the professor. The reply was not tenable as the appointment was to be made in the fields specified.

The matter was referred to Government in June 1994; reply has not been received (December 1994).

Development Department

6.5 Desert Development Programme

(a) Idle infrastructure

The Public Accounts Committee (PAC), after examining the implementation of the Desert Development Programme (DDP), a Centrally sponsored programme, had observed, in its 29th Report (March 1990), that such developmental programmes should be carefully formulated, duly foreseeing the likely bottlenecks and problems so that the benefits envisaged percolated to the people for whom these were intended.

Test-check of implementation of the programme conducted between September 1993 and December 1993, however, revealed that the schemes connected therewith continued to suffer from the same infirmities as were frowned upon by the PAC.

(i) The main object of raising of nurseries under the programme was to provide fruit tree saplings largely to small and marginal farmers. For this purpose, the Director of Agriculture had agreed to provide 2 hectares of land for the establishment of a nursery at the Government Seed Farm, Kohlawas (Bhiwani district).

Against the target of raising one lakh saplings during 1990-91, only 1,032 saplings of grapes were planted after incurring an expenditure of Rs.1.38 lakhs (Rs.0.56 lakh on fencing, purchase of implements, and related works; Rs.0.45 lakh on construction of tank during 1989-90; Rs.0.37 lakh on labour and purchase of seeds during 1990-91). Of the saplings planted, 632 were damaged due to short supply of canal water, leaving just 400 saplings which were sold for Rs.800. No saplings were planted at the nursery thereafter.

The Deputy Director, Agriculture, Bhiwani, attributed (September 1993) this to non-availability of canal water and the tubewell water not being suitable for raising the plants:

Thus, failure of the Department to first ensure the availability of water before taking up the work of raising the nursery resulted in the expenditure of Rs.1.37 lakhs being rendered unfruitful, in addition to the intended objective of supplying the saplings to farmers not being achieved.

(ii) In Agriculture Farm, Mangiana (Sirsa district), a provision of Rs.5.50 lakhs was made during 1990-91 for raising disease-free Tash Ganesh and Manak Chaman varieties of grapes. During 1990-91, expenditure of Rs.2.54 lakhs was incurred on the purchase of wire (Rs.1.01 lakhs) and construction of pillars (Rs.1.53 lakhs) for erecting bowers for supporting the grape vines. The scheme was, however, dropped from the programme from 1992-93 resulting in the expenditure already incurred being rendered unfruitful/wasteful. The District Rural Development Agency (DRDA), Sirsa, stated (June 1994) that the material would be utilised by continuing the activity by the Department on its own. According to the District Horticulture Officer, Sirsa, the material had not been used and its physical verification, too, had not been conducted as of December 1994.

(iii) In Agriculture Farm, Mangiana (Sirsa district), a green house and a glass house were constructed during 1987-88 through the Panchyati Raj Division, Hisar, at the cost of Rs.3.57 lakhs (glass house: Rs.1.13 lakhs; green house: Rs.2.29 lakhs and electrical installations: Rs.0.15 lakh) for raising a nursery for fruits and vegetables. In June 1988, the Horticulture Officer, Sirsa, inspected both the structures and noticed that glasses were broken, welding of wire-net had not been done, fountains were

not working due to defects in the motor and reported (August 1988) the matter to the DRDA, Sirsa. These defects had not been removed and physical possession of the structures not handed over by the Panchyati Raj Division to Horticulture Department as of December 1994.

The Chief Executive Officer, DRDA, Sirsa, stated (June 1994) that since agricultural schemes had gone out of the purview of the DDP from 1992-93, the defects would be removed as and when the funds were provided by the State Government.

(iv) In order to ensure availability of water in ponds throughout the year for fish farming and consequential additional income to village panchayats, the Action Plans of DRDA, Sirsa, envisaged deepening of 20 ponds during 1990-91 (estimated cost: Rs.3 lakhs), 35 ponds during 1991-92 (estimated cost Rs.8.75 lakhs), 35 ponds during 1992-93 (estimated cost Rs.9.80 lakhs) and 35 ponds during 1993-94 (estimated cost Rs.12.25 lakhs). The work was executed departmentally by the Block Development and Panchayat Officers. Against the target of 125 ponds, 104 ponds were deepened at the aggregate cost of Rs.30.44 lakhs.

In 48 of these ponds deepened at the cost of Rs.14.51 lakhs during 1990-91 (6 ponds: Rs.0.90 lakh), 1991-92 (6 ponds: Rs.1.50 lakhs), 1992-93 (14 ponds: Rs.4.87 lakhs) and 1993-94 (22 ponds: Rs.7.24 lakhs), no fish seed was stocked thereby rendering the expenditure of Rs.14.51 lakhs unfruitful.

The Block Development and Panchayat Officers stated (November 1994) that fish seed could not be stocked in these ponds due to opposition of the local population and also due to acute shortage of water on account of which fish seed could not have survived.

(b) Afforestation on private lands

According to the instructions contained in the Manual on DDP, extension forestry is afforestation done on community lands and panchayat lands, degraded forests, road and railway sites and canal banks for meeting the needs of the rural poor and restoring the productivity of the land. Thus, afforestation on private lands was not admissible.

Test-check, however, revealed (September 1993) that afforestation on 66.5 hectares of private lands, too, was done by the Divisional Forest Officer (DFO), Bhiwani, at the expenditure of Rs.6.87 lakhs, during 1991-92 (64.5 hectares: Rs.6.72 lakhs) and 1993-94 (2 hectares: Rs.0.15 lakh). The DFO stated (September 1993) that some afforestation had been done on private lands due to non-availability of panchayat lands. Information as to whether any agreements had been executed by the Department with the owners of private lands to exercise control over the afforestation work done for meeting the needs of rural poor, etc., was, however, awaited (December 1994).

These points were referred to Government in September 1994; reply has not been received (December 1994).

Rural Development Department**6.6 Jawahar Rozgar Yojana****6.6.1 Introduction**

Jawahar Rozgar Yojana (JRY), a Centrally sponsored programme, was launched by the Government of India in April 1989 as a single rural employment programme after merging

The abbreviations used in the review have been listed in the Glossary in Appendix XV.

with it the on-going National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) started in October 1980 and August 1983, respectively. The primary objective of the programme is to generate additional gainful employment for the rural unemployed and the underemployed, both men and women. The secondary objectives are (i) creation of productive community assets for direct and continuing benefits to the poor and for strengthening rural economic and social infrastructure leading to rapid growth of rural economy and steady rise in the income levels of the rural poor, (ii) improvement of the overall quality of life in the rural areas, (iii) provision of fuller employment opportunities to one member of each family living below the poverty line, preference being given to Scheduled Castes/Scheduled tribes (SCs/STs) and thirty *per cent* of the employment opportunities being reserved for women, and (iv) construction of rural link roads, houses for SCs/STs, primary school buildings, minor irrigation works, village tanks, sanitary latrines and social forestry works on Government and community lands belonging to Panchayats.

Indira Awas Yojana (IAY), Million Wells Scheme (MWS) and Social Forestry constituted important planks of the strategy for achievement of the objectives of JRY.

6.6.2 Organisational set up

At the State level, the Director, Rural Development Department-cum-Special Secretary to Government(Director), is in overall charge of the programme. At the district level, implementation and monitoring are the responsibility of the District Rural Development Agencies (DRDAs), registered under the Societies Registration Act, 1860, with district Deputy Commissioners as Chairmen and Additional Deputy Commissioners as Chief Executive Officers. The planning and execution of the programme at the village level is done by the

gram panchayats with technical supervision provided by DRDAs.

6.6.3 Scope of audit

Implementation of the *Yojana* during the period from 1989-90 to 1993-94 was reviewed in audit between November 1993 and March 1994, based on test-check of the records in the offices of the Director, and four DRDAs¹, (including the offices of 30 Block Development and Panchayat Officers and 280 *gram panchayats*), out of 16 DRDAs in the State. An aggregate expenditure of Rs.3511.62 lakhs was incurred by these 4 DRDAs during 1989-90 to 1993-94. The results of the review are mentioned in the succeeding paragraphs.

6.6.4 Highlights

- Against the total available funds of Rs.11092.48 lakhs, Rs.10714.42 lakhs were utilised. Rupees 378.06 lakhs were lying un-utilised with the implementing agencies.

(Paragraph 6.6.5)

- The persons living below the poverty line as on April 1989 formed the target group under the *yojana*. As per the annual progress reports submitted to the Government of India, 172.75 lakh mandays were generated during 1989-90 to 1993-94 as against the target of 181.74 lakh mandays. The achievement as reported was, however, not fully reliable. Detailed check in two blocks showed that the figures reported to the State Government were inflated by about 19 per cent.

(Paragraph 6.6.6(b))

- Though 30 *per cent* of the employment opportunities were to be reserved for women, the actual coverage of women ranged between only 13 and 18 *per cent* during 1989-94. In Ambala district, not even a single woman was employed under the Yojana during this period.

(Paragraph 6.6.6 (c))

- The scheme envisaged a wage - material component ratio of 50:50 during 1989-90 and 60 : 40 thereafter. In 250 *gram panchayats* under the four districts test-checked, however, actual wage component ranged between only 30 and 49 *per cent* as against the prescribed percentage of 50/60. This resulted in lesser generation of employment to the extent of at least 1.04 lakh mandays.

(Paragraph 6.6.6 (d))

- The houses constructed under the Indira Awas Yojana for being provided free of cost to SCs/STs and freed bonded labourers living below the poverty line were not provided with sanitary latrines and smokeless *chullahs* as envisaged in the scheme.

(Paragraph 6.6.7(i))

- The State Government did not implement the Million Wells Scheme during 1989-90 reportedly due to the scheme being not suitable for the State. Out of the expenditure of Rs.1666.67 lakhs incurred during 1990-94, Rs.63.40 lakhs were spent on works not falling within the purview of the scheme and 279 of the 973 wells constructed in Rohtak and Hisar districts were not functional as these required the use of electric motors for which there was no provision in the scheme.

