

17 MAR 2005
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Presented to the Legislature
on.....

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

FOR THE YEAR ENDED 31 MARCH 2005

(CIVIL)

GOVERNMENT OF HARYANA

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapter I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2005.
3. Chapter III deals with the findings of performance audit in various departments while Chapter IV deals with the findings of audit of transactions in the various departments including the Public Works and Irrigation Departments, audit of Autonomous Bodies and departmentally run commercial undertakings. Chapter V deals with the comments on internal control mechanism existing in selected departments in the State.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2004-05 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 2004-05 have also been included wherever necessary.

OVERVIEW

OVERVIEW

The Report includes two Chapters containing observations on Finance and Appropriation Accounts of the Government of Haryana for the year 2004-05 and three others comprising 4 reviews and 20 paragraphs dealing with the results of performance audit of selected programmes and schemes as well as audit of the financial transactions of Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and recommendations made taking into consideration the views of the Government.

A summary of the financial position of the State and the audit findings as well as recommendations are given below:

Finances position of the State Government

The plan expenditure was only 21 *per cent* of total expenditure while the share of capital expenditure was only seven *per cent*. Salaries, pensions, interest payments and subsidies consumed 72 *per cent* of the revenue receipts of the year. The arrears of revenue were increasing year by year. Fiscal liabilities had been steadily rising and so were its ratios to Gross State Domestic Product and revenue receipts endangering the debt sustainability.

Return on Government's investments in statutory corporations, companies, cooperative banks and societies was negligible and the Government continued to invest in loss making corporations and companies.

In addition to investment, the Government has also provided loans and advances as well as subsidies to many of these companies, besides giving guarantees for loans raised by them. During 2000-05, the gap between the interest on capital borrowed for investments and returns therefrom has increased.

2 Development of Urban Estates

Audit findings

Haryana Urban Development Authority (HUDA) was established with the main objective to develop urban estates in a planned manner and to provide modern

Recommendations

The State Government should issue instructions to all Departments/Bodies to ensure that acquisition of

living environment. A review of the activities relating to development of urban estates at Faridabad and Gurgaon brought out significant weaknesses in planning, financial management, execution of works and maintenance of amenities involving blocking of funds and avoidable expenditure. Acquisition and development of land in Reserve Forest Area in Faridabad for development of urban estate led to blocking of funds of Rs 62.37 crore upto March 2005. Similarly, expenditure of Rs 47.37 lakh, incurred on construction of a road on Reserve Forest land in Gurgaon, had also remained blocked as of March 2005. Land acquired at a cost of Rs 6.30 crore during 1998-2001 for development of Sector 62, Faridabad was awaiting development due to slackness in planning. An extra expenditure of Rs 11 crore was incurred due to delay in making payment of enhanced compensation to land owners and delay in sending of land owners' objections to courts and not depositing enhanced compensation in court. Rupees 72.47 crore had to be spent on maintenance of 36 developed sectors as these sectors were not transferred to Municipal Bodies. Avoidable payment of interest of Rs 2.20 crore was made to 136 allottees due to delay in handing over possession of plots to them. Lack of internal control system led to double deposit of amount in land acquisition cases. Rupees 1.20 crore were lying outstanding for the last 1 to 11 years in miscellaneous Public Works advances as of March 2005.

Reserve Forest Land takes place only with the prior approval of Central Government. HUDA should ensure that land acquired by Land Acquisition Collectors is expeditiously developed. HUDA should evolve a foolproof system of transfer of funds by the Bank branches to their Head Office Account. Adequate checks and balances should be devised so as to prevent avoidable payments of interest on enhanced land compensation.

3. Water management for irrigation

Audit findings

The objective of irrigation schemes was to manage water available in the State for irrigation in an efficient manner. Against the cultivable area of 38.21 lakh hectares, 20.54 lakh to 21.35 lakh hectares were actually irrigated during 2001-05.

Recommendations

The Department should formulate schemes after ensuring availability of water at off take points of the channels so that infrastructure created is

Construction of 39 irrigation channels at a cost of Rs 21.30 crore proved unfruitful, as these were either non-functional or were of negligible usage. Irrigation potential was created far in excess (by 157 *per cent*) of the availability of water, even if, the share of water from Ravi-Beas rivers is taken into consideration. Construction of Kisanpur Minor without taking into consideration the availability of water led to unfruitful expenditure of Rs 1.31 crore. Avoidable payment of surcharge of Rs 7.39 crore was made due to delay in making payment of energy charges. Failure to install shunt capacitor at a pump house to regulate power factor led to payment of penalty of Rs 2.15 crore. Besides, minimum energy charges of Rs 1.01 crore were paid for non-functional pump houses.

optimally utilised. Even for the works which have been taken up in anticipation of receipt of water from Ravi-Beas through SYL, a considered decision should be taken by Government to go ahead with the works or otherwise till the stalemate is resolved. Government should evolve a proper system for making timely release of funds so as to avoid payment of surcharge and penalty on energy charge.

4. Implementation of Acts and Rules relating to Consumer Protection

Audit findings

The Consumer Protection Act, 1986 was enacted for providing better protection of interest of consumers and to provide speedy and simple redressal to consumer disputes. Sample check of State Commission and five District Forums revealed that out of the 76,783 complaint cases filed, 26,140 (34 *per cent*) cases were disposed of. Further, against 4,389 cases filed for execution of orders, only 2,387 (54 *per cent*) cases were disposed of. Three posts of Presidents and seven posts of Members were lying vacant as on 31 March 2005. Similarly, against the sanctioned strength of 29 supporting staff, only 9 were filled and 20 posts were lying vacant. State Consumer Protection Council and District Consumer Protection Councils though formed, remained non-functional as no meetings of these councils were held during 2000-05. Schemes relating to setting up of District Consumer Information Centres, Consumer Clubs in schools and

Recommendations

Government may consider creating adjudication mechanism commensurate with work load and pendency of cases so that cases are disposed of expeditiously. The State Government may consider filling up the vacant posts of Presidents and Members of State Commission and the District Forums. The State Consumer Protection Council and District Consumer Protection Councils should be made effective to watch the interests of consumers and to strengthen the mechanism of promotion of consumer awareness and empowerment.

involvement of research institutions/universities/colleges for the information and education of consumers were not implemented.

5. Internal control system of Police Department

Audit findings

A built-in Internal Control System and strict adherence to statutes, codes and manuals minimise the risk of errors and irregularities and helps to protect resources against loss due to waste, abuse and mismanagement. Three offices did not reconcile the treasury schedules with the cash-book during 2000-05 to ensure that all the drawals from treasury were recorded in the cash-book. The system of Petrol, Oil and Lubricants (POL) coupons evolved by Finance Department to control the expenditure on POL was not followed properly. As a result, Rs 9.67 crore (22 per cent) were spent on POL during 2000-2005 in excess of prescribed limits. Director General of Police did not evolve any system to have a control over spending on execution of works by Haryana Police Housing Corporation (HPHC). As a result, HPHC took up construction of 97 buildings at an estimated cost of Rs 75.15 crore, without approved budget allotments and spent Rs 33.25 crore on these works by diverting funds from other sanctioned works. Internal Audit of 71 per cent units was in arrears.

Recommendations

The Department should consider appropriate measures to ensure the effectiveness of internal control system evolved through rules, manuals and codes by way of regular reconciliation of drawal of funds with treasury to avoid chances of misappropriation of funds and effective implementation of coupon system for controlling the expenditure on POL. System should be evolved to ensure that construction works are not commenced by HPHC without allotment of funds and sanction of the Government. Proper internal audit plan should be drawn, so that internal audit does not remain pending.

6. Results of transaction audit

Audit of financial transactions, subjected to test-check, in various departments of the Government and their field functionaries revealed instances of losses or wasteful spending of over Rs 32.44 crore as mentioned below:

There was misappropriation of wheat amounting to Rs 1.19 crore in Rural Development Department (District Rural Development Agencies). This was facilitated due to disregard of rules relating to issue and distribution of wheat.

Overpayment/wasteful and infructuous expenditure of Rs 8.76 crore¹ was noticed in Audit.

These cases of wasteful expenditure included a case of non-availment of Central Excise Duty exemption in purchase of pipes for water works due to delay in issuance of instructions.

There were violations of contractual obligations and avoidable expenditure amounting to Rs 2.73 crore² was incurred.

These included a case of avoidable expenditure of Rs 60.43 lakh on land compensation solely on account of delay in the demarcation of land.

Audit also came across instances of idle investment and blocking of funds involving Rs 7.84 crore³.

Besides, there was regulatory issue of unauthorised use of PF subscriptions involving Rs 11.92 crore in Agriculture Department (Chaudhary Charan Singh Haryana Agricultural University, Hisar).

¹ Town and Country Planning Department (Haryana Urban Development Authority): Rs 31 lakh; Public Works Department–Public Health Branch: Rs 1.42 crore; Agriculture Department (Haryana State Agricultural Marketing Board): Rs 46.17 lakh, (Chaudhary Charan Singh Haryana Agricultural University, Hisar): Rs 47.05 lakh; Transport Department: Rs 81.30 lakh; Rural Development Department (Chief Planning and Development Officers): Rs 4.73 crore; and Finance Department: Rs 55.94 lakh.

² Public Works Department (Buildings and Roads Branch): Rs 60.43 lakh, (Public Health Branch): Rs 52.56 lakh; Technical Education Department: Rs 34.19 lakh; Forest Department: Rs 15.22 lakh; and Food and Supplies Department: Rs 1.11 crore.

³ Rural Development Department (District Rural Development Agencies): Rs 21.81 lakh; Transport Department: Rs 4.93 crore; and Public Works Department (Irrigation Branch): Rs 2.69 crore.

CHAPTER—I

FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Summary

Haryana State had a relatively comfortable financial year. The revenue deficit decreased from Rs 274 crore to Rs 258 crore and the fiscal deficit from Rs 2,933 crore to Rs 1,206 crore in 2004-05. The decrease in revenue deficit was as a result of increase in the revenue receipts as also on account of misclassification of grants-in-aid to local bodies (Rs 175.96 crore) as capital expenditure instead of revenue expenditure.

Substantial growth in revenue receipts during the year was due to collection of more receipts under Sales Tax (Rs 923 crore), Urban Development (Rs 174 crore), Miscellaneous General Services (Rs 132 crore), State Excise (Rs 90 crore), Corporation Tax (Rs 68 crore), Goods and Passengers Tax (Rs 45 crore), Stamps and Registration Fee (Rs 31 crore) and Road Transport (Rs 31 crore). Around 90 *per cent* of the revenue had come from the State's own resources. Sales Tax was the major source of the State's own tax revenue and contributed 64 *per cent*. Of non-tax revenue, State Lotteries (27 *per cent*), Road Transport (20 *per cent*) and Interest receipts (19 *per cent*) were the principal contributors.

Overall expenditure of the State increased from Rs 8,908 crore in 2000-2001 to Rs 12,512 crore in 2004-05. Revenue expenditure constituted 91 *per cent* of the total expenditure. Capital Expenditure increased during the year, due to less realisation of Rs 247 crore of recoveries under 'Procurement and Supply of Food Grains' as compared to the previous year.

Salaries (Rs 3,714 crore), interest payments (Rs 2,235 crore), pensions (Rs 902 crore) and subsidies (Rs 1,157 crore) alone consumed 72 *per cent* of the revenue receipts of the State during the year. The overall fiscal liabilities of the State increased by 74 *per cent* from Rs 13,928 crore in 2000-01 to Rs 24,255 crore in 2004-05. These liabilities as a ratio of GSDP increased from 25 *per cent* in 2000-2001 to 30 *per cent* in 2004-05 and stood at 2.18 times its revenue receipts.

1.1 Introduction

1.1.1 This Chapter discusses the financial position of the Government of Haryana based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in receipts and expenditure, the quality of expenditure and the financial management of the State Government.

The Finance Accounts of the Government of Haryana are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in

the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.

Box 1

Lay out of Finance Accounts

Statement No. 1 presents the summary of transactions of the State Government—receipts and expenditure, revenue and capital, public debt receipts and disbursements, etc. in the consolidated fund, contingency fund and public account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of 2004-05.

Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans, etc. raised by the statutory corporations, Government companies, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under consolidated fund, contingency fund and public account as on 31 March 2005.

Statement No. 9 shows the revenue and expenditure under different heads for the year 2004-05 as a percentage of total revenue/expenditure.

Statement No. 10 indicates the distribution between charged and voted expenditure incurred during the year.

Statement No. 11 indicates the detailed account of revenue receipts by minor heads.

Statement No. 12 provides detailed account of revenue expenditure by minor heads under non-plan, State plan and centrally sponsored schemes separately and capital expenditure major head wise.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of 2004-05.

Statement No. 14 shows the details of investments of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies, etc. up to the end of 2004-05.

Statement No. 15 depicts the capital and other expenditure to the end of 2004-05 and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to debt, contingency fund and public account.

Statement No. 17 presents detailed account of debt and other interest bearing obligations of the Government of Haryana.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Haryana, the amount of loan repaid during the year, the balance as on 31 March 2005 and the amount of interest received during the year.

Statement No. 19 gives the details of earmarked balances of reserve funds.

1.2 Trend of finances with reference to the previous year

1.2.1 Finances of the State Government during the current year compared to the previous year were as under:

(Rupees in crore)

2003-04	Sr. No	Major Aggregates	2004-05
9,843	1	Revenue Receipts (2+3+4)	11,149
6,348	2	Tax Revenue	7,440
2,223	3	Non-Tax Revenue	2,545
1,272	4	Other Receipts	1,164
156	5	Non-Debt Capital Receipts	157
156	6	Of which Recovery of Loans	157
9,999	7	Total Receipts (1+5)	11,306
10,563	8	Non-Plan Expenditure (9+11)	9,806
8,993	9	On Revenue Account	9,954
2,113	10	Of which, Interest Payments	2,235
1,570	11	On Capital Account	-148
2,238	12	Of which Loans disbursed	97
2,369	13	Plan Expenditure (14+15)	2,706
1,124	14	On Revenue Account	1,453
1,245	15	On Capital Account	1,253
191	16	Of which Loans disbursed	111
12,932	17	Total Expenditure (8+13)	12,512
2,933	18	Fiscal Deficit (17-1-5)	1,206
274	19	Revenue Deficit (9+14-1)	258
820	20	Primary Deficit (+)/Surplus(-) (18-10)	-1,029

1.3 Summary of receipts and disbursements

1.3.1 Table 1 summarises the finances of the State Government of Haryana for the year 2004-05 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public account receipts and disbursements made during the year as emerging from Statement-1 of the Finance Accounts and other detailed statements.

Table 1 SUMMARY OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-05 (Rupees in crore)

2003-04	Receipts	2004-05	2003-04	Disbursements	2004-05		
Section-A: Revenue							
					Non-Plan	Plan	Total
9,843.48	I. Revenue receipts	11,149.06	10,117.19	I. Revenue expenditure	9,954.39	1,452.71	11,407.10
6,348.05	Tax revenue	7,440.27	4,367.72	General Services	4,863.83	34.27	4,898.10
2,223.06	Non-tax revenue	2,544.37	2,995.71	Social Services	2,375.36	842.85	3,218.21
600.75	Share of Union Taxes/Duties	619.26	2,706.05	Economic Services	2,623.49	575.59	3,199.08
671.62	Grants from Government of India	545.16	47.71	Grants-in-aid / Contributions	91.71	-	91.71
Section-B: Capital							
-	II. Misc. Capital Receipts	-	385.65	II. Capital Outlay	-244.97	1,141.89	896.92
155.58	III. Recoveries of Loans and Advances	157.10	2,429.32	III. Loans and Advances disbursed	97.49	110.57	208.06
6,284.76	IV. Public Debt receipts	4,474.49	3,789.52	IV. Repayment of Public Debt	3,014.27	-	3,014.27
7,662.06	V. Public account receipts	5,973.44	6,573.32	V. Public account disbursements	5,031.24	-	5031.24
33.48	Opening Balance	684.36	684.36	Closing Balance	1,880.86	-	1,880.86
23,979.36	Total	22,438.45	23,979.36	Total	19,733.28	2,705.17	22,438.45

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

1.4 Audit methodology

1.4.1 Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statements of the Finance Accounts for the year 2004-05 and wherever necessary, show these in the light of time series data and periodic comparisons. Major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and loans and advances, etc. have been presented as percentages to the State's Gross Domestic Product (GSDP) at current market prices. For tax revenues, non-tax revenues, revenue expenditure, etc. buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP. The key indicators adopted for the purpose are (i) Resources by volumes and sources,

(ii) Application of resources, (iii) Assets and liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

In addition, the section also contains a paragraph on indicators of financial performance of the Government. Some of the terms used here are explained in *Appendix I*.

State finances by key indicators

1.5 Resources by volumes and sources

1.5.1 Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise of miscellaneous capital receipts such as proceeds from disinvestment, if any, recoveries of loans and advances, debt receipts from internal sources viz. market loans, borrowings from financial institutions/commercial banks, etc. and loans and advances from Government of India as well as accruals from the Public Account.

Table 2 shows that the total receipts of the State Government for the year 2004-05 were Rs 21,754 crore. Of these, revenue receipts of the State Government were only Rs 11,149 crore, constituting 51 *per cent* of the total receipts. The balance of receipts came from borrowings and public account receipts.

Table 2 – Resources of Haryana

		(Rupees in crore)
I. Revenue Receipts		11,149
II. Capital Receipts		4,632
a	Miscellaneous Receipts	-
b	Recovery of Loans and Advances	157
c	Public Debt Receipts	4,475
III. Public Account Receipts		5,973
a	Small Savings, Provident Funds, etc.	1,040
b	Reserve Funds	196
c	Deposits and Advances	2,278
d	Suspense and Miscellaneous	628
e	Remittances	1,831
Total Receipts		21,754

Revenue receipts

1.5.2 Statement 11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts of the State consist mainly of its own taxes and non-tax revenues, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts, their annual rate of growth,

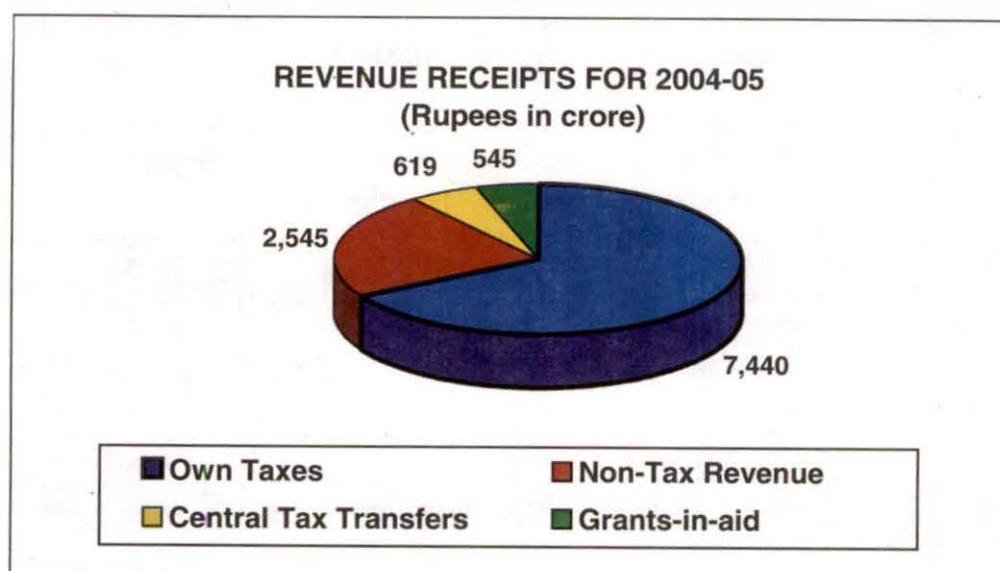
ratio of these receipts to the State's Gross Domestic Product and their buoyancy are indicated in Table 3.

Table 3: Revenue Receipts – Basic Parameters (Values: Rupees in crore and others in *per cent*)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Receipts (in crore of rupees)	6,574	7,600	8,657	9,843	11,149
Own Taxes	4,311 (66)	4,971 (65)	5,550 (64)	6,348 (64)	7,440(67)
Non-Tax Revenue	1,439 (22)	1,666 (22)	1,808 (21)	2,223 (23)	2,545(23)
Central Tax Transfers	346 (5)	450(6)	756 (9)	601 (6)	619(5)
Grants-in-aid	478 (7)	513 (7)	543 (6)	671 (7)	545(5)
Rate of Growth of Revenue Receipts	13.99	15.61	13.91	13.70	13.27
Rate of Growth of own taxes	22.54	15.31	11.65	14.38	17.20
Revenue Receipts/ GSDP	11.94	12.62	13.15	13.49	13.82
Revenue Buoyancy	1.114	1.666	1.487	1.263	1.260
Own-Tax Buoyancy	1.795	1.633	1.247	1.325	1.634
GSDP growth over previous year	12.56	9.37	9.34	10.85	10.53

Revenue receipts of the State increased by 70 *per cent* from Rs 6,574 crore in 2000-01 to Rs 11,149 crore in 2004-05. The increase in revenue receipts during the year from Rs 9,843 crore to Rs 11,149 crore was mainly on account of increased collection under Sales Tax (Rs 923 crore), Urban Development (Rs 174 crore), Miscellaneous General Services (Rs 132 crore), State Excise (Rs 90 crore), Corporation Tax (Rs 68 crore), Goods and Passengers Tax (Rs 45 crore), Stamps and Registration Fees (Rs 31 crore) and Road Transport (Rs 31 crore).

While on an average around 90 *per cent* of the revenue came from the State's own resources, central tax transfers and grants-in-aid together continued to contribute nearly 10 *per cent* of the total revenue. Sales tax was the major source of State's own tax revenue having contributed 64 *per cent* of the tax revenue followed by State Excise (14 *per cent*), stamp duty and registration fee (10 *per cent*) and taxes on goods and passengers, etc. (9 *per cent*). Of non-tax revenue sources, State Lotteries (27 *per cent*), Road Transport (20 *per cent*) and interest receipts (19 *per cent*) were the principal contributors. The high receipts under State Lotteries (Rs 697.02 crore) during the year were, however, offset by equally high expenditure of Rs 701.54 crore on State Lotteries. Similarly, the receipts of Rs 513.17 crore under Transport during the year were offset by equally high expenditure of Rs 611.48 crore under Transport as Haryana does not have a Road Transport Corporation and the State buses are run under the Department of Transport directly.



The arrears of revenue increased by 174 *per cent* from Rs 396 crore in 2000-2001 to Rs 1,087 crore at the end of 2004-05. Of these, Rs 238 crore (22 *per cent*) were outstanding for a period of more than five years. Arrears were mainly in respect of taxes on sales, trade, etc. (Rs 909.04 crore), taxes and duties on electricity (Rs 71.91 crore), taxes on goods and passengers (Rs 52.06 crore) and state excise (Rs 35.83 crore). The deterioration in the position of arrears of revenue leaves much to be desired about the revenue recovery efforts of the State Government.

The sources of revenue receipts under different heads and GSDP during 2000-05 are indicated in Table 4.

Table 4 – Sources of receipts: Trends

(Rupees in crore)

Year	Revenue Receipts	Capital Receipts			Total Receipts	Gross State Domestic Product
		Non-Debt Receipts	Debt Receipts	Accruals in Public Account		
2000-01	6,574	69	1,882	4,478	13,003	55,055
2001-02	7,600	85	3,359	4,914	15,958	60,212
2002-03	8,657	106	3,649	4,921	17,333	65,837
2003-04	9,843	156	6,285	7,662	23,946	72,980
2004-05	11,149	157	4,475	5,973	21,754	80,665

The receipts from Public Debt and Public Account increased by 64 *per cent* from Rs 6,360 crore in 2000-01 to Rs 10,448 crore in 2004-05. While Government borrowings increased by 138 *per cent*, the Public Account receipts increased by 33 *per cent* during the above period.

1.6 Application of resources

Trend of Growth

1.6.1 Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. The total

expenditure of the State increased by 40 *per cent* from Rs 8,908 crore in 2000-01 to Rs 12,512 crore in 2004-05.

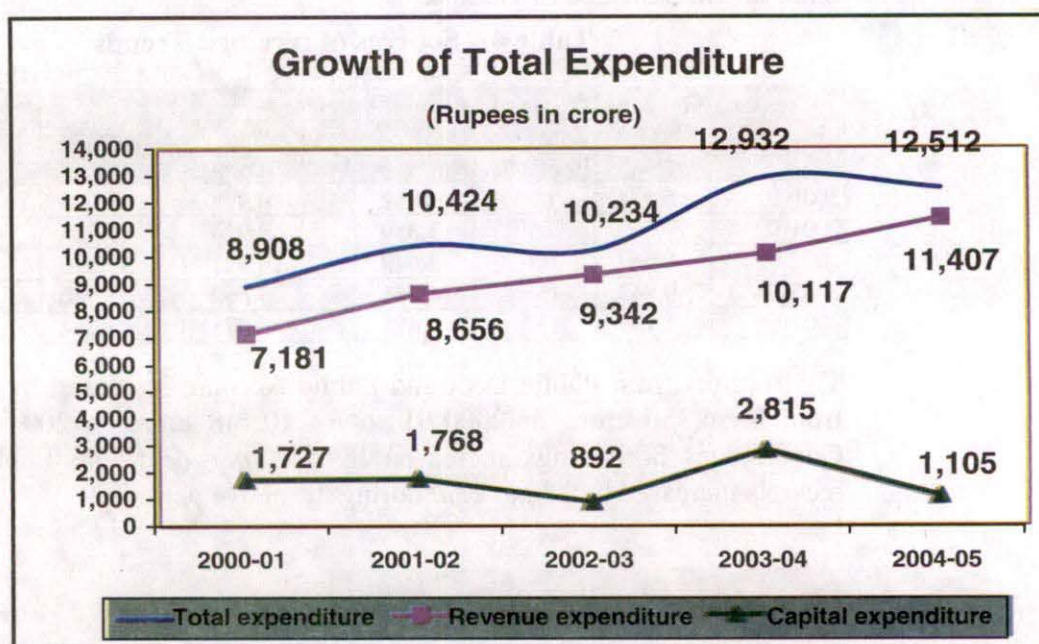
Total expenditure of the State, its annual growth, ratio of expenditure to GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts are indicated in Table-5 below:

Table 5: Total Expenditure – Basic Parameters (Value: Rupees in crore and others in *per cent*)

	2000-01	2001-02	2002-03	2003-04	2004-05
Total Expenditure (TE)	8,908	10,424	10,234	12,932	12,512
Rate of Growth	9.54	17.02	—*	26.36	—*
TE/GSDP	16.18	17.31	15.54	17.72	15.51
Revenue Receipts/TE	73.80	72.91	84.59	76.11	89.11
Buoyancy of total expenditure with reference to					
GSDP	0.760	1.817	—*	2.430	—*
Revenue Receipts	0.682	1.090	—*	1.924	—*

* Rate of growth of total expenditure was negative in 2002-03 and 2004-05.

The decline in total expenditure in the current year was primarily due to less disbursement of loans and advances which decreased from Rs 2,429 crore in 2003-04 to Rs 208 crore in 2004-05. There was an upward trend in the ratio of revenue receipts to total expenditure from 74 *per cent* in 2000-01 to 89 *per cent* in 2004-05, indicating that about 11 *per cent* of the State's total expenditure was being financed from borrowings. On the other hand ratio of total expenditure with GSDP indicated the downward trend from 16.18 *per cent* in 2000-01 to 15.51 *per cent* in 2004-05.

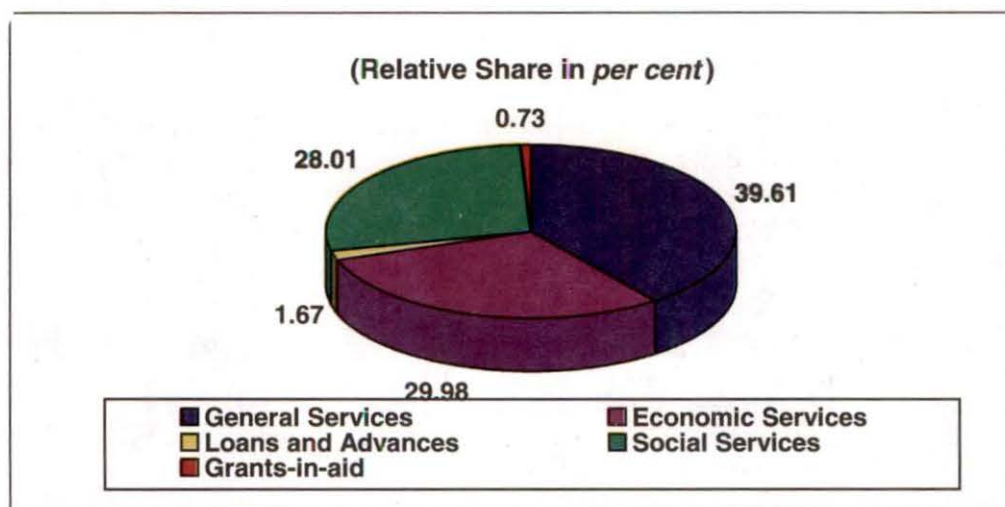


In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services and loans and advances. The relative share of these components in total expenditure is indicated in Table 6.

Table 6: Components of expenditure – Relative Share (in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
General Services	35.33	33.93	39.47	34.29	39.61
Social Services	29.74	27.97	29.55	25.43	28.01
Economic Services	31.60	34.92	26.46	21.13	29.98
Grants-in-aid	0.16	0.29	0.06	0.37	0.73
Loans and Advances	3.17	2.89	4.46	18.78	1.67

The movement of relative share of these components of expenditure indicated that while the shares of economic services and social services in total expenditure declined from 32 and 30 per cent in 2000-01 to 30 and 28 per cent respectively in 2004-05, the relative share of general services increased from 35 per cent in 2000-01 to 40 per cent in 2004-05.



Incidence of revenue expenditure

1.6.2 Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services. Over all revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and revenue receipts and their buoyancy with both GSDP and revenue receipts are indicated in Table 7.

Table 7: Revenue Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Expenditure (RE)	7,181	8,656	9,342	10,117	11,407
Rate of Growth	3.29	20.54	7.93	8.30	12.75
RE/ GSDP	13.04	14.38	14.19	13.86	14.14
RE as per cent of TE	80.61	83.04	91.28	78.23	91.17
RE as per cent to Revenue Receipts	109.23	113.89	107.91	102.78	102.31
Buoyancy of Revenue expenditure with reference to					
GSDP	0.262	2.193	0.848	0.765	1.211
Revenue Receipts	0.235	1.316	0.570	0.606	0.961

Revenue expenditure of the State increased by 59 *per cent* from Rs 7,181 crore in 2000-01 to Rs 11,407 crore in 2004-05. During the year 2004-05 the revenue expenditure increased by Rs 1,290 crore (13 *per cent*) over previous year mainly due to more expenditure on transmission and distribution of power (Rs 225 crore), miscellaneous general services which included state lotteries (Rs 142 crore), pensions and other retirement benefits (Rs 136 crore), general education (Rs 133 crore) and interest payments (Rs 122 crore).

Revenue receipts financed 98 *per cent* of revenue expenditure of the State Government during 2004-05, which has led to the decline in revenue deficit. Though the ratio of revenue expenditure to revenue receipts declined during 2000-05, dependence of the State on borrowings, for meeting its current expenditure, continues primarily due to the fact that salaries (Rs 3,714 crore), interest payments (Rs 2,235 crore) and pensions (Rs 902 crore) alone consumed 61 *per cent* of total revenue receipts of the State during the year.

High salary expenditure

1.6.3 Salaries alone accounted for nearly 33 *per cent* of the revenue receipts of the State. The expenditure on salaries increased by 38 *per cent* from Rs 2,700 crore in 2000-2001 to Rs 3,714 crore in 2004-05 as indicated in Table 8.

Table 8

(Rupees in crore)					
Heads	2000-01	2001-02	2002-03	2003-04	2004-05
Salary expenditure	2,700.18	3,032.18	3,008.46	3,255.96	3,714.10
As percentage of GSDP	4.90	5.04	4.57	4.46	4.60
As percentage of Revenue Receipts	41.07	39.90	34.75	33.07	33.31

Huge expenditure on pension payments

1.6.4 Pension payments have increased by 58 *per cent* from Rs 570.84 crore in 2000-01 to Rs 901.93 crore in 2004-05. Year-wise break-up of expenditure incurred on pension payments during the years 2000-05 was as under:

Table 9

Year	Expenditure	Percentage to total revenue
	Rupees in crore	
2000-01	570.84	8
2001-02	657.05	8
2002-03	745.91	8
2003-04	765.70	8
2004-05	901.93	8

With the increase in the number of retirees, the pension liabilities were likely to increase further in future. The State Government had not constituted any fund to meet the fast rising pension liabilities of the retired State employees. Considering the rate at which pension liabilities are increasing, reforms in the existing pension schemes assume critical importance.

Interest payments

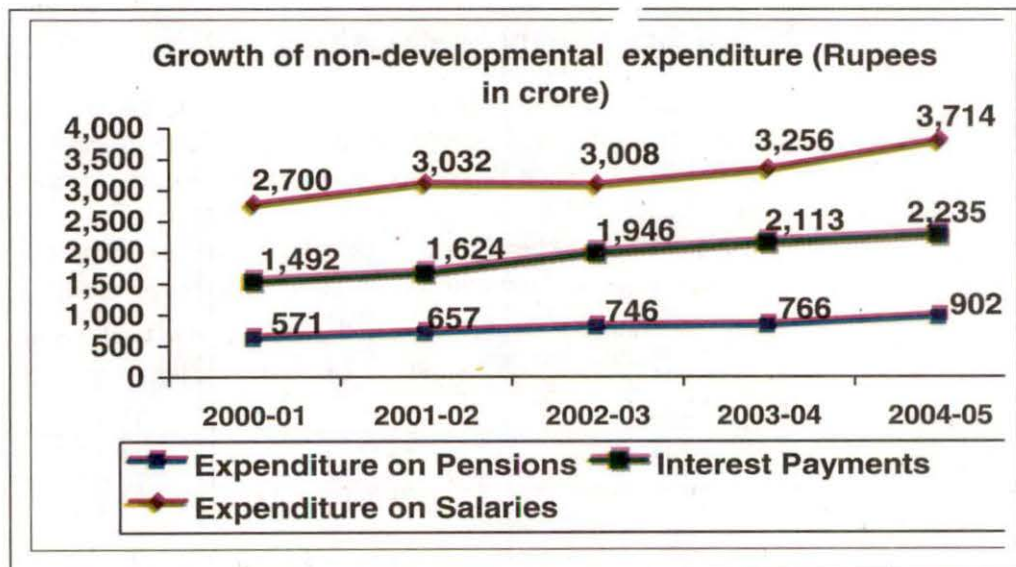
1.6.5 The Eleventh Finance Commission (August 2000) recommended that as a medium term objective, States should endeavour to keep interest payments as a ratio to revenue receipts to 18 *per cent*. It was, however, observed that interest payments as a percentage of revenue receipts ranged between 20 and 23 during the last five years.

Table 10

Year	Interest Payments	Percentage of interest payment with reference to	
	(Rupees in crore)	Revenue Receipts	Revenue Expenditure
2000-01	1,492	23	21
2001-02	1,624	21	19
2002-03	1,946	22	21
2003-04	2113	21	21
2004-05	2235	20	20

In absolute terms, interest payments increased steadily by 50 *per cent* from Rs 1,492 crore in 2000-01 to Rs 2,235 crore in 2004-05 primarily due to increased interest on Internal Debt by Rs 292 crore. Large interest payments, increasing year after year, due to continued reliance on borrowing for meeting the deficits crowd out the expenditure on primary education, health and social welfare schemes.

The graph given below indicates the growth of non-development expenditure on salaries, interest and pensions during 2000-01 to 2004-05:



Subsidies by the Government

1.6.6 Though the finances of the State are under strain, the State Government has been paying subsidies to the various Nigams, Corporations, etc. During the last five years, State Government paid the subsidies

under various schemes as per Table-11 below:

Table 11

(Rupees in crore)

Sr. No.	Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Haryana Vidyut Prasaran Nigam Limited	138.33	763.54	829.10	923.88	1,102.00
2.	Haryana State Minor Irrigation (Tubewells) Corporation	69.51	85.15	39.31	-	-
3.	Others	18.15	11.04	15.11	33.56	54.97
	Total	225.99	859.73	883.52	957.44	1,156.97
1.	Percentage Increases (+)/ Decreases (-) over previous years	(-) 52	281	3	8	21
2.	Percentage of subsidy with total expenditure	3	8	9	7	9

* Corporation closed in July 2002.

Subsidies to various Nigams, Corporations, etc. increased sharply by 412 per cent from Rs 226 crore in 2000-01 to Rs 1,157 crore in 2004-05. During the current year, subsidies constituted nine per cent of the total expenditure and 95 per cent of the total subsidies were paid to Haryana Vidyut Prasaran Nigam Limited alone.

1.7 Expenditure by allocative priorities

1.7.1 The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statements 12 and 13 of Finance Accounts reflects the allocative priorities of the State. Higher the ratio of these components to total expenditure, better is deemed to be the quality of expenditure. Table 12 below gives the percentage share of these components of expenditure in State's total expenditure.

Table 12: Quality of expenditure (per cent to total expenditure)

	2000-01	2001-02	2002-03	2003-04	2004-05
Plan Expenditure	21.40	20.14	18.52	16.84	21.62
Capital Expenditure	16.22	14.07	4.26	2.98	7.17
Developmental Expenditure	61.34	62.89	56.01	46.56	57.99

Expenditure on capital component declined from 16 per cent of total expenditure in 2000-01 to 7 per cent in 2004-05. However, during the current year capital expenditure increased as compared to the previous year which was mainly due to less recoveries (Rs 246.72 crore) of expenditure incurred for procurement of foodgrains under grain supply schemes as compared to the higher recoveries (Rs 669.68 crore) made during 2003-04. Development expenditure declined from 61 per cent in 2000-01 to 58 per cent in 2004-05.

Out of the developmental expenditure (Rs 7,256 crore), Social Services (Rs 3,505 crore) accounted for 48 *per cent* during the year. Education, Sports, Art and Cultural, Health and Family Welfare, Water Supply, Sanitation, Housing and Urban Development and Social Welfare and Nutrition consumed nearly 96 *per cent* of the expenditure on Social sector.

Table 13: Social Sector expenditure

	(Rupees in crore)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Education, Sports, Art and Culture	1,335 (2.42)	1,480 (2.46)	1,455 (2.21)	1,541 (2.11)	1,681 (2.08)
Health and Family Welfare	298 (0.54)	322 (0.53)	351 (0.53)	359 (0.49)	392 (0.48)
Water Supply, Sanitation, Housing and Urban Development	423 (0.77)	488 (0.81)	562 (0.85)	691 (0.95)	644 (0.79)
Social Welfare and Nutrition	487 (0.88)	513 (0.85)	534 (0.81)	572 (0.78)	642 (0.79)
Total	2,543	2,803	2,902	3,163	3,359

* Percentage of GSDP in brackets.

Similarly, the expenditure on Economic Services (Rs 3,751 crore) accounted for 52 *per cent* of the developmental expenditure. Of this, Energy (Rs 1,439 crore), Irrigation and Flood Control (Rs 708 crore) and Transport (Rs 1,133 crore) accounted for 87 *per cent* of the expenditure on Economic sector.

Table 14: Economic Sector expenditure

	(Rupees in crore)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Energy	405.64	829.54	984.48	1,145.24	1,439.15
Irrigation and flood control	647.91	779.44	702.78	640.98	708.22
Transport	649.24	877.67	808.44	993.50	1,132.72
Total	1,702.79	2,486.65	2,495.70	2,779.72	3,280.09

Financial assistance to local bodies and other institutions

1.7.2 Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies and authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement various programmes of Government. The grants are given by Government mainly for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

The quantum of assistance provided to different bodies during the period of five years ending 2004-05 was as follows:

Table 15

(Rupees in crore)						
Sr. No.	Bodies/authorities, etc.	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Universities and Educational Institutions	167.48	215.59	190.14	242.31	72.91
2.	Municipal Corporations and Municipalities	116.26	144.03	158.95	175.96	180.00
3.	<i>Zila Parishads</i> and <i>Panchayati Raj</i> Institutions	9.78	35.77	5.02	59.25	29.42
4.	Development Agencies	119.06	128.32	116.82	114.68	121.28
5.	Hospitals and other Charitable Institutions	12.10	16.04	16.26	10.55	22.32
6.	Other Institutions (including statutory bodies)	87.49	128.71	120.61	124.46	92.19
Total		512.17	668.46	607.80	727.21	518.12
	Percentage increase(+)/ decrease (-) over previous year	24	31	(-) 9	20	(-) 29
	Assistance as a percentage of revenue receipts	8	9	7	7	5
	Percentage of assistance to revenue expenditure	7	8	7	7	5

Out of the grant of Rs 518.12 crore, Rs 179.99 crore were classified under '4215-Capital outlay on water supply and sanitation' instead of revenue head of account.

The details of assets created out of assistance provided to the Local Bodies and Authorities were not supplied (July 2005) by the departments concerned.

Delay in furnishing utilisation certificates

1.7.3 The financial rules require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of 5,332 utilisation certificates due in respect of grants-in-aid of Rs 1,201.73 crore paid during 1991-92 to 2003-04, only 2,973 utilisation certificates for Rs 408.92 crore were furnished to AG by 31 August 2005 and 2,359 certificates for Rs 792.81 crore were in arrears. Department-wise and age-wise break-up is given in *Appendix II*.

Delay in submission of accounts by Autonomous Bodies

1.7.4 The status of submission of accounts by eight autonomous bodies and submission of separate Audit Reports thereon to the State Legislature as of June 2005 is given in **Appendix III**.

Audit arrangements

1.7.5 The audit of local bodies (Zila Parishads, Nagar Palikas and Town Area/Notified Area Committees), Educational Institutions, Panchayati Raj Institutions and others was conducted by the Director, Local Fund Audit, Haryana. Audit of Co-operative Societies is conducted by the Registrar, Co-operative Societies, Haryana.

The accounts of 75 bodies/authorities, which were received for the year 2003-04, attracted audit by Comptroller and Auditor General of India. Of these, 62 bodies and authorities, audit of which was due, were audited during 2004-05.

Three hundred and twenty four annual accounts of 103 bodies and authorities for 2004-05 and earlier years had not been received as of July 2005 by the Accountant General (Audit). The details are given in **Appendix IV**. Of these bodies and authorities, 18¹ Municipal Committees and nine² aided Colleges did not submit their accounts for five years or more.

Non-furnishing of accounts of utilisation of grants

1.7.6 Out of 241 autonomous bodies to whom various Government departments released grants-in-aid of Rs 216.24 crore during the year 2003-04, as detailed in **Appendix V**, 191 did not render the accounts for the utilisation of grants to the concerned departments as of July 2005.

Misappropriations, defalcations, etc.

1.7.7 The State Government reported to audit 257 cases involving Rs 1.73 crore on account of misappropriations, defalcations, etc. of Government money. These cases pertained to the period from 1971-72 to the end of March 2005 on which final action was pending at the end of June 2005. The department-wise/year-wise and category-wise break-up of the pending cases is given in **Appendix VI and VII** respectively.

¹ Sr. No. 1 to 9, 11 to 15, 17, 21, 44 and 46 of **Appendix IV**.

² Sr. No. 68, 69, 72, 79, 83, 85 to 87 and 94 of **Appendix IV**.

Write off of losses, etc.

