सत्यमेव जयते

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

(Non-Public Sector Undertakings)

for the year ended 31 March 2014

Government of Punjab

Report No. 1 of the year 2015

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Comptroller and Auditor General of India

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Table of contents

Description	Reference to	
	Paragraph	Page
Preface		v
Overview		vii
Chapter-1 : Introduction		
Budget profile	1.1	1
Application of resources of the State Government	1.2	1
Persistent savings	1.3	2
Funds transferred to State implementing agencies outside State budget	1.4	2
Grants-in-aid from Government of India	1.5	3
Planning and conduct of audit	1.6	3
Significant audit observations and response of Government to audit	1.7	4
Recoveries at the instance of audit	1.8	4
Lack of responsiveness of Government to Audit	1.9	5
Follow-up action on Audit Reports	1.10	5
Status of placement of Separate Audit Reports of autonomous bodies in the State Legislature	1.11	5
Year-wise details of performance audits and paragraphs appeared in Audit Reports	1.12	6
Chapter-2 : Performance Audit		
AGRICULTURE, DAIRY DEVELOPMENT & FISHERIES AND SOIL & WATER CONSERVATION DEPARTMENTS		
Rashtriya Krishi Vikas Yojana	2.1	7
PRINTING AND STATIONERY DEPARTMENT		
Working of Printing and Stationery Department	2.2	27
SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT		
Management and disposal of bio-medical waste	2.3	41
SOCIAL SECURITY AND WOMEN AND CHILD DEVELOPMENT DEPARTMENT		
Working of Social Security and Women and Child Development Department	2.4	60

Description	Reference to	
	Paragraph	Page
Chapter-3 : Compliance Audit		
CIVIL AVIATION DEPARTMENT		
Purchase of helicopter in a non-transparent manner	3.1	75
DEFENCE SERVICES WELFARE DEPARTMENT		
Unfruitful expenditure on incomplete work	3.2	76
EDUCATION DEPARTMENT		
Deprival of benefits to the disabled students	3.3	77
FINANCE AND PLANNING DEPARTMENTS		
Avoidable burden of interest on State exchequer	3.4	80
HEALTH AND FAMILY WELFARE DEPARTMENT		
Implementation of Food Safety and Standards Act, 2006	3.5	81
Extra financial burden on State exchequer due to excess billing of electricity consumption on Government hospitals	3.6	86
HOME AFFAIRS AND JUSTICE DEPARTMENT		
Procurement and storage of arms and ammunition by Police Department	3.7	87
HOUSING AND URBAN DEVELOPMENT DEPARTMENT		
Non-recovery of loan	3.8	93
Non-realisation of planning charges	3.9	95
IRRIGATION DEPARTMENT		
Non-implementation of projects of relining of Rajasthan and Sirhind Feeders	3.10	96
LOCAL GOVERNMENT DEPARTMENT		
Non-strengthening of fire and emergency services	3.11	97
PUBLIC WORKS DEPARTMENT (BUILDINGS & ROADS)		
Non-providing of clear site led to avoidable payment of escalation	3.12	98
Irregular preparation of DPR led to avoidable delay in completion of work	3.13	99
Avoidable burden on State exchequer	3.14	101
Award of work to an ineligible bidder	3.15	103

Description	Reference to	
	Paragraph	Page
PUBLIC WORKS (BUILDINGS & ROADS)/IRRIGATION/ AGRICULTURE DEPARTMENTS		
Short deduction of Value Added Tax	3.16	105
REVENUE, REHABILITATION AND DISASTER MANAGEMENT DEPARTMENT		
Inadmissible expenditure from State Disaster Response Fund	3.17	106
RURAL DEVELOPMET AND PANCHAYATS DEPARTMENT		
Unfruitful expenditure on modernization of cattle fair ground	3.18	107
Non-percolation of intended benefits to rural BPL youth	3.19	108
WATER SUPPLY AND SANITATION DEPARTMENT		
Installation, operation and maintenance of Reverse Osmosis Plants in Punjab	3.20	109
Implementation of Total Sanitation Campaign	3.21	116
WELFARE OF SCHEDULE CASTE AND BACKWARD CLASSES, HEALTH AND FAMILY WELFARE, EDUCATION AND SOCIAL SECURITY AND WOMEN AND CHILD DEVELOPMENT DEPARTMENTS		
Implementation of the schemes for the welfare and protection of girl child	3.22	122

Appendices

Sr. No.	Particulars	Reference to	
		Paragraph	Page
1.1	Details of performance audits/paragraphs of the Reports of the Comptroller and Auditor General of India for which departmental replies were not received up to 31 October 2014	1.10	131
2.1	Statement showing details of projects selected for performance audit of RKVY	2.1.4	132
2.2	Statement showing details of unutilised funds of RKVY	2.1.7.5	134
2.3	List of selected Health Care Establishments	2.3.4	135
2.4	Statement showing budget provisions and expenditure incurred under nine selected schemes	2.4.7	136
3.1	Statement showing unserviceable arms	3.7.3.3(i)	137
3.2(a)	Details of short deduction of Value Added Tax	3.16	138
3.2(b)	Details of short deduction of Value Added Tax	3.16	140
3.3	Statement showing difference in penetration level noticed during joint visits	3.20.3.2(b)	141
3.4	Details of deposits in saving bank account without permission of Government of India	3.21.2	142
3.5	Allotment of budget and expenditure incurred on various schemes	3.22	144

Preface

This Report for the year ended 31 March 2014 has been prepared for submission to the Governor of the State of Punjab under Article 151 of the Constitution of India.

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

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2013-14 have also been included, wherever necessary.

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

Overview

Overview

This Report contains four performance audits on (i) Rashtriya Krishi Vikas Yojana; (ii) Working of Printing and Stationary Department; (iii) Management and disposal of bio-medical waste; and (iv)Working of Social Security and Women and Child Development Department; and 22 paragraphs involving money value of ₹ 294.26 crore. Some of the major findings are mentioned below:

The total expenditure of the State increased by 48.66 *per cent* from ₹ 29,603 crore to ₹ 44,007 crore, the revenue expenditure increased by 51.93 *per cent* from ₹ 27,408 crore to ₹ 41,641 crore, while the capital expenditure increased by 1.62 *per cent* from ₹ 2,166 crore to ₹ 2,201 crore during the period 2009-14.

Performance Audit

A performance audit of **'Rashtriya Krishi Vikas Yojana'** (RKVY) was conducted. Some major findings are mentioned below:

- ₹ 21.31 crore was incurred on areas/activities which overlapped with other existing schemes of Government of India/State and ₹ 1.17 crore was utilized for works not related to RKVY.

  (Paragraphs 2.1.6.1 & 2.1.8.1)

- Loss of interest of ₹ 4.12 crore due to retention of RKVY funds in current account was noticed. Interest of ₹ 4.42 crore earned on RKVY funds was not accounted for towards RKVY.

  (Paragraph 2.1.7.2)

- Instances of blockade of funds (₹ 7 crore); irregular award of work/undue favour to NGOs (₹ 15.16 crore); excess/irregular payment of subsidy (₹ 2.02 crore); and unfruitful/wasteful expenditure (₹ 5.20 crore) were noticed.

  (Paragraphs 2.1.8.2, 2.1.9.1(i), 2.1.9.1(ii), 2.1.9.2, 2.1.12.4(i), 2.1.12.4(ii), 2.1.12.5; 2.1.10.2 & 2.1.11.1)

- Artificial Insemination charges were retained by MILKFED (₹ 2.30 crore) and NGOs (₹ 0.61 crore) instead of depositing the same in Government account.

  (Paragraph 2.1.9.1(iii))

- Internal control mechanism of RKVY was found largely deficient and targeted annual growth rate of four *per cent* was not achieved in agriculture and allied sectors despite increased investment.

  (Paragraphs 2.1.13 & 2.1.14)

A performance audit of **'Working of Printing and Stationery Department'** was conducted. Some major findings are mentioned below:

- Despite provision of funds, the much-needed plan of modernization of printing presses could not be implemented.

(Paragraph 2.2.6.1)

- Receipts on account of cost of printing, supply of various forms, etc. amounting to ₹ 13.30 crore as of November 2014 were yet to be realized from commercial departments.

(Paragraph 2.2.7.2(i))

- Despite budget provisions, bills were not passed by treasury to clear pending liabilities of ₹ 2.82 crore towards cost of work done from UT Press, Chandigarh.

(Paragraph 2.2.7.3)

- Printing machines remained underutilized to the extent of 61 *per cent* as per norms fixed by the Department and 44 *per cent* of printing orders were outsourced by the Department during 2009-14. Out of 150 pending printing jobs as of March 2014 with Government Presses, SAS Nagar and Patiala, 112 jobs pertained to the calendar years 2003 to 2013.

(Paragraphs 2.2.8.1 & 2.2.8.2)

- Overhead charges were not revised since 2004-05 leading to unrealistic job costing. Various old publications, printed forms and registers; unserviceable machines; and damaged paper having book value of ₹ 4.11 crore were awaiting disposal.

(Paragraphs 2.2.8.3, 2.2.9.2 & 2.2.9.3)

A performance audit of **'Management and disposal of bio-medical waste'** was conducted. Some major findings are mentioned below:

- Punjab Pollution Control Board (PPCB) did not have any comprehensive list of Health Care Establishments (HCEs) functioning in the State. PPCB had identified only 245 Government HCEs (eight *per cent*) against 3176 Government HCEs functional in the State. Sixty *per cent* of the identified HCEs were functioning without valid authorisation.

(Paragraphs 2.3.6.1 & 2.3.6.2)

- Eighty *per cent* of test-checked Government HCEs did not have proper arrangement for disinfection of liquid waste through chemical treatment and the untreated liquid waste was being discharged in the drains causing pollution to surrounding water bodies.

(Paragraph 2.3.8.4(iii))

- Bio-medical waste (BMW) was collected by Common Bio-medical Waste Treatment Facility operator from 51 HCEs after a gap of up to 18 days.

(Paragraph 2.3.8.5)

- PPCB never inspected 39 test-checked Government HCEs to ascertain proper treatment and disposal of BMW and 62 HCEs were visited after a gap of up to nine years.

(Paragraph 2.3.10.1)

A performance audit of **'Working of Social Security and Women and Child Development Department'** was conducted. Some major findings are mentioned below:

- Shortfall in coverage ranged between 50 and 53 *per cent* in case of eligible children; between 23 and 26 *per cent* in case of pregnant women and lactating mothers under Supplementary Nutrition Programme; and between 51 and 59 *per cent* in Non-formal pre-school education during the years 2009-14.

(Paragraphs 2.4.8.1(i & iv))

- Shortfall in supply of Medicine Kits was between 27 and 75 *per cent* and of Pre-school Education kits between 20 to 74 *per cent*.

(Paragraphs 2.4.8.1 (ii & iii))

- Funds of ₹ 37.05 crore under four schemes were either not released or partially released by the Finance Department/treasury despite availability of budget provisions.

(Paragraphs 2.4.8.2(i), 2.4.8.3(iii), 2.4.8.6 & 2.4.8.7)

- Facilities of drinking water and toilets were not available in 1524 (15 *per cent*) and 4181 (42 *per cent*) Anganwadi Centres respectively in the five test-checked districts.

(Paragraph 2.4.8.2(ii))

- Under 'Awareness against Drug Abuse Scheme', the Department could organize only 41 (against 260) theme camps at District/Block level; 52 (against 410) TV campaigns; 418 (against 2031) radio campaigns, etc. during 2010-14.

(Paragraph 2.4.8.5)

- No budget provisions were made under Information Technology for braille literacy in Indian Languages Scheme for the last eight years.

(Paragraph 2.4.8.8)

Compliance Audit

- The Department purchased a helicopter valuing ₹ 36.62 crore in disregard of the Rules prescribed for public procurement.

(Paragraph 3.1)

- Disabled students were deprived of the benefits of the scheme due to diversion, non-utilization and non-release of Central assistance of ₹ 17.38 crore earmarked for them.

(Paragraph 3.3)

- The Department did not identify food business operators without licenses/registration in the State. Shortfall in collection of samples remained up to 80 *per cent*. Analysis of samples delayed up to 14 months. Prosecution against the offenders had not been launched even after 31 months.

(Paragraph 3.5)

- Arms valuing ₹ 2.17 crore procured without compatible ammunition; without ensuring requisite specifications; and without assessing requirement led to idle expenditure. Central Sales Tax of ₹ 3.35 crore was paid in excess of the prescribed rates. Custody of arms and ammunition was not as per norms and those were not being periodically examined for its serviceability due to non-availability of Ammunition Examiner.

(Paragraph 3.7)

- Inaction on the part of Punjab Urban Development Authority (PUDA) to safeguard recovery of loan before rescinding the existing escrow agreement executed in its favour, led to non-recovery of loan of ₹ 221.64 crore and interest of ₹ 28.52 crore.

(Paragraph 3.8)

- Failure of Chief Town Planner to raise claim on PUDA and concerned Development Authorities on account of planning charges resulted in non-recovery of ₹ 59.50 crore.

(Paragraph 3.9)

- Non-release of funds by the State Government despite availability of Central funds and funds from Government of Rajasthan resulted in blockade of funds of ₹ 123.09 crore and denial of intended benefits to the farmers.

(Paragraph 3.10)

- Non-providing of clear site by the Department led to delay in completion of the work which resulted in avoidable payment of ₹ 9.73 crore on account of cost escalation.

(Paragraph 3.12)

- Action of Chief Engineer to amend the pre-qualification criteria to the advantage of a particular contractor vitiated the purpose for which the criteria was fixed and resulted into award of the work to an ineligible bidder where an expenditure amounting to ₹ 6.59 crore has been incurred.

(Paragraph 3.15)

- Failure of the Executive Engineers to deduct Value Added Tax at the notified rates resulted in short deduction of ₹ 3.56 crore, out of which ₹ 1.32 crore was recoverable from contractors even after lapse of 8 to 36 months.

(Paragraph 3.16)

- Cattle fair ground, Nabipur modernized at a cost of ₹ 7.30 crore could not be used for holding cattle fairs even after three years due to non-provision of drainage of rain water causing water logging.

(Paragraph 3.18)

- Deficient planning led to irregular/excess expenditure of ₹ 14.84 crore on installation of Reverse Osmosis Plants. Viability Gap Funding amounting to ₹ 2.71 crore was recoverable and ₹ 0.52 crore recovered were not deposited in the treasury. ₹ 4.25 crore was incurred on 37 RO Plants with 'Zero' penetration level. 19 RO Plants involving ₹ 1.62 crore were found non-functional.

(Paragraph 3.20)

- Annual Implementation Plan was prepared without consolidation of Gram Panchayat/Block/District Plans. Non-utilization of funds of ₹ 13.57 crore, short achievement of targets and non-availability of mechanism of inspection was noticed which adversely affected the scheme. There was an excess expenditure of ₹ 0.92 crore under State Solid and Liquid Waste Management. Unreliability of data was noticed as there was a huge variation between MIS data and actual construction of Individual Household Latrines.

(Paragraph 3.21)

- Financial assistance, under Shagun scheme, was provided to 106393 beneficiaries with a delay ranging between 12 to 48 months. Funds of ₹ 3.03 crore under Incentive to girls for secondary education scheme could not be disbursed to the beneficiaries. Undisbursed amount of ₹ 3.11 crore was irregularly retained by District Programme Officers under Kanya Jyoti Jagriti Scheme. Central assistance of ₹ 12.11 crore was not utilized during 2010-14 under Rajiv Gandhi scheme for empowerment of adolescent girls-SABLA.

(Paragraph 3.22)

Chapter-1
Introduction

Chapter-1

Introduction

1.1 Budget profile

There are 39 departments and 19 autonomous bodies in the State. The position of budget and expenditure incurred thereagainst by the State Government during 2009-14 is given in **Table 1.1**.

Table 1.1: Budget and expenditure

(₹ in crore)

Disbursement	2009-10		2010-11		2011-12		2012-13		2013-14	
	Budget	Expendi-ture	Budget	Expendi-ture	Budget	Expendi-ture	Budget	Expendi-ture	Budget	Expendi-ture
Revenue expenditure										
General Services	15859.39	15525.28	17465.85	18597.73	16434.11	16787.95	18818.97	18572.15	20093.58	20192.19
Social Services	7296.23	6217.13	8600.00	7260.85	11387.32	9246.50	13672.14	11189.97	13717.31	11319.09
Economic Services	5927.18	5218.62	6795.03	6398.94	7018.77	6264.07	10764.24	9152.09	10499.78	9599.73
Grants-in-aid and Contributions	520.95	446.91	1319.39	639.66	1759.22	746.80	772.30	543.73	798.97	529.66
Total	**29603.75**	**27407.94**	**34180.27**	**32897.18**	**36599.42**	**33045.32**	**44027.65**	**39457.94**	**45109.64**	**41640.67**
Capital expenditure										
Capital Outlay	3603.46	2166.41	4029.43	2384.09	3959.66	1598.12	4527.53	1915.82	4232.54	2200.61
Loans and Advances disbursed	27.67	28.84	68.27	68.40	176.84	176.61	247.28	197.53	177.89	165.13
Repayment of Public Debt (including Ways and Means Advances)	5902.89	5308.36	7385.58	5952.88	8624.92	8947.24	14661.91	15115.79	16544.35	16682.94
Contingency Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Account disbursements	22618.88	20721.04	23011.37	25836.98	29020.27	28771.75	27505.16	33531.20	34654.60	33994.60
Closing Cash Balance	--	--	--	--	--	-178.30	--	-303.61	--	630.42
Total	**32152.90**	**28224.65**	**34494.65**	**34242.35**	**41781.69**	**39315.42**	**46941.88**	**50456.73**	**55609.38**	**53673.70**
Grand Total	**61756.65**	**55632.59**	**68674.92**	**67139.53**	**78381.11**	**72360.74**	**90969.53**	**89914.67**	**100719.02**	**95314.37**

Source: Annual Financial Statements and Explanatory Memorandum of the Budget of the Government of Punjab

1.2 Application of resources of the State Government

During 2013-14, against the total budget outlay of ₹ 1,00,719 crore, expenditure of ₹ 95,314 crore was incurred. The total expenditure[1] of the State increased by 48.66 *per cent* from ₹ 29,603 crore in 2009-10 to ₹ 44,007 crore in 2013-14. Revenue expenditure increased by 51.93 *per cent* from ₹ 27,408 crore to ₹ 41,641 crore; non-plan revenue expenditure increased by 48.19 *per cent* from ₹ 25,984 crore to ₹ 38,506 crore; and capital expenditure increased by 1.62 *per cent* from ₹ 2,166 crore to ₹ 2,201 crore during the period 2009-14.

Revenue expenditure constituted a dominant proportion (93 to 95 *per cent*) of the total expenditure during the years 2009-14 leaving small fund for capital expenditure (5 to 7 *per cent*). During this period, it grew at an annual average growth rate of 10.39 *per cent,* whereas revenue receipts grew at an annual average of 11.69 *per cent* during 2009-14.

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[1] Total expenditure includes revenue expenditure, capital expenditure and loans and advances.

1.3 Persistent savings

In six cases, during the last five years, there were persistent savings of ₹ five crore or more as per details given in **Table 1.2.**

Table 1.2: List of grants having persistent savings during 2009-14

(₹ in crore)

Sr. No.	Number and Name of the Grant/Head of Account/Schemes	Amount of savings (percentage of savings in bracket)				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue-voted						
1	05-Education 2202-General Education 02-Secondary Education 105-Teachers Training 01-Teachers Education Establishment of DIETS (CSS)	42.86 (89.74)	29.34 (83.26)	21.08 (73.65)	18.14 (67.97)	29.32 (96.45)
2	12-Home Affairs and Justice 2055-Police 109-District Police 01-District Police (Proper)	30.23 (2.54)	24.37 (1.72)	28.36 (1.59)	24.70 (1.08)	55.78 (2.19)
3	15-Irrigation and Power 2700-Major Irrigation 01-Sirhind Canal System (Commercial) 001-Direction and Administration 01-Direction and Administration	58.26 (20.69)	50.84 (17.09)	58.65 (16.94)	47.16 (12.72)	60.83 (14.62)
4	15-Irrigation and Power 2701-Medium Irrigation 80-General 001-Direction and Administration 01-Direction	96.75 (97.41)	110.92 (99.99)	131.61 (99.26)	148.81 (100.00)	64.19 (41.21)
5	22-Revenue and Rehabilitation 2245-Relief on Account of National Calamities 02-Flood Cyclones etc. 101-Gratutious Relief 01-Gratutious Relief	43.81 (87.62)	5.54 (10.45)	5.30 (8.15)	17.76 (88.80)	10.70 (9.73)
Capital-Voted						
6	15-Irrigation and Power 4711-Capital Outlay on Flood Control Projects-01-Flood Control 103-Civil Works 08-Works Expenditure Counter Protective Measures on Left Side of River Ravi (CSS)	7.00 (100.00)	5.00 (100.00)	5.00 (100.00)	5.00 (100.00)	7.50 (100.00)

Source: Appropriation Accounts

At Sr. No. 6, there was 100 *per cent* saving during the last five years, which shows non-implementation of schemes as well as weak financial control**.**

1.4 Funds transferred to State implementing agencies outside State budget

During 2013-14, Government of India (GOI) directly transferred ₹ 1751.30 crore to various State implementing agencies (Para 1.2.3 of Comptroller and Auditor General's Audit Report on State Finances for the year 2013-14 refers). Since these funds do not pass through the State budget, the Annual Finance Accounts of the State do not present a complete picture of fund flow of Central Government resources into the State.

1.5 Grants-in-aid from Government of India

The Grants-in-aid received from GOI during the years 2009-14 are given in **Table 1.3.**

Table 1.3: Grants-in-aid from GOI

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-plan Grants	390.31	720.81	874.11	894.91	1064.11
Total non-plan grants	**390.31**	**720.81**	**874.11**	**894.91**	**1064.11**
Plan Grants of which					
Grants for State Plan Schemes	1279.25	954.65	694.06	684.19	1058.26
Grants for Central Plan Schemes	38.20	64.40	5.68	60.63	7.67
Grants for Centrally Sponsored Schemes	612.54	659.39	866.79	1135.84	1271.34
Total plan grants	**1929.99**	**1678.44**	**1566.53**	**1880.66**	**2337.27**
Grand total	**2320.30**	**2399.25**	**2440.64**	**2775.57**	**3401.38**
Percentage of increase over previous year	36.92	3.40	1.73	13.72	22.55
Revenue Receipts	22156.58	27608.47	26234.41	32051.15	35103.54
Percentage increase of Revenue Receipts	6.97	24.61	-4.98	22.17	9.53
Percentage of total grants with Revenue Receipts	10.47	8.69	9.30	8.66	9.69

Source: Finance Accounts

Total grants-in-aid from GOI increased at an annual average rate of 9.32 *per cent* during the period 2009-14. However, it increased by 22.55 *per cent* over the previous year. During this period, on an average, 9.36 *per cent* of the revenue receipts were contributed by grants-in-aid from GOI.

1.6 Planning and conduct of audit

The Audit process starts with a risk assessment of various departments, autonomous bodies, schemes/projects etc. based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stake holders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated to conduct audit, covering those offices/entities which are vulnerable to significant risks.

After completion of audit of each office, an Inspection Report containing audit findings is issued to the head of the office with request to furnish replies to the audit findings within four weeks of its receipt. The important audit

observations are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Punjab under Article 151 of the Constitution of India.

During 2013-14, compliance audit of 1562 drawing and disbursing officers of the State, 419 PRIs/ULBs and 15 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Punjab. Besides, four performance audits[2] were also conducted.

1.7 Significant audit observations and response of Government to audit

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which have impact on the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per instructions issued by the Finance Department, Government of Punjab in August 1992 and provision of Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks of their receipt. It was brought to their personal attention that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India, to be placed before the Punjab Legislature, it would be desirable to include their comments in the matter. They were also advised to have meetings with the Principal Accountant General to discuss the draft reports of performance audits and draft audit paragraphs. The performance audits and the draft paragraphs proposed for inclusion in this Report were also forwarded to the Principal Secretaries/Secretaries concerned for seeking their replies. For the present Audit Report, draft reports on four performance audits and 22 draft paragraphs on compliance audit were forwarded to the concerned Administrative Secretaries. Reply of the Government has been received in five[3] cases only.

1.8 Recoveries at the instance of audit

The audit findings involving recoveries that came to notice during audit were referred to the departments/State Government through Inspection Reports for further investigation and recovery of the same under intimation to Audit. On being pointed out in Audit, ₹ 4.47 crore were recovered during 2013-14.

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2 (i) Rashtriya Krishi Vikas Yojana; (ii) Working of Printing and Stationary Department; (iii) Management and disposal of bio-medical waste; and (iv)Working of Social Security and Women and Child Development Department.

3 (i) Purchase of helicopter in a non-transparent manner; (ii) Avoidable burden on State exchequer; (iii) Inadmissible expenditure from State Disaster Response Fund; (iv) Unfruitful expenditure on modernization of cattle fair ground; and (v) Non-percolation of intended benefits to rural BPL youth.

1.9 Lack of responsiveness of Government to Audit

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

As of March 2014, 20229 IRs containing 40975 paragraphs were outstanding, of which, 13221 IRs containing 17953 paragraphs pertained to the period prior to April 2009 i.e. more than five years old. The year-wise position of outstanding IRs/paragraphs is given in **Table 1.4.**

Table 1.4: Outstanding Inspection Reports/paragraphs

Particulars	Prior to April 2009	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Inspection Reports	13221	1175	1232	1342	1583	1676	**20229**
Paragraphs	17953	2489	2800	4051	5674	8008	**40975**

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

1.10 Follow-up action on Audit Reports

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

As regards the Audit Reports relating to the period 2009-13 which have been laid before the State Legislature, detailed notes in respect of 22 paragraphs and six performance audits had not been received in the Audit office as on 31 October 2014 ***(Appendix 1.1)*** even after lapse of the prescribed priod of three months.

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

Twelve Separate Audit Reports (SAR) in respect of four autonomous bodies (as detailed in **Table 1.5**) issued between November 2009 and July 2014 were pending for placement before the Legislature.

Table 1.5: Details of SARs pending for placement before Legislature as on 31 March 2014

Sr. No.	Name of autonomous body	Years for which SARs were pending for placement before Legislature
1.	Punjab Legal Services Authority	2006-07 to 2010-11
2.	Punjab Khadi and Village Industry Board	2010-11
3.	Punjab State Human Rights Commission	2009-10 to 2012-13
4.	Punjab Labour Welfare Board	2000-01 and 2001-02

Source: Departmental information

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

The year-wise details of performance audits and paragraphs that appeared in the Audit Report for the last two years along with their money value is given in **Table 1.6.**

Table 1.6: Details of performance audits and paragraphs appeared in the Audit Reports during 2011-13

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Paragraphs
2011-12	3	199.47	13	54.79	3	3
2012-13	4	50.18	16	56.61	4	-

During 2013-14, four performance audits and 22 paragraphs involving money value of ₹ 294.26 crore have been included in this Report. Out of this, replies to five paragraphs were received (February 2015).

Chapter-2
Performance Audit

Chapter-2

Performance Audit

AGRICULTURE, DAIRY DEVELOPMENT & FISHERIES AND SOIL & WATER CONSERVATION DEPARTMENTS

2.1 Rashtriya Krishi Vikas Yojana

Government of India launched (August 2007) a Special Additional Central Assistance Scheme namely Rashtriya Krishi Vikas Yojana (RKVY) with a view to achieve four per cent annual growth in the agriculture and allied sectors by ensuring holistic development of agriculture and allied sectors and to maximize returns to farmers during XIth five year plan period.

Some of the significant findings of the Performance Audit of RKVY are given below:

- ***₹ 21.31 crore was incurred on areas/activities which overlapped with other existing schemes of Government of India/State and ₹ 1.17 crore was utilized for works not related to RKVY.***

  (Paragraphs 2.1.6.1 & 2.1.8.1)

- ***Loss of interest of ₹ 4.12 crore due to retention of RKVY funds in current account was noticed. Interest of ₹ 4.42 crore earned on RKVY funds was not accounted for towards RKVY.***

  (Paragraph 2.1.7.2)

- ***Instances of blockade of funds (₹ 7 crore); irregular award of work/undue favour to NGOs (₹15.16 crore); excess/irregular payment of subsidy (₹2.02 crore); and unfruitful/wasteful expenditure (₹5.20 crore) were noticed.***

  (Paragraphs 2.1.8.2, 2.1.9.1(i), 2.1.9.1(ii), 2.1.9.2, 2.1.12.4(i), 2.1.12.4(ii), 2.1.12.5; 2.1.10.2 & 2.1.11.1)

- ***Artificial Insemination charges were retained by MILKFED (₹2.30 crore) and NGOs (₹0.61 crore) instead of depositing the same in Government account.***

  (Paragraph 2.1.9.1(iii))

- ***Internal control mechanism of RKVY was found largely deficient and targeted annual growth rate of four per cent was not achieved in agriculture and allied sectors despite increased investment.***

  (Paragraphs 2.1.13 & 2.1.14)

2.1.1 Introduction

The Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India (GOI), concerned by the slow growth in the Agriculture and allied sectors and keeping in view high potential for growth in agriculture

sector, launched (August 2007) a Special Additional Central Assistance Scheme namely Rashtriya Krishi Vikas Yojana (RKVY) in all States and Union Territories from the year 2007-08 with the aim of achieving four *per cent* annual growth in the agriculture sector during the XIth Five Year Plan period 2007-12 by ensuring a holistic development of agriculture and allied sectors. The areas of focus under RKVY were integrated development of major crops, agriculture mechanization, soil health, support to seed farms, pest management, horticulture production and popularization of micro irrigation systems, animal husbandry and fisheries development, organic and bio-fertilizers, crop diversification etc.

2.1.2 Organizational set up

At State level, Agriculture Department, Punjab is the Nodal Department for implementation of RKVY. A State Level Sanctioning Committee (SLSC) constituted (December 2007) under the Chairmanship of Chief Secretary to Government of Punjab (GOP) sanctions the projects at State level and reviews the implementation of the scheme. The Nodal Department ensures that the central assistance released under the scheme is utilized in accordance with the approved State and District Agriculture Plans. Directors, Agriculture, Animal Husbandry, Dairy Development, Horticulture, Fisheries Departments and Chief Conservator of Soils, Punjab implemented various projects under RKVY falling under their respective jurisdiction.

2.1.3 Audit objectives

The main objectives of Performance Audit of RKVY were to assess whether:

- Planning process of RKVY conformed to its guidelines;
- Financial management ensured adequate and timely availability of funds and their effective and economic utilisation;
- Implementation of the Scheme was carried out economically, efficiently and effectively to achieve its objectives; and
- Internal control mechanism was in place.

2.1.4 Scope of audit and methodology

For Performance Audit of RKVY six[1] (out of total 15) sectors were selected by adopting probability proportional to size without replacement (PPSWOR) method of statistical sampling. Further, by using PPSWOR, 21 (out of 75 projects within the six selected sectors and 19 districts ***(Appendix-2.1***) (covering five districts for each project, common districts being selected first) were selected for test checking the implementation of the scheme. Besides this, Crop Diversification Programme was also selected for performance audit. Audit scrutinized the records relating to implementation of RKVY for the

[1] (i) Agriculture Research; (ii) Animal Husbandry; (iii) Micro and Minor Irrigation (iv) Dairy Development; (v) Fertilizers and Integrated Nutrients Management ; and (vi) Seed.

period 2009-14 maintained by the offices of the Director, Agriculture, Punjab[2] and other executing agencies[3] and their subordinate offices that implemented the selected projects, during April to August 2014. Audit teams along with the Departments' representatives also carried out joint inspection of the selected project sites in selected districts for physical verification of beneficiaries.

An Entry Conference with the representatives of Department of Agriculture, Punjab and Line Departments was held on 25 April 2014 wherein the audit objectives, criteria and methodology were explained. Audit findings were discussed in the Exit Conference held on 25 November 2014 in which the Commissioner, Agriculture assured to furnish detailed replies within a week. Thereafter, the Director of Agriculture, the Nodal Department, furnished (December 2014) replies to the audit observations which have suitably been incorporated in the report.

2.1.5 Audit criteria

The audit findings were bench marked against the criteria derived from the following sources:

- Guidelines of RKVY issued by GOI;
- Agenda and Minutes of the meetings of State Level Sanctioning Committee;
- Instructions/guidelines issued from time to time by GOI/State Government for implementation of the Scheme and various projects; and
- Punjab Financial Rules.

Audit findings

2.1.6 Planning

2.1.6.1 Deficiencies in planning

Scrutiny of records of the Nodal Department showed that:

- State Level Sanction Committee met only nine times during 2009-14 against the requirement of 20 meetings. The Director, Agriculture while admitting the facts stated (December 2014) that in 2015-16, the projects would be sanctioned during March 2015 and sufficient time would be available for convening at least three SLSC meetings annually.

- No sector wise milestones to achieve the targeted annual growth rate of four *per cent* were laid down. The Director, Agriculture stated that the yearly targets for achieving targeted growth rate were fixed while preparing the Annual Plan. The reply did not explain the reasons for not fixing the sector wise benchmarks or milestones for achieving the targeted growth rate of four *per cent*.

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[2] Nodal Department for RKVY as well as executing agency for two selected sectors viz. Fertilizers and Integrated Nutrients Management and Seed.

[3] The Directors, Animal Husbandry, Dairy Development and Fisheries, Chief Conservator of Soils, Punjab, Principal Chief Conservator of Forests, Punjab, Punjab Agricultural University Ludhiana and Guru Angad Dev Veterinary and Animal Sciences University, Ludhiana; and Secretary Punjab Mandi Board.

➢ Till 2009-10, the Nodal Department recommended projects for approval of SLSC without Detailed Project Reports in violation of paras 7.1.1 and 7.1.2 of RKVY guidelines. In the absence of DPRs, the spirit of RKVY to give it a project approach was defeated which in turn deprived the State of benefits of adoption of project approach.

The Director, Agriculture stated (December 2014) that the proposals submitted to the SLSC were considered as Project Reports and after directions of GOI (March 2010) to the States that while preparing project proposals, a Data Sheet/DPR of the project should also be prepared, the data sheet/DPR was attached with Agenda Notes for the SLSC meeting since 2010-11. The reply was not acceptable as DPRs were to be prepared ever since the implementation of RKVY and approval of SLSC was also to be obtained.

➢ Para 6.3(4) of the Guidelines of RKVY provides that SLSC would ensure that no duplication of efforts of resources takes place. During audit of the Nodal Department, instances involving ₹ 21.31 crore[4] from RKVY relating to overlapping of activities/areas with other schemes of State/Centre were noticed.

The Director, Agriculture stated (December 2014) that coverage of additional area or provision of additional equipment by sourcing funds from other sources was not duplication but it ensured a greater coverage. The reply was not convincing as overlapping of RKVY activities/areas with other schemes of State/Centre was in violation of guidelines of RKVY as well as Macro Management Work Plan of Agriculture, one of the central schemes with which the activities were overlapped.

2.1.7 Financial management

2.1.7.1 Under RKVY, GOI provides 100 *per cent* funds to the states as grants. The details of funds received and expenditure incurred under RKVY during 2009-14 are given in the **Table 2.1.1.**

Table 2.1.1: Funds received and expenditure incurred under RKVY during 2009-2014

(₹ in crore)

Year	Opening balance	Funds released by GOI	Funds released by GOP	Funds drawn by the Nodal Department	Total available funds with Nodal Department	Expenditure incurred (percentage)	Closing balance
2009-10	12.08	43.23	43.23	43.23	55.31	34.35 (62)	20.96
2010-11	20.96	179.12	179.12	179.12	200.08	119.56 (60)	80.52
2011-12	80.52	145.87	69.44	69.44	149.96	146.09 (97)	3.87
2012-13	3.87	86.83	113.16*	113.16	117.03	106.96 (91)	10.07
2013-14	10.07	229.44	279.54**	252.54	262.61	232.63 (89)	29.98
Total		**684.49**	**684.49**	**657.49**		**639.59**	

Source: Director, Agriculture

* This includes revalidated amount of ₹ 76.43 crore pertaining to 2011-12.

** This includes revalidated amount of ₹ 50.10 crore pertaining to 2012-13.

[4] ₹ 11.21 crore on 34606.75 quintal of *dhancha* seed; ₹ 3.94 crore on 78809.25 quintal of wheat seed; ₹ 3.90 crore for construction of godowns; ₹ 1.40 crore for clearing liability; and ₹ 0.86 crore on 699.50 MT of zinc sulphate.

Analysis of the above table showed that expenditure during 2009-10 and 2010-11 fell short by 38 and 40 *per cent* respectively of the total funds available. During 2011-12 and 2012-13, GOP short released the GOI funds by ₹ 76.43 crore and ₹ 50.10 crore which were released during 2012-13 and 2013-14 respectively. In 2013-14, the Director, Agriculture did not draw ₹ 27 crore released by GOI and GOP. The closing balance of ₹ 29.98 crore includes ₹ 26.68 crore retained by the Director, Agriculture out of the funds drawn (₹ 112.25 crore[5]) for Crop Diversification Programme (CDP). This resulted in non-implementation of the projects approved by SLSC for which the funds were received from GOI.

Audit further noticed that GOP released ₹ 657.49 crore during 2009-14 to Nodal Department with a delay ranging between 65 and 255 days. Further, 11 to 37 *per cent* funds were released during last quarter of the respective financial years. Similarly, delay in release of funds of ₹ 635.10 crore by Nodal Department to the implementing agencies ranged between two and 180 days. Delay in release of funds was in violation of the Para 7.2.4 of RKVY guidelines which provides for utilization of funds by the State and GOI's instructions (March 2012) to ensure that funds are released to the Nodal Department by the Finance Department (FD) as soon as they are received from GOI. Thus, implementing agencies were left with no or little time to execute the projects resulting in spilling over of execution of the projects to the next year.

The Director, Agriculture while admitting the above facts stated (December 2014) that sometimes there was a delay in release of funds by the State due to financial constraints and relative priority for release to various economic sectors which were further released to the implementing agencies keeping in view the immediate requirements. The reply was not acceptable as the funds were received from GOI against the projects approved by SLSC and the plea of financial constraints was not convincing as 100 *per cent* funds under RKVY were received from GOI.

2.1.7.2 Non-accountal of interest

As per Instructions of GOI of April 2010, interest earned on GOI funds was to be counted towards Grant-in-Aid for respective scheme funds. During audit, the following deficiencies were noticed:

(i) During April 2010 to July 2013, the Director, Agriculture kept RKVY funds ranging between ₹ 0.01 crore and ₹ 69.43 crore in a current account which led to loss of ₹ 1.36 crore on account of interest (calculated at interest rate on savings bank account). The Director, Agriculture stated (December 2014) that interest rates in different banks were different, so a current account was opened in State Bank of India. The reply was not acceptable as the Department should have opened savings account in a bank with higher rate of interest instead of opening current account on which no interest at all was earned.

[5] ₹ 85.57 crore were disbursed to the implementing agencies.

(ii) Managing Director, MILKFED (MD) kept entire RKVY funds in two Over Draft (OD) Accounts[6] on which MILKFED saved interest of ₹ 2.76 crore during the period from 31 December 2009 to 31 March 2014 on ODs availed by it without affording credit to RKVY. The Director, Agriculture stated (December 2014) that the credit of the interest earned would be given to RKVY funds.

(iii) During July 2009-July 2014, interest of ₹ 4.42 crore[7] earned on RKVY funds was not counted towards grant-in-aid for RKVY by reflecting the same in UCs. The Director, Agriculture stated (December 2014) that the Nodal Department had issued (November 2014) instructions to all the implementing agencies for accounting the interest earned towards the future funds as an additional grant-in-aid under RKVY.

2.1.7.3 Withdrawal of money without immediate requirement

Rule 2.10 (b) (5) of PFR provides that no money should be withdrawn from the treasury unless it is required for immediate disbursement.