(Paragraphs 6.6.8 (a) 6.6.8(b) and
6.6.8(c)(i)(ii)(iii))

- Of the works executed by the Forest Department in Morni Hills, the DRDA, Ambala, denied having ever approved some of the works executed at the cost of Rs.24.22 lakhs. A departmental enquiry further revealed that works had been excess measured, resulting in excess payment of Rs.21.43 lakhs. Further, seven works costing Rs.34.46 lakhs were non-functional as of May 1994.

(Paragraph 6.6.8.(c)(iv))

- Under the social forestry scheme, 2.52 lakh trees had been planted by DFO, Ambala, during 1990-91 to 1993-94 at the cost of Rs.15.65 lakhs but it was not known how many of the trees planted had survived.

(Paragraph 6.6.9(c))

- Out of the allotment of 12,975 tonnes of wheat for part payment of wages of labourers in kind, only 8,514 tonnes were lifted by the implementing agencies during 1992-94. Of this, 562.30 tonnes valued at Rs.14.84 lakhs were lying unutilised.

(Paragraph 6.6.10)

6.6.5 Financial outlay and expenditure

Expenditure under the *Yojana* was to be shared between the Central and the State Governments on 80:20 basis. Central share of assistance for the *Yojana* is sanctioned by the Government of India, Ministry of Rural Development for credit to the State Government account by the Reserve Bank of India. Thereafter, further sanctions are accorded by the State Government for the release of the Central grant, together with its own contribution of 20 *per cent*, in favour of the DRDAs. Though immediately after the amounts are drawn from the

treasury in lumpsum by the DRDAs, these are booked as expenditure in the Government account, the DRDAs, retain the funds in banks. Interest earned is to be treated as additional funds available for the Yojana.

In April 1989, the State Government had a left-over balance of Rs.124.81 lakhs from the merged schemes of NREP and RLEGP. During 1989-90 to 1993-94, the Government of India released an aggregate assistance of Rs.8568.24 lakhs (including Rs.223.00 lakhs being the value of 8514.70 tonnes of foodgrains lifted by implementing agencies during 1992-93 and 1993-94 for part payment of wages to labourers in kind) and the State Government provided a sum of Rs.2389.15 lakhs. An amount of Rs.10.28 lakhs was earned as interest. Of the total funds of Rs.11,092.48 lakhs thus available, the expenditure amounted to Rs.10,714.42 lakhs. The year-wise break-up of the financial outlay and the expenditure incurred thereagainst was as follows:

Year	Opening balance	Funds provided by the		Miscellaneous receipts (interest earned on funds with Bank)	Total funds available	Expenditure incurred by DRDAs	Closing balance
		Central Government	State Government				
(Rupees in lakhs)							
1989-90	124.81	1654.56	414.10	-	2193.47	1970.95	222.52
1990-91	222.52	1484.39	550.28	-	2257.19	2085.43	171.76
1991-92	171.76	1914.12	438.09	5.62	2529.59	2353.04	176.55
1992-93	176.55	1507.02	448.07	2.41	2134.05	2012.13	121.92
1993-94	121.92	2008.15	538.61	2.25	2670.93	2292.87	378.06
Total		8568.24	2389.15	10.28		10714.42	

Test-check of the records revealed as under:

(a) In the year 1989-90, the Government of India remitted its share direct to the DRDAs. The State Government was required to release its share to the DRDAs within a month after the release of the Central assistance and the DRDAs, in turn, were required to provide funds to the *gram panchayats* within one month of the receipt of grants by them. From 1990-91 onwards, the Central assistance was paid to the State Government and the State Government was to release the amount along with its own share to DRDAs within one week. There were, however, delays ranging between 4 and 143 days in the release of financial assistance by the State Government during the period under review.

(b) Rupees 2.01 lakhs were used by the DRDA, Kurukshetra, for the purchase of POL and other contingent items for a scheme other than the *Yojana* during 1989-90 (Rs.0.63 lakh) and 1990-91 (Rs.1.38 lakhs).

(c) In 15 *gram panchayats* in Hisar and Rohtak districts, where elections were held in October 1991, the *sarpanches* neither accounted for the balances aggregating Rs.1.33 lakhs available with them nor did they hand over the amounts to their successors as of May 1994. Whereas the Additional Deputy Commissioner, Hisar, stated (August 1994) that necessary action was being taken to recover the amounts from the *sarpanches* concerned, reply from the Additional Deputy Commissioner, Rohtak, was awaited as of November 1994.

(d) According to the Government of India instructions (April 1990), administrative expenditure on the programme was to be restricted from 1990-91 onwards to 2 per cent of the annual allocation (Central/State). During 1990-91 to 1993-94, the

administrative expenditure*, however, exceeded the prescribed ceiling by Rs.257.96 lakhs and ranged between 4 and 6 per cent as follows:

Year	Annual allocation (Central/ State)	Administrative expenditure		Excess	Percentage of Column (4) to Column (2)
		As per the prescribed Ceiling	Actual		
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
1990-91	2034.67	40.69	101.33	60.64	5
1991-92	2352.21	47.04	104.91	57.87	4
1992-93	1955.09	39.10	108.98	69.88	6
1993-94	2546.76	50.93	120.50	69.57	6
	8888.73	177.76	435.72	257.96	

The Department stated (April 1994) that during the year 1989-90, the limit on expenditure on staff was 5 per cent, and, later on, when the limit was reduced from 5 to 2 per cent, the staff could not be reduced as this could have led to legal complications. The reply was not tenable in view of the prescribed norm.

(e) Wanting utilisation certificates

Out of Rs. 4307.30 lakhs released to DRDAs during 1991-92 and 1992-93, utilisation certificates had not been received for Rs.2416.42 lakhs as at the end of November 1994 as shown below :

* Figures adopted from the annual progress reports.

Period	Amount released (Rupees in lakhs)	Utilisation certificates awaited
1991-92	2352.21	570.32
1992-93	1955.09	1846.10
Total	4307.30	2416.42
6.6.6	Implementation and achievements	

(a) Identification of beneficiaries

People living below the poverty line were the target group under the *Yojana* and they were to be identified after conducting proper surveys. In the household survey conducted by the State Government during the year 1991-92, 6.29 lakh families were identified as living below the poverty line in the rural areas of the State. Of the 4 districts test-checked, in Hisar and Rohtak districts where the number of families identified as living below the poverty line was 1.35 lakhs, no record about employment provided to the targeted group was maintained. The DRDAs, Ambala and Kurukshetra (number of identified families : 0.62 lakh), did not produce any record about the employment provided to the target group.

While examining the implementation of NREP, the Central Public Accounts Committee had recommended in its 94th and 107th reports that all workers below the poverty line be identified and given identity cards-cum-pass books in which necessary entries such as days on which work was given, wages paid, etc., were to be made. The Government of India, too, had issued (November 1991) instructions to all States for preparing the lists of people below the poverty line. The State Government informed Audit in July 1994 that the work relating to the issue of identity cards-cum-pass books had been completed in four

districts² and the status regarding issue of the same in the remaining 12 districts was being ascertained.

(b) Targets and Achievements

According to the progress reports submitted by the State Government to the Government of India, the State Government generated additional employment of 172.75 lakh mandays during 1989-90 to 1993-94 as against the target of 181.74 lakh mandays as per the following details:

Year	Target (Mandays in lakhs)	Achievements
1989-90	34.11	34.13
1990-91	37.61	35.03
1991-92	37.67	36.03
1992-93	33.71	32.63
1993-94	38.64	34.93
Total	181.74	172.75

As per the muster rolls of the Ambala and Barwala Blocks (Ambala district) for the year 1992-93 which were selected for detailed check in audit, employment generated during the year was 16,104 mandays (Ambala: 10,370; Barwala: 5,734). The BDPO's however, reported the achievement to the DRDA, Ambala, as 17,450 mandays (Ambala: 7035, and Barwala: 10,415) and the DRDA in turn reported the figure as 19101 mandays (Ambala: 8587; and Barwala: 10514). Thus, whereas the reporting of achievements to DRDA had been inflated by over 8 *per cent*, the reporting by DRDA was inflated

by another 9 per cent, the overall excess reporting being 19 per cent.

(c) Employment of women

Under the *Yojana*, 30 per cent of the employment opportunities were to be reserved for women. Actual coverage of women, however, reportedly ranged between only 13 and 18 per cent as under:

Year	Total employment generated	Employment actually provided to women (Mandays in lakhs)	Percentage
1989-90	34.13	6.23	18
1990-91	35.03	4.48	13
1991-92	36.03	4.60	13
1992-93	32.63	5.14	16
1993-94	34.93	5.82	17
Total	172.75	26.27	15

According to the progress reports of Ambala district, not even a single woman was employed under the *Yojana* during 1989-90 to 1993-94. Government stated (February, 1994) that Haryana is a progressive and developing State and in certain areas, women labourers were not available in sufficient numbers. The reply was not considered tenable as it was silent about the effort, if any, made by Government to persuade the women to avail themselves of the benefits available under the scheme.

(d) Wage-material component

According to the instructions issued by the Government of India, only those rural works which result in the creation of durable productive community assets were to be taken up under the *Jojana* and the ratio between the wage and material components during 1989-90 was to be kept at 50:50 and thereafter at 60 : 40. However, against the prescribed percentages of 50/60, the actual wage component during 1989-90 to 1992-93 ranged between only 30 and 49 in the four districts test-checked as follows:

Name of the district	Number of <i>gram panch-ayats</i> test-checked	Expenditure incurred	Expenditure incurred on wages	Expenditure incurred on material	Actual wage and material ratio
(Rupees in lakhs)					
Ambala	206	129.45	49.55	79.90	38 : 62
Hisar	20	30.81	15.01	15.80	49 : 51
Kurukshetra	27	13.64	4.13	9.51	30 : 70
Rohtak	27	43.37	20.57	22.80	47 : 53
Total	280	217.27	89.26	128.01	41 : 59

Excess expenditure on material resulted in generation of lesser employment to the extent of 1.04 lakh mandays, even when computed with reference to the highest minimum wage of Rs.39.70 paid to skilled labourers in Ambala during 1992-93. Government stated (January 1994) that the prescribed ratio of 60 : 40 could not be adhered to due to high cost of materials used in the developmental works. The reply was not tenable since excessive expenditure on the material component was against a

major parameter of the scheme and tended to defeat the very objective of the *Yojana*.