1.7.8 During 2004-05, Rs 5.31 lakh representing losses due to theft, fire and irrecoverable revenue, etc. were written off in 8 cases by competent authorities as reported to audit. The relevant details were as under:

Table 16

Sr. No.	Department	Number of cases	Amount (Rupees in lakh)
1.	Animal Husbandry	2	1.15
2.	Education	3	1.64
3.	Fisheries	1	2.28
4.	Forest	2	0.24
	Total	8	5.31

1.8 Assets and liabilities

1.8.1 The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings, etc. owned by the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure. Statement 16 read with details in Statement 17 of Finance Accounts shows the year-end balances under the Debt, Deposit and Remittance heads from which the liabilities and assets are worked out. Statement-I presents an abstract of such liabilities and the assets as on 31 March 2005 compared with the corresponding position on 31 March 2004. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the Government of India, small savings, provident funds, deposits and Reserve Fund, etc. the assets comprised mainly of the capital expenditure and loans and advances given by the State Government. The liabilities of Government of Haryana depicted in the Finance Accounts, however, do not include the pension and other retirement benefits payable to serving and retired State employees. Statement-IV depicts the Time Series Data on State Government Finances for the period 2000-05.

Financial results of irrigation works

1.8.2 The financial results of seven major irrigation projects with a capital outlay of Rs 318.63 crore at the end of March 2005 showed that revenue realised from these projects during 2004-05 (Rs 54.57 crore) was 17 per cent of the capital outlay. After meeting the working and maintenance expenditure (Rs 74.78 crore) and interest charges (Rs 16.20 crore), there was a loss of Rs 36.41 crore, which was 11 per cent of the capital outlay on these projects.

Incomplete projects

1.8.3 As per information received from the State Government, as of 31 March 2005, there were 25 incomplete projects in which Rs 105.75 crore were blocked (Details in Appendix-IV to Finance Account).

Investments and returns

1.8.4 As on 31 March 2005, Government had invested Rs 1,861 crore in Statutory Corporations, Joint Stock Companies and Co-operatives. Government's return on this investment was meagre (less than one *per cent*) as indicated in Table 17 below. Of these, one Statutory Corporation and 14 Government Companies with an aggregate investment of Rs 1,552 crore upto 2004-05 were incurring losses and their accumulated losses amounted to Rs 1,056 crore as per the accounts furnished by these companies upto 2003-04 (*Appendix VIII*). Thus, Government needs not only to invest the high cost borrowings more judiciously to get better results, but also address the losses on account of such units by their disinvestment.

Table 17: Return on Investment (Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (<i>per cent</i>)
2000-01	2,843.73	1.81	0.06	10.52 and 12.00
2001-02	2,905.97	0.40	0.01	8, 8.30, 9.45 and 10.35
2002-03	3,067.25	1.73	0.06	6.75, 6.80, 6.95 and 7.80
2003-04	1,689.51	4.11	0.24	5.85, 5.90, 6.20, 6.35 and 6.40
2004-05	1,861.34	2.35	0.13	5.60, 5.70, 6.35, 7.02, 7.32 and 7.36

Loans and Advances by State Government

1.8.5 In addition to its investment, Government has also been providing loans and advances to many of these bodies. Total outstanding balance of the loans advanced was Rs 3,954 crore as on 31 March 2005 (Table 18). Overall, interest received against these advances was only five *per cent* in 2004-05, which was less than the average rate of interest paid by the State Government on borrowings. Further, in most cases, Government orders sanctioning the loans did not specify the terms and conditions for these loans.

Table 18: Average Interest Received on Loans Advanced by the State Government (Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Opening Balance	850	1,063	1,279	1,630	3,903
Amount advanced during the year	282	301	457	2,429	208
Amount repaid during the year	69	85	106	156	157
Closing Balance	1,063	1,279	1,630	3,903	3,954
Net Addition (+) / Reduction (-)	213	216	350	2,273	51
Interest received (Rupees in crore)	9	8	7	95	206
Interest received as <i>per cent</i> to outstanding Loans and Advances	0.85	0.63	0.43	2.43	5.21
Average rate of interest paid by the State	11.40	10.50	10.74	10.20	9.62
Difference between rate of interest paid and received	(-)10.55	(-)9.87	(-)10.31	(-)7.77	(-)1.35

Commercial activities

Lack of accountability for the use of public funds in departmental commercial undertakings

1.8.6 Activities of quasi-commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare *proforma* accounts in the prescribed format annually showing the results of financial operation so that the Government can assess the results of their working. The Heads of Departments in the Government are to ensure that the undertakings, which are funded by the budgetary release, prepare the accounts on a timely basis and submit the same to Accountant General for audit.

As of March 2005, there were six undertakings/schemes in which Government of Haryana had invested Rs 1,994.95 crore at the end of the financial year up to which their accounts were completed. The department-wise position of preparation of accounts in respect of these undertakings was as per Table-19 below:

Table 19

Department	No. of undertakings/ schemes under the department	Accounts not finalised (name of undertakings/ schemes)	Year upto which accounts finalised	Investment as per last accounts (Rupees in crore)
Agriculture	2	(i) Purchase and Distribution of Pesticides ³	1985-86	2.53
		(ii) Seed Depot Scheme ³	1986-87	NA
Printing and Stationery	1	Text Book Organisation	2002-03	3.22 (Provisional)
Transport	1	Haryana Roadways	2000-01	326.26
Animal Husbandry	1	Veterinary Vaccine Institute, Hisar	2002-03	*
Food and Supplies	1	Grain Supply Scheme	2003-04	1,662.94
Total				1,994.95

* Less than Rs 1.00 crore (Rs 0.19 lakh)

Two undertakings relating to Agriculture Department had not prepared their accounts for more than 18 years. Accounts of one undertaking each of Transport, Animal Husbandry, Printing and Stationery and Food and Supplies Departments were in arrears by three years, two years and one year respectively.

³ These schemes are defunct since 1986-87 (Purchase and distribution of pesticides) and 1984-85 (Seed Depot scheme).

Management of cash balances

1.8.7 It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mis-matches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from Reserve Bank of India has been put in place. Government of Haryana had the WMA limit of Rs 245 crore from 1 April 2004 to 31 March 2005. Details of WMA and overdraft availed by the Government during the last five years are given in Table-20 below. During the current year, the State did not use this mechanism as against 27 days last year. In a nutshell, the State's cash management in the current year was more prudent. However, the Government raised market loans of Rs 1,038.71 crore on six occasions.

Table 20: Ways and Means and Overdrafts of the State and Interest paid thereon (Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Ways and Means Advances-					
Taken in the Year	1,563.46	2,642.96	633.97	238.98	-
Outstanding	23.83	178.01	--	--	-
Interest Paid	1.28	6.35	3.04	0.26	-
Overdraft					
Taken in the Year	764.26	964.01	177.42	--	-
Outstanding	--	406.65	--	--	-
Interest Paid	3.10	0.80	0.79	--	-
Number of Days State was in Overdraft	104	69	21	--	-

Undischarged liabilities

Fiscal liabilities—public debt and guarantees

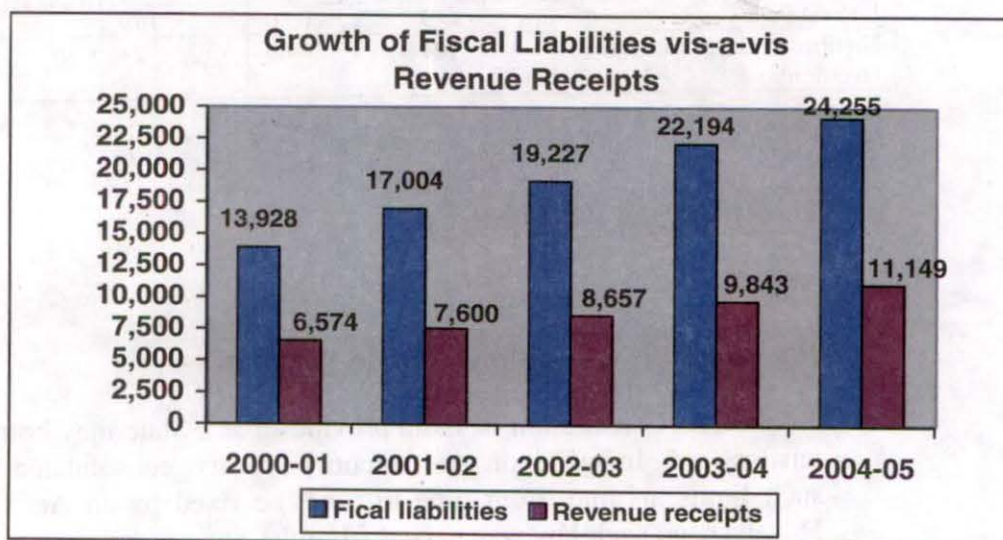
1.8.8 The Constitution of India provides that a State may borrow within the territory of India, upon the security of its consolidated fund, within such limits, as may from time to time, be fixed by an Act of Legislature. However, no such law was passed from the State to lay down any such limit. Statement 4, read with Statements 16 and 17 of Finance Accounts, shows the year-end balances under Debt, Deposit and Remittances heads from which the liabilities are worked out.

It would be observed that the over all fiscal liabilities of the State increased by 74 *per cent* from Rs 13,928 crore in 2000-01 to Rs 24,255 crore in 2004-05. These liabilities as ratio to GSDP increased from 25 *per cent* in 2000-01 to 30 *per cent* in 2004-05 and stood at 2.18 times of its revenue receipts and 2.43 times of its own resources comprised of its own tax and non-tax revenue. Table 21 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

Table 21: Fiscal Imbalances—Basic Parameters (Rupees in crore and Ratios in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Fiscal Liabilities	13,928	17,004	19,227	22,194	24,255
Rate of Growth	13.71	22.09	13.07	15.43	9.29
Ratio of Fiscal Liabilities to					
GSDP	25.3	28.2	29.2	30.4	30.1
Revenue Receipts	211.9	223.7	222.1	225.5	217.6
Own Resources	242.2	256.2	261.3	258.9	242.9
Buoyancy of Fiscal Liabilities to					
GSDP	1.091	2.358	1.399	1.422	0.882
Revenue Receipts	0.980	1.415	0.940	0.538	0.70
Own Resources	0.673	1.432	1.203	0.936	0.563

In addition to these liabilities, Government had guaranteed loans of its various Corporations and others, which as of 31 March 2005 stood at Rs 4,249 crore. The guarantees are in the nature of contingent liabilities of the State and in the event of non-payment of loans, there may be an obligation on the State to honour these commitments. Currently, the fiscal liabilities including the contingent liabilities were 2.55 times the revenue receipts of the State. The direct fiscal liabilities of the State have grown much faster as compared to its rate of growth of GSDP.



Increasing liabilities had raised the issue of sustainability of the finances of the State Government. Fiscal liabilities are considered sustainable if the weighted interest paid on these liabilities is lower than the rate of growth of GSDP.

Debt sustainability with reference to weighted interest rate, GSDP growth rate and interest spread is indicated in Table 22.

Table 22: Debt Sustainability – Interest Rate and GSDP Growth (in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Weighted Interest Rate	11.40	10.50	10.74	10.20	9.62
GSDP Growth	12.56	9.37	9.34	10.85	10.53
Interest spread	1.16	(-) 1.13	(-) 1.40	0.65	0.91

Another important indication of debt sustainability is the net availability of the funds after payment of the principal on account of the earlier contracted liabilities and interest. Table 23 below gives the position of the receipts and repayments of internal debt over the last five years.

Table 23: Net Availability of Borrowed Funds (Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Internal Debt					
Receipts	1,563	2,459	3,400	5,864	4,178
Repayments (Principal + Interest)	895	1,252	1,935	2,820	2,687
Net Funds Available	668	1,207	1,465	3,044	1,491
Net Funds Available (<i>per cent</i>)	43	49	43	52	36
Loans and Advances from Government of India					
Receipts	319	339	249	421	296
Repayments (Principal + Interest)	856	913	947	2,684	2,163
Net Funds Available	(-) 537	(-) 574	(-) 698	(-)2,263	(-)1,867
Net Funds Available (<i>per cent</i>)	(-) 168	(-) 169	(-) 280	(-)538	(-)631
Total Public Debt					
Receipts	1,882	2,798	3,649	6,285	4,474
Repayments (Principal + Interest)	1,751	2,165	2,882	5,504	4,850
Net Funds Available	131	633	767	781	(-)376
Net Funds Available (<i>per cent</i>)	7	23	21	12	(-)8

The net funds available on account of the internal debt and loans and advances from Government of India after providing for the interest and repayment declined from 23 *per cent* in 2001-02 to minus eight *per cent* in 2004-05 which shows that no funds were available for investment in capital expenditure.

The State Government raised market loans of Rs 1,039 crore during the year. The average rate of market borrowings during the year was 9.62 *per cent*. The State Government did not use the option of raising market borrowings at competitive rates through auctions. As on 31 March 2005, 34 *per cent* of the existing market loans of the State Government carried an interest rate exceeding 10 *per cent*. Thus, the effective cost of borrowings on their past loans is much higher than the rate at which they are able to raise resources at present from the market. The maturity profile of the State Government market loans indicate that nearly 28 *per cent* of the total market loans are repayable within the next five years while remaining 72 *per cent* loans are required to be repaid within 5 to 10 years.

1.9 Management of deficits

Fiscal imbalances

1.9.1 The deficits in Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence

of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to the fiscal health.

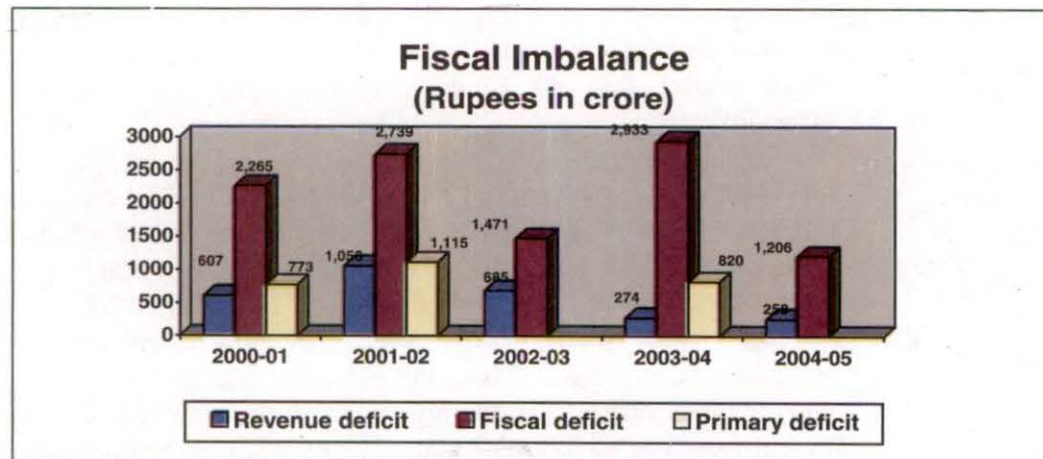
The revenue deficit (Statement 1 of Finance Account) of the State, which is the excess of its revenue expenditure over revenue receipts, decreased from Rs 607 crore in 2000-01 to Rs 258 crore in 2004-05. The fiscal deficit, which represents the total borrowings of the Government and its total resource gap also decreased from Rs 2,265 crore in 2000-01 to Rs 1,206 crore in 2004-05 as indicated in Table 24.

Table 24: Fiscal Imbalances – Basic Parameters (Value: Rupees in crore and Ratios in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Deficit (RD)	607	1,056	685	274	258**
Fiscal Deficit (FD)	2,265	2,739	1,471	2,933	1,206
Primary Deficit (PD) (-)/ Surplus (+)	773	1,115	(-) 475*	820	(-) 1,029*
RD/GSDP	1.10	1.75	1.04	0.38	0.32
FD/GSDP	4.11	4.55	2.23	4.02	1.50
PD/GSDP	1.40	1.85	(-) 0.72*	1.12	(-) 1.28*
RD/FD	26.80	38.55	46.57	9.34	21.39

* Negative balance is because interest payments were more than fiscal deficit.

** Grants-in-aid made to local bodies amounting to Rs 175.96 crore was misclassified as capital expenditure instead of revenue expenditure as a result of which revenue deficit has been understated to that extent.



Persistent revenue deficit indicated that the revenue receipts of the State were not able to meet its revenue expenditure because of poor tax administration as there were arrears of revenue to the tune of Rs 1,087 crore. The ratio of revenue deficit to fiscal deficit has increased from nine per cent in 2003-04 to 21 per cent in 2004-05. As proportion to GSDP, revenue deficit had decreased to 0.32 per cent in 2004-05 and fiscal deficit to 1.50 per cent.

1.10 Fiscal ratios

1.10.1 The finances of a State should be sustainable, flexible and non-vulnerable. Table 25 below presents a summarised position of Government

Finances over 2000-05, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP. Revenue receipts comprise not only the tax and non-tax resources of the State but also transfers from Union Government. These ratios showed a continuous improvement during 2000-05 indicating mobilization of resources and its sustainability.

Various ratios concerning expenditure management of the State indicate the quality of its expenditure and sustainability of these in relation to its resources mobilization. The ratio of revenue expenditure to total expenditure increased from 81 in 2000-01 to 91 in 2004-05 whereas development expenditure decreased from 61 in 2000-01 to 58 in 2004-05. The decline in development expenditure is indicative of State's inadequate ability to sustain the servicing of borrowings and inadequate expansion of development activities.

Table 25: Ratios of Fiscal Efficiency (in per cent)

Fiscal Ratios	2000-01	2001-02	2002-03	2003-04	2004-05
Resources Mobilisation					
Revenue Receipts/GSDP	11.94	12.62	13.15	13.49	13.82
Revenue Buoyancy	1.114	1.666	1.489	1.263	1.260
Own Tax/GSDP	7.83	8.26	8.43	8.69	9.22
Own-Tax Buoyancy	1.795	1.633	1.247	1.325	1.634
Expenditure Management					
Total Expenditure/GSDP	16.18	17.31	15.54	17.72	15.51
Revenue Receipts/ Total Expenditure	73.80	72.91	84.59	76.11	89.11
Revenue Expenditure/Total Expenditure	80.60	83.04	91.28	78.23	91.17
Capital Expenditure	16.22	14.07	4.26	2.98	7.17
Development Expenditure/Total Expenditure	61.34	62.89	56.01	46.56	57.99
Buoyancy of TE with RR	0.682	1.090	0.131	1.924	0.245
Buoyancy of RE with RR	0.235	1.316	0.570	0.606	0.961
Management of Fiscal Imbalances					
Revenue deficit (Rs in crore)	607	1,056	685	274	258**
Fiscal deficit (Rs in crore)	2,265	2,739	1,471	2,933	1,206
Primary Deficit (Rs in crore)	773	1,115	(-) 475*	820	(-) 1,029*
Revenue Deficit/Fiscal Deficit	26.80	38.55	46.57	9.34	21.39
Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	25.3	28.2	29.2	30.4	30.1
Fiscal Liabilities/RR	211.9	223.7	222.1	225.5	217.6
Buoyancy of FL with RR	0.980	1.415	0.940	0.538	0.70
Buoyancy of FL with own resources	0.673	1.432	1.203	0.936	0.563
Interest Spread	1.16	1.13	1.40	0.65	0.91
Net Fund Available	7	23	21	12	8.00
Other Fiscal Health Indicators					
Return on Investment	1.81	0.40	1.73	4.11	2.35
BCR (Rs in crore)	6	213	70	326	786
Financial Assets/Liabilities	0.69	0.68	0.67	0.71	0.72

* Negative balance is because interest payments were more than fiscal deficit.

** Grants-in-aid made to local bodies amounting to Rs 175.96 crore was misclassified as capital expenditure instead of revenue expenditure as a result of which revenue deficit has been under stated to that extent.

The revenue deficit reduced by six *per cent* on account of increase in the revenue collection by 13 *per cent*, though misclassification of grants-in-aid to local bodies (Rs 175.96 crore) under capital head of account also contributed to this decline. The revenue deficit could have been further contained had the State Government been able to collect the arrears of revenue (Rs 1,087 crore) and reduce the revenue expenditure which registered a growth of 13 *per cent* during the year. The borrowings increased by Rs 2,061 crore. However, no portion of this could be utilised for capital formation and infrastructural development as the entire amount was applied to servicing and repayment of past borrowings. Interest liability is bound to increase further with increasing borrowing year after year and may reduce the availability of funds for infrastructure development.

STATEMENT-I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
HARYANA

(Rupees in crore)

As on 31 March 2004	Liabilities		As on 31 March 2005
12,191.45	Internal Debt		15,063.28
	3,825.04	Market Loans bearing interest 4,754.85	
	3.63	Market Loans not bearing interest 2.71	
	31.81	Loans from LIC 28.60	
	8,330.97	Loans from other Institutions, etc. 10,277.12	
3,695.51	Loans and Advances from Central Government		2,283.90
	90.33	Pre 1984-85 Loans 70.43	
	790.42	Non-plan Loans 246.77	
	2,769.14	Loans for State Plan Schemes 1,920.78	
	24.83	Loans for Central Plan Schemes 22.93	
	20.79	Loans for Centrally Sponsored Plan Schemes 22.99	
10.00	Contingency Fund		10.00
4,953.95	Small Savings, Provident Funds, etc.		5,238.16
1,041.60	Deposits		1,284.62
559.11	Reserve Funds		686.10
100.47	Suspense and Miscellaneous Balances		403.17
22,552.09			24,969.23
As on 31 March 2004	Assets		As on 31 March 2005
11,334.02	Gross Capital Outlay		12,230.95
	1,689.51	Investments in shares of Companies, Corporations, etc. 1,861.34	
	9,644.51	Other Capital Outlay 10,369.61	
3,903.33	Loans and Advances		3,954.29
	2,391.24	Loans for Power Projects 2,406.08	
	1,300.19	Other Development Loans 1,303.94	
	211.90	Loans to Government Servants, etc. 244.27	
0.69	Advances		0.83
8.00	Remittance Balances		22.57
684.36	Cash		1,880.86
	0.01	Cash in Treasuries and Local Remittances 0.46	
	7.69	Departmental Balances 6.95	
	0.09	Permanent Cash Imprest 0.09	
	890.44	Cash Balance Investment and other Reserve Fund Investment 1,912.52	
	(-)213.87	Deposits with Reserve Bank (-)39.16	
6,621.69	Deficit on Government Accounts		6,879.73
	273.71	(i) Revenue Deficit of the Current Year 258.04	
	6,343.86	(ii) Accumulated deficit up to preceding year 6,621.69	
	4.12	(iii) Miscellaneous Government Account -	
22,552.09	Total		24,969.23

STATEMENT-II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE
YEAR 2004-05

(Rupees in crore)

Receipts			Disbursements					
2003-04			2004-05	2003-04		Non-Plan	Plan	Total
9,843.48	Section A : Revenue		11,149.06	10,117.19	I. Revenue Expenditure	9,954.39	1,452.71	11,407.10
6,348.05	I. Revenue Receipts			4,367.72	General Services	4,863.83	34.27	4,898.10
2,223.06	Tax Revenue	7,440.27		2,995.71	Social Services	2,375.36	842.85	3,218.21
600.75	Non-Tax Revenue	2,544.37		1,535.87	Education, Sports, Art and Culture	1,467.50	207.54	1,675.04
	State's share of Union Taxes and Duties	619.26			Health and Family Welfare	269.72	111.01	380.73
117.15	Non-Plan Grants	84.23		350.42	Water Supply, Sanitation, Housing and Urban Development	334.34	50.63	384.97
337.71	Grants for State Plan Schemes	200.81		420.94	Information and Broadcasting	15.39	2.09	17.48
216.76	Grants for Central Plan and Centrally Sponsored Plan Schemes	260.12		15.54	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	22.16	26.95	49.11
				45.44	Labour and Labour Welfare	63.88	9.16	73.04
				59.37	Social Welfare and Nutrition	198.85	435.47	634.32
				564.24	Others	3.52	-	3.52
				3.89	Economic Services	2,623.49	575.59	3,199.08
				2,706.05	Agriculture and allied activities	330.68	132.66	463.34
				422.75	Rural Development	71.84	92.41	164.25
				139.24	Irrigation and Flood Control	310.33	135.35	445.68
				416.82	Energy	1,105.10	100.70	1,205.80
				982.59	Industry and Minerals	15.81	27.17	42.98
				24.87	Transport	774.12	66.31	840.43
				683.29	Science, Technology and Environment	0.50	5.45	5.95
				7.18	General Economic Services	15.11	15.54	30.65
				29.31	Grants-in-aid and Contributions	91.71	-	91.71
				47.71				
273.71	II. Revenue Deficit carried over to Section B	258.04	258.04					
10,117.19	Total Section A		11,407.10	10,117.19		9,954.39	1,452.71	11,407.10
33.48	Section B - Others		684.36	385.65	II. Capital Outlay	(-) 244.97	1,141.89	896.92
	III. Opening Cash Balance including Permanent Advances and Cash Balance Investment			66.46	General Services	-	58.13	58.13
				293.67	Social Services	-	286.95	286.95
				4.81	Education, Sports, Art and Culture	-	6.10	6.10
				9.00	Health and Family Welfare	-	11.40	11.40
				269.85	Water Supply, Sanitation, Housing and Urban Development	-	258.68	258.68
				0.70	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	0.75	0.75
				7.39	Social Welfare and Nutrition	-	7.43	7.43
				1.92	Others	-	2.59	2.59
				25.52	Economic Services	(-) 244.97	796.81	551.84
				(-) 674.99	Agriculture and allied activities	(-) 245.48	1.40	(-) 244.08
				224.16	Irrigation and Flood Control	-	262.54	262.54
				162.63	Energy	-	233.35	233.35
				0.01	Industry and Minerals	-	2.23	2.23
				310.21	Transport	0.51	291.78	292.29
				3.50	General Economic Services	-	5.50	5.50

Chapter I Finances of the State Government

Receipts				Disbursements			
2003-04			2004-05	2003-04			2004-05
155.58	IV. Recoveries of Loans and Advances		157.10	2,429.32	III. Loans and Advances Disbursed		208.06
23.26	From Power Projects	7.59		2,114.35	For Power Projects	22.43	
64.26	From Government Servants	68.73		91.05	To Government Servants	101.10	
68.06	From others	80.78		223.92	To others	84.53	
				273.71	IV. Revenue Deficit brought down		258.04
6,284.76	V. Public Debt Receipts		4,474.49	3,789.52	V. Repayment of Public Debt		3,014.27
5,864.17	Internal Debt other than Ways and Means Advances and Overdraft	4,178.37		1,732.70	Internal Debt other than Ways and Means Advances and Overdraft	1,306.54	
	Net transaction under Ways and Means Advances and Overdraft				Net transaction under Ways and Means Advances and Overdraft		
420.59	Loans and Advances from Central Government	296.12		2,056.82	Repayment of Loans and Advances to Central Government	1,707.73	
7,662.06	VI. Public Accounts Receipts		5,973.44	6,573.32	VI. Public Account Disbursements		5,031.24
999.82	Small Savings, Provident Fund, etc.	1,040.22		707.78	Small Savings, Provident Fund, etc.	756.01	
176.97	Reserve Funds	196.04		54.16	Reserve Funds	69.05	
4,457.59	Deposits and Advances	2,277.84		4,242.67	Deposits and Advances	2,034.97	
193.76	Suspense and Miscellaneous	628.60		(-) 265.83	Suspense and Miscellaneous	325.90	
1,833.92	Remittances	1,830.74		1,834.54	Remittances	1,845.31	
				684.36	VII. Cash Balance at end		1,880.86
				0.01	Cash in Treasuries and Local Remittances	0.46	
				(-) 213.87	Deposits with Reserve Bank	(-) 39.16	
				7.78	Departmental Cash Balance including Permanent Advances, etc.	7.04	
				890.44	Cash Balance Investment	1,912.52	
14,135.88	Total - Section B		11,289.39	14,135.88	Total		11,289.39

STATEMENT-III
SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

2003-04	Sources	2004-05
9,843.48	Revenue Receipts	11,149.06
155.58	Recoveries of Loans and Advances	157.10
2,495.24	Increase in Public debt	1,460.22
1,088.74	Net Receipts from Public Account -	942.20
	292.04 Increase in Small Savings, Provident Funds, etc.	284.21
	214.92 Increase in Deposits and Advances	242.87
	122.81 Increase in Reserve funds	126.99
	459.59 Net effect of Suspense and Miscellaneous transactions	302.70
	(-) 0.62 Net effect of Remittance transactions	(-)14.57
	Decrease in cash balance	
13,583.04	Total	13,708.58
2003-04	Application	2004-05
10,117.19	Revenue expenditure	11,407.10
2,429.32	Lending for development and other purposes	208.06
385.65	Capital expenditure	896.92
650.88	Increase in cash balance	1,196.50
13,583.04	Total	13,708.58

Explanatory Notes for Statements I, II and III:

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government accounts, as shown in Statement-I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement, etc.
4. There was a difference of Rs 8.99 crore (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposits with Reserve Bank" (July 2005).

STATEMENT-IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Part A. Receipts					
1. Revenue Receipts	6,574	7,600	8,657	9,843	11,149
(i) Tax Revenue	4,311 (66)	4,971 (65)	5,550 (64)	6,348 (64)	7,440 (67)
Taxes on Sales, Trade, etc.	2,573 (60)	2,945 (59)	3,337 (60)	3,838 (61)	4,761 (64)
State Excise	841 (20)	875 (18)	879 (16)	923 (15)	1,013 (14)
Taxes on Vehicles	86 (2)	104 (2)	114 (2)	132 (2)	140 (2)
Stamps duty and Registration fees	419 (10)	488 (10)	541 (10)	696 (11)	727 (10)
Land Revenue	12	19	10	20	12
Taxes on goods and passengers	367 (8)	499 (10)	653 (12)	660 (10)	705 (9)
Taxes and duties on Electricity	1 (-)	29 (1)	1	59 (1)	62 (1)
Other Taxes	12 (-)	12	15	20	20
(ii) Non-Tax Revenue	1,439 (22)	1,666 (22)	1,808 (21)	2,223 (23)	2,545 (23)
(iii) State's share in Union taxes and duties	346 (5)	450 (6)	756 (9)	601 (6)	619 (5)
(iv) Grants-in-aid from Government of India	478 (7)	513 (7)	543 (6)	671 (7)	545 (5)
2. Misc. Capital Receipts	-	-	-	-	-
3. Total Revenue and Non debt capital receipt (1+2)	6,574	7,600	8,657	9,843	11,149
4. Recoveries of Loans and Advances	69	85	106	156	157
5. Public Debt Receipts	1,882	3,359	3,649	6,285	4,475
Internal Debt (excluding Ways & Means Advances and Overdrafts)	1,563 (83)	2,459 (73)	3,400 (93)	5,864 (93)	4,178 (93)
Net transactions under Ways and Means Advances and Overdraft	-	561 (17)	-	-	-
Loans and Advances from Government of India ⁴	319 (17)	339 (10)	249 (7)	421 (7)	296 (7)
6. Total Receipts in the Consolidated Fund (3+4+5)	8,525	11,044	12,412	16,284	15,781
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts receipts	4,478	4,914	4,921	7,662	5,973
9. Total receipts of the State (6+7+8)	13,003	15,958	17,303	23,946	21,754
Part B. Expenditure					
10. Revenue Expenditure	7,181	8,656	9,342	10,117	11,407
Plan	992 (14)	1,197 (14)	1,049 (11)	1,124 (11)	1,453 (13)
Non-plan	6,189 (86)	7,459 (86)	8,293 (89)	8,993 (89)	9,954 (87)
General Services (including Interests payments)	3,117 (43)	3,486 (40)	3,995 (43)	4,368 (43)	4,898 (43)
Economic Services	1,543 (22)	2,415 (28)	2,532 (27)	2,706 (27)	3,199 (28)
Social Services	2,506 (35)	2,725 (32)	2,809 (30)	2,995 (30)	3,218 (28)
Grants-in-aid and contributions	15	30	6	48	92 (1)
11. Capital Expenditure	1,445	1,467	436	386	897
Plan	914 (63)	902 (61)	846 (194)	1,054 (273)	1,142 (127)
Non-plan	531 (37)	565 (39)	(-410) (-94)	(-668) (-173)	(-245) (-27)
General Services	30 (2)	51 (3)	45 (10)	66 (17)	58 (6)
Economic Services	1,272 (88)	1,225 (84)	176 (41)	26 (7)	552 (62)
Social Services	143 (10)	191 (13)	215 (49)	294 (76)	287 (32)
12. Disbursement of Loans and Advances	282	301	456	2429	208
13. Total (10+11+12)	8,908	10,424	10,234	12,932	12,512
14. Repayments of Public Debt	757	961	1,932	3,790	3,014
Internal Debt (excluding Ways and Means Advances and Overdrafts)	479 (63)	737 (77)	1,096 (57)	1,733 (46)	1,307 (43)
Net transactions under Ways and Means Advances and Overdraft	86 (11)	-	585 (30)	-	-
Loans and Advances from Government of India	192 (26)	224 (23)	251 (13)	2,057 (54)	1,707 (57)
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	9,665	11,385	12,166	16,722	15,526
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Accounts disbursements	3,480	4,243	5,289	6,573	5,031
19. Total disbursement by the State (16+17+18)	13,145	15,628	17,425	23,295	20,557
Part C. Deficits					
20. Revenue Deficit (1-10)	(-607)	(-1,056)	(-685)	(-274)	(-258)
21. Fiscal Deficit (3+4-13)	(-2,265)	(-2,739)	(-1,471)	(-2,933)	(-1,206)
22. Primary Deficit (-)/surplus (+) (21-23)	(-773)	(-1,115)	(+475)	(-820)	1,029
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1,492	1,624	1,946	2,113	2,235
24. Arrears of Revenue (Percentage of Tax & non-tax Revenue Receipts)	396 (7)	516 (8)	577 (8)	851 (6)	1,087 (11)
25. Financial Assistance to local bodies etc.	512	668	608	727	518
26. Ways and Means Advances (WMA)/Overdraft availed (days)	281	299	71	27	-
27. Interest on WMA/Overdraft	4.38	7.15	3.83	0.26	-
28. Gross State Domestic Product (GSDP) ⁵	55,055	60,212	65,837	72,980	80,665
29. Outstanding Debt (year end)	13,928	17,004	19,227	22,194	24,255
30. Outstanding guarantees including interest (year end)	8,209	8,606	7,690	5,907	4,249
31. Maximum amount guaranteed (year end)	12,025	12,222	12,461	9,457	6,742
32. Number of incomplete projects	6	3	6	5	25
33. Capital blocked in incomplete projects	8.82	2.50	9.50	35.25	105.75

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

⁴ Includes Ways and Means Advances from GOI.

⁵ GSDP for 2004-05 has been worked out by taking the average growth rate of 10.53 per cent on the basis of growth during 2000-01 to 2003-04.

CHAPTER-II

APPROPRIATION AND CONTROL OVER EXPENDITURE

CHAPTER – II

APPROPRIATION AND CONTROL OVER EXPENDITURE

APPROPRIATION ACCOUNTS 2004-05 AT A GLANCE

Introduction

2.1 The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by the Government vis-à-vis those authorised by the Appropriation Act in respect of both charged as well as voted items of the budget.

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

Summary of Appropriation Accounts

2.1.1 The summarised position of actual expenditure during 2004-05 against 26 grants/appropriations was as follows:

Nature of expenditure		Original grants/ appropriations	Supplementary grants/ appropriations	Total	Actual expenditure	Saving(-) / Excess(+)
(Rupees in crore)						
Voted	I. Revenue	9,202.38	365.05	9,567.43	9,278.52	(-) 288.91
	II. Capital	2,456.80	103.04	2,559.84	2,327.71	(-) 232.13
	III. Loans and Advances	236.24	32.84	269.08	208.65	(-) 60.43
Total Voted		11,895.42	500.93	12,396.35	11,814.88	(-) 581.47
Charged	IV. Revenue	2,561.48	2.36	2,563.84	2,304.92	(-) 258.92
	V. Capital	7.00	2.00	9.00	4.35	(-) 4.65
	VI. Public Debt	5,020.13	-	5,020.13	3,014.27	(-) 2,005.86
Total Charged		7,588.61	4.36	7,592.97	5,323.54	(-) 2,269.43
Grand Total		19,484.03	505.29	19,989.32	17,138.42	(-) 2,850.90

The following further points emerge:

➤ Genuineness of expenditure of Rs 1.42 crore drawn on 79 Abstract Contingent (AC) bills during 2003-04 (four AC bills for Rs 0.01 crore) and 2004-05 (75 AC bills for Rs 1.41 crore) could not be verified as Detailed Contingent bills were not submitted (August 2005).

➤ Similarly, Rs 2.22 crore drawn on 128 vouchers could not be verified as the vouchers in support of amounts drawn were not submitted.

Excesses and savings

Excess expenditure over provisions of previous years requiring regularisation

2.1.2 As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to Rs 2400.21 crore for the years 2002-03 and 2003-04 was yet to be regularised (August 2005).

Year	Number of Grants/Appropriations	Grant/Appropriation No.(s)	Amount of excess	Amount for which explanations not furnished to PAC
			(Rupees in crore)	
2002-03	5	1, 6, 10, 15 and 25	172.59	172.59
2003-04	6	1, 4, 7, 10, 15 and 25	2,227.62	2,227.62
		Total	2,400.21	2,400.21

Excess expenditure over provisions of 2004-05 requiring regularisation

2.1.3 The excess of Rs 128.15 crore involving three grants under revenue account and Rs 98.65 crore under capital account in respect of three grants/appropriations required regularisation under Article 205 of the Constitution. Details are given below:

Sr. No	Number and name of grants/appropriations	Total grants/ appropriations	Actual expenditure	Excess
		(In Rupees)		
Revenue (Voted)				
1.	6-Finance	9,02,37,22,000	9,26,71,18,000	24,33,96,000
2.	8-Buildings and Roads	2,14,47,33,000	2,80,66,64,000	66,19,31,000
3.	15-Irrigation	16,70,12,00,000	17,07,73,66,000	37,61,66,000
Total		27,86,96,55,000	29,15,11,48,000	1,28,14,93,000
Capital (Voted)				
4.	4-Revenue	15,00,00,000	39,82,68,000	24,82,68,000
5.	10-Medical and Public Health	2,28,09,70,000	2,53,02,45,000	24,92,75,000
6.	15-Irrigation	4,02,99,10,000	4,51,88,41,000	48,89,31,000
Total		6,46,08,80,000	7,44,73,54,000	98,64,74,000

Government did not furnish reasons for excess expenditure (August 2005).

Original budget and supplementary provisions

2.1.4 The overall saving of Rs 2,850.90 crore was the net result of saving of Rs 3,077.69 crore (46 cases) of 24 grants/appropriations offset by excess of Rs 226.79 crore in six cases of five grants/appropriations. Savings were mainly under Finance Rs 253.44 crore, Food and Supplies Rs 229.26 crore and Education Rs 203.18 crore.

Supplementary provisions made during the year constituted two *per cent* of the original provision as against five *per cent* in the previous year.

Excessive/unnecessary/inadequate supplementary provisions

2.1.5 Supplementary provisions of Rs 51.73 crore in three cases proved unnecessary as the expenditure in each case was less than the original provision as detailed below:

Sr. No.	Number and name of grant	Original grant	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
Revenue (Voted)						
1	10-Medical and Public Health	722.32	5.19	727.51	701.11	26.40
2	17-Agriculture	270.97	13.70	284.67	261.81	22.86
3.	25-Loans and Advances by State Government	236.24	32.84	269.08	208.65	60.43
Total		1,229.53	51.73	1,281.26	1,171.57	109.69

2.1.6 In eight cases, against additional requirement of Rs 135.49 crore, supplementary provisions of Rs 220.01 crore were obtained resulting in savings (in each case exceeding Rs 50 lakh) aggregating Rs 84.52 crore. Details of these cases are given below:

Sr. No.	Number and name of grants/ appropriations	Original grants/ appropriations	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
Revenue (Voted)						
1.	5-Excise and Taxation	48.64	5.21	53.85	51.47	2.38
2.	11-Urban Development	60.23	7.89	68.12	61.29	6.83
3.	12-Labour and Employment	62.79	48.26	111.05	73.04	38.01
4.	13-Social Welfare and Rehabilitation	545.31	55.61	600.92	582.01	18.91
5.	14-Food and Supplies	27.48	2.14	29.62	28.26	1.36
6.	16-Industries	38.72	18.76	57.48	50.97	6.51
7.	21-Community Development	206.67	54.14	260.81	251.44	9.37
8	23-Transport	592.14	28.00	620.14	618.99	1.15
Total		1,581.98	220.01	1,801.99	1,717.47	84.52

Substantial savings/excesses

2.1.7 In 28 cases, expenditure fell short by more than Rs 10 crore in each case and also by more than 10 *per cent* of the original provision as indicated in **Appendix IX**. In eight cases¹, the entire provision totalling Rs 2,136 30 crore remained unutilised.

2.1.8 In 39 cases, expenditure exceeded the original provisions by Rupees five crore or more and also by more than 10 *per cent* of the original

1 Sr. No. 3, 15, 16, 22, 23, 24, 26 and 28 of **Appendix IX**.

provision indicating inadequate budgeting. Details of these are given in *Appendix X*.

Persistent savings

2.1.9 In two cases, there were persistent savings of Rs 10 lakh and more and 10 per cent or more of the provisions in the last three years. Details are given below:

Sr. No.	Number and name of grants/appropriations	Percentage of saving to total provision (amount of savings - Rupees in crore)		
		2002-03	2003-04	2004-05
	Revenue (Voted)			
1.	18-Animal Husbandry	22 (30.28)	24 (33.21)	13 (18.28)
	Capital (Voted)			
2.	8-Buildings and Roads	36 (138.67)	10 (39.22)	20 (85.87)

Persistent savings indicated that budgeting was based on inappropriate assumptions.

Entire savings surrendered only on the last day of the year

2.1.10 According to rules, the spending departments are required to surrender the grants/appropriations or portions thereof as and when the savings are anticipated and latest by 1 December every year to the Finance Department.

However, against the total savings of Rs 3,077.69 crore (46 cases), Rs 2,867.05 crore (45 cases) were surrendered on the last day of the financial year viz., 31 March 2005. In 11 cases, against the available savings of Rs 2,485.03 crore, savings aggregating Rs 450.66 crore (savings of more than Rs one crore in each case) were not surrendered as detailed below:

Sr. No.	Name of the grants/appropriations	Saving	Surrender	Saving remained un-surrendered
		(Rupees in crore)		
	Revenue (Voted)			
1.	9-Education	203.18	152.49	50.69
2.	10-Medical and Public Health	26.41	10.41	16.00
3.	12-Labour and Employment	38.01	35.37	2.64
4.	13-Social Welfare and Rehabilitation	18.91	17.33	1.58
5	15-Irrigation	37.62	17.37	20.25
6.	17-Agriculture	22.86	17.51	5.35
7	18-Animal Husbandry	18.28	14.84	3.44
8	25-Loans and Advances by State Government	60.43	10.30	50.13
	Capital (Voted)			
9	15-Irrigation	48.89	34.31	14.58
	Revenue (Charged)			
10	3-Home	4.58	0.75	3.83
11.	Public Debt	2,005.86	1,723.69	282.17
	Total	2,485.03	2,034.37	450.66

Though such failures had been pointed out in earlier Audit Reports, the deficiencies/shortcomings continue to persist year after year. This indicated that expenditure control mechanism and State level budgetary control process were ineffective.

Injudicious surrender of funds

2.1.11 In 12 cases, the amount surrendered was in excess of the available savings, which indicate ineffective budgetary control. Against the actual available savings of Rs 175.31 crore, the amount surrendered was Rs 651.87 crore resulting in excess surrender of Rs 476.56 crore. Details are given in *Appendix XI*.

In such five cases, Rs 66.25² crore were surrendered despite excess expenditure of Rs 201.87 crore. This indicated inadequacy in the financial and budgetary control practices in the departments.

Injudicious reappropriation of funds

2.1.12 Reappropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious reappropriation of funds resulted in excess/savings by over Rs 50 lakh in each case, are as given in *Appendix XII*.