Scrutiny of records of the Director, Agriculture Punjab showed (July 2013) that during March 2008 to November 2010, ₹ 19.83 crore[8] withdrawn from treasury were disbursed to the implementing agencies with delay ranging between 67 and 231 days.

The Director, Agriculture stated (December 2014) that the funds released by GOI were further released by the State to the Nodal Agency as per priority of the State which were then released for implementing the projects as per actual physical requirements. The reply was not acceptable as the money was received against the already approved projects. Thus, late disbursement to the implementing agencies was not justified and in case the funds were not to be disbursed immediately then these should have not been withdrawn from the treasury.

2.1.7.4 Irregularities in submission of utilization certificate

Audit of records of Nodal Department showed that UCs were not sent to GOI in the prescribed format and important information relating to targets achieved with the funds utilized was not given as required under Para 2 of the prescribed format. Audit further noticed that in 15 cases involving ₹ 44.14 crore, the implementing agencies[9] submitted UCs to the Nodal

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6 No. 60036511042 and 32847384791 with Bank of Maharashtra and State Bank of India respectively.

7 Director, Agriculture-₹ 0.13 crore; Director, Animal Husbandry-₹ 2.65 crore; Chief Conservator of Soils, Punjab-₹ 1.52 crore; and Chief Agriculture Officer, Jalandhar-₹ 0.12 crore.

8 Markfed (₹ 3 crore); Dairy Development (₹ 0.69 crore); Soil and Water Conservation (₹ 7.24 crore); Chief Agriculture Officers (₹ 0.84 crore); MILKFED (₹ 3 crore); PUNSEED (₹ 2 crore); and Punjab Agro Industries Corporation Limited (₹ 3.06 crore).

9 Animal Husbandry Department-₹ four core (one case); Dairy Development Department-₹ 21.14 crore (12 cases); GADVASU-₹ 15 crore (one case) and Director Fisheries-₹ four crore (one case).

Department, prior to actual utilization of funds. This resulted into incorrect furnishing of UCs to GOI with inflated figures of expenditure besides indicating failure of the Nodal Department in accepting the UCs without ascertaining actual utilization of the funds.

The Director, Agriculture stated (December 2014) that sometimes the entire sum required for the completion of the project was not released but UC had to be sent to avail the second instalment. The reply was not acceptable as UCs were sent without actual expenditure thereby inflating the actual expenditure and raising doubt about the utilisation of funds.

2.1.7.5 Non-utilisation of RKVY funds

Funds of RKVY were to be utilized in the year of its sanction. However, ₹ 6.74 crore sanctioned for various projects (as detailed in ***Appendix-2.2)*** during 2009-10 and 2012-14 were not utilized by the implementing agencies till July 2014. The Director, Agriculture stated (December 2014) that now all the funds released under RKVY up to 2012-13 had been utilized and UCs submitted to GOI. The reply was not acceptable as the fact remained that the funds were not utilized during the year of sanction itself.

Implementation of programmes

For test checking the implementation of programmes under RKVY in the State, 21 projects under six Sectors were selected (as already discussed in paragraph 2.1.4). The significant findings noticed during the Performance Audit are discussed in the succeeding paragraphs:

2.1.8 Agriculture Research (AGRE)

During 2009-14, eleven projects with approved cost of ₹ 106.21 crore were implemented by two universities viz. Punjab Agriculture University (PAU), Ludhiana (six projects: ₹ 55.12 crore) and Guru Angad Dev Veterinary and Animal Sciences University (GADVASU), Ludhiana (five projects: ₹ 51.09 crore) under AGRE sector. The Nodal Department released ₹ 51 crore (PAU: ₹ 22 crore & GADVASU: ₹ 29 crore). Three projects implemented by PAU, Ludhiana (two projects: ₹ 9 crore) and GADVASU, Ludhiana (one project: ₹ 15 crore) at a cost of ₹ 24 crore were selected for test check, the findings of which are given below:

2.1.8.1 Utilization of funds for works not related to RKVY

Out of ₹ 15 crore received (August-December 2010) by GADVASU for a research project[10] under RKVY for the year 2010-11, the Comptroller, GADVASU utilized (31 March 2011) ₹ 1.17 crore for installation of a Hotline electricity connection (₹ one crore) and for purchase of server, chassis and server rack for the University Library (₹ 17.20 lakh[11]) not covered under the

[10] Enhancing Live Stock Production in Punjab through need based Research and Development Activities.

[11] These items were already sanctioned under "University Administrative Scheme NP-I" scheme, but purchased from RKVY funds.

project. The Hotline was installed in December 2013. The funds were drawn from RKVY on the pretext of non-availability of funds from any other source.

The Director, Agriculture while justifying the expenditure stated that revised proposals to cover the above expenditure under RKVY had been prepared for SLSC's approval. The fact, however, remains that the items were not covered under RKVY.

2.1.8.2 Blockade of funds

The Comptroller, GADVASU, after ex-post-facto approval (June 2011) of SLSC, allocated (July 2011) ₹ seven crore for setting up an Animal Hospital at GADVASU. Audit noticed that funds were allocated for the work even before its administrative approval (20 August 2013). The work was allotted to a contractor only in May 2014. Thus, the funds remained blocked for 36 months from July 2011 to July 2014 which could have otherwise been utilized for other productive purposes.

The Director, Agriculture attributed (December 2014) the delay in execution of Hospital to late allocation of land by Punjab Agricultural University. The reply was not acceptable as the availability of land should have been ensured before allocation of funds and RKVY funds of ₹ seven crore had remained blocked for 36 months.

2.1.9 Dairy Development

During 2009-14, 27 projects with approved cost of ₹ 126.95 crore were implemented by Director, Dairy Development under the sector. Nodal Department released ₹ 64.12 crore against which the Department incurred an expenditure of ₹ 57.18 crore on implementation of these projects. Six projects implemented by the Director, Dairy Development at a cost of ₹ 24.68 crore were selected for test check, the findings of which are given below:

2.1.9.1 Integrated Buffalo Development Centres' project

With a view to provide services of artificial insemination (AI) in case of Buffaloes and related services through establishment of 600 Integrated Buffalo Development Centres (IBDCS) in Punjab under the project 'Establishment of Integrated Buffalo Development Centres', MILKFED[12] invited (September 2009) tenders from NGOs/Private Registered Organizations working in the field for at least five years. Audit noticed the following points:

(i) Allotment of work to a non-bidder

Audit of records of MILKFED disclosed that only one NGO viz. JK Trust submitted bid for establishment of 300 IBDCs at ₹ 14.83 lakh per IBDC, whereas another NGO viz. BAIF[13] Development Research Foundation (BAIF) had neither submitted requisite processing fee nor technical and financial bids

[12] Implementing agency of the State to implement the project by associating NGOs.
[13] Formerly registered as Bhartiya Agro Industries Foundation.

but gave only a proposal and hence did not enter into the bid. The Tender Committee recommended (December 2009) that JK Trust be allotted the work of establishment of 300 IBDCs. During a meeting held on 11 February 2010 under the Chairmanship of Chief Minister, Punjab, it was decided to place orders on JK Trust for establishing 200 IBDCs at the rate of ₹ 14.83 lakh per IBDC and BAIF for 100 IBDCs at the rates of JK Trust (as BAIF had not quoted its rates). However, MILKFED placed (March 2010) the work order for establishment of 100 IBDCs each to JK Trust and BAIF. BAIF was exempted from payment of bank guarantee of ₹ 88 lakh required under terms and conditions of NIT. Thus, allotment of work of establishing 100 IBDCs to BAIF which even did not submit its bid, was an undue financial benefit to the NGO which has been paid ₹ 13.40 crore till July 2014. This along with change in number of IBDCs for which tenders were invited, allotment of work only for 100 IBDCs to JK Trust vitiated the tendering process in allotment of the said work.

The Director, Agriculture stated (December 2014) that considering the good track record of BAIF, the decision to allot a part of work to it and exempt from furnishing bank guarantee was taken in a meeting held on 11 February 2010 under the Chairmanship of Chief Minister, Punjab. Change in number of IBDCs, for which tenders were invited and the work was actually allotted, was attributed to the shortage of funds The reply was not acceptable as allotment of work to BAIF which did not even participate in the tendering process, as per the conditions of the tender notice, vitiated the tendering process as once the tenders were invited, only the successful bidder complying with all the laid down requirements should have been allotted the work.

(ii) Irregular release of preparatory expenses

Audit noticed that the Managing Director, MILKFED (MD), instead of making 50 *per cent* payment (₹ 0.88 crore) towards preparatory expenses as per the agreement with JK Trust and BAIF, paid (April-May 2010) 100 *per cent* amount of ₹ 1.76 crore to both the NGOs.

The Director, Agriculture stated (December 2014) that preparatory expenses were released in one installment as per decision taken by Project Implementation and Monitoring Committee (PIMC) in its meeting held on 30 October 2009. The reply was not acceptable because as per agreements, only 50 *per cent* advance payment towards preparatory expenses was to be made and the balance after proof of expenses incurred on infrastructure was provided.

(iii) Irregular retention of AI charges out of Government account

(a) During October 2010 to March 2014, NGOs collected ₹ 2.30 crore from the beneficiaries on account of artificial insemination (AI) charges[14] in respect of 768153 AI. Instead of depositing the same in Government account, the amount was irregularly retained in a Corpus Fund of MILKFED. The Director, Agriculture stated (December 2014) that PIMC in its meeting held

[14] At the rate of ₹ 30 per AI (revised to ₹ 50 with effect from 1 January 2013).

on 30 October 2009 decided that the amount deposited against AI charges would be maintained as Corpus Fund for sustainability of the project after its completion. The reply was not acceptable as the project was funded entirely from RKVY and in case, more funds were required the same should have been demanded from the Government.

(b) The Managing Director, MILKFED enhanced AI charges from ₹ 30 to ₹ 50 per AI from January 2013. However, out of ₹ 50 per AI collected (January 2013 to March 2014), AI charges of ₹ 60.98 lakh (₹ 20 per AI) were retained by the NGOs unauthorisedly as there was no such stipulation in the NIT and in the agreement between MILKFED and the NGOs. The Director, Agriculture stated (December 2014) that considering it financial burden on the beneficiaries, the decision to enhance the AI charges was taken back. The reply did not explain the reasons for unauthorized retention of AI charges by the NGOs.

(iv) Unauthorized establishment of IBDCs

Audit noticed that against the agreed number of 100 IBDCs to be established in Gurdaspur, Amritsar, Ferozepur and Sri Muktsar Sahib districts, only 88 centres were established in these districts and 12 IBDCs, established by JK Trust in Tarn Taran district at a cost of ₹ 82.93 lakh[15] were unauthorized. The Director, Agriculture stated (December 2014) that as district Tarn Taran fell under milkshed area of Milk Union, Amritsar, so this district was covered under the project. The reply was not acceptable as the 'Operational Area' prescribed in the agreement with the NGOs was district wise and not milk union wise and Tarn Taran was not covered therein.

(v) Non-achievement of targeted production of Buffalo calves

Audit noticed that both the NGOs could not achieve the targeted production of 80 *per cent* Buffalo calves as out of total 144144 calves born up to March 2014, 104117 (72 *per cent*) were buffalos calves and 40027 (28 *per cent*) were cow calves. Further, in Sri Muktsar Sahib and Tarn Taran districts, JK Trust produced 9335 (80 *per cent)* and 6593 (85 *per cent*) buffalo calves against targeted production of 11700 and 7800, respectively.

The Director, Agriculture stated (December 2014) that BAIF had produced 100944 buffalo and 72314 cow calves while JK Trust had produced 71616 buffalo and 40028 cow calves up to end of October 2014. The number of calves born up to October 2014 was more than that of the targeted number. This project would complete in the month of December 2015 and as per the pregnancy confirmation report of BAIF, 140096 and 104783 buffalo and cow calves respectively would be born. Similarly, JK Trust reported that 136364 and 80213 buffalo and cow calves would be born respectively. The reply was not acceptable as even after considering the data up to October 2014, the percentage of buffalo calves produced by BAIF and JK was 58 and 64 respectively against the target of 80 *per cent*. Even after taking into consideration the projected data based on pregnancy confirmation report of

[15] ₹ 10.56 lakh on establishment of IBDCs and ₹ 72.37 lakh on production of 5,188 calves.

both the NGOs, the percentage of buffalo calves produced by BAIF and JK Trust would be 57 and 63 respectively.

(vi) Non-monitoring of the project

A state level monitoring cell at MILKFED, Head Office as well as at Milk Plants was to be established to monitor the whole IBDC Project However, test check of the records of MILKFED showed that monitoring of the project was not being done. In the absence of this, the actual outcome of the project could not be ascertained in audit.

The Director, Agriculture stated (December 2014) that the project was being closely monitored by his office, the Financial Commissioner Development-*cum*-Vice Chairman of SLSC and Managing Director, Milkfed. The reply was silent on monitoring of the progress by the State and Milk Plant Level Monitoring Cells and the progress reports, annexed to the reply were prepared by the NGOs, just depicted the number of calves born for claiming payment.

2.1.9.2 Irregular disbursement of subsidy

As per guidelines issued (May 2011) by the Director Dairy Development Punjab (Director) for implementation of 'Special Programme on Dairy Development', subsidy was to be given at the rate of 25 *per cent* of cost of milching animals subject to a maximum of ₹ 12500 per animal for purchase of 15 to 25 animals to beneficiaries who did not have more than five milching animals. Scrutiny of the records of the Director showed that in seven cases, subsidy of ₹ 18.75 lakh was disbursed (January to March 2012) to the beneficiaries having more than five milching animals.

The Director, Agriculture stated (December 2014) that in the guidelines governing Special Programme for Dairy Development under National Mission on Protein Supplement, there was no condition stipulating the number of animals with the beneficiary. The reply was not acceptable as the guidelines issued (May 2011) by the Director Dairy Development Punjab clearly stipulated the condition *ibid.*

2.1.9.3 Results of joint physical verification of projects

(i) A joint inspection of the premises of a beneficiary of village Mehadipur, Hoshiarpur to whom subsidy of ₹ 1.56 lakh[16] was given, showed that there was no animal at the project location and the premises was found locked. On enquiring from the villagers, it transpired that the beneficiary had shut down the project and left the village.

(ii) Though subsidy of ₹ 4.38 lakh (₹ 1.50 lakh for animal housing and ₹ 2.88 lakh for purchase of animals) was granted to a beneficiary of village Sofi Pind of district Jalandhar for 23 animals under Special Programme on Dairy Development, but on verification, only three milching animals were found on project site and the shed was found dismantled.

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[16] ₹ 0.31 lakh for insurance and computer chip for 10 animals under 'Incentive for animal insurance and computer chips'; ₹ 1.25 lakh for 10 animals under Special Programme on Dairy Development of National Mission for Protein Supplement.

The Director, Agriculture stated (December 2014) that notices for the recovery of the subsidy had been issued (October 2014) to the beneficiaries. The reply indicates that the Department had no system of its own, to monitor the projects after granting subsidy.

2.1.10 Micro and minor irrigation

During 2010-14, five projects having approved cost of ₹ 111 crore were implemented by the Chief Conservator of Soils, Punjab under the sector. Nodal Department released ₹ 81.27 crore against which (CCS), Punjab incurred expenditure of ₹ 70.52 crore. One project 'Conservation of Irrigation Water Project' implemented at a cost of ₹ 49 crore during 2010-11 was test checked, findings of which are given below:

2.1.10.1 Imbalanced implementation of the project

In view of the problems like soil degradation and ground water decline/deterioration, Department of Soil and Water Conservation, Punjab formulated (2010-11) an action plan for Conservation and Development of Soil and Water resources for sustainable production in Punjab under RKVY, laying thrust on a series of measures like conservation of irrigation water, rainwater harvesting and recharge, reclamation of degraded soils and watershed development. Accordingly, a Project, 'Conservation of Irrigation Water Project' was implemented under RKVY. During 2009-2014, ₹ 130.86 crore[17] were disbursed to 13 Divisional Soil Conservation Officers covering 20 districts of the State for execution of the project. Of these, ₹ 55.34 crore (42.29 *per cent*) were disbursed to Sri Muktsar Sahib district only and the farmers of remaining 19 districts got funds ranging between 0.2 *per cent* and 16.65 *per cent* only, whereas Jalandhar and Kapurthala districts were not covered at all under this project which indicated imbalanced implementation of the project.

The Director, Agriculture stated (December 2014) that major emphasis while implementing this project was given on ecologically handicapped areas in the South-Western districts where groundwater is not fit for irrigation and the saving of seepage and conveyance losses helps in providing better irrigation facilities in outlet commands. In Jalandhar and Kapurthala, groundwater is fit for irrigation. The reply was not convincing as non-covering the other areas of the State which were facing a problem of decline in water table would further aggravate the situation in these areas and as per the action plan, the project was to be implemented not only in South-Western districts of Punjab but also in over exploited blocks of central districts and sub-mountainous areas of Northern Kandi districts, which got only 5.78 *per cent* and 4.27 *per cent* of the allocations respectively. Jalandhar and Kapurthala, two central districts where ground water was over exploited[18], were not covered at all.

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[17] Including funds received from another Sector viz. Natural Resource Management.

[18] As per the Report of Environmental Information System, sponsored by Ministry of Environment, Forests & Climate Change, GOI.

2.1.10.2 Unfruitful expenditure due to non-commissioning of project

The work of providing, laying and jointing of 11880 meter of Under Ground Pipeline at village Luhara, Doda, tehsil Gidderbaha of district Sri Muktsar Sahib was allotted (May 2011) for completion up to 17 June 2011. Audit of records (July 2014) of the Divisional Soil Conservation Officer, Sri Muktsar Sahib (DSCO) showed that due to change in the alignment of the project, the length of the pipeline was increased (August 2012) 11880 to 12680 meters thereby increasing the project cost to ₹ 2.69 crore, against which ₹ 2.54 crore were incurred as of March 2013. However, the project could not be made operational (July 2014) as the pipeline had developed major leakages for more than 26 times. The Soil Conservation Officer, Gidderbaha (SCO) reported (July 2014) that the pipeline had some technical fault and was unfit for operation. Thus, the expenditure of ₹ 2.54 crore was wasteful and deprived the farmers of the intended benefits.

The Director, Agriculture attributed (December 2014) non-commissioning of project to the dispute between the beneficiary and non-beneficiary farmers and stated that the laying of pipeline was complete but its successful commissioning was yet to be accomplished. The reply was not acceptable as the pipeline could not be commissioned/made operational due to technical fault as reported by the SCO as well as complaint by the Sarpanch of Luhara village.

2.1.10.3 Ungainful expenditure on incomplete projects

Audit of records of DSCO, Gurdaspur showed that an expenditure of ₹ 23.17 lakh and ₹ 18.54 lakh was incurred up to October 2011 and January 2013 on 'Renovation of Ponds and Retaining walls' in villages Qila Tek Singh and Wadala Banger respectively to utilize pond water for agriculture purposes by installing underground pipeline. The projects were, however, still (July 2014) incomplete which led to non-percolation of the intended benefits to the beneficiaries and the entire expenditure of ₹ 41.71 lakh remained ungainful.

In respect of village Qila Tek Singh, the Director, Agriculture stated (December 2014) that the local farmers requested to include more beneficiaries. Therefore, a revised estimate was sanctioned in June 2013 and the work of renovation of pond was complete and laying of pipeline was in progress (December 2014). The work in village Wadala Banger was started in 2011 and the pipeline was laid from the pond to the farmers' fields with available funds. The work of renovation of pond would be completed after release of balance funds. The reply in respect of village Qila Tek Singh was not acceptable as the length of pipeline was changed thrice from 500 metres to 2154 metres indicating that estimate of the work initially prepared was not based on realistic assessment of length of pipeline.

2.1.11 Seed Sector

During 2009-14, four projects with approved cost of ₹ 10.50 crore were implemented by Director, Agriculture under Seed Sector. The Nodal

Department released ₹ 9.90 crore to Director, Agriculture who spent the same for implementation of projects. One project 'Creation of infrastructure at New Seed Farm Rania, Amritsar' under RKVY at a cost of ₹ one crore, implemented by Divisional Soil Conservation office (DSCO), Amritsar was test checked. The estimated cost of the project was ₹ 3.67 crore against which ₹ 3.40 crore were released (₹ 2.40 crore from the Rural Development Fund and ₹ one crore from RKVY). Audit observed the following:

2.1.11.1 Wasteful expenditure due to abandonment of the project

The Divisional Soil Conservation Officer, Amritsar incurred an expenditure of ₹ 2.66 crore (₹ 0.28 crore from RKVY and ₹ 2.38 crore from Rural Development Fund) on clearing bushes/wild growth, leveling, fencing and underground pipelines system. The expenditure was incurred on weed clearance and land leveling (₹ 2.31 crore), fencing (₹ 0.28 crore) and laying of underground pipeline (₹ 0.07 crore). The work was stopped (February 2012) under the orders of the Deputy Commissioner (DC), Amritsar as fencing work was not as per MOU signed between the Agriculture Department and the Indian Army who dismantled (February 2012) the fencing etc. The work was lying abandoned since February 2012. DSCO, Amritsar refunded (May 2013) the unspent balance of ₹ 72 lakh (RKVY funds) to Chief Conservator of Soil, Punjab (CCS).

The Director, Agriculture stated (December 2014) that the Department had completed the work of land development through clearing bushes/wild growth, levelling, fencing, laying of underground pipeline, etc. and the farm had been handed over (August 2014) to the Punjab Agro Industries Corporation (PAIC) for its operation. Cross verification from PAIC showed that the work executed at a cost of ₹ 2.66 crore, had gone waste as the farm was full of *Kana-Sarkanda*, *congress grass, Narri* weeds and the whole farm land was in unlevelled condition. It was also observed (January 2015) that all agricultural operations were started afresh, beginning with levelling and development of land into cultivable land. Thus, non-execution of the work as per MOU with the army rendered the expenditure of ₹ 2.66 crore wasteful as the work of fencing was dismantled by the army and that of land development was of no use after remaining abandoned (since February 2012) for two and half years.

2.1.12 Crop diversification programme

To mitigate the problem of depletion of water table and to demonstrate and promote improved production technologies of alternate crops for diversion from paddy cultivation and to restore soil fertility, GOI approved (June 2013) Crop Diversification Programme (CDP) for ₹ 224.50 crore (revised to ₹ 249.50 crore in February 2014). CDP has four components viz. (i) Cluster Demonstration; (ii) Farm Mechanisation, processing and value addition, (iii) Site specific activity; (iv) Contingency for awareness training, implementation and monitoring. On the basis of quantum of expenditure incurred, five districts[19] were selected for checking the implementation of CDP. Audit noticed the following irregularities:

[19] Jalandhar, Ludhiana, Mohali, Nawanshahar and Sangrur.

2.1.12.1 Non-utilisation of central assistance

Audit noticed that against the action plan of the State, GOI released (August 2013) first installment of ₹ 112.25 crore to GOP for utilization during 2013-14. Out of this, GOP could utilize ₹ 86.15 crore only up to July 2014, leaving balance of ₹ 26.10 crore unutilized and ₹ 137.25 crore (₹ 249.50 crore- ₹ 112.25 crore) unavailed from GOI due to which the approved action plan of CDP could not be fully implemented to derive its optimum benefits.

In the Exit Conference (November 2014), the Commissioner, Agriculture accepted the audit observation.

2.1.12.2 Non-identification/approval of beneficiaries

District Level Committees (DLC) constituted (September 2013) were fully responsible for identification of beneficiaries for cluster demonstration of alternate crops to paddy and collaborate with other stakeholders for implementation of the programme at field level.

The Chief Agriculture Officer (CAO), Jalandhar, PCCF and the Chief Conservator of Soils (CCS), Punjab had incurred expenditure of ₹ 8.08 crore, ₹ 2.93 crore and ₹ 5 crore respectively (total ₹ 16.01 crore) on implementation of CDP without identification/approval of beneficiaries by DLC during 2013-14.

The Director, Agriculture stated (December 2014) that list of beneficiaries prepared by district Agriculture Department was sent to DLC, Jalandhar for approval. It was further stated that the farmers who volunteered in response to the advertisement of Forest Department were supplied the plants. With regard to work done by CCS, it was stated that the DLC was required only to collaborate with stakeholders which was properly carried out at the district level. The replies were not acceptable as only the DLC was to identify the beneficiaries which was not done in all these cases.

2.1.12.3 Cluster Demonstration

(i) Progress not commensurate with disbursement of subsidy

Under CDP, though subsidy of ₹ 22.29 crore[20] (as per data of Assistant Maize Development Officer, Punjab-AMDO) was disbursed to the farmers of 11 districts for conversion of 22291 hectares under paddy to maize yet the area under maize increased by 6000 hectares only (as per the data of Joint Director; Agriculture Statistical-JDA). In seven districts[21], there was no increase in the area covered under maize despite disbursement of subsidy of ₹ 14.34 crore

[20] (i) Barnala-₹ 0.41 crore, (ii) Fatehgarh Sahib-₹ 0.74 crore; (iii) Jalandhar-₹ 8.34 crore, (iv) Kapurthala-₹ 1.86 crore; (v) Ludhiana-₹ 3.83 crore,(vi) Mohali-₹ 3.70 crore; (vii)Moga-₹ 0.71 crore, (viii) Patiala-₹ 0.64 crore, (ix) Ropar-₹ 0.36 crore; (x) Sangrur-₹1.65 crore; and (xi) Tarn Taran-₹ 0.05 crore.

[21] (i) Barnala-₹ 0.41 crore, (ii) Jalandhar-₹ 8.34 crore, (iii) Ludhiana-₹ 3.83 crore, (iv)Moga-₹ 0.71 crore, (v) Patiala ₹ 0.64 crore, (vi) Ropar-₹ 0.36 crore and (vii) Tarn Taran-₹ 0.05 crore.

whereas in three other districts (Kapurthala, Mohali and Sangrur), the area under maize increased by 5000 hectares.

The Director, Agriculture stated (December 2014) that cluster demonstration of maize under the programme was not to convert area from paddy but to demonstrate the production potential of maize. The plea that cluster demonstration of maize under the programme was not to convert the area was not acceptable as one of the activities under CDP was to motivate the farmers for cultivation of maize and allocation of funds was made for the diversion of five *per cent* area of paddy to the alternative crops accordingly the department distributed maize seed for sowing in 22291 hectares area.

(ii) Distribution of eucalyptus and poplar plants

As per approved action plan of CDP, cluster demonstration on Eucalyptus was to be conducted in the waterlogged areas of the identified districts only. Audit further noticed that PCCF distributed 2601870 Eucalyptus plants worth ₹ 2.08 crore to the farmers under jurisdiction of 16 Forest Divisions of the State free of cost, but there was nothing on records to show as to how the areas and the beneficiaries were identified. The Director, Agriculture stated (December 2014) that 63 *per cent* of the plants were supplied in the districts of Mansa, Ferozepur, Sri Muktsar Sahib, Moga, Faridkot, Bathinda and Patiala having known problem of water logging. The rest of the plants were supplied to such areas as covered under the guidelines. The reply was not acceptable as the farmers of Sri Muktsar Sahib district, the worst affected by water logging[22] were not covered at all. On the other hand, farmers of Bathinda district having no water logging were supplied 135000 plants valuing ₹ 10.80 lakh.

(iii) Distribution of subsidy

Subsidy of 50 *per cent* of the cost or ₹ 0.50 lakh per hectare, whichever is less, was to be provided for 'Improvement in Conveyance Efficiency of Irrigation Water through Community Underground Pipeline System'(UGPS) given to the farmers subject to the condition that they would not sow paddy in that area during the next five years. Though subsidy of ₹ five crore was disbursed during 2013-14 to the farmers under the project, no system was put in place to ensure compliance of this vital condition to ensure crop diversification.

The Director, Agriculture stated (December 2014) that the project was implemented mainly to save conveyance losses on the farmers field and there was no condition barring the farmers, availing assistance, from growing paddy in the approved guidelines issued by GOI for implementation of CDP. The reply was not acceptable as the project prepared by the Department itself provided that preference would be given to those farmers who gave a written undertaking not to grow paddy for at least five years after installation of UGPS on the benefited area owned by them. They would be free to grow any other alternate crop which was also the main objective of the CDP.

[22] Report (January 2013) of the High Level Expert Group on Water Logging in Punjab, GOI, Planning Commission.

2.1.12.4 Farm Mechanization, processing and value addition

(i) Payment of subsidy in excess of norms

As per action plan approved by GOI, assistance on farm mechanization, processing and value addition was limited to ₹ 30000 per unit for individual beneficiary and more than ₹ 30000 was only for group of farmers for sharing or custom hiring of machinery. Similarly, for Multi Crop Thresher, admissible amount of subsidy was 50 *per cent* of cost subject to maximum of ₹ 25000 per unit.

Audit noticed that CAOs, Ludhiana and Mohali disbursed subsidy of ₹ 35.66 lakh[23] to 24 individual farmers at the rate of more than ₹ 30000 in each case against the admissible subsidy of ₹ 7.20 lakh to these farmers. This resulted into excess payment of ₹ 28.46 lakh. The CAO, Mohali disbursed subsidy of ₹ 30000 per unit (against ₹ 25000 per unit) to two farmers resulting in excess payment of ₹ 10000.

The Director, Agriculture while admitting the facts stated (December 2014) that State Government decided that subsidy exceeding ₹ 30000 per unit be allowed to the individual farmers by obtaining an undertaking that the farmer would provide the machine on custom hiring service to other farmers. As regards payment of excess subsidy on Multi Crop Thresher, it was stated that State Level Committee (SLC) enhanced (October 2013) the upper limit to ₹ 30000. The reply was not acceptable as SLC has to follow GOI norms.

(ii) Inadmissible payment of subsidy

Audit noticed that CAOs, Mohali and Ludhiana disbursed subsidy of ₹ 27.18 lakh[24] to the farmers for purchase of machinery not covered under the approved action plan. The Director, Agriculture stated (December 2014) that the agricultural machinery was distributed on subsidy as approved (August 2013) by SLSC. However, GOI in revised action plan of CDP disallowed (February 2014) subsidy on this machinery. In the meantime, some of CAOs had already disbursed subsidy. The fact, however, remained that the machinery in question was not covered in the original as well as revised action plan approved by GOI.

2.1.12.5 Site specific activity

(i) Irregular release of subsidy for fish culture

As per project for demonstration and training for fish culture under CDP, subsidy of ₹ 80000 per acre was to be given for fish farming in three instalments-30 *per cent* for start of the pond digging work, *30 per cent* after completion of 60 *per cent* of work of pond and 40 *per cent* after completion of pond. Further, subsidy of ₹ 40000 per acre was to be given for fish seed & feed and ₹ 10000 for purchase of net. Audit of records of the Director Fisheries (Director) showed that:

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[23] Ludhiana (22 cases)- ₹ 33.58 lakh and Mohali (two cases)- ₹ 2.08 lakh.

[24] Ludhiana- ₹ 17.58 lakh and Mohali-₹ 9.60 lakh.

➢ In 14 cases, subsidy of ₹ 93.56 lakh was disbursed irregularly to the beneficiaries who did not have any source of water for pond and/or electric poles were erected in the pond area. The Director, Agriculture stated (December 2014) that now the canal water was made available to fisheries' farmers and shifting of electric poles had been started by Punjab Powercom. It is thus, evident that subsidy was disbursed without assessing the viability of the projects.

➢ First instalment of subsidy of ₹ 33.64 lakh was released to 26[25] beneficiaries who did not turn up for subsequent instalments indicating that they had not started digging of pond as intimated by the Director, Fisheries, Punjab. This indicated that the system of identification of beneficiaries was not proper. The Director, Agriculture stated (December 2014) that in district Sri Muktsar Sahib, beneficiaries did not turn up for the subsequent instalment due to problem of water logging. Now, five beneficiaries have started work and taken second instalment, one beneficiary due to some domestic problem had refunded first instalment. In both the districts water logging was stated to be the major problem in execution of work. The reply was not acceptable as the scheme was primarily for water logged area, the viability of the projects should have been assessed before disbursement of the subsidy. The fact remained that the Department failed to pass on the optimum benefits to the farmers due to non-execution of the works.

(ii) Non-achievement of targets

As per the project proposal, the Department was to cover 600 acres of land under the fish culture. Test-check of the records of Director, Fisheries showed that the Department distributed subsidy for 514 acres of land, whereas no area had been covered under fish culture. The Director, Agriculture stated (December 2014) that only 50 *per cent* of the funds under the project were released and the target would be achieved after receipt of balance funds. It was further stated that only excavation work was completed in 380 acre. Thus, no area had been covered under fish culture so far (December 2014).

2.1.13 Internal control mechanism

Internal control system is a management tool used to provide assurance that the objectives are being achieved as planned. Audit noticed that:

➢ The role of SLSC was confined mainly to sanctioning of the projects and it did not carry out other mandated tasks[26]. The Director, Agriculture while admitting the shortfall in meetings, stated (December 2014) that the physical and financial progress of the projects were reviewed by the Administrative Secretaries of the implementing departments as well as the

[25] Sri Muktsar Sahib-20; and Fazilka -06 benefeciries.

[26] (i) Monitoring the progress of the sanctioned projects; (ii) Reviewing the implementation of the scheme's objectives and ensure that the programmes are implemented in accordance with the guidelines laid down; (iii) Ensuring that no duplication of efforts or resources take place; (iv) Undertaking field studies to monitor the implementation of the projects etc.

Financial Commissioner Development and Director, Agriculture. The fact remained that SLSC had not exercised its mandate fully.

- The State had not established a Management Information System (MIS) so far (August 2014) which was required to be established within the first year of implementation of RKVY. In the Exit Conference, the Department agreed to comply with this requirement in future.

- Internal audit of projects under RKVY was not conducted by the Nodal Department during 2009-14. The department noted (December 2014) the observation for future compliance.

2.1.14 Non-achievement of prime objective of RKVY

The main aim of RKVY was to achieve four *per cent* annual growth rate in agriculture sector during each year of the XIth Five Year Plan (2007-12), which was not achieved in any of the years and the achievement[27] remained 3.82, 2.03, (-) 0.30, 1.64 and 1.85 *per cent* (provisional) respectively during the said period. Thereafter, it declined to 0.16 (quick) and 0.44 *per cent* (advance) in 2012-13 and 2013-14 respectively. The Director, Agriculture stated (December 2014) that increasing the growth rate was a very complex mechanism depending upon many contributory factors and nature plays an important role in final output and achievement of four *per cent* growth rate in agriculture sector was a long time process. The fact remained that even after increased investments made under RKVY in the agriculture sector, the agricultural growth rate in the State had declined from 3.82 *per cent* in 2007-08 to 0.44 *per cent* in 2013-14.

Conclusions

The planning process was deficient as no specific benchmarks or milestones were laid down for achieving the targeted annual growth rate of four *per cent*. There was overlapping of area/activities covered under RKVY with the existing schemes of Central/State Government. Financial management was deficient as there were instances of short release of central funds by the State Government to Nodal Department and from the Nodal Department to the implementing agencies. Cases of loss/non-accountal of interest towards RKVY funds were noticed. Utilisation certificates were submitted prior to actual utilization of funds.

Implementation of projects under RKVY was deficient in the instances of utilization of RKVY funds for works not related to RKVY, blockade of funds; undue favour to NGOs, irregular payment of subsidy and wasteful expenditure were noticed. Internal control mechanism was found largely deficient. Management Information System was not established. Prime objective of RKVY to achieve four *per cent* annual growth rate in Agriculture and allied sectors during each year of the XIth Five Year Plan was not achieved.

[27] As per Economic Survey for 2013-14 by Economic Adviser, Government of Punjab.

Recommendations

The State Government may:

- ensure compliance of the provisions of RKVY guidelines to extend optimum benefits of the scheme to the farmers of the State;
- strengthen financial management system to avoid delay in release of funds at various levels, ensure proper accountal of interest and correct submission of utilization certificates; and
- take immediate steps to establish a robust internal control mechanism including uploading of data at RKVY Database and management information system.

The matter was referred to Government in September 2014; reply was awaited (February 2015).

PRINTING AND STATIONERY DEPARTMENT

2.2 Working of Printing and Stationery Department

The Printing and Stationery Department is a service department that meets the requirement of stationery items, paper, forms and registers, etc. of all the departments of the State Government. The printing jobs are done at the Government Presses SAS Nagar and Patiala.

Some of the significant findings of the performance audit are given below:

- ***Despite provision of funds, the much-needed plan of modernization of printing presses could not be implemented.***

  (Paragraph 2.2.6.1)

- ***Receipts on account of cost of printing, supply of various forms, etc. amounting to ₹13.30 crore as of November 2014 were yet to be realized from commercial departments.***

  (Paragraph 2.2.7.2(i))

- ***Despite budget provisions, the bills were not passed by treasury to clear pending liabilities of ₹2.82 crore towards cost of work done from UT Press, Chandigarh.***

  (Paragraph 2.2.7.3)

- ***Printing machines remained underutilized to the extent of 61 per cent as per norms fixed by the Department and 44 per cent of printing orders were outsourced by the Department during 2009-14. Out of 150 pending printing jobs as of March 2014 with GPs SAS Nagar and Patiala, 112 jobs pertained to the calendar years 2003 to 2013.***

  (Paragraphs 2.2.8.1 & 2.2.8.2)

- ***Overhead charges were not revised since 2004-05 leading to unrealistic job costing. Various old publications, printed forms and registers; unserviceable machines; and damaged paper having book value of ₹4.11 crore were awaiting disposal.***

  (Paragraphs 2.2.8.3, 2.2.9.2 & 2.2.9.3)

2.2.1 Introduction

The Printing and Stationery Department (Department) was established for the purpose of executing printing works of Punjab Government; purchase and supply of stationery; and distribution of forms and Government publications. The Department executes printing either at Government Presses[28] (GP) or gets it outsourced from Union Territory (UT) Press, Chandigarh or from private presses. The Department is also entrusted with the work of supply and

[28] Government presses situated at SAS Nagar and at Patiala.

maintenance of typewriters, photostat, fax machines, etc. to Government departments.

2.2.2 Organizational set up

The Secretary is the administrative head and the Controller, Printing and Stationery (CP&S) is the executive in-charge of the Department. The CP&S is assisted by Deputy Controller (Technical) for all technical matters and outsourcing of printing jobs; Deputy Controller, Finance and Accounts (DCFA) for financial matters at headquarter; and the Assistant Controllers (AC) are responsible for the day-to-day administration and management of both the GPs at SAS Nagar and Patiala. Typewriter workshops are headed by a Superintendent at SAS Nagar, who is assisted by Supervisors at district level.

2.2.3 Audit Objectives

The main objectives of the performance audit were to assess whether:

- long term plans were formulated and executed;
- financial management was efficient and effective;
- operations were done by using the available resources optimally;
- procurement of paper and stationery was consistent with the requirement and stores were managed efficiently;
- human resource management was effective and efficient; and
- internal control mechanism was in place.

2.2.4 Scope of Audit and methodology

The performance audit on the working of Printing and Stationery Department was conducted (February 2014-August 2014) by test-checking the records of the CP&S, GPs at SAS Nagar and Patiala and typewriter workshops, covering the period 2009-14. Mention was made in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 1992 (Paragraph No. 3.1) - Government of Punjab, on the working of Government Presses. The findings of report were kept in view while conducting the audit.

An entry conference was held on 19 May 2014 with the Secretary, Printing and Stationery, wherein the audit objectives, criteria, scope and methodology were discussed. The audit findings were discussed with the Department in an exit conference held on 2 December 2014. Replies of the Department have suitably been incorporated in the report.

2.2.5 Audit criteria

The audit findings were benchmarked against the criteria derived from the following sources:

- Punjab Printing and Stationery Manual;
- Accounting procedure of Printing and Stationery Department, Punjab;
- Schedule of out-turn of the Punjab Government Press; and
- Punjab Financial Rules.