6.6.7 Indira Awas Yojana

(a) With a view to providing houses free of cost, to SCs/STs and freed bonded labourers below the poverty line, who are not in possession of houses, a specific allocation of 6 per cent of the total funds was earmarked for Indira Awas Yojana (IAY) which formed part of JRY. The houses were to be constructed by *Sarpanches* in clusters up to 1990-91. Thereafter, individual units were to be constructed by the beneficiaries themselves within the prescribed expenditure ceilings depending upon the locality, etc.

Funds released and the expenditure incurred thereagainst during the period from 1989-90 to 1993-94 were as follows:

Year	Funds released	Expenditure	Excess/ Saving
(Rupees in lakhs)			
1989-90	124.09	149.51	25.42
1990-91	114.96	114.96	-
1991-92	119.46	132.92	13.46
1992-93	116.53	120.58	4.05
1993-94	227.46	217.55	(-)9.91
Total	702.50	735.52	33.02

Reasons for the excess expenditure were not intimated by the Director (August 1994).

(b) Construction of houses under Indira Awas Yojana

Each house in an area of 17-20 square metres was to have a kitchen, a smokeless *chullah* and a sanitary latrine. Houses were to be built, as far as possible, in clusters so that common facilities could be provided for each cluster. The permissible cost of construction was as under:

Construction of house	Rs. 8,000*
Construction of sanitary latrine and smokeless <i>chullah</i>	Rs. 1,400
Cost of providing infrastructure	Rs. 3,300
Total	Rs.12,700

According to the progress reports submitted by the State Government to the Government of India, altogether 5,876 houses were constructed against the target of 5,825 houses during 1989-90 to 1993-94. It was seen that during 1989-90 to 1992-93, in the four districts test-checked, against the target of 1,595 houses, 1,457 houses were actually constructed at the cost of Rs.187.50 lakhs, at the average cost of Rs.12,869 per house.

The following points were also noticed in audit:

(i) The houses constructed were not provided with the requisite amenities like sanitary latrines and smokeless *chullahs* as envisaged in the scheme. The Block Development and Panchayat Officers (BDPOs) concerned stated (November 1993 and February 1994) that these amenities could not be provided

* Rs.9,800 in difficult areas like hills

due to shortage of funds. The reply was not tenable as the maximum admissible cost had already been incurred on the construction of these houses.

(ii) Out of 24 houses constructed in Karnal district during 1989-90 to 1993-94, 15 houses, constructed at the cost of Rs.1.57 lakhs, were lying vacant as these were located away from the villages.

(iii) The allotment of houses constructed under the *Yojana* was to be made in the names of the female members of the beneficiary households or in the joint names of husband and wife in case of SCs/STs. Information about the number of houses allotted to female members of the beneficiary households or in the joint names of husband and wife was not monitored by the DRDAs.

6.6.8 Million Wells Scheme

With a view to providing open irrigation wells, free of cost, to small and marginal farmers belonging to SCs/STs and to the freed bonded labourers below the poverty line, the Million Wells Scheme (MWS) was introduced in the State as one of the components of JRY in 1990-91.

Twenty *per cent* of the total allocation under JRY was to be earmarked for MWS. This was to be allocated amongst the districts with reference to unirrigated land held by SCs/STs and freed bonded labourers having potential for well irrigation. The allocation was meant for open wells only and tubewells/bore wells were not to be taken up under the scheme. The beneficiaries were to undertake the construction of their wells through their own labour and the local labour for which they were to be paid and in no case was the work to be entrusted to contractors by the project authorities.

(a) Allocation of funds

(i) Twenty *per cent* of the Central and State allocation of funds was required to be earmarked by the State Government for the Million Wells Scheme. During 1990-91 to 1992-93, funds aggregating Rs.1131.16 lakhs were released by the State Government as against Rs.1268.38 lakhs required to be released in accordance with the prescribed norm of 20 *per cent*, the shortfall in allocation being Rs.137.22 lakhs. During the year 1993-94, against Rs.509.35 lakhs as per the prescribed norm, the Government of India allocated Rs.708.03 lakhs and the State Government released Rs.695.09 lakhs, the excess being Rs.185.74 lakhs. The expenditure during 1990-91 to 1993-94, aggregated Rs.1666.67 lakhs as per the year-wise details tabulated below:

Year	20 <i>per cent</i> of the total allocation	Funds released by the State Government	Shortfall(-) Excess (+) in allocation	Expenditure
(Rupees in lakhs)				
1990-91	406.93	369.95	(-) 36.98	336.66
1991-92	470.44	385.36	(-) 85.08	353.50
1992-93	391.01	375.85	(-) 15.16	427.54
1993-94	509.35	695.09	(+) 185.74	548.97
	1777.73	1826.25	(+) 48.52	1666.67

(ii) No funds were allocated for implementation of the scheme during 1989-90. The State Government had reported

(August 1990) in the Annual Report for the year 1989-90 that MWS was not being implemented in the State having not been found suitable. However, from 1990-91 onwards, funds were allocated for its implementation. The reasons for shortfall/excess in allocation of funds during 1990-91 to 1993-94 were not, however, intimated by the Director (August 1994).

(b) Targets and achievements

Targets were not fixed by the State Government under MWS. However, 3,067 wells were constructed as per the progress reports submitted by the State Government to the Government of India as given below:

Year	<u>Number of wells</u>	
	Taken up for construction	Completed
1990-91	407	264
1991-92	505	394
1992-93	997	963
1993-94	1,607	1,446
Total	3,516	3,067

It was noticed that out of 973 wells constructed in Rohtak (268) and Hisar (705) districts, as many as 279 wells (Rohtak: 43 and Hisar: 236) constructed at the cost of Rs.56.75 lakhs were not functional (March 1994) for drawing water, as these required use of electric motors for which there was no provision.

(c) Irregular expenditure

(i) Rupees 8.78 lakhs were spent under MWS during 1990—92 (Ambala: Rs.1.88 lakhs and Hisar: Rs.6.90 lakhs) for the construction of field channels and *kholes* although such works were not covered under the scheme. The State Government issued instructions to DRDAs in January 1992 that field channels and *kholes* should not be constructed in future.

(ii) In October 1991, the State Government issued instructions to all DRDAs/BDPOs that wells should not be constructed for drinking purpose. Despite this, Rs.18.54 lakhs were spent on the construction of 78 drinking water wells (Ambala: 5: Rs.1.26 lakhs; Hisar:37 : Rs.11.76 lakhs; Kurukshetra: 10: Rs.1.77 lakhs and Rohtak: 26: Rs.3.75 lakhs) during 1990-91 to 1992-93.

Similarly, 122 drinking water tanks were constructed at the cost of Rs.21.77 lakhs during 1990-91 and 1991-92 (Ambala:2: Rs.0.40 lakh; Hisar: 58: Rs.9.62 lakhs; Kurukshetra: 25: Rs.7.37lakhs and Rohtak: 37: Rs.4.38 lakhs) although these were not covered under the scheme. Reasons for the irregular expenditure were not intimated by the DRDAs (August 1994).

(iii) Under the *Yojana*, open irrigation wells were to be constructed by the beneficiaries themselves on their own land and construction of tubewells/bore wells was prohibited. In Sonipat and Panipat districts, the DRDAs spent Rs.3.15 lakhs and Rs.1.99 lakhs, respectively, on the construction of tubewells, that, too, on panchayat lands and through contractors, not permissible under the scheme.

Similarly, the DRDAs, Kaithal and Karnal, had irregularly spent Rs.3.49 lakhs on the construction of 27 wells on the property of village panchayats, and the DRDA, Gurgaon,

incurred an expenditure of Rs.5.68 lakhs on the levelling of panchayat lands of Nagina and Ferozpur Zhirka blocks.

(iv) The *Yojana* provided that where wells were not possible due to geological factors, the amounts allocated under MWS could be utilised for other schemes of minor irrigation like irrigation tanks, water harvesting structures and also for development of lands of Scheduled Castes. Under these provisions, the DRDA, Ambala, released an amount of Rs.50.58 lakhs between January 1991 and March 1991 to the Divisional Forest Officer (DFO), Morni, for undertaking 25 works for the construction of earthen dams, water channels, etc., at an aggregate estimated cost of Rs.63.66 lakhs. Of Rs.50.58 lakhs, Rs.48.50 lakhs were reported by the DFO as having been utilised by 31 March 1991 i.e., within about one-and-a-half months of submission of the plan of operations on 12 February 1991, and the balance amount of Rs.2.08 lakhs by April 1991. The following points were noticed:

(a) No formal approval was accorded for the execution of any of the works. The Additional Deputy Commissioner-cum-Chief Executive Officer (ADC/CEO), DRDA, had merely ticked 25 of the works listed in the plan of operations submitted by the DFO.

(b) In June 1991, The ADC/CEO, DRDA, in his report to Director, Rural Development Department, stated that the works executed at the cost of Rs.24.22 lakhs were never approved by his office.

(c) An enquiry conducted by the Conservator of Forests, Development Circle, Haryana, came to the conclusion (April 1992) that the works executed had been excess measured and paid for accordingly. The excess payment was to the extent of Rs.21.43 lakhs. On this, Government directed the Chief

Conservator of Forests to order recovery of the overpayments made and initiate disciplinary proceedings against all defaulting officials. The DFO, Morni, intimated in October 1994 that the officials at fault had been placed under suspension, an enquiry was in progress, and the amounts would be recovered after the responsibility was fixed.

(d) DFO, Morni, also intimated Audit in February 1994 that payment of wages to labourers to the extent of Rs.10.46 lakhs were yet to be made. He further stated (May 1994) that 7 of the works costing Rs.34.46 lakhs were non-functional and to make 3 of these (expenditure already incurred : Rs.14.08 lakhs) functional, additional outlay of Rs.8.05 lakhs would be necessary.