Expenditure without provision

2.1.13 As envisaged in the Budget Manual, expenditure should not be incurred on any scheme/service without provision of funds therefor. It was noticed, however, that expenditure of Rs 257.60 crore was incurred in 15 cases, as detailed in *Appendix XIII*, without provision in the original estimates/ supplementary demands and no reappropriation orders were issued.

Trend of recoveries

2.1.14 Under the system of gross budgeting followed by the Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries; these are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In two grants³, the actual recoveries adjusted in reduction of expenditure (Rs 31.48 crore) exceeded the estimated recoveries (Rs 30.47 crore) by Rs 1.01 crore. Though no recoveries were provided in the budget estimates in two grants⁴ for the year 2004-05, recoveries of Rs 117.82 crore were made. Further, in respect of six grants⁵, the actual recoveries (Rs 1,415.06 crore) were less than the estimated recoveries (Rs 1,712.65 crore) by Rs 297.59 crore. Details of recoveries are given in Appendix of the Appropriation Accounts. Huge variation between the estimated recoveries and actual realisation, indicated faulty budgeting.

² Item no. 3,5,7,9 and 11 of *Appendix XI*.

³ 10-Medical and Public Health (Revenue) and 14-Food and Supplies (Revenue).

⁴ 15-Irrigation and 17-Agriculture.

⁵ 4-Revenue, 8-Buildings and Roads, 14-Food and supplies, 17-Agriculture, 22-Co-operation and 25-Loans and Advances by State Government.

Excesses/savings without explanation




2.1.15 After the close of accounts of each financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and resultant variations are sent to the Controlling Officers, requiring them to explain the variations in general and those under important heads/sub-heads in particular.

Explanations for excesses and savings in respect of the Appropriation Accounts for the year 2004-05 were not received in respect of 164 heads/sub-heads against the total of 651 heads/sub-heads of account.

CHAPTER—III

PERFORMANCE APPRAISALS

AUDIT REVIEWS

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CHAPTER III

PERFORMANCE APPRAISALS

AUDIT REVIEWS

Town and Country Planning Department
(Haryana Urban Development Authority)

3.1 Development of Urban Estates at Faridabad and Gurgaon

Highlights

- Acquisition and development of land of reserve forest area in Faridabad for development of urban estate led to blocking of funds of Rs 62.37 crore upto March 2005. Similarly, expenditure of Rs 47.37 lakh, incurred on construction of road on Reserve Forest land in Gurgaon, had also remained blocked as of March 2005.

(Paragraphs 3.1.13 and 3.1.14)

- Land acquired at a cost of Rs 6.30 crore during 1998-2001 was awaiting development due to slackness in planning.

(Paragraph 3.1.15)

- HUDA had to bear extra expenditure of Rs 11 crore due to delay in making payment of enhanced compensation to land owners/delay in sending of land owners objections to Courts and not depositing of amount of enhanced compensations in Court.

(Paragraphs 3.1.10, 3.1.17 and 3.1.18)

- HUDA had to incur expenditure of Rs 72.47 crore on their maintenance since 14 developed sectors in Faridabad and 22 developed sectors in Gurgaon had not been transferred to Municipal Corporation, Faridabad and Municipal Council, Gurgaon respectively.

(Paragraph 3.1.27)

- Estate Office, HUDA, Faridabad and Gurgaon had to make avoidable payment of interest of Rs 2.20 crore to 136 allottees due to delay in handing over possession of plots to them.

(Paragraph 3.1.28)

- Sewage Treatment Plant for Trunk Sewer-IV, Gurgaon though planned was not installed and sewage was being disposed of in the open leading to pollution and unhygienic conditions.

(Paragraph 3.1.16)

- In Gurgaon and Faridabad Divisions, Rs 1.20 crore were lying outstanding for the last 1 to 11 years in miscellaneous Public Works advances as of March 2005.

(Paragraph 3.1.8)

Introduction

3.1.1 The Haryana State Legislature enacted the Haryana Urban Development Authority Act, 1977 and constituted the Haryana Urban Development Authority (HUDA) in April 1977 to plan the development of urban areas and to provide modern living environment to the population. HUDA has the powers to hold and dispose of property and to carry out its operations by itself or through any agency. However, land is acquired through the State Government under the Land Acquisition Act, 1894. The development of the estates at Faridabad and Gurgaon were taken up for test-check because out of total expenditure of Rs 4,665.16 crore of HUDA during 2000-05, expenditure of Rs 1,592.19 crore (34 per cent) was incurred on these estates. Both these estates fall within the National Capital Region (NCR).

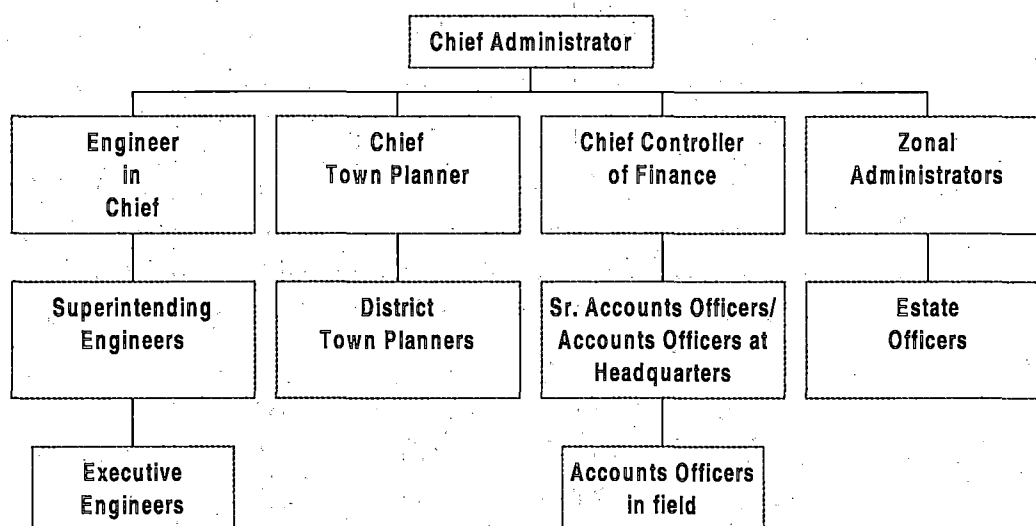
Objectives of HUDA

3.1.2 The main objective of development of urban estates was to stop or reduce the concentration of growing population in the already overpopulated cities and to provide a modern living environment. HUDA, after preparing a master plan for each urban estate, takes action for possession of land from private land owners through Government on payment of compensation and undertakes its development in accordance with the master plan for residential and commercial purposes by providing infrastructural facilities like roads, water supply, sewerage, storm water drainage, fire services, street lighting, electrification, parks. The master plan of Faridabad was approved in November 1994 for proposed land use upto 2011 while for Gurgaon it was approved in June 1995 for land use upto 2001. Besides selling residential plots to public for construction by individuals, HUDA also constructs commercial buildings (booths/showrooms, etc.) and provides developed land to Haryana Housing Board for setting up residential colonies by providing built up accommodation.

Organisational set up

3.1.3 The Chief Administrator (CA), HUDA is in overall incharge for development of urban estates. He is assisted by Engineer-in-Chief (EIC), Chief Town Planner (CTP), four Zonal Administrators (ZA) and the Chief Controller of Finance (CCF). HUDA field offices connected with the development of urban estates are Construction Divisions (17), Horticulture Divisions (3), Electrical Divisions (3), Project Divisions (2) and Estate Offices (16). Besides, four Land Acquisition Collectors (LAC) had been posted by the Urban Estate Department exclusively for acquisition of land for HUDA.

The organisational set up is depicted given below:

**Audit objectives**

3.1.4 The main objectives of Audit were to check:

- the existence of a sound financial system;
- the efficacy of planning for carrying out various developmental activities;
- if the acquisition of land was done in an economic and effective manner;
- if the developmental and maintenance activities were carried out in an economic, effective and efficient manner as per the laid down codal provisions and the HUDA Act; and
- if the policy for allotment of plots and buildings was strictly adhered to and rules and regulations in this regard were followed and dues were recovered correctly and in time.

Audit methodology

3.1.5 During the audit, the records relating to financial management, survey and planning, acquisition of land, execution of works, allotment of plots to public and recoveries of dues from allottees and maintenance of urban estates were scrutinised for the period 2000-05 on a test-check basis. The audit was conducted during March-June 2005 in the offices of Chief Administrator, Chief Controller of Finance, Estate Officers, Faridabad and Gurgaon, Land Acquisition Collector, Faridabad and four¹ Works Divisions each at Faridabad and Gurgaon.

Financial management

HUDA generates its income mainly from the sale of plots, auction of commercial sites and buildings, rent, fees and fines on unauthorised construction/unauthorised occupants, interest on bank deposits, loans from State Government and the NCR Planning Board. All the receipts of Estates Offices are deposited with CA, HUDA, who releases funds to the field offices. A review of financial management brought out the following points.

Financial outlay and expenditure

3.1.6 Year-wise budget provisions and expenditure thereagainst for the development of these two estates during 2000-05 were as under:

Year	Budget provision	Expenditure	(+) Excess (-) Savings
(Rupees in crore)			
2000-01	238.91	250.07	11.16
2001-02	267.88	283.16	15.28
2002-03	443.93	454.11	10.18
2003-04	332.38	357.48	25.10
2004-05	251.03	247.37	(-) 3.66
Total	1,534.13	1,592.19	58.06

As evident from the above table, Rs 1,592.19 crore were spent against the budget provisions of Rs 1,534.13 crore.

Out of the total expenditure, Rs 849.35 crore were spent on acquisition of land; Rs 299.12 crore on water supply, sewerage, storm water drainage, etc.; Rs 122.33 crore on annual maintenance; Rs 110.98 crore on construction of buildings; Rs 55.36 crore on roads; Rs 82.15 crore on special repairs and on miscellaneous works; and Rs 72.90 crore on pay and allowances and office contingencies.

¹ HUDA Division I and II, Faridabad; Project Division I and II, Faridabad; HUDA Division I, II and III, Gurgaon; and Modern Jail Complex Division, Gurgaon.

Expenditure incurred in excess of budget provisions

Against the budget provision of Rs 1.88 crore, Rs 2.97 crore were spent on 21 annual maintenance works

3.1.7 As per codal provisions, expenditure on a work should not exceed the budget provision for that work.

However, HUDA Division II, Gurgaon spent Rs 2.97 crore against the budget provision of Rs 1.88 crore on 21 annual maintenance works during 2004-05. No reasons for excess expenditure over budget provisions were on record.

Long outstanding advances

Rupees 1.20 crore were outstanding in Miscellaneous Public Works Advances

3.1.8 As laid down in Para 10.23 of the Manual of Orders of Public Works Department (Buildings and Roads), as applicable to HUDA, the Divisional Officers are required to take effective steps to clear the outstanding items under the suspense head Miscellaneous Public Works Advances (MPWA) within reasonable time.

A test-check of records of the Works Divisions at Faridabad and Gurgaon revealed that Rs 1.20 crore were outstanding against various suppliers (Rs 0.35 crore), contractors (Rs 0.47 crore), staff members (Rs 0.22 crore) and Government Offices (Rs 0.16 crore) in the MPWA as of March 2005 for the last one to 11 years. The EE, HUDA Division III, Gurgaon stated (April 2005) that the amount placed in the MPWA was being adjusted. Reply was not acceptable because advances were lying outstanding for a long time and were piling up.

Outstanding recovery of water and sewerage charges

Non-recovery of water and sewerage charges

3.1.9 HUDA provides amenities like water supply and sewerage to the premises and in turn, it levies charges at fixed rates on the consumers. The HUDA Water Supply Regulations, 2001 provides that when a consumer fails to make payment of his dues by the due date, he would be liable to pay penalty at the rate of 10 *per cent* of the bill amount, otherwise the water or sewer connection at his premises would be disconnected after giving seven days' notice and recovery of dues would be made from the consumers as arrears of land revenue.

Audit observed that Rs 80 lakh² on account of water and sewerage charges were outstanding against 1,040 consumers as of March 2005 in the Divisions at Faridabad and Gurgaon. The pendency of outstandings ranged upto seven years. This indicated that proper monitoring and action to recover the dues were not adequate.

The EE, HUDA, Project Division II, Faridabad stated (June 2005) that water and sewerage connections were disconnected in 30 cases and notices for disconnection/recovery would be issued in the remaining cases.

² More than five years old Rs 52,000; more than six months but less than five years old Rs 18.98 lakh; and upto six months old Rs 60.50 lakh.

Loss arising out of failure to deposit funds for payment of enhanced land compensation

Failure to deposit enhanced land compensation in the Court led to loss of Rs 33.34 lakh

3.1.10 Additional District Judge (ADJ), Faridabad attached the bank account of HUDA during 1999-2000 for making payment of enhanced compensation directly to the farmers and land owners. While making payment, ADJ, Faridabad did not deduct any tax at source (TDS) from land owners. As a result, the Income Tax Department (ITD) raised a demand of Rs 122.02 lakh. Out of Rs 122.02 lakh, the LAC office adjusted Rs 85.35 lakh during 2000-03 from the arrears due to the farmers and land owners and deposited the same with ITD. However, the balance of Rs 36.67 lakh could not be recovered as of October 2003. The Assistant Commissioner of Income Tax served (November 2003) a demand notice to deposit Rs 36.67 lakh along with interest of Rs 33.34 lakh totalling Rs 70.01 lakh but the LAC, Faridabad did not make the payment. As a result, the ITD drew (February 2004) Rs 70.01 lakh by attaching the LAC's bank account. Thus, due to failure in depositing enhanced land compensation in the Court in time, HUDA had to bear a loss of Rs 33.34 lakh. No action had been taken to make good the loss (May 2005).

Departmental charges from Jail Department not recovered

Departmental charges of Rs 4.07 crore were not recovered from Jail Department

3.1.11 The administrative approval for construction of the Modern Jail Complex (MJC), Gurgaon at an estimated cost of Rs 34.95 crore was accorded by the Jail Department in October 2000. As per the conditions of administrative approval, HUDA was to charge departmental charges at 14 per cent on the value of work.

Test-check of records of the MJC Division, Gurgaon disclosed that HUDA incurred an expenditure of Rs 29.07 crore on execution of the aforesaid work upto March 2005 but departmental charges at 14 per cent, which worked out to Rs 4.07 crore, were not recovered by the concerned EEs from the Jail Department as of August 2005.

The EE stated (July 2005) that necessary advice was being sought from their Head office for recovery of departmental charges. Reply was not convincing because these charges were required to be recovered from Jail Department as per conditions of the administrative approval itself.

Loss of interest due to delay in transfer of funds to Head Office

Loss of interest of Rs 40.59 lakh due to delay in transfer of funds

3.1.12 Funds collected by the Estate Offices on account of instalments of payment for plots and other receipts were required to be deposited to the "Transfer and Collection Account" (current account on which no interest is allowed by the bank) and the authorised banks were required to transfer the funds collected to the main account of HUDA's Head Office, Panchkula on weekly basis. As per the instructions of CA, HUDA, the concerned Estate Officers were responsible for getting the funds transferred to the Head office account in time failing which the Accounts Officer in each Estate Office as the nodal officer would be held responsible for loss of interest on this account and strict action would be initiated against him.

Test-check of records of the Estate Office, HUDA, Faridabad revealed that during 2000-05, bank drafts/pay orders deposited by the Estate Officer in the Union Bank of India, Faridabad in the "Transfer and Collection Account" were transferred to Head office's Account only partly on weekly basis. The balance was being transferred subsequently after a delay of five to nine days. The Accounts Officer concerned did not take appropriate steps to ensure that the funds were transferred to the Head Office promptly, which led to loss of interest of Rs 40.59 lakh (at six *per cent* per annum). There was no evidence on record whether any action had been taken against the defaulting Accounts Officer.

Survey and planning

Inadequate survey leading to acquisition and development of Reserved Forest Land

Acquisition and development of land falling under Reserved Forest Area led to blocking of funds of Rs 62.37 crore

3.1.13 In terms of the Forest (Conservation) Act, 1980, no State Government or other authority is authorised to dereserve any forest area or use forest land for non-forest purposes except with the prior approval of the Central Government.

As per notification of the Government of Haryana, Forest Department, issued in August 1992, the area falling under the Aravali Hills Ranges, Faridabad (now Sectors 44 and 47) was declared Reserve Forest under the Punjab Land Preservation Act, 1900.

Test-check of the records of LAC and EE, HUDA Project Division I, Faridabad revealed that for developing Sectors 44 and 47, notification under Section 4 of the Land Acquisition Act, 1894 was issued in September 1992 for acquiring 483.69 acre land of village Mewla Maharaj Pur (District Faridabad), which was under the Aravali Hills Ranges and was already declared Reserve Forest in August 1992. The District Town Planner, Faridabad took up (June 1993) the matter with the Forest Department for denotification of the land but the proposal did not materialise because denotification was not permissible under the Act. Ignoring this, a further notification under Section 6 of the Land Acquisition Act, 1894 was issued in September 1993, the award was announced in February 1995 and development activities were carried out over this land. An expenditure of Rs 62.37 crore (Rs 55.51 crore on land acquisition and Rs 6.86 crore³ on development) was incurred during the period between 2001-05.

Further scrutiny of records revealed that a Public Interest Litigation was filed in 2002 with the Hon'ble Supreme Court of India against the use of Reserve Forest land for development of urban estate. The Hon'ble Supreme Court on this matter vide its orders dated 18 March 2004 also declared and defined the

³ Construction of roads: Rs 1.62 crore; Providing water supply and sewerage: Rs 2.04 crore; Development of leisure valley: Rs 2.66 crore; and Construction of buildings: Rs 54 lakh.

area as forest for the purpose of the Forest Conservation Act, 1980. The Divisional Forest Officer, Faridabad issued (March 2005) notices to HUDA and the District Town Planner, Faridabad to stop construction activities on the land in question.

Thus, by acquiring the land falling under Reserve Forest area and developing it as urban estate without the prior approval of the Central Government, as envisaged in the Forest (Conservation) Act, 1980, funds of Rs 62.37 crore remained blocked as of August 2005.

Construction of road in forest area led to blocking of funds of Rs 47.37 lakh

3.1.14 In another case, the work of construction of 60 metre wide outer roads of Sectors 26 and 26A, Gurgaon (road numbers 9 and 9A) was allotted (October 2004) to a contractor by HUDA, Division I, Gurgaon and an expenditure of Rs 47.37 lakh was incurred as of March 2005.

It was noticed in audit that despite being pointed out by the Divisional Forest Officer, Gurgaon in November 2003 that no non-forest activities should be carried out in the area without obtaining permission from the Government of India (GOI), the construction work of the road was taken up by the division.

The Divisional Forest Officer, Gurgaon again pointed out (February 2005) that since the land over which the roads were being constructed fell under Reserve Forest land, construction work on the land should be stopped, otherwise action would be taken against HUDA. Thereafter, construction activities of the roads were stopped in February 2005.

Construction of road, without GOI's prior permission, was in violation of the Forest (Conservation) Act, 1980 and led to blocking of Rs 47.37 lakh.

Lack of planning for development of land

Land worth Rs 6.30 crore remained undeveloped due to slackness of HUDA

3.1.15 The Land Acquisition Collector (LAC), Faridabad acquired 290.46 acre land of Sahupura, Unchagaon and Malerna villages through four awards (three awards for 244.42 acres for Rs 9.53 crore announced in April 1998 and one award for 46.04 acre for Rs 5.97 crore announced in February 2001) for development of sector 62, Faridabad.

Test-check of records of the LAC, Faridabad revealed that out of 290.46 acres of land acquired, development activities were carried out on 235.89 acre land only as per layout plan prepared by the District Town Planner, Faridabad and approved (November 2002) by CA, HUDA. No developmental activities were carried out on the remaining 54.57 acre land acquired at a cost of Rs 6.30 crore (8.53 acre from awards announced in April 1998 and 46.04 acre land from award announced in February 2001). Moreover, this piece of land was not included in the approved layout plan of sector 62.

On this being pointed out in audit, the DTP while sending (June 2005) the *sajra*⁴ and survey plan of the area to the Land Acquisition Collector asked him to mark the details of the unplanned land, so as to enable him to prepare the

⁴ Sketch indicating the details of land such as *killi/Khasra* number, etc.

layout plan of the left out land. Thus, due to slackness on the part of departmental officers, land acquired at a cost of Rs 6.30 crore remained unutilised, a part (46.04 acres) for four years and the rest (8.53 acres) for seven years.

Improper disposal of sewage

Sewage Treatment Plant not installed

3.1.16 Trunk Sewer-IV was covering areas of sectors 44, 45, 46, 47 and part areas of sectors 38, 39, 40 and 41 of the Urban Estate, Gurgaon which are all inhabited (April 2000) areas.

Test-check of records of HUDA Division II, Gurgaon revealed that there was provision of Sewage Treatment Plant (STP) of 37.5 million gallon per day (MGD) capacity in the master sewerage scheme for Trunk Sewer-IV. The work was to be executed in two phases. In the first phase, outfall sewer and other connected works were to be executed while the STP was to be constructed in the second phase. Administrative approval to the first phase was accorded in October 2001 for Rs 24.14 crore against which expenditure of Rs 9.79 crore was incurred as of March 2005. However, the second phase of the scheme involving construction of STP had not been taken up so far (June 2005) because administrative approval for this phase has not yet been accorded. In the absence of STP the sewage generated in the area was being disposed of in the open. Non-implementation of the planned master sewage scheme, thus, had resulted in unhygienic living environment for the residents of these areas.

Acquisition of land

Avoidable payment of interest due to delay in making payment of enhanced compensation to land owners

Delay in making payment of enhanced compensation to land owners led to payment of interest of Rs 6.43 crore

3.1.17 As per Section 28 of the Land Acquisition Act, 1894, the LAC was to pay interest on the enhanced compensation awarded by the Court at the rate of 9 *per cent* for the first year and 15 *per cent* per annum for the subsequent years from the date on which the Collector took possession of the land to the date of payment.

Test-check of the records of LACs, Faridabad and Gurgaon revealed that in 75 cases pertaining to the period from May 1999 to May 2004, Hon'ble Courts enhanced the compensation awarded by the concerned LACs. But there was delay in payment of the enhanced compensation ranging between 6 and 48 months. Due to delay in making payment of enhanced compensation, HUDA had to pay extra interest of Rs 9.36 crore. Even if, the interest earned by HUDA on its bank deposits at the rate of 6 *per cent* is taken into consideration, the net loss on this account works out to Rs 6.43 crore.

The concerned LACs attributed (May – June 2005) the delay to late receipt of advice from the Legal Remembrance (LR), Haryana, late receipt of funds from HUDA and shortage of revenue staff.

Avoidable payment of interest due to delay in referring objections of land owners to the Courts

Delay in sending objections of land owners to the Courts resulted in avoidable payment of interest of Rs 4.24 crore

3.1.18 Under Section 18 of the Land Acquisition Act, 1894 any person interested, who did not accept the award, may by written application to the Collector, require that the matter regarding his objection to the measurement of land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested be referred by LAC to the Court. HUDA had issued instructions in April 1990 that reference to District Courts should be made by LAC within 3 months of the date of receipt of such references from the interested persons to avoid unnecessary burden of interest.

Test-check of records of LAC, Faridabad revealed that in 6 cases, applications of landowners (interested persons) were forwarded to the Courts after a delay of 25 to 28 months beyond the permissible period of three months by the LAC. The landowners had accepted the awards under protest. Subsequently, the cases were decided in favour of applicants and enhanced land compensation along with interest was paid between February 2002 and August 2004. Thus, delay beyond the permissible period of three months in referring applications to the Courts resulted in avoidable payment of interest of Rs 4.24 crore. The Land Acquisition Collector, Faridabad stated (May 2005) that the delay occurred due to paucity of staff. The reply was not acceptable as the staff was deployed as per sanctioned strength.

Lack of Internal Control in land acquisition process

Lack of Internal Control System in land acquisition process may lead to double payments

3.1.19 In the office of the LAC, Faridabad, the internal control system was inadequate as no control register/ledger was maintained to keep a watch on the receipt of applications under Section 18 of Land Acquisition Act, 1894, forwarding the same to the Courts and on the payment of compensation or enhanced compensation in each case. Test-check of records revealed that in respect of three⁵ cases, two sets of applications were forwarded to the Courts. As a result, double payment (Rs 48.45 lakh in May 2001-October 2003 and Rs 61.32 lakh in September 2004) in respect of one case (LAC numbers 258 of 2000 and 196 of 2004) was deposited in the Court. The difference on the two occasions was due to increase in the amount of interest payable on the later occasion. Double payment was facilitated since the basic records were not being maintained. However, the second payment of Rs 61.32 lakh was averted the matter on being pointed out by audit in November 2004 and the amount was got refunded from the Court in June 2005. The Land Acquisition Collector stated (February 2005) that the official responsible for this lapse had been suspended. Out of remaining two cases, decision on the second application in respect of one case (LAC number 261 of 2004) was pending (June 2005). In respect of the third case of duplicate application (LAC numbers 81 and 154 of 2001), decisions on both the applications were

⁵ Smt Santosh Kumari (LAC Numbers 258 of 2000 and 196 of 2004), Sh. Devender Singh S/o Sh. Hari Singh of village Sahupura (LAC Numbers 189 of 2001 and 261 of 2004) and Sh. Parveen Singh S/o Sh. Ram Phal of village Uchagaon (LAC Numbers 81 and 154 of 2001).

announced; however, payment for the second application had not been made in the Court. There is clearly a need to strengthen the internal control system to eliminate the possibility of such double payments.

Development and maintenance of urban estates

For the development of urban estates, HUDA undertakes the execution of works relating to construction of roads, buildings, water supply, sewerage system, storm water drainage system and development of parks and street lights, etc. HUDA maintains the amenities provided in the urban estates atleast for five years and thereafter these are required to be transferred to the local authorities concerned.

The year-wise position of physical targets and achievements in respect of development activities during 2000-05 was as under:

Urban Estate	Water supply		Sewage		Storm water drainage		Roads	
	Targets	Achievements	Targets	Achievements	Targets	Achievements	Targets	Achievements
(In Kilometres)								
2000-01								
Faridabad	18.75	15.95	22.52	18.62	1.9	0.30	34.50	36.40
Gurgaon	31.00	46.50	32.95	32.95	42.20	46.60	64.40	46.60
2001-02								
Faridabad	17.30	25.00	24.55	26.50	2.58	1.20	25.90	26.50
Gurgaon	53.00	37.00	59.25	30.77	84.60	39.93	69.50	65.22
2002-03								
Faridabad	45.45	57.30	47.70	42.70	3.70	3.30	35.70	36.50
Gurgaon	49.10	48.60	47.40	34.10	56.00	10.45	62.45	48.10
2003-04								
Faridabad	27.90	32.05	28.65	23.60	8.30	00	104.00	101.00
Gurgaon	48.00	62.90	40.40	42.23	4.70	27.35	146.10	126.78

Note: Information not made available for 2004-05.

Scrutiny of records relating to execution of works brought out the following irregularities.

Execution of works without technical sanction/preparation of detailed estimates

Works worth
Rs 148.62 crore got
executed without
technical sanctions

3.1.20 As per provisions contained in para 2.89 of the PWD Code, no work should be commenced unless a detailed estimate is prepared and the competent authority accords technical sanction.

Test-check of records of two⁶ Divisions disclosed that these Divisions undertook execution of 151 works involving expenditure of Rs 148.62 crore during 2000-05 on the basis of administrative approvals only. Neither any detailed estimates were prepared nor technical sanctions were obtained in these cases. Out of these, in 37 cases, HUDA Division III, Gurgaon spent Rs 15.04 crore on maintenance works even without rough cost estimates.

The EE, HUDA Division III, Gurgaon stated (April 2005) that the estimates had been submitted to the competent authorities. The reply was not acceptable as the preparation of estimates and their technical sanction were preconditions for commencement of any work. No reply was furnished by the EE, HUDA Division I, Faridabad (August 2005).

Incomplete works delayed development of sectors

Twenty two works remained incomplete for 2 to 12 years

3.1.21 Scrutiny of records of three⁷ divisions at Faridabad and Gurgaon revealed that 20 works (*Appendix XIV*) remained incomplete for two to 12 years; only Rs 16.20 crore were spent on these works against the estimated cost of Rs 35.04 crore. No target dates for completion of the works were fixed. Despite availability of sufficient funds, the development work had suffered on account of delay in implementation.

Undue financial aid to contractors

Advances paid to contractors without work measurement

3.1.22 Codal provisions require that payments against execution of works be made after proper measurement of work and making record entry in the measurement books. During test-check of records of EE, HUDA Division I, Faridabad, it was noticed that in 13 cases, advances of Rs 39.13 lakh were given to the contractors during October 2003–March 2005 without measurement of works or any record entry in the measurement book. Advances of Rs 31.74 lakh in eight cases were adjusted after one to six months. In the remaining five cases advances of Rs 7.39 lakh were pending (June 2005) for one to 19 months.

Non-invocation of penalty clause

Non-imposition of penalty of Rs 0.81 crore on contractors

3.1.23 It was noticed in 15 cases (allotted during 2003-05) in three⁸ Divisions that the contractors did not complete the works within the scheduled time. Time extension had also not been granted by the competent authority. As per Clause 2 of the Agreement, penalty at the rate of 10 *per cent* of the agreement amount was to be imposed on the contractors for not completing the works within schedule. Though a period ranging between 5 and 15 months had already elapsed (June 2005), no penalty had been imposed under the clause in any case. The total amount of penalty in these cases worked out to Rs 0.81 crore. Non-levy of penalty amounted to grant of undue favour to contractors.

⁶ HUDA Division I, Faridabad (78 works; Rs 36.09 crore), HUDA Division – III, Gurgaon (73 works; Rs 112.53 crore).

⁷ HUDA Division I, Faridabad, HUDA Division I and II, Gurgaon.

⁸ HUDA Division I, Faridabad, HUDA Divisions II and III, Gurgaon.

Taking up activities not covered under the HUDA Act

Rupees 18.16 crore were spent on construction of 43 buildings which were not specified in the HUDA Act

3.1.24 As per the HUDA Act, amenities like roads, water supply, street lighting, sewerage, drainage, parks, open spaces, play fields, landscaping and clubs were to be provided by HUDA. Test-check of records of HUDA Divisions, Faridabad and Gurgaon revealed that 43 buildings (police posts: 10, police stations: 10, schools: 16, college: 1, dispensaries: 3, hospital: 1 and fire stations: 2) were constructed at a cost of Rs 18.16 crore during 2000-05 from the financial resources of HUDA. These facilities were not specified in the HUDA Act as amenities and construction of these were the responsibility of respective Departments of the Government. The expenditure so incurred was an additional burden on the plot holders as all such expenditure is taken into consideration at the time of price fixation of plots by HUDA.

Rupees 6.15 crore were spent on construction/ widening of Public Works Department's road

3.1.25 HUDA project Division I, Faridabad incurred an expenditure of Rs 6.15 crore during 2001-05 on maintenance and improvement by widening as well as strengthening a road belonging to the Public Works Department-Buildings and Roads (PWD-B&R) on the orders of the Financial Commissioner and Secretary to Government of Haryana, PWD issued in September 2001. Expenditure incurred on the PWD road was not an appropriate charge to HUDA funds.

The EE stated (April 2005) that repair of the road was assigned to HUDA by the PWD without transfer of ownership. But no separate notification was issued in this regard by the Government. It is clear from the reply that the expenditure incurred on the road was not a legitimate charge on HUDA funds, which otherwise would have been borne by the State Government from its own resources.

3.1.26 An expenditure of Rs 45.41 lakh was incurred during 2002-04 on development of a town-park on defence land at Palwal. Since the park was not located in the urban estate of HUDA, the expenditure incurred was not an appropriate charge on HUDA funds. Moreover, the land was yet to be transferred in the name of Government of Haryana (May 2005).

Avoidable expenditure on the maintenance of developed sectors

Non-transfer of developed Sectors of urban estates led to avoidable expenditure on their maintenance

3.1.27 Section 29 of the HUDA Act, 1977, *inter-alia*, provides that the Authority may entrust the area developed by it to the local authority concerned for maintaining the amenities provided by HUDA. HUDA conveyed (October 1988) its decision to transfer those sectors to the concerned Municipal Committees, which had been fully developed for more than five years and where 25 per cent (revised to 50 per cent in December 2002) or more houses had been constructed.

A test-check of records of the Works Divisions at Faridabad and Gurgaon revealed that HUDA had not transferred 36⁹ developed sectors to the Municipal Corporation (MC), Faridabad and the Municipal Council, Gurgaon.

⁹ Faridabad: 2, 3, 5, 20B, 21D, 30, 31, 45, 46, 48, 55, 56, 58 and 59; Gurgaon: 4, 5, 7, 9, 9A, 10, 10A, 12A, 14, 15, 17, 18, 21, 22, 23, 23A, 29, 31, 32, 39, 40 and 43.

An expenditure of Rs 72.47 crore had been incurred during 2000-05 on the maintenance of these Sectors, which otherwise would have been borne by the concerned local bodies, had these been transferred. The HUDA while fixing the price of the plots to be charged was considering the period for which it had the liability towards maintenance as five years only. As such, in order to minimise the expenditure and cap the liability commensurate with cost recovered, HUDA had to take up the matter for transferring the liability of maintenance with the concerned municipal authorities. Though the matter had been taken up, no decision was reached (August 2005) for transfer of these sectors to the municipal authorities.

Allotment of plots and recoveries thereof from allottees

Residential plots are allotted by draw of lots from the applications received from the public. All the successful applicants are issued a letter of allotment indicating all terms and conditions of allotment and the mode of payment.

Avoidable payment of interest to allottees due to delay in handing over possession of plots

3.1.28 HUDA floated schemes for residential plots in different sectors from time to time for allotment to general public. The allotment letters issued to the allottees provided that the possession of plots would be offered on completion of development works in the concerned area.

Due to delay in handing over possession of plots to allottees HUDA had to pay interest of Rs 2.20 crore

During test-check of records of Estate Officers, HUDA, Faridabad and Gurgaon, it was noticed that there was delay in completion of development works in 136 cases with the result that HUDA failed to hand over the possession of these plots to the allottees due to delays in completion of necessary developmental works associated with these plots. Being aggrieved by the delay in getting physical possession of their plots, the allottees filed complaints in the District Consumer Disputes Redressal Fora, Faridabad and Gurgaon and demanded interest on their deposits with HUDA. The Fora directed HUDA to pay interest at the rate of 12 *per cent* per annum on the amount deposited by these allottees. HUDA paid interest amounting to Rs 2.20 crore to 136 plot holders during 2004-05. Thus, due to delay in handing over possession of plots, HUDA had to bear extra expenditure of Rs 2.20 crore.

Occupation of shops by Government departments

3.1.29 Test-check of records of HUDA Division I, Gurgaon disclosed that three Shop-cum-flats (SCFs) in Sector 15-I, Gurgaon were constructed at a cost of Rs 40.34 lakh for sale through auction. However, these shops were occupied since May 2001 by the Office of the Deputy Excise and Taxation Commissioner, Gurgaon and the Deputy Labour Commissioner, Gurgaon without any rent. Shop-cum-flats could not be put to auction and no revenue was earned out of investment of Rs 40.34 lakh. Had the SCFs been leased out on rent to these Government offices after proper agreement, HUDA would

Blocking of funds of Rs 40.34 lakh due to occupation of three shops by Government departments

have fetched Rs 13.65 lakh¹⁰ on account of rent for the period from May 2001 to August 2005.

Land under unauthorised possession

3.1.30 Scrutiny of records maintained in the Estate Offices, HUDA, Faridabad and Gurgaon disclosed that 888.28 acres of land valuing Rs 517.19 crore (776.69 acres valuing Rs 452.85 crore under stay granted by the Courts and 111.59¹¹ acres valuing Rs 64.34 crore not under stay) located in 21 sectors in Faridabad and 48 sectors in Gurgaon carved out for sale of plots was under encroachment as of March 2005 and these encroachments were in existence since the year 1983 in Faridabad and 1986 in Gurgaon. HUDA in its annual meetings had been reiterating that encroachments where there were no stay order from Courts' should be removed immediately by the survey branch of the concerned Estate Office. But survey branches (Sub-Divisional Engineer/Junior Engineer) of the Estate Offices did not take any steps to get the encroachments removed by seeking assistance from the district administration.

Conclusions

3.1.31 Financial management in the organisation was weak as there were long outstanding advances, outstanding water and sewerage charges, failures in depositing enhanced land compensation, not recovering departmental charges, loss of interest due to delay in transfer of funds to Head office, etc.

Acquisition and development of land falling under Reserve Forest Land, construction of a road in forest area, improper disposal of sewage due to non-installation of STP in the areas, etc. were indicative of inadequate survey and planning. Test-check of records relating to acquisition of land brought out avoidable payment of interest due to delay in making payment of enhanced compensation to land owners; delay in referring land owner's objections to Courts, and lack of internal control in land acquisition process.

Scrutiny of records relating to execution of works of urban estates brought out execution of works without technical sanctions/detailed estimates, delay in development of sectors due to incomplete works, undue financial aid to

¹⁰ Considering the rate of Rs 8,750 per month per SCF keeping in view the rates being charged during the period for similar SCFs in the area.

¹¹ Faridabad: Sector 3 (0.5 acre), Sector 4R (0.25 acre), Sector 8 (1.64 acre), Sector 19 (2.35 acre), Sector 21B (1 acre), Sector 27.B (2.6 acre) Sector 30 (1 acre), Sector 46 (0.5 acre) and Sector 58 (0.25 acre); Gurgaon: Sector 5 (3 acre), Sector 9, 9A, 10 (50 acre), Sector 12A (1.5 acre), Sector 20 (2 acre), Sector 21 (0.5 acre), Sector 22 (1.25 acre), Sector 23A (2 acre), Sector 29 (2 acre), Sector 30-32A (1 acre), Sector 33, 34 (2 acre), Sector 37 (1.5 acre), Sector 38-41 (2 acre), Sector 44-46 (8.25 acre), Sector 51 (1 acre), Sector 52 (3.5 acre), Sector 57 (20 acre).

contractors, failure to apply penalty clause due to delay in execution of works and taking up activities not covered under the HUDA Act and avoidable expenditure on maintenance of developed Sectors.

All these deficiencies are indicative of ineffective management in development of urban estates.

Recommendations

- 3.1.32 ► The State Government should issue instructions to all Departments/Bodies to strictly comply with the Forest (Conservation) Act, 1980 and ensure that acquisition of Reserve Forest Land takes place only with the prior approval of Central Government;
- HUDA should evolve a foolproof system for transfer of funds collected by the Estate Offices from the 'Transfer and Collection Account' of field offices to its Head Office Account. An agreement with the concerned banks may also be worked out to facilitate automatic transfer of funds on a weekly basis;
- HUDA should ensure that land acquired by Land Acquisition Collectors is expeditiously developed. Also efforts should be made to install STPs to check unhygienic conditions and pollution in urban estates; and
- Adequate checks and balances should be devised so as to prevent double payments of enhanced land compensation.

These points were referred to Government (August 2005), reply had not been received (August 2005).

**Public Works Department
(Irrigation Branch)**

3.2 Water Management for Irrigation

Highlights

- Against the cultivable areas of 38.21 lakh hectares in the State, 20.54 lakh to 21.35 lakh hectares were actually irrigated during 2001-05.

(Paragraph 3.2.19)

- Construction of 39 irrigation channels under seven divisions at a cost of Rs 21.30 crore proved unfruitful as these were either non-functional or negligible functional.

(Paragraph 3.2.20)

- Irrigation potential was created far in excess (by 157 per cent) of the availability of water, even if, share of water from Ravi-Beas rivers is taken into consideration under three irrigation circles. Infrastructure of 222 old channels remained grossly underutilised.

(Paragraphs 3.2.21 and 3.2.22)

- Construction of Kisanpur Minor by Water Services Division II, Rewari without taking into consideration the availability of water led to unfruitful expenditure of Rs 1.31 crore.

(Paragraph 3.2.12)

- Avoidable payment of surcharge of Rs 7.39 crore was made due to delay in making payment of energy charges in four Water Services Mechanical Divisions.

(Paragraph 3.2.8)

- Water Services Mechanical Division, Rewari did not install shunt capacitor at pump house to regulate power factor, which led to payment of penalty of Rs 2.15 crore. Energy charges of Rs 1.01 crore were paid for non-functional pump houses.

(Paragraphs 3.2.9 and 3.2.10)

Introduction

3.2.1 Irrigation Department is engaged in the construction and maintenance of canals and drains to regulate water through major and medium irrigation schemes of the Bhakra Canal System and the Western Yamuna Canal System.

Haryana State was created in November 1966 with a total geographical area of 44 lakh hectares and cultivable area of 38.21 lakh hectares. The irrigated area was 21.47 lakh hectares as on 31 March 2001 and decreased to 20.56 lakh hectares as on 31 March 2005. Thus, there was decrease in irrigated area by 0.91 lakh hectares during 2001-05.

Programme objectives

3.2.2 The prime objective of the Irrigation Department is to manage the water resources of the State efficiently keeping in view the scarcity of water in the State. Equitable distribution of canal water amongst the beneficiaries is also one of the main objectives.

Organisational set up

3.2.3 The Commissioner and Secretary to the Government of Haryana, Irrigation and Power is the administrative head in the Government and is responsible for implementation of policy decisions, programmes and schemes. The Engineer-in-Chief (EIC), Public Works Department (PWD), Irrigation Branch, Panchkula is in overall incharge of the Department and is assisted by five Chief Engineers (CEs), 25¹ Superintending Engineers (SEs) and 89 Executive Engineers (EEs) in the field for execution of works and distribution of water among beneficiaries.

Audit objectives

3.2.4 The main objective of the performance audit was to assess the efficacy of planning for implementation of various programmes and to assess whether the intended schemes were implemented economically, efficiently and effectively. The sub-objective of audit were to assess whether:

- planning for formulation of the schemes was proper and availability of water was taken into account while framing the schemes;
- the execution of works was within the time frame and the estimated cost; and

¹ 15 Water Services Circles, 6 Construction Circles, 2 Vigilance Circles, 1 Project Circle and 1 Workshop Circle.

- the targets for creation of irrigation potential were achieved and how the potential created was utilised.

Audit coverage

3.2.5 Records relating to major and minor irrigation schemes for the period 2001-05 were test checked in the office of the EIC, PWD, Irrigation Branch, Haryana, seven circle offices (out of 25) and 26 Divisional offices (out of 89) in seven² districts (out of 19) during January-June 2005. The districts for test-check were selected after taking into consideration the magnitude of expenditure and the number of works executed, the scarcity of water in the districts and the operation of three main lift irrigation systems in these areas. The test checked districts covered 39 per cent of the rural population of the State. Out of the total expenditure of Rs 868.92 crore incurred during 2001-05, expenditure of Rs 374.15 crore (43 per cent) was covered in the test-check.

Financial Management

Financial outlay and expenditure

3.2.6 Budget provision and expenditure on works (Capital and Revenue Heads of account) during the year 2001-05 were as under:

Sr. No.	Year	Budget allotment	Expenditure (Departmental figures)	Difference (Excess (+) Savings (-))
(Rupees in crore)				
1	2001-02	263.70	267.12	(+) 3.42
2	2002-03	184.76	184.70	(-) 0.06
3	2003-04	192.18	192.00	(-) 0.18
4	2004-05	231.99	225.10	(-) 6.89
Total		872.63	868.92	(-) 3.71

The expenditure included Rs 118.64 crore received during 2001-02 from the World Bank as loan under the Water Resources and Consolidation Project (WRCP), Rs 217.06 crore during 2001-05 from the National Bank for Agriculture and Rural Development (NABARD) as loan for development of rural infrastructure and Rs 36.86 crore during 2002-05 as Central assistance under the Accelerated Irrigation Benefit Programme (AIBP) for the execution of the remaining works of WRCP.