Audit findings

2.2.6 Planning

2.2.6.1 Modernization of Government Presses

In order to upgrade the Government Presses (GP) in the State of Punjab by providing new machines, additional manpower etc., a State Plan Scheme for "Modernization of Punjab Government Presses" was formulated during 11th five year plan[29] (FYP) (2007-12) and 12th FYP[30] (2012-17) with an outlay of ₹ 4.27 crore and ₹ 17.41 crore, respectively.

During 11th FYP, the State Government provided funds of ₹ 1.55 crore each in years 2008-09 and 2011-12, respectively, but the same could not be utilized by the Department. During 12th FYP, as against the release of ₹ 3.97 crore in 2012-14, ₹ 1.71 crore were utilized on procurement of new machines. However, neither the requisite manpower as per the Scheme was deployed nor was the training to existing manpower planned, leading to under-utilization of printing machines, as mentioned in paragraph 2.2.8.1.

During exit conference, CP&S assured to take necessary steps for modernization of Government presses in near future.

2.2.6.2 Incomplete civil works

It was also observed that works relating to the modernization of GPs at SAS Nagar and Patiala could not reach fruition as briefly discussed below:

- Under the Plan Scheme "Construction of parallel block to existing block and staff quarters at GP SAS Nagar", in order to provide safety to the stock and material, GP SAS Nagar deposited (January 2011) ₹ 22 lakh with Provincial Division, PWD B&R, Punjab, Chandigarh for construction of boundary wall, provision of barbed wire fencing, steel grills, etc. But the work could not be completed for more than three years even after spending ₹ 16.20 lakh on 75 *per cent* of work, as some portion of land remained under dispute (November 2014).

- The State Government provided funds of ₹ 75 lakh during 2009-14 under the State Plan Scheme "Construction of building and other important works at GP Patiala", but the work could not be started (July 2014) due to non-passing of bills (for deposit work) by the treasury and indecision on the part of State Government to transfer the related land to PUDA under OUVGL[31] Scheme.

During exit conference, CP&S stated that the matter had been taken up with the district authorities and PWD for demarcation of land belonging to the Department. It was assured that the works at SAS Nagar and Patiala would be got completed on resolving the issues.

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[29] GP SAS Nagar during 11th FYP.
[30] GPs SAS Nagar and Patiala during 12th FYP.
[31] Optimum Utilisation of Vacant Government Land.

2.2.7 Financial management and budgetary control

2.2.7.1 Budget and expenditure

The details of non-plan revenue budget and expenditure during 2009-14 are given in **Table 2.2.1.**

Table 2.2.1 : Details of non-plan revenue budget and expenditure during 2009-14

(₹ in crore)

Year	Budget estimates	Revised estimates	Actual expenditure	Savings (-)
2009-10	23.13	22.77	19.11	(-) 3.66
2010-11	25.07	32.30	31.36	(-) 0.94
2011-12	29.09	35.13	33.11	(-) 2.02
2012-13	32.00	33.54	30.31	(-) 3.23
2013-14	32.56	34.43	27.04	(-) 7.39
Total	**141.85**	**158.17**	**140.93**[32]	**(-)17.24**

Source: Departmental data

- During 2009-14, the Department incurred an expenditure of ₹ 140.93 crore against the budget provisions of ₹ 158.17 crore.

- The revised budget estimates exceeded the original budget estimates by ₹ 1.54 crore and ₹ 1.87 crore during 2012-13 and 2013-14, respectively, whereas the expenditure during these years could not even come up to the level of original budget estimates, which indicated the preparation of unrealistic budget estimates.

The Department attributed (October 2014) the reasons for non-utilisation of funds to long-drawn tendering process, obtaining sanctions at various levels and non-passing of bills by the treasury.

2.2.7.2 Unrealized receipts

(i) Receipts from commercial departments

As per Para 83 of the Accounting Procedure, proforma accounts are maintained to know the value of services rendered to each department and only in case of few departments which have been declared 'Commercial' by the Government, execution of work is to be done on payment basis and the charges are realized from them either in cash or by book adjustment. Further, Para 5.2 of the Printing and Stationery Manual (Manual) provides that the commercial departments should make payment for the services rendered to them within 15 days of receipt of the bill.

Audit observed that:

- Proforma accounts were not prepared by the Department in the absence of which, the value of services rendered to each department could not be ascertained.

[32] Includes expenditure of ₹ 13.64 crore on outsource printing and ₹ 17.26 crore on procurement of stationery.

➢ An amount of ₹ 13.30 crore on account of cost of printing work and supply of various forms was recoverable from 23 commercial departments as of November 2014. Out of total outstanding receipts, ₹ 0.98 crore pertained to the period 1963-2009; and ₹ 11.24 crore (85 *per cent*) were recoverable from the Elections Department (November 2014). Despite this being pointed out in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 1992 (paragraph 3.1.7), huge amount was still lying unrecovered from the commercial departments.

During exit conference, CP&S stated that efforts were being made to recover the outstanding receipts from the commercial departments.

(ii) Rent from Post and Telegraph Department

The Department had provided (February 1983) space in the premises of GP Patiala to the Post and Telegraph (P&T) Department for opening of a post office on rent basis, which was to be assessed by the Public Works Department (PWD) of Punjab Government.

Audit noticed that the rent for the space provided to P&T Department was not being recovered since February 1983 due to non-assessment of rent and thereafter from February 2009 despite its assessment by PWD. The outstanding rent for the period from February 2009 to March 2014 recoverable from P&T Department worked out to ₹ 12.95 lakh[33].

During exit conference, CP&S assured to take up the matter with higher authorities of P&T Department for effecting recovery of rent as early as possible.

(iii) Sale proceeds of land

Land measuring 1.34 acre valuing ₹ 19.39 crore belonging to the Department, which became surplus due to closure of Ticket Printing Press at Patiala (June 2009) was transferred (July 2009) to Punjab Urban Development Authority (PUDA) under Optimum Utilisation of Vacant Government Land Scheme for its commercial exploitation. As per the Scheme (October 2007), the sale proceeds realized from the commercial exploitation of the properties would be credited to Punjab Infrastructure Development Fund[34] which would be prioritized for utilization towards the infrastructure projects pertaining to the particular department whose properties have been transferred.

Audit observed that the said piece of land transferred to PUDA in July 2009 was not sold out/commercially exploited even after five years (November 2014), thus, depriving the Department of the privilege to utilize the sales proceeds of the land for its infrastructure development, especially when the modernization of Government presses was underway since 11th FYP.

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[33] 13.2.2009 to 12.02.2012 :₹ 19,998/- x 36 months = ₹ 7,19,928/- ; and 13.02.2012 to 31.03.2014: ₹ 22,998 x 25 months = ₹ 5,74,950/- i.e. ₹ 12,94,878/-.

[34] Constituted under Punjab Infrastructure (Development and Regulation) Act, 2002.

During exit conference, CP&S stated that PUDA had put the commercial exploitation of the land on hold due to adverse market trend. The reply was not acceptable as during the period since the transfer of land i.e. July 2009 to July 2014, the commercial rates of the land increased by 134 *per cent*[35]. Thus, due to inaction on the part of the Department/PUDA for more than five years, the sale proceeds of the land could not be made available for utilisation towards infrastructure development of the Department.

2.2.7.3 Pending liabilities

Audit of records of CP&S showed that payment of ₹ 2.82 crore for the period from October 1992 to June 2014 towards the cost of work got done on 980 occasions from UT Press, Chandigarh was yet to be made (November 2014), thereby creating a liability of ₹ 2.82 crore. During exit conference, CP&S attributed non-clearance of pending liability to non-passing of bills by the treasury. The reply was not convincing as the liabilities were accumulating since long and despite budget provisions, the bills were not passed by treasury to clear pending liabilities.

2.2.7.4 Delay in deposit of receipts into treasury

Rule 2.4 of PFR Volume-I provides that departmental receipts collected during the day are credited into the treasury on the same day or on the morning of the next day at the latest.

Audit of records (May 2014) of CP&S showed that ₹ 36 lakh[36] received during 2009-2014 on account of supply of stationery to commercial departments were deposited into the treasury with a delay ranging between two and 38 days due to delay in depositing the money so received by the Stationery Branch with the Cash Branch. During exit conference, CP&S, while admitting the omission, stated that strict instructions had been issued to deposit the receipts into treasury on the same day or the next day.

2.2.8 Operations

2.2.8.1 Underutilization of machines

The department possessed 199 machines at GP SAS Nagar (111) and GP Patiala (88), but only 73[37] (37 *per cent*) were in working condition as of March 2014, which included 26 printing machines.

(i) Audit analysis (June-July 2014) of 26 printing machines (GPs Patiala: 12 and SAS Nagar:14) showed that:

- Eight new printing machines (Patiala:2 and SAS Nagar:6) valuing ₹ 1.57 crore, installed (January 2012-May 2013) under the plan scheme for the

[35] As per collector rates obtained from Deputy Commissioner, Patiala, the commercial rates of land increased from ₹ 29,900/- to ₹ 70,000/- per square yard.

[36] Except during the period 2010-11 wherein the concerned record file was not made available to Audit.

[37] SAS Nagar (50 machines) and Patiala (23 machines).

modernization of Government presses, after deducting permissible unproductive hours such as cleaning of machine, change of blankets/plates, etc. could yield only 2.01 crore impressions (18 *per cent*) as of March 2014 against the envisaged impressions of 11.17 crore, as per norms claimed by the manufacturers. It was noticed that the norms in respect of out-turn of printing machines fixed by the Department were far below the norms fixed by the manufacturers. Even as per the norms fixed by the Department, the new machines could yield only up to 55 *per cent* impressions.

- The remaining 18 old printing machines (Patiala:10 and SAS Nagar:8) installed prior to April 2011 yielded 14.21 crore impressions (38 *per cent*) after deducting permissible unproductive hours during 2009-14 against the envisaged impressions of 37.73 crore, as per norms fixed by the Department.

Thus, while on one hand the capacity of printing machines in GPs remained underutilised to the extent of 61[38] *per cent* as per the norms fixed by the Department itself, on the other hand 981 printing orders (i.e. 44 *per cent* of the total printing orders) were outsourced during 2009-14, as discussed in paragraph 2.2.8.2. Despite this being pointed out in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 1992 (paragraph 3.1.6(a to d)), the printing machines were still not being optimally utilized.

(ii) Audit further noticed that one binding machine[39] costing ₹ 10 lakh at GP SAS Nagar could not be put to use for more than five years due to non-availability of its operator (November 2014).

During exit conference, CP&S attributed (December 2014) underutilization of machines to shortage of manpower and stated that with the restructuring of the Department, which was pending with the Government, the machines would be utilized to their full capacity.

2.2.8.2 Outsourcing of printing orders

Para 4.1 of Punjab Printing and Stationery Manual provides that when indents and requisitions for printing work are received, the Controller, with due regard to the state of the work in the Government Press, will decide whether to carry out the work at the Government Press or to place the order on a private press.

The details of printing orders received, outsourced and executed in-house during 2009-14 were as given in **Table 2.2.2.**

[38] Twenty six printing machines yielded 162143530 impressions (39 *per cent*) against the envisaged 413889200 impressions.

[39] Printoo Perfect Binder Machine.

Table 2.2.2: Details of printing orders received, outsourced and executed in-house during 2009-14

Year	Printing orders				Printing jobs*								
	Received	Outsourced		Executed in-house	Opening balance		Receipts		Completed		Pending		Total pending printing jobs *(Percentage)*
		UT/ HR press	Private		GP Patiala	GP SAS Nagar	GP Patiala	GP SAS Nagar	GP Patiala	GP SAS Nagar	GP Patiala	GP SAS Nagar	
2009-10	514	65	167	282	152	129	120	342	130	338	142	133	275 (37)
2010-11	461	41	155	265	142	133	145	328	174	360	113	101	214 (29)
2011-12	452	36	160	256	113	101	205	323	206	312	112	112	224 (30)
2012-13	484	11	179	294	112	112	93	348	109	323	96	137	233 (35)
2013-14	294	05	162	127	96	137	156	307	213	332	38	112	150 (22)
Total	2205	158	823	1224									

Source: Department data ** One printing order is bifurcated into one or more printing jobs*

Audit observed that:

➢ Out of 2205 printing orders received during 2009-14, 981 printing orders (UT/Haryana presses: 158 and private presses: 823) (44 *per cent*) were outsourced without giving any justification on record.

In reply, CP&S stated (September 2014) that the workload remained generally in the notice of senior officers and only the spill over work or work involving special requirements was placed with the private presses. However, evidence of having any mechanism in place to ascertain these factors was not made available to audit.

➢ Out of 150 pending printing jobs as of March 2014 with GPs SAS Nagar and Patiala, 112[40] pertained to the calendar years 2003 to 2013. It was also noticed that three printing orders placed with Printing Press of Union Territory, Chandigarh were executed after a delay of one and a half to seven and a half years. Despite this being pointed out in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 1992 (paragraph 3.1.6(ii)), the printing jobs still remained pending from 22 to 37 *per cent* during 2009-14.

The CP&S attributed (October 2014) the delay in execution of printing jobs to some urgent and date bound printing orders, which itself was indicative of poor management in the Department especially when the machines were found to be grossly underutilized to the extent of 61 *per cent,* as mentioned in paragraph 2.2.8.1.

During exit conference, CP&S apprised Audit that due to addition of new machinery in 2012-13, dependency on UT press for printing of Gazette notification was discontinued.

2.2.8.3 Non-revision of overhead charges

Para 83 of the Accounting Procedure provides that Printing and Stationery Department being a service Department, would prepare proforma accounts to

[40] 2003 (one), 2006(two), 2007 (one), 2010 (two), 2011 (eight), 2012(38) and 2013 (60).

know the cost of service rendered to each department. The printing cost should include both direct and indirect expenditure. The direct expenditure relates to wages of the productive staff, cost of paper, etc., whereas indirect expenditure (overhead charges) comprise wages of non-productive staff, rent of buildings, contingent charges, miscellaneous stores, depreciation, interest on plant and machinery, etc. The overhead charges should be worked out on yearly basis.

Audit of records (May-June 2014) of GPs at SAS Nagar and Patiala showed that overhead charges were last worked out for the year 2003-04, which were increased by 25 *per cent* during 2004-05. Thereafter, these charges had not been revised. Resultantly, the job costing in respect of non-commercial departments had not been done by GPs SAS Nagar and Patiala since 2004-05 and 2006-07, respectively. In case of commercial departments, the bills for the services rendered to them were raised during 2009-14 on the basis of overhead charges fixed for the year 2004-05. Despite this being pointed out in the Comptroller and Auditor General's Audit Report (Civil) for the year ended 31 March 1992 (paragraph 3.1.7), job costing was not being done by the Department due to non-revision of overhead charges. This was not only the violation of the Accounting Procedure but also led to realization of lesser cost of printing from commercial departments.

During exit conference, it was stated that with a view to compete with the market rates, a proposal to revise the calculation pattern for working out overhead charges was being sent to the Finance Department.

2.2.9 Procurement and stock management

2.2.9.1 Procurement of stationery and paper

(i) The Manual (Paragraph 10.2) requires each Head of the Department to submit an estimate of stationery during the ensuing financial year together with schedule of new expenditure and explanatory memorandum. Rule 2.10 of PFR also demands high standards of financial propriety and provides that expenditure should not be prima facie more than the demand of the occasion.

Audit of records (March 2014) showed that neither the Department called for nor the indenting departments submitted the estimates for stationery items during 2009-12. Stationery items were purchased on the basis of issuance of stationery in previous three years. Resultantly, closing stock of stationery valuing ₹ 0.22 crore at the end of 2009-10 escalated to ₹ 1.66 crore at the end of 2011-12. On the other hand, number of items ranging between 43 and 59 remained out of stock for a period ranging between one month to 36 months and CP&S issued 86 NOCs to the departments for purchase of these stationery items from open market during the same period (2009-12). Thereafter, from 2012-13 onwards, the Department complying with the rules, started procuring stationery by calling estimates from the departments. As a result of this, the stock was reduced to ₹ 0.45 crore at the end of 2012-13[41].

During exit conference, CP&S stated that the position of inventory was improving with the calling of demands from the field offices.

[41] Store account in respect of Stationery for 2013-14 was not prepared (November 2014).

(ii) Rule 15.2(b) of PFR provides that purchases must be made in most economical manner and in accordance with the definite requirement of the public service.

Audit of records of GP SAS Nagar showed that the Department procured 10647 reams of Azurelaid paper valuing ₹ 55 lakh on the basis of previous consumption without assessing definite requirement and supplied the same to GP SAS Nagar in March 2013. Of this, only 4389 reams (41 *per cent*) could be utilized till October 2014. Similarly, 53 reels of cream wove paper valuing ₹ 5 lakh purchased prior to April 2004 was still lying in stock (June 2014). Despite this being pointed out in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 1992 (paragraph 3.1.10(c)), similar irregularities were still persisting in the Department.

In reply, GP SAS Nagar stated (September 2014) that case to write off cream wove paper was under process. As regards Azurelaid paper, CP&S stated in the exit conference that the remaining paper was being utilized as per requirement and the same would be consumed in due course.

2.2.9.2 Non-disposal of old publications and printing jobs

(i) The Department has a Book Depot wherein all priced publications of Government are stocked for sale. As per Manual, the department concerned under whose authority a publication was published should review, from time to time, the disposal of unsold copies left in stock.

Audit of records (June 2014) of the Book Depot at GP SAS Nagar showed that 265026 copies of various publications having selling price of ₹ 94 lakh were lying in the store for more than five years and were not reviewed by the departments concerned for their disposal.

(ii) Similarly, Audit also noticed that 19.55 lakh[42] printed forms and registers lying at GP SAS Nagar were not lifted by the indenting departments even after the period ranging from one to five years. Besides, 1.33 lakh printed forms and registers valuing ₹ 68 lakh lying at GP Patiala were also not delivered to the indenting departments even after the period ranging between one and three years.

The CP&S stated (October and December 2014) that the publications valuing ₹ 4.03 lakh had since been supplied to the indenting department and for the disposal of other publications, etc. the matter had been taken up with the concerned departments.

Thus, laxity on the part of the Department to dispose of old publications and forms resulted in blockade of published material valuing ₹ 1.58 crore besides occupying useful space of GPs.

2.2.9.3 Non-disposal of unserviceable machines and material

Rule 15.3 of PFR provides that the unserviceable or surplus items of stores are

[42] Cost was not worked out by GP SAS Nagar.

required to be disposed of.

Audit of records at GP SAS Nagar (June 2014) and Patiala (July 2014) showed that:

- Lead weighing 60879 Kg and other material[43] having book value of ₹ 9.35 lakh was not disposed of by GPs, despite closure of Letter Press in 2005-06.

- Process for condemnation of 66[44] machines having book value of ₹ 85 lakh initiated in February 2008 was yet to be completed.

- Disposal of paper and printing/binding material at GP Patiala having book value of ₹ 1.59 crore damaged in flood during 1993 had not been finalized.

During exit conference, CP&S stated that the material had been declared condemned by the State Government and the matter was under correspondence with the Controller of Stores for its final disposal.

2.2.10 Human resource management

2.2.10.1 Shortage of staff

The position of sanctioned strength of staff and men-in-position in the Department during the period 2009-14 is given in **Table 2.2.3**.

Table 2.2.3: Sanctioned strength of staff and men-in-position during 2009-14

Name of unit	2009-10		2010-11		2011-12		2012-13		2013-14	
	SS	MIP	SS	MIP	SS	MIP	SS	MIP	SS	MIP
Controller (Hqrs)	230	128	230	117	230	84	230	70	230	127
GP, Patiala	850	263	850	259	850	241	850	228	850	268
GP, SAS Nagar	111	65	111	52	111	56	111	63	111	99
Typewriter Workshops (Mechanics)	72	42	72	40	72	35	72	30	72	26
TOTAL	**1263**	**498**	**1263**	**468**	**1263**	**416**	**1263**	**391**	**1263**	**520**
Shortage (%)	**61**		**63**		**67**		**69**		**59**	

Source: Departmental data

- There was a shortage of staff ranging between 59 and 69 *per cent* in the Department during 2009-14.

- Audit observed that despite closure of Letter Press (2005-06) due to change in technology of printing to offset machines, closure of Ticket Printing Press (2009) and radical decline in requirement to continue typewriter workshops (July 2010) due to switching over to computers, CP&S initiated the process of restructuring of staff only in May 2013, when 502 vacant posts were proposed to be surrendered. The said proposal was revised (July 2014) to surrender 518 vacant posts out of 1263 sanctioned posts and to add 73 posts of technical and ministerial staff, which was still to be approved by the State

[43] 21000 kg lead and other material at GP SAS Nagar (₹ 4,22,228); and 39879 kg at GP Patiala (₹ 5,12,608).

[44] GP SAS Nagar: 28 machines (₹ 51 lakh); and GP Patiala: 38 machines (₹ 34 lakh).

Government (November 2014). Thus, against the revised proposed requirement of 818 posts, 298 posts (36 *per cent*) were lying vacant. The shortage of staff was affecting the output of the printing presses, as discussed in the preceding paragraphs.

During exit conference, CP&S stated that the shortage of staff would be met with after the finalization of restructuring of the Department by the Government.

2.2.10.2 Defunct typewriter workshops

Government Typewriter Workshops (TW) were set up in 1964 with a view to maintain and repair typewriters for Government/Semi Government departments.

(i) Audit of records of CP&S (August 2014) showed that the Department, considering the reduced workload on TWs owing to computerization in the Government, semi-Government departments, decided (August 2010), with the approval of minister-in-charge, to close 10 defunct TWs (out of 15) declaring cadre of Typewriter Mechanics as diminishing cadre. The surplus staff was to be adjusted against vacant posts (ministerial and technical) for productive use.

However, despite the orders of Minister-in-charge to close 10 TWs and retain five[45] TWs, the Department shifted (December 2011-June 2014) only seven[46] TWs (including one at Ludhiana which was to be retained) to four[47] TWs, but did not close/shift the remaining four[48] TWs. Thus, the expenditure of ₹ 80 lakh on running of these workshops during 2011-14 was not justified as the staff working in these four TWs could have been productively utilized elsewhere in the Department as per the proposal (July 2010).

(ii) It was observed from the information obtained from 15 TWs that 194828 typewriters were serviced by these TWs during 2009-14. But cross-verification (August 2014) of service vouchers with three departments showed that:

- While TW SAS Nagar showed to have repaired (between 7 January 2010 and 15 February 2012) up to 17 typewriters of different numbers in the office of Superintendent, Education Branch-III, Audit found only one typewriter with the department.

- In the office of Secretary, P&S, Punjab, TW SAS Nagar claimed to have repaired (between 13 January 2010 and 11 September 2013) up to 11 typewriters of different numbers, whereas there were only four typewriters available in that office.

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45 (i) Bathinda, (ii) Jalandhar, (iii) Ludhiana, (iv) Patiala and (v) SAS Nagar.

46 (i) Faridkot, (ii) Fatehgarh Sahib, (iii) Hoshiarpur, (iv) Kapurthala, (v) Ludhiana, (vi) Ropar and (vii) Sangrur.

47 (i) Bathinda, (ii) Jalandhar, (iii) Patiala and (iv) SAS Nagar.

48 (i) Amritsar, (ii) Ferozepur, (iii) Gurdaspur and (iv) Mansa.

➢ In the office of Soil conservator, Punjab, TW SAS Nagar claimed to have repaired (between 7 July 2010 and 2 January 2012) up to nine typewriters of different numbers, whereas there were only four typewriters available in that office, of which three typewriters were unserviceable during the same period.

During exit conference, CP&S stated that the remaining defunct TWs would also be closed shortly. As regards service vouchers, it was stated that these would be rechecked and action would be taken against the defaulters, if the same were not found genuine.

2.2.11 Internal control mechanism

2.2.11.1 Non-maintenance of records

The following records, as required under the provisions of Printing and Stationery Manual and Accounting Procedure of the Department, were not being maintained:

➢ As per Para 49 of Accounting Procedure, GPs SAS Nagar and Patiala did not prepare their store accounts from 2005-06 and 2011-12 onwards, respectively due to non-availability of overhead charges, as mentioned in paragraph 2.2.8.3.

➢ As per Para 2.5 of P&S Manual, annual administrative report, which *inter alia* included analysis of expenditure (direct and indirect) for working out the percentage of overheads, was not prepared from 2004-05 onwards. In its absence, neither the annual performance of the GPs at glance could be monitored nor could the overheads be worked out, as mentioned in paragraph 2.2.8.3.

➢ As per Para 81 of Accounting Procedure, register showing department-wise work done in a year and cost thereof was not being maintained. As a result thereof, department-wise printing cost of jobs done could not be ascertained.

During exit conference, CP&S, while admitting the facts, assured to maintain the requisite records to streamline the system.

Conclusions

The scheme for modernization of Government presses, despite provision of funds, could not be implemented. Inadequate budgetary controls led to preparation of unrealistic budget estimates and non-realization of receipts. Despite budget provisions, the bills were not passed by treasury to clear pending liabilities. Despite underutilizing the in-house printing capacity to the extent of 61 *per cent*, 44 *per cent* of the printing orders were outsourced by the Department. Out of 150 pending printing jobs as of March 2014, 112 jobs pertained to the calendar years 2003-13. Non-working out the overhead charges since 2004-05 affected the realization of actual cost of printing. Procurement of stationery and paper was not in accordance with the definite requirement. Efforts to dispose of excessive old publications, unserviceable machines and material were lacking. Shortage of manpower affected the

optimum utilisation of the printing machines. Non-maintenance of important records showed weak internal control and monitoring system of the Department.

Recommendations

The State Government may:

- ensure timely execution of plans envisaged for modernization of printing presses; take appropriate steps to prepare realistic budget estimates and ensure timely release of funds; recover outstanding receipts; and review the staff position;

- put in place a mechanism to monitor workload to optimally utilize available infrastructure and augment printing capabilities so as to minimize dependence on outsourcing;

- prepare annual administrative report to calculate overhead charges for realistic job costing;

- ensure adoption of scientific method to assess the requirement of paper and stationery well before its procurement, besides timely disposal of old publications, unserviceable machinery, etc.; and

- strengthen internal control mechanism by ensuring maintenance of important records.

The matter was referred to Government in September 2014; reply was awaited (February 2015).

SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

2.3 Management and disposal of bio-medical waste

Bio-Medical Waste (Management and Handling) Rules (BMW Rules) prescribe the procedure for treatment and disposal of bio-medical waste generated by Health Care Establishments (HCEs) such as hospitals, dispensaries, nursing homes, diagnostic centres, veterinary institutions, etc.

Some of the significant findings of the performance audit are given below:

- ***Punjab Pollution Control Board (PPCB) did not have any comprehensive list of Health Care Establishments (HCEs) functioning in the State. PPCB had identified only 245 Government HCEs (eight per cent) against 3176 Government HCEs functional in the State. Sixty per cent of the identified HCEs were functioning without valid authorisation.***

  (Paragraphs 2.3.6.1 & 2.3.6.2)

- ***Eighty per cent of test-checked Government HCEs did not have proper arrangement for disinfection of liquid waste through chemical treatment and the untreated liquid waste was being discharged in the drains causing pollution to surrounding water bodies.***

  (Paragraph 2.3.8.4(iii))

- ***BMW was collected by Common Bio-medical Waste Treatment Facility operator from 51 HCEs after a gap of up to 18 days.***

  (Paragraph 2.3.8.5)

- ***PPCB never inspected 39 test-checked Government HCEs to ascertain proper treatment and disposal of BMW and 62 HCEs were visited after a gap of up to nine years.***

  (Paragraph 2.3.10.1)

2.3.1 Introduction

Bio-medical waste (BMW) is generated during the diagnosis, treatment or immunization of human beings or animals; or in research activities pertaining thereto; or in the production or testing of biologicals. This waste is a reservoir of potentially harmful micro-organisms which can infect hospital patients, health care personnel and the general public. BMW management is an integral part of health care.

Government of India, Ministry of Environment and Forests notified (July 1998) the Bio Medical Waste (Management and Handling) Rules, 1998 (BMW Rules) under the Environment (Protection) Act, 1986, to streamline the procedure for handling, collection, transportation, treatment and disposal of BMW with the objective of avoiding any adverse effect on human health and environment. The BMW generating institutions were required to ensure

compliance with the provisions of BMW Rules within a time schedule between 30 June 2000 and 31 December 2002 depending upon the category of institution.

2.3.2 Organizational set up

The Secretary, Department of Science, Technology and Environment is the administrative head at Government level for matters relating to environment. Punjab Pollution Control Board (PPCB) headed by the Chairman, is the prescribed authority in the State and is assisted by seven Zonal Offices and 14 Regional Offices (ROs) and Environment Protection Act (EPA) Cell to enforce the provisions of BMW Rules in the State.

2.3.3 Audit objectives

The main objectives of the performance audit were to assess whether:

- all the BMW generating units in the State were identified and issued authorisation to eligible Health Care Establishments;
- adequate funds were provided to Government Health Care Establishments for disposal of bio-medical waste and utilized effectively;
- BMW was handled, treated and disposed of in accordance with the prescribed Rules/guidelines; and
- human resource was adequate and internal control mechanism was in place.

2.3.4 Scope of audit and methodology

The performance audit covering the period 2009-14 was conducted between October 2013 and June 2014. Seven districts[49](out of 22) were selected on the basis of total in-patient days in Government Health Care Establishments (HCEs) by adopting 'Probability Proportional to Size with Replacement' method. In the selected districts, 105 Government HCEs[50] were selected with 'Systematic Random Sampling' method for test-check ***(Appendix-2.3)***. In addition, records of EPA Cell of PPCB were also test-checked and related information was obtained from Regional Offices of the selected districts, Director Health Services (DHS), Punjab Health Systems Corporation (PHSC), Director Research and Medical Education (DRME), Director, Animal Husbandry (DAH) and Director, Employees State Insurance (ESI). Besides, joint inspections along with the authorities of concerned establishments/PPCB in respect of selected Government HCEs and four Common Bio-Medical

[49] (i) Amritsar, (ii) Bathinda, (iii) Gurdaspur, (iv) Hoshiarpur, (v) Jalandhar, (vi) Ludhiana and (vii) Tarn Taran.

[50] (i) PHSC: all 7 District Hospitals and 19 Sub-Divisional Hospitals; and 23 Community Health Centres (out of 69); (ii) DHS: 21 Primary Health Centres (out of 197); (iii) DHS ESI: all 3 Hospitals and 22 Dispensaries (out of 38); (iv) DRME: all 3 Medical Colleges and Hospitals; and (v) DAH: all 7 Veterinary Polyclinics.

Treatment Facilities[51] (CBWTF) under private sector situated in Punjab were carried out. Information/data in respect of private HCEs collected from PPCB has also been incorporated in the report. Mention was made in the Reports of the Comptroller and Auditor General of India (Civil) for the years ended 31 March 2002 (paragraph 6.1.11.3) and 31 March 2011 (paragraph 2.1.14) on bio-medical waste. Audit also examined the follow-up action by the concerned departments, to the two paragraphs.

An entry conference was held with the Chairman, PPCB on 21 May 2014 wherein audit objectives, scope and methodology were discussed. The audit findings were discussed in the exit conference held on 19 November 2014 with the Secretary to Government of Punjab, Department of Science, Technology and Environment. Replies of the Department have suitably been incorporated in the report.

2.3.5 Audit criteria

The audit findings were benchmarked against the criteria derived from the following sources:

- Bio-Medical Waste (Management and Handling) Rules, 1998;
- Guidelines for installation of Common Bio-Medical Treatment Facilities issued by Central Pollution Control Board;
- The Environment (Protection) Act, 1986; and
- Rules, orders and instructions issued by Central/State Government and PPCB.

Audit findings

2.3.6 Identification and authorisation

2.3.6.1 Identification of Health Care Establishments

Rule 7 of BMW Rules, 1998 empowers PPCB to enforce the provisions of the Rules in respect of all HCEs including hospitals, nursing homes, clinics, dispensaries, veterinary institutions, etc.

Audit of records of PPCB showed that there was neither any system of State level registration of HCEs nor any comprehensive list of HCEs (Government and private) functioning in the State was available to ascertain proper treatment of BMW generated by them. However, it was observed from the information/data available with ROs that 3111 HCEs (Government: 245 and private: 2866) were identified as on 1 April 2014. Whereas, as per information obtained from the concerned Directorate health offices, 3176 Government HCEs[52] were operational in Punjab State as on 1 April 2014. Out of 3176 Government HCEs, PPCB had identified only 245 (eight *per cent*)

[51] (i)Amritsar: M/s Amritsar Envirocare Systems Pvt Ltd; (ii)Ludhiana: M/s Sembramky Environment Management Pvt Ltd; (iii) Mohali: M/s Rainbow Environments Pvt. Ltd; and (iv) Pathankot: M/s Bio-Medical Waste Treatment Plant Pvt. Ltd.

[52] Comprehensive data bank on number of private HCEs was not available.

Government HCEs and the disposal of BMW by the remaining 2931 (92 *per cent*) Government HCEs was not ensured by PPCB.

During exit conference, the Secretary admitted the fact of non-availability of data regarding total number of HCEs functional in the State owing to the legislative gap for registration of HCEs and stated that 'Punjab Health Regulation Bill', which would make it mandatory for all health care facilities to register, was likely to be presented in the legislative assembly in the near future.

2.3.6.2 Issue/Renewal of authorization

Rule 8 (1) provides that every occupier of an institution generating/handling BMW in any manner, except such occupier of clinics, dispensaries, pathological laboratories and blood banks providing treatment/services to less than 1000 patients per month, shall make an application in Form-1 to the prescribed authority for grant of authorisation. Further, Rule 7(5) provides that an authorisation shall be granted for a period of three years from the date of issue. Rule 7(7) provides that every application for authorisation shall be disposed of by the prescribed authority within ninety days from the date of receipt of the application. The Public Accounts Committee (PAC), while discussing paragraph 6.1.11.3(i) of the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2002, had also desired to know about the action taken by PPCB against the hospitals which had not applied for authorization.

Audit, however, observed from the information/data available with ROs that as on 1 April 2014, out of 3075 HCEs (Government: 244 and private: 2831) eligible for authorization, 1839 (60 *per cent*) HCEs (Government: 169 and private: 1670) were not having valid authorization for a period ranging up to nine years.

In 105 test-checked Government HCEs, it was noticed that:

- 46 (63 *per cent*) out of 73 HCEs eligible for authorization did not have valid authorization. Of these:
  - 21 HCEs never applied for authorization;
  - 13 HCEs did not apply for renewal of authorization even after delay ranging between 60 and 677 days; and
  - Though 12 HCEs applied for renewal (between March 2012 and May 2014), the authorization was not granted by PPCB (August 2014). Of these, seven HCEs[53] were not granted authorization even after a delay ranging between 14 and 691 days over the prescribed time limit.

- Out of 27 HCEs found authorized, 13 HCEs provided records of renewal of authorisation which showed that only two HCEs renewed their authorization timely and 11 HCEs renewed their authorization with a delay ranging between 16 and 907 days.

[53] Civil Hospital: (i) Jalandhar, (ii) Samrala; SDH: (iii) Nakodar, (iv) Khanna; and CHCs: (v) Khemkaran, (vi) Adampur, (vii) Bandala.

The Secretary stated (November 2014) in the exit conference that 265 HCEs had already been granted authorization and the remaining would also be covered in due course. PPCB had also introduced Online Consent Management and Monitoring System (OCMMS) for applying online for authorization by HCEs through which report could be generated about HCEs whose authorization had expired.

2.3.7 Financial management

2.3.7.1 Funding pattern

There is no separate allocation of budget for BMW management and disposal. Expenditure for the purpose was being met out of various sources[54] as authorized by the concerned Directorates, which also cater to the other needs of the HCEs. The lack of dedicated funds affected the disposal of BMW, as discussed in paragraphs 2.3.8.1 and 2.3.8.4(iii).

The Secretary stated (November 2014) that HCEs under Punjab Health Systems Corporation (PHSC) got sufficient funds for management and disposal of BMW from 'user charges'. As regards HCEs under other Directorate offices, the matter would be taken up with the Government to provide adequate funds for compliance of statutory provisions of the Act.

2.3.7.2 Non-fixation of rates to be charged from government HCEs by CBWTF

As per guidelines for Common Bio-medical Waste Treatment Facility (CBWTF), only one CBWTF may be allowed to cater to HCEs at the approved rates fixed by the prescribed authority in consultation with the local medical association in such a way that neither it becomes a monopoly of the CBWTF operator nor the interest of CBWTF operator is overlooked.

PPCB in consultation with the authorities of local medical association fixed (September 2011) the rates to be charged by the CBWTF operator in respect of private HCEs. But, it did not fix rates for Government HCEs. In test-checked districts, it was noticed that Dental College and Hospital, Amritsar (10 bedded) entered into agreement with CBWTF, Amritsar at the rate of ₹ 6,000 per month (October 2011-September 2012) and ₹ 13,250 per month from October 2012 onwards, which was much higher than the rate of ₹ 850 per month fixed (September 2011) by PPCB in respect of private Dental Care and Hospitals (10 bedded) and was also in contravention of the guidelines *ibid*.

The Secretary stated (November 2014) that earlier rates were fixed for private HCEs only and Government HCEs followed the tendering process. It was further added that PPCB had forwarded the revised rates in respect of private HCEs to the Health Department to consider those at their level for Government HCEs. As regards the matter of Dental College and Hospital, Amritsar entering into an agreement at rates higher than the rates fixed for

[54] HCEs under DHS: Rogi Kalyan Scheme under NRHM; HCEs under DHS (SI): SOE-Material and Supply; HCEs under PHSC: User Charges; and HCEs under DRME: SOE-Public Professional Social Services.

private HCEs, it was stated that the same were fixed taking into account the number of dental chairs also. On being pointed out that there was no provision in the orders issued by PPCB for considering the number of dental chairs while fixing the rates, it was stated that the said orders would be suitably amended.

2.3.8 Handling, treatment and disposal of bio-medical waste

(A) Health Care Establishments

2.3.8.1 Agreement with the Common Bio-Medical Waste Treatment Facility

As per Rule 5, every occupier, where required, shall set up requisite BMW facilities like incinerator, autoclave, microwave system for the treatment of waste, or ensure requisite treatment of waste at a common waste treatment or any other waste treatment facility. Since none of the HCEs in the State had set up its own treatment facility, all the HCEs were required to enter into an agreement with the respective CBWTF prescribed for that area for the treatment and disposal of BMW. The Department apprised (March 2009) PAC, while discussing paragraph 6.1.11.3(ii) of the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2002, that all the major hospitals/HCEs had entered into agreement with CBWTF.

Audit, however, noticed that:

- In six[55] out of 14 ROs, 372 HCEs (29 *per cent*) (Government:61 and private: 311) out of 1280 HCEs (Government: 108 and private:1172) did not have any agreement with the CBWTF of their respective areas. Remaining eight[56] ROs did not supply the information (November 2014).

- Out of 105 test-checked Government HCEs, 39 HCEs (37 *per cent*) did not have any agreement with CBWTFs for treatment and disposal of BMW. Of these, eight[57] HCEs attributed the reasons for not having agreement with CBWTF to lack of funds.

The Secretary attributed (November 2014) the lapse to shortage of staff and stated that the situation would improve after recruitment of new staff by December 2014. As regards, test-checked Government HCEs, it was stated that the compliance by 35 HCEs had been made and in remaining four cases legal action had been initiated.

2.3.8.2 Segregation of bio-medical waste

Rule 6 provides that BMW shall not be mixed with other wastes and shall be segregated into containers/bags at the point of generation in accordance with

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55 (i) Batala; (ii) Bathinda; (iii) Fatehgarh Sahib; (iv) Ludhiana-III; (v) Ludhiana-IV; and (vi) Patiala.

56 (i) Amritsar; (ii) Faridkot; (iii) Hoshiarpur; (iv) Jalandhar; (v) Ludhiana-I; (vi) Ludhiana-II; (vii) Mohali; and (viii) Sangrur.