(v) Irregular expenditure through contractors

In order to maximise the generation of employment for the rural poor, contractors were not permitted to be engaged for execution of works under the *Yojana*. In 4 blocks of Kurukshetra district, Rs. 1.77 lakhs were spent on land levelling on contract basis through the Haryana Land Reclamation Development Corporation. The Department stated (January 1994) in justification that it was not physically possible for the labourers to complete the works in a short span of time.

6.6.9 Social forestry

Social forestry works under JRY were to be taken up on Government and community land and on roadsides, canal embankments and the sides of railway lines for the plantation of all types of fruit, fodder and fuel trees. The entire produce from such land was to be made available for community use. The cost of maintenance of such plantations up to the time the trees were able to survive or for a period of three years from the year of plantation, whichever was earlier, was to be met from JRY

funds, the quantum being limited to 10 *per cent* of the annual allocation.

Targets for the years 1989-90 to 1993-94 were not made available by the Department. The actuals as per the progress reports submitted by the State Government to the Government of India were, however, as follows:

Year	Area covered (In hectares)	Plantation of trees (Number in lakhs)	Expenditure (Rupees in lakhs)
1989-90	1081.10	17.52	68.15
1990-91	78.15	9.05	53.12
1991-92	953.58	11.33	64.17
1992-93	476.00	2.15	27.57
1993-94	276.50	4.56	31.57
Total	2865.33	44.61	244.58

The following points were noticed:

(a) In February 1990, DRDA, Sonipat, paid Rs.0.64 lakh to DFO, Sonipat, for plantation of trees on the G.T. Road. The DFO submitted utilisation certificate to the DRDA for the said amount in March 1990. In August 1990, however, the Deputy Commissioner, Sonipat, on his visit to the site found that no plantation had been done by the DFO. Accordingly, the DFO was asked (December 1990) by the Deputy Commissioner to refund the entire amount. Neither the amount had been refunded nor was any action initiated against the DFO or any other official as of August 1994.

(b) In Ambala district, Rs.3.24 lakhs were allotted by the DRDA to the DFO, Ambala, during 1993-94 for social forestry works. The DFO spent Rs.1.58 lakhs on the maintenance of the plants against the permissible limit of Rs.0.32 lakh (10 per cent of the allocation of Rs.3.24 lakhs) resulting in excess expenditure of Rs.1.26 lakhs.

(c) During 1990-91 to 1993-94, Rs.15.65 lakhs were paid by DRDA, Ambala, to the DFO, Ambala, for undertaking social forestry works, under which 2.52 lakh trees of different varieties were reported to have been planted. There were no records available to show as to how many of the trees planted had survived and whether any of the trees had been transferred to the village panchayats for use by the community and also for keeping a record of the assets created out of JRY funds.

6.6.10 Distribution of foodgrains

Guidelines issued by the Government of India provided for payment of wages to labourers under the programme partly in cash and partly in kind. The quantity of foodgrains required to be provided to each labourer was fixed at 1.5 kilograms per manday. Foodgrains supplied to the State Government by the Government of India through the Food Corporation of India as part of Central assistance were to be distributed at subsidised rates.

Against the allotment of 4,900 tonnes of wheat valued at Rs.128.33 lakhs for distribution in the districts during 1992-93, only 4,326 tonnes valued at Rs.113.30 lakhs were lifted by the implementing agencies for distribution to the labourers. Of the quantity lifted, the reported utilisation was only 3,762 tonnes worth Rs.98.53 lakhs, and the remaining 564 tonnes valued at Rs.14.77 lakhs were lying unutilised. During 1993-94, the quantity of wheat allotted was 8,075 tonnes, of which 4,188.70 tonnes valued at Rs.109.70 lakhs were lifted by the

implementing agencies. Of this, together with the closing stock of 564 tonnes of the preceding year, the implementing agencies distributed 4,190.40 tonnes amongst the labourers as part wages leaving a closing stock of 562.30 tonnes valued at Rs.14.84 lakhs as of October 1994. Government intimated (September 1994) that the labourers engaged under the programme were not interested in receiving their wages partly in the shape of foodgrains as the foodgrains were available in the open market at cheaper rates.

6.6.11 Training of personnel

With a view to providing necessary orientation to the officers handling JRY works at various levels, the State Government was required to organise regular training workshops/programmes and for this purpose, each DRDA was authorised to spend up to Rs.0.50 lakh *per annum*. Organisations like the Council for Advancement of Rural Technology, National Buildings Construction Organisation, Central Building Research Institute, were to be involved in such training programmes. Government intimated (March 1994) that whereas during 1989-90, no training programme was arranged, 236 official and non-official members were trained during 1990-91 (205) and 1993-94 (31). The number of personnel trained during 1991-92 and 1992-93 was not available with Government. No targets were fixed for any of these years. In the four districts test-checked, however, no personnel were provided any training.

6.6.12 Monitoring

Monitoring of the programme at the State level was the responsibility of the State Level Co-ordination Committee (SLCC) for Rural Development Programmes. A schedule of inspection of each supervisory level functionary from the State Government down to the block level was required to be drawn up with the approval of the SLCC and a copy thereof was also to be

made available to the Government of India for information. But no such schedule of inspection had been approved by the SLCC. Thus, no systematic monitoring of the implementation of the programme was done.

The Department stated (October 1993) that periodical inspections of works undertaken under the programme were done by the officers of the State headquarters, DRDAs, Executive Engineers/Sub Divisional Officers, DDPOs and BDPOs. No record thereof was, however, kept.

6.6.13 Evaluation

The JRY Manual provided that the State should conduct periodical evaluation studies of the implementation of the programme. Without intimating whether any such studies had been conducted by them, the State Government stated (May 1994) that the evaluation studies of the implementation of the programme were being conducted by the Government of India through the Centre for Developmental Studies, New Delhi, from whom, however, no report had been received.

6.6.14 These points were referred to Government in September 1994; reply has not been received (December 1994).

Audit under Section 19.

6.7 General

The Comptroller and Auditor General of India undertake the audit of accounts of statutory bodies established by law made by the State Legislature on the specific request of the State Government under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Important points emerging from such scrutiny are given in the following paragraphs:-

Housing Department

6.8 Infructuous expenditure

The work of construction of 36 low income group single storey houses including sanitary and electric installations (estimated cost : Rs.6.11 lakhs) in Housing Board Colony, Phase-II, Cheeka, was awarded in August 1986 to a contractor by the Executive Engineer (EE), Housing Board, Ambala. The work was to be completed by February 1987.

However, on the request of the contractor, the completion date was later extended by the Chief Engineer (CE) of the Board up to May 1987. Payment of Rs.2.56 lakhs was made to the contractor through six running bills up to April 1987. Thereafter, on 22 May 1987, the contractor stopped the work for reasons not on record. Notwithstanding the stoppage of the work, his seventh running bill for Rs.0.21 lakh was paid on 6 June 1987. It had all along been certified that the work done was as per PWD specifications.

After serving a notice on the contractor on 19 August 1987, the Executive Engineer levied (7 September 1987) compensation of Rs.0.62 lakh (10 *per cent* of contract value) and asked the contractor to complete the work by 30 September 1987. As there was no further progress in the work, the position was reported to the CE on 3 November 1987, also stating that some cracks had developed at the junction of horizontal and vertical walls in almost all the houses.

However, on an assurance from the contractor to complete the work by January 1988, the CE reduced (18 November 1987) the amount of compensation from 10 to 2 *per cent* as an interim measure and advised that the position would be reviewed after completion of work. Notwithstanding

this concession, there was no further progress in execution of the work. Meanwhile, the contractor applied for extension up to 30 April 1988. However, his request was not acceded to by the EE, Ambala.

In June 1988, the CE advised the Executive Engineer (EE) to take action against the contractor according to the terms and conditions of agreement. Meanwhile, Superintending Engineer (SE) and the EE of the Board inspected the site on 10 August 1988 in connection with cracks in brick work. On the observations made at site by the SE, the EE reported on 12 August 1988 that there was no earth filling inside the houses up to the DPC level and that the walls had collapsed due to poor workmanship and non-provision of proper bending joints. He further reported that the cracks would widen with the passage of time. The Executive Engineer, Housing Board Haryana, Karnal, who also inspected the site in October 1992, reported to the CE that there was no point in repairing/rectifying the defects as the same would prove costlier for the allottees. The Chief Administrator, Housing Board, visited (April 1993) the site with a committee of engineers and decided to dismantle 33 partially constructed houses.

According to the estimates (March 1990) of the EE, Ambala, there would be a net loss of Rs.2.39 lakhs after taking into account labour charges for dismantling the work and receipts on account of salvaged material.

The progress regarding dismantling of houses and action taken against the contractor as well as to fix responsibility on the departmental officials was awaited as of April 1994.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

6.9 **Loss owing to construction of houses on unapproved layout plan**

The Housing Board, Haryana, took possession of 7.716 hectares of land in Sector 10, Ambala, in March 1992 from Haryana Urban Development Authority (HUDA) for construction of Low Income Group houses. The layout plan of the houses to be constructed on the land allotted by HUDA is required to be got approved from the Chief Town Planner, HUDA, before starting any work thereon. While the matter regarding approval of layout plan was under correspondence with HUDA, the Board allotted construction of 254 houses to a contractor who commenced the work in May 1992 in blocks I and II consisting of 20 and 24 houses, respectively.

In the meanwhile, HUDA had taken up the issue of development of Sector 10 with the Indian Oil Corporation (IOC) whose Mathura-Jalandhar pipeline was passing through that area. In July 1992, HUDA passed on an IOC communication intimating that no habitation was permissible within 15 meters on either side of the pipeline. Thereupon, the construction work already in hand was stopped. However, by that time, the construction work in block I had been completed up to Damp Proof Concrete (DPC) level and in block II up to 13 1/2" brick work level. The cost incurred was Rs.4.44 lakhs. Accordingly, the plan initially proposed for approval was revised and finally approved by HUDA in August 1993. The work already executed at Rs.4.44 lakhs had to be dismantled after incurring further expenditure of Rs.0.34 lakh. Material valued at Rs.1.03 lakhs only was salvaged.

Thus, due to commencement of work before getting the layout plan approved by HUDA, there was infructuous expenditure of Rs.3.75 lakhs.