Scrutiny of records brought out the following points.

Drawal of funds without immediate requirement

3.2.7 The letter of credit system (LOC) was introduced in Public Works Department in July 1972 to enforce strict financial control and discipline. The EIC keeps a vigil over the utilisation of LOC. As per Punjab Financial Rules,

² Bhiwani, Faridabad, Fatehabad, Jhajjar, Rewari, Sirsa and Sonipat.

as applicable to Haryana, no money is to be withdrawn from the treasury unless it is required for immediate disbursement. Further, under the LOC system, drawal of lumpsum amounts for utilising the same in the next financial year was prohibited.

In six cases of three³ divisions, Rs 75.10 lakh drawn between August 2003 and May 2004, were utilised after a lapse of two months (Rs 12 lakh), 5 to 10 months (Rs 51.99 lakh) and 10 to 14 months (Rs 11.11 lakh) after their drawal. Similarly, in Mohindergarh Water Services Mechanical Division, Narnaul, Rs 18.82 lakh were spent between June 2003 and February 2004 out of Rs 43 lakh drawn in March 2003 and balance funds of Rs 24.18 lakh were transferred to other divisions during February-March 2004 after a lapse of 11 months to one year. This indicated that the funds were drawn without immediate requirements.

Avoidable payment of surcharge due to delay in making payment of energy charges

Delay in making payment of energy charges led to avoidable payment of surcharge of Rs 7.39 crore

3.2.8 Haryana Bijli Vitran Nigam Limited (HBVNL) levies surcharge on delayed payment of energy charges.

In four⁴ Water Services (Mechanical) Divisions, energy consumption bills were not paid on due dates which resulted in payment of surcharge of Rs 7.39 crore during 2001-05. As on 31 March 2005, an amount of Rs 86.29 crore on account of energy charges (including surcharge of Rs 17.06 crore) was outstanding.

The Engineer-in-Chief stated (September 2005) that finance department was not releasing timely adequate budget grant for payment of energy charges which resulted in avoidable payment in the form of surcharge and the matter was being pursued with the Government. Thus, there is a need to set right the system of making timely payment of electricity bills to avoid surcharge.

Avoidable payment of surcharge due to non-installation of shunt capacitors

Non-installation shunt capacitors resulted in loss of Rs 2.15 crore

3.2.9 Terms and conditions of supply and relevant tariff schedules of Haryana Bijli Vitran Nigam Limited (HBVNL) provide that the minimum limit of standard average power factor should be 0.90 lagging with effect from 1 October 1997. In case the monthly average power factor falls below 90 *per cent*, the consumer would have to pay surcharge at one *per cent* on supply of power (SOP) charges for each *per cent* fall in power factor upto 80 *per cent* and thereafter at 2 *per cent* for each *per cent* fall in power factor. Shunt capacitors were required to be installed alongwith meters to maintain the power factor.

³ Gohana Water Services Division, Gohana: Rs 11.11 lakh; Tohana Water Services Division, Tohana: Rs 11.44 lakh and Loharu Water Services Mechanical Division, Charkhi-Dadri: Rs 52.55 lakh.

⁴ Loharu Water Services Mechanical Division, Charkhi Dadri, Lift Water Services Mechanical Division, Bhiwani, Water Services Mechanical Division, Rewari and Mohindergarh Water Services Mechanical Division, Narnaul.

In Water Services Mechanical Division, Rewari, shunt capacitor was not installed with the meter at pump house number JF-I (PH-III). The DHBVNL raised energy bills of Rs 23.55 crore between July 2002 and February 2005, which included Rs 2.15 crore levied as surcharge on account of non-maintenance of prescribed power factor. The failure to install to shunt capacitor resulted in avoidable payment of surcharge amounting to Rs 2.15 crore. The EE admitting (April 2005) that shunt capacitor had not been installed stated that this was due to lack of budget and proposal has now sent for installation of shunt capacitor.

Avoidable expenditure on energy charges

Avoidable payment of energy charges on non-functional pump houses

3.2.10 In Water Services Mechanical Division, Rewari and Mohinderghar Water Services Mechanical Division, Narnaul seven and three pump houses respectively remained non-functional during 2001-05 and 1997-2005 respectively. No electric meters were installed but minimum energy charges of Rs 1.01 crore were paid to DHBVNL during the same period. The Department should have got the electricity connections disconnected, as water was not reaching upto the pump houses. Consequently, payment of Rs 1.01 crore to DHBVNL was unjustified.



Non-working pump house No. 7 at Dewana Distributary km 29.313

Planning for implementation

Every project for an irrigation work should contain a report consisting of plans, measurements, quantities, rates and specifications as may be necessary for assessment of the suitability of the designs and the adequacy of the estimated cost of the project. Special attention should be given to the preliminary operations including surveys both for quality of soil and alignment wherever necessary.

Test-check of the records relating to planning of schemes brought out the following points.

Dropping of schemes due to improper planning

Loss of interest of Rs 1.04 crore due to starting of scheme without proper survey

3.2.11 Twenty-eight schemes were included in five Rural Infrastructure Development Fund (RIDF) Projects with a sanctioned cost of Rs 26.40 crore during the period September 1999 to March 2003. The projects had funding by NABARD with a loan of Rs 22.66 crore. The NABARD advanced Rs 5.21 crore for the execution of the schemes between January 2000 and July 2003 but the Department could not commence the works. The schemes were dropped two to three years after the approval of the project due to covering of works under other projects, disputes among the farmers, non-obtaining of consent for inter State matters, etc. It was noticed from the files of EIC that these schemes were projected without proper feasibility survey of sites and areas and without resolving the inter State matters as a result of which these had to be dropped. The loan was refunded after 4 to 33 months in 23 cases and in 5 cases the amounts were not refunded even as of March 2005. As a result, the Department had to bear interest of Rs 1.04 crore between January 2000 and March 2005.

The EIC replied (May 2005) that the amount released by NABARD goes into the state kitty against which LOC is allotted on the demand of the Department and Finance Department had utilized the advance on some other schemes of their priority. The reply did not hold good because the State had to bear interest on the advances, which were not utilised on these specific schemes. Further, as per stipulation of NABARD, the funds were to be utilised solely for the purpose for which these were sanctioned.

Schemes implemented without ensuring availability of water

Implementation of scheme without considering availability of water led to unfruitful expenditure of Rs 1.31 crore

3.2.12 In Water Services Division-II, Rewari, the construction of Kishanpur Minor taking off from KM 2.701 of the Tankri Distributary was taken up under AIBP. It was projected that water would be received from Jawahar Lal Nehru (JLN) Canal through Tankri Distributary and 1,161 acres would be covered under irrigation. Payment for land amounting to Rs 1.25 crore was deposited with the LAO in March 1999 (Rs 50.59 lakh) and February 2004 (Rs. 74.60 lakh). In the mean time, Rs 5.99 lakh were spent on construction of a minor from RD KM 0 to 1.200 KM. The CE, Lift Canal Unit (LCU) stopped (April 2004) the work due to non-availability of water in canal and observed that this work should have not been proposed by the SE and desired to submit a complete case for denotification of land from KM 1.200 to 3.900. The LAO, Bhiwani and District Attorney, Rewari opined (December 2004) that the said land could not be denotified because award for this land had already been announced.

The Engineer-in-Chief stated (September 2005) that the department was taking action to ensure availability of canal water and the minor would be made functional in due course. The reply is not convincing as the scheme should have been conceived and construction commenced after ensuring availability of water.

The expenditure of Rs 1.31 crore had, thus, become infructuous because of approval of the scheme without ensuring availability of ample water at off take point of the minor.



Status of Kishanpur Minor at left over point km 1.200

Loss of interest due to making payment for land acquisition in advance of requirement

Payment made in advance of requirement for land acquisition led to loss of interest of Rs 19.25 lakh

3.2.13 As per Punjab Financial Rules, as applicable to Haryana, no money is to be withdrawn from the treasury, unless it is required for immediate disbursement. Further, under instructions of EIC, Irrigation Branch, Haryana, payments for acquisition of land were to be made after the Gazette Notification under Section 6 of the Land Acquisition Act, 1894.

It was noticed that in seven cases of five divisions, advance payments of Rs 1.50 crore were made to various LAOs between August 2001 and March 2003, 14 month to 34 months before the notifications under Section 6 of the Act. The payments were made to LAOs, after taking loan from NABARD, more than 12 months before the notification under Section 6 of the Land Acquisition Act. Had the loan been taken after the notifications under

Section 6 of the Act *ibid*, the burden of interest of Rs 19.25⁵ lakh could have been avoided.

Delay in taking refund of unspent funds from LAOs

Loss of interest due to delay in obtaining refund of unspent balances from LAOs

3.2.14 In 11 cases under five⁶ divisions, unspent balances amounting to Rs 5.92 crore, out of land acquisition advances, were refunded after 4 to 29 months of the announcement of land compensation awards by LAOs.

Similarly, in eight cases under four⁷ divisions, unspent balances of Rs 96 lakh were not refunded as of March 2005 even after 9 to 75 months of the announcement of land compensation awards by LAOs.

Since the amount was taken from NABARD as loan, retaining of unspent balances unnecessarily with LAOs led to loss of interest of Rs 44.72 lakh at the rates applicable to NABARD loans from time to time for the period till the date of refund in the cases where the refunds had been received and upto 31 March 2005 where the refunds had not been received.

Scheme not started due to slackness

Delay in deciding the feasibility of scheme led to escalation of land cost by Rs 8.05 crore

3.2.15 The work of constructing effluent channel from KM 0 to 20.500 for providing irrigation from treated effluent of STP, Gurgaon was administratively approved in July 2001 and was sanctioned under RIDF VIII in March 2003. Gazette Notifications under sections 4 and 6 of the land acquisition Act were issued (June-October 2004) for acquisition of 54.66 acres of land. A sum of Rs 5.50 crore was deposited with LAOs, Jhajjar and Gurgaon in January 2005 (Rs 3.50 crore) and March 2005 (Rs 2 crore). The land cost at the time of approval of the project was Rs 3 lakh per acre and the total cost worked out to Rs 1.64 crore. No land had been acquired (June 2005). The LAO, Jhajjar intimated (June 2005) that the land cost had increased to Rs 17.75 lakh per acre (land cost: 12.50 lakh + solatium 30 per cent + additional charges 12 per cent) and demanded additional funds to announce the land awards. It was noticed in Audit that the project was administratively approved in July 2001 whereas the notification under Section 4 of Land Acquisition Act was issued in June 2004. The acquisition process of land was delayed by three years by the Department due to lack of appropriate decision regarding the feasibility of the project and non-approval of the Longitude Section of the scheme.

The CE, Lift Canal Unit (LCU) pointed out (June 2005) to the SE, Construction Circle, Gurgaon that this situation had arisen due to slackness of

⁵ At the rate of seven per cent on Rs 26 lakh for 33 months; Rs 18.40 lakh for 18 months; Rs 20.32 lakh for 15 months; Rs 40 lakh for 14 months; Rs 5 lakh for 26 months; Rs 18 lakh for 34 months; and Rs 22.28 lakh for 20 months.

⁶ Tohana Water Services Division, Tohana; Fatehabad Water Services Division, Fatehabad; Construction Division I, Tohana; Palwal Water Services Division, Palwal; and Jind Water Services Division, Jind.

⁷ Tohana Water Services Division, Tohana; Fatehabad Water Services Division, Fatehabad; Water Services Division, Bhiwani, and Sirsa Water Services Division, Sirsa.

the field officers. Had work on this scheme been taken up immediately after the sanction of the project, the revision in land cost might not have affected the overall cost of the scheme.

Delay in deciding the feasibility of the project and approval of the required L-section resulted in escalation of land cost by Rs 8.05 crore and non-implementation of project. Further, the Department had to bear interest of Rs 24.18 lakh upto March 2005 on Rs 1.95 crore borrowed from NABARD.

Injudicious expenditure on installation of pump house

Wasteful expenditure of Rs 8.75 lakh on installation of pump house, which remained non-functional due to shortage of water

3.2.16 In Loharu Water Services Division, Charkhi-Dadri, a pump house was constructed during 1996-97 under NABARD project at Chahar Kalan Minor at RD 105 at a cost of Rs 8.75 lakh. It was noticed that the pump house remained non-functional since its completion (March 1997) due to non-availability of water at the off take point of Chahar Kalan Minor. The expenditure incurred on construction of the pump house was wasteful and payment of energy charges amounting to Rs 3.23 lakh made to DHBVNL during 1997-2005 had also proved wasteful.

Scheme taken up without proper survey

Absence of proper survey led to loss of Rs 24.47 lakh

3.2.17 Construction of Khizri Baghpat Minor-RD 0 to 10,500 off taking from WJC Link Channel was approved (September 2001) under RIDF VII with an estimated cost of Rs 2.05 crore. The scheme envisaged providing irrigation in 2,551 hectares.

Notification under Section 4 of the Land Acquisition Act was issued in June 2003 and under Section 6 in May 2004 for acquisition of 43.05 acres of land. Advance of Rs 40 lakh for acquisition of Land was deposited with the LAO, Ambala City in March 2003 though no land had been acquired so far (March 2005). As the strata of soil through which the alignment was to pass, was sandy and mixed with shingle (Bajri) and involved very heavy filling and cutting in the proposed section, the scheme was dropped in November 2004.

The Department took a loan of Rs 84.47⁸ lakh for this scheme from NABARD between October 2001 and September 2004 and had to bear interest of Rs 24.47 lakh from October 2001 to March 2005 (at the rate of 7 to 10.5 per cent from time to time) due to improper planning and survey of the scheme.

The EE, Hathni Kund Barrage Division I, Jagadhri intimated (February 2005) that the land compensation was not paid to the land owners. The EE asked (March 2005) the LAO to adjust this amount against the payment for land acquisition of Shahbad-Nalvi Scheme. It was noticed that Shahbad-Nalvi Scheme had not been sanctioned by NABARD and payment for land had not been made so far (June 2005). Further, as per NABARD stipulations, funds drawn for specific schemes were not to be utilised on other schemes.

⁸ October 2001: Rs 36.93 lakh; February 2002: Rs 18.46 lakh; December 2002: Rs 10.44 lakh; July 2003: Rs 14.76 lakh; October 2003: Rs 0.68 lakh; January 2004: Rs 2.45 lakh; and September 2004: Rs 0.75 lakh.

Thus, taking up the scheme without assessing its feasibility resulted in loss of Rs 24.47 lakh to the Government.

Avoidable loss due to injudicious planning at initial stage

**Injudicious
planning led to loss
of Rs 8.93 lakh**

3.2.18 Rewari Lift Irrigation Water Services Division, Jhajjar was entrusted with the construction of Muzaffra Sub-minor RD 0 to 24,065 under RIDF-IV. Advance payment of Rs 1.17 crore for land acquisition was deposited with the LAO during December 2001-February 2002. Initially, L-Section with discharge at head was approved for 8.80 cusecs upto RD 24,065. This was revised to 3.30 cusecs by curtailing length upto RD 5,200 in September 2002 on the ground that area after RD 5,200 would be irrigated by constructing water courses by the farmers on the bed of the causeway of the abandoned Sahibi Creek of Railway. The LAO refunded balance of Rs 99 lakh in May 2003.

Thus, improper planning at the initial stage resulted in blocking of funds for 14 to 16 months and the Department had to bear interest of Rs 8.93 lakh on borrowed funds. Had the planning been done after proper survey and feasibility study at initial stage, the loss of interest could have been avoided.

Programme management

Irrigation infrastructure and utilisation thereof

Targets and achievements for creation of additional irrigation potential

3.2.19 The objective of the Irrigation Department was to manage water resources of the State and to provide maximum water for irrigation to the farmers. Against the Cultivable Command Area (CCA) of 38.21 lakh hectares under 15 Water Services Circles in the State, the actual coverage under irrigation remained between 20.54 lakh and 21.35 lakh hectares during 2001-05.

The targets and achievements of additional irrigation potential under various schemes during 2001-05 as intimated by the Department were as mentioned below:

Sr. No.	Name of project	Additional irrigation potential (In Hectares)		Shortfall	Percentage of shortfall
		Targets	Achievement		
1.	Water Resources Consolidation Project	13,720	4,450	9,270	68
2.	Jawahar Lal Nehru Canal Project	2,007	24	1,983	99
3.	Gurgaon Canal Project	2,000	Nil	2,000	100
4.	Balance work of WRCP (AIBP)	13,378	12,135	1,243	9
5.	Loharu Canal Project	2,003	65	1,938	97
6.	Improvement/reconstruction of old existing channels/drains and new channels/drains under NABARD loan scheme	38,796	34,068	4,728	12
Total		71,904	50,742	21,162	29

It was noticed that though the stalemate over the share of Ravi-Beas with the State of Punjab had not yet been resolved, the Department was setting the

targets for creation of infrastructure for irrigation potential from year to year taking into account the water from this source also. To that extent, the targets were not strictly realistic.

Non or negligible functional schemes due to non-availability of water

Thirty nine irrigation channels remained non or negligible functional due to non-availability of water

3.2.20 In seven divisions, 39 Irrigation Channels were completed under NABARD schemes by incurring an expenditure of Rs 21.30 crore between 1997 and 2003 for providing Irrigation to 23,781 hectares (*Appendix XV*). Out of these channels, 23 were non-functional since completion and the remaining 16 provided irrigation facility to only 550 hectares during 2001-05, as against 11,328 hectares envisaged. SE, Loharu, Water Services Circle, Bhiwani stated (March 2005) in respect of two divisions that channels were non-functional due to non-availability of water and delay in availability of water through Satluj Yamuna Link Canal (SYL) for which the system was constructed. SE, Yamuna Water Services (YWS), Bhiwani stated (May 2005) in respect of three divisions that the schemes were framed as per designed discharge at the off take point of channels and by keeping in view the demand of the villagers, and less irrigation was due to short availability of water. Thus, the schemes were conceived in anticipation of availability of water through SYL.

The channels were thus executed without ensuring the availability of water and the expenditure incurred proved unfruitful and the intended benefits to water users could not be provided.



Non-functional Salempur Minor RD 4,500 (Sr. No. 4 of *Appendix XV*)

Non-utilisation of irrigation infrastructure

Infrastructure under
222 channels
remained
negligible/non-
utilised

3.2.21 In 10 water services divisions, of JLN Project, Loharu Canal Project, Jui Canal Project, Siwani Canal Project and YWS Circle, Bhiwani the existing irrigation potential of 66,374 hectares through 117 channels (*Appendix XVI*) remained unutilised during 2001-05. As a result, the intended socio-economic benefits could not be provided to the farmers. Concerned EEs/SEs stated (April-June 2005) that infrastructure could not be utilised due to non-availability of water. This indicated that the channels were constructed without taking into consideration the actual availability of water.

Similarly, in seven Water Services Divisions, 105 existing irrigation channels (*Appendix XVII*), for providing irrigation to 1,82,483 hectares, functioned at very low capacity during 2001-05 as only 6,402 hectares (4 per cent) were covered under irrigation during this period. Thus, channels were constructed without considering the actual availability of water and intended benefits could not be provided in 1,76,081 hectares of CCA.



Gothera Minor RD 18,830 (Sr. No. 35 of *Appendix XVII*) with negligible water

Creation of irrigation potential in excess of availability of water

Irrigation potential
created far in excess
of availability of
water

3.2.22 Under Loharu Lift Irrigation Project, against the CCA of 1,30,412 hectares, irrigation potential of 1,24,669 was created upto March 2005 by constructing one Canal, 15 Distributaries, 57 Minors and 24 Sub-Minors. However, 342 cusecs of water per day was available for irrigation for 16 days in a cycle of 32 days on average basis during 2001-05. With this, 13,470 hectares of Cultivable Command Area was irrigated during both the crops. Even if, water from Ravi-Beas is received, the maximum water available with the project would be 1,379 cusecs and with this a maximum of 54,313 hectares could be irrigated. Thus, the Department had created 70,356 hectares of excess irrigation potential (130 per cent) through construction of canals; distributaries; minors and sub-minors.

The SE stated (March 2005) that the irrigation potential was created for utilisation of the share of Ravi-Beas water. The reply shows that the

infrastructure had been created on the assumption of receipt of water from Ravi-Beas. Moreover, the potential created was even more than what could be achieved with Ravi-Beas share of water.

Similarly, under Rewari and Mohindergarh Canal Circles of JLN Project, against the CCA of 2,61,485 hectares, irrigation potential of 2,19,791 hectares had been created upto March 2005 by constructing five canals, 77 distributaries, 79 minors and 11 sub-minors. However, 537 cusecs water per day on an average was available for irrigation during the period 2001-05 with which 18,370 hectares of CCA was irrigated. After adding the proposed Ravi-Beas share, a total of 2,335 cusecs water would be available and the total area covered under irrigation would increase to 79,877 hectares. The Department had thus created irrigation potential of 1,39,914 hectares (175 per cent) in excess of the projected availability of water including water from Ravi-Beas share under these circles.

Thus, irrigation potential created had exceeded the actual as well as the projected availability of water under Ravi-Beas share.

Execution of works

Execution of works without technical sanctions

Works worth
Rs 3.59 crore were
executed without
technical sanctions

3.2.23 The Public Works Department Code provides that no work should be commenced unless a properly detailed design and estimate is sanctioned and the competent authority issues orders for commencement of work.

In five⁹ divisions, 65 works involving expenditure of Rs 3.59 crore were executed during 2001-05 without the approval of detailed estimates by the competent authority. The EE, Construction Division 17, Karnal attributed (June 2005) this to urgency of work at site. Technical sanctions had not been accorded by the competent authorities (August 2005).

Warabandi not framed and Water Users' Associations not formed

3.2.24 As per provisions of the Haryana Canal and Drainage Act, 1974, the maintenance and repair of Water Courses (WCs) is the responsibility of the farmers. Alternatively, the Act provides for the Department to operate and maintain the system and charge farmers to cover the cost for which Water Users' Associations are required to be formed. The Act also provides framing of warabandi¹⁰ for equitable distribution of canal water by turn to users.

⁹ Fatehabad Water Services Division, Fatehabad; Lift Water Services Mechanical Division, Bhiwani; Sonapat Water Services Division, Sonapat; Water Services Division, Dadupur; and construction Division No. 17, Karnal.

¹⁰ Warabandi is a system of distribution of water among the farmers turn by turn from a water course so that benefits of irrigation can be provided to all the beneficiaries in that area.

In 6 Divisions, 2,161 Water Users' Associations were required to be formed on 154 channels for active participation of the farmers. Against this, 265 Water Users' Associations were formed during 2001-05. The Department was not maintaining the water courses. Since a large number of Water Users' Associations had not been formed, the water courses were also not being maintained by the users. The water courses constructed with Government funds thus were not being maintained. Consequently the purpose of equitable distribution of canal water could not get achieved due to lack of maintenance of distribution infrastructure. The EEs stated (April-June 2005) that the farmers were not interested in formation of Water Users' Associations. In eight divisions, warabandi was not framed on 108 Channels. Non-framing of warabandi added to Department's failure in ensuring equitable distribution of water among the beneficiaries. Six EEs intimated (March - May 2005) that since Chakbandi¹¹ was not done, hence warabandi could not be done.

Monitoring and evaluation

3.2.25 Irrigation Department was required to constitute beneficiary group committees for monitoring the completed NABARD projects to evaluate the level of benefits being delivered. But no such committees had been formed (August 2005) for this purpose.

NABARD in its monitoring study pointed out (February 2003) that the infrastructures created under the projects were not being utilised adequately. The Government issued (January 2004) instructions to investigate the execution of the schemes to determine as to why the benefits had not reached the desired level in respect of 34 schemes and fix responsibility for preparing and executing faulty schemes. It was noticed that responsibility had not been fixed even in a single case (August 2005).

As a result of lack of monitoring, Department had to bear losses as discussed in the forgoing paragraphs and also could not successfully provide the intended socio-economic benefits to the people of the State.

Conclusions

3.2.26 As discussed in the forgoing paragraphs, there were deficiencies in financial management, planning of schemes, creation and utilisation of infrastructure, execution of works, etc. In financial management, cases of avoidable payment of surcharge due to delay in making payment of energy charges, drawal of funds without immediate requirement, etc. were noticed.

Dropping of schemes due to improper planning, taking up of schemes without proper survey, implementation of schemes without ensuring availability of water, lack of planning at initial stages of the scheme, injudicious expenditure on installation of pump houses, non-starting of schemes due to slackness, etc.

¹¹

Chakbandi is consolidation of a command area on a particular outlet.

are the indications of lack of planning. Non-function of irrigation schemes due to non-availability of water, creation of irrigation potential in excess of availability of water, etc. reflected inadequate management of creation and utilisation of infrastructure.

Works were executed without technical sanctions. Further, shunt capacitors to maintain prescribed power factor at pump houses were not installed and avoidable payment of energy charges for non-functional pump houses was also noticed.

The major area of concern, however, was that the Department was setting unrealistic targets based on incorrect assumptions of availability of water. As brought out previously, the creation of irrigation potential was far in excess of the projected availability of water as particularly indicated from two schemes namely 'Loharu Lift Irrigation Project' and 'JLN Project' where the Department had created excess irrigation potential of 70,356 hectares and 1,39,914 hectares respectively, far beyond the availability of water including projected availability from Ravi-Beas share.

Recommendations

- 3.2.27 > Public Works Department (Irrigation Branch) should ensure that schemes should strictly be formulated after ensuring availability of water at off take points of the channels so that infrastructure created is optimally utilized. Even the works which have been taken up in anticipation of receipt of water from Ravi-Beas share through SYL, a considered decision should be taken to go ahead with the works or otherwise, till the stalemate is resolved with the State of Punjab; and
- > Government should evolve a proper system independent of the LOC for making timely payment of energy charges to avoid surcharge/penalty.
 - > Provisions under LOC system should be followed strictly and money drawn only in case of need.

These points were referred to Government (August 2005), reply had not been received (December 2005).

Food and Supplies Department

3.3 Implementation of Acts and Rules relating to Consumer Protection

Highlights

- In State Commission and five District Forums, three posts of Presidents and seven posts of Members were lying vacant as on 31 March 2005. Similarly, 69 *per cent* of the posts of supporting staff were lying vacant since long.

(Paragraph 3.3.14)

- The State Consumer Protection Council and District Consumer Protection Councils though formed under the Chairmanship of the Minister of Food and Supplies and District Collectors respectively remained non-functional as no meetings of these councils were held during 2000-05.

(Paragraph 3.3.13)

- Schemes relating to setting up of District Consumer Information Centres and Consumer Clubs in schools and involvement of Research Institutions; Universities and Colleges for the information and education of consumers were not implemented.

(Paragraphs 3.3.16, 3.3.17 and 3.3.18)

- In State Commission and five test checked District Forums, against 4,389 cases filed for execution of orders, only 2,387 (54 *per cent*) cases were disposed of during 2000-05.

(Paragraph 3.3.10)

- Monitoring regarding implementation of the Act was inadequate as out of the 76,783 complaint cases filed with State Commission and five District Forums test checked, 26,140 (34 *per cent*) cases were disposed of during 2000-05. There was also rising trend in pendency of cases.

(Paragraph 3.3.20)

Introduction

3.3.1 The Consumer Protection Act, 1986 (Act) was enacted by the Parliament in 1986 to provide simple, speedy and inexpensive redressal for consumers' grievances. The provisions of this Act give the consumer an additional remedy besides those that may be available under other existing laws. The Act came into effect from 1987 after the Government of India (GOI) had framed the Consumer Protection Rules, 1987. The Act, applicable to all goods and services, covers all sectors whether private, public and cooperative and provides for establishment of three-tier quasi-judicial consumer dispute redressal machinery at the national, state and district levels. These forums are also referred to as Consumer Courts. The Courts are empowered to give relief of specific nature and award compensation to consumers. The Act was amended in 2002 to discourage adjournments, making provision for seniormost members to preside over the forum in case of absence or vacancy of President and empowering Courts to punish those not obeying orders of the Courts in order to facilitate quicker disposal of complaints.

Scope of audit

3.3.2 Records relating to implementation of the provisions of the Act for the period 2000-05 were test checked in the offices of Director, Food and supplies Department, Haryana, the State Consumer Disputes Redressal Commission and five¹ District Forums during June – July 2005. Out of 19 District Forums, 5 were selected by applying the Simple Random Sampling Without Replacement (SRSWOR) method.

The services of ORG Centre for Social Research, a division of AC Nielsen ORG-MARG Private Limited (ORG-MARG), were commissioned to survey and assess consumer awareness and the impact of the Act on the consumers, manufacturers/service providers, non-government organizations (NGOs) and appropriate laboratories. ORG-MARG carried out the survey in five² districts covering 1,551 consumers, 199 complainants, 5 manufacturers/service providers, 2 NGOs and 2 laboratories during July–August 2005. An executive summary of their findings has been given in *Annexure at page 82*. The results of the audit review are contained in the succeeding paragraphs.

Audit objectives

3.3.3 Main objectives of the review were to assess:

- The extent to which the adjudication mechanism has been created as prescribed in the Act;

¹ Faridabad, Gurgaon, Rewari, Rohtak and Yamunanagar.

² Gurgaon, Rewari, Rohtak, Sirsa and Sonipat.

- Whether any documented policy for achieving the intended objectives and strengthening of infrastructure exists;
- Whether rules governing implementation of the Act have been formulated and notified and adequate mechanism for administering various Acts for consumer protection exists;
- Whether the infrastructure created for disposal of the complaints met the requirement of the consumers; whether adequate system of monitoring of grievances of consumers had been created by the State Commission and Director Food and Supplies Department with a view to ensuring their timely disposal;
- Whether Consumer Protection Councils have been notified and were functioning;
- Whether a uniform plan for staffing and operation had been prescribed and was being followed in staffing and operation of district forums and the State Commission; and
- Whether various steps and initiatives of the Government of India and the State Government had succeeded in creating awareness amongst the populace.

Audit methodology

3.3.4 All documents available at the Government level as well as the State Commission and its lower formations relating to the implementation of the Act and the Rules were examined. The budget and the expenditure incurred were scrutinised. Physical targets and achievements were also studied at the level of State Commission and the selected five district forums. The survey conducted by the consultant was based on structured questionnaire and interviews with consumers at large, complainants and other stakeholders.

Organisational set up

3.3.5 The Financial Commissioner and Principal Secretary to the Government of Haryana, Food and Supplies Department is the administrative head in the Government and is responsible for formulation of policies and programmes relating to consumer protection affairs. The Director, Food and Supplies Department is the head of the Department and is responsible for implementation of the provisions of the Act.

For speedy resolution of consumer disputes, the State Consumer Disputes Redressal Commission (State Commission) was constituted at the State level. This is headed by the President and assisted by two Members, a Secretary and supporting staff. At the district level, 19 District Consumer Disputes

Redressal Forums (District Forum) comprising the President and two Members each and assisted by supporting staff were also constituted. The administrative control over the State Commission is with the National Commission and that of the District Forums with the State Commission.

Creation of adjudication mechanism in the State

Additional Benches not constituted

Additional benches of State Commission were not constituted though recommended by the National Commission

3.3.6 With a view to implementing the recommendations of the Parliamentary Standing Committee, as suggested by the National Commission, the Government of India proposed (May 2004) to the State Government setting up of four additional benches alongwith additional supporting staff, additional accommodation and other infrastructural facilities for clearance of heavy pendency of cases which had risen to 7,384 by May 2004. But no additional bench was constituted (July 2005) though the pendency of cases had increased to 10,894 by March 2005.

The Director, Food and Supplies Department, Haryana stated (July 2005) that the matter had been kept pending till appointment of the President of the State Commission. Though the President of the State Commission had been appointed on 29 June 2005 (after a gap of 22 months), no action had been taken in this regard so far (July 2005).

Non-constitution of Circuit Benches

Absence of infrastructure for constitution of Circuit Benches of State Commission

3.3.7 Section 17B of the Act provides that the State Commission may perform its functions at such other place as the State Government may, in consultation with State Commission, notify in the official Gazette from time to time. A resolution (April 2003) was passed by the Bar Association, Gurgaon for constitution of Circuit Benches of the State Commission for Faridabad, Rewari, Mahendergarh, Rohtak and Jhajjar for convenience of the complainants and the respondents. But the Secretary of the State Commission while forwarding the resolution of the Bar Association, intimated (April 2003) the Commissioner and Secretary to Government of Haryana, Food and Supplies Department that since basic infrastructural facilities and sufficient staff for smooth functioning of the State Commission were not available, it might not be possible to constitute Circuit Benches. No action had been taken by the State Government to address this issue and it was observed that in July 2005, this was referred back by the State Government to the State Commission for its comments.

The legislative intent of providing speedy redressal of consumer grievances was frustrated as neither the additional benches nor circuit benches were constituted, notwithstanding the growing pendency.

How the consumers perceive Government's action of not increasing the capacity of the State Commission and the district forums to deal with more cases came out in the survey conducted by the ORG-MARG. They reported

that almost 86 per cent of the consumers responded either that the Government was not doing enough to safeguard consumer rights or that they were not aware of such efforts by the Government.

The State Government needs to provide sufficient funds for creation of additional benches for the State Commission and the district forums to provide timely and expeditious redressal for the consumers' grievances.

Formulation of policies and notification of rules

3.3.8 Rules governing the implementation of the Act were notified by the State Government in April 1988. These rules contained various provisions governing service conditions of the President and the members but rules for the staff and their recruitment were not framed. As was resolved in the meeting convened by the President of the National Commission with the President of the State Commissions and the Secretaries of the State Governments and Union Territory Administrations incharge of consumer affairs at New Delhi on 11 October 1999, a uniform procedure for processing of complaints from the date of receipt till their final disposal was to be drawn up by the State Commissions/National Commission. It was observed that such uniform procedure was not developed. As a result, divergent practices were followed in filing of the complaints and their processing. Audit took up the matter with the Government (September 2005) but the reply was awaited.

Results of survey revealed that 60 *per cent* of the complainants had filed their cases using stamp papers, although the Act provides for simple registration process wherein applications can be filed on plain paper. Further, 91 *per cent* of the consumers that were surveyed reported that lawyers were engaged, which was not necessary as per the provision of the Act.

State Government needs to frame a policy declaring the objectives to be achieved through the consumer welfare programmes with a uniform procedure for processing of complaints till the date of final decision by the consumer forums.

Adequacy of infrastructure

Inadequate infrastructure

3.3.9 For smooth functioning of the State Commission and the District Forums, availability of suitable and adequate office accommodation and space for storage of records and library, office equipment like fax machines, photocopiers, computers etc are necessary.

The State Commission was functioning in a hired building, which was insufficient for maintaining Court records, library and which had inadequate

sitting arrangement for the supporting staff. In the District Forums also space was insufficient for accommodating library and record rooms.

Consumer conveniences, such as sitting space, chairs, water coolers, toilets, etc. were not provided in any of the District Forums test checked or at the State Commission.

One time grant amounting to Rs 2.10 crore was sanctioned between July 1995 and March 1997 by Government of India to the State Government for strengthening the infrastructure of the State Commission and the District Forums. Of Rs 2.10 crore, Rs 50 lakh were for strengthening the infrastructure of the State Commission and Rs 1.60 crore for the District Forums. Out of these funds, Rs 58.23 lakh were spent on purchase of computers, photostat machines, library books, furniture, etc., Rs 30.52 lakh for purchase of plot for the State Commission's office building at Panchkula and Rs 97.20 lakh (Rs 50 lakh in November 2003 and Rs 47.20 lakh March 2004) were deposited with Haryana Urban Development Authority (HUDA) for construction of the State Commission's building. The balance of Rs 24.06 lakh was lying unspent with the State Government for the last eight years and five months upto August 2005. The Director Food and Supplies Department stated (July 2005) that the grant of Rs 24.06 lakh could not be utilised as the title of the land for construction of office building of District Forum, Rewari had not been transferred in the name of the Department.

Though the amount was deposited with HUDA during November 2003 and March 2004, the office building of the State Commission was not complete as of June 2005.

It was observed that despite passage of more than eight years since the sanction of funds for creation of infrastructure of the State Commission and the District Forums, the funds remained unutilised and the construction work also remained incomplete.

**Non-utilisation of
computers/photostat
machines worth
Rs 8.29 lakh**

• Computers and Photostat machines (Koros Mita-DC-1755) were purchased centrally by the State Commission during 1996-98. Audit observed in four³ District Forums, that the photocopiers were non-functional due to non-availability of trained mechanics for maintenance and upkeep of machines of this make. Further, in three District Forums, (Gurgaon, Rewari and Rohtak), computers were not in use for want of trained personnel. As a result, four photostat machines and three computers purchased at a cost of Rs 8.29 lakh were lying idle depriving the users of the services linked to these facilities.

Absence of infrastructure like proper buildings makes it more difficult for consumers in general to become aware of the existence and the location of the redressal agency.

The results of survey revealed that only 13 *per cent* consumers were aware of the existence of any redressal agency and even out of those aware of CPA,

³ Faridabad, Gurgaon, Rewari and Rohtak.

only 31 *per cent* were aware of the location of the Consumer Forum in their respective districts.

Enforcement mechanism of consumer disputes redressal

Delay in execution of orders

3.3.10 Under Section 27 of the Act, where a trader or a person against whom a complaint is made or the complainant, fails or omits to comply with any order made by the District Forum, the State Commission or the National Commission, such trader or person or complainant would be punishable with imprisonment for a term of one month to three years, or with fine of Rs 2,000 to Rs 10,000 or with both.

Details of cases filed for execution with the State Commission and the District Forums test checked, cases disposed of during 2000-05 and cases pending as on 31 March 2005, revealed the pendency position as below:

Sr. No.	Name of Office	Number of cases filed for execution (2000-05)	Number of cases disposed of (2000-05)	Number of cases pending execution as of 31 March 2005
1.	State Commission	61	23	38
2.	District Forum, Rohtak	233	199	34
3.	District Forum, Rewari	547	267	280
4.	District Forum, Gurgaon	1,541	673	868
5.	District Forum, Yamunanagar	1,322	717	605
6.	District Forum, Faridabad	685	508	177
Total		4,389	2,387	2,002

As evident from the above table, 4,389 cases were filed for execution by the complainants during 2000-05 out of which, only 2,387 cases were disposed of and 2,002 cases (46 *per cent*) were pending for execution as on 31 March 2005.

Further test-check of 66 pending cases (including those prior to 2000-01) brought out that the cases for execution were pending for 3 months to 11 years.

The results of ORG-MARG survey also pointed out that out of 199 complainants surveyed, 25 responded that the compensation was yet to be received by them although the decree in favour had been passed and in these cases the average period for which the compensation was due was 16 months.

Deficiencies in enforcement of other consumer protection Acts

Apart from the Consumer Protection Act, there are other laws in force that, properly implemented, result in protecting and furthering the interests of consumers and fair trade. While reviewing the implementation of the Consumer Protection Act in Haryana a test check was also conducted in the selected districts to see if the Standards of Weights & Measures (Enforcement) Act, 1985 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 were carried out efficiently and effectively.

Targets of inspections not fixed

3.3.11 Test-check of records of Deputy Controller, Weights and Measures, Ambala, revealed that no physical targets for inspection/checking of units were ever fixed by the State Government during 2000-05. Only targets with reference to collection of revenue were fixed for each year in respect of weights and measures and packaged commodities.

Consumer complaint register not maintained

3.3.12 During audit it was seen that no register to enter the complaints of consumers was maintained by Deputy Controller, Weights and Measures, Ambala during 2000-05 (upto February 2005). In the absence of any complaint register, Audit could not verify whether any action was taken on complaints received, if any, from consumers.

The Deputy Controller stated (August 2005) that on receipt of complaints orally/telephonically from consumers, the Inspector of concerned area carried out an inspection of that unit and booked the offences against the defaulters. However, the complaint register was opened only from 16 March 2005 and no complaints were found registered as of August 2005.

Functioning of State Consumer Protection Councils

State/District Consumer Protection Councils not functional

3.3.13 As per Section 7 and 8A of the Act, the State Government was to establish by notification, the State Consumer Protection Council (State Council) and District Consumer Protection Councils (District Council) to promote and protect the rights of the consumers by disseminating information and through consumer education as laid down in clauses (a) to (f) of section 6 of the Act. The councils were also to ensure that the consumers' interests would receive due consideration at the appropriate forums. The State Council was to be headed by the Minister incharge of Consumer Affairs and District Councils were to be headed by Collectors of the districts as Chairmen. These councils were to meet atleast twice a year.

State Council and District Councils remained non-functional

Scrutiny of the records of the Director, Food and Supplies Department, Haryana revealed that though the State Council was constituted, no meeting was held since April 1999. The State Council was reconstituted on 27 February 2004 by the State Government, but again, no meeting was held. Eight District Councils were formed on 13 August 2004 and nine more on 27 August 2004 but these were dissolved on 16 May 2005 and no meetings of these councils were held.

Thus, though the councils were formed from time to time, yet these remained completely non-functional as they failed to conduct any business, which had direct linkage with lack of awareness of the consumers about their rights. This also had direct linkage to the skewed profile of complainants with majority belonging to urban area and well earning groups. Result of the ORG-MARG survey revealed that 61 *per cent* of complainants resided in urban areas and 99 *per cent* were belonged to the educated class. They had an average monthly household income of Rs 10,258. This implied that facilities provided by redressal agencies were availed of mostly by residents of urban areas and that too by the middle and upper middle strata of the community.

The results of survey further revealed that formal source of awareness of the consumers was electronic and print media (79⁴ and 55 *per cent*). Nearly 53 *per cent* of the aware consumers had come to know about the Act only in the last 4 years whereas the Act has been in existence for the past 19 years. So far as the redressal agencies are concerned, the survey revealed that majority of the complainants came to know about their existence through electronic media (46 *per cent*), print media (56 *per cent*) and others i.e., friends and relatives (83 *per cent*). NGOs were not a popular source of awareness (3 *per cent*).

Adequacy of staffing and funding operations

Shortage of members and president and supporting staff

3.3.14 The vacancy position of President and Members of the State Commission and five test-checked District Forums as on 31 March 2005 was as under:

Sr. No.	Name of Office	Name of Post	Since when lying vacant
1.	State Commission,	President	September 2003 to June 2005
2.	District Forum, Faridabad	Two members	July 2004
3.	District Forum, Gurgaon	President	July 2004
		Member	July 2004
4.	District Forum, Rewari	Member	October 2004
5.	District Forum, Rohtak	President	December 2003
		Member	October 2004
		Member	July 2004
6.	District Forum, Yamunanagar	Member	July 2004

In test checked units three posts of Presidents and seven of Members were lying vacant

⁴ Some consumers came to know about their rights from more than one source and are included in more than one source. Hence more than 100 *per cent*.

Three posts of Presidents and seven of Members which were lying vacant since long affected the functioning of the State Commission and the District Forums.

The vacancy position regarding supporting staff against sanctioned posts as on 31 March 2005 was as under:

Against the sanctioned posts of 29 supporting staff only 9 persons were in position

Sr. No.	Name of Office	Name of post	Number of sanctioned posts	Men in position	Since when lying vacant.
1.	State Commission	Steno	1	-	August 2003
		Clerk	2	-	August 2003
		Process Server	1	-	August 2003
		Peon	5	3	August 2003
2.	District Forum, Faridabad	Clerk	1	-	August 2003
		Peon	3	2	August 2003
		Process Server	1	-	August 2003
3.	District Forum, Gurgaon	Assistant	1	-	August 2004
		Clerk	1	-	August 2003
		Process Server	1	-	August 2003
		Peon	3	2	August 2003
4.	District Forum, Rewari	Clerk	1	-	August 2003
		Peon	3	1	August 2003
5.	District Forum, Rohtak	Assistant	1	-	July 1999
6.	District Forum, Yamunanagar	Clerk	1	-	August 2003
		Peon	3	1	August 2003
Total			29	9	

About 69 per cent of the posts of supporting staff were vacant.