57 ESI Dispensaries: (i) No. 10 Ludhiana, (ii) Lehra Mohabbat (iii) Machhiwara, (iv) No. 1 Bathinda; PHCs: (v) Jaura Chattra, (vi) Dayalpur Mirza, (vii) Lehra Mohabbat; and (viii) Veterinary Polyclinic, Bathinda.

Schedule-II. However, in order to avoid overlapping of BMW categories, PPCB provided (August 2011) an option to HCEs to segregate BMW at the point of generation in the manner as given in **Table 2.3.1**.

Table 2.3.1: Colour coding for segregation of BMW prescribed by PPCB

Colour coding of container/bag	Particular of waste category	Category No.	Mode of treatment
Yellow	Human anatomical waste, animal waste, micro-biological and bio-technological waste, soiled waste.	1, 2, 3 and 6	Incineration
Blue	Solid wastes generated from disposable items other than the waste sharps such as tubings, catheters, intra-venous sets etc.	7	Autoclaving and shredding
White translucent	Waste sharps such as needles, syringes, scalpels, blades, glass etc.	4	Chemical treatment/ autoclaving and shredding
Black	Discarded medicines and Cytotoxic drugs, incineration ash and chemical waste.	5, 9, 10 (Solid)	Disposal in secured land fill

Source: Departmental information
Note: Category No. 8 pertains to liquid waste which is to be chemically disinfected.

Joint inspection along with the authorities of 105 test-checked Government HCEs showed the following discrepancies in segregation of BMW:

(i) Irregular colour coding

In 105 Government HCEs at 575 generation points, it was seen that:

- In 87 HCEs at 222 generation points (39 *per cent*), appropriate colour coded containers were not placed;

- In 45 HCEs at 115 generation points (20 *per cent*), containers were placed without plastic bags; and

- In 27 HCEs at 59 generation points (10 *per cent*) containers were placed with wrong (other than prescribed) coloured bags.



Veterinary Polyclinic, Bathinda (10 June 2014)



CH, Tanda (17 April 2014)

(ii) Improper/Non-segregation

During joint inspections in 105 test checked HCEs, cases of improper/non-segregation were noticed as discussed below:

- In 57 HCEs at 119 generation points, BMW was not kept in the prescribed colour coded bags. Of these, in CHC Payal, placenta and related BMW generated during delivery was kept in blue bag instead of yellow bag. In labour room also blue bag was being used instead of yellow bag.

- In 62 HCEs at 129 generation points, BMW was found mixed with general waste either in the container or thrown in open area with municipal solid waste. Of these, in SDH Khanna, large quantity of all categories of BMW was found scattered near water tank of the laundry where clothes/bed sheets were kept for washing.



ESI Dispensary, Dina Nagar (2 June 2014)



SDH, Khanna (10 December 2013)

The Secretary while agreeing to the audit observations attributed (November 2014) the reasons to lack of awareness at lower level, which would be overcome by initiating extensive training programmes in all the districts.

(iii) Training to Staff

Clause 6 of the agreement made between HCE and CBWTF operator provides that the initial training about segregation of BMW in colour plastic bags and methods of collection of BMW shall be provided by the service provider (CBWTF) at no extra cost.

Audit noticed that in 66 test-checked HCEs having agreement with the respective CBWTFs, training was imparted only in eight HCEs by CBWTF.

The Secretary stated (November 2014) that the Department was going to impart dedicated training to staff for the purpose.

2.3.8.3 Storage of bio-medical waste

Para H-1 of the guidelines for CBWTF provides that temporary storage at healthcare unit shall be designated. Further, Ministry of Environment and Forests, Government of India instructed (2009) that PPCB should ensure that

BMW shall not be stored beyond 24 hours in hot and humid climate or shall be stored in cold containers till it is transported to CBWTF.

Joint inspection in 105 test-checked Government HCEs showed that:

- Temporary storage room was not found in 69 HCEs (66 *per cent*). Of these:
  - In CHC Khemkaran and TB Hospital Amritsar, BMW was kept in open area easily accessible to animals;
  - In SDH Naushera Majha Singh, a small room adjacent to the labour room was being used for keeping BMW; and
  - In CHC Mahilpur and SDH Khanna, space at the middle portion of stairs and mortuary, respectively was being used as temporary collection room.
- Out of 36 Government HCEs where temporary collection room was designated, in ESI Hospital Amritsar, BMW bags were found floating in the containers full of water due to leakage in the water pipe passing through collection room.
- None of the 105 test-checked Government HCEs was having cold container to store BMW in hot and humid climate though in 45 HCEs delay beyond 24 hours was noticed in hot and humid season.

The Secretary stated (November 2014) that it had been decided to initiate legal action against the defaulters.

2.3.8.4 Treatment and disposal of BMW by HCEs

As per Rules, BMW is categorised into ten types according to the nature of waste. The treatment/disposal options are incinerator, deep burial, autoclaving, mutilation/shredding, microwaving, chemical treatment, secured landfills, etc. depending upon the type of waste. Cases of improper treatment and disposal of BMW in 105 test-checked Government HCEs are discussed in the succeeding paragraphs.

(i) Deep burial pit

PPCB clarified (July 2013) that use of deep burial pits is strictly prohibited in the State since March 2002.

It was noticed that despite ban on the use of burial pits, 11 HCEs were using the deep burial method wherein all categories of BMW were being mixed with general waste. Of these, in CHC Khemkaran and PHC Kum Kalan, the waste was being burnt in deep burial pit from time to time though the former was having an agreement with CBWTF.

	
CHC Khemkaran (24 December 2013)	**CHC Kum Kalan (23 April 2014)**

The Secretary stated (November 2014) that all HCEs had been instructed to enter into agreements with CBWTFs. He further stated that legal action would be initiated against the HCEs using deep burial pits.

(ii) Mutilation/Shredding and chemical treatment

Schedule I of BMW Rules provides that categories 4 and 7 of BMW i.e. waste sharps and solid waste should be disinfected by chemical treatment using at least one *per cent* hypochlorite solution or any other equivalent chemical reagent and mutilated/shredded to prevent its unauthorised reuse.

Audit noticed that in 105 selected Government HCEs:

- Waste sharp was not being disinfected in 45 HCEs due to non-availability of hypochlorite solution, while in 10 HCEs, though the hypochlorite solution was in stock, the waste sharp was not being disinfected at all the generation points due to non-provision of hypochlorite solution at those points.

- In 59 HCEs, at 116 generation points, the shredder for needles and syringes either was not provided or was out of order.

- In 58 HCEs at 137 generation points, unshredded needles, syringes, plastic glucose bottles, tubings, etc. were found. Of these, in PHC Sarhala Kalan, large quantity of unshredded needles and syringes were lying for more than six months and in ESI Dispensary Chohal, unshredded needles were lying for more than two years.

The Secretary stated (November 2014) that show-cause notices had been issued and legal action would be taken against the defaulters.

(iii) Treatment of liquid waste

As per Schedule V of BMW Rules, the effluent generated from hospitals should conform to specified standards. These standards were applicable to those hospitals which were either connected with sewers without terminal sewage treatment plants or not connected to public sewers. To achieve prescribed parameters Effluent Treatment Plant (ETP) should be installed. HCEs which are connected with terminal sewage treatment plant should

disinfect liquid BMW by chemical treatment[58] before its discharge to public drains.

Audit of records of PPCB showed that while 16 ETPs had been installed by the private hospitals in the State, no Government HCE except one i.e. Guru Gobind Singh Medical College and Hospital, Faridkot had installed ETP due to shortage of funds, land etc. However, PPCB never took any sample of liquid BMW from HCEs without ETP to ensure that the liquid waste was disinfected properly before its disposal.

Test-check of 105 Government HCEs showed that out of 88 HCEs where treatment of liquid waste was required, 70 HCEs (80 *per cent*) did not have proper arrangement for disinfection through chemical treatment and untreated liquid waste was being discharged directly in the drain. In CH Batala, untreated liquid waste released in drain was accumulating in the hospital campus as the sewerage was choked (28 May 2014). The discharge of untreated liquid waste in drain carried a high risk of pollution of surrounding water bodies.

The Secretary stated (November 2014) that show cause notices had been issued and decided to take legal action against the defaulters.

(iv) Other irregularities

Test-check of 105 Government HCEs showed that:

➢ Placenta**,** potentially infectious Category-1 BMW, was to be kept in yellow bag for incineration. Audit of records showed improper disposal of placenta in 21 test-checked Government HCEs as:

- In 13 HCEs having agreement with the CBWTF, despite delivery cases, no BMW was handed over to CBWTF in yellow bags. Of these, nine[59] HCEs admitted handing over of Placenta to the relatives of the patients.
- In eight[60] HCEs which did not have agreement with CBWTF, seven HCEs admitted handing over of Placenta to the relatives of patients, whereas PHC Chamunda Devi stated (May 2014) that placenta was being thrown in the drains outside the city.

➢ In 42 HCEs, BMW was being burnt from time to time. Of these, 18 HCEs were having agreement with CBWTF for treatment and disposal of BMW.

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[58] Chemical treatment using at least one *per cent* hypochlorite solution or any other equivalent chemical reagent.

[59] (i) CHs-Garhshankar; (ii) Mukerian; (iii) Tanda; (iv) CHCs-Adampur ; (v); Bhaini Mian Khan; (vi) Bhucho Mandi; (vii) Mahilpur; (viii) N.M. Singh; and (ix) Veterinary Polyclinic, Gurdaspur.

[60] (i) PHCs-Bulhowal; (ii) Dosanjh Kalan; (iii) Chamunda Devi; (iii) Bhullar; (v) Shri Hargobindpur Sahib; (vi) Lehra Mohabbat; (vii) CHCs-Kum Kalan; and (viii) Dhariwal.



SDH, Khanna (10 December 2013)



CHC, Khemkaran (24 December 2013)



ESI Dispensary, Phillaur(12 May 2014)



CHC, Bhaini Mian Khan(30 May 2014)

➢ In four[61] HCEs, expired medicines (category No. 5) were found stored with usable medicines or in other open places instead of disposing the same through secured land fill.

➢ In four[62] HCEs, BMW was not handed over to CBWTF up to 23 consecutive days though the patients were being treated during these days.

The Secretary stated (November 2014) that some HCEs were handing over the Placenta to the relatives of patient on demand due to old beliefs. However, he agreed that such practice needed to be stopped. As regards expired medicines, matter would be taken up with the concerned authorities for taking remedial action. In other cases, it was stated that legal action had already been initiated.

(B) Common Bio-medical Waste Treatment Facilities

A Common Bio-medical Waste Treatment Facility (CBWTF) is set up in private sector with the permission of PPCB where bio-medical waste, generated from a number of HCEs, is imparted necessary treatment to reduce adverse effects that the waste may pose. There are four[63] CBWTF operators for providing facilities for collection, treatment and disposal of BMW for all the functional HCEs in Punjab.

2.3.8.5 Collection and transportation

Para H of the guidelines for CBWTF provides that BMW collected in colour coded containers/bags shall be transported to the CBWTF in a fully covered vehicle. The CBWTF shall not accept non-segregated waste from HCEs and

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61 PHCs- (i) Lehra Mohabbat; (ii) Khilchian; (iii) Sudhar; and (iv) Chamunda Devi.

62 (i) CH-Raikot; (ii) Veterinary Polyclinic, Tarn Taran; (iii) CHC- Bucho Mandi; and (iv) SDH-Ghudda.

63 (i)Amritsar: M/s Amritsar Envirocare Systems Pvt Ltd; (ii)Ludhiana: M/s Sembramky Environment Management Pvt Ltd; (iii) Mohali: M/s Rainbow Environments Pvt. Ltd; and (iv) Pathankot: M/s Bio-Medical Waste Treatment Plant Pvt. Ltd.

list of such HCEs shall be communicated to PPCB every week. Further, Rule 6(5) of BMW Rules provides that no untreated BMW shall be kept stored beyond a period of 48 hours; and during hot and humid climate, the period of storage shall be restricted to 24 hours, as per instructions of GOI.

A Joint inspection of four CBWTFs and 66 (out of 105) test-checked Government HCEs having agreement with CBWTFs showed that:

- In 47 HCEs at 104 generation points, although BMW was not being segregated properly yet CBWTF operators never intimated about this to PPCB.

- In 51 HCEs, BMW was collected after a gap up to 18 days. In 45 HCEs, BMW was lifted beyond 24 hours in hot and humid climate. Five[64] HCEs accepted that the CBWTF collected BMW once or twice a week but provided collection receipts of BMW for previous days also.

- In Veterinary polyclinic, Tarn Taran, serial numbers of hand receipts provided (between 15 June 2014 and 19 June 2014) by CBWTF Amritsar were not in consonance with dates which showed that receipts were not issued on the same day of collection.

- In SDH Khanna, roof, sides and floor of the vehicle deployed for collection of BMW by CBWTF Ludhiana was eroded by rust increasing the possibility of spillage of liquid BMW, especially in rainy days.

- In SDH Khanna, CHC Noor Mahal and CH Patti, CBWTFs Ludhiana and Amritsar collected BMW without weighing. In CH Patti, no weighing machine/facility was available in the vehicle.

- White bags filled with blood soiled hand gloves and syringes (which should have been in blue bags) without disinfection by HCEs were collected by CBWTF Amritsar.

The Secretary viewed the irregularities seriously and stated (November 2014) that show-cause notices had been served and bank guarantees encashed for the lapses though not provided for in the Rules. It was further added that suitable instructions would be issued to avoid such violations in future.

2.3.8.6 Operational capacity

CPCB guidelines for CBWTF provide that only one CBWTF may be allowed to cater up to 10,000 beds and shall not be allowed to cater to healthcare units situated beyond a radius of 150 km. The CBWTF would set up requisite infrastructure i.e. separate housing for each of the treatment equipment, main waste storage room, treated waste storage room, administrative room, parking etc.

[64] (i) Dental College Amritsar, (ii) CHC Bundala,(iii) Veterinary Polyclinic Ludhiana, (iv) ESI Dispensary, Verka and (v) SDH Ghudda.

Audit examination showed (November 2013) that three (Amritsar, Ludhiana and Mohali) out of four CBWTFs were catering to HCEs beyond a radius of 150 Km. CBWTF Ludhiana was also catering to 17500 beds. Further, the area where washing of vehicles was to be done was fully occupied with containers for BMW, in contravention of the guidelines.

The Secretary while admitting the facts attributed the reasons for the lapse to inadequate number of CBWTFs in the State and added that to overcome the capacity/area limitation violations, the Department had called for Expression of Interest (EOI) for setting up of two more CBWTFs.

2.3.8.7 Treatment and disposal of BMW by CBWTFs

Joint inspection of four CBWTFs conducted along with PPCB authorities showed the following discrepancies in treatment and disposal of BMW:

(i) Incineration

Incineration is a controlled combustion process where waste is completely oxidized and harmful micro-organisms present in it are destroyed/denatured under high temperature. The temperature of the primary and secondary chamber should be 800 ± 50^0C and 1050 ± 50^0C, respectively.

At CBWTF, Mohali, it was seen (3 January 2014) that temperature of secondary chamber was not being displayed, in the absence of which it could not be ascertained whether its temperature was within prescribed norms. Category 7 of BMW (plastic glucose bottles, tubings, etc.) in blue bag to be autoclaved was found with yellow bags in front of conveyer belt of incinerator kept for incineration.

(ii) Autoclaving

As per Rules (Schedule I), BMW under categories 4 and 7 shall be disinfected by chemical treatment/autoclaving/microwaving and mutilation/shredding. However, as per Para E of the guidelines for CBWTF, the use of chemical disinfection for the treatment of BMW at CBWTFs is not recommended.

It was noticed at CBWTF, Mohali that the autoclave was out of order since 3 December 2013 and BMW under categories 4 and 7 was being disinfected manually by chemical treatment. Even when the autoclave was in order prior to December 2013, only partial quantity was autoclaved and rest was manually treated through chemical, in contravention of the guidelines.

During exit conference, it was stated that a show-cause notice was issued to CBWTF (Mohali) and the bank guarantee had already been encashed. The CBWTF had also been directed to avoid such violations in future.

2.3.8.8 Data analysis of barcode-based software

Punjab is the first State to introduce (August 2012) barcode-based online software to monitor efficient and timely collection of BMW for better management as well as effective control over CBWTFs. For this purpose,

PPCB entered into an agreement with a software company[65] at cost of ₹ five lakh for development of software and ₹ 0.60 lakh per annum towards maintenance and server charges to be equally shared amongst PPCB and four CBWTFs for the period of five years.

Results of joint analysis (November 2014) of data pertaining to the period November 2012 to March 2014 conducted with the software company (authorised by PPCB) in respect of 4939 HCEs[66] (Government: 287 and private: 4652) having agreement with CBWTFs are given in the **Table 2.3.2.**

Table 2.3.2: Results of joint analysis of data for the period November 2012 to March 2014

Particulars	Type	Common Bio-medical Waste Treatment Facility at								Total	
		Amritsar		Ludhiana		Mohali		Pathankot			
		No. of HCEs	No. of instances	No. of HCEs	No. of instances	No. of HCEs	No. of instances	No. of HCEs	No. of instances	No. of HCEs	No. of instances
HCEs not visited for more than two days (after 48 hours)	Government	49	254	79	377	83	383	25	79	236	1093
	Private	725	3211	1387	6021	1465	7150	487	1609	4064	17991
	Total	**774**	**3465**	**1466**	**6398**	**1548**	**7533**	**512**	**1688**	**4300**	**19084**
Nil quantity handed over by the HCEs for more than 6 days	Government	20	75	40	218	46	197	23	188	129	678
	Private	523	4828	1375	13410	1252	10425	468	5631	3618	34294
	Total	**543**	**4903**	**1415**	**13628**	**1298**	**10622**	**491**	**5819**	**3747**	**34972**
Multiple scan of bar-code stickers within a minute	Government	10	130	44	1020	30	3541	3	203	87	4894
	Private	190		736		771		184		1881	
	Total	**200**	**130**	**780**	**1020**	**801**	**3541**	**187**	**203**	**1968**	**4894**
Variation (more than 25 *per cent*) in BMW collected from HCEs and received at Facility	Government	3	123	11	14	32	535	10	57	56	729
	Private	21	234	109	5425	363	4331	127	433	620	10423
	Total	**24**	**357**	**120**	**5439**	**395**	**4866**	**137**	**490**	**676**	**11152**

Source: Departmental information

Analysis of data showed that:

- In 4300 HCEs (Government: 236 and private: 4064) on 19084 instances (Government: 1093 and private: 17991) concerned CBWTFs did not visit HCEs for more than two consecutive days (48 hours) as prescribed under the BMW Rules. The delay ranged up to 298 days in Government HCEs and 463 days in private HCEs.

- In 3747 HCEs (Government: 129 and private: 3618) on 34972 instances (Government: 678 and private: 34294) nil BMW was handed over by HCEs for more than six consecutive days. The delay ranged up to 207 days in Government HCEs and 330 days in private HCEs.

- In 1968 HCEs (Government: 87 and private: 1881) on 4894 instances, BMW was collected from multiple HCEs ranging between 3 and 17 HCEs within a minute on the same route, which did not seem to be viable.

[65] M/s Butterfly Softwares LLP, Mohali.

[66] PPCB identified only 3111 HCEs (Government: 245 and private: 2866) as on 1 April 2014, as mentioned in paragraph 2.3.6.1.

- In 676 HCEs (Government: 56 and private: 620), 11152 instances (Government: 729 and private: 10423) with variation of more than 25 *per cent* in the quantity of BMW at the point of collection and that at CBWTF were noticed.

- In 4437 HCEs (Government: 264 and private: 4173), CBWTFs did not weigh the BMW collected from HCEs to ensure that the segregated BMW handed over by HCEs had reached CBWTF without any spillage or unauthorized access to public or animals.

Joint Inspection in test-checked 105 Government HCEs showed that out of 66 HCEs where CBWTFs were collecting BMW, in 35 HCEs barcode stickers were not pasted properly[67]. However, concerned CBWTF never reported the matter to PPCB.

In reply, PPCB attributed (December 2014) the reasons for variations to hardware and software related problems being faced by CBWTF operators. Thus, the objective of the Department to monitor efficient and timely collection of BMW for better management as well as effective control over CBWTFs through barcode-based online software remained unachieved.

2.3.9 Human resource management

At State level, only four personnel[68] had been deployed in EPA Section (PPCB), whereas no dedicated staff was provided at regional level to monitor the implementation of BMW Rules. In PPCB, against the sanctioned strength of 665 posts, 239 posts (36 *per cent*) were lying vacant in different cadres as on 31 March 2014. Shortage of staff led to lack of monitoring of implementation of BMW Rules by HCEs, as discussed in the preceding paragraphs.

The Secretary stated (November 2014) that necessary steps had already been taken to fill up the vacant posts by December 2014.

2.3.10 Internal control mechanism

2.3.10.1 Inspection

Rule 11 of BMW rules provides that all records maintained by HCEs were to be subject to inspection and verification by PPCB at any time. The PPCB had not fixed any norms for conducting inspection of HCEs and CBWTFs. However, the advisory committee advised (November 2013) PPCB to conduct inspection on quarterly basis.

No data with regard to inspection of HCEs and CBWTFs conducted by PPCB was provided to Audit. Details of inspections conducted by PPCB during 2009-14, collected from nine ROs in respect of test-checked HCEs showed

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[67] Non-pasting of barcode stickers; and pasting of wrong colour and hospitals/CBWTFs barcode stickers.

[68] Additional Secretary, Environmental Engineer, Assistant Environmental Engineer, Junior Environmental Engineer and Driver.

that 39 Government HCEs were never visited by PPCB and 62 HCEs were visited after gap of up to nine years. Thus, lack of adequate inspections affected the implementation of BMW Rules by HCEs, as discussed in the preceding paragraphs.

The Department attributed this to shortage of staff and assured (November 2014) that the issue regarding inadequate inspections would be overcome after recruitment of staff by December 2014.

2.3.10.2 Monitoring

Audit noticed that:

- In spite of the directions (June 2011) of the advisory committee to PPCB to visit all the veterinary hospitals, dispensaries and polyclinics to collect data regarding quantity and category of BMW generated by these institutions, no such data was collected by PPCB.

- Out of 105 test-checked HCEs, 87 HCEs (83 *per cent*) did not submit their annual reports to PPCB in contravention to BMW Rule 10. As such, the annual reports furnished by PPCB to CPCB were not containing authentic data.

- Forty four test-checked HCEs were not maintaining records relating to BMW generation and its handing over to CBWTF. Whereas 60 HCEs were maintaining their records on the basis of collection slips supplied by CBWTFs. Of these, only 39 HCEs were maintaining the log books of BMW. However, the time of lifting (to ascertain prescribed time limit) by CBWTFs was not being mentioned in 34 log books and 27 log books were never signed by the nodal officer or any other competent authority.

During exit conference, it was stated that they had also reviewed such cases and show cause notices had been issued. It had also been decided to take legal action against the defaulters. Further, it was also added that requisite provision in the software had been made to enable the HCEs and PPCB to generate daily, weekly and monthly reports.

2.3.10.3 Penalty

Section 15 of the Environment (Protection) Act, 1986 provides that failure to comply with or contravention of any of the provisions of Environment Act, shall attract penalty with imprisonment up to five years or fine up to ₹ one lakh or both, and in case the failure or contravention continues, with additional fine which may extend to ₹ five thousand per day.

Information collected (July 2014) from PPCB showed that against 419 violations (Government: 48 and private: 371) noticed during 2009-13 (up to October 2013), PPCB invoked bank guarantee of ₹ four lakh during 2009 and 2010 in two cases pertaining to CBWTF Pathankot though not provided for under the Act/Rules. Of the remaining 417 cases:

- 200 cases (Government: 28 and private: 172) were decided without taking any action being minor violations;

- warning was issued in 32 cases (Government: 2 and private: 30);

- prosecution was launched in 25 cases (Government: 14 and private: 11); and

- bank guarantee was obtained in 160 cases (Government: 4 and private: 156) though not provided for under the Rules.

The Secretary stated (November 2014) that there was no penal provisions in the Rules under which PPCB would impose penalty. The matter would be taken up with the Ministry of Environment and Forest, GOI to consider amendment in the Rules to delegate some penal powers to the Department to impose penalties in case of minor violations.

2.3.11 Impact of Audit

The Department stated (November 2014) that they had revisited the test-checked 105 HCEs and four CBWTFs to review the extent of violations in management and disposal of BMW and to initiate remedial action. It was stated that show cause notices were served, personal hearings held and legal action initiated in cases of serious violations. In a few cases, bank guarantees of defaulters had been invoked. Further, PHSC has also formulated (October 2014) eight-member district level committees to monitor the management and disposal of BMW and issued instructions to all HCEs highlighting the shortcomings pointed out in the performance audit for taking remedial action.

Conclusions

Though Punjab Pollution Control Board (PPCB) was notified as statutory authority responsible to enforce the implementation of bio-medical waste (BMW) Rules, it did not have a comprehensive list of institutions generating BMW in the State. As of March 2014, only eight *per cent* of the Government Health Care Establishments (HCE) were brought under the purview of BMW Rules and sixty *per cent* of HCEs had no valid authorization. Dedicated funds were not provided to Government HCEs for proper management of BMW. BMW was not properly segregated, stored and treated/disposed of by HCEs and Common Bio-medical Waste Treatment Facilities (CBWTF) in accordance with the prevalent Rules/guidelines. Human resource and internal control mechanism was inadequate. In spite of being designated the oversight body for ensuring compliance with BMW Rules, governing the treatment and disposal of bio-medical waste in the State of Punjab, the extent and frequency of PPCB's inspection of HCEs was low. There was lack of monitoring by PPCB in the State as no checks were being exercised to see that waste processing and disposal facilities met the compliance criteria outlined in the BMW Rules.

Recommendations

The State Government may:

- ensure identification of all the BMW generating HCEs in the State to bring them under the purview of BMW Rules and issue authorisation to eligible HCEs;
- ensure availability of dedicated funds for proper management and disposal of BMW in Government sector;
- ensure that BMW is handled, treated and disposed of by HCEs and CBWTFs as per the prescribed Rules/guidelines; and
- provide adequate manpower for close monitoring and inspections at PPCB level, ensure adherence to the penal provisions under the Act/Rules and proper maintenance of important records to strengthen internal control mechanism in the Department for effective implementation of BMW Rules.

The matter was referred to Government in August 2014; reply was awaited (February 2015).

SOCIAL SECURITY AND WOMEN AND CHILD DEVELOPMENT DEPARTMENT

2.4 Working of Social Security and Women and Child Development Department

The Department of Social Security and Women and Child Development had been providing services to the old and infirm, widows and destitute women and women in moral danger, physically handicapped, blind, mentally retarded children and children in need of care and protection.

Some of the significant findings of the performance audit are given below:

- ***Shortfall in coverage ranged between 50 and 53 per cent in case of eligible children; between 23 and 26 per cent in case of pregnant women and lactating mothers under Supplementary Nutrition Programme; and between 51 and 59 per cent in Non-formal pre-school education during the years 2009-14.***

  (Paragraphs 2.4.8.1(i&iv))

- ***Shortfall in supply of Medicine Kits was between 27 and 75 per cent and of Pre-school Education kits between 20 to 74 per cent.***

  (Paragraphs 2.4.8.1 (ii&iii))

- ***Funds of ₹ 37.05 crore under four schemes were either not released or partially released by the Finance Department/treasury despite availability of budget provisions.***

  (Paragraphs 2.4.8.2(i), 2.4.8.3(iii),2.4.8.6&2.4.8.7)

- ***Facilities of drinking water and toilets were not available in 1524 (15 per cent) and 4181 (42 per cent) Anganwadi Centres respectively in the five test-checked districts.***

  (Paragraph 2.4.8.2(ii))

- ***Under 'Awareness against Drug Abuse Scheme', the Department could organize only 41 (against 260) theme camps at District/Block level; 52 (against 410) TV campaigns; 418 (against 2031) radio campaigns, etc. during 2010-14.***

  (Paragraph 2.4.8.5)

- ***No budget provisions were made under Information Technology for braille literacy in Indian Languages Scheme for the last eight years.***

  (Paragraph 2.4.8.8)

2.4.1 Introduction

The Department of Social Security and Women and Child Development (SSWCD) had been providing services to the old and infirm, widows and destitute women and women in moral danger, physically handicapped, blind,

mentally retarded children and children in need of care and protection. To fulfil the objectives of the department, Government of India (GOI) and Government of Punjab (GOP) had been implementing 39 schemes in the Punjab during 2009-14.

2.4.2 Organizational set up

Principal Secretary to the GOP, SSWCD is the administrative head of the Department. The Director, SSWCD is the overall in-charge for administration, coordination, implementation and monitoring of the schemes (both Centrally and State sponsored) and is assisted by Additional Director, Joint Director, Deputy Controller (Finance and Accounts) and Deputy Directors at the Directorate Level, District Social Security Officers (DSSOs), District Programme Officers (DPOs) and Superintendent Homes at district level and Child Development Project Officers (CDPOs) at block level.

2.4.3 Audit objectives

The Performance audit was conducted to assess whether:

- adequate planning for implementation of welfare measures was in place and effective;
- the financial management was effective and adequate;
- the infrastructure and human resources were adequate; and
- internal control system was in place.

2.4.4 Scope of Audit and Methodology

The Performance Audit for the period 2009-14 was conducted from November 2013 to July 2014 by test checking the records relating to nine selected schemes[69] out of 39 schemes in the offices of Director, SSWCD, DPOs, DSSOs, CDPOs and Superintendents, Homes. Out of 20 districts, five districts[70] (25 *per cent*) were selected on the basis of expenditure incurred under the selected schemes in the districts by adopting Probability Proportional to Size with Replacement Method.

An entry conference was held in March 2014 with the Principal Secretary, SSWCD to know about the implementation of various schemes/programmes and other activities of the Department as well as to explain the scope, objectives, plan, methodology and time schedule for conducting the Performance Audit. Audit findings were discussed with the Special Secretary to the Government of Punjab, Department of SSWCD, in an exit conference held in November 2014. Responses received from the departments concerned have suitably been incorporated in the report.

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[69] (i) Awareness against drug abuse; (ii) Enforcement of Juvenile Justice Act 2000; (iii) Integrated Child Protection Scheme;(iv) Setting-up of Community Home for mentally ill person; (v) Information Technology for Braille Literacy in Indian Languages; (vi) Indira Gandhi Matritva Sahyog Yojana; (vii) Infrastructure for Anganwadi Centres, (viii) Integrated Child Development Scheme; (ix) Awareness Programme for Domestic Violence.

[70] (i)Amritsar; (ii) Ferozepur; (iii) Gurdaspur; (iv) Jalandhar; and (v) Ludhiana.

2.4.5 Audit criteria

The audit criteria was based on the following sources:

- Provisions contained in the Punjab Budget Manual, Punjab Financial Rules and instructions issued by State Government/GOI from time to time;
- Guidelines of the schemes;
- Norms prescribed for manpower requirement and its skill upgradation by the Department; and
- Guidelines issued by the Finance Department for internal control mechanism.

Audit findings

2.4.6 Planning

Proper planning and survey of beneficiaries are imperative and a pre-requisite for achieving the objectives of programmes/schemes. The Department was to establish model Anganwadi Centres (AWCs), construct Homes for Children in need of care and protection, cover beneficiaries below six years under Supplementary Nutrition Programme (SNP), provide non-formal Education, Health and Nutrition Services and provide basic amenities in the AWCs, create awareness among the masses about the ill effects of drug usages and to create awareness among the rural masses about domestic violence Act to liberate women of various kinds of domestic violence.

Audit of records showed that the Department had not prepared any long term comprehensive plan to achieve its objectives. In the exit conference, Special Secretary, SSWCD stated that planning was done on yearly basis as it was difficult to prepare medium or long term perspective plan due to uncertainty about availability of funds. The reply was not convincing as non-preparation of perspective plans had resulted in improper implementation of various schemes.

2.4.7 Financial Position

The budget provisions and expenditure incurred by the SSWCD department under Plan and Non-Plan heads during 2009-14 are given in the **Table 2.4.1**.

Table 2.4.1: Statement showing budget provisions and expenditure

(₹in crore)

Year	Budget Estimates		Revised Estimates		Expenditure		Excess(+) Saving(-)	
	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan /(Percentage)	Non Plan /(Percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(4-6)	(5-7)
2009-10	645.81.	285.80	678.02	346.40	568.72	285.03	(-) 109.30(16)	(-) 61.36 (18)
2010-11	907.26	215.45	904.43	212.00	839.25	215.89	(-) 65.18 (7)	(+) 3.89 (2)
2011-12	1157.41	209.43	1253.15	272.39	900.19	241.45	(-) 352.96 (28)	(-) 30.94 (11)
2012-13	1316.59	256.15	1246.30	336.63	940.30	311.22	(-) 306.00 (25)	(-) 25.41 (8)
2013-14	1187.76	619.88	804.54	344.11	869.87	361.41	(+) 65.33(8)	(+) 17.30 (5)

Source: - Departmental Data

The Department attributed the reasons for savings to non-release of funds by the Finance Department or by the treasuries.

The budget provisions and expenditure incurred under nine selected schemes are given in ***Appendix-2.4***. It is evident from the Appendix that against total allocation of ₹ 1807.23 crore, an expenditure of ₹ 1343.79 crore was incurred under the selected schemes. The expenditure incurred under the four schemes[71] out of nine selected schemes was either nil or negligible. Audit observed that implementation of social welfare schemes suffered despite many schemes being funded by GOI. In most of these cases, budget provisions had been made but either funds were not released by the State Government or treasuries were holding up payments. Thus, even the Central funds were not released by the Finance Department (FD).

2.4.7.1 Non-accountal of interest

Audit of records (January to July 2014) showed that Drawing and Disbursing Officers (DDOs) kept unutilized funds in the Saving Bank account. Interest earned on the funds are given in the **Table 2.4.2**.

Table 2.4.2: Statement showing interest earned

Name of DDO	Name of Bank	Period	Amount of interest (In ₹)
DPO, Amritsar	HDFC	12.12.13 to 31.03.14	478860
-do-	HDFC	01.10.12 to 31.03.14	587676
DSSO, Jalandhar	PNB	01.09.12 to 28.02.14	525056
CDPO, Chogawan	AXIS	Upto 31.03.2014	3072
Children Homes for Girls, Jalandhar	HDFC	Upto 31.03.2014	12834
CDPO, Lehragaga	State Bank of Patiala	1.4.12 to 31.03.2013	11826
Directorate Office-Deputy Director (ICPS)	HDFC	24.09.12 to 31.03.14	2699219
Total			**4318543**

Source:- Departmental Data

The interest earned (₹ 43 lakh) on unutilized funds of different schemes was not accounted for in the cash book. The scheme-wise details of unutilized funds and instructions/ guidelines regarding adjustment of interest receipt were not available with the DDOs. Similarly an amount of ₹ 44.64 lakh lying in OBC bank (DSSO Amritsar) was also not accounted for in the cash book. Thus, chances of misutilisation of funds could not be ruled out.

In the exit conference, the Special Secretary stated (November 2014) that necessary instructions were being issued to the concerned DDOs for accountal of unutilized funds of different schemes in the cash books. However, no reply regarding non-accountal of interest receipts was furnished.

2.4.7.2 Blockade of funds

The Director SSWCD decided (August 2011) to provide gas connections to all the AWCs by covering 50 *per cent* AWCs in 2011-12 and balance 50 *per cent* AWCs in 2012-13. The expenditure was to be met from the funds provided for fuel expenses under the ICDS scheme.

[71] (i) Awareness against Drug Abuse; (ii) Awareness programme for Domestic Violence Act, 2005; (iii) Setting up of community homes for mentally ill person; and (iv) Information technology for Braille Literacy in Indian Languages.

Audit of the records (May 2014) of District Programme Officer, Amritsar showed that the Department purchased 1847 gas *chullas* during the year 2011-13 without obtaining gas connection, reasons for which were not on record. Resultantly an amount of ₹ 22.30 lakh was blocked since 2011-12.

In the exit conference, the Department stated (November 2014) that efforts were being made to obtain gas connections. The Special Secretary also assured that necessary directions would be issued in this regard to the DPOs.

2.4.8 Implementation of the schemes:

Out of 39 schemes implemented by the department, 9 schemes were selected for the Performance Audit, important findings of which are given below.

2.4.8.1 Integrated Child Development Services scheme

The Integrated Child Development Services scheme (ICDS), a centrally sponsored scheme, was started in 1975-76 in the State with a holistic approach to provide integrated services for the development of children and to enhance the capability of the mother to look after the normal health and nutritional needs of the child. Under this scheme, six services[72] are provided to children in the age group of 0-6 years and to pregnant women and lactating mothers. Funds of ₹ 1636.94 crore were allotted during 2009-14 under this scheme against which an expenditure of ₹ 1300.11 crore was incurred as of March 2014.

(i) Shortfall in the coverage of beneficiaries under Supplementary Nutrition Programme

As per Para 15 of the ICDS guidelines, Central Assistance for Supplementary Nutrition under the ICDS scheme was to be provided for 300 days in a year to all the children of 6 months to 6 years, to pregnant women and lactating mothers.

Audit of records (June 2014) of Director SSWCD showed short coverage of eligible beneficiaries under Supplementary Nutrition Programme (SNP) during 2009-14 as given in the **Table 2.4.3**.

Table 2.4.3: Coverage of beneficiaries under SNP

Year	Eligible Beneficiaries		Beneficiaries provided Supplementary Nutrition		Shortfall *(Per cent)*	
	Children (1)	Pregnant women and lactating mothers (2)	Children (3)	Pregnant women and Lactating mothers (4)	Children (1-3)	Pregnant women and lactating mothers (2-4)
2009-10	2315079	420433	1118380	309285	1196699 (52)	111148 (26)
2010-11	2292700	414010	1150718	317725	1141982 (50)	96285 (23)
2011-12	2242399	400108	1105167	307715	1137232 (51)	92393 (23)
2012-13	2198981	388003	1047909	291669	1151072 (52)	96334 (25)
2013-14	2144153	369856	1006705	279728	1137448 (53)	90128 (24)

Source: Departmental Data

[72] Supplementary Nutrition, Immunization, Health Check up, Referral Services, Nutrition and Health Education and Pre-school Education.

From the table it is evident that the shortfall in the coverage of eligible children ranged between 50 and 53 *per cent* whereas in case of pregnant women and lactating mothers it was between 23 and 26 *per cent.*

Audit of records (November 2013–June 2014) of DPOs in the selected districts showed that the coverage of eligible beneficiaries under SNP during the years 2009-14 ranged between 46 and 49 *per cent* in respect of children and between 18 and 38 *per cent* in case of pregnant women and lactating mothers.

In the exit conference (November 2014), the Department admitted the fact and stated that shortfall was due to shortage of funds.

(ii) Short supply of Medicine Kits

As per GOI, Ministry of Human Resources Development (MoHRD), Department of Women and Child Development (DoWCD) instruction (March 2000) as a vital input to provide essential services of health check up and referral services, each AWC was to be provided with a medicine kit each year consisting of easy to use dispensable medicines for common ailment like cough, common cold, skin infections, etc.

Audit of records (November 2013 –June 2014) in selected districts showed that against the requirement of 42193 medicine kits, only 18722 kits were supplied during the period 2009-14 resulting in shortfall between 27 and 75 *per cent.* Thus, the supply of medicine kits, which is an important component under the ICDS was not ensured resulting in deprival of intended benefits to the beneficiaries.

(iii) Short Supply of Pre School Education Kits

As per GOI, MoHRD, DoWCD instruction (March 2000), Pre-School Education (PSE) component under the ICDS scheme is a crucial component to ensure holistic development of children. Recognizing the significance of early child development in attainment of the goal of Universal Elementary Education, GOI decided to improve the quality of education in AWCs through a new initiative of regular provision of PSE Kits for each AWC. The PSE in AWCs is provided through non-formal and play way methods.