The Board stated (July 1994) that it was not aware of the guidelines for leaving a setback alongside the IOC pipeline and that the construction work was stopped as soon as the matter was brought to the notice of the Board. The reply was endorsed by Government in August 1994. The reply was not tenable as, even if the Board was ignorant of the IOC requirements, it should have waited for clearance of the layout plan by HUDA.

**Town and Country Planning Department
(Haryana Urban Development Authority)**

6.10 Non-recovery of development charges

Section 38 of the Haryana Urban Development Authority (HUDA) Act, 1977, provides for the recovery of development charges for extension of amenities, as may be fixed by the State Government having regard to the expenses to be incurred for providing such amenities. In November 1977, it was decided by the Finance Committee of HUDA that the development cost of plots would also include the cost of horticulture works for development of the green belt and their maintenance cost for the period of 5 years.

The Executive Engineer, Horticulture Division, HUDA, Gurgaon, executed horticulture works in the Industrial Complex, Dharuhera, at the cost of Rs.6.62 lakhs from 1986-87 to 1988-89 without obtaining administrative approval and technical sanction of the competent authority. A further expenditure of Rs.6.43 lakhs was also incurred during 1989-90 to 1992-93 on maintenance of these works. The rough cost estimate for Rs.22.33 lakhs submitted by the Division in September 1986 for administrative approval and re-submitted in March 1989 to the Chief Administrator, HUDA, had not been approved as of August 1994.

It was noticed (August 1990) in audit that while working out the cost of industrial plots, the aforementioned expenditure of Rs.13.05 lakhs was not included in the total cost of the industrial plots. Twenty-seven out of the 31 industrial plots developed had been sold during September 1981 to July 1994. The proportionate cost of horticultural works chargeable on these plots worked out to Rs.11.37 lakhs.

The Executive Engineer accepted (June 1993) the fact that the expenditure on landscaping and horticulture works had not been taken into account and, accordingly, not recovered from the allottees. Non-inclusion of the same in the cost of plots resulted in non-recovery of Rs.11.37 lakhs with a further likely loss of another Rs.1.68 lakhs.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

6.11 Injudicious grant of extension of time

The Haryana Urban Development Authority (HUDA) Division, Rohtak, allotted (March 1990) the work of laying of salt-glazed stone ware (SW) pipes (quantity : 7,000) sewer, construction of manhole chambers and all other works contingent thereto (estimated cost : Rs. 4 lakhs), in EWS Colony, Sector 13, Bhiwani, to a contractor for completion within six months from 13 March 1990. The contractor requested (August 1990) the Executive Engineer for supply of SW pipes and cement to speed up the work which was stated to have already been commenced by him. The material required was not issued by the Executive Engineer because the contractor had failed to deposit the requisite security. Meanwhile, extension of time for completion of work was granted thrice, up to 20 December 1990, 20 March 1991 and 20 July 1991, by the Superintending Engineer,

HUDA Circle, Gurgaon, to the contractor on the plea of non-availability of pipes although sufficient stock was available..

Due to non-completion of work within the stipulated period, the Executive Engineer levied compensation of Rs.0.40 lakh in August 1992. The work was also allotted at higher rates to another contractor in November 1992 at the risk and cost of the former. The amount of risk and cost worked out to Rs.2.89 lakhs, based on the actual quantities of various items of work executed by the second contractor. To recover this amount, HUDA went into arbitration and filed (March 1993) a claim for Rs.6.96 lakhs (risk and cost : Rs.2.89 lakhs; difference in rates of material : Rs.2.63 lakhs; penalty : Rs.0.40 lakh; publication of tenders : Rs.0.04 lakh and bad name to HUDA : Rs.1 lakh). The contractor filed (August 1993) a counter claim of Rs.1.50 lakhs for excavation of sewer line and idle labour, etc. During arbitration proceedings, the contractor pleaded that he had not deposited the security as pipes were not issued to him and further stated that he had already started the work and had excavated 3,200 feet of sewer line, as would be evident from the report of the Sub-Divisional Engineer submitted to the Executive Engineer in October 1990. The contractor also argued that due to non-supply of SW pipes by the Department, extension of time was granted to him and that he could not deposit the requisite security as he was never informed about the availability of SW pipes with the Department. On the other hand, the Department pleaded that he had not started the work, as there was no record entry to this effect in any measurement book. After hearing and consulting the records, the Arbitrator rejected (November 1993) all the claims filed by HUDA.

Advice was sought (December 1993) by the Executive Engineer from the legal cell of HUDA in regard to filing of appeal against the decision of the Arbitrator. The legal cell opined (December 1993) that the case was not fit for preferring an appeal because the Executive Engineer had failed to issue

pipes to the contractor despite having sufficient stock and on the contrary had thrice recommended extensions due to non-availability of material. Thus, due to injudicious grant of extension of time, HUDA suffered loss of Rs.3.33 lakhs.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1 General

The Chapter deals with the audit of departmentally managed Government commercial and quasi-commercial undertakings.

There were 6 departmentally managed Government commercial and quasi-commercial undertakings in the State as on 31 March 1994. *Pro forma* accounts for 1993-94 in respect of none of these undertakings had been received as of August 1994.

The extent of arrears in the submission of *pro forma* accounts is shown below :

Serial number	Name of undertaking	Extent of arrears
1.	Colonisation Department ¹	1969-70 to 1983-84 (up to September 1983)
2.	Agriculture Department (Purchase and Distribution of Pesticides)	1979-80 to 1993-94
3.	Agriculture Department (Seed Depot Scheme)	1982-83 to 1993-94
4.	Haryana Roadways	1988-89 to 1993-94
5.	Printing and Stationery Department (Nationalised Text Books Scheme)	1988-89 to 1993-94

¹ The Colonisation Department was wound up with effect from 13 September 1983 according to the State Government Notification No. 18/43/82 TCP dated 19 September 1983.

Serial number	Name of undertaking	Extent of arrears
6.	Food and Supplies Department (Grain Supply Scheme)	1993-94
7.	Haryana Veterinary Vaccine Institute	1993-94

The summarised financial results of these undertakings on the basis of latest accounts made available are given in Appendix XIV.

Food and Supplies Department

7.2 Avoidable payment of wages

Section 25 (F) of Industrial Disputes Act, 1947, lays down that no workman employed in any industry, who has been in continuous service for not less than one year under an employer shall be retrenched until he has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired or the workman has been paid wages in lieu of such notice. Under Section 25-B of the Act *ibid*, a workman who during a period of 12 months has actually worked in an industry for not less than 240 days shall be deemed to have completed one year of continuous service.

The services of seven chowkidars, who were appointed in April and May 1987 for watch and ward duty were terminated between March 1988 and July 1988 without following the provisions of aforesaid Act. The employees filed appeals in the Labour Court which set aside (February 1992) orders of the termination of their services and ordered reinstatement of the workmen allowing continuity of service with full back wages. The employees filed petitions in the High

Court to get the award of the Labour Court implemented. The High Court, on the assurance of counsel of the Department that relief had been granted and arrears of back wages would be paid within 2/3 months, dismissed (September 1992) the petitions as infructuous. The Department reinstated the workmen in September 1992 and paid (November 1992) arrears of back wages of Rs.2.88 lakhs.

The Department stated (May 1994) that the services of the workmen were terminated as their services were not required. The reply was not tenable as the provisions of the Industrial Disputes Act regarding termination of services were not followed and consequently there was avoidable payment of wages amounting to Rs.2.84 lakhs, after excluding wages (Rs.0.04 lakh) for one month in lieu of notice period.

The matter was referred to Government in August 1994; reply has-not been received (December 1994).

Printing and Stationery Department

7.3 Extra expenditure

Tenders for the purchase of 50 tonnes of sunlit offset paper (25 tonnes each of 15 kg and 25 kg weight per ream) as per IS specifications were invited by the Controller, Printing and Stationery Department, for use in the Haryana Government Press, Chandigarh. The tenders were opened in May 1991. Of the 4 offers received, two, one each from firm 'A' of Lakhimpur Kheri (Uttar Pradesh) and a Chandigarh-based firm 'B', were for sunlit offset paper as per IS specifications and the remaining two offers were for offset paper not conforming to the prescribed specifications. The lowest offer for both the types of sunlit offset paper was from firm 'A', at Rs.21,934 per tonne.

The High Powered Committee (HPC) of the Department,

however, observed (August 1991), erroneously, that all the firms excepting firm 'B' had offered offset paper and not sunlit offset paper. The samples received were visually inspected and the HPC found the sample of firm 'B' to be superior to all other samples. Accordingly, the HPC decided that only 10 tonnes be procured from firm 'B' at its quoted rates of Rs.24,856 and Rs.23,608 (5 tonne each of 15 kg and 25 kg weight) to meet the urgent requirements and for the balance requirement, tenders be invited afresh.

After reinvitation of tenders in September 1991 for offset paper and not for sunlit offset paper, the HPC was informed (December 1991) by the Press that sufficient stock of offset paper was already available with the Press and that the requirement was for the sunlit offset paper. The HPC accordingly decided that 40 tonnes of sunlit offset paper be purchased from firm 'B' at its old rates. Altogether, 25.215 tonnes (15 kg) and 23.675 tonnes (25 kg) of paper, inclusive of the quantities ordered earlier, were procured and received during December 1991 and January 1992.

The decision of the HPC to place order on firm 'B' on the ground that it was the only firm offering the sunlit offset paper was not factually correct as firm 'A', too, had offered this paper as per IS specifications in accordance with the tender notice and at lower rates. It was further observed in audit that the firm 'A' had also supplied 51.120 tonnes (15 kg) and 101.687 tonnes (25 kg) of this paper to the Department during 1990-91 and that no complaint about the quality of the paper supplied by it earlier was on record. On the other hand, 15 kg size paper supplied by firm 'B' failed (January 1992) in the laboratory tests and was accepted only after imposing a quality cut of Rs.5,194. Thus, rejection of the offer of firm 'A' on the basis of only a visual inspection of its sample, without taking into account the fact that its offer was lower and it had also made supplies of the same paper in the past,

had resulted in avoidable extra cost of Rs.1.13 lakhs on the procurement of 48.890 tonnes of paper.