Due to acute shortages against posts of Presidents/Members/supporting staff, the pendency of consumer dispute cases was increasing. Thus, the purpose of setting up of consumer forums to provide quicker justice to consumers within a stipulated time could not be met to a large extent.

It was also observed in audit that no separate wing or branch was established to deal with consumer affairs. Only one official (Assistant) was dealing with the whole affairs of consumer related matters.

The Director, Food and Supplies Department stated (July 2005) that the posts in question could not be filled because of the vacancy of the post of the President of the State Commission who was the Chairman of the Selection Committee. The contention of the Department was not tenable as Section 16 (1A) of the Act (inserted in March 2003) envisages that where the President of the State Commission is, by reason of absence or otherwise, unable to act as Chairman of Selection Committee, the State Government may refer the matter to the Chief Justice of High Court for nominating a sitting Judge of that High Court to act as Chairman. But no reference in this regard was made to the Hon'ble Chief Justice of the High Court by the Government.

Savings in budget

3.3.15 The year-wise position of budget estimates, revised estimates and actual expenditure thereagainst for the period 2000-05 was as under:

Year	Budget estimates	Revised estimates	Actual Expenditure	Savings with reference to Budget estimates
(Rupees in crore)				
2000-01	3.92	2.73	2.43	1.49
2001-02	4.35	3.09	2.82	1.53
2002-03	4.33	2.93	2.69	1.65
2003-04	4.38	4.37	4.10	0.28
2004-05	4.52	3.75	3.31	1.20
Total	21.50	16.87	15.35	6.15

It was observed in audit that savings of Rs 6.15 crore were mainly due to vacant posts of Presidents, Members and supporting staff in the State Commission and the District Forums.

Consumer awareness and education

Consumer awareness and education is of crucial importance for effective implementation of the Act. Results of the ORG-MARG survey revealed that 83 *per cent* of the consumers were not aware of their rights as consumers and 85 *per cent* were still unaware of the Consumer Protection Act. Only 11 *per cent* of the rural population had heard about it. Further, analysis of the survey results showed that among those who were aware of the Act, the self-employed constituted 45 *per cent*, retired persons 40 *per cent*, students 39 *per cent* and Government servants 32 *per cent*. As many as 68 *per cent* of the consumers at large believed that it is important for every consumer to know about his rights. They felt that knowledge of consumer rights would help consumers in getting good quality products and services (64 *per cent*) and consumers could not be cheated for price (85 *per cent*). The opinion was similar across urban and rural respondents.

District Consumer Information Centres not set up

3.3.16 District Consumer Information Centres (DCICs) were to be set up in each district in order to disseminate information on all aspects of consumer protection. DCICs were to liaise with the District Weights and Measures Authority and the laboratories in handling issues relating to quality, weight, adulteration, etc. The Government of India, Ministry of Consumer Affairs asked (October 2000) the State Government to set up at least one DCIC in each district with the help of the Zila Parishads and voluntary consumer organisations of repute. Under the scheme each DCIC was to be given financial assistance of Rs five lakh.

District Consumer Information Centres were not set up for the benefit of consumers

Scrutiny of records of the Director, Food and Supplies revealed that a proposal for sanctioning of grant to an NGO, namely the New Gram Vikas Samiti, Village Tanda Heri, Tehsil Bahadurgarh, District Jhajjar was forwarded to the Ministry of Consumer Affairs during 2000-01 for setting up DCIC. Though Financial assistance of Rs five lakh was sanctioned in July 2001, Government of India released Rs 2.50 lakh to the *Samiti* during 2001-02 but that neither the DCIC was set up by the *Samiti* nor the grant of Rs 2.50 lakh was refunded (July 2005).

The Director, Food and Supplies Department stated (July 2005) that the President of the *Samiti* had expired and efforts were being made to recover the amount. No efforts were made to set up more DCICs in the remaining districts of the State to derive the benefits of this important scheme.

Consumer clubs in schools scheme not implemented

Scheme for opening
of consumer clubs
not implemented

3.3.17 With a view to imparting consumer education to school children in a non-formal, proactive-manner and to mobilise youngsters by instilling in them the spirit of protection of consumer rights, as provided in the Act, the Department of Consumer Affairs introduced a scheme of opening of consumer clubs in the schools and approached (July 2003) the State Government to advise the educational institutions, voluntary organizations and professional bodies in the State to avail of the benefits of this scheme and to send proposals for sanction of grants.

Scrutiny of records of Director, Food and Supplies Haryana, revealed that no such clubs had been opened (July 2005). The Director stated (July 2005) that the matter was under correspondence with the Ministry of Consumer Affairs for sanction of grants for the purpose.

Non-involvement of Research Institutions/Universities/Colleges

Scheme for
involvement of
Research
Institutions/
Universities/Colleges
for consumer welfare
not implemented

3.3.18 The Ministry of Consumer Affairs introduced a scheme in October 2003 for promoting involvement of Research Institutions, Universities and Colleges, etc. in consumer Protection and Consumer Welfare. The objectives of the scheme were to sponsor research and evaluation studies in the field of consumer welfare and to provide grants for publication of the results of research and evaluation studies and other related literature and to organise seminars, workshops, etc. on consumer related issues.

Scrutiny of records revealed that no such proposal was sent to the Government of India by the Food and Supplies Department (July 2005). The Director stated (July 2005) that the Scheme was circulated (February 2004 and February 2005) to the Universities, Research Institutes and Voluntary Consumer Organisations but no response was received.

State Consumer Welfare Fund not established

3.3.19 As provided in the Haryana Consumer Welfare Fund Rules 2005, the State Government was to set up a State Consumer Welfare Fund with the main objective of providing financial assistance for promoting the welfare of

consumers and to strengthen the Voluntary Consumers movement in the country particularly in the rural areas.

The State Consumer Welfare Fund had not been created so far (July 2005).

Monitoring

3.3.20 The National Commission and the State Commissions had administrative control over the State Commission and the District Forums respectively. The District Forums send monthly reports indicating position of complaint cases filed, disposed of and balance at the end of month to the State Commission. These monthly reports were being compiled in the office of the State Commission. The State Commission sends monthly and quarterly reports alongwith the data relating to its own office to the National Commission with one copy to the Ministry of Consumer Affairs and one copy to the Director, Food and Supplies Department, Haryana. There was no evidence if the Ministry or the State Government Department initiating any action on such reports.

The position of pending complaint cases at the beginning of 2000-01, cases received, disposed of and pending at the end of 2004-05 in respect of the State Commission and five District Forums test checked was as under:

Name of Commission/ Forum	Opening balance as on 01 April 2000	Cases received	Total	Cases disposed of	Cases disposed of within 90 days	Closing balance as on 31 March 2005
State Commission	2,788	15,964	18,752	7,858	3,145	10,894
District Forum, Faridabad	8,874	4,508	13,382	4,582	770	8,800
District Forum, Gurgaon	17,437	7,519	24,956	4,682	1,304	20,274
District Forum, Rewari	2,695	2,837	5,532	2,437	466	3,095
District Forum, Rohtak	2,431	2,372	4,803	2,034	297	2,769
District Forum, Yamunanagr	5,268	4,090	9,358	4,547	847	4,811
Total	39,493	37,290	76,783	26,140	6,829	50,643

As evident from the above table, against total 76,783 complaint cases, only 26,140 (34 per cent) were disposed of. Of the total cases disposed of, only 6,829 (26 per cent) were decided within 90 days.

It was further noticed that 67 cases with State Commission and 873 cases with 19 District Forums were pending for more than five years. Out of these four cases were pending for the periods between seven and nine years.

The Presidents of the State Commission and the concerned District Forums attributed (June-July 2005) the delay in deciding cases to inadequate

infrastructure and staff, non-filling up the posts of President/Members and non-appearance of advocates of both the parties together.

Results of the ORG-MARG survey also brought out that on an average, 12 months were spent to pass a decree since an average of six hearings was required to resolve the cases. The average pendency of the unresolved cases was 27 months. It was also found through the survey that on the whole the stake holders and the complainants received redressal from the adjudication machinery and the process, though simple, was not very speedy or economical.

Conclusions

3.3.21 The legislative intent of Parliament to empower the consumer has only been partially achieved in the State of Haryana. This is mainly attributable to the inability of the State Government to provide adequate infrastructure both proper office buildings and equipment. The role of Weights and Measures Department in ensuring delivery of rights to consumers was ineffective as norms of inspection of units were not fixed. Consumers at large were not aware of the system and procedures of redressal machinery. Consumer Protection Councils was not functional to monitor and promote consumer awareness. Almost no initiative has been taken up by the State Government for generating awareness among people through advertisement and publicity to make consumers conscious of their rights and aware of the procedure to secure the same.

Recommendations

3.3.22 To ensure visible impact of promotion & empowerment of consumers' rights and awareness, the government as a first step should create adjudication mechanism commensurate with minimum work load and pendency of cases expeditiously.

For smooth and better functioning of the organization, like prompt disposal of cases, effective implementation of forum's decision to recover the decretal amount and evolving proper monitoring and evaluation system, sufficient staff, additional benches, funds for construction of buildings and equipping the Commission and forums, etc. should be provided by the State Government. The working of Weight and Measures Department need improvement and monitoring. For spreading awareness among consumers about (i) their rights and responsibilities; (ii) procedure of filing the complaints and; (iii) the location of the Consumer Courts, adequate budget should be provided for advertisement and publicity at regular intervals. Consumer Councils should be established.

These points were referred to Government (September 2005), reply had not been received (December 2005).

ANNEXURE

Executive summary of ORG-MARG survey

In order to gain an understanding of the functional status of the Consumer Protection Act, consumers at large, complainants, manufacturers/service providers, NGOs and appropriate laboratories were covered under the survey. In Haryana a total of 1,551 consumers spread across urban and rural areas were contacted. Besides 199 complainants, 5 manufactures/ service providers, 2 NGOs and 2 laboratories were interviewed. The survey was conducted during the period from second week of July to fourth week of August 2005.

Findings of the survey

- ▣ Overall 68 *per cent* of the Consumers at large gave importance to knowing the Consumer Protection Act (CPA) but 83 *per cent* were not aware of consumer rights while 85 *per cent* were unaware of Consumer Protection Act.
- ▣ The act is envisaged to benefit all the consumers in urban and rural areas but only 11 *per cent* of the rural population has heard about it.
- ▣ In response to, whether the Government is making any effort in safe guarding the consumer rights, only 14 *per cent* replied positively remaining either carrying negative or have no idea of the same.
- ▣ Formal source of awareness - electronic and print media stand at 79 and 55 *per cent* respectively. None of the aware consumers came to know about CPA from the NGOs.
- ▣ Nearly 53 *per cent* of the aware Consumers at Large have come to know about the act only in the last 4 years, whereas the act has been in existence for past 19 years.
- ▣ Overall, only 13 *per cent* reported to be aware of the existence of any redressal agency. Awareness on this among those aware of rights and CPA was higher.
- ▣ Around 31 *per cent* of the aware of redressal agency did not know the location of the district forum in their respective districts.
- ▣ About 61 *per cent* of complainants resided in urban areas and 99 *per cent* were the educated lot and earned a monthly household income of Rs 10,258. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle/upper middle strata of the community.

- Nearly 57 *per cent* of the complaints were against products such as consumer durables (78 *per cent*), agricultural products (12 *per cent*) and FMCG products (7 *per cent*). The balance 43 *per cent* of the complaints were against services such as electricity (27 *per cent*), communication (23 *per cent*) and housing & construction (16 *per cent*).
- Majority of complainants came to know about the redressal agencies through electronic media (46 *per cent*), print media (56 *per cent*) and others i.e., friends/relatives (83 *per cent*). NGOs were not a popular source of awareness (3 *per cent*).
- Nearly 60 *per cent* of the complaints used stamp paper to file the case and in majority of cases (93 *per cent*) the lawyers/agents advised them to do so.
- Around 63 *per cent* of complainants who registered their complainant prior to March 2003 reported to have deposited Court fee notwithstanding the fact that the Court fee was introduced only in March 2003.
- An analysis of time taken at various stages of the cases showed that on an average 3 days were spent for registering a case and 17 days were taken for serving the notice, first hearing was held after 18 days of serving the notice.
- On an average 6 hearings were required to resolve the case. Around 47 *per cent* of cases were still unresolved even after 5 hearings and most of these cases were against consumer durables (33 *per cent*).
- To resolve a case on an average 12 months were spent. In case of unresolved cases the same were pending for past 27 average months.
- There were 25 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for 16 months. For those received compensation the same was received within an average period of 2.7 months.
- On an average the complainant had to spent Rs. 1765 to resolve the case, of which a large proportion (average amount of Rs. 1564/-) comprised of the advocates fee.
- The manufacturers and service providers were well aware of CPA on the contrary not many Consumers at large were aware of Act or the redressal system.
- The NGOs are involved in spite of activities such as consumer education, advocacy, solving the grievances and helping complainants in filing of complaints at the consumer forum.
- Overall all the stakeholders and the complainants perceive the redressal as simple but not very speedy and economical.

CHAPTER-IV

TRANSACTION AUDIT OBSERVATIONS

AUDIT PARAGRAPHS

CHAPTER 10

THEORY OF THE
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Chapter –IV

TRANSACTION AUDIT OBSERVATIONS

AUDIT PARAGRAPHS

4.1 Fraud/misappropriation/embezzlement/losses/overpayment

Rural Development Department (District Rural Development Agencies)

4.1.1 *Misappropriation of wheat under Sampoorna Grameen Rozgar Yojana*

Disregard of rules and failure to conduct physical verification by DRDA resulted in misappropriation of 19,907.77 qtls of wheat valuing Rs 1.19 crore.

To provide greater thrust to additional wage employment, infrastructural development and food security in the rural areas, Government of India (GOI) launched (September 2001) the *Sampoorna Grameen Rozgar Yojana* (SGRY) on cost sharing basis in the ratio of 75:25 between the Government of India and the State Government. As per the scheme, GOI was to provide foodgrains free of cost and 75 *per cent* of the cash component and the State Government was to distribute the foodgrains as part wages to the workers employed to create community and social assets and to bear the transport cost and other handling charges. The scheme was being implemented by the District Rural Development Agencies (DRDAs) through Block Development and Panchayat Officers (BDPOs) at the block level and Gram Panchayats (GPs) at the village level. In order to ensure effective safeguards against leakage of foodgrains, the implementing agencies were required to maintain the records relating to receipts, custody, issue and management of stores. Physical verification of stores was to be made at least once a year as required under the Financial Rules.

Test-check of records (June-November 2004) relating to five DRDAs and other implementing agencies¹ revealed that out of 81,669.45 quintals (qtls) of wheat allotted and lifted, 16 BDPOs had distributed 57,611.05 qtls of wheat as part wages to labourers against muster rolls for various works executed during 2001-04; 4,150.63 qtls of wheat were lying unutilised in the stores as closing

¹ DRDAs at Ambala, Kaithal, Karnal, Kurukshetra and Yamunanagar and Block Development and Panchayat Offices and Gram Panchayats in these districts.

balance as on 31 March 2004. The remaining 19,907.77 qtls of wheat valued at Rs 1.19² crore was misappropriated by the staff of 16 BDPOs³ by showing fictitious issue of wheat to GPs (15,046.35 qtls), pilferage in stores (1,821.58 qtls), issues against fictitious works (2,630.84 qtls) and pilferage in transit (409.00 qtls).

While confirming the facts, Chief Executive Officers (CEO)⁴ of DRDAs/BDPOs stated (June-December 2004) that necessary action would be taken against the officials responsible for misappropriation. The CEO, DRDA, Yamunanagar, while admitting the misappropriation, stated (July 2005) that 1,863.18 qtls wheat shown as fictitiously utilised had been recouped from the concerned GPs and the same had been subsequently utilised. The CEO, DRDA, Kaithal stated (May 2005) that 2,163.15 qtls wheat shown to have been misappropriated had already been utilised before 2003-04 and 100 qtls were lying in stock. He also supplied copies of muster rolls in support of utilisation of 426.25 qtls wheat in respect of Pundri Block. The reply was not acceptable because muster rolls supplied in support of his contention actually related to the year 2004-05 and works on which wheat was shown to have been consumed were completed prior to 2004-05. Hundred qtls of wheat stated to have been lying in stock was not found in stock register upto May 2005. The authenticity of the muster rolls now supplied in support of utilisation of 426.25 qtls (part of 912.54 qtls wheat misappropriated in Pundri Block) were doubtful as these were neither numbered nor issued with the approval of the competent authority.

Misappropriation of wheat was facilitated due to disregard of rules relating to issue and distribution of wheat. Before allowing issue of wheat, BDPOs should have thoroughly examined the relevant records including muster rolls to prevent fictitious issue of wheat. While submitting the periodical reports to higher authorities, implementing agencies did not furnish the correct stock position indicating the opening balance, receipts, issues and closing stock. Lack of proper monitoring and non-conducting of physical verification by DRDAs further aggravated the position and facilitated misappropriation. No legal action was taken against the officials responsible for misappropriation.

² 19,907.77 qtls at the rate Rs 600 per quintal = Rs 1,19,44,662.

³ BDPOs :Brara (1368.70 qtls), Sahazadpur (300.66 qtls) of Ambala district; Kaithal (2263.15 qtls), Pundri (912.54 qtls) of Kaithal district; Assandh (289.71 qtls); Karnal (2073.44 qtls), Nissing (645.82 qtls) of Karnal district; Babain (2072.81 qtls), Ladwa (1871.43 qtls), Pehowa (1896.33 qtls), Thanesar (4350.00 qtls) of Kurukshetra district; Bilaspur (93.00 qtls), Chhachrauli (102.00 qtls), Jagadhri (158.00 qtls), Mustafabad (1128.68 qtls) and Sadaura (381.50 qtls) of Yamunanagar district.

⁴ CEOs at Ambala (June 2004); Kaithal (November 2004); Karnal (December 2004); Yamunanagar (September 2004); and BDPOs Babain, Ladwa, Pehowa (September 2004) and Thanesar (August 2004) of district Kurukshetra.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Rural Development Department, in April 2005; reply had not been received (August 2005).

4.2 Excess payment/wasteful/infructuous expenditure

Town and Country Planning Department (Haryana Urban Development Authority)

4.2.1 Unfruitful expenditure on construction of booths

Construction of booths without conducting survey by HUDA at a place not suitable for commercial activities rendered the expenditure of Rs 31 lakh unfruitful.

To boost the sale of commercial sites in Urban Estate, Yamunanagar, the Haryana Urban Development Authority (HUDA) decided to construct shopping booths in the district sub-centre at Gobindpuri.

Test-check of the records of the Estate Officer (EO), HUDA, Jagadhri (June 2004) and information collected subsequently (June–July 2005) revealed that HUDA, without conducting any survey to assess the public demand, constructed 72 booths in two phases. Though 20 booths constructed in July 1996 at a cost of Rs 9.91 lakh were not put to auction, yet 52 more booths were constructed at a cost of Rs 32.26 lakh in August 1998. Thereafter, 31 booths (10 out of 20 and 21 out of 52) were put to auction repeatedly in 34 auctions held between February 1999 and May 2005 and only 19 booths (five out of 20 and 14 out of 52) could be auctioned. The remaining 53 booths (including 41 booths not at all put to auction for the periods ranging between seven and nine years) remained unsold (May 2005) due to poor response in the auctions despite reducing their reserve price from Rs 5.50 lakh in November 2001 to Rs 4.51 lakh in July 2003.

The Estate Officer, HUDA, Jagadhri attributed (July 2004) the poor response to poor planning of HUDA in constructing the booths at a place not suitable for commercial activities, away from the main market and the bus stand and railway station besides fixation of higher reserve price, as compared to market price prevailing in the area. In the meeting held on 26 May 1999, the 'Price Fixation Committee' analysed that commercial sites were not being sold due to high reserve price and on its recommendations, the Chairman, HUDA accorded approval (July 1999) to devalue the reserve price upto 20 *per cent* i.e. at the rate of five *per cent* for each unsuccessful auction upto four successive auctions. As regards non-auction of 41 booths which had not been

put to auction at all, he intimated (June 2005) that the best sites, which can be sold at higher rates, were chosen first for auction. The reply was not convincing because out of 31 booths considered to be best sites, only 19 booths could be sold between February 1999 and May 2005. With the passage of time, the condition of these built up booths would also deteriorate.

Thus, construction of 20 booths without conducting any survey and without taking into cognizance the suitability of the site for commercial activities, further construction of 52 booths and fixation of higher reserve price rendered the expenditure of Rs 31⁵ lakh, incurred on construction of 53 booths unfruitful.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Town and Country Planning Department in February/August 2005; reply had not been received (August 2005).

**Agriculture Department
(Haryana State Agricultural Marketing Board)**

4.2.2 Inadmissible payment of special pay

Haryana State Agricultural Marketing Board made inadmissible payment of Rs 46.17 lakh to employees on account of special pay in violation of Government instructions.

The State Government issued (February 1991) instructions to all Government Companies, Corporations, etc. including the Haryana State Agricultural Marketing Board (HSAMB) that special pay would be allowed only to incumbents of the posts of Personal Assistant (PA), Steno-typist and Drivers (for cars and jeeps only) from 1 March 1991 onwards. No post of any other category would carry any special pay in the public sector undertakings without the specific approval of the Finance Department. Incumbents who were drawing special pay as on 18 February 1991 were allowed to draw special pay but in future recruitments and promotions, special pay was to be discontinued. While reiterating these instructions in June 2001, Government directed all concerned undertakings to stop allowing special pay not covered under the said instructions.

Test-check of records (April 2003 – January 2005) of the Executive Engineers of 15 Divisions and 52 Market Committees (MCs) under the control of the HSAMB, Panchkula revealed that HSAMB allowed special pay to 1,164 employees (other than PAs, Steno-typists and Drivers) who were not drawing special pay as on 18 February 1991 and paid Rs 46.17 lakh to these officials

⁵ Rs 9.91 lakh x 15/20 = Rs 7.43 lakh; Rs 32.26x38/52 = Rs 23.57 lakh.

without any approval from the Government between April 1991 and December 2004.

The Financial Commissioner and Principal Secretary to Government Haryana, Agriculture Department clarified (February 2005) that Government did not allow special pay to any employee on recruitment/promotion after 18 February 1991 except those who were drawing special pay prior to this date. But it was revealed that HSAMB continued to allow special pay to ineligible employees. However, special pay was discontinued with effect from 1 April 2005 by HSAMB after this was pointed out in Audit but no action was initiated to recover the inadmissible amounts already paid to these employees (May 2005).

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

4.2.3 Unfruitful expenditure on account of unutilised structures of water supply scheme

Due to improper planning for canal based scheme instead of tubewell based in the first instance, structures created under the canal based scheme were lying unutilised since May 2000; expenditure of Rs 55.22 lakh incurred on the scheme proved unfruitful.

The Haryana State Sanitary Board (HSSB) approved (June 1995) a canal based scheme for augmentation of water supply to Purkhas group of villages from 40 to 110 litre per capita per day (lpcd) for Rs 1.06 crore. The scheme involved construction of two storage and sedimentation tanks; four filter beds, two clear water tanks, head works pipe line, wire fencing, overhead service reservoir and distribution system, etc. The raw water was proposed from Shekhupura Minor (Minor) at RD 16,500 by increasing the outlet discharge from 1.16 cusecs to 2.82 cusecs after remodelling of the minor and inlet channel but prior sanction of the revised outlet was not obtained from the Irrigation Department.

Test-check of records (May 2004) of the Executive Engineer, Public Health Division II, (XEN) Sonipat revealed that the construction of the inlet channel, one storage and sedimentation tank, four filter beds, head works pipe line and wire fencing was completed (May 2000) at a cost of Rs 55.22 lakh. Even after remodelling of the minor by the Irrigation Department in 2001-02 the outlet of 2.82 cusecs of water was not sanctioned for the scheme by the Irrigation Department. On the demand of the *Gram Panchayat* for supply of drinking water through tubewells, the XEN proposed another estimate for Rs 19.35 lakh for supply of additional raw water through two shallow tubewells. HSSB approved (May 2001) the scheme and two shallow tubewells were

installed (August 2004) in the bed adjacent to Shekhupura Minor at a cost of Rs 11.66 lakh.

The XEN stated (December 2004) that the canal based scheme was floated initially as the underground water was not potable at that time. It was further stated that most of the time the minor did not contain sufficient water being located at the tail and thus, option was exercised for tubewell based scheme.

The reply was not tenable as the quality of water was got tested only in 1979 and not immediately before conception of the augmentation of water supply scheme in June 1995. Shallow tubewells installed in August 2004 could have been installed in the first instance instead of opting for canal based scheme in June 1995.

Thus, due to improper planning of a canal based scheme instead of a tubewell based in first instance, structures created under canal based scheme were lying unutilised since May 2000 and expenditure of Rs 55.22 lakh incurred on the scheme proved unfruitful.

The matter was demi officially reported to the Financial Commissioner and Secretary, Public Works Department, Public Health Branch in May 2005; reply had not been received (August 2005).

4.2.4 *Extra expenditure due to non-availing of Central Excise Duty exemption*

Central Excise Duty exemption, available on purchase of pipes for use in Water Works, was not availed of which resulted in an extra expenditure of Rs 86.01 lakh.

Government of India vide Central Excise Notification No.06/02-CE dated 01 March 2002 amended by Notification No. 47/2002-CE dated 06 September 2002, exempted all items of machinery and their components required for setting up of water treatment plants intended to make water fit for human or animal consumption, alongwith pipes needed for delivery of water from its source to the plant and from there to the storage facility, from the whole of the Central Excise Duty (CED) subject to the condition that a certificate issued by the concerned Collector/Deputy Commissioner/District Magistrate to the effect that such goods are needed for the intended use, is produced to the concerned Central Excise official.

Test-check of records (March 2005) of the Public Works Department, Public Health (Design and Planning) Division (PH), Sonipat and information collected subsequently from four⁶ PH Divisions revealed that Ductile Iron Pipes and Cast Iron Tyton Pipes valuing Rs 6.73 crore, including excise duty,

⁶ Bahadurgarh, Gohana, Gurgaon and Rohtak.

freight and inspection charges were purchased (September 2003-March 2004) for use in the water works, from two firms⁷ against supply orders placed between July and September 2003 by the Director, Supplies and Disposals (DS&D) Haryana.

Though the pipes purchased were used for the purpose specified in the exemption notification and thus qualified for exemption, the Department did not avail of the benefit. The required certificate for availing CED exemption was not obtained from the concerned Deputy Commissioners. Consequently, CED amounting to Rs 86.01 lakh had to be paid by the Department (November 2003 to August 2004), which could have been avoided.

The concerned Executive Engineers while admitting the facts stated (April 2005) that exemption could not be availed of by them because instructions regarding availment of said exemption were received from Engineer-in-Chief (EIC) Haryana only in July 2004. Thus, because of the delay in issuing instructions, the extra expenditure of Rs 86.01 lakh was incurred.

The matter was demi-officially reported to the Financial Commissioner and Secretary, Public Works Department, Public Health Branch in June 2005; reply had not been received (August 2005).

Transport Department

4.2.5 *Loss arising out of failure to obtain quarterly passes for payment of toll tax*

Failure of nine depots to obtain quarterly passes of toll tax resulted in loss of Rs 81.30 lakh.

Municipal Corporation, Delhi (Corporation) levied (December 1999) toll tax on vehicles entering Delhi. The daily and monthly rates of toll tax in respect of a bus were Rs 50 and Rs 1,000 respectively. Subsequently, the Corporation increased the rate of monthly tax to Rs 1200 and introduced (January 2001) quarterly passes at the concessional rate of Rs 3000. By obtaining a quarterly pass a bus owner would pay Rs 1,500 less tax per quarter per bus compared to daily rate. The Transport Commissioner advised (June 2002) all the depots to deposit toll tax taking into account the saving involved in quarterly deposit of toll tax instead of daily or monthly payment.

Test-check (February 2003-June 2005) of records of General Managers, Bhiwani, Yamunanagar and Narnaul depots (depot) and information collected

⁷ M/s Electrosteel Castings limited, Kolkata and M/s Kapilansh Dhatu Udyog Private Limited, Nagpur.

subsequently from Faridabad, Gurgaon, Hisar, Karnal, Rohtak and Sonapat depots revealed that these depots, operating various routes through the toll point, did not avail of the saving by obtaining quarterly passes and continued to make payment on daily or monthly basis. Total toll tax paid at Delhi Toll Point worked out to Rs 3.04 crore for the period from January 2001 to June 2005. These depots could have saved an amount of Rs 81.30 lakh during this period by obtaining quarterly passes.

On this being pointed out (February 2003 and August 2005), the General Manager, Bhiwani Depot admitted the facts and stated (March 2005) that the depot started obtaining monthly passes from December 2004. Replies in respect of the remaining depots were awaited (August 2005).

Thus, failure of the depots to obtain quarterly passes resulted in avoidable loss of Rs 81.30 lakh.

The matter was demi-officially reported to the Transport Commissioner, Haryana in April/August 2005; reply had not been received (August 2005).

Agriculture Department
(Chaudhary Charan Singh Haryana Agricultural University, Hisar)

4.2.6 *Extra financial burden due to supply of power on lower rates in the University Campus*

Due to supply of power to residential consumers at lower rates against the higher rates paid to *Dakshin Haryana Bijli Vitran Nigam*, the Haryana Agricultural University, Hisar incurred extra expenditure of Rs 47.05 lakh.

Chaudhary Charan Singh Haryana Agricultural University, (HAU) Hisar has been drawing electricity for its new campus buildings and residential quarters from the Haryana State Electricity Board (HSEB), now renamed *Dakshin Haryana Bijli Vitran Nigam* (DHBVN) through single point bulk supply electricity connection since 1976. Initially, the⁸ bulk supply rates were economical as against domestic rates. But due to upward revision of rates from time to time the energy charges payable by bulk supply consumers became much higher than that of the domestic consumers.

Test-check of records of HAU, Hisar (November 2003) and information collected subsequently revealed that the HAU was issuing bills for power

⁸ Bulk supply rate 21.15 paise per unit, domestic supply are 21.75 paise per unit.

consumption to the staff residing in HAU campus at domestic supply rates⁹; though HAU was purchasing electricity at higher rates from DHBVN under bulk supply scheme. Because of the gap between the rates for bulk supply and domestic supply, HAU had suffered a loss of Rs 47.05 lakh during the years 1996-2005 (upto June 2004).

A mention of loss in bulk supply electricity scheme was earlier made in paragraph 6.17.10 (ii) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 (Civil) Government of Haryana. Assurance was given by Financial Commissioner and Secretary to Government Haryana, Agriculture Department to Public Accounts Committee (PAC) in the meeting held on 19 January 2002 that HSEB had agreed to charge domestic supply rates for the residential areas. But, in fact, HSEB had not agreed to allow individual connections instead of single point bulk supply connection in the university campus as per their policy. DHBVN had not released or provided single point domestic connections nor raised separate bills for residential areas of the campus.

The Comptroller, HAU Hisar stated (March 2005) that DHBVN installed only one meter at source as per their policy and it was not possible to charge domestic rates unless they release connections to individual consumers. Due to the changed policy of the State Government/DHBVN, the loss being incurred was beyond the control of HAU. The fact remained that neither DHBVN had agreed to charge domestic rates for residential areas, nor HAU had recovered the electricity charges at higher rates from the residents of the campus (July 2005). HAU had to bear extra financial burden of Rs 47.05 lakh. Further, it was observed that Kurukshetra University, Kurukshetra (KU) had been realising electricity charges from all consumers (residential quarters, canteens and shops) at the rates at which these were being paid by them to the Vidyut Nigam, Haryana from February 2002. Had the HAU followed KU, it could have avoided recurring extra financial burden.

On this being pointed out (March 2005), the Government stated (July 2005) that on the basis of verbal assurance of HSEB/DHBVN, the then Financial Commissioner and Principal Secretary gave an assurance to the PAC (January 2002) that the Electricity Board had agreed to charge residential areas at domestic rates but no such document was available on record.

⁹ Date	Domestic supply rates (Rupees per unit)	Bulk supply rates (Rupees per unit)
01 July 1996	1 to 40 units 1.91	2.41
	Above 40 units 2.66	
15 June 1998	1 to 40 units 1.91	2.77
	Above 40 units 3.06	
01 August 2000	1 to 40 units 2.04	2.90
	Above 40 units 3.19	
01 January 2001	1 to 40 units 2.73	4.19
	41 to 300 units 3.73	
01 September 2001	Above 300 units 4.38	4.19
	As above	

**Rural Development Department
(Chief Planning and Development Officer)**

4.2.7 Unfruitful expenditure on Old Age Homes

Expenditure of Rs 4.73 crore incurred on construction of 213 Old Age Homes remained unfruitful as no tangible benefits could be provided to aged persons.

Keeping in view the large population of aged persons and their biological, socio-economic and emotional needs, the State Government decided (September 2000) to set up Old Age Homes (Homes) in each village for the benefit of senior citizens. Each Home was to be provided with a well-ventilated and lighted big room/hall, kitchen, verandah and bathroom with provision of *cots, durries, murahs, charpais*, cooking arrangements etc. besides electric and water connections. These Homes were to be set up and run by Gram Panchayats (GPs) or Local Bodies (LBs). The initial funds for setting up the Homes were to be provided either by GPs/LBs from their own resources or got allocated from the concerned Member of Parliament (MP) under the Members of Parliament Local Area Development Scheme (MPLADS) or from willing donors. Priority was to be given to GPs having sound financial resources. Gram Panchayats/Local Bodies were responsible for running and maintaining the Homes and providing medical facilities and recreational facilities free of cost as also nutritional facility (refreshments by GP or through contribution from inmates).

Test-check of records (September 2004 – May 2005) of three¹⁰ Chief Planning and Development Officers (CPDOs) revealed that 213 Homes were partially constructed each with one room on village common land at a cost of Rs 4.73 crore during the years 2000-05 without providing basic amenities like kitchen, bathroom, electricity and water supply. The funds were provided under MPLADS. Medical, recreational, nutritional facilities were also not provided. Thus the expenditure of Rs 4.73 crore incurred on construction of Homes without providing basic amenities and facilities remained unfruitful as no tangible benefits could be provided to aged persons envisaged in the programme.

The Chief Planning and Development Officers stated (January–July 2005) that basic amenities and other facilities could not be provided due to scarcity of funds sanctioned by MPs under MPLADS and no efforts were made to get the Homes completed with the help of social organisations/NGOs or any other Department as there were no such instructions from the Government. Thus, in the absence of these amenities, the Homes were not being utilised. The

¹⁰ Ambala (157 Homes: Rs 388.37 lakh); Karnal (7 Homes: Rs 16.86 lakh); and Kurukshetra (49 Homes: Rs 68.25 lakh).

Financial Commissioner and Secretary to Government Haryana stated (May 2005) that the amounts recommended by the concerned MPs were not sufficient to provide the basic facilities and only one room could be constructed out of the funds allotted. Even the GPs did not have sufficient technical staff and necessary funds to provide the desired facilities. However, the amount incurred on construction of these Homes was not wasted because these were to be utilised by the GPs only. The reply was not tenable as while selecting villages for setting up of these Homes, priority was to be given to GPs having sound financial position. Further, there were already one to four *chaupals* in every village where these Homes were constructed and so, construction of these incomplete Homes had not served any useful purpose.

Finance Department

4.2.8 Overpayment of pensionary benefits

Failure of Treasury Officers/Banks in observing financial rules and orders resulted in overpayment of pensionary benefits amounting to Rs 55.94 lakh.

As the Punjab Treasury Rules/Financial Rules applicable to Haryana and the scheme for pension payment by Public Sector Banks, the Treasury Officers (TOs) and the Banks were responsible for ensuring the correctness of the payments made with reference to the records maintained by them before incorporating the transactions in their accounts. They were required to maintain a register in the prescribed form for keeping a comprehensive record of pension payments and each entry of monthly payment register was to be checked by the TO/Bank in token of having applied the required checks.

Inspection of 21 District Treasuries including sub-Treasuries conducted by the Accountant General (Accounts and Entitlement), Haryana and 24 branches of nationalised banks conducted by the Accountant General (Audit), Haryana during 2004-05 and information collected subsequently in respect of 49 branches of nationalised banks revealed an overpayment of Rs 55.94 lakh of pensionary benefits to 548 pensioners/family pensioners made during the period from March 1990 to July 2005 (as detailed in *Appendix XVIII*) due to failure on the part of TOs/Banks in observing the relevant rules and orders. Of this, overpayment of Rs 27.48 lakh related to excess payment of inadmissible merger of Dearness Relief in pension in respect of 262 pensioners/family pensioners and Rs 27.71 lakh related to excess payment of pension, family pension and commuted pension in respect of 256 pensioners. The remaining amount of Rs 0.75 lakh related to excess payment of dearness allowance and medical allowance in respect of 30 pensioners.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Finance Department in August 2005; reply had not been received (August 2005).

4.3 Violation of contractual obligations/undue favour to contractors/avoidable expenditure

Public Works Department (Buildings and Roads Branch)

4.3.1 Avoidable Payment due to delay in demarcation of land

Failure in timely demarcation of land delayed the announcement of land compensation award and resulted in avoidable payment of Rs 60.43 lakh.

The Land Acquisition Act, 1894 provides that while determining the amount of compensation, the award shall, in addition to market value of the land, include the amount calculated at the rate of 12 *per cent* per annum on such market value for the period commencing on and from the date of the publication of notification in respect of such land to the date of award of the collector or the date of taking possession of the land, whichever is earlier.

Under Sections 4 and 6 of Land Acquisition Act, 1894, Haryana Government issued notifications on 13 August 2001 and 20 February 2002 respectively to acquire 361.57 *acres* of land for construction of Rohtak Bye Pass at National Highway-10 from Km 63.200 to 86.500. To settle objections received from various landowners, the Naib Tehsildar, Land Acquisition, Public Works Department (PWD) Buildings and Roads Branch (B&R), Rohtak asked (October 2001) the Executive Engineer, Provincial Division No.3, Rohtak (XEN) to give demarcation of land at site. But the XEN did not take any action in this regard inspite of repeated requests by the Land Acquisition Officer (LAO). The XEN conveyed the demarcation of land only in September 2003 and the LAO announced the award in December 2003. Out of Rs 7.54 crore deposited with the LAO, Bhiwani in March 2002 towards cost of land, Rs 6.88 crore were paid to land owners, the balance being left with the LAO.

Test-check of records (December 2004) of the XEN revealed that out of total amount of land compensation paid to land owners, Rs 98.90 lakh were on account of additional market value at the rate of 12 *per cent* per annum from the date of issue of notification under Section 4 of the Act to the date of announcement of award. Delay in announcement of land compensation award

occurred due to inordinance of two years (October 2001 to September 2003) in giving the demarcation of land at site by the XEN. The work of demarcation should have been completed atleast by the time by which the cost of land was deposited with LAO (March 2002).

The Engineer-in-Chief, Public Works Department, Buildings and Roads Branch stated (June 2005) that the work of demarcation of alignment of more than 16 kilometre was completed in a minimum possible time and work of award was also completed before it lapsed. The reply was not tenable as the demarcation of land was given in September 2003 whereas it should have been done atleast by the time by which the cost of land was deposited with LAO (March 2002). Had the demarcation of land been done in time, additional payment of Rs 60.43 lakh (April 2002 to September 2003) could have been avoided. No responsibility for delay in demarcation of land was fixed (May 2005).

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Public Works Department, Buildings and Roads Branch in February 2005; reply had not been received (August 2005).

Public Works Department (Public Health Branch)

Technical Education Department

4.3.2 *Avoidable expenditure due to non-maintenance of power factor and non-reduction of contract demand*

Failure to maintain prescribed power factor and to get the sanctioned load enhanced coupled with improper assessment of actual demand and not initiating any action to get the contract demand reduced in accordance with consumption led to avoidable expenditure of Rs 86.75 lakh.

Dakshin Haryana Bijli Vitran Nigam (DHBVN) and Uttar Haryana Bijli Vitran Nigam (UHBVN) (previously Haryana State Electricity Board) issued instructions (June 1996 and January 1997) that every High Tension (HT) consumer should maintain the Monthly Average Power Factor (MAPF) at 90 per cent. If the consumer fails to maintain the prescribed power factor, DHBVN/UHBVN levies penalty equal to one per cent of energy charges for each per cent fall in power factor between 90 and 80 per cent and thereafter at two per cent for each per cent decrease in power factor. To maintain the prescribed power factor, adequate capacitors were required to be installed.

Similarly, if the consumption of electricity exceeds the sanctioned demand/load by more than five *per cent*, surcharge at 25 *per cent* of energy charges was also leviable. UHBVN revised (January 2001) the rate of energy charges to Rs 4.09 per unit of actual consumption subject to Monthly Minimum Charges (MMC) of Rs 200 per KVA or part thereof of the contract demand (CD) whichever is higher. The Finance Department, Haryana directed (January 2001) that all office establishments must get their loads re-assessed and connections classified in appropriate category so as to ensure that they are billed according to the most economical tariffs.

(a) The Executive Engineer, Public Health Division (XEN), Gurgaon had an HT connection since 1997 for operation of the main pumping station. The sanctioned load was 198.7 KW with 230 KVA contract demand.

Test-check of records of XEN, Gurgaon revealed (February 2005) that owing to failure to maintain the prescribed power factor, penalty of Rs 24.64 lakh was charged by DHBVN during April 2001 to February 2005. Further, against the sanctioned demand of 230 KVA, the actual demand ranged between 227 and 860 KVA during April 2001 to February 2005 and DHBVN levied surcharge amounting to Rs 27.92 lakh because of exceeding the sanctioned contract demand.

Thus, failure in maintaining the prescribed power factor and getting the sanctioned load enhanced led to avoidable expenditure of Rs 52.56 lakh on account of penalty and surcharge.

Executive Engineer stated (February 2005) that the load exceeded the sanctioned demand in emergent cases during rainy season and it would be maintained in future as per sanction. The reply was not tenable as the power factor should have been maintained by watching the functioning of the capacitor installed at the pumping station. Further, sanctioned load should have been got enhanced since the actual contract load exceeded the sanctioned load in 30 months (64 *per cent*) during the last 47 months upto February 2005.

(b) Similarly, test-check of records (February 2005) and information collected subsequently from Director – Principal, Chhottu Ram State College of Engineering, Murthal (Director), revealed that against the sanctioned contract demand of 470 KVA, the actual energy consumption was between 88.298 and 106.688 KVA between February 2001 and March 2005. Rupees 47 lakh (at the rate of Rs 94,000 as MMC) were paid against actual consumption of 4,64,068 units whereas on the basis of actual consumption, the electricity charges worked out to Rs 18.98 lakh¹¹ only.

Had the Director got CD reduced, Rs 28.02 lakh paid as MMC over and above the actual consumption could have been saved. Further, MAPF was also not

¹¹ 4,64,068 units at the rate of Rs 4.09 per unit.

maintained during July 2002 to March 2005 for which penalty of Rs 6.17 lakh was also paid.

Thus, because of failure to initiate any action to get the CD reduced in accordance with consumption and failure to maintain MAPF, the Director had to bear an avoidable expenditure of Rs 34.19 lakh.

The Director, stated (February 2005) that the electric load of 438.840 KW (CD 470 KVA) of the meter installed in workshop block was sanctioned by UHBVN authorities on the basis of load certified by the Public Works Department, Buildings and Roads Branch, Sonipat.

The Commissioner and Secretary to Government Haryana, Technical Education Department intimated (August 2005) that the Director requested (June 2005) the Executive Engineer, Electrical Division, Public Works Department, Buildings and Roads Branch, Karnal to maintain the required power factor and to get the electric load re-assessed at the earliest on the basis of actual consumption in order to avoid excess payment. Further progress was awaited.