Test check of records (November 2013–June 2014) of 48 blocks in selected districts showed that against the requirement of 42193 kits, as per the norms of minimum one kit per centre per year, only 22336 kits were supplied during the period 2009-10 to 2013-14 resulting in shortfall between 20 and 74 *per cent.*

In the exit conference, while admitting the fact, the Department stated (November 2014) that shortfall in supply of Medicine and Education kits was due to non-release of funds in time by FD and delay in finalization of rate contract.

(iv) Non-formal pre-school education

As per Para 23 of the ICDS guidelines, Children between 3-6 years of age were to be provided non-formal PSE through AWCs to develop desirable

attitudes, values and behaviour pattern among them. The target for enrolment under PSE was 100 *per cent*.

Audit of records (July 2014) of Director, SSWCD, showed that PSE was not provided to all the children in the age group 3-6 years. There was shortfall in providing PSE ranging between 51 and 59 *per cent*.

In the exit conference, the Department stated (November 2014) that ICDS was a voluntary scheme and it was not mandatory to reach an unwilling target group. The reply is not tenable because hundred *per cent* coverage was to be achieved. Hence, more efforts were required to achieve the target.

(v) Nutritional status of children

As per Appendix-B (iii) of the ICDS Guidelines, to detect diseases and evidence of malnutrition or infection, etc., general check-up of all children under the age of six years was to be done after every three to six months. A close watch over their nutritional status was also to be kept by recording their height and weight and referring serious cases to appropriate hospitals for specialised treatment.

The nutritional status of children examined on the basis of weight measurement at the AWCs in the test checked districts during 2009-14 showed that the percentage of malnourished children had shown a declining trend and came down from 35 to 25 *per cent* during the years 2009-14 though no targets were fixed by the Department.

(vi) Physical monitoring of quality of food

The GOI, MoWCD guidelines (October 2010) for monitoring and supervision visits to ICDS Blocks and AWCs provide that officials from the field units of Food and Nutrition Board (Board) under the MWCD should visit 10 AWCs per month or as prescribed, whichever is more, to be equally distributed across all districts in the State.

Test check of records (July 2014) and information supplied by the Board showed that officials of the Board, Ludhiana had visited the Anganwadi Centres (AWCs) for physical monitoring of quality of food all over the Punjab State during 2009-14 and collected the food samples. It was noticed that 414 AWCs were only visited against the target of 600 AWCs during 2009-14 resulting in shortfall of 31 *per cent*. During 2009-14 Board covered 3 to 7 districts out of 20 districts of the State resulting in non-coverage of other districts. Further, the food samples of ready to eat item *Panjiri* annually collected from only 73 AWCs were sent to Regional Headquarter at New Delhi for estimation and analysis. No report from that office had been received, in the absence of which the quality of food could not be verified in audit. However, the GOP did not take up the matter with GOI at any stage for monitoring of quality of food as per the prescribed norms.

In the exit conference, the department stated (November 2014) that the matter would be taken up with the authorities of the Board (Field Unit).

(vii) Shortfall in Inspection/field visits

The GOI, MoWCD, issued guidelines (October 2010) for monitoring and supervision through visits to ICDS Blocks to provide necessary support to the ICDS field functionaries in improving the quality of service delivery by addressing various problems/bottlenecks and also to elicit views and perspective from the community for improvement in day-to-day functioning of AWCs. Intensive monitoring and supervision visits by Programme Officials at different levels are essential for taking appropriate corrective actions.

For this purpose, a schedule for State/District/Block level functionaries was framed, to ensure coverage of at least 20 AWCs in each quarter and 10 *per cent* of blocks every year by the State Director, at least 10 AWCs and two blocks in each month by Nodal Officer and at least five AWCs in each month and 20 *per cent* of blocks every year by the Joint Director/Deputy Director.

The norms of field visits /inspections fixed for CDPOs is 20 AWCs per month on rotational basis and to ensure 100 *per cent* coverage in a year and in the case of Supervisors, a minimum of 50 *per cent* of AWCs under his jurisdiction every month. Against 1300 AWCs to be visited, only 258 AWC were visited by the Directorate level functionaries and as per information made available by the Department no field visits to blocks were made by the State Director.

Further, CDPOs and Supervisors had not conducted inspection/field visits to the AWCs as per norms. Shortfall of inspections ranged between 58 and 69 *per cent* by the CDPOs and between 44 and 56 *per cent* by the Supervisors during the period 2009-14.

In the exit conference (November 2014), the Department stated that due to additional charge of the Director and shortage of State Level Officer in ICDS, CDPOs and supervisors, the required number of visits could not be conducted.

2.4.8.2 Infrastructure/basic amenities for Anganwadi Centres in the State

The Anganwadi centres (AWCs) cater to the needs of children in the age group of 6 months to 6 years and women in the reproductive age of 15-45 years. In order to provide all the child friendly facilities to the children, it is necessary to have own buildings as facilities could not be provided in the buildings like Dharamshalas, Gurudwaras, etc., where at present these Anganwadi Centres are functioning. For construction of AWC building, the land would be provided by the Panchayats. In order to provide clean and healthy environment to the beneficiaries, ₹ 38 crore were allotted under the scheme – 'Infrastructure/basic amenities for Anganwadi Centres in the State' during the years 2011-14 by the GOP for construction of 850 AWCs. Test check of records showed the following:

(i) Construction of Anganwadi Centre buildings

The AWC is the focal point where the services under different schemes of Centre/State Government are to be delivered. Test check of records

(November 2013–June 2014) of 48 blocks showed that out of 8471 operational AWCs in the selected districts, 178 AWCs were functioning in own buildings; 1271 AWCs in rented buildings; 6905 AWCs in community buildings; and 117 AWCs in open spaces during the year 2013-14. In order to provide clean and healthy environment to the beneficiaries, ₹ 38 crore were allotted during the years 2011-14 by the GOP for construction of 850 AWCs in different blocks under the scheme. The expenditure was to be shared[73] between GOI and GOP.

Against the total allocation of ₹ 38 crore, ₹ 4.59 crore only were released to the DPOs[74] for construction of 114 AWCs. No funds were released during 2013-14. Further, it was noticed that no new AWCs was constructed out of the funds withdrawn during 2011-13. The funds of ₹ 4.59 crore were lying unutilized with the Department resulting in continuation of the AWCs in improper environment besides blockade of funds.

In the exit conference, the Department stated (November 2014) that status of utilization of funds and construction work of AWC buildings would be supplied shortly but the same was still awaited (December 2014).

It is, thus, evident that the AWCs were forced to function in improper environment for the tender aged children thereby adversely affecting their development and the Government had not taken remedial measures by constructing new buildings despite availability of Central funds.

(ii) Inadequate basic facilities in the Anganwadi Centres

As per Para 3.2, Chapter-3 of ICDS Manual the facility of safe drinking water and hygienic sanitary conditions in the AWCs is an essential element of ICDS Scheme. It was, however, noticed that though the ICDS Scheme was being implemented in the State since 1975-76 yet inadequacy in facilities still persisted in the AWCs as of June 2014.

Audit of records (November 2013 to June 2014) of selected districts showed that out of 9922 AWCs, drinking water facility in 1524 AWCs (15 *per cent*) and toilet facilities in 4181 AWCs (42 *per cent*) were not available.

In the exit conference, the department stated (November 2014) that due to non-provision of funds by the FD the requisite basic facilities could not be provided in the AWCs. The fact remains that the department failed to provide the basic facilities in the AWCs even after a lapse of more than 38 years of inception.

2.4.8.3 Enforcement of Juvenile Justice Act 2000 and Integrated Child Protection Scheme

The Juvenile Justice (Care and Protection of Children) Act, 2000 was enacted with the basic objective of providing justice to children in conflict with law and

[73] In the ratio of 30:70 during 2011-13 and 75:25 during 2013-14.

[74] Amritsar, Barnala,Bathinda, Ferozepur, Gurdaspur, Kapurthala,Moga, Mohali, Sri Muktsar Sahib, Patiala

children in need of care and protection by adopting child friendly approach and to rehabilitate them keeping in view their development needs. The scheme was merged (2011-12) with the Integrated Child Protection Scheme (ICPS). Funds of ₹ 76.53 crore were allotted during 2009-14 under this scheme against which an expenditure of ₹ 23.23 crore was incurred as of March 2014.

(i) Shortfall in occupancy against sanctioned capacity in Homes

The Ministry of Social Justice and Empowerment, GOI, issued (January 2003) basic guidelines for the maintenance/upkeep/construction of the Children Homes/State After Care Homes set up under the Scheme "A home for juvenile justice" in every district or in group of districts as required. Eleven such Homes were functioning in the eight districts of Punjab for providing shelter to the children of deprived sections of society.

Audit of records (July 2014) of Director SSWCD showed that Children Homes/State After Care Homes remained under utilized during the years 2009-14 as the occupancy was in the range of 221 to 241 (37 *per cent* to 40 *per cent*) against the sanctioned capacity of 600 inmates, primarily due to insufficient publicity about the scheme**.**

In the exit conference, Special Secretary stated (November 2014) that efforts would be made to create more awareness among people through press, media, etc. for enrolment of needy children.

(ii) Irregular functioning of Children Homes/State After Care Home

Under Rule 36 of Punjab Juvenile Justice (Care and Protection of Children) Rules 2014, the homes for juvenile in conflict with law and children in need of care and protection, shall function from separate premises. Further, After Care Organisation shall be available for people between 18-21 years of age, who have no place to go and are unable to support themselves.

In two, out of six homes in five selected districts, audit of records (April-May 2014) showed that out of 57 inmates, 12 inmates, in conflict with law and with court cases pending against them, were accommodated in Children Homes for Girls at Jalandhar whereas these inmates were required to be accommodated in Observation Homes. Similarly, two inmates in conflict with law and 14 inmates above 21 years of age were also residing in the State After Care Home, Amritsar in contravention of the rule. The retention of inmates in conflict with law was not only against the rules but could also adversely impact the mind set of other children residing with them in the Homes.

In the exit conference, Special Secretary stated (November 2014) that inmates in conflict with law, would be shifted to observation homes shortly.

(iii) Non-Construction of Observation and Children Homes

The Ministry of Woman and Child Development (MWCD), GOI sanctioned (August 2011) grant-in-aid of ₹119.44 lakh (₹ 89.58 lakh as Central share and ₹ 29.86 lakh as State share in the ratio of 75:25) for construction of Observation Home and Children Home at Faridkot and Patiala respectively.

Though the GOI released (2011-12) funds of ₹ 89.58 lakh for construction of the Homes, the work could not be started due to non-release of State share of ₹ 29.86 lakh. It is also pertinent to mention that despite the fact that children of Observation Homes were being accommodated in Children Homes in violation of the rules, at Jalandhar and Amritsar (as discussed in Para 2.4.8.3(ii)), the GOP had not utilized the Central assistance for the said purpose and was lying in the saving bank account.

In the exit conference, the Department stated (November 2014) that due to non-release of State share, construction work of Homes could not be started.

Thus, it is evident that due importance/priority to this issue was not given by the Government and as such the much needed Observation/Children Homes could not be constructed.

(iv) Non-formation of Home Management Committee and non-conducting of meetings of Child Welfare Committee

As per guidelines of the ICPS issued by the MWCD, GOI every institution shall constitute a Home Management Committee (HMC) chaired by the Assistant Director Child Protection from the District Child Protection Unit to ensure effective functioning of the institution.

Audit of records (April 2014–June 2014) of State After Care Homes, Ludhiana and Amritsar, Observation Home Ludhiana and Children Home, Jalandhar showed that HMC was not constituted. Further, audit of records (June 2014) of State After Care Home and Observation Home, Ludhiana showed that no meeting was held though CWC was constituted in July 2011.

In the exit conference (November 2014), the Department stated that HMCs had been constituted in 12 districts and in the remaining districts it would be constituted shortly and efforts would be made to conduct the meetings of CWC as per norms.

Thus, the quality of services delivered to the inmates could not be ensured and their grievances could not be redressed.

2.4.8.4 Indira Gandhi Matritiva Sehyog Yojana

(i) Outstanding payments to beneficiaries

Indira Gandhi Matritiva Sehyog Yojana (IGMSY) a Conditional Maternity Benefit Centrally sponsored scheme was launched in April 2011 and was being implemented on pilot basis in Amritsar and Kapurthala districts. Under the scheme, a cash incentive of ₹ 4000 is to be provided to women of 19 years and above for the first two live births. The payment is made to the beneficiaries directly in their bank accounts. Further, cash incentive of ₹ 200 and ₹ 100 is also provided to Anganwadi Worker (AWW) and Anganwadi Helper (AWH) respectively after all the cash transfers to the beneficiaries bank accounts are completed. Funds of ₹ 40.87 crore were allotted during 2009-14 under this scheme against which an expenditure of ₹ 9.82 crore was incurred as of March 2014.

Audit of records (May 2014) of DPO, Amritsar showed an outstanding amount of ₹ 89.73 lakh payable to 3186 eligible beneficiaries as of March 2014. Further, the incentive of ₹ 1.06 lakh payable to AWWs /AWHs was also not paid.

In the exit conference, the Department stated (November 2014) that out of sanctioned funds of ₹ 529.18 lakh during the current financial year, an amount of ₹ 352.80 lakh had been transferred to the DPO, Amritsar for further disbursement to the beneficiaries. However, the documentary evidence in support of this had not been supplied.

2.4.8.5 Awareness against Drug Abuse Scheme

The scheme was formulated in 2005 with the objective to create awareness against drug abuse among the people through Electronic and Print media, counselling in school/colleges and theme camps in villages, blocks and districts.

The funds of ₹ 0.98 crore (24 *per cent*) were only released/utilized against the total budget allotment of ₹ 4.14 crore during 2010-14. The Department could organize only 41 (against 260) theme camps at District/Block level; 52 (against 410) TV campaigns; 418 (against 2031) radio campaigns, etc. during 2010-14. However, during 2009-10, no expenditure was incurred under the scheme.

In the exit conference, the Department stated (November 2014) that due to non-release of funds by the Finance Department (FD), the targeted awareness among the masses about the ill effects of drugs could not be created. Thus, despite provision of funds and the fact that the drug abuse is a serious problem in the State, the State Government failed to provide due importance to the problem.

2.4.8.6 Awareness Programme for Domestic Violence Act, 2005

The Scheme was formulated in 2008-09 to liberate women of various kinds of domestic violence by creating awareness among the rural masses about the said Act and penal provisions involved through print and electronic media, street plays, skits, seminars, speeches, etc.

Against the total budget allotment of ₹ 1.75 crore during 2009-13, an amount of ₹ 0.30 crore (17 *per cent*) was only released/utilized on 24 seminars at District/Block level and awareness through TV and Radio medium during 2010-11 and 2012-13, Further, no funds were allotted during the year 2013-14. The department failed to organize other planned activities such as street plays, skits, etc.

In the exit conference, the Department stated (November 2014) that due to non-release of funds by FD, targeted activities could not be carried out.

2.4.8.7 Setting up of Community Homes for Mentally ill Persons Scheme

The scheme was launched in 2011-12 with the objective to provide financial assistance to Non-Government Organizations (NGOs) for establishing

protected community homes for those mentally ill/retarded persons who were discharged from prison and no longer require full time care for mental illness, but are unable to take care of themselves.

A budget allotment of ₹ one crore during the period 2009-14 was made under this scheme. However, no expenditure was incurred by the Department under the scheme.

In the exit conference, the Department stated (November 2014) that the scheme was launched in 2011-12 to be run through NGOs. But no NGO volunteered to setup such home, so the budget provided under this scheme could not be utilized. The fact remains that despite availability of funds, the mentally ill persons were deprived of the intended benefits.

2.4.8.8 Information technology for Braille Literacy in Indian Languages Scheme

The scheme was launched in 2005-06 with the objective to develop educational infrastructure for the blind through application of information technology, to develop technology for dissemination of educational material and information in Indian languages, to develop an electronic library and to establish source centre, training centres and networking.

The scheme could not be implemented at all and remained on paper only as neither any funds were allocated under the scheme nor any discussion regarding implementation of the scheme was held with the Government at any stage.

In the exit conference, the Department stated (November 2014) that the scheme was not implemented since the last eight years as no budget had been allocated under the scheme. Thus, the objective of the scheme stood totally defeated.

2.4.9 Human Resource Management

The Director, Women and Child Development is the overall-in-charge for implementation of the schemes. He is assisted by the Programme Officer, District Social Security officer, Superintendent Homes at the district level and CDPOs at the Block level. Field level functionaries comprising AWWs, Supervisors, CDPOs, POs, DSSOs and Superintendent Homes play an important role in implementation of the schemes.

2.4.9.1 Shortage of staff

The position of sanctioned strength of staff and men-in-position in the Department during the period 2009-14 is given in **Table 2.4.4.**

Table 2.4.4: Sanctioned strength (SS) of staff and men-in-position (MIP) during 2009-14

Name of posts	2009-10		2010-11		2011-12		2012-13		2013-14	
	SS	MIP	SS	MIP	SS	MIP	SS	MIP	SS	MIP
DPO	20	15	20	15	20	19	20	19	20	18
CDPO	146	100	146	100	146	124	146	123	146	124
Supervisor	963	702	963	673	963	620	963	620	963	591
Superintendent Gr-II	43	4	43	4	43	3	43	1	43	0
DSSOs	19	17	19	16	19	14	21	12	21	8
Superintendent Homes	20	4	20	4	20	4	20	12	20	12
TOTAL	**1211**	**842**	**1211**	**812**	**1211**	**784**	**1213**	**787**	**1213**	**753**
Shortage (%)	**30**		**33**		**35**		**35**		**38**	

Source: Departmental data

There was a shortage of staff ranging between 30 and 38 *per cent* in the Department during 2009-14. The shortage of staff adversely affected the delivery of services like SNP, non-formal pre education and nutritional and health services to the beneficiaries.

In the exit conference, the Department stated (November 2014) that matter regarding filling up of the remaining vacant posts would be taken up with the Government.

2.4.9.2 Training

As per Para 51 of ICDS guidelines, CDPOs, Supervisors, AWWs and AWHs are required to be trained for the tasks assigned to them in order to improve quality of services to be provided by them.

There was a shortfall in imparting training to the staff in selected districts (as on 31.03.2014) as against target of imparting training to 7275, only 6415 AWHs were trained (March 2014). Further, training was not imparted to eight CDPOs, 19 Supervisors and 68 AWWs. In the absence of trained staff, delivery of quality services to the beneficiaries could not be ensured.

In the exit conference, the department stated (November 2014) that training was an on-going process and would be imparted to the untrained staff.

2.4.10 Internal Control Mechanism

The Director was responsible for monitoring and evaluation of implementation of the programmes, schemes and other activities of the department. However, it was noticed that:

- The periodical reports of each programme/scheme which were submitted to the Director SSWCD by the Controlling Officers in the field were merely compiled at Directorate level but no corrective measures were being taken to improve the working of the department.

- No Internal Audit Wing of the department was functioning at Directorate level as FD entrusted with the responsibility of internal audit of accounts kept in the subordinate offices.

- Inadequate field inspections were conducted by the Directorate level functionaries, CDPOs and Supervisors.

- Quality of Services related to Children Home, State After Care Home and Observation Homes in the State could not be ensured due to non-

constitution of Home Management Committees and non-conducting of meetings of Child Welfare Committees.

In the exit conference, the Department stated (November 2014) that internal audit of the Department was required to be conducted by Internal Audit Wing of the Finance Department. But due to shortage of staff Internal Audit wing of the Department was not functional during 2009-14.

Conclusions

It was evident that despite making provisions in the budget estimates and release of central share by the Government of India, funds were either not released by the Finance Department or by the treasuries with the result social welfare schemes suffered. There was shortfall in coverage of beneficiaries under SNP and Pre-school education. Under Health and Nutritional status, the proportion of malnourished children had come down. The department failed to provide minimum basic facilities of safe drinking water, toilets etc. in large number of AWCs. The AWCs/Children Homes/Observations Home could not be constructed despite availability of Central funds. Due to lack of public awareness, the occupancy of existing capacity in Children Homes/State After Care Homes was very low. Though Drug Abuse and Domestic Violence are serious problems in the State, the requisite awareness could not be created due to non-availability of timely and adequate funds. The schemes for setting up community homes for mentally ill persons and Information Technology for Braille Literacy in Indian Languages could not be implemented at all due to non-release of funds by the State Government. Staff availability at field levels was not adequate. Physical monitoring of quality of food was not done as per norms, as visits and samples of food were not taken by the officials of Nutrition Board. The monitoring at Directorate level/field level was not adequate and internal audit was not functional.

Recommendations

The Government may:

- ensure timely release of Centre/State funds by Finance Department/treasury as per budget provisions;
- ensure construction of Anganwadi Centres, much needed Observation/Children Homes, setting up of Community Homes for Mentally ill Persons and to provide basic amenities, in all the Anganwadi Centres;
- provide adequate funds for the sensitive issues like Awareness of Drug Abuse, Domestic Violence and Child Protection; Information Technology for Braille Literacy in Indian Languages; and
- strengthen internal control mechanism – monitoring, inspection and internal audit.

The matter was referred to Government in August 2014; reply was awaited (February 2015).

Chapter-3
Compliance Audit

Chapter-3

Compliance Audit

CIVIL AVIATION DEPARTMENT

3.1 Purchase of helicopter in a non-transparent manner

The Department purchased a helicopter valuing ₹ 36.62 crore in disregard to the Rules prescribed for public procurement.

Rule 15.2 (b) of the Punjab Financial Rules (PFR), Volume-I provides that when stores are purchased from the open market, the system of open competitive tender should, as far as possible, be adopted as prescribed in Appendix 8 of PFR, Volume-II (Appendix). Complete specifications and drawings of the stores to be purchased should be prepared by the indenting department (Rule 4 of the Appendix), on the basis of which open tenders are to be invited (Rule 7 and Rule 8 of the Appendix). Tenders in response to such bid invitations should be submitted in a sealed cover (Rule 9 of the Appendix), which are then evaluated against the prescribed specifications.

Test check of records of the Director, Civil Aviation, Punjab (November 2013) showed that in disregard to the rules *ibid*, without any formal enquiry by the Government of Punjab (GOP), four [1] Helicopter manufacturing firms submitted unsolicited and *suo-moto* proposals for different makes of helicopter at different points of time (between August 2009 and April 2012) through their representatives and agents. It was further noticed that the Civil Aviation Minister constituted (4 April 2012) a Committee under the Chairmanship of Chief Secretary, Punjab (CS) to look into the modalities of procuring a helicopter by the Department for use of the VVIPs. The Committee after examining (10 April 2012) the available proposals recommended that the Bell 429 Helicopter be considered for final decision in the meeting of the Cabinet Sub-Committee on Civil Aviation Affairs. The Cabinet Sub-Committee of Civil Aviation under the chairmanship of Chief Minister, Punjab met and granted (10 April 2012) its post facto approval for seeking quotations from the sole authorized suppliers/agents of manufacturers of helicopter companies and accorded its approval to purchase one Bell 429 helicopter and directed CS to negotiate price with the agent. A purchase agreement for purchase of Bell 429 helicopter was made (5 July 2012) with M/s. Bell Helicopter Asia (PTE) Limited. The delivery of the helicopter was accepted in November 2012 at a total cost of US Dollar 6689350 (approximately ₹ 36.62 crore[2]). Thus, the Department purchased the helicopter in disregard to the rules *ibid* and without any pre-defined specifications, etc.

The Adviser Civil Aviation in his reply stated (May 2014) that purchase had been made as per the selection and procurement procedure approved by the

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1 Agusta Westland, Italy; Eurocopter, France; Bell Textron, Canada; and Hawker Beech Craft Corporation, USA.

2 1 US Dollar=₹ 54.7372 as on 17 December 2012.

committee constituted under the chairmanship of CS and the same committee had approved the submission of proposals and quotes by the interested parties. The Adviser, Civil Aviation in a subsequent reply (August 2014) stated that the selection of the helicopter was done after thorough comparison of the available machines with no loss to the State exchequer. The replies were not acceptable as the purchase of the helicopter was finalized by the Cabinet Sub-Committee of Civil Aviation in disregard to the rules prescribed for public procurement and in a non-transparent manner.

Evidently, the purchase procedure adopted by the Department was violative of the provisions of the PFR as the proposals so received were not in response to pre-defined detailed technical specifications, quality bench marks and definite requirement of GOP, and these were received at different points of time for different types of Helicopters and hence were not financially or technically comparable to determine whether the most economical and appropriate proposal was chosen. Thus, procurement of helicopter valuing ₹ 36.62 crore was not in accordance with the extant Rules.

DEFENCE SERVICES WELFARE DEPARTMENT

3.2 Unfruitful expenditure on incomplete work

Non-adherence to the guidelines of the scheme by the Department led to incomplete work of Sainik Rest House and resulted in unfruitful expenditure of ₹ 1.99 crore.

Para 2.89 of Public Works Department Code (PWD Code) provides that no work shall be commenced unless allotment of funds is made and orders for its commencement issued by the competent authority.

Audit of records of Director, Sainik Welfare, Punjab, (Department) showed that DSW submitted (February 2008) a proposal for ₹ five crore [3] to Government of Punjab (GOP) for construction of Sainik Sadan [4] GOP approved (March 2010) an outlay of ₹ two crore in the Annual Plan for 2010-11 under the Centrally Sponsored Scheme (CSS) 'Construction of Sainik Rest Houses (SRH) in the newly created Districts.' However, DSW prepared an estimate for ₹ 4.55 crore for construction of Sainik Sadan, Mohali (basement, ground and first floor) instead of SRH as approved in the annual plan under the CSS.

An amount of ₹ 1.70 crore was released (August 2010) by GOP to DSW for the construction of SRH in Mohali (Punjab) who appointed (March 2011) Punjab Ex-Servicemen Corporation (PESCO) as construction agency and awarded the above work (October 2011) to a contractor for ₹ 3.39 crore with the time limit of 15 months for the completion of work.

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[3] Phase-I-Basement and Ground Floor and ancillaries-₹ three crore.
Phase-II-First Floor- ₹ two crore.

[4] To accommodate office of DSWO, Sainik Rest House, Sainik Vocational Training Centre, CSD Canteen/ECHS poly clinic and DPDO office.

It was further noticed that Department took up the matter (January and April 2012) with GOI Kendriya Sainik Board (Board) for the release of 50 *per cent* Central Share of ₹ 2.27 crore of the total estimated cost. However, Board refused (February 2012 and May 2013) the proposal stating that 50 *per cent* central share of the total construction cost of SRH only would be admissible and not for other purposes like polyclinic, training institute, etc. Department again took up (May & December 2013) the matter with Board demanding ₹ 1.69 crore (50 *per cent* of estimated cost of ₹ 3.39 crore) for the construction of SRH after excluding the cost of DSWO office. However, no response to that had so far (December 2014) been received from the Board.

Further, PESCO informed (September 2012) the Department that the work was suspended in August 2012 due to non-availability of funds and demanded ₹ 0.25 crore for making payment to the contractor. GOP released (June 2013) ₹ 0.50 crore to PESCO. Out of ₹ 2.20 crore received for the work, expenditure of ₹ 1.99 crore[5] was incurred and balance of ₹ 0.21 crore was refunded (May 2014) to DSW.

On being pointed out (Oct 2013 and May 2014) the Department while admitting the fact that neither any separate proposal for SRH was prepared nor submitted to GOI before start of work, stated (October 2013 and October 2014) that the work would be completed after receipt of funds.

Thus, failure of the Department to follow the guidelines of GOI for the construction of SRH and to ensure the availability of funds before commencement of work resulted in incomplete work (physical progress 30 *per cent* as of August 2014) of Sainik Sadan, rendering expenditure of ₹ 1.99 crore unfruitful.

The matter was referred to Government in August 2014; reply was awaited (February 2015).

EDUCATION DEPARTMENT

3.3 Deprival of benefits to the disabled students

Disabled students were deprived of the benefits of the scheme due to diversion, non-utilization and non-release of Central assistance of ₹17.38 crore earmarked for them.

With a view to provide four years secondary educational opportunities and facilities to all the disabled students, the Government of India (GOI) launched a 100 *per cent* Centrally Sponsored Scheme 'Inclusive Education for Disabled Students at Secondary Stage' (IEDSS) with effect from 1 April 2009 (earlier

[5] Funds received- ₹ 1.70 + ₹ 0.50 = ₹ 2.20 crore; and Expenditure incurred- ₹ 0.76 (contractor payment) + ₹0.27 (Cement) +₹ 0.84 (Steel) +₹ 0.0022 (Model of SRH) + 0.11 (PESCO charges) + ₹ 0.011 (Service Tax) = ₹ 1.99 crore.

known as Integrated Education of Disabled Children) having two components viz. student/beneficiary oriented components[6] and other components[7].

Director General of School Education (DGSE) submitted proposals for ₹ 8.67 crore and ₹ 34.87 crore in October 2009 and August 2010 for the year 2009-10 and 2010-11 for 12290 and 12954 disabled children, respectively under different components of the scheme. GOI released 50 *per cent* of the grant amounting to ₹ 4.34 crore and ₹ 14 crore[8] against the said proposals. Grants for the years 2011-12 to 2013-14, though demanded by GOP, were not released by GOI in view of unspent balance lying with the Department and lack of progress of works.

Audit of records of the DGSE relating to the scheme showed that the Department incurred total expenditure of ₹ 17.84 crore during the years 2010-14. It was noticed that the Department irregularly diverted funds of ₹ 3.98 crore[9] earmarked for student oriented components. Resultantly, the Department failed to utilize Central funds for the components directly benefiting the disabled students, during the year 2009-11 as discussed below:

- GOI released a sum of ₹ 0.20 crore and ₹ 0.74 crore during the years 2009-10 and 2010-11 respectively for disbursement of stipend amongst the identified 6684 (2009-10) and 7353 (2010-11) disabled girl students at the rate of ₹ 200 per month to encourage their participation up to senior secondary level. However, the Department did not disburse any stipend to any of the disabled girls during the years 2009-14.

The Department stated (October 2014) that during 2009-10 and 2010-11 GOI released only 50 *per cent* of sanctioned grant and did not prioritize any specific activity on which the amount was to be spent. As such, the amount was disbursed for other student oriented activities. The reply of the Department was not acceptable as the GOI had released the funds specifically for disbursement of stipend to the identified disabled girl students.

- In the meeting (December 2009) of the Project Monitoring and Evaluation Group, it was decided that a top up stipend of ₹ 600 per annum per student would be provided as State component. It was noticed that against the requirement of the top up money of ₹ 1.93 crore[10] required during the years 2009-13, only an amount of ₹ 0.22 crore was released by GOP in February 2013, out of which no stipend was disbursed (October 2014) to the

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6 Identification and assessment of children with disabilities, provision of aids and appliances to students, provision of facilities such as scholarships etc., stipend for girl students with disabilities.

7 Removal of architectural barriers.

8 GOI sanctioned grant of ₹ 27.99 crore against demand of ₹ 34.87 crore and released its 50 *per cent* amount of ₹ 27.99 crore.

9 This included an excess expenditure of ₹ 3.49 crore (₹ 12.38 crore against the release of ₹ 8.89 crore) on construction of Resource Rooms; ₹ 0.07 crore (₹ 0.33 crore against release of ₹ 0.26 crore) on books and stationery; ₹ 0.06 crore (₹ 0.06 crore against no provision) on salary of staff; and ₹ 0.36 crore (₹ 0.99 crore against release of ₹ 0.63 crore) on disabled friendly toilets.

10 ₹ 0.74 crore (12290 children for 2009-10); ₹ 0.78 crore (12954 children for (2010-11); ₹ 0.19 crore (3084 children for 2011-12); and ₹ 0.22 crore (3584 children for 2012-13).

students thereby further depriving the disabled students of the benefits of the scheme.

The Department in its reply stated (October 2014) that a sum of ₹ 21.51 lakh was released in September 2012 and October 2012 by GOP but since no provision was made by Ministry of Human Resource Development (MHRD) under this scheme during the years 2011-12 and 2012-13, the top up money was not released to the students. The reply of the Department was not acceptable as it did not even disburse any stipend to the students out of ₹ 0.22 crore released by the State Government in February 2013 which was still lying with the Department (October 2014).

- GOI released an amount of ₹ 0.58 crore and ₹ 0.11 crore during the years 2009-10 and 2010-11 respectively for providing aids and appliances to disabled students who were to be shortlisted through an assessment for which an amount of ₹ 0.17 crore was released by GOI on the demand of GOP. However, despite availability of funds, the Department neither made any assessment of the disabled children for ascertaining the details of assistive devices required nor provided the aids and appliances to the proposed disabled students during 2009-10 (12290) and 2010-11 (12954).

The Department stated (October 2014) that aids and appliances were provided to 126 children with special needs. The reply of the Department was not acceptable as it had provided aids and appliances to 126 disabled children in four districts out of 22 districts against shortlisted 12290 children (2009-10) and 12954 children (2010-11).

- As per the scheme, architectural barriers in the existing secondary school buildings were to be removed to ensure access for the disabled students to classroom, laboratory, library and toilet in the schools. Although GOI released an amount of ₹ 1.54 crore in March 2011, against the GOP's proposal of ₹ 3.08 crore for 3080 schools at the rate of ₹ 10,000 per ramp, yet the department incurred an expenditure of ₹ 0.06 crore on construction of ramps in 56 schools only leaving 3024 schools resulting in denial of the facilities contemplated in the scheme.

The Department stated (October 2014) that 1473 ramps and 586 hand rails were constructed under Sarv Shiksha Abhiyan (SSA) during 2012-13. Further, only 56 schools were identified requiring ramps and ramps were duly constructed in these schools as per survey report (UDISE) for 2014-15. The reply of the Department is not acceptable as the Department had constructed 1473 ramps and 586 hand rails only under SSA whereas GOI had released funds for 3080 schools under IEDSS identified by GOP.

Thus, despite availability of funds, the Department failed to implement the scheme in letter and spirit as is evident from the diversion of funds to other components, non-disbursement of stipend, non-assessment of disabled children requiring assistive devices, non-utilization of available funds, etc., which not only resulted in depriving the disabled students of student oriented

benefits of the scheme but also in non-release of grant of ₹ 17.38 crore[11] for the years 2011-14 by the GOI, thus compromising the objectives of the scheme.

The matter was referred to Government in July 2014; reply was awaited (February 2015).

FINANCE AND PLANNING DEPARTMENTS

3.4 Avoidable burden of interest on State exchequer

Payment of entire cost of land of ₹ 14.98 crore on offer of allotment itself instead of part payment of ₹ 3.75 crore led to blockade of State funds resulting in avoidable loss of interest of ₹ 2.72 crore.

Rule 2.10(a) of Punjab Financial Rules Volume-I provides that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety and is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Test check of records (March 2014) of the Director, Punjab State Planning Board showed that the Estate Officer of Union Territory (UT), Chandigarh (EO) offered (9 February 2007) land measuring 2.58 acre to GOP in Sector 38 at a tentative cost of ₹ 14.98 crore for construction of *Vit-Te-Yojna-Bhawan*[12] and requested to remit ₹ 3.75 crore i.e. 25 *per cent* of the cost of the land within 30 days from the date of issue of the offer letter so that the allotment letter could be issued. The remaining 75 *per cent* cost was to be paid within 30 days from the date of allotment without interest.

It was further noticed that instead of depositing ₹ 3.75 crore, the Special Secretary-*cum*-Director (Treasury and Accounts), Punjab (Director) deposited the entire tentative cost of ₹ 14.98 crore with the Estate Officer on 9 March 2007. However, EO could not allot the land in question, as there were 200 colony huts on the allotted site. EO allotted (10 December 2009) an alternate site measuring 1.737 acre of land valuing ₹ 10.09 crore in Sector 33-A and after adjusting the value of the allotted land balance amount of ₹ 4.89 crore was refunded to the Director on 27 May 2010. The action of the Director resulted in blockade of funds[13] and avoidable burden of interest of ₹ 2.72 crore (calculated on average borrowing rates of the State Government).

On this being pointed out (March 2014), the Director, Punjab State Planning Board stated that efforts were being made to recover the interest from Chandigarh Administration. The reply was not acceptable as Chandigarh

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[11] ₹ 1.62 crore for 2011-12, ₹ 11.65 crore for 2012-13, ₹ 4.11 crore for 2013-14.

[12] To accommodate various Directorates working under the Finance and Planning Departments of Government of Punjab housed in rented buildings.

[13] ₹ 11.23 crore (₹ 14.98 crore *minus* ₹ 3.75 crore) with UT Administration for 33 months and ₹ 4.89 crore for another 5 months till its refund (27 May 2010).

Administration had turned down (January 2014) the request of payment of interest as there was no such provision in their rules.

Thus, payment of entire cost of ₹ 14.98 crore on 9 March 2007 on offer of allotment itself instead of demanded amount of ₹ 3.75 crore, led to blockade of State funds and avoidable interest of ₹ 2.72 crore paid by the State on its borrowings.

The matter was referred to the Government in June 2014; reply was awaited (February 2015).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5 Implementation of Food Safety and Standards Act, 2006

The Department did not identify food business operators without licenses/registration in the State. Shortfall in collection of samples remained up to 80 per cent. Analysis of samples delayed up to 14 months. Prosecution against the offenders had not been launched even after 31 months.

In order to consolidate the laws[14] relating to food and to establish Food Safety and Standards Authority of India (FSSAI) for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import and to ensure availability of safe and wholesome food for human consumption, Government of India (GOI) enacted (August 2006) Food Safety and Standards (FSS) Act, 2006 (Act) and framed (May 2011) Rules and Regulations thereunder effective from 5 August 2011 to the whole of India.

With a view to assess the efficiency and effectiveness in the implementation of the Act, an audit was conducted (November 2013-May 2014) by test-checking the records of the Commissioner, Food Safety (Commissioner), State Food Laboratory (SFL) and Designated Officers (DO) in six[15] (out of 22) districts, selected by adopting Stratified Random Sampling without Replacement method, covering the period 2011-12 (5 August 2011) to 2013-14.

Audit findings

3.5.1 Financial Management

3.5.1.1 Lapsed budget provisions

The State Government after deciding (February 2012) to set up a Food and Drug Authority in the State, made budget provisions of ₹ five crore each year during 2012-13 and 2013-14. It was, however, observed that the Nodal Officer, Food Safety requested (January 2013) the Principal Secretary Health (PSH) to release funds of ₹ one crore from the budget provisions of ₹ five crore. However, the Finance Department (FD) declining the request of

[14] The Prevention of Food Adulteration Act (PFA), 1954; PFA Rules, 1955; and various Control Orders under Essential Commodities Act, 1955 including MMPO-92/ MMPR-09 were repealed with effect from 5 August 2011.

[15] (i) Amritsar; (ii)Bathinda; (iii) Jalandhar; (iv) Ludhiana; (v)Mansa; and (vi)Patiala.

the Department asked (February 2013) PSH to first establish Food Safety Department. But no proposal for establishing the Food Safety Department was submitted to the Government/FD (May 2014). As a result, budget provisions of ₹ five crore during the years 2012-13 and 2013-14 lapsed.