The Controller stated (October 1993) that the supplies made by firm 'A' in 1991 were not up to the mark even while conforming to the IS specifications and that this fact had been verbally brought to the notice of the HPC. The plea was not tenable as there was no indication in the decision of the HPC that the question of quality of the paper supplied by the firm in the past had been brought to the notice of HPC; the Department had also accepted the supplies in 1991 without any reservation and imposition of penalty/quality cuts. Also, it was the paper supplied by firm 'B' that was ultimately found defective.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Transport Department
(Haryana Roadways)

7.4 Delay in implementation of increase in fares

With effect from 26 October 1992, the Delhi Transport Corporation rounded off the fare of Rs.3.50 per passenger charged by its own buses for the journeys between Inter-State Bus Terminus (ISBT), Delhi, and Haryana border to Rs.4. This was communicated by the Flying Squad Officer, Transport Department, Haryana, posted at the ISBT, Delhi, to all the General Managers of the Roadways with directions of the State Transport Commissioner (STC) to increase the fares for Delhi by Re.0.50 per passenger.

It was, however, observed (July 1993) in audit that the increase was not given effect to by the Chandigarh depot of the Roadways. The General Manager of the depot instead brought (November 1992) certain anomalies to the notice of the STC and suggested an urgent meeting to resolve the issue and levy a uniform tariff. Clarification, if any received on the subject from

the STC, was not made available to Audit, but the Depot implemented the increase in fares from 28 February 1993. Assuming on average 70 *per cent* utilisation of the carrying capacity of the 52-seater buses plying on the Haryana-Delhi routes, non-implementation of the increase during the intervening period of 26 October 1992 to 27 February 1993 had resulted in an avoidable loss of Rs.2.52 lakhs.

The General Manager attributed (January 1994) the delay in the increase in fares to a communication gap. The reply was not tenable as the increase had been communicated to the Depot on 25 October 1992 and if he had any real doubts, he should have expeditiously sorted these out with the STC stationed at Chandigarh itself without waiting for a period of over 4 months.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

7.5 Excess consumption of high speed diesel

A tyre retreading plant was installed at the Ambala depot of the Haryana Roadways in February 1972 at the cost of Rs.0.41 lakh. After having run for more than its useful life of 10 years, the steam boiler of the plant was replaced in December 1982. However, the consumption of high speed diesel (HSD) by the replaced boiler had become excessive since May 1991 and had gone up from the normal level of 10 litres per tyre to 21.9 litres per tyre in November 1991. The depot approached the State Transport Commissioner (STC) for its replacement in October 1992. Approval had not, however, been accorded even as of April 1994. In the meanwhile, the depot had the boiler repaired thrice, in November 1992, January 1993 and December 1993, at the total cost of Rs.0.14 lakh but the consumption of HSD remained above the normal level of 10 litres per tyre.

Non-replacement of the boiler resulted in excess consumption of 39.245 kilo litres of HSD valued at Rs.2.11 lakhs, during the period from May 1991 to December 1993.

The General Manager of the depot attributed (March 1994) non-replacement of the boiler to shortage of funds. The reply was not tenable as the Transport Department had sufficient funds under the head '103-Workshop facilities'. The General Manager also stated that the inner portion of boiler had since been repaired in February 1994 at the cost of Rs.0.05 lakh with consequent reduction of the consumption of HSD to 10.02 litres per tyre.

Thus, due to lack of timely action for replacement of the boiler which would have cost only Rs.0.50 lakh, or even for the repair of the inner portion of the boiler the Department had to incur an avoidable extra expenditure of Rs.2.11 lakhs on excess consumption of HSD.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

7.6 Avoidable payment of interest

With a view to doing away with avoidable payments of interest on account of delays in depositing the amounts of compensation awards announced by the Motor Accident Claims Tribunal, the State Transport Commissioner had issued standing instructions in January 1988 to all General Managers of the Haryana Roadways to obtain copies of the judgements from the Tribunal within a week of the announcement of the awards and to deposit the amounts in the court immediately, without waiting for his sanction.

Test-check of the records relating to payments made on account of compensation by 2 depots of the Roadways during 1990-91 (Gurgaon Depot) and 1992-93 (Delhi Depot), however, revealed (July 1991 and March 1994) that the amounts of compensation awards were deposited in 12 cases with delays ranging from 51 to 452 days (after allowing 15 days as grace period). This resulted in avoidable payment of interest of Rs.1.99 lakhs (Delhi depot: Rs.1.10 lakhs and Gurgaon depot:

Rs.0.89 lakh). The General Managers, Delhi and Gurgaon, stated (June and October 1994) that there was delay in obtaining copies of the awards from the Tribunal/Legal Remembrancer by the legal cells of the depots. Responsibility for the delay had, however, not been fixed.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

Chandigarh :

Dated : 16.03.1995



(M. DEENA DAYALAN)

Accountant General (Audit), Haryana

Countersigned

New Delhi :

Dated :

(C.G. SOMIAH)

Comptroller and Auditor General
of India



Appendix-I

(Refer paragraph 1.23 (a) page 25)

Serial Number	Name of company	Period up to which accounts finalised	Accounts in arrear
1.	Haryana Harijan Kalyan Nigam Limited	1985-86	1986-87 to 1993-94
2.	Haryana State Minor Irrigation and Tubewells Corporation Limited	1989-90	1990-91 to 1993-94
3.	Haryana Tourism Corporation Limited	1992-93	1993-94
4.	Haryana Backward Classes Kalyan Nigam Limited	1988-89	1989-90 to 1993-94
5.	Haryana Women Development Corporation Limited	1988-89	1989-90 to 1993-94
6.	Haryana Dairy Development Corporation Limited	1992-93	1993-94
7.	Haryana Roadways Engineering Corporation Limited	1988-89	1989-90 to 1993-94
8.	Haryana Forest Development Corporation Limited	1990-91 (December 1989 to March 1991)	1991-92 to 1993-94

Serial Number	Name of company	Period up to which accounts finalised	Accounts in arrear
9.	Haryana Police Housing Corporation Limited	1992-93	1993-94
10.	Haryana Agro Industries Corporation Limited	1992-93	1993-94
11.	Haryana Tanneries Limited	1992-93	1993-94
12.	Haryana State Handloom and Handicrafts Corporation Limited	1991-92	1992-93 to 1993-94
13.	Punjab State Irons Limited	1989-90	1990-91 to 1993-94
14.	Haryana Hotels Limited	1992-93	1993-94
15.	Haryana Matches Limited	1991-92	1992-93 to 1993-94
16.	Haryana Concast Limited	1992-93	1993-94
17.	Haryana Breweries Limited	1992-93	1993-94

Appendix-II

(Refer paragraph 2.2.2, page 45)

Unnecessary supplementary grants

Serial number	Number and name of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary provision	Total	Expenditure	Saving
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(Rupees in crores)

**Revenue Section
(Voted)**

1.	2-General Administration	52.35	2.46	54.81	50.39	4.42
2.	9-Education	467.55	4.40	471.95	460.25	11.70
3.	21-Community Development	76.35	13.58	89.93	72.03	17.90
	Total	596.25	20.44	616.69	582.67	34.02

Appendix-III

(Refer paragraph 2.2.2, page 45)

Excessive supplementary grant

Serial number	Number and name of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary provision	Total	Expenditure	Saving
(Rupees in crores)						
Revenue Section						
(Voted)						
1.	4-Revenue	40.04	50.86	90.90	85.60	5.30
2.	10-Medical and Public Health	200.93	10.33	211.26	202.33	8.93
3.	15-Irrigation	302.20	2.37	304.57	304.28	0.29
4.	17-Agriculture	106.27	14.10	120.37	117.99	2.38
	Total	649.44	77.66	727.10	710.20	16.90

Appendix-IV

(Refer paragraph 2.2.2, page 45)

Insufficient supplementary grants

Serial number	Number and name of Grant/ Appropriation	Original Grant/ Appropriation	Supplementary provision	Total	Expenditure	Excess
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(Rupees in crores)

**Revenue Section
(Voted)**

1.	3-Home	152.18	19.31	171.49	174.18	2.69
2.	5-Excise and Taxation	13.41	1.64	15.05	16.42	1.37
3.	8-Buildings and Roads	73.55	3.87	77.42	84.47	7.05
4.	23-Transport	230.48	11.59	242.07	249.88	7.81
5.	25-Loans and Advances	267.59	20.06	287.65	289.95	2.30
	Total	737.21	56.47	793.68	814.90	21.22

Appendix-V

(Refer paragraph 2.3, page 45)

Grants/charged appropriations where excess requires regularisation

Serial number	Name and number of Grant	Total Grant (In rupees)	Expenditure	Excess
	Revenue			
1.	3-Home	1,74,33,98,000	1,77,92,16,184	3,58,18,184
2.	5-Excise and Taxation	15,05,12,000	16,42,59,787	1,37,47,787
3.	6-Finance	1,29,19,51,000	1,29,23,85,177	4,34,177
4.	8-Buildings and Roads	77,42,03,000	84,46,55,773	7,04,52,773
5.	18-Animal Husbandry	34,64,02,000	36,35,10,328	1,71,08,328
6.	23-Transport	2,42,06,95,000	2,49,87,56,212	7,80,61,212
	Capital			
7.	8-Buildings and Roads	35,75,506	90,72,521	54,97,015
8.	15-Irrigation	88,68,40,000	1,12,46,90,309	23,78,50,309
9.	25-Loans and Advances	2,87,64,59,000	2,89,95,38,146	2,30,79,146
	Total	10,49,40,35,506	10,97,60,84,437	48,20,48,931

Appendix-VI

(Refer paragraph 2.4, page 46)