The matter was demi-officially reported to the Financial Commissioner and Secretary, Public Works Department, Public Health Branch in May 2005; reply had not been received (August 2005).

Forest Department

4.3.3 *Delayed payment of land compensation led to avoidable payment of interest*

Delay in making payment of land compensation to landowners resulted in avoidable payment of interest of Rs 15.22 lakh.

According to the provisions of Land Acquisition Act, 1894 (Act), Land Acquisition Collector (LAC) was to pay interest on the enhanced compensation awarded by court at the rate of nine *per cent* for the first year and 15 *per cent per annum* for the subsequent years from the date on which the LAC took possession of the land to the date of payment in the court.

The State Government issued notification under Section 4 of the Act in April 1979 for acquisition of 2,343.2 *acres* of land in Yamunanagar district for plantation and prevention of soil erosion. The Land Acquisition Collector announced the award for Rs 20.07 lakh in August 1985 and possession of land was taken in November 1985. Against this award, the claimants filed an appeal with the Additional District Judge for enhancement of land compensation which was partially accepted (September 1987) and the land

compensation was enhanced. The land owners approached the Hon'ble Punjab and Haryana High Court in 1989 for further enhancement of land compensation. Hon'ble High Court enhanced (March 2000) the amount of land compensation to Rs 47.59 lakh.

Test-check of records (March 2003) of Divisional Forest Officer (DFO), Yamunanagar revealed that the Department filed a Letters Patent Appeal (LPA) in Hon'ble High Court against the judgement of March 2000 in February 2002, whereas LPA should have been filed upto 10 August 2000 (as mentioned in High Court's orders dated 06 May 2002). Thus, the LPA was dismissed (06 May 2002) being time barred as the same was filed after delay of 518 days. Finally, Rs 1.65 crore were paid (September 2002) as land compensation including interest of Rs 1.17 crore. Had the amount of land compensation been paid in August 2000, when the limited period for filing LPA expired, payment of interest of Rs 15.22 lakh¹² for the period from 11 August 2000 to September 2002 could have been avoided.

The Divisional Forest Officer, Yamunanagar stated (March 2003) that the amount could not be paid earlier due to non-receipt of sanction from the Finance Department. The reply was not tenable as the DFO applied for sanction of funds only in May 2002 after dismissal of LPA.

Thus, delay in making the payment of land compensation to land owners resulted in avoidable payment of interest of Rs 15.22 lakh.

The matter was demi-officially reported to the Commissioner and Secretary, Forest Department in May 2005; reply had not been received (August 2005).

Food and Supplies Department

4.3.4 Excess consumption of gunny bags

Failure to observe prescribed norms led to excess expenditure of Rs 1.11 crore due to excess consumption of 5.90 lakh gunny bags.

Wheat bags stored in open are prone to damage due to long storage and require replacement at the time of delivery of wheat to Food Corporation of India (FCI). The State Government had fixed (January 1987) norms for replacement of gunny bags at the rate of 1.5 per cent of total bags utilised for delivery of wheat to FCI in respect of wheat bags lying in the open where the plinth is proper, adequate crates are available and the stacks are properly covered with polythene covers.

¹² Amount of interest: Rs 47,58,820 X 778 / 365 X 15 / 100 = Rs 15,21,518 say Rs 15.22 lakh.

Test-check of records (November 2003 to October 2004) of District Food and Supplies Controllers, Hisar, Jind, Kaithal, Karnal, Kurukshetra and Sirsa revealed that they had delivered wheat to FCI in 92.56 lakh bags. Though the bags were kept on proper plinth and were properly covered, the DFSC allowed replacement of 7.29 lakh gunny bags during December 2001 to June 2004, whereas the Department was entitled to only 1.39 lakh (1.5 per cent) additional gunny bags to replace the damaged bags. This resulted in consumption of 5.90 lakh excess gunny bags.

Thus, due to non-observance of the prescribed norms, excess expenditure of Rs 1.11 crore¹³ was incurred on the excess consumption of 5.90 lakh gunny bags.

The matter was demi officially reported to the Financial Commissioner and Principal Secretary, Food and Supplies Department in July 2005; reply had not been received (August 2005).

4.4 Idle investments/idle establishment/blocking of funds

Rural Development Department (District Rural Development Agencies)

4.4.1 Advances from former Sarpanches not recovered/adjusted

Rs 21.81 lakh could not be recovered due to failure of DRDAs to take action against defaulting former *Sarpanches* .

The District Rural Development Agencies (DRDAs) were implementing various Centrally sponsored schemes such as *Jawahar Rozgar Yojana*, *Jawahar Gram Samridhi Yojana*, etc. through *Gram Panchayats* (GPs). On receipt of funds from the Government of India and the State Government, DRDAs released the funds to the concerned GPs for execution of various schemes. The GPs were required to furnish utilisation certificates to DRDAs.

According to the Haryana Panchayati Raj Act, 1994(Act), *Sarpanches*, within seven days prior to publication of election programme, were required to hand over the records, registers and other property as held by them to the *Panchayat* Officers or *Gram Sachivs* till the constitution of new GPs after election. Section 18 (3) of the Act lays down that if an ex-*Sarpanch* fails to hand over

¹³ Hisar (52,793 bags: Rs 10.09 lakh), Jind (65,190 bags: Rs 12.82 lakh), Kaithal (1,36,824 bags: Rs 28.27 lakh), Karnal (1,14,300 bags: Rs 19.24 lakh), Kurukshetra (1,86,770 bags: Rs 34.20 lakh) and Sirsa (33,840 bags: Rs 6.13 lakh).

the records and property, etc., the Panchayat officer shall apply to the jurisdictional Executive Magistrate for securing such records and property from the defaulters. The Executive Magistrate may, by a warrant, authorise any police officer to seize the said property and if a person willfully evades the handing over of property, he shall be punishable by the Judicial Magistrate with imprisonment upto six months or with fine or with both, under Section 18 (4) and (5) of the Act.

A mention about failure to recover advances from ex-Sarpanches was made in paragraph 6.4 of the Report of Comptroller and Auditor General of India for the year ended 31 March 1996 (Civil) Government of Haryana. The Public Accounts Committee (PAC) in its 50th Report (presented to Vidhan Sabha during March 2001) desired that intimation be sent to it after effecting full recovery of the outstanding amount of Rs 2.65 lakh from defaulters. The latest information (June 2005) was that Rs 1.74 lakh were still outstanding.

On expiry of the tenure of GPs elected in December 1994, elections of Sarpanches were held in March 2000. Test-check of records (July 2000 to March 2004) of 16 DRDAs revealed that ex-Sarpanches of 305 GPs had not handed over the unutilised amounts and advances of Rs 29.10 lakh drawn between January 1995 and March 2000 to Panchayat Officers or Gram Sachivs as required under the Act. Again no action was initiated against the defaulters repeating the same lapse as before.

The Financial Commissioner and Principal Secretary to Government Haryana, Rural Development Department while admitting the facts stated (August 2004/ April 2005) that efforts were being made to recover the outstanding amount from ex-Sarpanches. Special Secretary-cum-Director, Rural Development Department intimated (June 2005) that Rs 7.29 lakh¹⁴ (out of Rs 25.87 lakh) in respect of 14 DRDAs were recovered from ex-Sarpanches of 139 GPs. The Department should have approached the jurisdictional Executive Magistrates for seizure of wanting records and property and awarding punishment to defaulters as provided in the Act. Despite PAC's earlier recommendation in such cases, no action under Section 18(3), (4) and (5) of the Act had been taken to recover the balance of Rs 21.81 lakh¹⁵ from the ex-Sarpanches of 166 GPs.

¹⁴ Bhiwani (2 GPs) Rs 0.97 lakh, Fatehabad (9 GPs) Rs 0.15 lakh, Gurgaon (36 GPs) Rs 2.39 lakh, Hisar (5 GPs) Rs 0.29 lakh, Jhajjar (16 GPs) Rs 0.27 lakh, Jind (1 GP) Rs 0.02 lakh, Kaithal (7 GPs) Rs. 0.46 lakh, Karnal (7 GPs) Rs 0.76 lakh, Kurukshetra (2 GPs) Rs 0.06 lakh, Narnaul (3 GPs) Rs 0.29 lakh, Panipat (15 GPs) Rs 0.45 lakh, Rewari (19 GPs) Rs 0.29 lakh, Sonipat (7 GPs) Rs 0.29 lakh, Yamunanagar (10 GPs) Rs 0.60 lakh.

¹⁵ Ambala (18 GPs) Rs 2.50 lakh, Bhiwani (25 GPs) Rs 2.58 lakh, Fatehabad (3 GPs) Rs 1.28 lakh, Gurgaon (38 GPs) Rs 4.77 lakh, Hisar (3 GPs) Rs 0.35 lakh, Jhajjar (1 GP) Rs 0.10 lakh, Jind (8 GPs) Rs 1.13 lakh, Kaithal (6 GPs) Rs 0.87 lakh, Karnal (2 GPs) Rs 0.65 lakh, Kurukshetra (14 GPs) Rs 2.30 lakh, Narnaul (2 GPs) Rs 0.51 lakh, Panipat (18 GPs) Rs 1.45 lakh, Rewari (22 GPs) Rs 2.21 lakh, Rohtak (2 GPs) Rs 0.73 lakh, Yamunanagar (4 GPs) Rs 0.38 lakh.

Transport Department

4.4.2 Cranes worth Rs.4.03 crore lying idle

Cranes purchased for Rs 4.03 crore not only remained idle for want of the services of trained staff and the objective of speedier clearance of National Highways could not be achieved.

With the objective of enforcing discipline in the traffic and smooth running of vehicles on National Highways, speedier clearance of roads in case of accidents/breakdowns and speedier evacuation of any casualties to the nearest hospitals, State Government established (May 2000) 19 Traffic-Aid-Posts (TAP) on National Highways in Haryana under the control of the Senior Superintendent of Police (SSP) (Traffic), Haryana Highway Patrol and Road Safety at Karnal under the National Highway Accident Relief Service Scheme (NHARSS). To make the scheme more effective, the State Government requisitioned (June 2001) 19 Hydraulic Mobile cranes from the Government of India, which were for dedicated use on National Highways for speedy clearance of roads in case of accidents/breakdowns to maintain smooth traffic. The diversion of these cranes for any other purpose was not admissible.

Test-check of records (August 2004) of SSP (Traffic), Haryana Highway Patrol and Road Safety, Karnal, revealed that the SSP (Traffic) received 22 cranes valuing Rs 4.03 crore from the Ministry of Road Transport and Highways between March 2002 and March 2004 for evacuation of vehicles involved in accidents on National Highways. As per directions (July 2002 and March 2003), of the State Transport Controller (STC) Haryana, 14 cranes were diverted to different Haryana Roadways depots for their use. Eight Cranes retained by SSP (Traffic) could not be utilised since expert and trained staff were not available. Fourteen cranes transferred to Haryana Roadways depots were also not utilised for the purpose for which those were procured. The SSP (Traffic) sent a proposal to STC in September 2004 for providing the services of 66 drivers and 132 helpers for running of these cranes. But the services of drivers and helpers were not provided and as a result none of the cranes received from Government of India had been utilised so far (February 2005) for the purpose for which those were obtained.

Thus, the cranes purchased for Rs 4.03 crore remained idle for periods ranging from 9 to 33 months due to services of drivers/helpers not being available and diversion of 14 cranes to Haryana Roadways Depots. The objective of speedier clearance of National Highways, as envisaged in the scheme, could, thus, not be achieved.

The SSP (Traffic) admitted (March 2005) the facts and stated that the cranes would be put to proper use as and when the services of trained staff are made available by STC.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Transport Department, in March 2005; reply had not been received (August 2005).

**Public Works Department
(Irrigation Branch)**

4.4.3 *Idle investment on construction of staff quarters*

Defective planning in construction of canal colony at Hathnikund resulted in idle investment of Rs 2.69 crore as the colony was lying unutilised since completion.

To provide residential facilities to the officials deployed for the construction and maintenance of Hathnikund Barrage (HKB), the Government of Haryana approved (November 1994) a scheme for construction of a canal colony at Hathnikund. The quarters were meant for the Executive Engineer (XEN) Sub-Divisional Officers (SDOs), class-III and class-IV employees. The work of construction of the canal colony comprising 101 houses (XEN's Bungalow-1, SDO's residences-4, class-III quarters-40 and class-IV quarters-56) started in July 1997 and was completed in May 1999 by spending Rs 2.69 crore.



Test-check of records (September 2004) of XEN, HKB Division I, Jagadhari, revealed that these quarters remained vacant since construction due to non-shifting of HKB Division I, Jagadhari to the site of HKB. Thirty nine quarters were allotted (April 2001) to employees but only two quarters were occupied

for watch and ward of the colony and rent of Rs three thousand was recovered for the period of occupancy. The case for transfer of colony was taken up by the Superintending Engineer, HKB Project with the Chief Engineer, Hydrel, Yamunanagar, but the same did not materialise, as there was no requirement of staff quarters. The Financial Commissioner and Principal Secretary to Government Haryana, Irrigation Department, directed (May 2003) the Engineer-in-Chief, Irrigation Department to fix responsibility for constructing these houses without requirement but no responsibility had been fixed so far (February 2005).

The Engineer-in-Chief, Public Works Department (Irrigation Branch), Haryana stated (March 2005) that due to curtailment of posts in the Department and closing of one Division in May 2004 the quarters were lying vacant. Now the proposal for transfer of the colony to Navodya Vidyalaya Samiti was under process. Thus, due to defective planning, the expenditure of Rs 2.69 crore incurred on the construction of canal colony proved to be an idle investment as the quarters are vacant (August 2005) despite passage of more than six years from construction.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Public Works Department, Irrigation Branch, in March 2005; reply had not been received (August 2005).

Transport Department

4.4.4 *Injudicious decision resulting in blocking of funds and loss of interest*

Injudicious decision of Transport Department to deposit funds with HUDA in anticipation of construction work resulted in loss of interest amounting to Rs 16.37 lakh besides blockage of Rs 90 lakh.

The Haryana Urban Development Authority (HUDA) allotted (1984) 24.75 acres of land at Ballabgarh (Faridabad) to the Transport Department (Department) for construction of a new bus stand. Of this, eight acres were utilised for construction of the bus stand; the remaining 16.75 acres were under encroachment since allotment. The encroachment was removed in August 2001 except some patches. The Department decided (January 2002) to construct a modern workshop on this land through HUDA. The Department asked (August 2002) HUDA for preparation of drawings for approval by the Architecture Department. HUDA furnished a rough cost estimate of Rs 2.60 crore, which was approved by the Department in October 2002.

Test-check of records (September 2004) of the Transport Commissioner (TC) and information collected subsequently revealed that the Department

deposited Rs 10 lakh as seed money in March 2002 and a further a sum of Rs 80 lakh (October 2002: Rs 30 lakh, March 2003: Rs 50 lakh) with HUDA for construction of the workshop. The work was to be started after administrative approval by TC, finalisation of drawings by the Architecture Department and after obtaining possession of the land and demarcation by TC. The Government accorded administrative approval for construction of the workshop in January 2003, which was communicated to HUDA in June 2004 after a period of 17 months. HUDA did not start the construction work (May 2005) due to delay in demarcation and physical possession as some patches of land were still under encroachment and the drawings had not been approved by the Chief Architect. But Department deposited funds (March 2002-March 2003) on its own without any demand from HUDA which resulted in blocking of Rs 90 lakh.

The Department stated (October 2004/June 2005) that the matter was being pursued for appointment of local commissioner for the purpose of demarcation and expeditious execution of works. However, the Department could have avoided or deferred the deposit of funds pending demarcation of the land and commencement of the work.

Thus, injudicious decision to deposit funds with HUDA in anticipation of requirements resulted in blocking of Rs 90 lakh for periods ranging from 27 to 38 months. This also entailed loss of interest amounting to Rs 16.37 lakh calculated at borrowing rates.

The matter was demi-officially reported to the Financial Commissioner and Principal Secretary, Transport Department, in July 2005; reply had not been received (August 2005).

4.5 Regulatory issues and others

Agriculture Department (Chaudhary Charan Singh Haryana Agricultural University, Hisar)

4.5.1 *Loss of interest due to unauthorized use of Provident Fund subscriptions*

Haryana Agricultural University, Hisar utilised Employees Provident Fund subscriptions to meet its financial requirements instead of depositing the money in the Bank and suffered interest loss of Rs 11.92 crore.

The Haryana and Punjab Agricultural Universities Act, 1970 (Act) envisages constitution of a Provident Fund (PF) for employees of the Chaudhary Charan

Singh, Haryana Agricultural University, Hisar (HAU). As per provisions of the Act the amount of monthly subscriptions deducted shall be passed on to the Comptroller of the HAU for further deposit in the Bank or investment as per investment policy of the Board of Management and the interest accrued shall be immediately credited to PF account. HAU shall pay interest on PF subscriptions and the amount of such interest shall be placed to the credit of each subscriber yearly.

Test-check of records of HAU (November 2003) revealed that contrary to the provision, PF subscriptions though recovered from the employees of the HAU amounting to Rs 24.42 crore were not deposited in the PF bank account during the period between January 2000 and March 2001; thereafter HAU started depositing the PF subscriptions in Banks. The amount was utilised by the HAU to meet its own financial requirements. Such utilization of employees PF subscriptions instead of depositing and investing the same was in gross violation of the provisions of the Act. Moreover, HAU suffered a loss of Rs 11.92 crore on account of interest (worked out on the term deposit Bank rates¹⁶) by not depositing the amount in the Bank (March 2005).

The HAU admitted the facts and stated (March 2005) that PF subscriptions could not be deposited with the Bank due to non-receipt of adequate grants from the year 1998-99 to meet their requirements. However, Rs 1.57 crore had been deposited (September 2004) in PF account. The reply was not tenable because diversion of funds of Employees PF subscription instead of depositing the same in the bank and not reinvesting the same as per investment policy of the Board of Management, was not only in gross violation of the Act and irregular/unauthorized, but also resulted in huge loss of interest. Had the amount been deposited in Bank, HAU would have earned interest of Rs 11.92 crore upto March 2005, notwithstanding the returns it would have fetched on prudent investment of the same as per investment policy.

Financial Commissioner and Principal Secretary to Government Haryana, Agriculture Department intimated (July 2005) that an amount of Rs 15 crore has been earmarked in the budget estimates for the year 2005-06 to meet the deficit of the University. As and when the funds from the State Government are received, the amount will be deposited in PF Account. Final action was awaited (August 2005).

¹⁶ Period	Rate of interest (<i>per cent</i> , per annum)
Upto 31-03-2000	10.5
01-04-2000 to 09-04-2000	10
10-04-2000 to 31-08-2000	9.5
01-09-2000 to 31-12-2000	10
01-01-2001 to 21-01-2001	9
22-01-2001 to 31-03-2001	10

**Public Works Department (Public Health Branch) and
Family Welfare Department**

4.5.2 Lack of response to Audit findings and observations resulting in erosion of accountability

After periodical inspection of the Government Departments, Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the heads of offices inspected, with a copy to the next higher authorities. The executive authorities are to rectify promptly the defects and omissions pointed out and report compliance to the AG within six weeks. A half-yearly report of IRs pending for more than six months is sent to the concerned Administrative Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

A review of IRs issued up to March 2005 to 43 divisions and 8 Superintending Engineer's offices (SEs) of the Public Works Department (PWD), Public Health Branch (PH), disclosed that 544 paragraphs of 211 IRs (as per *Appendix XIX*) remained outstanding at the end of June 2005. Of these, 33 IRs containing 36 paragraphs were more than 10 years old. Divisional Officers/SE's of 36 divisions and 7 circles failed to submit even the initial replies to 263 paras of 43 IRs issued during April 2004 to March 2005.

Similarly, a review of IRs issued upto March 2005 to 38 offices of Family Welfare Department disclosed that 580 paragraphs of 168 IRs (as per *Appendix XX*) remained outstanding at the end of June 2005. Of these, 47 IRs containing 92 paragraphs were more than five years old.

The Administrative Secretaries of these Departments who were informed of the position through half-yearly reports, failed to ensure prompt and timely action by the Departmental officers. Even serious irregularities such as loss due to theft, misappropriation and embezzlement amounting to Rs 78 lakh, recoverable amounts of Rs 54.27 crore from officers and contractors due to shortage of material, excess payments and other reasons in respect of PWD PH Branch as categorised in *Appendix XXI* remained unsettled as of June 2005.

The matter was demi officially reported to the Financial Commissioner and Principal Secretary, PWD PH Branch and Family Welfare Department, in July and August 2005; reply had not been received (August 2005).

Finance Department

4.5.3 *Response of the Departments to Draft Audit Paragraphs*

Draft Paragraphs and Reviews are forwarded to the Secretaries of the concerned Administrative Departments through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. If replies are not received, the fact of non-receipt of replies from the Departments is invariably indicated at the end of each paragraph included in the Audit Report. Finance Department issued directions on 5 January 1982 to all Administrative Departments to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks.

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005, 20 audit paragraphs and four reviews were issued to the Government, which included four draft paragraphs involving recovery of an amount of Rs 2.43 crore. Reply had not been received in respect of 16 audit paragraphs and all the four reviews as of August 2005.

Follow-up on Audit Reports

According to the instructions issued (October 1995) by the Finance Department and reiterated in March 1997 and July 2001, the Administrative Departments were to initiate, suo moto positive and concrete action on all Audit Paragraphs and Reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action taken Notes (ATNs) on the paragraphs included in the ARs upto the period ending 31 March 2004 revealed that the ARs for the period 2000-04 were presented to State Legislature in March 2002, March 2003, February 2004, and March 2005 respectively. Of the 154 paragraphs and reviews of 31 Administrative Departments included in ARs 2000-04, 20 Administrative Departments had not submitted the ATNs on 75 paragraphs and reviews as per details given in the **Appendix XXII**. Six Administrative Departments, out of those who have submitted the ATNs have not taken any action to recover the amount of Rs 208.34 crore in respect of 11 paragraphs and reviews as per details given in the **Appendix XXIII**.

CHAPTER—V

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT

CHAPTER-V

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT

5.1 Police Department

Highlights

- Offices of the Director General of Police, Haryana, the Inspector General of Police (CID) and the Superintendent of Police (GRP) did not reconcile the treasury schedules with the cash book during 2000-05, as required under financial rules, to ensure that all the drawals from treasury were recorded in the cash-book.

(Paragraph 5.1.13)

- Inspector General of Police, Ambala Range accorded financial sanctions beyond his powers for Rs 33.63 lakh by splitting the sanctions into several parts.

(Paragraph 5.1.9)

- The system of Petrol, Oil and Lubricant (POL) coupons evolved by Finance Department to control the expenditure on POL was not followed properly. As a result, Rs 9.67 crore were spent on POL during 2000-05 in excess of the prescribed limits.

(Paragraph 5.1.10)

- The Director General of Police did not evolve any system to have a control over execution of works by Haryana Police Housing Corporation (HPHC). As a result, HPHC took up construction of 97 buildings at an estimated cost of Rs 75.15 crore, without approved budget allotments and spent Rs 33.25 crore on these works by diverting funds from other sanctioned works.

(Paragraph 5.1.7)

- **Internal Audit of 71 per cent of the units was in arrears. Out of 392 internal audit paragraphs issued during 2001-2005, only 91 were settled, which is indicative of inaction on the part of Departmental officers in the matter of audit observations.**

(Paragraphs 5.1.17 and 5.1.18)

Introduction

5.1.1 Internal control is an integral part of an organisation's operations and is the principal focus of Internal Audit's attention. Internal Control systems provide an excellent tool for managers to ensure efficient, effective and economic utilisation of resources. It also ensures that financial interests and resources are safeguarded and reliable information is available to the administration. Internal auditors, as an independent entity, examine and evaluate the level of compliance to the Departmental rules and procedures and provide independent assurance to management on the adequacy or otherwise of the existing internal controls.

Organisational set up

5.1.2 The Financial Commissioner and Principal Secretary to Government of Haryana, Home Department is the administrative head of the Department in the Government. The Director General of Police (DGP) is the head of the Police Department and also the Controlling Officer. Separate offices for Criminal Investigation, Government Railway Police (GRP), Telecommunications and Armed Police each headed by an Inspector General of Police (IGP) are working in the State. Besides, the Police Headquarters at Panchkula, the State is divided into six ranges headed by an IGP each with two to five Superintendents of Police (SP) offices in each range. IGP's and SPs are the drawing and disbursing officers (DDOs) in the Department.

A Senior Accounts Officer posted at the Directorate and one Section Officer posted at each range office are entrusted with conducting internal audit in addition to their other duties.

Audit objectives

5.1.3 The evaluation of Internal Control System and Internal Audit Arrangements in the Police Department covered checks on adherence to various control measures envisaged in the codes, manuals, guidelines and instructions of the Government and to watch the effectiveness of internal

audit. For this purpose, the following issues were checked in audit:

- whether budgetary system was properly followed;
- whether expenditure was incurred as per prescribed rules;
- whether proper system for drawal of funds from treasury, maintenance of cash-book, etc. was followed;
- whether operational controls were adhered to; and
- whether the internal audit system was adequate and effective.

Audit coverage

5.1.4 The Punjab Financial Rules (PFR), Civil Services Rules (CSR), Punjab Police Rules (PPR), etc., contain consolidated instructions on various controls in relation to financial management and administrative aspects to be exercised at different levels. The administrative Reforms Department, Haryana had also issued instructions from time to time to all the Departments for evolving effective control mechanism. The audit was conducted keeping all these rules and instructions in view.

The functioning of the Internal Audit System and the effectiveness of Internal Audit in Police Department for the period 2000-05 was also reviewed. Between April and August 2005 test-check of records of nine¹ out of 41 offices was carried out. The results of review are discussed in the succeeding paragraphs.

Budgetary Controls

Related-submission of budget estimates

5.1.5 According to the Punjab Budget Manual, as applicable to Haryana State, the head of the Department is required to send schedules of new expenditure to the Administrative Department and the Budget Estimates (BEs) to the Finance Department by 20 September and 25 October respectively.

It was, however, noticed that submission of BEs and schedules of new expenditure was delayed by 18 days to 67 days by the head of

¹ DGP, Haryana; IGP (Crime Investigation Department); IGP Ambala range; SPs, Panchkula and Panipat; SP, GRP, Haryana, Ambala; Commandant, Fifth Battalion, Haryana Armed Police, Madhuban; Director, Haryana Police Academy, Madhuban; and SP, Telecommunications, Panchkula.

Department as shown below:

Year	Actual date of submission of BEs to Finance Department	Delay (Number of days)	Actual date of submission of schedule of new expenditure to Administrative Department	Delay (Number of days)
2000-01	12 November 1999	18	11 November 1999	52
2001-02	09 October 2000	-	17 November 2000	58
2002-03	24 December 2001	60	22 November 2001	63
2003-04	02 December 2002	38	26 November 2002	67
2004-05	12 December 2003	48	09 October 2003	19

It was noticed that since no calendar of returns was maintained, the Department was not able to ensure submission of BEs on due dates. Belated submission of BEs is a constraint for a meaningful and timely scrutiny of estimates at higher levels. The DGP assured (July 2005) that BEs in future would be sent by the prescribed dates.

Rush of expenditure in March

Expenditure in March ranged between 13 and 43 per cent

5.1.6 The Budget Manual provides that rush of expenditure in the month of March should be avoided. Expenditure on contingencies should be staggered throughout the year and should not exceed 8.33 per cent of the total budget provision in the month of March.

However, there was rush of expenditure in the month of March in eight out of nine offices test checked as per details given below:

	DGP, Haryana, Panchkula	IGP (CID), Panchkula	SP, GRP Ambala	SP, Panchkula	Commandant, HAP-V th , Bn, Madhuban	Director, PTC, Madhuban	SP, Panipat	SP, Telecommunications
2000-01	29	33	29	46	23	31	38	84
2001-02	22	30	22	37	35	34	40	67
2002-03	19	30	27	30	59	24	45	35
2003-04	20	34	28	30	13	22	39	64
2004-05	13	17	23	29	22	21	29	43

Note: Percentage of expenditure in March with reference to total expenditure during the year.

The expenditure in March ranged between 13 and 43 per cent, which was much beyond the prescribed limit of 8.33 per cent. Department replied (July/August 2005) that rush of expenditure in the month of March was due to late allotment of funds by Government. This has to be avoided since heavy expenditure during March generally makes pre-scrutiny of bills more lax and more irregularities are likely to take place in a rush.

Expenditure controls

Execution of work without any financial sanction/allotment of funds

Construction of 97 buildings was undertaken by the Department by diverting Rs 33.25 crore earmarked for other works

5.1.7 Haryana Police Housing Corporation (HPHC) was the executing agency for the construction works of Police Department. The Government was releasing funds for the execution of specific works through DGP. The Financial Commissioner and Principal Secretary to Government of Haryana, Home Department issued instructions (July 2004) that HPHC should not start construction works without the approval of the State Government. In respect of works where no administrative approval was issued by the State Government, but construction have been started, the HPHC should submit proposal through DGP. In respect of works for which scope of work had been changed at their own level, proposals along with full justification should be submitted through Police Department. Further, if any change was required in scope of work, proposal should be submitted through Police Department. Through this, the DGP exercises powers to have a control over the activities of the HPHC.

According to paragraph 2.89 of Public Works Department Code, no work should be commenced unless a properly detailed design and estimate have been sanctioned, allotment of funds made and orders for its commencement issued by the competent authority.

It was noticed that HPHC took up construction of 97 buildings (residential: 53 and non-residential 44) at an estimated cost of Rs 75.15 crore during 2000-05 without obtaining financial sanction of the Government. Funds were also not provided for construction of these buildings by the Government to HPHC. In 36 cases, the Government did not accord even administrative approvals. An expenditure of Rs 33.25 crore was incurred on these works as of July 2004 by diverting funds from other approved construction works, which were either not taken up or remained incomplete.

No system for watching utilisation of funds on specific works was evolved. As a result of this, the DGP could not exercise control over the execution of works by the HPHC, which led to irregular expenditure of Rs 33.25 crore.

Conditions of sanction of advances not adhered to

5.1.8 As per terms and conditions mentioned in the sanctions for loan to Government employees, vehicles, computers and plots should be purchased by the loanees within one, two and three months respectively after drawal of advance. Loanees were required to submit requisite documents i.e. seller's invoices, sale deeds, mortgage deeds, insurance policies, copy of registration of vehicles, etc. to the DDOs in support of having purchased the vehicles, computers or plots. In case the vehicles, computers or plots were not purchased within the stipulated period, the entire amount of advance was to be recovered in lump-sum along with penal interest. Scrutiny of records revealed that necessary documents in respect of 192 cases involving an

amount of Rs 1.13 crore were not obtained at all by six DDOs upto August 2005 as detailed below:

Sr. No.	Name of DDO	Year of advance	Number of cases	Amount (Rupees in lakh)
1.	DGP, Haryana, Panchkula	2003-04	10	4.10
		2004-05	2	0.70
2.	IGP (Crime Investigation), Haryana, Panchkula	2004-05	9	8.97
3.	S P, GRP, Haryana, Ambala	2002-03	19	6.68
		2003-04	18	5.50
		2004-05	29	15.17
4.	S P, Panchkula	2003-04	12	13.84
		2004-05	23	19.63
5.	S P, Panipat	2000-01	6	1.80
		2001-02	4	1.20
		2002-03	4	1.20
		2003-04	1	0.30
		2004-05	9	2.70
6.	S P, Telecommunications, Haryana, Panchkula	2003-04	3	0.90
		2004-05	43	30.56
Total			192	113.25

The amount of advance in lump-sum along with penal interest was also not recovered from the concerned officers/officials. This was a case of failure to enforce the internal control system, though in existence, for watching the utilisation of loans for the purpose for which these were sanctioned.

Irregular grant of financial sanctions

The IGP, Ambala Range accorded financial sanctions beyond his powers

5.1.9 The IGP, Ambala Range was competent to accord sanction for non-recurring expenditure of Rs 30,000 per item; Rs 15,000 for direct purchase of any one item of stores from the local market and Rs 50,000 per work for execution of minor works.

It was noticed that the IGP, Ambala Range accorded 254 sanctions during 2003-05 in favour of five² SP offices for purchase of stores items from local market, incurring of non-recurring expenditure and execution of minor works for Rs 33.63 lakh beyond his power by splitting the sanction orders into several parts for one item, which was in gross violation of rules framed for exercising financial controls.

The Inspector General of Police, Ambala Range stated (May – June 2005) that sanctions were accorded by his office to avoid delay keeping in view the law and order situation in the State. The reply was not convincing as the irregular

² SP, Ambala, Kurukshetra, Kaithal, Panchkula and Yamunanagar.

sanctions were not reported to and got regularised from the competent authorities. Moreover, 54 sanctions amounting to Rs 16.57 lakh accorded for purchase of water coolers, steel almirahs, computers and its parts, stationery, execution of minor works, etc. were not related to law and order problems.

Expenditure without POL coupons

System of POL coupons not followed properly resulting in excess expenditure of Rs 9.67 crore on POL

5.1.10 The Finance Department, Haryana evolved (April 1974) a system of restricting expenditure on consumption of Petrol, Oil and Lubricant (POL), through POL coupons. Accordingly, POL coupons were to be issued by the Finance Department as per requirement of the Department and the same were required to be attached to the contingent bills while drawing the amount from the treasury by the drawing officers. No amount in excess of POL coupons was to be drawn from the treasury. The treasury officers were required to deface the POL coupons presented with the bill.

Scrutiny of records of DGP, Haryana revealed that the Department spent an amount of Rs 53.22 crore on POL against the coupons of Rs 43.55 crore issued by the Finance Department during 2000-2005 resulting in excess expenditure of Rs 9.67 crore (22 per cent). The Treasury Officers also passed the bills without insisting on coupons. Thus, the system evolved for controlling the expenditure on POL was given a complete go-by. The matter was reported to the Finance Department in July 2005; reply had not been received (August 2005).

Cash controls

Audit scrutiny relating to cash controls brought out following shortcomings:

Deficiencies in maintenance of cash-book

5.1.11 Financial Rules provide that each head of the office should check the totals of cash-book or get it checked from a responsible subordinate other than the writer of the cash-book and record a certificate in the cash-book to this effect. The examination of the cash-books for the period 2000-2005 maintained in the test checked offices revealed that the totals of cash-book were not found checked by any official other than the writer of the cash-book in the offices of DGP and SP (GRP) Haryana.

Security from the cashier not obtained

5.1.12 As per provisions in the State Treasury Rules, the employees entrusted with the receipt and custody of cash are required to furnish security of an amount not less than 10 per cent of the maximum amount to be handled by them. It was noticed that no security from the cashiers was obtained in any of the offices test checked except SP, Panipat and SP, Telecommunications, Panchkula.

Reconciliation of treasury schedules with cash-book not done

5.1.13 As provided in the Financial Rules, the head of office was required to ensure that all amounts drawn from the treasury were entered in the cash book. For this purpose, the head of office/Drawing and Disbursing Officer (DDO) should obtain from the treasury by the 15th of every month, a list of all bills (treasury schedule) drawn by him during the previous month and trace all the amounts in the cash-book and record a certificate on the list of treasury schedules to that effect. It was noticed that treasury schedules obtained from the treasury were not reconciled with the cash-book during 2000-05 by three³ out of nine DDOs test checked; no certificate regarding reconciliation was found recorded on the treasury schedules in these cases.

Operational Controls

System of calendars of dates/events not followed

5.1.14 Each government office was required to use and attach calendars of dates/events in the prescribed form while submitting the cases to higher authorities to ensure quick disposal and avoid delay in finalisation of cases. Reasons for detaining the files for more than three days were also to be recorded by the concerned officials. However, these instructions were not followed and the calendar of dates/events was not used in any of the offices test checked (except SP, Telecommunications, Panchkula). The concerned officers of four⁴ offices stated (July 2005) that the instructions would be followed in future.

Non-preparation of calendar of returns/charts of statement

5.1.15 Each government office was to prepare a calendar of returns/charts of statement to ensure timely submission of returns and statements to the concerned authorities. The calendar of returns/charts of statement was not prepared in any of the offices test checked. As brought out in paragraph 5.1.5, BEs were not being submitted to higher authorities in time due to non-preparation of calendar of returns. The concerned officers while admitting the facts stated (July 2005) that the needful would be done in future.

Internal Audit Arrangements

A Senior Accounts Officer posted at DGP office and one Section Officer each posted in all the six range offices, were entrusted with conducting internal

³ DGP, IGP (CID) and SP (GRP).

⁴ IGP, Ambala Range; SP, Panipat; Director, Haryana Police Academy, Madhuban; Commandant Fifth Battalion, Madhuban.

audit in addition to their other duties. Test-check of records revealed the following points:

Planning of internal audit

5.1.16 The audit of all the units was to be conducted annually, but no audit planning was made. There were no norms for providing mandays for audit of each unit and selection of priority units. No training was imparted to the internal audit staff during 2000-05.

Pendency of audit

5.1.17 The details of total number of units, units audited and those pending during 2000-2005 were as under:

Sr. No.	Period of audit	Number of units	Number of units audited	Pending for internal audit	Percentage of units not audited.
1.	2000-01	37	14	23	62
2.	2001-02	37	12	25	68
3.	2002-03	38	10	28	74
4.	2003-04	38	11	27	71

As evident from above table, the audit of 71 *per cent* units was in arrears as of March 2005. Test-check of records revealed that of the 27 units pending for internal audit as of March 2005, audit had not been conducted in 21 units for four years, in one unit for three years, in two units for two years and in three units for one year. Further scrutiny revealed that out of these 27 units, 9 units might be considered high-risk units as more than seven paragraphs of inspection report of the Accountant General (Audit) in each case were outstanding against them.

Delay in issue of Inspection Reports of internal audit and settlement of old objections

5.1.18 The Inspection Reports (IRs) were required to be issued to auditee units within six weeks from the completion of audit. Out of 47 IRs, 27 were issued late by one to five months.

Out of 392 paragraphs issued during 2001-2005, only 91 paragraphs were settled and 301 paragraphs were outstanding as of March 2005. Even first replies were not received in respect of 17 IRs.

Internal audit of
71 *per cent* units was
pending

Out of
392 paragraphs,
only 91 paragraphs
were settled

The outstanding paragraphs were increasing every year as detailed below:

Year	Number of paras issued	Number of paras settled	Number of paras outstanding
2000-01	106	27	79
2001-02	106	28	157
2002-03	81	24	214
2003-04	99	12	301

Increasing trend of outstanding paragraphs indicated poor pursuance of old outstanding objections and also inaction on the part of the auditee units. The lack of monitoring and non-arranging of meetings for clearance of audit objections further aggravated the pendency of audit paragraphs. Thus, the internal audit system failed to bring out any substantial improvement in the Department.

Conclusions

5.1.19 The Internal Control system in the Police Department was not functioning effectively. As a result, works were being executed without sanctions. Some officers passed orders in excess of their financial powers and Petrol Oil and Lubricant was being consumed in excess of prescribed limits. The drawal of funds was also not being reconciled with the treasuries. These deficiencies are fraught with the risk of serious financial irregularities and mismanagement of Departmental activities, if not set right in time.

The objective of evolving an internal audit system largely remained unfulfilled as evidenced by pendency in audit, delay in issue of IRs and increase in number of outstanding paragraphs.

Recommendations

5.1.20 The Police Department should consider appropriate measures to activate the internal control system evolved through rules, manuals and codes by way of:

- regular reconciliation of drawal of funds with treasury to avoid chances of misappropriation of funds;
- effective implementation of the coupon system evolved by the Finance Department for controlling the expenditure on POL;
- following the system of calendar of returns/charts of statements to ensure timely submission of information to higher authorities; and

- preparation of proper internal audit plan for audit of each unit, so that audit does not remain pending for long and timely securing of compliance to audit observations to make internal audit effective.

These points were referred to Government (July 2005), reply had not been received (August 2005).



Chandigarh

Dated:

07 FEB 2006

(Ashwini Attri)

Accountant General (Audit), Haryana

Countersigned



New Delhi

Dated:

10 FEB 2006

(Vijayendra N. Kaul)

Comptroller and Auditor General of India

Appendix I

(Refer paragraph 1.4.1; page 5)

Statement showing definitions of terms used in Chapter I

Part A-Government Accounts

I. Structure: The accounts of the State Government are kept in three parts

(i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This fund consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II. Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund.