3.5.1.2 Late/non-deposit and short charging of fees/penalty

Audit noticed some cases of late/non-deposit of license fees in treasury; short charging of license/analysis fee; and awaited recovery of penalty imposed by Adjudicating Officer (AO), as detailed in **Table 3.1.**

Table 3.1: Cases of late/non-deposit and short charging of fees/penalty

(₹in lakh)

Name of district/ department	Category	No. of cases	Amount required to be deposited/ charged (Period)	Amount actually deposited/ charged	Amount deposited after pointed out in Audit (Period)	Short-fall	Remarks
Amritsar	Hotels, milk & milk products, etc.	NA	0.11 (2012-13)	--	0.11 (5/2014)	--	DO Amritsar attributed the reasons to rush of work
Jalandhar		227	5.73 (1/2012 – 2/2014)	--	1.95 (5/2014)	3.78	DO Jalandhar stated (April 2014) that reply would be furnished after verifying the records/treasury.
Patiala		26	1.76 (1/2013 - 3/2014)	--	1.76 (4/2014 – 7/2014)	–	--
Bathinda	Manufact-uring/ milling of milk/milk solids	66	2.10 (2012-14)	1.32	--	0.78	DO Bathinda stated (April 2014) that action would be taken after verifying the records.
Mansa		17	0.52 (2012-14)	0.34	--	0.18	DO Mansa noted (May 2014) the point for compliance.
Bathinda	Penalty imposed by Adjudi-cating Officer	7	1.95 (2013-14)	0.85	--	1.10	DO Bathinda reported (April 2014) that letters had been issued to FBOs for depositing the penalty.
Ludhiana		16	3.90 (2012-14)	--	--	3.90	DO Ludhiana stated (April 2014) that the matter would be taken up with ADC (AO)/higher authorities and action would be taken accordingly.
State Food Laboratory Punjab	Analysis of food samples	3173	31.73 (08/2011 – 03/2014)	6.35	--	25.38	FA stated (March 2014) that the fee was charged as per notification (January 2004) of the Punjab Government and thereafter no revised order/notification was received from the Government. The reply was not acceptable as the Regulations (2011) under the FSS Act, 2006 prescribes the analysis fee of ₹ 1,000 per sample.

Source: Departmental records ***NA: Not available***

Implementation of the Act

3.5.2 Licensing and registration

3.5.2.1 Non-conducting of survey

Section 31 provides that no person shall commence or carry on any food business except under a license. Section 30 (2) (b) of the Act provides that the Commissioner of Food Safety shall carry out survey of the industrial units engaged in the manufacture or processing of food in the State to find out compliance by such units of the standards notified by the Food Authority for various articles of food.

Audit of records of the Commissioner showed that neither any survey was conducted (January 2014) nor any database with regard to total number of food business operators (FBO) in the State was available with the Commissioner. Though 10861 licenses and 85066 registrations were reported (March 2014) to have been granted up to 23 January 2014, but in the absence of the said database, FBOs running food business without licenses/ registration[16] could not be ruled out.

In reply, the Department stated (March 2014) that all DOs of the State were being directed to conduct such survey in the field.

3.5.2.2 Irregular issue of licenses

Regulation 2.1.2 (3) of the FSS (Licensing and Registration of Food Businesses) Regulations, 2011 provides that license for commencing or carrying on food business, which falls under Schedule 1, shall be granted by the Central Licensing Authority (FSSAI).

Audit of records showed that in three districts (out of six test-checked districts), 60[17] licenses were granted by DOs to FBOs for the business falling under the purview of FSSAI during 2012-14 in contravention of the provisions *ibid.* Moreover, compliance by the concerned DOs to the instructions (July 2012) of GOI to cancel such licences was awaited (May 2014).

DO Amritsar stated (May 2014) that the licenses were issued inadvertently, while Bathinda and Patiala noted (April 2014) the point for compliance.

3.5.3 Laboratory and sample analysis

3.5.3.1 Short achievement of targets for collection of samples

As per the provisions under Section 38 of the Act, the Department fixed the monthly target for collection of 1160 samples[18] of any article of food or substance by Food Safety Officer (FSO) in the State of Punjab for analysing the same from the Food Analyst (FA).

Audit of records of the Commissioner showed that the Department was not maintaining any data in respect of samples collected and analysed in the State of Punjab. However, from the information obtained from FA, it was noticed that the shortfall in achievement of targets remained up to 80 *per cent* at State level and up to 93 *per cent* in six selected districts during the period 2011-12 (8/2011) to 2013-14. Out of 6952 samples collected in six selected districts, 900 samples were found adulterated (substandard: 726 and unsafe: 174). Of these, against 576 cases (substandard: 432 and unsafe: 144) where prosecution was launched, 234 cases (substandard: 234 and unsafe: Nil) had been decided. In remaining 324 cases, action taken or reasons for not launching prosecution were called for; the reply was awaited (December 2014).

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16 License is issued to all food business operators except petty food business operators, who are only required to get themselves registered with the authority.

17 (i)Amritsar: 26 (2013-14); (ii)Bathinda: 19 (2012-14); and (iii) Patiala: 15 (2013-14).

18 The targets fixed (May 2010) for 20 districts under The Prevention of Food Adulteration Act, 1954 being followed by the Department, were revised (April 2014) to 1160 samples for 22 districts under the FSS Act, 2006.

The Commissioner while admitting the facts stated (May 2014) that the targets would be achieved as additional FSOs had been deployed.

3.5.3.2 Delayed analysis of samples from referral laboratory

Rule 2.4.5 (3) provides that FA-in-charge of the accredited laboratory shall analyse the sample within 14 days from the date of the receipt of the sample and in case of delay, the in-charge of laboratory shall inform the DO and the Commissioner giving reasons and specify the time to be taken for analysis.

Audit of records of six test-checked districts showed that:

- In Bathinda and Jalandhar districts, analysis reports in respect of five [19] (out of seven) adulterated samples sent (February-December 2013) to referral laboratory (Ghaziabad) were neither received nor were the reasons for delay intimated by the referral laboratory even after more than 4-14 months (April 2014).

- In Ludhiana district, analysis reports in respect of 12 (out of 20) adulterated samples sent (September 2013-January 2014) to referral laboratory (Ghaziabad) were received as "unsafe" with a delay ranging between 39 and 115 days. These cases were under process for launching prosecution against FBOs (April 2014).

In reply, DO Bathinda stated (April 2014) that no action could be taken against FBOs before receipt of reports. DOs Jalandhar and Ludhiana stated (April 2014) that the matter would be taken up with the higher authorities/concerned laboratory. The replies of DOs were not conclusive as they did not even pursue the matter with the referral laboratory for timely analysis. Thus, due to late analysis of samples, FBOs might have continued to sell their stock during this time gap and sale of adulterated food could not be ruled out.

3.5.4 Prosecution

3.5.4.1 Prosecution against offenders of adulterated samples

Sections 42 (3) and 59 of the Act provides that DO, after scrutiny of the report of FA, shall decide as to whether the contravention is punishable with imprisonment or fine only; and in the case of contravention punishable with imprisonment, he shall send his recommendations within fourteen days to the Commissioner for sanctioning prosecution.

(i) Audit of records of six test-checked districts showed that 51 samples in Amritsar district (October 2011-September 2012) and two samples in Patiala district (November 2011) were sent to FA, Punjab for analysis. But the results of analysis were not found recorded (Amritsar) and erased (Patiala) in the sample register. When enquired, DO Amritsar stated (May 2014) that the reports had not been received from FA, whereas DO Patiala stated that explanation would be sought from the dealing assistants.

[19] Bathinda: 2 (Unsafe); and Jalandhar: 3 (2 Unsafe and 1 Sub-standard).

Further examination in the matter with FA showed that the results of 53 samples were sent by FA to DOs Amritsar and Patiala between October 2011 and September 2012. Of these, the results of 11 samples (Amritsar: 9 and Patiala:2) sent to DOs were found unsafe/sub-standard. However, due to inaction on the part of DOs Amritsar and Patiala, the prosecution could not be launched against the offenders of 10 sub-standard samples and sanction of the Commissioner for launching prosecution in respect of one unsafe sample could not be obtained even after 20-31 months (May 2014).

(ii) In district Amritsar, it was also observed that in 15 cases which were declared (August-November 2013) unsafe for human consumption by FA, DO sought sanction of the Commissioner for launching prosecution against the offenders after a delay ranging between 135 and 231 days. In reply, DO Amritsar stated (May 2014) that the action would be taken to initiate the prosecution.

3.5.5 Monitoring

3.5.5.1 Non adherence to other provisions of the Act

The following provisions of the Act were also not adhered to:

- The instructions (April 2013) of the Commissioner to review the work of food registration and licenses every month and submit report thereon were not adhered to by the district level committees. (*Section 30 of the Act*).

- Notification requiring registered medical practitioners to report all occurrences of food poisoning coming to their notice while carrying on their profession was not issued by the Department (*Section 35 of the Act*).

- Accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL) was awaited for want of upgradation of State Food Laboratory (*Section 43 of the Act*).

- No scheme/orders to give reward to persons who render assistance in detection of the offence or the apprehension of the offender were initiated by the State Government (*Section 95 of the Act*).

- In six test-checked districts, 5476 licenses were issued to FBOs for various products handled by them up to March 2014 but the returns as required were not submitted by FBOs to the Department (*Regulation 2.1.13 of the FSS (Licensing and Registration of Food Businesses) Regulations, 2011).*

3.5.5.2 Improper maintenance of records

(i) The Commissioner instructed (May 2012) all DOs to maintain registers of inspection, sampling, licenses and registration. Audit of records of six test-checked districts showed that:

- Register of licensees/registrations were neither properly maintained (left blank, unsigned, IDs of FBOs not pasted etc.) nor updated in four test-checked districts (Amritsar, Ludhiana, Mansa and Patiala).

- Registers of inspection and receipt books were not maintained.

- In Ludhiana district, 1451 registrations bearing same numbers were granted twice due to simultaneously maintaining two registers of registration of same series.

The concerned DOs while admitting the facts, stated (April-May 2014) that compliance would be made.

(ii) The monthly reports of licenses/registrations granted to FBOs sent to FSSAI, as per their instructions (June 2012) showed discrepancies as number of FBOs holding licenses/registrations at the end of a month did not match with the figures shown in the succeeding month's report. The difference ranged between 2 and 2051 in case of licences; and 16 and 6089 for registrations granted during August 2011 to August 2013. The monthly reports for the months September 2013 onwards were not sent to FSSAI. In reply, the Commissioner stated (May 2014) that the report for difference in figures was being sought from concerned DOs.

Thus, the Food and Drug Authority could not be set up in the State for want of release of funds during 2012-14. The Department did not conduct survey to identify food business operators without licenses/registration and also issued licenses irregularly to food business operators under the purview of Central Licensing Authority. Monthly targets for collection of samples were not achieved and analysis of adulterated samples from referral laboratory was delayed. Prosecution against offenders of adulterated samples could not be launched due to non-obtaining the sanction of the Commissioner. Non-adherence to various provisions of the Act and improper maintenance of records showed a weak monitoring system in the Department.

In response to the matter taken up (June 2014) with the Government, the Commissioner stated (July 2014) that the Department did its level best to implement the new Act with less manpower and inadequate infrastructure. It was assured that the Act would be implemented in more forceful manner after approval of new posts and best efforts would be initiated to cope-up with the deficiencies and flaws reported by Audit. The reply of the Government was awaited (February 2015).

3.6 Extra financial burden on State exchequer due to excess billing of electricity consumption on Government hospitals

Inaction on the part of the Department to get the correct tariff plan applied on Government hospitals from Punjab State Power Corporation Limited resulted in excess electricity billing of ₹1.94 crore.

Section-IV (Para SVI.1.5) of Electricity Supply Instructions Manual (ESIM) of Punjab State Power Corporation Limited (PSPCL) *inter alia* stipulates that the electricity consumption by the Government hospitals (GH) shall be charged at Domestic Supply (DS) rates.

Audit of records (April 2014) of the Senior Medical Officer (SMO), Sub-Divisional Hospital, Gharshankar and information relating to electricity consumption bills collected subsequently from 47 GHs under the administrative control of Director, Health Services, Punjab (DHS), pertaining to the period 2009-14, showed that PSPCL raised electricity bills on 44 GHs (out of 47) by applying Non-Residential Supply (NRS) rates instead of DS rates against the provisions stipulated in ESIM.

Thus, inaction on the part of the Department to get the correct tariff plan (DS rates) applied on GHs from PSPCL resulted in excess electricity billing of ₹ 1.94 crore besides other incidental charges[20] for the period between April 2009 and March 2014, thereby putting extra financial burden on the State exchequer. This burden will continue till such time as the Department is able to resolve it through active pursuance.

On this being pointed out (April 2014), DHS took up (May-July 2014) the matter with PSPCL authorities, who had issued (August 2014) instructions to all its Engineers-in-Chief/Chief Engineers to comply with the provisions under Clause (SVI 1.5) of Schedule DS. Further action of PSPCL/DHS was awaited (December 2014).

The matter was referred to Government in April 2014; reply was awaited (February 2015).

HOME AFFAIRS AND JUSTICE DEPARTMENT

3.7 Procurement and storage of arms and ammunition by Police Department

Arms valuing ₹2.17 crore procured without compatible ammunition; without ensuring requisite specifications; and without assessing requirement led to idle expenditure. Central Sales Tax of ₹3.35 crore was paid in excess of the prescribed rates. Custody of arms and ammunition was not as per norms and those were not being periodically examined for its serviceability due to non-availability of Ammunition Examiner.

Punjab Police is entrusted with the duty of maintenance of law and order, prevention and detection of crime, providing security to vulnerable areas, persons and groups. In order to contain the menace activities and to perform its duties efficiently, Punjab Police needs to be equipped with latest sophisticated arms and ammunition. The Director General of Police, Punjab procures arms and ammunition and the Central Armoury at Bahadurgarh, Patiala is responsible for its safe custody and distribution amongst the field units.

With a view to assess the efficiency and effectiveness in procurement and storage of arms and ammunition in Police Department, an audit was conducted (February-July 2014) by test-checking the records for the period 2011-14 in

[20] Electricity Duty, Octroi, etc.

the offices of Director General of Police, Punjab (DGP), seven[21] (out of 27) Commissioners of Police(CP)/Senior Superintendents of Police(SSP), two[22] (out of eight) Punjab Armed Police (PAP) Battalions, two[23] (out of six) Indian Reserve Battalions (IRB), two[24] (out of five) Commando Battalions, six[25] Police Academy/Training Schools and five[26] heterogeneous field units selected by adopting systematic method of statistical sampling. A meeting was held with the Department on 6 August 2014 to discuss the audit findings and the replies of the Department to the audit observations have been incorporated in the paragraph.

During 2011-14, as against the demand of ₹ 29.51 crore, funds of ₹ 22.46 crore were released and expenditure of ₹ 20.96 crore[27] was incurred on arms and ammunition in the State.

Audit findings

3.7.1 Planning

3.7.1.1 Non-revision of norms

The Ministry of Home Affairs, GOI assessed the scale of weapons for the State police forces in August 1990. But, the Department did not revise the norms/scale thereafter to regulate demand and supply of arms and ammunition with the changing scenario. Neither any centralized database with regard to availability of arms and ammunition with the field units was available at police headquarter nor was the demand being called for periodically from the concerned quarters. The demand was being assessed at headquarter level.

In reply, Additional Director General of Police (ADGP) stated (August 2014) that the norms should have been reviewed at least once in ten years and the same were now being reviewed.

3.7.1.2 Idle expenditure due to ill-planning

The Department imported 10 NEGEV 5.56 mm Light Machine Guns at a cost of ₹ 46 lakh from Israel and 18 Under Breeze Grenade Launchers (UBGL) for SG 553 Rifles valuing ₹ 13 lakh from Switzerland during 2010-11 without procuring compatible ammunition for these weapons. Of these, the Central Armoury Bahadurgarh issued eight NEGEV 5.56 mm Light Machine Guns (March 2011) and 16 UBGLs for SG 553 Rifles (June 2011) to Special

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[21] (i) CP, Amritsar; and SSPs at (ii) Bathinda, (iii) Ferozepur, (iv) Jalandhar (Rural), (v) Ludhiana (Rural), (vi) Pathankot and (vii) SBS Nagar.

[22] Commandants at (i) 7th PAP, Jalandhar and (ii) 36th PAP, Bahadurgarh.

[23] Commandants at (i) 1st IRB, Patiala and (ii) 5th IRB, Amritsar.

[24] Commandants at (i) 1st Commando Battalion, Bahadurgarh and (ii) 4th Commando Battalion, Mohali.

[25] (i) Punjab Police Academy, Phillaur; (ii) Police Recruitment Training Center, Jahan Khelan; (iii) Commando Training Center, Bahadurgarh; (iv) In-service Training Center, Kapurthala; (v) Recruitment Training Center, PAP, Jalandhar; and (vi) Recruitment Training Center, IRB, Ladha Kothi, Sangrur.

[26] Additional DGPs (i) Security and (ii) Intelligence; (iii) Government Railway Police; (iv)Deputy Inspector General (CM Security); and (v) Inspector General of Police, Special Security Guards.

[27] ₹ 12.01 crore (against ₹ 13.22 crore) were spent from State budget and ₹ 8.95 crore (against ₹ 9.24 crore) were spent under Modernization of Police Forces Scheme.

Security Group, Ajitgarh (Mohali) and one UBGL (October 2011) to Commandant, 4th Battalion, Mohali without supplying the compatible ammunition. Though the Department had decided to procure the ammunition in December 2011, the same had not been procured (July 2014). Thus, the weapons could not be put to use even after more than three years for want of compatible ammunition. This resulted in idle expenditure of ₹ 59 lakh due to non-synchronisation of procurement of arms and related ammunition.

In reply, ADGP stated (August 2014) that the process for purchase of compatible ammunition for NEGEV 5.56 LMG and UBGL had been started.

3.7.2 Procurement of arms and ammunition

3.7.2.1 Avoidable extra payment of central sales tax

Section 8 of Central Sales Tax (CST) Act, 1956 provides that every dealer, who in the course of interstate trade or commerce, sells to the Registered dealer or Government any goods shall be liable to pay tax under this Act which shall be two *per cent* of his turnover or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sale tax law of the State, whichever is lower.

Audit of records (February 2014) in the office of DGP showed that arms and ammunition valuing ₹ 24.39 crore were purchased from the dealers of other states during 2011-14, whereupon CST of ₹ 3.84 crore at the rates ranging between 12.5 and 21 *per cent* was paid to the suppliers as against ₹ 0.49 crore payable at the prescribed rate of two *per cent*. This resulted in avoidable extra payment of CST of ₹ 3.35 crore.

The ADGP stated (August 2014) that the matter for exemption of CST had been taken up with the Government.

3.7.2.2 Idle expenditure

The Punjab Police Housing Corporation, on behalf of the Department, procured (May 2010) 234 SG-553 Assault Rifles at a cost of ₹ 3.55 crore from a Switzerland-based firm[28].

Audit of records (February 2014) in the office of DGP showed that the Department further procured (November 2010) 234 Magnifying Reflex Sights (MRS) at a cost of ₹ 1.48 crore from a USA-based firm for fitting the same on Picatinny Rail (PR) on the upper hand guard of SG-553 Assault Rifles procured in May 2010. But the same could not be fitted for want of PR Adapter on the upper hand guard of the rifle, as also pointed out during inspection of weapons conducted in March 2011. Though the Department, after a delay of more than two years, initiated (February 2013) the proposal for procurement of PR Adapters, the same did not mature as the Customs Duty Exemption Certificate and import permission was not acceded to by the Ministry of Home Affairs (MHA), GOI (July 2013) owing to involvement of the said firm in unfair business practice in another contract.

[28] M/s. SAN Swiss Arms AG, Switzerland.

Thus, due to laxity on the part of the Department to ensure availability of PR Adapters to mount MRS on SG-553 Assault Rifles, 234 MRS procured during November 2010 for ₹ 1.48 crore could not be put to use and remained idle for more than three years (July 2014).

The IGP (Provisioning) stated (August 2014) that the MHA had again been requested to allow the import of PR Adapter, so that 234 MRS could be put to use.

3.7.2.3 Ungainful expenditure

The Department procured (October 2010) 40 QD Suppressors for MP-9 Pistol at a cost of ₹ 10 lakh from a Switzerland-based firm[29] to equip SWAT[30] team, as per the requirement reflected in the Annual Action Plan (2009-10) on the recommendations of the committee formed by the Department to finalize the requirement of weapons for Chief Minister's security set-up. The QD Suppressors were received in Central Armoury in December 2010. However, despite lapse of more than three years, these Suppressors were not issued to any of the field units and were lying in stock with Central Armoury, thereby rendering the expenditure of ₹ 10 lakh as ungainful.

In reply, ADGP stated (August 2014) that the orders had been issued to DIG (CM Security) to lift all 40 sound suppressors.

3.7.2.4 Acceptance of obsolete ammunition

The Ammunition Examiner, Punjab prescribed (July 2009) the life of 7.62mm AK-47 Monk-II CTN cartridges as seven years. However, the ammunition, if not rusted, damaged or dampened could be used after its prescribed life. Further, DGP, Armed Battalions, Jalandhar Cantt suggested (July 2010) DGP that fresh ammunition was to be procured from factories in the presence of Ammunition Examiner.

Audit of records (April 2014) in Central Armoury, Bahadurgarh showed that against the advance payment of ₹ 13 lakh (February 2011), 50000 cartridges[31] were received (December 2011) from Small Arms Factory, Kalpi Road, Kanpur. Though these cartridges manufactured in 2001 had already outlived their shelf life, yet the Commandant, Central Armoury, Bahadurgarh accepted the old cartridges. Though, as per examination conducted by the supplier (November 2011) these cartridges were serviceable at the time of supply, but the shelf life of the cartridges manufactured in 2001 was not prescribed in the report. Moreover, there was no Ammunition Examiner available on the strength of the Department during December 2011 to check the life/serviceability of the old cartridges, as the only Ammunition Examiner in the State had superannuated in January 2010.

The ADGP stated (August 2014) that the cartridges had been distributed and utilized without any complaint. However, the acceptance of old cartridges

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[29] M/s Brugger & Thomet, Switzerland.
[30] Special Weapons And Tactics.
[31] 7.62mm AK-47 Monk-II CTN.

manufactured 10 years ago from the date of receipt contrary to the standards fixed by the Department itself was not justified.

3.7.3 Inventory management and internal control

3.7.3.1 Improper storage of arms and ammunition

Punjab Police Rules, 1934 (PPR) Volume-I, provide that the store room should be kept clean, dry and properly ventilated. Boxes containing arms and ammunition should be kept a few inches raised from the floor and clear of the wall. DGP also instructed (July 2005) to invariably install the lightning conductor on ammunition stores. Further, the Standing orders (September 1988) provide that ammunition should be stored in a separate room without provision of electricity.

Audit noticed (April 2014) that the old Central Armoury building had cracks in the ceiling and walls causing leakage of water in rainy season. Rooms storing arms had no provision of electric light and the boxes of arms and ammunition were kept directly on the floor. On the other hand, the new Central Armoury building constructed (May 2009) at a cost of ₹ 2.15 crore was not being used for the intended purpose due to obstruction caused by ancient *astabals* in reaching the gate of the building, as referred to in paragraph 3.11 of the Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2013.

Further examination (March-June 2014) of 23 field units having armouries, showed that:

- lightning conductor was not installed on five[32] armoury buildings;
- arms and ammunition were found to have been stored in the same room at four[33] armouries;
- ammunition room in three[34] armouries were provided with electricity;
- boxes of arms and ammunition were kept directly on floor in five [35] armouries;
- water leakage during rainy season was noticed in three[36] armouries;
- proper ventilation system was not found in three[37] armouries.
- plaster from ceiling and walls was peeling out and falling on arms at PPA Phillaur; and

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32 (i) CP, Amritsar; (ii) 7th Bn. PAP Jalandhar; (iii) SSP, SBS Nagar; (iv) SSP, Pathankot; and (v) 36th Bn. Commando, Bahadurgarh.

33 (i) SSP, Pathankot; (ii) SSP, Bathinda; (iii) SSP, SBS Nagar; and (iv) IGP, SSG Chandigarh.

34 (i) SSP, Pathankot; (ii) SSP, SBS Nagar; and (iii) IGP, SSG Chandigarh.

35 (i) SSP, SBS Nagar; (ii) SSP, Pathankot; (iii) SSP, Jalandhar (Rural); (iv) SSP, Bathinda; and (v) IGP, SSG Chandigarh.

36 (i) CP, Amritsar; (ii) SSP, Ferozepur; and (iii) SSP, Ludhiana (Rural).

37 (i) SSP, Bathinda; (ii) Commandant 1st IRB, Patiala; and (iii) IGP, SSG Chandigarh.

- main gate of the armoury building was not equipped with iron-grill in PPA Phillaur and 1st IRB Patiala.

The ADGP assured (August 2014) that the armouries would now be maintained as per norms.

3.7.3.2 Non-replacement of obsolete arms

The committee constituted by MHA to assess the requirement of weapons for State Police Forces, recommended (August 1990) that the obsolete weapons with the civil police force, especially .303 rifles and .410 muskets should be replaced with 7.62 mm family of weapons; and Sten Gun with the District Reserve and Armed Police Battalions should be replaced with 9 mm carbines.

Audit observed (March-May 2014) that .303 rifles (21016), .410 muskets (4839) and Sten Gun (5809) were still lying with 16 field units awaiting replacement with the prescribed weapons, in spite of the instructions issued 24 years ago.

The ADGP stated (August 2014) that the obsolete arms would be replaced in a phased manner on receipt of new ones.

3.7.3.3 Non-disposal of unserviceable arms and ammunition

(i) Standing orders (September 1988) provide that arms declared unserviceable by the State Assistant Inspector Arms (AIA) should be deposited in the Central Armoury at Bahadurgarh for their further disposal as per orders of DGP.

In nine test-checked field units (March-June 2014), 113 weapons were declared unserviceable by AIA between November 2012 and January 2014 ***(Appendix-3.1)*****,** which were not deposited in the Central Armoury. Further, it was noticed that 1241 unserviceable weapons already deposited in the Central Armoury had not been disposed of.

In reply, ADGP stated (August 2014) that MHA had been requested (July 2014) to advise the department for safe disposal of the unserviceable arms.

(ii) GOI, Ministry of Defence, clarified (July 2011) DGP that normal life of 9 mm ammunition would be 5-7 years. If shelf life was over, the same should not be used and disposed of from safety point-of-view.

In 20 test-checked field units (March-June 2014), it was observed that 10.55 lakh 9 mm bullets, which had outlived their prescribed life by years ranging between 8 and 28 years, were not disposed of and were lying in stores. Similarly, taking into account the Ammunition Examiner's Report (July 2009) prescribing the life of various ammunition, it was noticed that in 16 field units, 48.11 lakh pieces of ammunition (other than 9mm), which had also outlived their shelf life by more than 10 years, were also lying in the stores**.** The outlived ammunition could not be checked for its serviceability or disposal

due to non-availability of Ammunition Examiner in the State for the last four years as the only Ammunition Examiner had superannuated in January 2010.

The ADGP stated (August 2014) that a committee had been formed under the chairmanship of DIG (PAP) to dispose of outlived ammunition on the recommendations of the Ammunition Examiner hired from BSF.

Thus, the Department did not revise the norms/scale after August 1990 to regulate demand and supply of arms and ammunition with the changing scenario. Arms procured without compatible ammunition; without ensuring requisite specifications; and without assessing requirement led to idle expenditure. Central Sales Tax was paid in excess of the prescribed rates. Custody of arms and ammunition was not as per norms and those were not being periodically examined for its serviceability or disposal due to non-availability of Ammunition Examiner in the Department.

The matter was referred to Government in June 2014; reply was awaited (February 2015).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.8 Non-recovery of loan

Inaction on the part of PUDA to safeguard recovery of loan before rescinding the existing escrow agreement executed in its favour, led to non-recovery of loan of ₹ 221.64 crore and interest of ₹ 28.52 crore.

Government of Punjab enacted (April 2011) the Punjab Municipal Infrastructure Development Fund Act, 2011 (Act). The Punjab Municipal Infrastructure Development Fund (PMIDF) was constituted under the Act by assigning 20 *per cent* of the additional tax on VAT with the objective of raising resources for providing financial assistance to Municipalities for the infrastructure development projects, duly approved by the Government. The Punjab Municipal Infrastructure Development Corporation (PMIDC) is the implementing and controlling agency, which would utilise the funds so raised, as per the directions of the High Powered Committee.

The High Powered Committee (Committee) under the chairmanship of Chief Minister Punjab, with Punjab Urban Planning and Development Authority (PUDA) as a member, decided (September 2011) to provide loan of ₹ 294.98 crore to PMIDC to be arranged by PUDA for developmental works of Nagar Councils/Nagar Panchayats of different districts. As per loan agreement, PUDA was to have the first charge on the funds being received by PMIDC from the PMIDF, which was to be escrowed in favour of PUDA. In case of any dispute between PMIDC and PUDA, the Chief Secretary to Government of Punjab was to act as a sole arbitrator, whose decision was to be binding on all the parties. To safeguard the repayment of loan, a tripartite

escrow agreement[38] was executed (December 2011) between PMIDC, PUDA and the Punjab National Bank (PNB). As per terms and conditions of the agreement, PMIDC was to open an escrow account[39] in favour of PUDA. This escrow account was to be kept credited by PMIDC with 20 *per cent* of the additional tax (revenue) levied and collected under the Punjab Value Added Tax Act, 2005 till the amount of loan along with interest at the rate of six *per cent* per annum, compounded quarterly, thereupon was fully recovered.

Audit of PUDA (February 2014) showed that in compliance to the decision of the Committee, PUDA provided a loan of ₹ 259.92 crore to PMIDC between October and December 2011. PMIDC repaid ₹ 38.28 crore between February-April 2012 through the escrow account favouring PUDA. The Committee, in suppression of its earlier decision, decided (March 2012) to rescind the escrow agreement, as the revenue was decided to be streamed to Housing Urban Development Corporation (HUDCO) to repay another loan to be raised by PMIDC. It was also decided that repayment of loan from PUDA would be made from the balance funds after repayment obligation and other terms and conditions imposed upon by HUDCO were met by PMIDC. In compliance to this decision, PUDA, without executing the revised agreement for ensuring the repayment of balance amount of loan, requested (April 2012) PNB to cancel the escrow agreement.

The Committee further decided (April 2012) that PMIDC would immediately transfer 6.7 acres of prime land at Amritsar valuing ₹ 206.40 crore, in its possession, to PUDA for its commercial exploitation, who was to retain the sale proceeds towards the loan given to PMIDC.

On being asked (September 2014) about the action initiated to ensure recovery of loan from PMIDC, PUDA stated (September 2014) that in the 3rd High Powered Committee meeting of PMIDC held on 26.12.2013, it was decided that Municipal Corporation, Amritsar after realizing the value from sale of the land would repay the loan along with interest. However, no head way in this regard was reported despite lapse of more than 12 months from the date of the decision.

Thus, inaction on the part of PUDA to put in place safeguard towards recovery of loan before rescinding of the escrow agreement, resulted in non-recovery of loan of ₹ 221.64 crore provided to PMIDC and interest of ₹ 28.52 crore accrued thereupon (May 2014).

The matter was referred to Government in May 2014; reply was awaited (February 2015).

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[38] Escrow Agreement: A legal documents that outlines the terms and conditions between parties involved in an escrow.

[39] Escrow Account: An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. This is a temporary account as it operates until the completion of a transaction process, which is implemented after all the conditions between the buyer and the seller are settled.

3.9 Non-realisation of planning charges

Failure of Chief Town Planner to raise claim on PUDA and concerned Development Authorities on account of planning charges resulted in non-recovery of ₹ 59.50 crore.

As per provisions of Section 60 of Punjab Regional and Town Planning and Development Act, 1995, the State Government may determine, in the prescribed manner, the amount which a local authority, State Government or any other authority functioning in the Planning Area shall pay to the Designated Planning Agency as contribution towards the expenses incurred by it, in the discharge of its functions[40] under this Act and the amount shall be accordingly paid.

The Government of Punjab determined and notified (June 2006) the expenses to be paid by Punjab Urban Planning and Development Authority (PUDA) to the designated Planning Agency of which 86 *per cent* of charges were to be deposited in the State Treasury by the Planning Agency and 14 *per cent* retained by it to take care of the expenses incurred by the agency in discharging its statutory duties. The rates were applicable retrospectively from 26 May 1995. Chief Town Planner, Punjab (CTP), while endorsing the notification (29 June 2006) to all Senior Town Planners/District Town Planners/Assistant District Town Planners directed that station/project wise bills may be prepared and sent along with supporting documents.

A mention was made in paragraph 7.2.12 of Report of the Comptroller and Auditor General of India (Revenue Receipts)-Government of Punjab for the year ended March 2009 that a sum of ₹ 34.73 crore in respect of planning charges was recoverable from three development agencies[41] for the period 2005-06 to 2007-08.

Audit of the records (February 2014) of District Town Planner (DTP), Bathinda and information collected (July 2014) in respect of other DTPs of the State showed that as of March 2014, an amount of ₹ 59.50 crore was recoverable from PUDA and concerned Development Authorities on account of various planning works[42] for different projects for improvement taken-up by DTPs[43].

On being pointed out, CTP stated (July 2014) that claims for realization of planning charges amounting ₹ 34.64 crore were raised (August 2011) to Chief Administrator, PUDA Mohali (₹ 33.54 crore) and Chief Administrator, BDA

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[40] Preparation of local planning area plan @ ₹ 100/- per acre, final plan of local planning area @ ₹ 200/- per acre, preparation and approval of outline master plan @ ₹ 200/- per acre, preparation and approval of draft comprehensive master plans @ ₹ 100/- per acre, approval of master plan @ ₹ 50/- per acre, layout plans and zoning plans @ ₹ 2/- per sq. yard.

[41] PUDA ₹ 33.54 crore, BDA ₹ 1.1 crore and Punjab Mandi Board ₹ 0.09 crore.

[42] (i) Local Planning Area Plan; (ii) final plan of local planning area; (iii) land use maps and registers; (iv) Zoning plan; and (iv) draft comprehensive master plan of various sites.

[43] Amritsar, Bathinda, Fatehgarh Sahib, Faridkot, Jalandhar, Kapurthala, Ludhiana, Patiala, Roopnagar, SAS Nagar, Sangrur.

(₹ 1.10 crore) but no amount was received on account of planning charges. It further stated that the matter would be taken up with the higher authority. The reply was not convincing as during discussion of the Report of Comptroller and Auditor General of India (Revenue Receipt), Government of Punjab for the year ended March 2009 (paragraph 7.2.12), PAC directed (October 2011) the Department to make date bound recovery of planning chargers. However, despite these recommendations, no recovery had been effected by the Department (October 2014) even after a lapse of more than seven years from the date of issue of notification resulting in persistence of the irregularity in the department and non-recovery of ₹ 59.50 crore from the concerned Development Authorities.

The matter was referred to Government in April 2014; reply was awaited (February 2015).

IRRIGATION DEPARTMENT

3.10 Non-implementation of projects of relining of Rajasthan and Sirhind Feeders

Non-release of funds by the State Government despite availability of Central funds and funds from Government of Rajasthan resulted in blockade of funds of ₹ 123.09 crore and denial of intended benefits to the farmers.

With a view to save 84800 hectare (ha) of fertile agriculture land in the South Western districts of the State from water logging due to an enormous quantum of seepage from the bed and side of Rajasthan and Sirhind Feeders, Irrigation Department prepared (July 2009) project reports for relining[44] of Rajasthan (RD 179000 to 496000) and Sirhind Feeders(RD 119700 to 447927). Government of India, Ministry of Water Resources, (MOWR), approved these projects (main branch canal, distributary system and water courses) for ₹ 1441.26[45] crore in July 2009. The water so saved was to be utilized for irrigating 127665 ha[46] of land of Punjab and Rajasthan. The projects were to be started in 2010-11 and completed by 31 March 2014.

Test check of records of the Executive Engineer, Rajasthan Feeder, Ferozepur (EE) and the Principal Secretary, Department of Irrigation, Punjab (January 2012 and January 2014) showed that the Government of India (GOI) released (February 2011) ₹ 105.84 crore to the Government of Punjab (GOP) for relining of Rajasthan Feeder only. GOI did not release funds for relining of Sirhind feeder due to late receipt of proposal by them. During 2011-14, the proposals submitted by the State for relining of Sirhind Feeder were found deficient on various counts by the Monitoring and Appraisal Directorate, Central Water Commission (Directorate). GOP also received ₹ 17.36 crore from Rajasthan Government (₹ 4.36 crore for Sirhind Feeder in April 2011

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44 Rajasthan and Sirhind feeders are presently lined with single tile lining in bed and double tile lining on side slopes.

45 ₹ 952.10 crore Rajasthan Feeder and ₹ 489.16 crore Sirhind Feeder.

46 34548 ha from Sirhind Feeder and 93117 ha from Rajasthan Feeder.

and ₹ 13 crore in March 2013 for Rajasthan feeder). Out of which an expenditure of ₹ 0.11 crore was incurred.

The work has not yet started due to non-release of central funds by the State Government. Further, proposal for central assistance of ₹ 89.50 crore of the State Government for 2013-14 was returned (December 2013 and January 2014) by the Directorate due to non-submission of utilization certificate for central assistance of ₹ 105.84 crore.

The Executive Engineer intimated (March 2014) that the work could not be started as the Treasury Officer, Ferozepur did not release funds against Letter of Credit for ₹ 104 crore received (August 2012) from the Chief Engineer, up to 31 March 2013 and hence it lapsed.

Thus, non-release of funds by the State Government despite availability of Central funds and funds from Government of Rajasthan resulted in blockade of funds of ₹ 123.09 crore and denial of intended benefits to the farmers.

The matter was referred to the Government in May 2014; reply was awaited (February 2015).

LOCAL GOVERNMENT DEPARTMENT

3.11 Non-strengthening of fire and emergency services

Fire and emergency services in 13 districts could not be strengthened due to blockade of Central funds of ₹2.65 crore with the State Government for over three years. Besides, expenditure of ₹0.65 crore on procurement of 13 Quick Response Vehicles remained unfruitful.

With a view to strengthen fire and emergency services and progressively transform the fire services into multi hazard response services by filling the existing gap in the fire fighting and rescue capabilities, Ministry of Home Affairs, Government of India (GOI) launched (December 2008) a Centrally sponsored scheme – 'Scheme for Strengthening Fire and Emergency Services' on sharing pattern in the ratio of 75:25 between the Centre and the State. For this, GOI allocated[47] (November 2009) ₹ 3.23 crore as Central share for procurement of 17 Quick Response Vehicles (QRVs), 34 High Pressure Pumps (HPPs) and 34 Combi Tools (CTs) for 17 districts and the State Government was to contribute ₹ 0.81 crore as its share.

Audit of records (March 2014) in the Department of Local Government, Punjab (Department) showed that during 2010-11, the funds of ₹ 0.73 crore[48] released (January 2010-March 2011) by GOI/State Government were utilised[49] in four districts. GOI released (May 2011) its balance share of ₹ 2.65 crore for

[47] Funds were allocated by GOI in the ratio of 80:20 as against 75:25 (Centre:State) as per guidelines of the Scheme.

[48] GOI (₹ 0.58 crore) and State Government (₹ 0.15 crore).

[49] Procurement of four QRVs, four HPPs and 11 CTs for (i) Amritsar; (ii) Gurdaspur; (iii) Jalandhar; and (iv) Kapurthala.

procurement of 13 QRVs, 30 HPPs and 23 CTs for 13[50] districts. Though the Finance Department (FD) sanctioned ₹ 3.31 crore[51] each during the years 2011-12 to 2013-14 for the purpose, yet it did not release the Central share (₹ 2.65 crore) and released only the State share of ₹ 0.66 crore in February 2013, of which the Department utilized (May 2013) ₹ 0.65 crore[52] on procurement of 13 QRVs. But the vehicles could not be got fabricated for want of funds and were getting deteriorated.

In reply, the Department stated (July 2014) that the case had been sent to FD for release of ₹ 2.65 crore during 2014-15. On being enquired (May-August 2014) from FD about the reasons for non-release of Central funds; no reply was received (December 2014).

Thus, the fire and emergency services in 13 districts could not be strengthened under the Centrally sponsored scheme due to blockade of Central funds of ₹ 2.65 crore with the State Government for over three years. Besides, expenditure of ₹ 0.65 crore on procurement of 13 QRVs remained unfruitful as the vehicles had not even been fabricated and the warranty period too had expired.

The matter was referred to Government in May 2014; reply was awaited (February 2015).

PUBLIC WORKS DEPARTMENT (BUILDINGS & ROADS)

3.12 Non-providing of clear site led to avoidable payment of escalation

Non-providing of clear site by the Department led to delay in completion of the work which resulted in avoidable payment of ₹ 9.73 crore on account of cost escalation.