Unutilised provision and surrender thereof

Serial number	Description of Grant/Appropriation	Total amount of Grant/Appropriation	Saving	Surrender
(Rupees in crores)				
(a)	Savings fully surrendered			
	Revenue Section			
1.	22-Co-operation (Voted)	12.92	1.60	1.60
2.	24-Tourism (Voted)	0.84	0.03	0.03
	Capital Section			
3.	13-Social Welfare and Rehabilitation (Voted)	3.54	1.79	1.79
4.	22-Co-operation (Voted)	8.92	1.41	1.41
5.	24-Tourism (Voted)	2.40	0.60	0.60
	Total	28.62	5.43	5.43

Serial number	Description of Grant/Appropriation	Total amount of Grant/Appropriation	Saving	Surrender
(Rupees in crores)				
(b) Savings partially surrendered				
Revenue Section				
1.	1-Vidhan Sabha (Voted)	2.72	0.09	0.08
2.	2-General Administration	54.81	4.42	0.64
3.	7-Other Administrative Services (Voted)	853.19	26.13	25.96
4.	9-Education (Voted)	471.95	11.70	4.28
5.	10-Medical and Public Health (Voted)	211.26	8.93	0.74
6.	11-Urban Development (Voted)	13.27	4.69	1.23
7.	12-Labour and Employment (Voted)	29.00	5.65	4.91

Serial number	Description of Grant/Appropriation	Total amount of Grant/Appropriation	Saving	Surrender
(Rupees in crores)				
8.	13-Social Welfare and Rehabilitation (Voted)	192.26	46.80	44.13
9.	15-Irrigation (Voted)	304.57	0.29	0.10
10.	17-Agriculture (Voted)	120.37	2.38	1.85
11.	17-Agriculture (Charged)	0.13	0.10	0.07
12.	19-Fisheries (Voted)	4.85	0.96	0.95
13.	21-Community Development (Voted)	89.93	17.90	13.65
Capital Section				
14.	8-Buildings and Roads (Voted)	75.37	7.38	7.06
15.	10-Medical and Public Health (Voted)	42.62	16.28	10.58

Serial number	Description of Grant/Appropriation	Total amount of Grant/Appropriation	Saving	Surrender
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(Rupees in crores)

16.	17-Irrigation (Voted)	0.20	0.20	0.19
	Total	2466.50	153.90	116.42

(c) Saving remaining unsurrendered

Revenue Section

1.	6-Finance (Charged)	440.34	18.64	-
2.	8-Building and Roads (Charged)	0.05	0.02	-

Capital Section

3.	3-Home (Voted)	4.00	0.40	-
4.	10-Medical and Public Health (Charged)	0.10	0.10	-
5.	14-Food and Supplies (Voted)	371.11	88.45	-
	Total	815.60	107.61	-

- VI

2.7.

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Mont
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Decemb
1993 ar
Marc
1994

Marc
1994

Marc
1994

Marc
1994

APPENDIX

Reference

Table of contents

Mont period of sup order	Reference	Table of contents
Decemb 1993 ar Marc 1994	1993	Table of contents
Marc 1994	1994	Table of contents
Marc 1994	1994	Table of contents
Marc 1994	1994	Table of contents

Serial number	Department/ Office	Month/ period of drawal	Amount (Rupees in lakhs)	Purpose
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Housing Department

Deputy Commissioners

5.	Ambala LIGH/ MIGH (L/M)	Janaury- March 1994	137.05	Loans for housing
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6.	Karnal (L/M)	March 1994	42.00	Loans for housing
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7.	Jind (L/M)	Janaury and March 1994	97.91	Loans for housing
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Education Department

8.	Director, Secondary Education	March 1994	125.91	Purchase of books, science equipment, photostat machine and furniture
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**Industrial Training
and Vocational
Education**

**Industrial Training
Institutes**

9.	Kaithal	March 1994	0.98	Purchase of electrical/ electronic items
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Month/ period of supply order	Month/ period of material received	Month/ period of payment made	Unspent balance as of July 1994 (Rupees in lakhs)	Remarks
-	-	April 1994	125.54	Lying in savings bank account due to non-completion of loan formalities as of May 1994.
-	-	April 1994	39.00	
-	-	April- June 1994	38.17	
January and March 1994	Material not received	-	125.91	Lying undisbursed in the shape of bank draft due to non-receipt of material as of July 1994.
December 1993 and February- March 1994	Material not received	-	0.98	Lying undisbursed in the shape of bank drafts due to non-receipt/receipt of defective material as of June 1994

Serial number	Department/ Office	Month/ period of drawal	Amount (Rupees in lakhs)	Purpose
10.	Mahendargarh	March 1994	1.03	Purchase of machinery and equipment
Medical Department				
11.	Chief Medical Officer, Kurukshetra.	March 1994	1.48	Purchase of dental units and dental chair
Total			412.92	

Month/ period of supply order	Month/ period of mate- rial received	Month/ period of pay- ment made	Unspent balance as of July 1994 (Rupees in lakhs)	Remarks
December 1993 and February- March 1994	Material not received	-	1.03	Lying undisbursed in the shape of bank draft due to non- receipt of material as of June 1994.
December 1993 and February 1994	Machinery /material not received	-	1.48	Lying undisbursed in the shape of bank draft due to non- receipt of material as of July 1994.
			338.67	

Appendix - VIII

(Refer paragraph 2.8. page 54)

Significant cases of shortfall/excess in recoveries

Serial number	Number and Name of Grant	Estimated recovery	Actual recovery	Excess (+)/ Shortfall (-) compared to estimates (percentage within brackets)
(In crores of rupees)				
Revenue				
1.	4-Revenue	10.00	47.03	(+) 37.03 (370)
2.	8-Buildings and Roads	Nil	7.62	(+) 7.62 (100)
3.	10-Medical and Public Health	0.72	3.08	(+) 2.36 (328)
4.	14-Food and Supplies	5.21	6.34	(+) 1.13 (22)
5.	15-Irrigation	Nil	47.12	(+) 47.12 (100)
Capital				
6.	14-Food and Supplies	198.78	319.53	(+) 120.75 (61)
7.	15-Irrigation	0.10	1.42	(+) 1.32 (1320)
8.	22-Co-operation	0.70	1.54	(+) 0.84 (120)
9.	23-Transport	6.75	7.53	(+) 0.78 (12)
	Total	222.26	441.21	(+) 218.95



APPENDIX

(Refer paragraph

Statement showing cases of misappropriation,

Serial Number	Department	Departmental investigation pertaining to			
		1989-90 and earlier years		1989-90 to 1993-94	
		Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
1.	Agriculture	2	0.03	3	0.64
2.	Animal Husbandry	4	0.36	6	1.39
3.	District Administration	-	-	-	-
4.	Education	12	3.09	6	1.99
5.	Election	1	0.05	1	0.23
6.	Fisheries	2	0.38	2	0.17
7.	Food and Supplies	4	4.97	5	0.94
8.	Forest	14	3.80	5	2.42
9.	Industries	1	0.12	2	1.48
10.	Irrigation	44	6.88	30	5.82
11.	Labour and Employment	4	0.64	2	0.24
12.	Lotteries	-	-	1	0.13
13.	Medical and Health	4	0.59	9	13.35
14.	Panchayat	-	-	1	3.82
15.	Police	-	-	1	0.25
16.	Printing and Stationery	1	0.36	-	-
17.	Public Health	25	3.84	8	1.84
18.	Public Works (Buildings and Roads)	23	5.99	1	0.04
19.	Social Welfare	1	0.26	5	2.69
20.	Tourism	1	0.04	-	-
21.	Town and Country Planning	-	-	1	0.02
22.	Transport	10	3.21	9	2.33
23.	Treasuries and Accounts	1	0.01	2	0.01
	Total	154	34.62	100	39.80

- IX

3.11. page 102)

defalcation etc., under departmental investigation

Criminal prosecution pertaining to				Total	
1989-90 and earlier years		1989-90 to 1993-94		Number of Cases	Amount (Rupees in lakhs)
Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)		
-	-	3	0.43	8	1.10
-	-	1	0.20	11	1.95
-	-	2	0.15	2	0.15
3	2.53	10	6.31	31	13.92
-	-	-	-	2	0.28
-	-	-	-	4	0.55
-	-	-	-	9	5.91
1	0.07	-	-	20	6.29
-	-	-	-	3	1.60
19	3.25	9	0.05	102	16.00
-	-	-	-	6	0.88
-	-	-	-	1	0.13
1	4.07	1	0.47	15	18.48
-	-	-	-	1	3.82
-	-	-	-	1	0.25
-	-	-	-	1	0.36
4	1.15	-	-	37	6.83
2	0.41	-	-	26	6.44
-	-	-	-	6	2.95
-	-	-	-	1	0.04
-	-	-	-	1	0.02
2	1.47	2	2.74	23	9.75
-	-	-	-	3	0.02
32	12.95	28	10.35	314	97.72

APPENDIX - X

(Refer paragraph 3.12, page 103)

**Losses due to theft, fire, irrecoverable revenue, etc.
written off during 1993-94**

Serial number	Department	Number of cases	Amount (In rupees)
1.	Agriculture	1	5,741
2.	Animal Husbandry	1	7,686
3.	Forest	1	3,900
4.	Industries	1	2,17,247
5.	Health	2	5,383
	Total	6	2,39,957

Appendix - XI

(Refer paragraph 4.1.9 (b), Page 118)

Instances of delay in completion of works

Serial Number	Name of division/ work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
1.	Provincial Division, Charkhi Dadri					
(i)	Construction of road from village Bardu to Naya Bardu (length: 1.85 km)	4.85	November 1985	October 1988	2.41	The amount of Rs. 1.70 lakhs representing the estimated cost of bridge to be constructed to cross an irrigation channel, was remitted to Irrigation Department in March 1989 but was received back due to non-acquisition of land by the Provincial Division, Charkhi Dadri, for the site of bridge over the road. The land was acquired in September 1991 but the revised cost of bridge could not be deposited with the Irrigation Department as the revised estimate for bridge had not been received from Irrigation Department and the road was still incomplete as of February 1994.