Part III. Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Part B –List of terms used in the Chapter – I and basis for their calculations

Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X) Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] \times 100$
Trend/Average	Trend of growth over a period of five years (LOGEST (Amount of 2000-01: Amount of 2004-05)-1)*100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of five years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economics Services
Weighted Interest Rate (Average interest paid by the State)	Interest Payment / $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] \times 100$
Interest spread	GSDP growth – Weighted Interest rates
Interest received as <i>per cent</i> to Loans Advanced	Interest Received $[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] \times 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payment
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048 – Appropriation for Reduction or Avoidance of Debt

Appendix II

(Refer paragraph 1.7.3; page 14)

Details of utilisation certificates required, received and outstanding

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
1	Housing	2001-02	8	58.17	-	-	8	58.17
		2002-03	8	52.26	-	-	8	52.26
		2003-04	7	41.15	-	-	7	41.15
2	Urban Development	1994-95	34	73.92	34	73.92	-	-
		1995-96	3	3.91	3	3.91	-	-
		1996-97	9	6.83	9	6.83	-	-
		1997-98	28	11.76	28	11.76	-	-
		1998-99	19	585.33	2	6.12	17	579.21
		1999-2000	167	979.19	37	275.14	130	704.05
		2000-01	152	1,163.99	10	41.82	142	1,122.17
		2001-02	477	1,811.00	17	297.17	460	1,513.83
		2002-03	403	4,542.26	78	893.80	325	3,648.46
		2003-04	302	4,542.77	69	959.61	233	3,583.16
3	Irrigation	1998-99	2	100.00	-	-	2	100.00
		1999-2000	2	120	-	-	2	120.00
		2000-01	3	321.68	-	-	3	321.68
		2001-02	3	382.69	-	-	3	382.69
		2002-03	3	1,638.61	-	-	3	1,638.61
		2003-04	4	2,932.62	-	-	4	2,932.62
4	Power	2001-02	5	2,537.36	-	-	5	2,537.36
		2002-03	5	1,880.30	-	-	5	1,880.30
		2003-04	8	5,392.87	-	-	8	5,392.87
5	Agriculture	2003-04	2	611.00	2	611.00	-	-
6	Rural Employment	1999-2000	1	0.47	1	0.47	-	-
		2000-01	10	153.15	8	130.79	2	22.36
		2001-02	14	2,023.12	2	687.50	12	1335.62
		2002-03	14	127.59	2	11.40	12	116.19
		2003-04	16	4,094.54	5	2177.88	11	1916.66
7	Development and Panchayat	2002-03	3	502.06	-	-	3	502.06
		2003-04	16	10,095.18	-	-	16	10,095.18
8	Economical and Statistical Advisor	2001-02	10	25.22	-	-	10	25.22
		2002-03	36	12.43	-	-	36	12.43
		2003-04	36	15.00	-	-	36	15.00

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
9	Medical	1991-92	1	5.00	-	-	1	5.00
		1992-93	2	35.00	-	-	2	35.00
		1993-94	13	250.15	-	-	13	250.15
		1994-95	16	232.96	-	-	16	232.96
		1995-96	9	74.82	-	-	9	74.82
		1998-99	2	18.93	-	-	2	18.93
		2000-01	4	7.39	4	7.39	-	-
		2001-02	25	7.21	25	7.21	-	-
		2002-03	19	367.58	18	267.58	1	100.00
		2003-04	27	307.41	17	193.43	10	113.98
10	Education	2001-02	2	3.50	2	3.50	-	-
		2002-03	98	9.40	98	9.40	-	-
		2003-04	350	22,014.40	68	6,263.88	282	15,750.52
11	Revenue	2001-02	8	372.72	-	-	8	372.72
		2002-03	3	0.45	-	-	3	0.45
		2003-04	4	2.20	4	2.20	-	-
12	Social Security and Welfare	1996-97	6	641.91	6	641.91	-	-
		1997-98	19	261.57	19	261.57	-	-
		1998-99	5	372.25	4	276.04	1	96.21
		1999-2000	21	1,695.18	15	1,168.86	6	526.32
		2000-01	29	965.54	16	305.68	13	659.86
		2001-02	20	1,259.18	12	647.93	8	611.25
		2002-03	107	1,188.73	89	890.16	18	298.57
13	Technical Education	2003-04	53	748.01	-	-	53	748.01
		2003-04	38	1,932.08	38	1,932.08	-	-
14	Sports	2001-02	5	50.91	2	27.16	3	23.75
		2002-03	3	36.58	-	-	3	36.58
		2003-04	10	277.99	1	38.74	9	239.25
15	Science and Technology	1993-94	1	1.00	1	1.00	-	-
		2001-02	1	1.00	1	1.00	-	-
		2003-04	12	518.80	8	142.60	4	376.20
16	Ecology and Environment	1997-98	1	0.34	1	0.34	-	-
		1998-99	3	4.21	3	4.21	-	-
		2002-03	1	0.25	1	0.25	-	-
		2003-04	4	17.81	3	15.40	1	2.41
17	Tourism	2002-03	2	42.00	2	42.00	-	-
		2003-04	2	42.17	2	42.17	-	-

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
18	Public Health	2001-02	46	1,931.38	36	600.12	10	1,331.26
		2002-03	556	15,895.32	475	12,231.01	81	3,664.31
		2003-04	1824	17,596.21	1582	6,428.08	242	11,168.13
19	Art and Culture	2002-03	1	1.00	1	1.00	-	-
		2003-04	4	6.27	3	2.27	1	4.00
20	Animal Husbandry	2002-03	3	210.25	3	210.25	-	-
		2003-04	3	482.31	3	482.31	-	-
21	Fisheries	2001-02	1	1.45	-	-	1	1.45
		2002-03	19	275.14	-	-	19	275.14
		2003-04	18	383.00	18	383.00	-	-
22	Non-Conventional Sources of Energy	1993-94	1	1.99	-	-	1	1.99
		2001-02	1	0.69	1	0.69	-	-
		2002-03	1	0.75	1	0.75	-	-
		2003-04	12	282.75	5	119.27	7	163.48
23	Village and Small Scale Industries	1998-99	4	39.41	-	-	4	39.41
		1999-2000	14	296.85	10	180.18	4	116.67
		2000-01	12	308.24	8	177.24	4	131.00
		2001-02	8	75.20	6	10.70	2	64.50
		2002-03	24	1,395.09	14	397.54	10	997.55
		2003-04	15	342.83	11	242.83	4	100.00
24	Civil Aviation	2003-04	29	42.30	29	42.05	-	0.25
Total			5332	1,20,173.49	2,973	40,892.10	2,359	79,281.39
Say				1,201.73crore		408.92crore		792.81crore

Appendix III

(Refer paragraph 1.7.4; page 15)

Details with status of accounts submitted by Autonomous bodies to State Legislature

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year for which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non-finalisation of Audit Reports
1.	Haryana Khadi and Village Industries (Board), Manimajra, Chandigarh	2002-03 to 2006-07	2002-03 to 2004-05	2001-2002	2001-2002	2000-2001	*
2.	Haryana Labour Welfare Board, Chandigarh	1998-99 to 2002-03	-	2002-2003	2002-2003	2001-02	* Reminder issued on 26.5.2005 for re-entrustment of audit of its accounts.
3.	Haryana Urban Development Authority, Panchkula	1997-1998 to 2006-07	2001-02 to 2004-05	2000-2001	2000-2001	1999-2000	*
4.	Haryana Housing Board, Panchkula	1999-2000 to 2003-04	2004-05	2003-2004	2003-2004		*
5.	Haryana State Agricultural Marketing Board, Panchkula	2000-01 to 2004-05	2000-01 to 2004-05	1999-2000	1999-2000	Not yet submitted	* Accounts for 2000-01 are to be re-submitted
6.	Mewat Development Agency, Nuh, (Gurgaon)	2000-01 to 2004-05	2003-04 to 2004-05	2000-01 to 2002-03	1999-2000	Not applicable	*
7.	Haryana State Legal Service Authority, Chandigarh	1996-97 to 2000-01 ¹	1996-97 to 2004-05	-	-	-	* Accounts not submitted since 1996-97
8.	Haryana Urdu Akademi, Panchkula	1996-97 to 2005-06	1996-97 to 2004-05	-	-	-	* -do-

* Matter reported to the Chief Secretary to Government of Haryana for submission of approved accounts/non-laying of certified accounts on the table of State Legislature.

¹ No further entrustment is required, as the audit is required to be undertaken under section 19(2) of CAG's Act 1971.

Appendix IV

(Refer paragraph 1.7.5; page 15)

Statement showing names of bodies and authorities the accounts of which had not been received

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1.	Municipal Committee, Bahadurgarh	1986-87 1993-94 1996-97 1997-98 1999-2000 2000-01 2003-04 2004-05	35.93 34.08 50.00 25.95 49.50 48.93 304.10 33.12
2.	Municipal Committee, Bhiwani	1987-88 1988-89 1989-90 1995-96 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04 2004-05	36.40 33.25 36.00 50.00 27.56 72.00 1,156.87 247.58 169.48 182.25 47.90
3.	Municipal Committee, Karnal	1982-83 1988-89 1997-98 1998-99 2000-01 2001-02 2002-03 2003-04 2004-05	7.00 32.61 36.12 26.25 60.08 57.73 62.67 39.84 52.72
4.	Municipal Committee, Narnaul	1988-89 1989-90 1997-98 1998-99 2000-01 2001-02 2004-05	25.30 28.63 36.12 26.25 60.08 75.88 49.30

Audit Report (Civil) for the year ended 31 March 2005

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
5.	Municipal Committee, Rohtak	1987-88 1988-89 1989-90 1996-97 1997-98 1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05	34.00 37.61 32.35 25.08 78.44 266.56 197.41 101.20 155.48 162.45 140.58
6.	Municipal Corporation, Faridabad	1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04 2004-05	39.38 50.00 30.00 669.00 394.00 111.61 93.29 175.14 121.80
7.	Municipal Committee, Sonipat	1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04 2004-05	69.93 326.25 263.23 167.82 132.73 70.77 50.43
8.	Municipal Committee, Jagadhri	1996-97 1998-99 1999-2000 2000-01 2001-02 2002-03 2004-05	50.00 26.25 28.15 108.53 131.66 27.69 33.46
9.	Municipal Committee, Panipat	1996-97 1998-99 1999-2000 2000-01 2002-03 2003-04 2004-05	65.00 528.00 306.30 146.26 55.65 78.09 57.06
10.	Municipal Committee, Hisar	2004-05	55.19

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
11.	Municipal Committee, Gurgaon	1996-97 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04 2004-05	31.69 42.78 471.25 235.76 170.38 34.96 86.01 42.32
12.	Municipal Committee, Yamuna Nagar	1998-99 1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05	350.00 578.66 172.96 273.05 419.51 26.77 43.33
13.	Municipal Committee, Palwal	1995-96 1998-99 1999-2000 2000-01 2003-04 2004-05	50.00 30.00 105.00 62.75 41.49 38.05
14.	Municipal Committee, Charkhi Dadri	1995-96 1999-2000 2000-01 2001-02 2004-05	33.33 50.00 43.14 50.00 26.33
15.	Municipal Committee, Rewari	1996-97 1997-98 1999-2000 2000-01 2003-04 2004-05	50.00 38.82 229.73 84.17 48.40 35.70
16.	Municipal Committee, Barwala	1996-97 1999-2000 2000-01 2001-02	33.33 50.00 31.04 70.54
17.	Municipal Committee, Thanesar	1997-98 1999-2000 2000-01 2002-03 2003-04 2004-05	31.81 26.76 80.81 126.28 31.01 163.32
18.	Municipal Committee, Ambala City	1998-99 2000-01 2002-03 2003-04	70.25 676.27 145.80 208.56
19.	Municipal Committee, Ambala Cantt	2002-03	26.43
20.	Municipal Committee, Kurukshetra	1998-99	33.75

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
21.	Municipal Committee, Kaithal	1998-99 1999-2000 2000-01 2003-04 2004-05	62.25 638.42 98.95 198.12 33.98
22.	Municipal Committee, Gannaur	2002-03	41.16
23.	Municipal Committee, Gohana	1999-2000 2001-02 2003-04	70.00 35.90 119.24
24.	Municipal Committee, Bawani Khera	1998-99 1999-2000	32.03 40.00
25.	Municipal Committee, Kharkhoda	1998-99	50.00
26.	Municipal Committee, Pehowa	1999-2000 2000-01 2001-02 2002-03	36.16 41.81 32.67 50.00
27.	Municipal Committee, Jhajjar	1999-2000 2004-05	180.00 21.48
28.	Municipal Committee, Safidon	2000-01 2003-04 2004-05	81.62 110.28 95.15
29.	Municipal Committee, Sirsa	2001-02 2002-03 2003-04 2004-05	48.66 127.27 26.06 29.47
30.	Municipal Committee, Dabwali	2002-03 2003-04	140.23 158.58
31.	Municipal Committee, Taoru	1999-2000	40.00
32.	Municipal Committee, Uchana	1999-2000	30.00
33.	Municipal Committee, Asandli	1999-2000 2003-04 2004-05	120.00 74.54 44.06
34.	Municipal Committee, Naraingarh	1999-2000 2002-03	34.79 59.62
35.	Municipal Committee, Kalanaur	1999-2000	40.00
36.	Municipal Committee, Tosham	1999-2000	28.40
37.	Municipal Committee, Ratia	1999-2000	30.00
38.	Municipal Committee, Shahabad	2000-01 2003-04	73.04 158.64
39.	Municipal Committee, Ladwa	2000-01	45.16
40.	Municipal Committee, Tohana	2001-02	137.98
41.	Municipal Committee, Meham	2000-01 2003-04	31.06 64.41
42.	Municipal Committee, Sohna	2000-01	37.58

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
43.	Municipal Committee, Narwana	2000-01 2003-04 2004-05	60.58 51.00 48.61
44.	Municipal Committee, Hansi	2000-01 2001-02 2002-03 2003-04 2004-05	108.50 105.25 83.89 138.08 32.70
45.	Municipal Committee, Mohindergarh	2000-01	38.55
46.	Municipal Committee, Jind	2000-01 2001-02 2002-03 2003-04 2004-05	135.63 73.50 57.39 25.01 41.85
47.	Municipal Committee, Fatehabad	2000-01 2002-03 2004-05	50.23 40.16 89.71
48.	Municipal Committee, Ellenabad	2000-01	43.10
49.	Municipal Council, Panchkula	2001-02	116.06
50.	Municipal Committee, Cheeka	2003-04 2004-05	158.28 81.00
51.	Municipal Committee, Indri	2003-04	74.01
52.	Municipal Committee, Pinjore	2003-04	34.60
53.	Shri Bhuteshwar Temple Tirath, Jind	1994-95	25.29
54.	Aravali Vikas Sangathan, Gurgaon	1995-96	100.00
55.	Software Technology Park of India, New Delhi	2002-03	250.00
56.	Haryana Slum Clearance Board, Chandigarh	1998-99	700.48
57.	Rajay Sainik Vocal Training Centre, Panchkula	1998-99 2003-04	46.25 54.91
58.	District Council for Child Welfare, Rewari	1999-2000	38.75
59.	Fish Farm Development Agency, Gurgaon	2000-01	45.85
60.	Charitable Endowment, Haryana, Manimajra	2001-02 2002-03	478.00 478.00
61.	Society for I.T. Initiative fund for e-Governance, Chandigarh	2002-03 2003-04 2004-05	165.55 60.00 25.00
62.	Haryana Energy Development Agency, Chandigarh	2001-02 2002-03 2003-04 2004-05	67.30 41.50 384.37 25.00

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Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
63.	Maharaja Aggarsain Institute of Medical Education & Research, Agroha (Hisar)	2003-04 2004-05	69.48 80.00
64.	Board of Trustees (SOS) Childrens Villages Bal Gram Rai (at Chd)	2003-04	240.00
65.	Saket Hospital, Panchkula	2004-05	50.00
66.	Haryana State Council for Child Welfare, Chandigarh	2004-05	42.93
67.	Director, Haryana Institute of Rural Development, Nilokheri	2004-05	40.00
Private Aided Colleges			
68.	S.L.D.A.V. College of Education, Ambala City	2000-01 2001-02 2002-03 2003-04 2004-05	38.65 54.59 73.24 33.49 35.57
69.	SM Lubana Khalsa Girls College, Barara (Ambala)	2000-01 2001-02 2002-03 2003-04 2004-05	38.20 40.55 33.65 44.20 53.03
70.	M.P.N. College, Mullana (Ambala)	2003-04 2004-05	52.97 47.50
71.	Maharaja Aggarsein College, Jagadhri	2003-04 2004-05	49.13 41.68
72.	DAV College, Sadhaura	2000-01 2001-02 2002-03 2003-04 2004-05	40.70 53.06 50.75 60.23 57.28
73.	M.L.N. College, Radaur	2002-03 2003-04 2004-05	41.98 48.66 46.45
74.	K.M. College of Education, Bhiwani	2001-02 2002-03 2003-04	31.35 27.74 30.23
75.	APJ Saraswati College of Education, Charkhi Dadri	2001-02 2003-04	35.92 40.73
76.	B.L.J. Suiwala College, Tosham	2003-04 2004-05	30.20 29.18
77.	RLS College of Education, Sidhrawali (Gurgaon)	2003-04 2004-05	49.86 46.93
78.	DAV Centenary College, Faridabad	2002-03 2003-04 2004-05	38.78 70.75 57.59

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
79.	Saraswati Mahila Mahavidyala, Palwal	2000-01 2001-02 2002-03 2003-04 2004-05	31.63 36.30 44.11 41.54 45.19
80.	SD Mahila Mahavidyalya, Hansi	2002-03 2003-04 2004-05	54.66 61.26 49.93
81.	CR College of Education, Hisar	1999-2000 2000-01 2003-04 2004-05	26.40 27.50 31.37 31.44
82.	SD Mahila Mahavidyalya, Narwana (Jind)	2000-01 2002-03 2003-04 2004-05	27.95 26.43 37.15 35.39
83.	DAV College, Pundri (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05	30.00 32.75 39.10 42.46 43.57 43.73
84.	DAV College, Cheeka (Kaithal)	2003-04 2004-05	50.20 58.52
85.	Kanya Mahavidyalya, Dhand (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05	31.40 36.05 34.60 40.78 50.24 46.97
86.	Bhagwan Parshu Ram College, Kurukshetra	1999-2000 2000-01 2002-03 2003-04 2004-05	37.30 44.30 44.30 67.43 56.99
87.	RDS Public Girls College, Rewari	1998-99 1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05	39.30 30.40 29.55 38.55 30.42 67.50 43.28
88.	SP College of Education, Rewari	2003-04 2004-05	26.95 26.99
89.	GB Degree College, Rewari	1996-97 1997-98 1998-99	29.90 31.70 31.30

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Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
90.	CR College of Education, Rohtak	2003-04 2004-05	67.99 28.65
91.	MK Jat Kanya Mahavidyalya, Rohtak	2003-04 2004-05	72.32 66.92
92.	Guru Hari Singh Mahavidyalya, Jiwan Nager, Sirsa	2003-04 2004-05	42.06 33.21
93.	Vaish Arya Kanya Mahavidyalya, Bhadurgarh (Jhajjar)	2003-04 2004-05	44.02 33.22
94.	M.A College for Women, Jhajjar	2000-01 2001-02 2002-03 2003-04 2004-05	40.70 46.40 40.43 50.98 50.72
95.	TR College of Education, Sonipat	2000-01 2003-04 2004-05	29.10 26.09 27.68
96.	BPS College of Education, Khanpur Kalan	2000-01 2003-04	26.40 25.00
97.	T.R. Girls College, Sonipat	1999-2000 2003-04 2004-05	33.10 46.60 32.85
98.	DAV College of Education for Women, Karnal	2003-04	118.62
99.	CIS Kanya Mahavidhalya Fatehpur Pundri (Kaithal)	2003-04 2004-05	67.10 62.01
100.	DAV College, Naneola (Ambala)	2004-05	26.88
101.	APJ Saraswati KMV, Charkhi Dadri	2004-05	43.14
102.	Vaish College of Education, Rohtak	2004-05	26.61
103.	Hindu College of Education, Sonipat	2004-05	41.67

Appendix-V

(Refer paragraph 1.7.6; page 15)

Details and status of grants-in-aid released by State Government

Sr. No.	Name of the Department	Total number of bodies	Did not render the accounts/year of accounts	Did not render accounts in prescribed format	Did not utilise 50 per cent of grants given in a year	Which diverted/ misutilised the funds (including grants released by GOI)/amount diverted/ misutilised	Defaulted repayment of loans/ amount overdue (Rupees in crore)	Which did not maintain cash book/ maintained irregularly	Which did not invest its surplus funds/retained huge balance in cash chest/ average amount of surplus funds	Any other interesting point noticed from the audit of accounts	Grant paid (Rupees in crore)
1	2	3	4	5	6	7	8	9	10	11	12
1.	Medical	12	-	-	-	-	-	-	-	Nil	3.59
2.	Technical Education	11	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	24.75
3.	Agriculture	05	-	-	-	-	-	Nil	-	Nil	0.62
4.	Sports	18	18	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.11
5.	Urban Development	69	69	Nil	Nil	Nil	Nil	Nil	Nil	Nil	73.22
6.	Rural Development	19	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	26.26
7.	Education	100	100	Nil	Nil	Nil	Nil	Nil	Nil	Nil	79.13
8.	Science and Technology	3	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.31
9.	Animal Husbandry	4	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	6.25
	Total	241	191	-			-				216.24

Appendix VI

(Refer paragraph 1.7.7; page 15)

Department-wise/year-wise break-up of the cases in which final action was pending at the end of June 2005

Name of the department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to more	Total
Animal Husbandry	2 (0.54)	-	3 (3.22)	-	-	-	5 (3.76)
Education	14 (5.69)	6 (4.59)	6 (3.20)	1 (0.40)	3 (1.87)	3 (1.81)	33 (17.56)
Finance	1 (2.79)	-	-	-	-	-	1 (2.79)
Fisheries	1 (8.06)	-	-	-	-	-	1 (8.06)
Food and Supplies	-	1 (1.22)	1 (0.27)	2 (4.75)	-	-	4 (6.24)
Forest	1 (0.92)	8 (13.09)	2 (0.71)	5 (0.96)	1 (0.15)	-	17 (15.83)
Irrigation	24 (15.40)	9 (0.41)	31 (5.66)	34 (6.19)	13 (2.66)	-	111 (30.32)
Labour and Employment	-	-	1 (0.02)	1 (0.14)	-	-	2 (0.16)
Medical	2 (2.04)	1 (1.50)	2 (11.92)	-	-	-	5 (15.46)
Public Health	1 (-)	4 (0.24)	7 (1.74)	12 (1.23)	10 (3.11)	2 (0.03)	36 (6.35)
Public Relations	1 (0.08)	-	-	-	-	-	1 (0.08)
Public Works (B&R)	2 (0.71)	2 (0.40)	1 (0.04)	2 (2.31)	1 (0.03)	-	8 (3.49)
Revenue	2 (10.52)	-	-	-	-	-	2 (10.52)
Social Welfare	-	-	1 (-)	-	-	-	1 (-)
Sports and Youth Welfare	1 (0.87)	-	-	-	-	-	1 (0.87)
Technical Education	13 (31.92)	2 (1.12)	-	-	1 (0.02)	-	16 (33.06)
Transport	-	2 (3.32)	5 (14.00)	2 (1.05)	2 (0.25)	2 (0.26)	13 (18.88)
Total	65 (79.54)	35 (25.89)	60 (40.78)	59 (17.03)	31 (8.09)	7 (2.10)	257 (173.43)

(Figures in bracket are Rupees in lakh)

Appendix VII

(Refer paragraph 1.7.7; page 15)

Department-wise details in respect of cases relating to theft, misappropriation/loss of Government material and fire/accident at the end of June 2005

Name of the Department	Theft cases		Misappropriation/loss of Government material		Fire/Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
Animal Husbandry	2	2.93	3	0.83	-	-
Education	25	13.28	7	4.21	1	0.07
Finance	1	2.79	-	-	-	-
Fisheries	-	-	-	-	1	8.06
Food Supplies and	-	-	-	-	4	6.24
Forest	3	4.70	-	-	14	11.13
Irrigation	72	9.65	31	8.72	8	11.95
Labour and Employment	2	0.16	-	-	-	-
Medical and Public Health	2	2.04	1	1.50	2	11.92
Public Health	26	4.49	8	1.20	2	0.66
Public Relations	-	-	-	-	1	0.08
Public Works (B&R)	5	1.15	3	2.34	-	-
Revenue	-	-	2	10.52	-	-
Social Welfare	-	-	1	-	-	-
Sports and Youth Welfare	1	0.87	-	-	-	-
Technical Education	13	21.19	2	11.58	1	0.29
Transport	5	13.30	7	4.98	1	0.60
Total	157	76.55	65	45.88	35	51.00

Appendix VIII

(Refer paragraph 1.8.4; page 17)

Details of Statutory Corporations and Government Companies with Government investments, which are in loss

		Investment (upto 2004-05)	Accumulated Loss	Year of Account
		(Rupees in crore)		
I.	Statutory Corporations			
1	Haryana Financial Corporation, Chandigarh.	32.38	143.25	2003-04
II.	Government Companies			
1	Haryana Dairy Development Corporation Limited, Chandigarh.	5.57	6.74	2000-01
2	Haryana State Minor Irrigation (Tubewells) Corporation Limited, Chandigarh.	10.89	112.79	1999-2000
3	Haryana State Handloom and Handicrafts Corporation Limited, Chandigarh.	2.65	3.86	2000-01
4	Haryana Tanneries Limited, Chandigarh.	0.67	10.55	2001-02
5	Haryana Scheduled Castes and Finance Development Corporation Limited, Chandigarh.	26.91	5.86	2000-01
6	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited, Chandigarh.	9.71	4.37	1999-2000
7	Haryana Vidhyut Prasaran Nigam Limited, Panchkula.	594.32	85.18	2001-02
8	Haryana Power Generation Limited, Panchkula.	624.73	51.91	2001-02
9	Dakshin Haryana Bijli Vitran Nigam Limited, Hisar.	68.36	365.32	2003-04
10	Uttar Haryana Bijli Vitran Nigam Limited, Panchkula.	97.64	250.87	2003-04
11	Pig Iron Project, Hisar.	0.17	0.04	2004-05
12	Haryana State Small Industries and Export Corporation, Chandigarh.	1.81	7.33	2001-02
13	Haryana Roads and Bridges Corporation Limited, Chandigarh.	70.12	7.97	2003-04
14.	Haryana Women Development Corporation Limited, Chandigarh	5.80	0.05	2003-04
	Total	1,551.73	1,056.09	

Appendix IX
(Refer paragraph 2.1.7; page33)

Statement of various grants/appropriations where expenditure fell short by more than Rupees 10 crore in each case and also by more than 10 per cent of the provision

Sr. No.	Number and name of grants/appropriations	Major/Minor Head of Account, etc.	Original provision	Savings (per cent)
			(Rupees in crore)	
1	6-Finance	2071-Pensions and other Retirement Benefits 01-Civil- 104-Gratutities	160.25	17.48 (11)
2.		2049-Interst payments 01-Interest on Internal Debt 200-Interest on other Internal Debts 95-Loans from State Bank of India and other Banks	130.00	111.67 (86)
3.		115-Interest on Ways and Means Advances from Reserve Bank of India	21.00	21.00 (100)
4		99- Interest on State Provident Fund to Government Servants other than All India Services Officers	420.11	43.10 (10)
5.	8-Buildings and Roads	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 98-Rural Roads	175.58	74.81 (43)
6.		03-State Highways 337-Road Works	110.00	12.31 (11)
7.		4059-Capital Outlay on Public Works 01-Office Buildings 051-Construction 99-District Administration	27.24	17.83 (65)
8.		4216-Capital Outlay on Housing 01-Government Residential Buildings 106-General Pool Accommodation 98-District Administration	12.00	11.10 (93)
9.	9-Education	2202-General Education 01-Elementary Education 101-Government Primary Schools 90-Sarva Shiksha Abhiyan	160.00	117.06 (73)
10.		03-University and Higher Education 103-Government Colleges and Institutes 99-Institutes	73.43	22.57 (31)
11.		02-Secondary Education 109-Governemnt Secondary Schools 94-Area Incentive Programme for Educationally Backward Minority	23.12	18.62 (81)
12		2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 99-Maintenance of Urban Water Supply and Sewerage 99-Energy Charges	65.80	36.83 (56)
13.	10-Medical and Public Health	2210-Medical and Public Health 01-Urban Health Services Allopathy 110-Hospital and Dispensaries 76-Grant of Financial Assistance for setting up of Trauma Centre at General Hospital, Sirsa	15.75	15.12 (97)

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Sr. No.	Number and name of grants/appropriations	Major/Minor Head of Account, etc.	Original provision	Savings (per cent)
			(Rupees in crore)	
14		4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 94-National Capital Region	26.13	20.72 (79)
15.		102-Rural Water Supply 88-Swajaldhara	10.00	10.00 (100)
16.		90-Sector Reform Pilot Project	10.00	10.00 (100)
17.		02-Sewerage and Sanitation 101-Urban Sanitation Services 92-Sewerage Treatment YAP	22.00	19.31 (88)
18.	14-Food and Supplies	4408-Capital Outlay on Food Storage and Warehousing 01-Food 101-Procurement and Supply 99-Grain Supply Scheme	1,247.06	166.57 (13)
19		97-Interest on Capital	95.00	63.05 (66)
20	15-Irrigation	2701-Major and Medium Irrigation 02-Major Irrigation-Non-Commercial 001-Direction and Administration 97-Execution	29.72	27.33 (92)
21		01-Major Irrigation-Commercial 001-Direction and Administration 91-Executive Engineers MPRP	17.83	14.25 (80)
22		02-Major Irrigation-Non-Commercial 800-Other expenditure 97-Improved upgradation, operation and maintenance of Channels – Irrigation	20.35	20.35 (100)
23		4701-Capital Outlay on Major and Medium Irrigation 01-Major Irrigation Commercial 113-Modernisation and Lining of Canal System in Haryana 09-Construction	12.00	12.00 (100)
24	Public Debt	6003-Internal Debt of the State Government 110-Ways and Means Advances from the Reserve Bank of India	2,000.00	2,000.00 (100)
25.		107-Loans and Advances from State Bank of India and Other Banks	1,268.00	183.56 (14)
26.	25-Loans and Advances by State Government	6801-Loans for Power Projects 205-Transmission and Distribution 95-Loans for Accelerated Power Development Programme (APDP)	47.95	47.95 (100)
27		6860-Loans for Consumer Industries 04-Sugar 101-Loans to Co-operative Sugar Mills 99-One time settlement of Loans Co-operative Sugar Mills, Bhuna, Kaithal, Meham, Panipat, Rohtak and Sonipat	50.00	48.40 (97)
28.		6702-Loans for Minor Irrigation- 800-Other Loans- 99-Loans to MITC for payment of compensation to its retrenched employees	15.00	15.00 (100)

Appendix X

(Refer paragraph 2.1.8; page34)

Statement of various grants/appropriations where expenditure exceeded the original provision by Rupees five crore or more and also by more than 10 per cent of original provision

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
1	4-Revenue	2245-Relief on account of natural calamities 80-General 800-Other Expenditure 99-Hail Strom Relief	5.32 (355)
2.		4711-Capital outlay on Flood Control Projects 01-Flood Control 001-Direction and Administration 97-Execution	18.37 (1837)
3	6-Finance	2071-Pensions and other Retirement Benefits 01-Civil 102-Commuted value of Pensions	18.03 (20)
4.		105-Family Pensions	8.77 (12)
5.		2049-Interest Payments 04-Interest on Loans and Advances from Central Government 104-Interest on Loans for Non-Plan Schemes 95-Police-Modernisation of Police Force	7.21 (210)
6.	8-Buildings and Roads	3054-Roads and Bridges 80-General 797-Transfers to from Reserve Funds and Deposit Account 99-Transfer to/from Central Road Fund Inter Account Transfer	65.26 (6526)
7.		001-Direction and Administration 99-Establishment Charges (Pro-rata) transferred from Major Head-2059-Public Works	19.53 (30)
8.		04-District and Other Roads 337-Roadworks 98-Rural Roads	13.64 (31)
9.		5054-Capital Outlay on Roads and Bridges 04-District and Other Roads, 337-Road Works, 99-District Roads	53.87 (210)
10.	9-Education	2202-General Education 01-Elementary Education- 103-Assistance to Local Bodies for Primary Education- 98-Payment of Salary Grant to JBT Teachers appointed by Zila Parishad	14.42 (1442)
11.	10-Medical and Public Health	2211-Family Welfare 103-Maternity and Child Health 99-Immunisation Programme	17.14 (1199)

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
12.		2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 97-Rural Water Supply Programme	14.02 (16)
13.		001-Direction and Administration 96-Executive Engineer and their Establishment Regular/confirmed Mechanical staff	16.85 (15)
14.		4215-Capital outlay on Water Supply and Sanitation- 01-Water Supply 102-Rural Water Supply 93-Rural Water Supply	54.04 (50)
15.		101-Urban Water Supply 99-Urban Water Supply	16.54 (98)
16.		02-Sewerage and Sanitation 101-Urban Sanitation Services 94-Sewerage and Sanitation	17.88 (477)
17.	11-Urban Development	2217-Urban Development 800-Other expenditure- 91-Grant to MCs for slum Development Programme	5.11 (95)
18.	12-Labour and Employment	2230-Labour and Employment 02-Employment Services 101-Employment Services 92-Staff for Employment Exchange and unemployment allowance to un-educated youths	9.00 (170)
19.	13-Social Welfare and Rehabilitation	2235-Social Security and Welfare 60-Other Social Security and Welfare Programmes 102-Pensions under Social Security Scheme 98-Old Age Pension	29.34 (12.78)
20.	15-Irrigation	2801-Power 05-Transmission and Distribution 800-Other expenditure 98-Accelerated Development Programme	51.59 (108)
21.		2701-Major and Medium Irrigation 01-Major Irrigation -Commercial 001-Direction and Administration 97-Execution Irrigation	36.72 (35)
22.		95-Special Revenue Staff Irrigation	7.31 (40)
23.		108-Jawahar Lal Nehru Canal Project 98-Energy Charges	15.32 (91)
24.		115-Maintenance of Canals and Distributaries 99-Maintenance Works	6.70 (262)
25.		01-Major Irrigation-Commercial 800-Other Expenditure 97-Improvement, upgradation, operation and maintenance of Channels	25.83 (2583)
26.		4701-Capital Outlay on Major and Medium Irrigation 01-Major Irrigation-Commercial 225-Rehabilitation of Existing Channels/Drainage System in State 99-Construction	66.19 (473)

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
27.		209-Improvement of old/existing channels 99-Construction/RIDF	41.96 (60)
28.		110-Yamuna Link Project 99-Construction	17.64 (1764)
29.		4801-Capital outlay on Power Projects 05-Transmission and Distribution 107-Investment in Public Sector Undertakings 98-Equity Capital HPGCL	41.52 (22)
30.	17-Agriculture	2401-Crop Husbandry 190-Assistance to Public Sector and Other undertakings 96-Area Development Programme (CADA) for Jui Canal Area	12.49 (42)
31.		108-Commercial Crops 86-Implementation of Integrated of Oil Seed Pulses, Oil Palm and Maize (ISOPOM)	6.60 (660)
32.	21-Community Development	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 200-Other Miscellaneous Compensations and Assignments 95-Assignments of Excise duty to Panchayat Samities in lieu of tax on sale of country liquor	14.60 (487)
33.		2505-Rural Employment 01-National Programmes 702-Jawahar Gram Samridhi Yojna 88-Rashtriya Sam Vikas Yojna	7.50 (750)
34.		2501-Special Programmes for Rural Development 06-Self employment Programme 800-Other expenditure 96-Assistance to Haryana Rural Development Fund - Administration Board	12.50 (1250)
35.		2515-Other Rural Development Programmes 101-Panchayati Raj 90-Assistance to Haryana Rural Development Fund Administration Board	10.33 (1033)
36.	Public Debt	6004-Loans and Advances from the Central Government 02-Loans for State/Union Territory Plan Schemes 101-Block Loans	160.44 (17)
37.		6003-Internal Debt of the State Government 111-Special Securities issued to the National Small Saving Fund of the Central Government	37.08 (3708)
38.	25-Loans and Advances by State Government	6851-Loans for Village and Small Industries 102-Small Scale Industries 99-Interest free loans in lieu of deferred sales tax	76.73 (7673)
39.		7610-Loans to Government Servants etc. 201-House Building Advances 99-Advances to Government Servants other than All India Services Officers	6.71 (14)

Appendix XI

(Refer paragraph 2.1.11; page 35)

Details of surrender in excess of actual savings in the grants

Sr. No.	Name of the grant	Savings (-) /Excess (+)	Amount surrendered	Excess fund surrendered
		(Rupees in crore)		
Revenue (Voted)				
1	4-Revenue	(-)3.48	105.13	101.65
2.	5-Excise and Taxation	(-)2.38	2.81	0.43
3.	6-Finance	(+) 24.34	10.34	34.68
4.	7-Other Administrative Services	(-)18.67	18.75	0.08
5.	8-Buildings and Roads	(+) 66.19	1.03	67.22
6.	11-Urban Development	(-)6.83	6.85	0.02
7.	15-Irrigation	(+) 37.62	17.37	54.99
8.	16-Industries	(-)6.51	6.65	0.14
Capital (Voted)				
9.	4-Revenue	(+) 24.83	3.20	28.03
10.	8-Buildings and Roads	(-)85.87	121.88	36.01
11	15-Irrigation	(+) 48.89	34.31	83.20
Revenue (Charged)				
12.	6-Finance	253.44	323.55	70.11
	Total	(-)175.31	651.87	476.56

Appendix XII

(Refer paragraph 2.1.12; page 35)

Cases of injudicious reappropriation of funds resulting in excesses/savings by more than Rupees 50 lakh in each case

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
(Rupees in crore)					
Injudicious re-appropriations					
1.	4-Revenue	2245-Relief on account of Natural Calamities 02-Flood, Cyclones etc. 282-Public Health 98-Public Health	(O) 0.30 (R) 1.67 1.97	2.92	(+) 0.95
2.		05-Calamity Relief Fund 101-Transfer to Reserve Funds and Deposit Accounts Calamity Relief Fund- 99-State Contribution	(O) 98.83 (R)(-) 98.83 NIL	98.83	(+) 98.83
3.		102-Drinking Water supply	(O) 0.03 (R)(-) 0.30 NIL	1.28	(+) 1.28
4.		4711-Capital Outlay on Flood Control Projects 01-Flood Control 800-Other Expenditure 99-Flood Protection and Disaster preparedness	(O) 15.00 (R)(-) 3.20 11.80	15.39	(+) 4.19
5.	6-Finance	2071-Pensions and other Retirement Benefits 01-Civil 105-Family Pension	(O) 72.58 (R) 0.19 72.77	81.35	(+) 8.58
6.		104-Gratuities	(O) 160.25 (R)(-) 0.13 160.12	142.77	(-) 17.35
7.		106-Pensionary charges in respect of High Court Judges	(O) 1.02 (R) (-) 0.19 0.83	0.05	(-) 0.78
8.		2071-Pensions and other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances	(O) 548.71 (R) (-) 7.71 541.00	567.51	(+) 26.51

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)		
9.		2049-Interest Payments 01-Interst on Internal Debt 200- Interest on Other Internal Debts 95-Loans from State Bank of India and Other Banks	(O) 130.00 (R) (-) 100.00 30.00	18.33	(-) 11.67
10.		97-Loans from National Cooperative Development Corporation	(O) 4.26 (R) 0.76 5.02	3.71	(-) 1.31
11.		115-Interest on Ways and Means Advances from Reserve Bank of India	(O) 21.00 (R) (-) 11.00 10.00	NIL	(-) 10.00
12.		99-Interest on State Provident Fund to Government Servants other than All India Services Officers	(O) 420.10 (R) (-) 3.63 416.47	377.01	(-) 39.46
13.		04- Interest on Loans for Non-Plan Schemes 104-Intrest on Loans for Non-Plan Schemes 95-Police-Modernisation of Police Force	(O) 3.44 (R) 5.72 9.16	10.65	(+) 1.49
14.		2048-Appropriation for reduction or avoidances of debt- 200-Other Appropriations 99-Guarantee Redemption Funds-Transfer to Reserve Fund and Deposit Accounts (Major Head-8235)	(O) 15.00 (R) (-) 1.23 13.77	15.00	(+) 1.23
15.		2049-Interest Payments 01-Interest on Internal Debt- 123-Interest on Special Securities issued to National Small Savings Fund of the Central Government by State Government 93-Interest on Small Savings Collection	(O) 638.12 (R) (-) 185.61 452.51	596.01	(+) 143.50

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)		
16.		200-Interest on other Internal Debts	(O) 46.46		
		96-Loans from National Rural credit (LTO) Fund of the NABARD	(R) (-) 2.60 43.86	46.20	(+) 2.54
17		04-Interest on Loans and Advances from Central Government	(O) 102.49 (R) (-) 6.19 96.29	98.37	(+) 2.08
		104-Interest of Loans for Non-Plan Schemes- 99-Small Saving Collections			
18.	8-Buildings and Roads	3054-Roads and Bridges	(O) 43.93 (R) 5.35 49.28	57.57	(+) 8.29
		04-District and Other Roads 337-Road Works 98-Rural Roads			
19.		2059- Public Works	(O) 106.48		
		80-General	(R) 5.45 11.93	111.18	(-)0.74
		001-Direction and Administration 96-Execution			
20.		052-Machinery and equipment	(O) 1.60 (R) (-) 0.10 1.50	0.73	(-) 0.77
21.		96-Machinery			
		3054-Roads and Bridges	(O) 18.35 (R) (-) 5.20 13.15	15.90	(+) 2.75
		03-State Highways 337-Roads			
22.		2059-Public Works	(O) 10.84		
		80-General-	(R) (-) 2.24 8.60	10.99	(+) 2.39
		053-Maintenance and Repairs 99- Maintenance and Repairs			
23.		5054-Capital Outlay on Roads and Bridges	(O) 175.57 (R) (-) 42.85 132.72	100.77	(-) 31.95
		03-State Highways 337-Roadworks 48-Rural Roads			
24		337-Roadworks	(O) 110.00 (R) (-) 35.55 74.45	97.69	(+) 23.24
25.		4059-Capital Outlay on Public Works			
		60-Other Buildings	(O) 23.95		
		051-Construction	(R) (-) 5.10 18.85	17.95	(-) 0.90
		96-Jails			

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Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation		Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)			
26.		98-Administration of Justice	(O) 7.80 (R) (-) 2.20 5.60		4.85	(-) 0.75
27		4202-Capital Outlay on Education, Sports Art and Culture 01-General Education 203-university and Higher Education 98-Construction of building of Shiksha Sadan at Panchkula	(O) 2.00 (R) (-) 0.27 1.73		Nil	(-) 1.73
28.		5054-Capital outlay on Roads and Bridges 04-District and other Roads 101-Bridges 98-Rural Roads	(O) 2.00 (R) 1.94 3.94		6.09	(+) 2.15
29.		03-State Highways 101-Bridges	(O) 3.00 (R) 4.18 7.18		NIL	(-) 7.18
30.		04-District and Other Roads 337-Road Works 99-District Roads	(O) 25.60 (R)(-) 5.29 20.31		79.47	(+) 59.16
31.		4210-Capital Outlay on Medical and Public Health 01-Urban Health Services 110-Hospital and dispensaries 96-Construction of Regional Diagnostic Center in the State under 11 th Finance	(O) 1.00 (R) 0.49 1.49		NIL	(-) 1.49
32.		99-Buildings	(O) 2.00 (R)(-) 0.55 1.45		3.12	(+) 1.67
33.		4059-Capital outlay on Public Works 60-Other Buildings 051-Construction 97-Excise and Taxation	(O) 0.50 (R)(-) 2.60 3.10		Nil	(-) 3.10
34.		80-General 051-Construction 94-Ministers Car Section	(O) 0.40 (R) 0.60 1.00		0.30	(-) 0.97
35.		5054-Capital Outlay on Roads and Bridges 80-General 800-Other Expenditure	(O) 2.00 (R)(-) 1.24 0.76		Nil	(-)0.76

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)		
36.	9-Education	2202-General Education 03-University and Higher Education 103-Government Colleges and Institutes 99-Institutes	(O) 73.43 (R)(-) 9.94 63.49	50.86	(-) 12.63
37.		001-Direction and Administration 99-Administrative staff	(O) 10.39 (R)(-) 3.00 7.39	6.17	(-) 1.22
38.		2202-General Education 01-Elementary Educations 101-Government Primary Schools 99-Classes I to V	(O) 395.19 (R) 2.54 397.73	377.85	(-) 19.88
39.		02-Secondary Education 109-Government Secondary Schools 99-Teaching Staff including other Establishments	(O) 492.65 (R) 0.40 493.05	486.34	(-) 6.71
40.		2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 99-Maintenance of Urban Water Supply and Sewerage 99-Energy Charges	(O) 65.80 (R)(-) 10.64 55.16	28.97	(-) 26.19
41.	10-Medical and Public Health	2211-Family Welfare 103-Maternity and Child Health 99- Immunisation Programme	(O) 1.43 (R) 7.78 9.21	18.57	(+) 9.36
42.		2215-Water Supply and Sanitation 102-Rural Water Supply Programme 97-Rural Water Supply Programme	(O) 86.25 (R) 1.79 88.04	100.27	(+) 12.23
43.		001-Direction and Administration 96-Executive Engineers and their Establishment	(O) 113.23 (R) 5.19 (S) 18.26 136.68	130.08	(-) 6.60

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Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)	
			O:Original S: Supplementary R:Reappropriation			
(Rupees in crore)						
44.		101-Urban Water Supply Programmes 99-Maingtence of Urban Water Supply and Sewerage 98-Maintenace charges	(O) 19.50 (R)(-) 3.00 16.50	24.96	(+) 8.46	
45.		4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102- Rural Water Supply 93-Rural Water Supply	(O) 106.99 (R)(-) 3.25 103.74	161.03	(+) 57.29	
46.		101-Urban Water Supply 99-Urban Water Supply	(O) 16.85 (R) 8.17 25.02	33.38	(+) 8.36	
47.		95-11 th Finance Commission	(O) 3.94 (R) 4.00 7.94	5.55	(+) 2.38	
48.		01-Water Supply 102-Rural Water Supply 88-Swajaldhara	(O) 10.00 (R)(-) 7.54 2.46	Nil	(-) 2.46	
49.		02- Sewerage and Sanitation 101-Urban Sanitation Services 92-Sewarage Treatment YAP	(O) 22.00 (R)(-) 21.00 1.00	2.96	(+) 1.69	
50.		95-Sewerage Treatment 99- Sewerage Treatment YAP	(O) 0.43 (R) 2.31 2.74	0.09	(-) 2.65	
51.		12-Labour and Employment	2230-Labour and Employment 03-Traning 003-Traning of Craftsman and Supervisors 77- Scheme for introduction of Vocational Course under 10+2 scheme (98 centres)	(O) 13.74 (S) 1.23 (R) 2.22 17.19	15.99	(-) 1.20
52.			99-Industrial Training Institutes	(O) 21.52 (S) 0.56 (R) 0.75 22.83	22.25	(-) 0.58

Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)
			O:Original S: Supplementary R:Reappropriation		
(Rupees in crore)					
53.	15-Irrigation	2701-Major and Medium Irrigation 01-Major Irrigation - Commercial 001-Direction and Administration 97-Execution Irrigation	(O) 103.69 (R) 3.90 107.59	140.41	(+) 32.82
54.		95-Special Revenue Staff Irrigation	(O) 18.49 (R) 0.07 18.56	25.80	(+-) 7.24
55.		115-Maintenance of canal and distributaries 99-Maintenance works	(O) 2.57 (R)(-) 0.19 2.38	9.26	(+) 6.88
56.		106-Sawani Lift Irrigation Project 99-Maintenance Works	(O) 0.52 (R)(-) 0.02 0.50	1.49	(+) 0.99
57.		104-Laharu Canal Project 99- Maintenance work	(O) 0.22 (R) 0.31 0.53	1.26	(+) 0.73
58.		001-Direction and Administration 91-Exective Engineers MPRP	(O) 17.83 (R) 2.75 20.58	3.59	(-)16.99
59.		89- Special Revenue Staff MPRP	(O) 9.81 (R)(-) 1.60 8.21	0.84	(-) 7.37
60.		99- Chief Engineers common Establishment Irrigation	(O) 15.42 (R)(-) 5.26 10.16	11.17	(+) 1.01
61.		98- Supervision Irrigation	(O) 15.49 (R)(-) 6.01 9.48	11.58	(+) 2.10
62.		92-Superentending Engineers MPRP	(O) 1.00 (R)(-) 0.05 0.95	0.23	(-) 0.72
63.		103-Jui Canal Project 98-Energy Charges	(O) 8.90 (R)(-) 3.33 5.57	3.15	(-) 2.43
64.		97-Opetration and Maintenance	(O) 4.81 (R) 0.92 5.73	NIL	(-) 5.73
65.		99- Advance to Bhakra Beas Management Board Bhakra Dam	(O) 15.75 (R)(-) 2.00 13.75	12.87	(-) 0.88
66.		98- Advance to Bhakra Beas Management Board Beas Project	(O) 11.66 (R)(-) 1.14 10.52	11.40	(+) 0.88

Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)
			O:Original S: Supplementary R:Reappropriation		
(Rupees in crore)					
67.		101-Extension, Improvement and Maintenance	(O) 8.50 (R)(-) 2.15 6.35	7.01	(+) 0.66
68.		96- Energy Charges			
69.		01-Major Irrigation-Commercial			
		Name of the Irrigation Project	(O) 197.35 (R)(-) 7.87 189.48	187.13	(-) 2.35
		99-Interest on Irrigation Project			
		800-Other expenditure			
		Interest charges on Capital	(O) 197.35 (R)(-) 7.87 189.48	187.13	(-) 2.35
		99-Interest on Irrigation Projects			
70.		4701-Capital Outlay on Major and Medium Irrigation	(O) 14.00 (S) 7.50 (R)(-) 15.00 36.50	80.19	(+) 43.69
		01-Major Irrigation Commercial			
	225-Rehabilitation of Existing channels/ drainage system in State				
	99-Construction				
71.		209-Improvement of old/existing channels-	(O) 69.50 (R)(-) 5.33 64.17	111.46	(+) 47.29
72.		99-Construction-RIDF			
	110-Satluj Yamuna Link Project	(O) 1.00 (R)(-) 0.98 0.02	18.64	(+) 18.62	
	99-Construction				
73.		108-Jawahar Lal Nehru Lift Irrigation	(O) 3.00 (R)(-) 1.84 1.16	4.64	(+) 3.48
	98-Dam and Appurtenant Works				
74.		221-Water Development Survey and Investigation	(O) 4.00 (S) 25.00 (R)(-) 8.32 20.68	2.16	(-)18.52
		99-Dam and Appurtenant Works			
75.	17-Agriculture	2415-Agricultural Research and Education	(O) 83.34 (R) 0.03 83.37	78.65	(-) 4.72
		01-Crop Husbandry			
		277-Education			
		99-Grant-in-aid to Agriculture University			

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O: Original S: Supplementary R: Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)		
76.	18-Animal Husbandry	2403-Animal Husbandry 101-Veterinary Services and Animal Health 95-Continuance of Veterinary Hospital and Dispensaries	(O) 15.47 (R) 6.25 21.72	19.54	(+) 2.18
77.		94-Opening of New Veterinary Dispensaries	(O) 8.97 (R) (-) 0.34 8.63	12.47	(+) 3.84
78.		102-Cattle and Buffalo Development 79-National Project for Cattle and Buffalo Breeding	(O) 6.00 (R)(-) 3.23 2.77	NIL	(-) 2.77
79.		95-Scheme for establishment of Intensive Cattle Development Projects at Ambala, Bhiwani, Jind, Pehowa and Sirsa	(O) 9.72 (R) 1.07 10.79	9.17	(-) 1.62
80.		101-Veterinary Services and Animal Health 93-Conversion of Veterinary Dispensaries/Stockmen Centres into Hospital-cum-Breeding Centres	(O) 12.37 (R) 0.39 12.76	11.98	(-) 0.78
81.	21-Community Development	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 200-Other Miscellaneous Compensations and Assignments 96-Assignment of Excise duty to Local Bodies in lieu of Octroi on Indian made Foreign Liquor	(O) 2.00 (S) 2.50 (R) (-) 0.80 3.70	2.52	(-) 1.18
82.		92-Assignment of Local Area Development Tax (LADT) proceeds to Panchyati Raj Institutions	(O) 30.00 (R) (-) 7.50 22.50	23.55	(+) 1.05

Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)
			O:Original S: Supplementary R:Reappropriation		
(Rupees in crore)					
83.		97-Assignment of Excise Duty to Local Bodies in lieu of Octroi on Country Liquor including Rum and Gin	(O) 3.50 (S) 2.50 (R) (-) 3.00 3.00	4.17	(+) 1.17
84.		102-Community Development 93-Rural Sanitation Programme under total Sanitation Campaign	(O) Nil (S) 5.75 5.75	4.76	(-) 0.99
85.	Public Debt	6003-Internal Debt of State Government 110-Wages and Means Advances from the Reserve Bank of India	(O) 2000.00 (R) (-) 900.00 1100.00	Nil	(-) 1100.00
86.		107-Loans from the State Bank of India and other Banks	(O) 1268.00 (R) (-) 163.99 1104.01	1084.44	(-) 19.57
87.		6004-Loans and Advances from the Central Government 01-Non Plan Loans 203-Police 99-Modernisation of Police Force	(O) 2.23 (R) 2.61 4.84	5.71	(+) 0.87
88.		102-Loans for State/ Union Territory Plan Schemes 101-Block Loans	(O) 933.76 (R)(-) 637.76 296.00	1094.50	(+) 798.50
89.		25-Loans and Advances by State Government	6801-Loans for Power Projects 205-Transmission and Distribution 95-Loans for Accelerated Power Development Programme (APDP)	(O) 47.95 (S) 1.84 49.79	Nil

Appendix XIII

(Refer paragraph 2.1.13; page 35)

Cases where expenditure was incurred without any provision of funds

Sr. No.	Number and name of the Grant	Head of account	Expenditure (Rupees in crore)
1.	4-Revenue	2245-Relief on account of Natural Calamities 02-Floods, Cyclones, etc. 101-Gratuitous Relief 110-Assistance for repair and restoration of damaged water supply, drainage and sewerage works	0.10
2.		05-Calamity Relief Fund- 101-Transfer to Reserve Funds and Deposit Accounts Calamity Relief Fund 99- State Contribution	98.83
3.		102-Drinking Water Supply	1.28
4.		4711-Capital Outlay on Flood and Control 01-Flood Control 001- Direction and Administration 97-Execution	18.37
5.		95-Special Revenue	3.31
6.		98- Superintendent Engineer	1.19
7.		99- Chief Engineer	0.96
8.		8-Buildings and Roads	3054-Roads and Bridges 80-General 797-Transfers to/from Reserve Fund/Deposit Account 99-Transfers to/from Central Road Fund-Inter Account Transfer
9.	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 98-Rural Roads		0.16
10.	15-Irrigation		2701-Major and Medium Irrigation 01-Major Irrigation – Commercial 115-Maintenance of Canals and Distribution 99-Maintenance Works 799-Suspense 99- Irrigation
11.		001-Direction and Administration 799-Suspense	0.07
12.		95-Special Revenue	0.50
13.		800-other expenditure 97-Improved up gradations, operation and maintenance	25.83
14.		Public Debt	6003-Internal Debt of the State Government 111-Special Securities issued to the National Small Saving Fund of the Central Government
15.	101-Market Loans 98-Market loans not bearing interest 76-13.5% Haryana Development Loan 2003		0.41
Total			257.60

Appendix XIV

(Refer to paragraph 3.1.21 page 48)

Statement showing details of incomplete works

Sr. No.	Sector number and name of Urban Estate	Name of works	Sanction number and date	Estimated cost	Expenditure incurred upto March 2005	Percentage of expenditure incurred
				(Rupees in lakh)		
Executive Engineer, HUDA Division II, Gurgaon						
1	21, Gurgaon	Shopping Plaza	CA 2823 (12 May 1994)	21.71	13.79	64
2	21, Gurgaon	Shopping Plaza	12878 (14 September 1993)	12.50	5.33	43
3	28, Gurgaon	Providing Storm Water Drain	2606 (5 February 2002)	41.77	1.66	4
4	43, Gurgaon	Construction of roads	8432-35 (31 March 2003)	247.60	142.86	58
5	43, Gurgaon	Providing Water Supply	29211 (9 October 2002)	328.32	177.76	54
6	43, Gurgaon	Sewerage and Storm Water Drain	2389 (24 August 2001)	24.60	13.76	56
7	44, Gurgaon	Development of parks	4598 (6 March 2000)	43.80	14.27	33
8	44, Gurgaon	Construction of roads	24034 (14 July 1999)	140.18	66.71	48
9	28 Gurgaon	Providing Water Supply	14156 (17 June 2002)	97.31	25.00	26
Executive Engineer, HUDA, Division -I, Faridabad						
10	62, Faridabad	Providing Water Supply	16483 (7 July 2002)	77.01	4.94	6
11	62, Faridabad	Providing Storm Water Drain	1734 (12 July 2002)	132.50	29.68	22
12	64, Faridabad	Providing Water Supply	6757-61 (1 March 2001)	371.10	160.75	43
13	64, Faridabad	Construction of roads	21752 (1September 2000)	250.00	147.77	59
14	65, Faridabad	Providing Sewerage	176991 (13 July 2001)	143.75	80.66	56
15	65, Faridabad	Providing Water Supply	17361 (12 July 2002)	365.75	160.00	44
16	2, Faridabad	Providing Water Supply	18561 (23 July 2000)	387.00	114.99	30
Executive Engineer, HUDA, Division-I, Gurgaon						
17	38, Gurgaon	Providing Water Supply	27948 (30 August 1999)	350.51	128.91	37
18	38, Gurgaon	Sewerage Scheme	27969 (30 August 1999)	128.90	89.56	69
19	38, Gurgaon	Providing Storm Water Drain	27969 (30 August 1999)	131.33	71.51	54
20	38, Gurgaon	Construction of roads	28059 (30 August 1999)	208.70	170.27	82
Grand Total				3504.34	1620.18	46

Appendix XV
(Refer to paragraph 3.2.20 page 63)

Statement showing the details of Channels constructed under NABARD schemes but remained either non functional or negligible functional

Sr. No	Name of circle	Name of Division	Name of channel/year of completion	CCA (In acre)	Expenditure incurred (Rupees in lakh)	Area irrigated (Percentage irrigation)
1.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Extension Dadam Hill Distributary (1999)	840	5.61	Nil
2.	Yamuna Water Services Circle, Bhiwani	Construction Division-I, Bhiwani	Isherwal Sub Minor (March 2002)	1,990	167.61	Nil
3.	Yamuna Water Services Circle, Bhiwani	Construction Division-I, Bhiwani	Extension Saleempur Distributary (February 1998)	967	61.84	Nil
4.	Yamuna Water Services Circle, Bhiwani	Construction Division-I, Bhiwani	Extension Saleempur Minor (February 1998)	540	46.98	Nil
5.	Yamuna Water Services Circle, Bhiwani	Construction Division-I, Bhiwani	Sheyaspur Minor (October 1999)	1,007	20.12	Nil
6.	Yamuna Water Services Circle, Bhiwani	Construction Division-I, Bhiwani	Extension Sherpura Distributary (December 1997)	1,651	44.53	Nil
7.	Yamuna Water Services Circle, Bhiwani	SWS Division, Bhiwani	Patherwali Sub Minor (February 2000)	1,619	50.47	Nil
8.	Yamuna Water Services Circle, Bhiwani	SWS Division, Bhiwani	Extension Mithy Distributary (March 1999)	880	27.35	Nil
9.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Contg Dulheri Hill Distributary (1997)	836	14.41	72 (8.6)
10.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Chapar Minor/Sub Minor (August 1997)	2,980	187.60	79 (2.6)

Sr. No	Name of circle	Name of Division	Name of channel/year of completion	CCA (In acre)	Expenditure incurred (Rupees in lakh)	Area irrigated (Percentage irrigation)
11.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Dinod Sub Minor (October 1998)	1,508	29.59	72 (4.8)
12.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Sungerpur Minor (November 1997)	1,378	32.64	26 (1.9)
13.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Khera Minor (April 1998)	2,090	74.65	37 (1.8)
14.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Katwar Minor (December 1999)	1,372	37.47	79 (5.7)
15.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Miran Sub Minor (April 1998)	1,485	121.19	20 (1.3)
16.	Yamuna Water Services Circle, Bhiwani	Construction Division I, Bhiwani	Sidhanwa Sub Minor (December 1997)	1,240	53.15	76 (6.1)
17.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Alampur Patodi Minor (August 1999)	1,867	33.82	54 (2.9)
18.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Sandwa Sub Minor (March 1998)	2,260	35.43	102 (4.5)
19.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	I-L Alampur Minor (March 2003)	1,241	67.48	75 (6)
20.	Yamuna Water Services Circle, Bhiwani	WS Division, Bhiwani	Thilod Distributary (November 1998)	2,510	193.60	211 (8.4)
21.	Yamuna Water Services Circle, Bhiwani	SWS Division, Bhiwani	Extension Bhera Distributary (March 2001)	1,754	85.33	40 (2.2)

Sr. No.	Name of circle	Name of Division	Name of channel/year of completion	CCA (In acre)	Expenditure incurred (Rupees in lakh)	Area irrigated (Percentage irrigation)
22.	Yamuna Water Services Circle, Bhiwani	SWS Division, Bhiwani	I-L Bheriwas Minor (May 1998)	2,925	95.86	223 (7.6)
23.	Yamuna Water Services Circle, Bhiwani	SWS Division, Bhiwani	Rodha Minor (March 1999)	1,256	74.33	79 (6.2)
24.	Yamuna Water Services Circle, Bhiwani	BWS Division, Bhiwani	Ranila Minor (September 2002)	1,279	29.23	113 (8.8)
25.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Chahar Kalan Minor (1997)	2,500	50.54	Nil
26.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Phartia Bhima Minor (March 1998)	1,025	26.43	Nil
27.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Extension Dwarka Minor (March 2002)	1,300	16.90	Nil
28.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Extension Bisalwas Minor (March 2002)	346	3.03	Nil
29.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Extension Nekipura Minor (March 2002)	509	17.43	Nil
30.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Kural Ka Bas Minor (January 2003)	589	58.55	Nil
31.	LWS Circle, Bhiwani	Loharu Water Services Division, Bhiwani	Dagrolu Sub Minor (October 2002)	688	35.56	Nil
32.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Ram Nagar Sub Minor (1997)	1,698	45.42	Nil
33.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Mandi Ditch Minor (October 2001)	1,207	68.20	Nil
34.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Bharvi Minor (October 2000)	1,525	32.18	Nil

Sr. No	Name of circle	Name of Division	Name of channel/year of completion	CCA (In acre)	Expenditure incurred (Rupees in lakh)	Area irrigated (Percentage irrigation)
35.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Extension Dudiwall Distributary (November 1997)	850	15.71	Nil
36.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Extension Atela Kalan Distributary	Nil	5.50	Nil
37.	LWS Circle, Bhiwani	Loharu Water Services Division, Charkhi Dadri	Constructing Dadhi Chhilar Minor (March 2002)	2,673	132.35	Nil
38.	JLN, WS Circle Rewari	Water Services Division I, Rewari	Joula Minor (January 1997)	1,271	15.20	Nil
39.	JLN, WS Circle Rewari	Water Services Division I, Rewari	Jhabwa Distributary (1998)	5,085	16.47	Nil
Total				58,741 Say 23781 Hectare	2,129.76 Say Rs 21.30 crore	1358 Say 550 hectare

Appendix XVI

(Refer to Paragraph 3.2.21 page 64)

Statement showing the details of infrastructure either not-utilised or negligible utilised

Sr. No.	Name of division/circle	Name of channel	CCA (in Acre)	Area Irrigated
1.	Water Services Division I Rewari	Mundra Minor	759	Nil
2.	Water Services Division I Rewari	Sadapur Minor	1549	Nil
3.	Water Services Division I Rewari	Musepur Distributary	4536	Nil
4.	Water Services Division I Rewari	Raipura Minor	1931	Nil
5.	Water Services Division I Rewari	Buroli Distributary	1737	Nil
6.	Water Services Division I Rewari	Siha Minor	1031	Nil
7.	Water Services Division I Rewari	Khalata Minor	1271	Nil
8.	Water Services Division I Rewari	Zanadabas Distributary	2380	Nil
9.	Water Services Division I Rewari	Dewana Minor	1543	Nil
10.	Water Services Division I Rewari	Bohka Distributary	982	Nil
11.	Water Services Division I Rewari	Johla Minor	1145	Nil
12.	Water Services Division I Rewari	Jamal Distributary	2471	Nil
13.	Water Services Division I Rewari	Mandola Distributary	1173	Nil
14.	Water Services Division I Rewari	Khol Distributary	709	Nil
15.	Water Services Division I Rewari	Basdoda Distributary	310	Nil
16.	Water Services Division 2 Rewari	Mangleshwar Distributary	1527	Nil
17.	Water Services Division 2 Rewari	Hasanpur Distributary	1391	Nil
18.	Water Services Division 2 Rewari	Barawas Sub-Minor	961	Nil
19.	Water Services Division 2 Rewari	Keshopur	1012	Nil
20.	Water Services Division 2 Rewari	Khendora Sub Minor	2053	Nil
21.	Mahendergarh Canal Water Services Division Charkhi Dadri	Nayagaon Sub-Minor	189	Nil
22.	Mahendergarh Canal Water Services Division Charkhi Dadri	Nayagaon Minor	609	Nil
23.	Mahendergarh Canal Water Services Division Charkhi Dadri	Noswa Minor	867	Nil
24.	Mahendergarh Canal Water Services Division Charkhi Dadri	Dhanasari Minor	474	Nil
25.	Mahendergarh Canal Water Services Division Charkhi Dadri	Jarwa Distributary	2849	Nil

Sr. No.	Name of division/circle	Name of channel	CCA (in Acre)	Area Irrigated
26.	Mahendergarh Canal Water Services Division Charkhi Dadri	Bhamanwali Minor	814	Nil
27.	Mahendergarh Canal Water Services Division Charkhi Dadri	Swasra Minor	1028	Nil
28.	Mahendergarh Canal Water Services Division Charkhi Dadri	Kadma Minor	575	Nil
29.	Mahendergarh Canal Water Services Division Charkhi Dadri	Madhogarh Minor	1329	Nil
30.	Mahendergarh Canal Water Services Division Charkhi Dadri	Satnaili Distributary	2025	Nil
31.	Mahendergarh Canal Water Services Division Charkhi Dadri	Badrai Minor	731	Nil
32.	Mahendergarh Canal Water Services Division Charkhi Dadri	Bass Distributary	1171	Nil
33.	Mahendergarh Canal Water Services Division Charkhi Dadri	Gopalwas Minor	1393	Nil
34.	Mahendergarh Canal Water Services Division Charkhi Dadri	Dhana Minor	721	Nil
35.	Mahendergarh Canal Water Services Division Charkhi Dadri	Sureti Minor	942	Nil
36.	Mahendergarh Canal Water Services Division Charkhi Dadri	Degrota Minor	579	Nil
37.	Mahendergarh Canal Water Services Division Charkhi Dadri	Barra Minor	639	Nil
38.	Mahendergarh Canal Water Services Division Charkhi Dadri	Bhurthala Minor	1038	Nil
39.	Mahendergarh Canal Water Services Division Mahendergarh	Chitroli Minor	960	Nil
40.	Mahendergarh Canal Water Services Division Mahendergarh	Khaira Minor	510	Nil
41.	Mahendergarh Canal Water Services Division Mahendergarh	Nimbhera Minor	783	Nil
42.	Mahendergarh Canal Water Services Division Mahendergarh	Jatwas Minor	1038	Nil
43.	Mahendergarh Canal Water Services Division Mahendergarh	Jonawas Minor	1129	Nil
44.	Mahendergarh Canal Water Services Division Mahendergarh	Nehalwas Minor	765	Nil
45.	Mahendergarh Canal Water Services Division Mahendergarh	Jagroli Distributary	608	Nil
46.	Mahendergarh Canal Water Services Division Mahendergarh	Nangal Minor	1914	Nil
47.	Mahendergarh Canal Water Services Division Mahendergarh	Dewas Distributary	3020	Nil
48.	Mahendergarh Canal Water Services Division Narnaul	Kheri Minor	1716	Nil

Sr. No.	Name of division/circle	Name of channel	CCA (in Acre)	Area Irrigated
49.	Mahendergarh Canal Water Services Division Narnaul	Rampura Sub Minor	1409	Nil
50.	Mahendergarh Canal Water Services Division Narnaul	Bohali Sub Minor	244	Nil
51.	Mahendergarh Canal Water Services Division Narnaul	Ateli Minor	533	Nil
52.	Mahendergarh Canal Water Services Division Narnaul	Ateli Sub Minor	334	Nil
53.	Mahendergarh Canal Water Services Division Narnaul	Shampur Minor	1590	Nil
54.	Mahendergarh Canal Water Services Division Narnaul	Nani Minor	878	Nil
55.	Mahendergarh Canal Water Services Division Narnaul	Dhamtal Minor	722	Nil
56.	Mahendergarh Canal Water Services Division Narnaul	Bhdhwal Sub Minor	1115	Nil
57.	Mahendergarh Canal Water Services Division Narnaul	Balawah Sub Minor	791	Nil
58.	Mahendergarh Canal Water Services Division Narnaul	Dhancholi Minor	1291	Nil
59.	Mahendergarh Canal Water Services Division Narnaul	Kamania Minor	867	Nil
60.	Mahendergarh Canal Water Services Division Narnaul	Meghot Minor	653	Nil
61.	Mahendergarh Canal Water Services Division Narnaul	Alipur Minor	476	Nil
62.	Mahendergarh Canal Water Services Division Narnaul	Dostpur Minor	434	Nil
63.	Bhiwani Water Services Division Bhiwani	I-L ToshamHill Sub Minor	700	Nil
64.	Bhiwani Water Services Division Bhiwani	Bhurtana Sub Minor	1655	Nil
65.	Bhiwani Water Services Division Bhiwani	Kohar Minor	986	Nil
66.	Bhiwani Water Services Division Bhiwani	Kusumbi Minor	655	Nil
67.	Bhiwani Water Services Division Bhiwani	Rewasa Minor	1665	Nil
68.	Bhiwani Water Services Division Bhiwani	I-R Kairu Minor	2450	Nil
69.	Bhiwani Water Services Division Bhiwani	Dhani Mahu Sub Minor	1419	Nil
70.	Bhiwani Water Services Division Bhiwani	Bass Lift Minor II	2170	Nil
71.	Bhiwani Water Services Division Bhiwani	New Mokhra Minor	3105	Nil
72.	Siwani Water Services Division Bhiwani	Nawa Garanpur Minor	1860	Nil

Sr. No.	Name of division/circle	Name of channel	CCA (in Acre)	Area Irrigated
73.	Siwani Water Services Division Bhiwani	Daryapur Minor	1380	Nil
74.	Water Services Bhiwani	3 R-Sub Minor	1827	Nil
75.	Water Services Bhiwani	Surpura Minor	1325	Nil
76.	Water Services Bhiwani	Girwa Minor	1243	Nil
77.	Siwani Water Services Division Bhiwani	Dhani Bakran	1673	Nil
78.	Siwani Water Services Division Bhiwani	Talwani Sub Minor	2512	Nil
79.	Siwani Water Services Division Bhiwani	Sahelawala Minor	1493	Nil
80.	Siwani Water Services Division Bhiwani	Sahelawala Sub Minor	1368	Nil
81.	Loharu Water Services Circle, Bhiwani	I.R.Dadri Sub Minor	1399	Nil
82.	Loharu Water Services Circle, Bhiwani	Gothra Sub-Minor	1693	Nil
83.	Loharu Water Services Circle, Bhiwani	Birathi Sub Minor	1103	Nil
84.	Loharu Water Services Circle, Bhiwani	Makrana Sub Minor	3647	Nil
85.	Loharu Water Services Circle, Bhiwani	Nangala Minor	2845	Nil
86.	Loharu Water Services Circle, Bhiwani	Nangala Sub Minor	566	Nil
87.	Loharu Water Services Circle, Bhiwani	Umerwas Minor	1994	Nil
88.	Loharu Water Services Circle, Bhiwani	Khirpur Sub Minor	1045	Nil
89.	Loharu Water Services Circle, Bhiwani	Bhariwas Minor	896	Nil
90.	Loharu Water Services Circle, Bhiwani	Pohkarwas Minor	1166	
91.	Loharu Water Services Circle, Bhiwani	Rehrodi Minor	2526	Nil
92.	Loharu Water Services Circle, Bhiwani	Bijna Minor	2123	Nil
93.	Loharu Water Services Circle, Bhiwani	Jhojhu Minor	2961	Nil
94.	Loharu Water Services Circle, Bhiwani	Ashwari Sub Minor	1796	Nil
95.	Loharu Water Services Circle, Bhiwani	Seeswala Sub Minor	968	Nil
96.	Loharu Water Services Circle, Bhiwani	Badal Sub Minor	1278	Nil
97.	Loharu Water Services Circle, Bhiwani	Pohkarwas Sub-Minor	1013	Nil

Sr. No.	Name of division/circle	Name of channel	CCA (in Acre)	Area Irrigated
98.	Loharu Water Services Circle, Bhiwani	Balaji Sub Minor	1885	Nil
99.	Loharu Water Services Circle, Bhiwani	Bhopali Minor	900	Nil
100.	Loharu Water Services Circle, Bhiwani	Jewli Sub Minor	1125	Nil
101.	Loharu Water Services Circle, Bhiwani	Chehar Khurd Minor	1926	Nil
102.	Loharu Water Services Circle, Bhiwani	Sirsi Sub Minor	815	Nil
103.	Loharu Water Services Circle, Bhiwani	Behal Minor	1328	Nil
104.	Loharu Water Services Circle, Bhiwani	Patwan Minor	1080	Nil
105.	Loharu Water Services Circle, Bhiwani	Sorra Minor	892	Nil
106.	Loharu Water Services Circle, Bhiwani	Dighawa Sub Minor	909	Nil
107.	Loharu Water Services Circle, Bhiwani	Bithwan Sub Minor	2175	Nil
108.	Loharu Water Services Circle, Bhiwani	Hassanpur Minor	3757	Nil
109.	Loharu Water Services Circle, Bhiwani	Budheri Minor	2610	Nil
110.	Loharu Water Services Circle, Bhiwani	Nangal Paju Minor	1935	Nil
111.	Loharu Water Services Circle, Bhiwani	Jhanjara Minor	2449	Nil
112.	Loharu Water Services Circle, Bhiwani	Barhaloo Minor	3124	Nil
113.	Loharu Water Services Circle, Bhiwani	Nandha Minor	1706	Nil
114.	Loharu Water Services Circle, Bhiwani	Dhani Dhola Minor	1288	Nil
115.	Loharu Water Services Circle, Bhiwani	Phartia Minor	1463	Nil
116.	Loharu Water Services Circle, Bhiwani	Jewlis Minor	1377	Nil
117.	Loharu Water Services Circle, Bhiwani	Bhariwas Sub Minor	471	Nil
Total			163944 Acres Say 66374 Hectares	

Appendix XVII

(Refer to Paragraph 3.2.21 page 64)

Statement showing the details of infrastructure either not-utilised or negligible utilised

Sr. No.	Name of division/circle	Name of channel	CCA (In acre)	Area Irrigated
1.	Water Services Division 1, Rewari	Jakhala Distributary	6612	317
2.	Water Services Division 1, Rewari	Dhani Minor	2044	73
3.	Water Services Division 1, Rewari	Shadipur Distributary	3477	74
4.	Water Services Division 1, Rewari	Summa Khera Minor	888	45
5.	Water Services Division 1, Rewari	Burthal Distirbutary	7190	351
6.	Water Services Division 1, Rewari	Saikhpur Minor	1920	49
7.	Water Services Division 1, Rewari	Naya Gaon Distributary	7333	369
8.	Water Services Division 1, Rewari	Dewana Distributary	11150	378
9.	Water Services Division 1, Rewari	Rasoli Distributary	2999	23
10.	Water Services Division 1, Rewari	Balawas	6285	247
11.	Water Services Division 1, Rewari	Bas Distributary	2483	21
12.	Water Services Division 1, Rewari	Mangla Distributary	2544	32
13.	Water Services Division 1, Rewari	Summakhera Distributary	5624	460
14.	Water Services Division 1, Rewari	Ladhuwas Distributary	6365	568
15.	Water Services Division II, Rewari	Nikhri Distributary	6585	133
16.	Water Services Division II, Rewari	Raliawas Distributary	6047	105
17.	Water Services Division II, Rewari	Rattanpur	4651	205
18.	Water Services Division II, Rewari	Kamalpur Distributary	4414	223
19.	Water Services Division II, Rewari	Jatuwas Distributary	3085	34
20.	Water Services Division II, Rewari	Bolni Distributary	4717	28
21.	Water Services Division II, Rewari	Akbarpur Distributary	2661	55
22.	Water Services Division II, Rewari	Dhoki Minor	1238	8
23.	Water Services Division II, Rewari	Mangleswar Distributary	1527	6
24.	Water Services Division II, Rewari	Kari Mathola Distributary	2831	137

Sr. No.	Name of division/circle	Name of channel	CCA (In acre)	Area Irrigated
25.	Water Services Division II, Rewari	Bidawas Distributary	2755	24
26.	Water Services Division II, Rewari	Pranpura Distributary	3851	74
27.	Water Services Division II, Rewari	Tankri Distirbutary	6606	30
28.	Water Services Division II, Rewari	Sanjarpur	10845	265
29.	Water Services Division II, Rewari	Bawal Distributary	6485	312
30.	Water Services Division II, Rewari	Barawas Minor	1944	47
31.	Water Services Division II, Rewari	Bisanpur Distributary	1520	103
32.	Water Services Division II, Rewari	Rajaka Distributary	6635	608
33.	Water Services Division II, Rewari	Jeetpur Distributary	5732	515
34.	Water Services Division II, Rewari	Jalalpur Distributary	5144	397
35.	Loharu Water Services Circle, Bhiwani	Gothra Minor	7033	38
36.	Loharu Water Services Circle, Bhiwani	Dudhwa Minor	8430	15
37.	Loharu Water Services Circle, Bhiwani	Goripur Minor	2029	178
38.	Loharu Water Services Circle, Bhiwani	Roop Garh Sub Minor	775	20
39.	Loharu Water Services Circle, Bhiwani	Mehra Distributary	2996	201
40.	Loharu Water Services Circle, Bhiwani	Dudhiwala Distributary	4472	47
41.	Loharu Water Services Circle, Bhiwani	Birithi Minor	2021	139
42.	Loharu Water Services Circle, Bhiwani	Rampur Minor	4559	14
43.	Loharu Water Services Circle, Bhiwani	Kural Distributary	10226	99
44.	Loharu Water Services Circle, Bhiwani	Kaluwala Minor	1646	24
45.	Loharu Water Services Circle, Bhiwani	Rehrodi Distributary	3505	141
46.	Loharu Water Services Circle, Bhiwani	Gokal Distributary	4488	184
47.	Loharu Water Services Circle, Bhiwani	Pichopa Minor	4026	35
48.	Loharu Water Services Circle, Bhiwani	Gudana Minor	2907	37
49.	Loharu Water Services Circle, Bhiwani	Pichopa Distributary	1367	51
50.	Loharu Water Services Circle, Bhiwani	Todi Minor	2767	30
51.	Loharu Water Services Circle, Bhiwani	Dadri Sub Minor	1100	12
52.	Loharu Water Services Circle, Bhiwani	Balaji Minor	5877	143

Sr. No.	Name of division/circle	Name of channel	CCA (In acre)	Area Irrigated
53.	Loharu Water Services Circle, Bhiwani	Samaspur Minor	6370	68
54.	Loharu Water Services Circle, Bhiwani	Mandi Ditch Minor	1273	9
55.	Loharu Water Services Circle, Bhiwani	Dohki Minor	1304	17
56.	Loharu Water Services Circle, Bhiwani	Ladawas Distributary	23327	619
57.	Loharu Water Services Circle, Bhiwani	Kakroli Hukai Minor	3438	33
58.	Loharu Water Services Circle, Bhiwani	Dwarka Minor	2542	63
59.	Loharu Water Services Circle, Bhiwani	Sham Kala Minor	1229	9
60.	Loharu Water Services Circle, Bhiwani	Bardoo Chaina Minor	3861	4
61.	Loharu Water Services Circle, Bhiwani	Sorra Distributary	13294	610
62.	Loharu Water Services Circle, Bhiwani	Kari-Rupa Minor	1575	27
63.	Loharu Water Services Circle, Bhiwani	Badhra Minor	3523	18
64.	Loharu Water Services Circle, Bhiwani	Nekipur Minor	6175	127
65.	Loharu Water Services Circle, Bhiwani	Kari Tokha Sub Minor	2454	26
66.	Loharu Water Services Circle, Bhiwani	Jhumpa Distributary	16308	226
67.	Loharu Water Services Circle, Bhiwani	Gobindpura Minor	2795	4
68.	Loharu Water Services Circle, Bhiwani	Singhani Minor	2610	9
69.	Loharu Water Services Circle, Bhiwani	Damkora Distributary	10955	234
70.	Loharu Water Services Circle, Bhiwani	Bisalwas Minor	1282	3
71.	Loharu Water Services Circle, Bhiwani	Dagroli Distributary	5764	110
72.	Loharu Water Services Circle, Bhiwani	Unn Minor	2777	38
73.	Loharu Water Services Circle, Bhiwani	Loharu Distirbutary	9943	87
74.	Loharu Water Services Circle, Bhiwani	Shampur Minor	2034	35
75.	Loharu Water Services Circle, Bhiwani	Paintawas Minor	2045	73
76.	Bhiwani Water Services Division, Bhiwani	Tosham Hill Sub Minor	2260	13
77.	Bhiwani Water Services Division, Bhiwani	I-L Kanka Minor	787	81
78.	Bhiwani Water Services Division, Bhiwani	I-L Rajpura Sub Minor	2432	24
79.	Bhiwani Water Services Division, Bhiwani	I-L Dang Minor	1964	32
80.	Bhiwani Water Services Division, Bhiwani	Kairu Minor	7050	318

Sr. No.	Name of division/circle	Name of channel	CCA (In acre)	Area Irrigated
81.	Bhiwani Water Services Division, Bhiwani	Bhagvi Minor	3458	268
82.	Bhiwani Water Services Division, Bhiwani	Misri Minor	1397	70
83.	Bhiwani Water Services Division, Bhiwani	Kamod Minor	2952	410
84.	Siwani Water Services Division, Bhiwani	Tal Ruka Distributary	2574	77
85.	Siwani Water Services Division, Bhiwani	Bhera Distributary	2798	277
86.	Siwani Water Services Division, Bhiwani	Miran Distributary	3664	327
87.	Siwani Water Services Division, Bhiwani	I-L Bhariwas	2925	192
88.	Siwani Water Services Division, Bhiwani	Mandhan Sub Minor	7120	158
89.	Siwani Water Services Division, Bhiwani	Motipura Distributary	14138	934
90.	Siwani Water Services Division, Bhiwani	Badola Minor	4350	267
91.	Siwani Water Services Division, Bhiwani	Gosaiwala Minor	1459	27
92.	Siwani Water Services Division, Bhiwani	Hassan Distributary	5472	89
93.	Siwani Water Services Division, Bhiwani	Sidhaniwas Minor	1200	91
94.	Water Services Division, Bhiwani	I-R Sub Minor	814	50
95.	Water Services Division, Bhiwani	Nakta Minor	2494	260
96.	Water Services Division, Bhiwani	2-R Sub Minor	969	80
97.	Water Services Division, Bhiwani	Ladawas Sub Minor	3359	336
98.	Water Services Division, Bhiwani	Behl Distributary	6580	558
99.	Water Services Division, Bhiwani	Obra Minor	2216	224
100.	Water Services Division, Bhiwani	Bijlani Sub Minor	2130	118
101.	Water Services Division, Bhiwani	Bardu Sub Minor	1116	9
102.	Water Services Division, Bhiwani	Devrala Sub Minor	1949	34
103.	Water Services Division, Bhiwani	Gokalpura Minor	2958	173
104.	Water Services Division, Bhiwani	Bidhnoi Sub Minor	3149	58
105.	Water Services Division, Bhiwani	Kasni Sub Minor	1711	85
Total			450734 Say 182483 hectares	15813 Say 6402 hectares

Appendix XVIII

(Refer to Paragraph 4.2.8 page 95)

Detailed reasons for overpayment of pensionary benefits

Sr. No.	Reasons for over/excess payments	Number of pensioners	Amount of overpayment (Rupees in lakh)
1.	Inadmissible merger of Dearness Relief in pension.	262	27.48
2.	Payment of family pension at enhanced rate.	136	18.82
3.	Non-recovery or less recovery of commuted value of Pension.	109	05.40
4.	Undue payment of dearness allowance to pensioners employed on compassionate grounds.	11	03.49
5.	Wrong calculation of dearness allowance.	25	0.62
6.	Unauthorised payment of medical allowance to pensioners.	5	0.13
Total		548	55.94

Appendix XIX

(Refer to Paragraph 4.5.2 page 108)

Statement showing the year-wise break-up of outstanding Inspection Reports and Paragraphs

Year	Inspection Reports	Paragraphs
1984-85 to 1994-95	33	36
1995-1996	5	5
1996-1997	3	3
1997-1998	7	7
1998-1999	7	7
1999-2000	14	16
2000-2001	9	10
2001-2002	16	17
2002-2003	34	63
2003-2004	37	119
2004-2005	46	261
Total	211	544

APPENDIX XX

(Refer to Paragraph 4.5.2 page 108)

Statement showing the year-wise break-up of outstanding Inspection Reports and Paragraphs

Sr. No.	Years	Inspection Reports	Paragraphs	Amount (Rupees in lakh)
1.	1998-99	24	45	206.97
2.	1999-2000	23	47	140.07
3.	2000-01	28	64	240.86
4.	2001-02	28	79	258.58
5.	2002-03	32	132	1,244.01
6.	2003-04	33	213	613.26
Total		168	580	2,703.75

Appendix XXI

(Refer to Paragraph 4.5.2 page 108)

Details of serious irregularities pointed out through outstanding Inspection Reports

Sr. No.	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1.	Loss due to the theft, misappropriation and embezzlement	8	0.78
2	Recoverable amount contractors/agencies on account of excess payments, excess issue of material, cost of work done at the risk and cost and non-recovery of sales tax, income tax and liquidated charges	69	53.04
3	Recoverable amount on account of shortages/excess payments from government officials	9	1.23
4	Non-observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasuries maintenance of cash books and irregular utilization of departmental receipts and non-observance of codal provisions	83	25.29
5	Extra and avoidable expenditure/excess expenditure incurred on deposit works, non-reimbursement of funds, liabilities of Government, irregular, un authorised and infructuous expenditure	280	275.73
6	Irregular/Injudicious purchases	17	4.77
7	Undue financial aid to contractors	9	1.08
8	Execution of sub standard works	2	0.26
9	Blocking of funds	13	8.85
10.	Non-accounting/short receipts of materials	21	9.66
11	Non-preparation of tools and plant (T&P) returns, non-checking of manufacturing accounts and under-utilisation of machinery	13	3.46
12	Unsanctioned estimates and loss of measurement books	20	88.23
Total		544	472.38

Appendix XXII

(Refer paragraph 4.5.3; page 109)

Statement showing the names of departments where Action Taken Notes were awaited

Sr. No.	Name of Administrative Department	Year of Audit Report	Para Number	Number of paragraphs	Total paragraphs
1.	Agriculture	2001-02 2002-03	6.4 3.1,4.3.5,4.4.4,4.5.1, 4.6.5	1 5	6
2.	Development and Panchayat	2001-02 2003-04	3.2 5.1	1 1	2
3.	Education	2002-03 2003-04	4.1.1,4.4.1 4.3.2, 4.3.11, 4.3.12	2 3	5
4.	Finance	2003-04	4.1.3, 4.5.4, 4.5.5.	3	3
5.	Forest	2002-03	4.2.3, 4.3.1	2	2
6.	Food and Supplies	2003-04	4.3.9	1	1
7.	General	2000-01 2001-02 2002-03	3.18 3.11b 4.9.1, 4.9.2, 4.9.3	1 1 3	5
8.	Irrigation	2000-01 2002-03 2003-04	4.1,4.5 4.2.4,4.3.2, 4.6.4 4.2.1, 4.3.10	2 3 2	7
9.	Industries	2002-03 2003-04	4.6.2, 4.5.3	1 1	2
10.	Jail	2000-01	3.9,3.10,3.11	3	3
11.	Medical and Public Health	2001-02 2002-03 2003-04	3.4,3.5 3.2 4.4.1	2 1 1	4
12.	PWD (PH)	2000-01 2001-02 2002-03 2003-04	4.2,4.8,4.9,4.10,4.11 4.5,4.6,5.1 4.1.3,4.3.3,4.3.4 3.2, 4.3.3, 4.3.4, 4.3.6	5 3 3 4	15
13.	PWD (B&R)	2001-02 2002-03 2003-04	4.1 4.6.3 3.3, 4.1.2, 4.5.3	1 1 3	5
14.	Revenue	2000-01 2003-04	3.13 3.4	1 1	2
15.	Rural Development (DRDA)	2001-02 2003-04	6.8 4.3.5, 4.5.1	1 2	3
16.	Town and Country Planning (HUDA)	2001-02 2003-04	3.9, 4.1.1, 4.3.1	1 2	3
17.	Transport	2002-03 2003-04	4.6.9 4.3.7, 4.3.8, 4.3.13	1 3	4
18.	Home	2003-04	4.5.2	1	1
19.	Ayurveda	2003-04	3.5	1	1
20.	Animal Husbandry	2003-04	3.1	1	1
Total				75	75

Appendix XXIII

(Refer paragraph 4.5.3; page 109)

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments

Sr. No.	Name of Administrative Department	Year of Audit Reports	Paragraph Number	Amount (Rupees in lakh)
1.	Agriculture	2000-01	6.3	40.45
			6.6	30.60
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	19.86
		2003-04	4.1.3	35.20
4.	Food and Supplies	2002-03	4.6.8	80.30
5.	Rural Development (DRDA)	2001-02	6.1.11	1.87
		2003-04	4.5.1	273.00
6.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
Total			11	20,834.24