Under the Punjab State Road Sector Project funded by International Bank for Reconstruction and Development, the work of upgradation of Ludhiana-Malerkotla-Sangrur Road was allotted to a contractor on 12 July 2007 for ₹ 226.04 crore. The work was to be commenced on 29 August 2007 and completed by 28 August 2010. As per clause 2.1 of the Agreement, the employer shall give the contractor right of access to and possession of all parts of the site within the time (or times) stated in the Contract data[53].

Test check of records (July 2011) of the Executive Engineer, Central Works Division No. 3, Ludhiana showed that the Department failed to provide clear site to the contractor due to non-shifting of electric poles, transformers,

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[50] (i)Bathinda; (ii)Faridkot; (iii)Fatehgarh Sahib; (iv)Ferozepur; (v)Hoshiarpur; (vi) Ludhiana; (vii) Mansa; (viii)Moga; (ix)Sri Muktsar Sahib; (x) SBS Nagar; (xi)Patiala; (xii) Roopnagar; and (xiii)Sangrur.

[51] Central share: ₹ 2.65 crore and State share: ₹ 0.66 crore.

[52] Out of ₹ 66.25 lakh, ₹ 0.98 lakh were lying unspent with the Department.

[53] Time for access to the site (Section-I, on date of commencement and Section-II, 6 months from the date of commencement).

junction boxes, cutting of trees, non-removal of encroachments/obstructions leading to delay in cross drainage works and side drains which consequently delayed the road work. Besides, the work was also adversely affected due to change in design, late approval of drawings, non-availability of land, presence of trees in the project area, raising of manholes and underground utilities and delay in getting the closure of Bathinda canal for construction of bridge over it. The work was therefore, taken up in piecemeal manner and the extension of time (EOT) was granted up to 30 June 2011. The work was actually completed on 15 April 2012. Resultantly, the Department had to pay avoidable cost escalation of ₹ 9.73 crore after the stipulated date of completion i.e. 28 August 2010 to 15 April 2012 as the Department failed to get the obstructions removed in time.

On this being pointed out, the Chief Engineer, Punjab State Road Sector Project stated (April 2012) that EOT was granted by the competent authority on reasonable and valid grounds taking into consideration the various events which occurred during execution of the project which were beyond the control of the Department as the removal of the obstructions involved many departments and keeping in view all these provisions of EOT is made in the construction agreements throughout the world. The reply was not acceptable as for completion of Section I of the road, encumbrances were removed as late as May 2010 against the stipulated date of 29 August 2007 i.e. date of commencement, thereby causing a delay of two years and nine months in providing clear site to the contractor. Further, inclusion of clause of EOT in the agreements does not absolve the Department of its responsibilities for providing clear site and ensuring to get the work completed within the stipulated period.

Thus, non-providing of clear site by the Department led to delay in completion of the work which resulted in avoidable payment of ₹ 9.73 crore on account of cost escalation.

The matter was referred to the Government in July 2014; reply was awaited (February 2015).

3.13 Irregular preparation of DPR led to avoidable delay in completion of work

Concealment of the vital fact regarding involvement of forest land along the road by circumventing the prescribed certificate of ground verification, appended to the DPR resulted in abandoning of work and non-achievement of objective even after incurring an expenditure of ₹ 3.96 crore.

Section 6.1.1 (i) of the Forest Conservation Act, 1980 (Act) provides that all proposals for diversion of forest areas require approval of the Central Government. Under Pradhan Mantri Gram Sadak Yojana (PMGSY) it is mandatory to furnish a certificate in format 9-A with detailed project report (DPR) that no forest land is involved along the entire road way; or the case for permission under the Act has been moved to the Forest Department.

With a view to widen and strengthen the road from Jiochak to Datarpur Km. 0.0 to 17.48 in district Hoshiarpur, as per traffic requirement, the Executive Engineer, Construction Division No. 1, PWD (B&R), Hoshiarpur (EE) proposed a DPR which *inter-alia* provided for widening of road from 3.05 meter to 3.75 meter, to avoid accident etc., under PMGSY-Phase X. A certificate to the effect that entire land for the said road was in possession of State Government was also appended to the DPR without mentioning that the forest land was involved or not. The Chief Engineer (PMGSY), Punjab PWD (B&R) technically sanctioned (July 2012) the work at ₹ 8.77 crore. The work was allotted (November 2012) to a contractor at a contract price of ₹ 8.06 crore to be completed up to August 2013 which was extended up to June 2014.

Test check of records (February 2014) of EE showed that the contractor asked (January 2013) the Department that he had not been provided drawings due to non-availability of forest clearance. Thereafter, the Forest Range Officer, Badala as well as the Divisional Forest Officer, Dasuya (DFO) intimated on 6 July 2013 and 15 July 2013 respectively that the said work was damaging trees on either side of the road and execution of the work without obtaining prior permission from Forest Department was violative of the provisions of the Act. An expenditure of ₹ 3.96 crore had been incurred when the contactor stopped the work (29 July 2013) for want of No Objection Certificate from Forest Department. Despite being cautioned by the contractor (January 2013) and Forest Department (July 2013), EE moved the case for forest clearance[54] in September 2013 only. The Government of India, Ministry of Environment and Forests (MOEF) granted (May 2014) approval for diversion of forest land for the road. However, the work was lying incomplete (September 2014).

On this being pointed out (February 2014), the Chief Engineer, PWD (B &R) stated (September 2014) that actually the work was going on and was not held up for want of NOC from the Forest Department. It was further stated that funds for payment of forest clearance and utility shifting had been demanded, and the work was pending because of scarcity of funds as requisition of funds of ₹76.13 lakh was still (June 2014) pending. The plea that the work was not held up due to non-receipt of NOC from the Forest Department was not acceptable as the work was stopped by the contractor on 29 July 2013 after intervention of the Forest Department. However, the reply did not explain the reasons for not furnishing the certificate of ground verification in the prescribed format and for not obtaining the prior approval of MOEF as required under the Act.

Thus, concealment of vital fact regarding involvement of forest land along the road, by circumventing the prescribed certificate, appended to the DPR, resulted in abandoning of the work in July 2013 and the objective of improved connectivity through widening and strengthening of the road by August 2013 was not achieved even after incurring an expenditure of ₹ 3.96 crore.

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[54] Total financial implication on account of forest clearance was ₹ 5.94 lakh (₹ 2.56 lakh for compensatory afforestation; ₹ 1.88 lakh on account of net present value; and ₹ 1.50 lakh towards application processing fee).

The matter was referred to Government in May 2014; reply was awaited (February 2015).

3.14 Avoidable burden on State exchequer

Adoption of lower specifications for a road work executed under Pradhan Mantri Gram Sadak Yojana and execution of another road work in piecemeal under Central Road Fund, from State funds led to avoidable burden of ₹4.07 crore on the State exchequer.

During test check of records (May 2011 and January 2014) of the Public Works Department (Buildings and Roads), instances of incurring avoidable expenditure from the State exchequer on two road works for which entire expenditure could be met from central schemes/funds were noticed as detailed below:

(a) As per specifications of IRC:SP:37:2001, applicable for the roads with designed traffic of more than one msa and CBR value of seven *per cent,* total pavement thickness required is 425 MM[55]. Further, Rural Roads Manual (para 5.2.2) applicable to Pradhan Mantri Gram Sadak Yojana (PMGSY) works provides that the anticipated traffic, possible changes in the road network and land use of the area served as well as probable growth of traffic over design life are to be carefully accounted for.

Ministry of Rural Development, Government of India approved (May 2009) the work of upgradation of 8.65 KM length of Khizrabad-Bindrakh road for ₹ 3.43 crore under PMGSY. Designed life[56] of the road was 10 years with designed traffic of 1.46 million standard axle[57] (msa) and CBR[58] value of seven *per cent*. Audit of records (May 2011) of the Executive Engineer, Construction Division No. 1, Mohali (EE) showed that while preparing the estimate, the Department adopted pavement thickness of 300 MM[59] and 375 MM[60] of Water Bound Macadam (WBM) and WBM with Granular Sub Base (GSB) in the existing portion and the widening portion of the road respectively (excluding the provision of 50 MM layer of Bituminous Macadam (BM) as stipulated in the IRC:SP:37:2001). The work was allotted (September 2009) for ₹ 2.75 crore for completion within six months. During execution of the work, the Superintending Engineer, Construction Circle, PWD (B&R), Chandigarh (SE) along with the EE visited (October 2010) the road and the EE told the SE that 10-12 screening plants were being set up along the road and connected link roads, leading to increase in traffic. Therefore, the EE proposed(October 2010) to increase the specifications of this road by laying an additional layer of 75 MM of stone metal and 75 MM of

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55 Granular Sub Base 150 MM, Granular Base 225 MM, Binder Course (Bituminous Macadam) 50MM.
56 Number of years until the first major reconstruction is anticipated.
57 A standard axle is defined as an axle exerting or applying a force of 80 kN.
58 California Bearing Ratio (CBR) is used to determine load bearing capacity of soils used for building roads.
59 Water Bound Macadam 300MM.
60 Water Bound Macadam 225 MM, Granular Sub Base 150 MM.

BM and estimate was prepared (November 2010) under State funds for ₹ 2.89 crore. Meanwhile, the State Quality Coordinator, Punjab Roads & Bridges Development Board, Mohali (Coordinator) inspected (December 2010) the road and pointed out that the existing provisions of crust might not be suitable for the present traffic, as the DPR was prepared in the year 2007 for 1.46 msa and the traffic census done in the month of August 2010 indicated 4 msa.

The Chief Engineer PWD (B&R), Punjab approved (May 2011) the estimate for laying 75 MM of WBM and 50 MM of BM for ₹ 2.82 crore. The work allotted in March 2011 was completed at a cost of ₹ 2.93 crore in May 2011, whereas the work allotted under PMGSY was completed in June 2011 at a cost of ₹ 2.62 crore. Thus, non-adoption of prescribed pavement thickness in the estimate under PMGSY led to damage of road and necessitated its strengthening during execution itself (against the designed life of 10 years) resulting in avoidable burden of ₹ 2.93 crore on the State exchequer.

The Chief Engineer, PWD (B&R), Punjab stated (June 2014) that the estimate of work under PMGSY was rightly prepared/sanctioned keeping in view the traffic census at that time but later on due to setting up of number of crushers near the road and heavy traffic, the specifications could not cater to the rising traffic needs and there was every chance of road being damaged before completing its life. The argument given by the CE was not acceptable as the crust thickness prescribed under IRC:SP:37-2001 was approved subsequently under State funds which should have been adopted in the original estimate under PMGSY as it was found inadequate by the Coordinator as well. Moreover, the reasons cited for increase in the traffic were foreseeable and should have been kept in view while designing the road as provided in Rural Roads Manual.

The matter was referred to the Government in April 2014; reply was awaited (February 2015).

(b) The work of widening (from 5.50/7.00 to 10 meters) and strengthening of Garhshankar-Anandpur Sahib road (37.730 to 54.500 kms) was administratively approved (February 2011) for ₹ 13.67 crore by the Ministry of Road Transport and Highways (MoRTH) under Central Road Fund (CRF). The estimate of the work included provision of bituminous macadam (BM) on full 10 meters width at 37.730 to 45.930 kms stretch, whereas at 45.930 to 54.500 kms stretch, provision of BM was made for the widening portion only. The technical approval to the estimate was conveyed by the Chief Engineer, PWD (B&R) in July 2011. The work was allotted to a contractor on 26 April 2011 for ₹ 13.15 crore to be completed by 25 March 2012. However, ₹ 11.63 crore were spent and it was yet to be completed (April 2014).

Audit of records (January 2014) of the Executive Engineer, Construction Division, Ropar (EE) showed that while the work under CRF was in progress, another estimate for laying of BM and other items[61] on stretch of road (RD 45.930 to 54.500 kms), where BM was not provided in the work under

[61] Profile correction, side drain, RCC Railing, etc.

CRF, was submitted (March-August 2013) by the EE-under State funds, on the pretext that this could not be taken in the estimate under CRF due to paucity of funds. The work under State funds was allotted to another contractor for ₹ 2.75 crore on 13 June 2013 to be completed by 12 August 2013. However, after incurring ₹ 1.14 crore from the State exchequer up to December 2013, the work was still in progress (April 2014).

On being enquired (April 2014) about the source of information regarding paucity of funds under CRF, the EE stated (June 2014) that the provision of BM in the whole width of 10 meters (RD 45.930 to 54.500 kms) was not taken under CRF as the condition of the road was good at that time. The reply of the EE was contrary to the estimate under State funds, wherein it was reported (August 2013) that the said work, could not be taken in the estimate under CRF due to paucity of funds. The Government further added that the condition of the road deteriorated due to diversion of traffic towards this road from another road and opening of quarry site during execution. The reply is not acceptable as increase in traffic and opening of quarry site were foreseeable events and should have been considered while designing the road. Moreover, paucity of funds under CRF was taken as basis for preparation of estimate under State Funds. Further, as per CRF (State Rules) 2007, priority for utilization of fund is given to the already sanctioned projects. Thus, availability of funds under CRF would not have been a constraint had the provisions of BM in the entire reach been made in the estimate under CRF.

Thus, adoption of lower specifications for a road work executed under Pradhan Mantri Gram Sadak Yojana and execution of another road work in piecemeal under Central Road Fund, from State funds led to avoidable burden of ₹ 4.07 crore on the State exchequer.

3.15 Award of work to an ineligible bidder

Action of Chief Engineer to amend the pre-qualification criteria to the advantage of a particular contractor vitiated the purpose for which the criteria was fixed and resulted into award of the work to an ineligible bidder where an expenditure amounting to ₹ 6.59 crore has been incurred.

The Chief Engineer (Buildings), Public Works Department (Buildings and Roads) (CE) accorded (February 2010) technical sanction to the estimate of the work of construction of University College at Balachaur in Nawanshahar district for ₹ eight crore. CE also approved (February 2010) detailed notice inviting tender (DNIT) for ₹ 5.51 crore. As per qualification criteria prescribed in DNIT, bidder was to have minimum turnover of ₹ 13.78 crore in any one of the last five years or ₹ 5.51 crore in each of the last three years and having successfully completed three building works costing not less than ₹ 2.20 crore or two building works costing not less than ₹ 2.76 crore or one building work costing not less than ₹ 4.41 crore during the last seven years.

Test check of records (May 2012) of the Executive Engineer, Provincial Division, Nawanshahar (EE) showed that Tender Processing Committee (TPC) opened (18 February 2010) the technical bids for the work. The bid of

one contractor was not found technically responsive as it did not meet the qualification criteria of experience in building works. The CE, on representation of the contractor, observed (24 February 2010) that since rates of non-responsive bidder were lower than those of the responsive bidder and he had also executed civil engineering works in the past where his performance was quite satisfactory and asked the Superintending Engineer, Construction Circle No. 2, Jalandhar (SE) to recommend the lowest bidder for final approval of the CE. In view of these directions, TPC met on 26 February 2010 in the SE's office and unanimously concluded that stipulating the requirement of having completed building works in the DNIT/Tender Document was made as it was directly technically relevant for the present work as against the work experience of road construction/other civil engineering works. TPC held that the Department was not legally entitled to open the financial bid of the contractor who did not meet the technical qualification criteria stipulated in the DNIT/tender document and it was, thus, improper on the part of the technically non-responsive bidder to state that his rates were lower than those of a responsive bidder. TPC held that in the interest of expeditious implementation of the work through technically competent agency, it would be prudent to award the work to the responsive bidder. The decision was conveyed to the CE on 26 February 2010 itself.

The CE reiterated that the said contractor had executed road works and as such he was entitled to be involved in the bid and directed (3 March 2010) SE to open his financial bid and submit the case in favour of the lowest bidder. CE further directed (5 March 2010) EE to recall the tenders through short notice by amending[62] qualification criteria of already approved DNIT, regarding minimum/annual turnover and works experience.

Accordingly, the tenders were re-invited on 5 March 2010 and opened on 17 March 2010. This time also two bids were received, the bid of technically non-responsive contractor was found the lowest and the work was awarded to him on 22 March 2010 at a cost of ₹ 5.62 crore with completion date of 21 December 2010 (nine months). Subsequently the agreement was enhanced to ₹ 7.90 crore in October 2011. The work was not completed and had been delayed by more than four years after incurring an expenditure of ₹ 6.59 crore up to February 2015. The Principal of the College intimated (July 2014) that the work had been much delayed as against its projected time due to which the College was facing inconvenience and *inter alia* highlighted some important areas of concern viz. non-completion/ construction of boundary wall and security check post near gate posing serious threats to the property of college besides creating hindrances in checking entry of outsiders in the college.

On this being pointed out (May 2012), EE stated (May 2012) that the re-tendering was ordered to have better competition in the interest of the State

[62] Minimum turnover of ₹ 551.41 lakh in any one of the last three years was changed to 'Minimum total turnover of ₹ 1654.23 lakh in any three consecutive years of last five years'. Annual turnover of ₹ 551.41 lakh in each of the last three years was changed to 'Annual total turnover of ₹ 1654.23 lakh in any three consecutive years of last five years'. The condition regarding 'experience of building works' was changed to 'experience of similar works' and conditions regarding 'similar completed works' were changed to 'similar or any civil engineering infrastructure completed works/partly completed of the ongoing works'.

Government/work. The reply was not acceptable as qualification criteria was changed by providing similar or any civil Engineering infrastructure works to favour the earlier non-responsive bidder who had no experience directly technically relevant to the present building work.

Thus, the action of the CE to amend the pre-qualification criteria to the advantage of an earlier non-responsive bidder vitiated the bidding process and resulted into award of the work to a technically non-responsive bidder where an expenditure amounting to ₹ 6.59 crore has been incurred (February 2015).

The matter was referred to the Government in May 2014; reply was awaited (February 2015).

PUBLIC WORKS (BUILDINGS & ROADS)/IRRIGATION/ AGRICULTURE DEPARTMENTS

3.16 Short deduction of Value Added Tax

Failure of the Executive Engineers to deduct Value Added Tax at the notified rates resulted in short deduction of ₹ 3.56 crore, out of which ₹ 1.32 crore was recoverable from contractors even after lapse of 8 to 36 months.

As per Section 27 of Value Added Tax (VAT) Act, every contractee is responsible for making payment to any person for discharge of any liability on account of valuable consideration, exceeding rupees five lakh in a single contract payable for the transfer of property in goods (whether as goods or in some other form) in pursuance of a work contract, shall, at the time of making such payment to the contractor either in cash or in any other manner, deduct an amount equal to two *per cent* of such sum towards the tax payable under this Act on account of such contract. VAT deductible on works contracts was enhanced to four *per cent* with effect from January 2008, five *per cent* from 2 November 2011, and further to six *per cent* with effect from 9 April 2013.

(i) Audit of records (between April 2012 and May 2013) of Executive Engineers (EE) of 55 divisions of three departments[63] showed that EEs continued to deduct VAT at the rate of four *per cent* on the payments made to the contactors during the period from 2 November 2011 to 29 December 2012 against the applicable rate of five *per cent*. This resulted into short deduction of VAT amounting to ₹ 3.06 crore[64] on the payments made to the contractors.

On this being pointed out (July 2013), Public Works Department (PWD) (B&R) stated (August 2013) that the concerned EEs had been directed (August 2013) to recover the balance amount within two months positively and remain vigilant in future to avoid such financial lapse. Replies from Irrigation and Agriculture Departments were not received (December 2014).

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[63] (i) Public Works Department (Buildings and Roads)-25 divisions; (ii) Irrigation Department-15 divisions; and (iii) Punjab Mandi Board (PMB) under Agriculture Department-15 divisions.

[64] PWD (B&R)-₹ 1.52 crore; Irrigation Department-₹ 0.39 crore; and PMB-₹ 1.15 crore.

However, 44 EEs reported recovery of ₹ 2.20 crore[65] as of June 2014 (***Appendix-3.2(a)***).

(ii) During test check of records of 12 EEs of two departments PWD (B&R) (11 EEs) and Irrigation Department (one EE), Audit further noticed (between October 2013 and April 2014) that the irregularity was still persisting as the EEs deducted VAT at rate of five *per cent* instead of six *per cent* applicable with effect from 9 April 2013. This resulted into further short deduction of VAT amounting to ₹0.50 crore[66] (***Appendix-3.2(b)***) on the payments made to the contractors during April 2013 to March 2014. The Executive Engineer, Construction Division, Patiala reported (August 2014) recovery of ₹ 0.04 crore.

Thus, the Departments lacked a system to ensure immediate compliance to any changes in the rates of VAT deductible on works contractors resulting in loss of revenue to the State exchequer. In test-checked divisions, the loss amounted to ₹ 3.56 crore, of which ₹ 1.32 crore[67] was still recoverable (June 2014). The Departments should review all such cases and initiate recovery action wherever short-deductions have been made on this account.

The matter was referred to the Government in July 2014; reply was awaited (February 2015).

REVENUE, REHABILITATION AND DISASTER MANAGEMENT DEPARTMENT

3.17 Inadmissible expenditure from State Disaster Response Fund

Release of financial assistance of ₹2.27 crore from State Disaster Response Fund to Power Sector (PSPCL) beyond expenditure on immediate restoration of power supply was not admissible.

The Government of India (GOI), Ministry of Home Affairs, in suppression of Calamity Relief Fund (CRF), constituted (September 2010) a State Disaster Response Fund[68] (SDRF) at State level for providing immediate relief to the victims of natural calamities[69]. As per the guidelines, the annual allocation to SDRF would be contributed by GOI and the State Government in the ratio 75:25. Further, as per norms of assistance from SDRF circulated (July 2009 and January 2012) by GOI, Power Sector, which generates its own revenue and also undertakes repair/restoration works from its own funds/resources, was excluded for providing assistance from SDRF, except for immediate restoration of power supply.

Audit of records (December 2012) in the office of Deputy Commissioner,

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65 ₹ 0.89 crore by the 17 EEs of PWD (B&R); ₹ 0.22 crore by the 12 EEs of Irrigation Department; and ₹ 1.09 crore by 15 EEs of PMB.

66 Public Works Department (Buildings and Roads)-₹ 0.47 crore (11 divisions); (ii) Irrigation Department)-₹ 0.03 crore (one division.)

67 PWD (B&R) ₹ 1.06 crore; Irrigation ₹ 0.20 crore; and PMB ₹ 0.06 crore.

68 Constituted under section 48(1) (a) of Disaster Management Act, 2005.

69 Cyclones, droughts, earthquakes, fires, floods, hailstorms, cloudbursts, pest attacks, etc.

Bathinda (DC) showed that the Punjab State Power Corporation Limited (PSPCL), Bathinda Circle (27 May 2011) and Sri Muktsar Sahib Circle (26 May 2011) requested DC to compensate the damage caused to their infrastructure worth ₹ 2.28 crore by thunderstorm on 21 and 22 May 2011. Despite the fact that PSPCL restored the power supply in Bathinda and Sri Muktsar Sahib Circle by 22 May 2011 and 24 May 2011, respectively at a cost of ₹ 0.01 crore, the DC forwarded these requests to the Department of Revenue Rehabilitation and Disaster Management (Department) in August 2011. The financial assistance from SDRF sanctioned (October 2011) by the Department was transferred by DC to PSPCL Bathinda Circle (₹ 2.17 crore) and Sri Muktsar Sahib Circle (₹ 0.11 crore) in April 2012. The PSPCL booked ₹ 1.65 crore[70] spent for replacement of its damaged infrastructure between 24 May 2011 and 11 November 2011 to this assistance and retained ₹ 0.62 crore (Bathinda Circle) for procurement of new power transformer.

Thus, assistance of ₹ 2.27 crore (out of ₹ 2.28 crore) to PSPCL (Power Sector) beyond expenditure on immediate restoration of power supply was not admissible under the norms *ibid.*

On this being pointed out, the State Government stated (July 2014) that the assistance was released as per norms under SDRF. The reply was not acceptable as the assistance to Power Sector from SDRF was restricted to immediate restoration of power supply only.

RURAL DEVELOPMENT AND PANCHAYATS DEPARTMENT

3.18 Unfruitful expenditure on modernization of cattle fair ground

Cattle fair ground, Nabipur modernized at a cost of ₹ 7.30 crore could not be used for holding cattle fairs even after three years due to non-provision of drainage of rain water causing water logging.

The State Government, in a meeting under the chairmanship of Chief Minister, Punjab, decided (June 2009) to modernize the existing Cattle Fair Ground (CFG) at village Nabipur, district Fatehgarh Sahib to provide better facilities[71] under a common roof for the sale and purchase of animals. The work was administratively approved in March-May 2010 and the funds of ₹ 7.56 crore[72] were released by the Department of Rural Development and Panchayats, Punjab (Department) in April and June 2010 out of Cattle Fair Fund[73]. After completing the work of construction/modernization of CFG at a cost of ₹ 7.30 crore[74], the CFG was handed over to District Development and Panchayat Officer (DDPO), Fatehgarh Sahib in December 2011 by the Executive Engineer, Panchayati Raj Division, Fatehgarh Sahib.

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70 ₹ 1.54 crore between 24 May 2011 and November 2011 (Bathinda Circle); and ₹ 0.11 crore between June 2011 and September 2011 (Sri Muktsar Sahib Circle).

71 Animal hospital, covered and open shed, safe drinking water, arrangement for night stay, separate arrangement for sick animals, stalls/shops, etc.

72 ₹ 5.00 crore (April 2010); and ₹ 2.56 crore (June 2010).

73 Established under the Punjab Cattle Fairs (Regulation) Act, 1967.

74 Expenditure incurred up to 7th running bill and the final ill was yet to be finalised.

Audit of records (January 2014) of the Executive Engineer, Panchayati Raj Division, Fatehgarh Sahib (XEN-PRD) and subsequent information collected (January - May 2014) from the Director, Rural Development and Panchayats Department, Punjab and DDPO showed that CFG at village Nabipur was auctioned to various contractors[75] during 2011-14 for holding cattle fairs. But, no cattle fair could be held at village Nabipur due to water logging at CFG (October 2014). Instead, the cattle fairs were being held by the contractors at Khanna, district Ludhiana with the approval of the Department from time to time.

In reply, the State Government stated (August 2014) that the contractor had been directed to hold cattle fair at the present location. On being further enquired (September 2014), the Department intimated (October 2014) that the contractor had once again showed its inability to hold cattle fair due to water logging and the SE (Panchayati Raj) had been asked (October 2014) to investigate CFG Nabipur at personal level and report thereon. Further reply of the Department/Government was awaited (February 2015).

Thus, the cattle fairs could not be held in village Nabipur even after three years from taking over (December 2011) the CFG by the Department due to non-provision of drainage system for rain water, causing water logging at CFG. Resultantly, the expenditure of ₹ 7.30 crore incurred on modernization of cattle fair ground remained unfruitful, besides denial of the intended benefits to the district.

3.19 Non-percolation of intended benefits to rural BPL youth

Lack of initiative by the Department led to shortfall in skill training which resulted in non-percolation of intended benefits to rural BPL youth, besides blockade of ₹1.31 crore for over four years.

The Ministry of Rural Development (MoRD), Government of India (GOI) approved (March 2010) the project proposal of the Joint Development Commissioner (JDC), Department of Rural Development and Panchayats (Department), Government of Punjab (GOP) for ₹ 9.45 crore [76] under Swarnjayanti Gram Swarozgar Yojana (SGSY) for imparting skill training in security and other employable skills to 5000 rural BPL youth for two years and their subsequent placement. As per guidelines, the District Rural Development Agency (DRDA), Hoshiarpur was the coordinating agency and Punjab Police Security Corporation (PPSC), Chandigarh was the implementing agency. The selection of beneficiaries was to be done in consultation with the State Government/DRDAs through appropriate awareness/publicity campaigns and advertisement in local electronic/print media.

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[75] M/s. Sukhdev Singh & Company, Morinda during 2011-12 (₹ 2.21 crore) and 2012-13 (₹ 2.44 crore); and M/s. Amarjit Singh & Company, Rajpura, district Patiala during 2013-14 (₹ 35.31 crore in respect of all cattle fair grounds in the State of Punjab).

[76] The project cost was to be shared between GOI and GOP in the ratio of 75:25 during the project period of two years and GOI was to release its share in three instalments in the ratio of 25:50:25.

Audit of records (November 2013) of PPSC and information collected from PPSC and the Department subsequently showed that GOI released (March 2010) first instalment of ₹ 1.77 crore to DRDA, Hoshiarpur, which was transferred (April 2010) to PPSC for implementing the project. It was noticed that PPSC called for the applications from rural BPL candidates under SGSY together with regular admission notices under its already running Skill Development Initiative scheme for taking admission in skill training of security guards through advertisements in the newspapers/regional channels.

During 2010-11, against the target of 2500, only 181 rural BPL candidates (seven *per cent*) were imparted training under SGSY. Though PPSC apprised (October 2010-September 2012) the Department and concerned DRDA/ADCs about the poor participation of rural BPL beneficiaries under the Scheme, yet no awareness and publicity campaigns were conducted by the Department to popularize SGSY for mobilizing rural BPL youth. Resultantly, only 325 against 5000 rural BPL candidates (seven *per cent*) could be imparted training under the Scheme with an expenditure of ₹ 0.46 crore during the period 2010-13. JDC sought (June 2013-February 2014) extension in project period for further three years. But, MoRD asked (April 2014) JDC to submit project closure report; which was yet to be submitted by the Department (December 2014).

In response to the matter taken up (August 2014) by Audit with the State Government, JDC stated (September 2014) that regular meetings of Project Implementing Agency (PIA) and Additional Development Commissioners (ADCs) were called for from time to time for spreading awareness in the districts. The reply of JDC evidenced that the matter for spreading awareness remained active in the departmental meetings only. But, the awareness about the scheme was not disseminated by the Department through public campaigns, as required under the scheme.

Thus, due to lack of initiative on the part of the Department to popularise SGSY through appropriate awareness and publicity campaigns, sufficient number of rural BPL youth could not be mobilized, which defeated the very purpose of the Scheme to impart skill training to 5000 rural BPL youth in security and their subsequent placement. Besides, the central assistance of ₹ 1.31 crore remained unutilized for four years.

WATER SUPPLY AND SANITATION DEPARTMENT

3.20 Installation, operation and maintenance of Reverse Osmosis Plants in Punjab

Deficient planning led to irregular/excess expenditure of ₹ 14.84 crore on installation of Reverse Osmosis Plants. Viability Gap Funding amounting to ₹ 2.71 crore was recoverable and ₹ 0.52 crore recovered were not deposited in the treasury. ₹ 4.25 crore was incurred on 37 RO Plants with 'Zero' penetration level. 19 RO Plants involving ₹ 1.62 crore were found non-functional.

In order to provide at least three litres per capita per day (LPCD) of Reverse Osmosis (RO) treated water for drinking and cooking purposes to the people

of rural area of Punjab where Uranium, Total Dissolved Solids (TDS), Hardness and Fluoride were found in the water beyond permissible limit[77] and in the villages where canal water was not available, being located at the tail end of canal, Government installed 1811 RO Plants during March 2009 to December 2012 in 16 districts[78], under various projects[79] at a total cost of ₹ 217.96 crore without conducting any pilot study. The capital cost of all the RO Plants had been provided by the Government of India/GOP while Operation and Maintenance (O&M) of the plants was assigned to the contractual agencies for seven years who were to provide the treated water to general public by collecting user charges at the rate of 10 paisa per litre to meet O&M cost. Thereafter, the assets are to be transferred to the department by the firms in good working condition.

Records of CE and Executive Engineers (EEs) of Water Supply and Sanitation Divisions (WSSD) in eight districts[80] where 1601 RO Plants were installed were test checked during the period January 2014 to May 2014. Besides this, 46 RO Plants in selected districts were visited by Audit Party along with the representatives of the concerned divisions between February 2014 and May 2014. A meeting was held in February 2015 to discuss the audit findings and replies of the department have suitably been incorporated in the paragraph. The important audit findings are as under:

Audit findings

3.20.1 Planning

3.20.1.1 Irregular expenditure on installation of RO Plants

The work of installation of 174 RO Plants in Ferozepur district was administratively approved (April 2011) at a cost of ₹ 21.61 crore under Punjab Infrastructure Development Board project. Out of these, 108 RO Plants were installed in Abohar (in Ferozepur district) at a cost of ₹ 14.33 crore where 94 canal based water supply schemes were already functional and as per lab reports canal water so supplied was potable as the TDS in the water of these schemes (ranged between 101 and 187) was within permissible limit i.e. 500 mg/l.

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77 Uranium: 60 µ gram/litre; TDS: 500 miligram per litre (mg/l); Hardness: 200 mg/l; and Fluoride 1: mg/l respectively.

78 (i) Barnala (13); (ii) Bathinda (271); (iii) Faridkot (148); (iv) Fatehgarh Sahib (2); (v) Fazilka (293); (vi) Ferozepur (178); (vii) Jalandhar (1); (viii) Kapurthala (13); (ix) Ludhiana (39); (x) Mansa (237); (xi) Moga (186); (xii) Patiala (58); (xiii) Sangrur (72); (xiv) Shahid Bhagat Singh Nagar (3); (xv) Sri Muktsar Sahib (231); and (xvi) Tarn Taran (66).

79 (i) Punjab Nirman Programme: ₹ 4.37 crore (53 RO Plants); (ii) Additional Central Assistance: ₹ 25 crore (250 RO Plants); and (iii) Punjab Infrastructure Development Board: ₹ 188.59 crore (1508 RO Plants).

80 (i) Bathinda; (ii) Faridkot; (iii) Fazilka; (iv) Ferozepur; (v) Mansa; (vi) Moga; (vii) Muktsar; and (viii) Sangrur.

The Department stated (February 2015) that the RO plants were installed in the villages of Abohar as alternate source of drinking water due to closure of canal for upto 21 days. The reply was not acceptable because as per information collected from the Irrigation Department (EE, Abohar Canal Division, Abohar), the closure of canal was not more than seven days during last two years and canal based water supply schemes are designed for collecting and supply of canal water for 15 days in case of closure period. Moreover, out of 108 RO Plants, 10 RO Plants have 'Zero' connection, in 70 RO Plants the penetration level was less than 25 *per cent,* in 21 RO Plants the penetration level was less than 50 *per cent* and only seven RO Plants had penetration level more than 50 *per cent* which indicated that people of the area were more interested in using the water of canal based water supply schemes. Thus, 108 RO Plants were irregularly installed in Abohar at a cost of ₹ 14.33 crore.

3.20.1.2 Irregular expenditure due to wrong calculation of RO Plants' capacity

The GOP, DWSS approved (June 2011) a project for installation of 330 RO Plants in nine districts at a cost of ₹ 47.29 crore out of which 51 RO Plants at a cost of ₹ 8.13 crore were to be installed in Moga. As per the project, the capacity of RO Plants was to be calculated either by taking into account the requirement of three LPCD of water for whole population or five LPCD for 60 *per cent* population of the village. Test check of records of EE, Moga showed that 24 out of 51 RO Plants were installed in the villages of Moga district with the capacity ranging between 500 to 5000 litres per hour (LPH) taking into account the requirement of five LPCD of water for the entire population. Thus, due to wrong adoption of formula, RO Plants with higher capacity were installed resulting in excess expenditure of ₹ 0.51 crore**.**

The Department stated (February 2015) that the RO plants were designed on higher capacity due to existence of more than permissible limit of Uranium in the ground water and the consequent demand for purified water. The reply was not acceptable as the penetration level of these 24 RO plants (3 upto 25, 8 upto 50, 9 upto 75 and 4 above 75 per cent) was not at its designed capacity.

3.20.2 Financial management

The bidding of the contractual agencies was finalized after considering the capital cost of the RO Plants and Viability Gap Funding (VGF)[81] quoted by the contractual agencies as per condition of the bidding documents. However, neither any formula was mentioned in the agreement/bidding documents for calculating the VGF amount nor any system existed with the department to

[81] Viability Gap Funding- A grant one time or deferred, provided to support infrastructure projects that are economically justified but fall short of financial viability (quoted with + sign) or paid by the firm to the department as project receipt (quoted with – sign).

check the correctness of VGF amount quoted by the contractor. Test check of records of the 15 selected divisions showed the following deficiencies:

- As per clause 11.3 of agreements entered into with the contractual agencies, requisite payment of VGF for each financial year ending 31 March was to be made by the contractual agencies to the department up to 15 April of next financial year. In respect of six Divisions[82], although RO Plants were commissioned during June 2009 to June 2012, but VGF amounting to ₹ 2.71 crore was neither deposited (May 2014) by the contractual agencies nor demanded by the Department as per the provisions of the agreement.

- An amount of ₹ 1.55 crore was required to be paid by nine Divisions[83]to the contractual agencies as VGF. However, neither any proposal to seek the funds for VGF was prepared and submitted to Government nor any provision was made in the budget although the RO Plants were commissioned during June 2011 to December 2012.

- As per rule 2.4 of PFR, the departmental receipt should be credited into treasury on the same day or on the morning of the next day. However, it was observed that ₹ 52.44 lakh[84] recovered (May 2012) as VGF were not deposited (May 2014) into treasury along with interest of ₹ 1.25 lakh earned on the said amount.

The Department stated (February 2015) that the adjustment of VGF amount will be made after reconciling the figures of receipts and payment from/to firm.

3.20.3 Implementation of project

3.20.3.1 Irregular allotment of work

Rule 15.4 (m) (i) read with 15.7 of Punjab Budget Manual provides that the work should be allotted by inviting tenders for obtaining competitive rates.

Test check of records (February and April 2014) of EEs, Water Supply and Sanitation Division, Fazilka and Sangrur showed that 26 (Fazilka-19, Sangrur-7) number of RO Plants were installed at a cost of ₹ 2.83 crore during October 2009 to June 2012 (without calling tenders) on the basis of an undertaking obtained from the contractual agency that firm was ready to install the RO Plants at the same rates offered by the firm for other clusters.

The Department stated (February 2015) that the number of RO plants pointed out in the para is very meager against the total RO plants installed and further

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[82] (i) Bathinda-I; (ii) Bathinda-2; (iii) Malout; (iv) Mansa-1; (v) Muktsar-1; and (vi) Sangrur.

[83] (i) Bathinda-2; (ii) Bathinda-3; (iii) Faridkot; (iv) Ferozepur-1; (v) Ferozepur-2; (vi) Mansa-1; (vii) Mansa-2; (viii) Moga; and (ix) Sangrur.

[84] EE Bathinda (₹ 29.49 lakh) and EE Faridkot (₹ 22.95 lakh)

added that the work was allotted without calling tender because the rates of RO plants could have been higher had tenders been invited. The reply was not acceptable as the percentage of RO plants installed without calling tender ranged between 9 and 11 with reference to RO plants installed in the districts concerned (225 in Fazilka and 65 in Sangrur) and the rules ibid were also not followed by the department.

3.20.3.2 Low penetration level of ROs

(a) As per clause 1 of the agreement, the firms were required to carry out extensive Information, Education and Communication (IEC) activities, awareness campaign and any other related works/activities as may be necessary for successful operation of RO Plants. The Secretary, DWSS fixed (September 2012) the targets to increase the penetration level up to 50 *per cent* by December 2012. Further, the CE prepared a composite action plan[85] and circulated (October 2013) the same for increasing the penetration level and directed all the field offices to take necessary action. However, during test check of records of the selected divisions, it was noticed that no activity had been undertaken at divisional level to implement the composite action plan which is evident from the low penetration level of the RO Plants as reported by the firms to the Department in the selected districts as depicted in **Table 3.2.**

Table 3.2: Penetration level of the selected RO Plants

No. of RO Plants test checked	Level of penetration (in *per cent*)					
	Zero	One to 25	25-50	51 to 75	76 and above	Closed
1601	37	354	617	375	199	19[86]

Source : Departmental figures

It is evident that out of 1601 RO Plants installed in the selected districts, the target to cover 50 *per cent* population was achieved only in respect of 574 RO Plants (36 *per cent*). The penetration level ranged between one and 50 *per cent* in 971 RO Plants (61 *per cent*). Test check of records (February and March 2014) of nine EEs[87] showed that 37 RO Plants costing ₹ 4.25 crore had zero penetration level ever since installation due to 'Nil' connection, rendering the expenditure unfruitful.