Serial Number	Name of division/work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
(ii)	Link road from village Chandani to Ramalwas (length : 3.25 km)	6.48	July 1986	July 1990	1.03	The alignment was changed in May 1987 and again in July 1990 after execution of earthwork from km. 1.25 to km. 2.25. Revised estimate based on alignment as changed in July 1990 had not been prepared for want of sufficient funds. No further work was taken up as of July 1994.
2.	Provincial Division. Bhiwani - Road from village Bijlanwas to Kural (length : 5 km)	12.65	March 1987	March 1989	4.15	The earthwork in km 0 to 0.400 was executed out of 5 kms and a bridge was constructed on the road in 1987-88. No further work had been done as it was not included in the road programme due to shortage of funds.
3.	Provincial Division No.1 Rohtak - Link Road from village Morckheri to Kasaranti (length:4 km)	8.01	February 1987	February 1988	9.73	The work was commenced without the acquisition of land. The land was acquired in 1988-89. The road remained incomplete between km 3.40 and km 3.55 due to non-payment of compensation of populated area as the shares of owners could not be ascertained.

Serial Number	Name of division/work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
4.	Provincial Division, Fatchabad.					
(i)	Road from Mohmadpur Sottar on Bhuna Ratia Road to village Hosinga (length : 5.80 km)	10.59	December 1983	September 1984	4.48	The work was completed in km 0.40 to km 4 in 1984 and in km 0 to km 0.40 and km 4 to km 5.80 in 1989-90. Rates for supply of material invited in October 1990 were considered on the higher side. The superintending Engineer directed the Executive Engineer in February 1991 to procure the material departmentally but due to non-availability of machinery with the division and non-availability of road material at departmental crusher at Khanak, the material could not be obtained. The supply order was placed on a contractor in December 1991 with changed specifications but had not been commenced as of May 1994 due to non-availability of budget grant.
(ii)	Road from Hizranwan Kalan to Moosali (Length : 4.65 km)	9.48	January 1984	February 1985	1.80	The earthwork was completed in 2 kms (km 1.10 to km 3.10) in 1986. The work for supply of material was allotted to a contractor in September 1990 who supplied 294.20 cum stone metal valued at Rs.0.56 lakh in May 1991.

Serial Number	Name of division/work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
						Further work on the road could not be done due to shortage of funds.
(iii)	Road from Burj to Chando Khurd (length : 1.75 km)	4.12	December 1983	March 1984	4.51	The work on the road was taken up without acquisition of land. Notifications issued in August 1987 and February 1988 for acquisition of land lapsed due to non-finalisation of award. The land owner did not allow the construction of road in his land (about 300 metres) due to non-payment of land compensation. The road in km 0 to km 0.500 was still incomplete as of May 1994.
(iv)	Dhani Sanchlo Kalan to Bhattu Gram (length : 3.40 km)	7.55	April 1986	March 1987	1.82	The earthwork in 3.10 kms was completed in August 1986 but no further work was done due to shortage of funds.
5.	Provincial Division, Sonipat					
	- Road from Thana Kalan to Kanwali (length : 1.85 km)	5.54	July 1984	July 1986	2.37	The earth work was completed in 1986 at the cost of Rs.2.37 lakhs. The work for supply of soling stone/metal was allotted to contractor 'A' in January 1990. On his failure to

Serial Number	Name of division/work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
6.	Provincial Divisional No.1 Sirsa. -Road from Kheowali to Rohranwali (length : 3.75 km)	16.91	February 1990	Not available	7.76	supply the material, compensation of Rs.0.13 lakh was levied in November 1990. The work was allotted in June 1991 to contractor 'B' at the risk and cost of contractor 'A' for supply of material within 6 months. Contractor 'B' also failed to supply the material. Thereafter, no action had been taken to get the work completed.
						The earthwork with average lead of 15 metres as provided in the rough cost estimate was allotted to a contractor in November 1989 with a time limit of four months. As the earth was not available within 15 metres in some reaches, the contractor stopped the work for want of decision about allowing extra lead but no decision had been taken as of May 1994. Earth work in 0.500 km and stone soling/metalling, black topping from km 0 to km 2 was still incomplete as of May 1994.

Serial Number	Name of division/work	Estimated cost	Date of start	Scheduled date of completion	Actual expenditure (up to March 1994)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rupees in lakhs)			(Rupees in lakhs)	
7.	Road pending after earth work					
(i)	Provincial Division, Sonipat					
(a)	Link road from Gopalpur	5.54	July 1984	August 1986	7.86	The earthwork on all these roads was executed between May 1984 and June 1991, but further work of stone soling/metalling and black topping was not done due to shortage of funds.
(b)	Sehri to Nirthan	5.07	June 1984	August 1986	1.49	
(c)	Khanda to Khanda Khurd	5.68	May 1984	June 1986	3.08	
(d)	Mahra to Rabra	12.23	February 1990	June 1991	2.31	
(e)	Banwasa to Chhappra	7.29	February 1988	March 1990	2.75	
(ii)	Provincial Division No.1, Hisar					
(f)	Road from Village Chirod to Railway Station, Chirod	5.88	April 1991	June 1992	0.69	
(g)	Mandoli Khurd to Surpura Kalan	14.50	July 1986	July 1988	0.97	
		56.19			19.15	

Appendix XII

(Refer paragraph 6.1, page 154)

Statement showing utilisation certificates outstanding as on 31 August 1994 for grants paid upto 31 March 1993.

	Purpose	Outstanding utilisation certificates	
		Number	Amount (Rupees in crores)
	-----	-----	-----
1.	General Education	112	122.14
2.	Rural Employment	1226	36.45
3.	Other Rural Development Programmes	840	33.71
4.	Command Area Development Programme	47	32.63
5.	Secretariat- Economic Services	68	22.04
6.	Water supply and Sanitation	10	16.80
7.	Urban Development	136	5.52

Purpose	<u>Outstanding utilisation certificates</u>	
	<u>Number</u>	<u>Amount (Rupees in crores)</u>
8. Technical Education	22	4.82
9. Other Administrative Services	20	4.37
10. Social Security and Welfare	104	4.00
11. Sports and Youth Services	84	2.30
12. Industries/Village and Small Industries	26	1.52
13. Medical and Public Health	9	0.45
14. Others	94	6.55
Total	2798	293.30

APPENDIX XIII

(Refer paragraph 6.2, page 155)

Statement showing the names of bodies and authorities, the accounts of which have not been received

Serial Number	Name of body/authority	year for which accounts have not been received	Grants and loans received (Rupees in lakhs)
1.	Municipal Committee, Narnaul	1988-89 1989-90	25.30 28.63
2.	Municipal Committee, Bahadurgarh	1986-87	35.93
3.	Municipal Committee, Rohtak	1987-88 1988-89 1989-90	34.00 37.61 32.35
4.	Municipal Committee, Karnal	1982-83 1988-89	7.00 32.61
5.	Municipal Committee, Bhiwani	1987-88 1988-89 1989-90	36.40 35.25 36.00
6.	Haryana State Co-operative Supply and Marketing Federation Limited, Chandigarh	1981-82 1982-83	46.00 74.85
7.	District Rural Development Agency, Narnaul	1993-94	123.00
8.	District Rural Development Agency, Kurukshetra	1993-94	61.04

Serial Number	Name of body/authority	year for which accounts have not been received	Grants and loans received (Rupees in lakhs)
9.	District Rural Development Agency, Karnal	1993-94	70.39
10.	District Rural Development Agency, Rohtak	1993-94	120.33
11.	District Rural Development Agency, Hisar	1993-94	175.58
12.	District Rural Development Agency, Sirsa	1993-94	77.57
13.	District Rural Development Agency, Jind	1993-94	90.19
14.	District Rural Development Agency, Faridabad	1993-94	71.58
15.	District Rural Development Agency, Yamuna Nagar	1993-94	53.42
16.	District Rural Development Agency, Rewari	1993-94	65.99
17.	Seth Jai Parkash Polytechnic, Damla	1993-94	49.07
18.	C.R. Polytechnic, Rohtak	1993-94	71.86
19.	B.P.S. Mahila Polytechnic Kanya Gurukul, Khanpur Kalan	1993-94	38.00
20.	Shivalik Development Board	1993-94	300.00

Serial Number	Name of body/authority	year for which accounts have not been received	Grants and loans received (Rupees in lakhs)
21.	Maharaja Agarsen Institute of Medical Research and Education, Agroha	1993-94	30.00
22.	Haryana State Council for Science and Technology	1993-94	25.00
23.	Command Area Development Authority, Manimajra	1993-94	3187.66

APPENDIX - XIV
(Refer paragraph : 7.1 ; page 193)

Summarised financial results of Government commercial and quasi-commercial departmental undertakings

Serial number	Name of undertaking	Period of accounts up to which finalised	Turnover	Profit
			(Rupees in lakhs)	
1.	Colonisation Department	1968-69	N.A.*	29.40
2.	Agriculture Department (Purchase and Distribution of Pesticides)	1978-79	43.42	(-)0.26
3.	Agriculture Department (Seed Depot Scheme)	1981-82	86.54	3.72
4.	Haryana Roadways	1987-88	11,911.20	284.13
5.	Printing and Stationery Department (Nationalised Text Books Scheme)	1987-88	286.26	33.03
6.	Food and Supplies Department (Grain Supply Scheme)	1992-93	12,975.17	400.73
7.	Haryana Veterinary Vaccine Institute	1992-93	8.85	2.20

* N.A. Not available

APPENDIX XV

Glossary of Abbreviations

ADC/CEO	Additional Deputy Commissioner-cum-Chief Executive Officer
B&R	Buildings and Roads
BDPO	Block Development and Panchayat Officer
CTR	Consolidated Treasury Receipt
cum	cubic metres
DEO	District Education Officer
DFO	Divisional Forest Officer
DIET	District Institute of Education and Training
DRDA	District Rural Development Agency
DRECSE	District Resource Centre for Science Education
IAY	Indira Awas Yojana
JRY	Jawahar Rozgar Yojana
km	Kilometre
MWS	Million Wells Scheme
NREP	National Rural Employment Programme
PAC	Public Accounts Committee
PWT	Prize Winning Ticket
RLEGP	Rural Landless Employment Guarantee Programme
SC/ST	Scheduled Caste/Scheduled Tribe
SDEO	Sub Divisional Education Officer
SLCC	State Level Co-ordination Committee
Sq.mt.	Square metre