The low penetration level indicated that necessary awareness among the villagers was not created to consume RO treated water, defeating the very

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85 The action plan comprised of (i) Social Marketing tools to be used for motivating the villagers to buy RO treated water from community RO Plants; (ii) Training of trainers; (iii) Training of grass root level staff; (iv) Activity matrix of capacity building activities to be taken up at village block, district and zonal level; (v) Technical improvement needed for increasing the acceptability of RO Plants; and (vi) Monitoring and evaluation.

86 19 RO Plants installed in Bathinda -1, Bathinda-2 and Bathinda-3 divisions were non-functional due to non-maintenance by the firms as discussed in Para 3.20.3.3.

87 (i) Bathinda-I : four; (ii) Bathinda-3 :one; (iii) Fazilka: nine; (iv) Abohar: 10; (v) Mansa-I :two; (vi) Mansa-2 :one; (vii) Muktsar-1: one; (viii) Malout: eight; and (ix) Sangrur : one.

objective of the scheme. On being pointed out (February and May 2014) the EEs stated that efforts were being made to increase the penetration level. The replies of the EEs have to be viewed in light of the fact that even after two to five years from the date of installation of RO Plants, the penetration level has not touched the desired level.

(b) A visit to 46 RO Plants site by Audit Party along with representatives of the Department showed that the contractual agencies submitted incorrect reports. In 33 RO Plants, the number of users of RO treated water was reported in excess, while in nine RO Plants, number of users was reported less. **(*Appendix-3.3*)**. It was further noticed that in respect of RO Plants at Ashpal (one) and Khokar Kalan villages (one) of Mansa district the penetration level was reported between 39 and 42 *per cent* whereas these RO Plants were not functional from the date of commissioning (March 2012). Thus, not only the expenditure of ₹ 22 lakh incurred on installation of these RO Plants proved unfruitful, but raises doubt about the reliability of the reports being furnished by the contractual agencies to the concerned divisions.

The Department while admitting the facts attributed (February 2015) the reasons for low penetration to lack of awareness among the people and also added that the department is planning to create awareness among the rural masses about the availability and benefits of RO water.

3.20.3.3 Ungainful expenditure on non-functional RO Plants

As per agreement of the installation of RO Plants, the contractual agency was responsible for O&M of RO Plants for seven years and to provide the treated water to general public at the rate of 10 paisa per litre.

Test check of records of EEs of WSSD Nos 1, 2 and 3, Bathinda showed that the work of installation of 19 RO Plants was allotted (March 2009) to Shivam Water Treaters Pvt. Ltd., Ahemdabad which was completed during 2010. However, these RO Plants were not functioning as the firm had stopped maintaining the RO Plants since June 2012 and due to pending electricity bills required to be paid by the contractual agency, the electricity supply of four RO Plants had been disconnected. No concrete efforts to run the RO Plants to provide treated water to general public was made by the divisional officers. Thus, the expenditure of ₹ 1.62 crore incurred on installation of these 19 RO Plants was rendered ungainful.

The Department stated (February 2015) that action had been taken against the defaulter firms by forfeiting the bank guarantee and efforts will be made to get the RO plants functional by inviting other parties to operate these plants.

3.20.4 Monitoring mechanism

3.20.4.1 Non-testing of RO treated water

As per clause 7.2.4 and 7.2.8 of the agreement, the bidders should have their own testing facilities to analyse the water sample for all parameters as per Bureau of Indian Standards (BIS 10500) norms in a month and TDS of product water shall be between 100 to 250 mg/l in any case. The water quality was also required to be tested in the laboratories of the department.

Test check of records (January to May 2014) of 15 divisions showed only three divisions viz., Faridkot, Mansa-II and Moga were testing the samples of RO treated water. In Moga, the treated water matched the BIS standards in all the RO Plants (as per district lab reports), in Faridkot out of 148 RO Plants water samples of only 72 RO Plants were got tested in November 2012, of which the TDS of 70 RO Plants ranged between 28 and 90 mg/l which was less than the prescribed limits (100 to 250 mg/l). Similarly in Mansa-II, the tests were conducted only in 58 out of 113 RO Plants of which TDS level of 19 RO Plants ranged between 62 and 98. It was, further, observed that where RO treated water was not found to be as per BIS standards, the matter was not taken up with the contractual agencies for taking corrective measures.

The EEs stated (January to May 2014) that the tests are being conducted both by the contractual agencies and at divisional level and reports would be submitted later on. The replies of the EEs were not based on the facts as during the joint visit of 46 RO Plants it was noticed that neither TDS meter was available at any of the plant site nor were there any records indicating testing of the samples of treated water done by the contractual agencies. However, during testing of samples of treated water by departmental representatives during visit to 22 RO Plants, it was noticed that the TDS level of treated water in 19 RO Plants ranged between 17 to 88 mg/l, which was far below the limits at which it was required to be kept.

The Department admitted the facts and stated (February 2015) that targets will be fixed for every laboratory to test the RO water.

Thus, deficient planning led to irregular/excess expenditure of ₹ 14.84 crore on installation of Reverse Osmosis Plants. Viability Gap Funding amounting to ₹ 2.71 crore was still recoverable and ₹ 0.52 crore already recovered were not deposited in the treasury by the concerned departmental officials. Expenditure of ₹ 4.25 crore RO Plants with 'Zero' penetration level was rendered unfruitful. Nineteen RO plants were found non-functional resulting in ungainful expenditure of ₹ 1.62 crore.

The matter was referred to Government in June 2014; reply was awaited (February 2015).

3.21 Implementation of Total Sanitation Campaign

Annual Implementation Plan was prepared without consolidation of GP/Block/District Plans. Non-utilization of funds of ₹ 13.57 crore, short achievement of targets and non-availability of mechanism of inspection was noticed which adversely affected the scheme. There was an excess expenditure of ₹ 0.92 crore under State Solid and Liquid Waste Management. Unreliability of data was noticed as there was a huge variation between MIS data and actual construction of IHHLs.

The Government of India (GOI) launched "Total Sanitation Campaign" (TSC) in 1999 for sustainable reforms in rural sanitation sector. The TSC was renamed (April 2012) as "Nirmal Bharat Abhiyan" (NBA) with the objective to accelerate sanitation coverage in rural areas to achieve the vision of Nirmal Bharat by 2022. To implement the project, State Water and Sanitation Mission (SWSM) and District Water and Sanitation Missions (DWSMs) were constituted (February 2000) at State and District level respectively. At block level, Block Resource Centres (BRCs) and at village level, Village Water and Sanitation Committees (VWSCs) were to be established but were not established.

Out of 20 districts, five districts[88], 10 Rural Blocks[89] (two in each district) and 100 Gram Panchayats (10 in each block) were selected by Probability Proportional to Size with Replacement (PPSWR) method and Blocks and Gram Panchayats (GPs) were selected by Systematic Random Sampling without Replacement (SRSWOR) method to check the records for the period 2009-2014. The records of the SWSM, Communication and Capacity Development Unit (CCDU) and records pertaining to the selected DWSMs were checked during May 2014 to October 2014. The important findings are as under:

Audit findings

3.21.1 Planning

3.21.1.1 Improper preparation of Plan

Para 18 of guidelines provides that the revision in any Project Implementation Plan (PIP)[90] could be attempted on the basis of Gram Panchayat (GP) wise data, which is then to be approved by State Scheme Sanctioning Committee (SSSC) before onward submission to National Scheme Sanctioning Committee (NSSC). Further para 12 of guidelines provides that Annual Implementation Plans (AIPs)[91] should be prepared by identification of GP to

[88] (i) Fatehgarh Sahib; (ii) Kapurthala; (iii) Ludhiana; (iv) Rupnagar; and (v) Tarn Taran.

[89] (i) Bassi Pathana and Sirhind; (ii) Kapurthala and Sultanpur Lodhi; (iii) Doraha and Pakhowal; (iv) Chamkaur Sahib and Rupnagar; and (v) Chola Sahib and Patti.

[90] The Project Implementation Plan (PIP) is a representation of project in a structured format which serves a baseline for monitoring the theme of a project in terms of its scope, schedule and budget.

[91] The Annual Implementation Plan (AIP) provides basis for monthly and quarterly monitoring of physical and financial progress during the course of the financial year vis-à-vis the planned activities.

be saturated for attaining the project objective which should be consolidated into Block Implementation Plans and then into District Implementation Plan. The SWSM would suitably consolidate the District Implementation Plans into State Implementation Plan.

Audit scrutiny showed that the SWSM prepared the revised PIP for the years 2012-17 for ₹ 1826.49 crore duly approved by SSSC and submitted (August 2013) to the Ministry of Drinking Water and Sanitation (MoDWS) for approval of the NSSC which is still awaited (September 2014). AIPs had been prepared by the SWSM up to 2013-14 after compiling the implementation plans forwarded by all the DWSMs without consolidation of GP Plans into Block Plans and further into District Plans.

The SWSM stated (September 2014) that AIPs at State Level were consolidated for implementation of the Project after getting feedback and AIPs from DWSMs. DWSMs stated (June to September 2014) that the AIPs were prepared on the basis of baseline survey 2012. Reply of the SWSM/DWSMs was not acceptable as the AIP was to be prepared on the basis of GP Plans to ensure community participation.

3.21.2 Financial management

As per Para 12 of Guidelines, the funds under TSC are being released to the SWSM with effect from June 2010. Prior to this, funds were released directly to the District implementing agencies. It was noticed that out of total available funds of ₹ 34.70 [92] crore, the SWSM utilized a sum of ₹ 21.13 crore (61 *per cent*) only during the period 2009-14 leaving unutilized funds of ₹ 13.57 crore.

Other irregularities

- AIPs for the years 2012-13 and 2013-14 for ₹ 89.72 [93] crore were prepared by the SWSM and sent to NSSC for approval but no funds were released by the GOI. Had the department fully utilized the available funds under the scheme, State could have also got the Central share of ₹ 64.04 crore[94].

The State Coordinator stated (June 2014) that as unspent balances accumulated at State level, further installments of Central share were not released by GOI.

- Cash book for the period June 2010 to May 2012 was not maintained by the SWSM. As such, authenticity of Central share, State share and interest thereon could not be verified in audit. Reasons for the same were not furnished.

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92 Opening balance: ₹ 14.91 crore + Central share: ₹ 16.35 crore + State share: ₹ 3.03 crore + Beneficiary share:₹ 0.41 crore.

93 Central share: ₹ 11.89 crore + State share: ₹ 5.21 crore in 2012-13 and Central share: ₹ 52.15 crore + State share: ₹ 20.47 crore in 2013-14.

94 ₹ 11.89 crore for 2012-13 and ₹ 52.15 crore for 2013-14.

As per Para 13.1 of guidelines, the SWSM would operate a single Savings Bank account in any Nationalized Bank or a bank authorised by the State Government to be operated for all transactions related to NBA. The details of the NBA account i.e. name of the Bank, IFSC Code and A/c No. etc. had to be communicated to MoDWS and was not to be changed during the implementation of the project without prior permission of MoDWS.

- The State Coordinator issued instructions (June 2012) to the DWSMs to deposit the unspent balance in Savings Bank account opened without permission of GOI, with the Axis Bank in addition to existing bank account with Punjab National Bank. Accordingly, a sum of ₹ 20.18 crore ***(Appendix-3.4)*** was deposited (between June 2012 and September 2013) by the DWSMs. Resultantly, the correct position of funds could not be communicated to GOI.

The State Coordinator stated (September 2014) that decision to deposit the unspent balance was taken in the SWSM meeting (July 2010) to implement TSC/NBA effectively. The reply of the Department was not acceptable as the funds refunded by DWSMs were still lying unutilized (September 2014).

It was observed that a sum of ₹ 2.88 crore was released (March 2014) to 14 Divisions of Water Supply and Sanitation Department for rejuvenation of village ponds under Solid Liquid Waste Management component (SLWM), out of which ₹ 1.99 crore were released to nine such Divisions which were not the implementing agencies under TSC/NBA scheme. An amount of ₹ 23.86 lakh released to test checked implementing divisions of Kapurthala and Fatehgarh Sahib remained un-utilized (August 2014).

The State Coordinator stated (September 2014) that funds were released to District Officers for construction of SLWM in the villages under their respective jurisdiction irrespective of these not being DWSM, as they were responsible for making payments as per Departmental norms and procedure and as such it was not irregular. Reply of the Department was not tenable as releasing the funds directly to such divisions which were not district implementing agencies was not in conformity with TSC/NBA guidelines.

It was observed in test checked districts that funds of ₹ 20 lakh and ₹ 78.40 lakh were transferred by the DWSMs Fatehgarh Sahib and Roopnagar respectively to other Divisions [95] temporarily for the construction of institutional toilets and irregularly shown as utilized without obtaining Utilization Certificates (UCs) from the concerned Divisions. The State Coordinator stated (September 2014) that reconciliation of figures would be carried out and discrepancy, if any, rectified besides asking concerned Divisions to furnish UCs.

[95] ₹ 20 lakh transferred to Water Supply & Sanitation Division No.2, Patiala and ₹ 78.40 lakh transferred to Water Supply & Sanitation Division, Sangrur.

3.21.3 Implementation of project

As per TSC/NBA Guidelines, PIP is prepared on the basis of baseline survey and targets under each component viz. Individual Household Latrine (Below Poverty Line), Individual Household Latrine (Above Poverty Line) Community Sanitary Complex (CSC), School Toilets, Anganwadi Toilets, Solid and Liquid Waste Management (SLWM) are fixed. The targets fixed and achievements under various components of TSC/NBA during 2009-14 are given in the **Table 3.3.**

Table 3.3 Targets and achievement under different components

Year	IHHL BPL		IHHL APL		CSCs		School Toilets		Anganwadi Toilets		SLWM	
	T	A	T	A	T	A	T	A	T	A	T	A
2009-10	116050	37397	86623	120663	411	0	2787	678	3247	456	0	0
2010-11	165215	71405	45894	47010	100	3	0	1000	2761	1951	85	0
2011-12	215328	9343	138332	23192	139	0	0	5	2389	1197	0	0
2012-13	155000	43101	2410	14320	141	34	114	345	906	620	171	0
2013-14	60000	1597	60000	2315	50	0	0	0	6566	21	0	87
Total	711593	162843	333259	207500	841	37	2901	2028	15869	4245	256	87
Percentage of Achievement		22.88		62.26		4.40		69.90		26.75		34.00
Percentage of Shortfall		77.12		37.74		95.60		30.10		73.25		66.00

Source: Departmental data
***T-Target, A- Achievement, IHHL=Individual Household Latrine; CSC-* Community Sanitary Complex; SLWM = Solid and Liquid Waste Management**

It could be seen from the table that shortfall ranged between 30 and 96 *per cent* in achievement of targets in various components of the scheme as discussed in the following paragraphs:

3.21.3.1 Non-construction of Individual Household Latrines

As provided in para 5.1. (e) of TSC guidelines, the construction of household toilets should be undertaken by the Below Poverty Line (BPL) household itself and on completion and use of the toilet by the BPL household, the cash incentive can be given in recognition of its achievement.

As per MIS data, against the State level target of 1044852 IHHLs, only 370343 IHHLs (35 *per cent*) had been shown as constructed under the scheme as of March 2014, whereas in the test checked five districts, against the targetted 269448, no IHHL was constructed but 167550 IHHL had been shown as constructed on MIS as of May 2014. TSC/NBA had not gained popularity in the State as the State Government implemented parallel scheme "National Agriculture Bank for Rural Development" (NABARD) XVI Project under which State Government met the entire cost of construction of toilets. Against the target of 100000 IHHL, 44537 have been constructed under

NABARD XVI project (November 2014). However, no IHHL was constructed under TSC/NBA, although an expenditure of ₹ 7.90 crore had been booked on this account under the scheme as shown in MIS.

The SWSM stated (September 2014) that IHHL constructed under other programme/State Schemes had helped in attaining the Nirmal Status in the State, expenditure on which was not done under NBA. Test checked DWSMs stated that due to less cost benefit under TSC/NBA scheme, people preferred other State schemes/programmes for construction of IHHL. The contention of the department was not convincing as the fact remains that as per baseline survey 2012, out of 3192091 households in the State, 792450 (25 *per cent*) and in test checked districts, out of 674557 households, 157444 (23 *per cent*) households were without toilet facility respectively. Reasons for booking expenditure of ₹ 7.90 crore under TSC/NBA (for IHHL Component) on MIS were not furnished though called for (October 2014).

3.21.3.2 Institutional Toilets

Audit scrutiny showed that as per MIS data, the achievement of construction of school toilets was 2028 (69.90 *per cent*) against the target of 2901 and that of Anganwadis toilets was 4245 (27 *per cent*) against the target of 15869 as of March 2014. In the test checked districts, 1,707 school toilets and 1,406 Anganwadi toilets were shown as constructed whereas only 710 school toilets and 769 Anganwadi toilets were actually constructed in these districts indicating incorrect reporting of achievements. It is, therefore, very probable that number of toilets reported as constructed in schools and Anganwadis throughout the State was also exaggerated. Reasons for variations between MIS data and actual construction were not furnished, though called for (December 2014).

3.21.3.3 Solid and Liquid Waste Management

As per para 5.9.1 of guidelines the SLWM was to be prioritized in identified GPs targeted for Nirmal status and those which had already been awarded Nirmal Gram Puraskar. Following discrepancies were noticed:

- Against 256 SLWM planned, only 87 SLWM (34 *per cent*) had been completed during 2009-14 after incurring an expenditure of ₹ 3.75 crore.

- GOI sanctioned (September 2008) the component SLWM at projected cost of ₹ 1.60 crore with the sharing pattern of 60:20:20 (GOI/State/Beneficiary). Against the Central Share of ₹ 28.80 lakh and Beneficiary Share of ₹ 6.40 lakh (total ₹ 35.20 lakh), an expenditure of ₹ 127.05 lakh had been incurred on component SLWM i.e. renovation of 28 ponds by diverting the funds from other components during 2009-11, resulting in excess expenditure of ₹ 91.85 lakh. The DWSM, Ludhiana stated (August 2014) that the expenditure under SLWM was incurred as per decision taken in the meetings of DWSM and as per actual requirement of works. Reply of the Department was not tenable as the expenditure was not in accordance with the terms and conditions of the sanction as no expenditure was incurred on other components.

3.21.3.4 Nirmal Gram Puraskar

The GOI launched 'Nirmal Gram Puraskar' (NGP) in October 2003 to give a fillip to the TSC which is given to those Nirmal Gram Panchayats, Blocks and Districts which had become fully sanitized and open defecation free. Random checks were to be carried out by the State Government to ensure that GPs maintain their open defecation free status. It was observed in the selected test-checked districts that 25 villages were awarded Nirmal Gram Puraskar during 2009-11. During field visits, it was noticed that no sustainability of NGP awardee villages was ensured by the authorities concerned. As per baseline survey 2012, in 22 NGP awardee villages with total 3302 households, 545 households were without toilets while 94 toilets were non-functional thereby defeating the very objective of the scheme.

It was further observed that ₹ 1.22 crore were released during 2009-11 to 147 GPs, but utilization certificates thereof had not been obtained from the concerned GPs even after the lapse of more than two years. Reasons for the same were not furnished though called for (October 2014).

3.21.4 Monitoring Mechanism and evaluation of the scheme

3.21.4.1 Improper monitoring mechanism

It was observed that neither any team of experts was constituted for the purpose nor proper mechanism of inspection existed to verify the progress of implementation of various components of the scheme at the grass root level as required under Para 15 of TSC/NBA guidelines.

The Department stated (September 2014) that due to low incentive cost under the scheme, IHHL could not be constructed as desired. Further it was stated that though SWSM was constituted in the year 2000, there was no monitoring due to slow pace of implementation of Scheme in the State and it did not affect the implementation of TSC/NBA. The reply is self contradictory because non-monitoring would result into slow pace of implementation.

3.21.4.2 Management Information System

As provided in para 19 of guidelines, the MoDWS had developed an online monitoring system for NBA. All NBA project districts are to submit the physical and financial progress reports online. It was observed that:

- As per MIS at the end of 2012-13, there was closing balance of ₹ 15.72 crore, but as per Annual Statement of Accounts (ASA) it was ₹ 19.72 crore. The difference of ₹ four crore was not reconciled. The ASA for the year 2013-14 had not been finalized so far (September 2014).

- The closing balance in five test checked districts was ₹ 7.01 crore as per MIS data whereas ASA showed ₹ 1.07 crore as closing balance leaving a difference of ₹ 5.94 crore. The DWSMs agreed to reconcile the figures.

- Variation of physical achievements under various components ranged between 42 to 100 *per cent* in the five test checked districts between the figures of MIS and the actuals. These variations were evident from the fact

that the MIS, developed as a part of online monitoring system for NBA, was unreliable and projected a picture which was vastly different from the situation prevailing on the ground.

Reasons for above variation in figures and shortcomings were called for from the SWSM (May 2014) and concerned DWSMs (June-July 2014). The SWSM/DWSMs stated (June 2014) that the figures would be reconciled and discrepancy, if any, rectified.

Thus, Annual Implementation Plan was prepared without consolidation of GP/Block/District Plans. Non-utilization of funds of ₹ 13.57 crore, short achievement of targets and non-availability of mechanism of inspection was noticed which adversely affected the scheme. There was an excess expenditure of ₹ 0.92 crore under State Solid and Liquid Waste Management. Unreliability of data was noticed as there was a huge variation between MIS data and actual construction of IHHLs.

The matter was referred to the Government in October 2014; reply was awaited (February 2015).

WELFARE OF SCHEDULE CASTE AND BACKWARD CLASSES, HEALTH AND FAMILY WELFARE, EDUCATION AND SOCIAL SECURITY AND WOMEN & CHILD DEVELOPMENT DEPARTMENTS

3.22 Implementation of the schemes for the welfare and protection of girl child

Financial assistance, under Shagun scheme, was provided to 106393 beneficiaries with a delay ranging between 12 to 48 months. Funds of ₹ 3.03 crore under Incentive to girls for secondary education scheme could not be disbursed to the beneficiaries. Undisbursed amount of ₹ 3.11 crore was irregularly retained by District Programme Officers under Kanya Jyoti Jagriti Scheme. Central assistance of ₹ 12.11 crore was not utilized during 2010-14 under Rajiv Gandhi scheme for empowerment of adolescent girls - SABLA.

The State Government and Government of India are implementing various schemes for the welfare and protection of the girl child. The main thrust of these schemes is to improve the skewed sex ratio, impart education to SC/ST/BC/EWS; to bring the girl child to school and ensure their retention up to 18 years of age in school, reduce school dropout, provide financial assistance to poor girls at the time of their marriage, uplift the social and educational status of girls and equip them to upgrade their home based and vocational skills to promote their overall development.

Ten schemes[96] relating to girl child between the age group of 0 to 18 years were selected. The records of the four Directorates and Controlling offices in six[97] (out of 22) districts were selected for test-checking for the period 2009-14 on the basis of Probability Proportional to Size Without Replacement.

Audit findings

The year wise detail of budget allotment has been depicted in ***Appendix 3.5.*** The audit findings in respect of selected schemes implemented by the State Government for the welfare and protection of girl child are discussed in succeeding paragraphs.

3.22.1 Implementation of the schemes

3.22.1.1 Shagun (State Funded scheme)

As per guidelines of the scheme financial assistance as *shagun* is provided to Scheduled Caste/ Christian, Backward Classes/Castes, economically weaker section girls, daughters of widows of any caste at the time of their marriage and Scheduled Caste widows/divorcees at the time of their re-marriage. Against the budget provision of ₹ 521.77 crore an expenditure of ₹ 405.76 crore was incurred during 2009-2014. Audit of record (April 2014) of Director Welfare of SC/BC, Punjab showed that:

- Financial assistance of ₹ 159.59 crore was provided to 106393 beneficiaries during the years 2009 to 2014 with a delay ranging from 12 to 48 months.

- Although 21053 applications pertaining to the year 2006-07 were pending, financial assistance amounting to ₹ 21.67 crore was disbursed (2009-10) to 14446 applicants pertaining to the year 2008-09.

The Department stated (November 2014) that the payment to pending applicants for the year 2006-07 was delayed as the Government decided priorities to clear the applications w.e.f. April 2007 onward, instead of clearing the arrears, whereas some cases of S*hagun* of 2006-07 and 2009-10 could not be cleared due to non-provision of funds by Finance Department.

3.22.1.2 Attendance Scholarship to SC/BC/EWS primary girl students (State Funded scheme)

The main objective of the scheme is to check drop-out tendency at primary

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[96] 1. Department of Welfare of SC/BC (i) Shagun Scheme; (ii) Attendance scholarship to SC/BC/EWS primary girl student; 2. Department of Health and Family Welfare (iii) Balri Rakshak Yojna; 3. Department of Education (iv) Incentive to girls for secondary education; (v) Construction and running of girls hostel for students of secondary and higher secondary schools; 4. Department of Social Security and Development of Women and Children (vi) Kanya Jyoti Jagriti/Bebe Nanki Ladli Beti Kalyan scheme; (vii) Mai Bhago Vidya Scheme; (viii) Attendance scholarship to handicapped girls students in rural area; (ix) Kishori Shakti Yojna and Rajiv Gandhi scheme for empowerment of adolescent girls (SABLA); and (x) Awareness programme for improving adverse sex ratio and female foeticide.

[97] (i) Ferozepur; (ii) Gurdaspur; (iii) Patiala; (iv) Pathankot; (v) Sangrur; and (vi) Tarn Taran.

stage and to provide attendance scholarship at the rate of ₹ 50 per student per month for 10 months in a year. Against the budget provision of ₹ 114 crore an expenditure of ₹ 33.86 *crore* was incurred during 2009-2014. Audit of records (April 2014) of the office of the Director, Welfare of SC/BC showed that:

- Funds of ₹ 10.35 crore were released to provide attendance scholarship to 369512 girl students belonging to SC category for the period of their attendance from April 2009 to October 2009 but the bills were not cleared by the treasury and this period was not included in the proposals for subsequent years (2010-14) resulting in denial of the benefits to the beneficiaries.

- Against 1128381 number of SC girl students enrolled during 2011-14 only 414741 students were given the benefit of the scholarship leaving 713640 students (including 224695 students of selected districts).

The Department of Welfare of SC/BC accepted (November 2014), the observations and assured better co-ordination between the Social Welfare and Educations Departments in future.

3.22.1.3 Incentive to girls for secondary education (Centrally sponsored)

As per guidelines of Ministry of Human Resource Development, GOI, an incentive of ₹ 3000 is admissible in the form of fixed deposit/warrants with the objective to reduce drop out from schools and to promote enrolment of girls belonging to SC/ST communities and to ensure their retention in the school up to 18 years of age. Total budget provision of ₹ 36.54 crore was utilized during 2009-12.

During test check of records of Director, Public Instructions (Secondary Education), it was noticed that

- During the years 2009-12, out of 121781 girl students incentive to 111698 girl students could only be disbursed leaving balance of 10083 students to whom an amount of ₹ 3.03 crore could not be disbursed due to reasons such as the girls could not pass matriculation, whereabouts of some of the girls not being known, death of the beneficiaries, etc.

The Department stated (November 2014) that the heads of the institutions had been requested (August and September 2014) to surrender the FDCs to the banks for transfer of unclaimed amount into the account of the Scheme.

- In spite of receipt of (July 2013) sanction of ₹ 12.49 crore to provide incentive to 41628 eligible SC girls students under the scheme for the year 2012-13, the lists of actual number of girls along with the details of the bank accounts were not sent to the bank (August 2014).

The Department stated (November 2014) that the list of the eligible beneficiaries had been sent to the bank in September 2014. However, the fact remains that the requisite lists were provided to the bank with a delay of 15 months.

3.22.1.4 Construction and running of Girls Hostel for Students of Secondary and Higher Secondary schools (GOI: 90/State:10)

The main objective of the scheme is to bring the girl child to school, retain her in school and to make secondary and senior secondary education accessible to a larger number of girl students belonging to SC/ST/OBC/Minority community and BPL families in the Educationally Backward Blocks (EBBs). Total 21 hostels were to be constructed in EBBs of seven districts i.e. Bathinda, Ferozepur, Mansa, Muktsar, Patiala, Sangrur and Tarn Taran. Against the budget provision of ₹13.67 crore, an expenditure of ₹ 12.68 crore was incurred during 2009-14.

The information/data collected from Additional Special Project Director (Civil Works), Rashtriya Madhyamik Shiksha Abhiyan, showed that:

- Out of 21 hostels, 17 hostels could be operationalised from 2014-15 session. However four hostels[98] remained unutilized due to reasons such as non-handing over of building to the school authorities by executing agencies, condition of building not being fit, occupied by the police department, etc.

- It was observed that hostel at Government Girls Senior Secondary School, Fazilka was running in the school building instead of the hostel building which had been occupied by the police department since July 2011.

The Department stated (November 2014) that 17 hostels have become functional and assured that action would be taken to vacate the hostel building at Fazilka occupied by the police department.

3.22.1.5 Balri Rakshak Yojana (State Funded scheme)

The main objective of the scheme is to improve skewed sex ratio, to stabilize population of the State and to reduce Infant Mortality Rate.

During test-check of records of the Director, Health and Family Welfare it was noticed that against the sum of ₹ 3.33 crore released by State Government, ₹ 0.94 crore only was spent due to non-clearance of bills by the district treasuries, resulting in depriving the incentive to eligible beneficiaries ranging between 35 and 471.

The Department stated (November 2014) that although the budget allotment was made by the Finance Department, the bills submitted by the Civil Surgeons were not cleared by the treasuries.

3.22.1.6 Kanya Jyoti Jagriti/Bebe Nanki Ladli Beti Kalyan Scheme (State Funded scheme)

The main objective of the scheme is to adopt measures to improve the adverse sex ratio in the state. Against the budget provision of ₹ 187.50 crore, an expenditure of ₹ 70.17 crore was incurred during 2009-14.

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[98] (i) Dharampura (Fazilka); (ii) Kundal (Fazilka); (iii) Rupana (Sri Muktsar Sahib); and (iv) Lehalkalan (Sangrur).

➢ During test check of record of District Programme Officers (DPOs) in six selected districts it was noticed that, scholarship amount of ₹ 3.11 crore was lying in current/saving bank accounts maintained by the DPOs.

The Department stated (November 2014) that instructions had been issued (November 2014) to the DPOs to refund the amount.

➢ During test check of records of Director, Social Security and Welfare of Women and Child, it was noticed that out of ₹ 62.50 crore released by GOI, ₹ 55.16 crore was released by State Government during 2012-14 and balance amount of ₹ 7.34 crore was lying unutilized with the State Government (July 2014). Due to non-utilization of entire funds during 2011-12, no further instalments were released by GOI in the subsequent years.

The Department stated (November 2014) that the balance funds of ₹ 7.34 crore have been released by the treasury during 2014-15 and the same would be utilised at the earliest. The Utilisation Certificate could not be sent to the GOI due to late release of funds.

3.22.1.7 Mai Bhago Scheme (State Funded scheme)

Under the scheme free bicycles were to be provided to all the girl students of 11th and 12th class in Government schools for better access to education and to check drop out rate at secondary and senior secondary level. Against the budget provision of ₹ 152 crore an expenditure of ₹ 70 crore was incurred during 2011-12 and 2013-14 (no budget allotment was made during 2012-13).

During test check of record of Director, Social Security and Welfare of Women and Child and District Programme Officers in selected districts it was noticed that:

➢ Against the total enrolment of 281427 girl students, only 252147 students were provided (2011-12 and 2013-14) bicycles leaving balance of 29280 (including 16363 girl students of the selected districts) students who were deprived of the facility.

➢ During 2012-13, 25937 girl students were enrolled in 10+1 who were provided bicycles during 2013-14. Thus, the girls were deprived of the facility during 2012-13 due to non-release of funds.

The Department stated (November 2014) that bicycles were purchased and distributed among the girl students to the extent funds were provided. No further funds were allocated to department under this scheme. Hence, some students were deprived of the facility.

3.22.1.8 Attendance scholarship to handicapped girl students in rural areas (State Funded scheme)

The main objective of the scheme is to uplift the status of the disabled girl students in the rural areas and also to make them self reliant. Against the budget provision of ₹ 1.80 crore, an expenditure of ₹ 0.77 crore was incurred during 2009-14.

Audit noticed that an amount of ₹ 0.77 crore was utilized against ₹ 1.46 crore sanctioned during 2009-14 to provide incentive to 5682 handicapped girls in the State. Due to improper maintenance of records at Directorate level, the total number of beneficiaries actually covered was not available with the department.

The Department stated (November 2014) that under this scheme the disbursement of scholarship to beneficiaries was done at school level. The District Social Security Officers have been directed to collect the list of beneficiaries from the concerned schools.

3.22.1.9 Kishori Shakti Yojana and Rajiv Gandhi scheme for empowerment of adolescent girls-SABLA scheme

A comprehensive scheme 'Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-SABLA' was launched by GOI in September 2010 merging erstwhile Kishori Shakti Yojana and National Programme for Adolescent Girls (NPAG) to address the multi dimensional programme of Adolescent Girls (11-18 years). In 14 districts Kishori Shakti Yojna and in six districts 'Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-SABLA' was being implemented. Against the budget provision of ₹ 56.34 crore, an expenditure of ₹ 18.70 crore was incurred during 2009-14.

During test check of records of Director, Social Security and Welfare of Women and Child, it was noticed that :

- An expenditure of ₹ 1.03 crore was incurred against provision of ₹ 1.91 crore during 2009-14 (in three selected districts where the scheme was in operation). However, days for which supplementary nutrition was provided to 48190 adolescent girls ranged between zero to 295 days only during 2009-2014 against the norms of 300 days.

- Against the budget provision of ₹ 41.34 crore under Nutrition and ₹ 9.23 crore under Non-Nutrition component, the GOI released (2010-14) funds of ₹ 16.97 crore under Nutrition and ₹ 3.08 crore under Non-Nutrition component against which an expenditure of ₹ 7.59 crore on Nutrition and ₹ 0.35 crore on Non-Nutrition component was incurred to provide various services. The remaining amount of ₹ 9.38 crore under Nutrition and ₹ 2.73 crore under Non-Nutrition component released by the GOI could not be utilised due to non-release of funds by the State Government.

- Further in selected districts against the allocation of funds of ₹ 24.14 crore under nutrition component, an expenditure of ₹ 8.24 crore *(34 per cent)* was incurred to provide supplementary nutrition to 300933 adolescent girls for 4 to 270 days (against 300 days) due to non-release of funds by the State Government.

The Department stated (November 2014) that amount could not be utilized due to non clearance of bills by the district treasuries.

3.22.1.10 Awareness programme for Improving Adverse Sex Ratio and Female Foeticide

The objective of the scheme is to curb the tendency of female foeticide and to improve the adverse sex ratio in the State by creating awareness among the masses through organising camps. Against the budget provision of ₹ 4 crore, an expenditure of ₹ 1.46 crore was incurred during 2009-14.

- During test check of record of Director, Social Security and Welfare of Women and Child it was noticed that against the proposed 530 camps and 18 seminars, the department organized only 418 camps and 2 seminars during 2010-11 and 2011-12 in spite of the availability of the funds of ₹ 55.03 lakh.

The Department assured (November 2014) that the balance funds lying will be utilized to organize camps/seminars.

3.22.2. Internal control mechanism

- Test check of records of the office of Director Public Instructions (Secondary), Punjab showed that quarterly progress reports of the schemes were not prepared by the District Education Officers and forwarded to Grant-in-Aid Committee for effective monitoring and evaluation of the scheme, as per the guidelines of the scheme -'Incentive to girls for Secondary Education'.

- The Department neither demanded the annual expenditure statement from LIC since March 2006 nor checked the unspent money retained by the DPOs, as per guidelines of 'Kanya Jyoti Jagriti' scheme.

- The online Banking Management System was not fully successful as the lists of the beneficiaries under *'Shagun'* Scheme sent by the District Welfare Officers were incomplete and had many discrepancies. There was no Management Information System (MIS) at Headquarter/districts to watch the progress of transfer of benefits to the beneficiaries. .

3.22.3 Impact of the schemes

There was no system in any of the departments to evaluate the impact of various schemes, being implemented by the Department, on the targeted beneficiaries. So far as the achievement of the intended benefits of the schemes relating to female foeticide is concerned, though the sex ratio in Punjab has improved from 798 in 2001 to 846 as per census 2011, yet it is below the national average of 940. Further, the data relating to the enrolment of SC girl students at primary level showed that the enrolment of girl students decreased from 383582 (2009-10) to 364936 (2013-14) even after implementation of various schemes. At secondary level, the enrolment of SC girl students decreased between 10 to 24 *per cent* during 2011-14.

It may be seen from the above paragraphs that the financial assistance, under *Shagun* scheme, to 106393 beneficiaries was provided with a delay ranging between 12 to 48 months thereby defeating the very objective of the scheme; funds of ₹ 3.03 crore under the scheme of Incentive to girls for secondary education could not be disbursed to the beneficiaries; undisbursed amount of

₹ 3.11 crore was irregularly retained by District Programme Officers under *Kanya* Jyoti Jagriti Scheme; and Central assistance of ₹ 12.11 crore was not utilized during 2010-14 under SABLA Scheme resulting in short coverage under the schemes despite availability of central funds under non-nutritional components.

The matter was referred to Government in August 2014; reply was awaited (February 2015).



CHANDIGARH **(JAGBANS SINGH)**
The 4 March 2015 **Pr. Accountant General (Audit), Punjab**

Countersigned



NEW DELHI **(SHASHI KANT SHARMA)**
The 5 March 2015 **Comptroller and Auditor General of India**

Appendices

Appendix 1.1

(Referred to in paragraph 1.10, page 5)

Details of performance audits/paragraphs of the Reports of the Comptroller and Auditor General of India for which departmental replies were not received up to 31 October 2014

Sr. No.	Name of the Department	2009-10		2011-12		2012-13		Total number of	
		Performance Audit No.	Paragraph No.	Performance Audit No.	Paragraph No.	Performance Audit No.	Paragraph No.	Performance Audits	Paragraphs
1	Co-operation	-	-	-	-	2.4	-	1	-
2	District Centric Audit Ludhiana	-	-	-	5.7	-	-	-	1
3	Education	2.2	-	-	4.2.5	-	3.1, 3.2	1	3
4	Electricity	-	-	-	-	-	3.3	-	1
5	Forest and Wildlife	-	-	-	-	-	3.4	-	1
6	General Administration	-	-	-	-	-	3.5	-	1
7	Home Affairs and Justice	-	-	-	-	-	3.10, 3.11	-	2
8	Health & Family Welfare	-	-	-	-	-	3.6, 3.7, 3.8, 3.9	-	4
9	Irrigation	-	-	-	-	2.3	3.12	1	1
10	Public Works (Buildings and Roads)	-	-	2.1	4.1.1, 4.1.3, 4.2.3	-	3.13, 3.14, 3.15	1	6
11	PWD(B&R), Irrigation, Rural Development and Panchayats and Water Supply and Sanitation	-	-	-	-	-	3.16	-	1
12	Rural Development and Panchayats	-	-	-	-	2.2	-	1	-
13	Revenue, Rehablitation & Disaster Management	-	-	-	3.1	-	-	-	1
14	Science & Technological and Environment	-	-	-	-	2.1	-	1	-
Total		**1**	**-**	**1**	**6**	**4**	**16**	**6**	**22**

Appendix 2.1

(Referred to in paragraph 2.1.4, page 8)

Statement showing the details of projects selected for Performance Audit of RKVY

(₹ in crore)

Sl. No.	Year	Implementing Agency /Description of the Project	Name of the Sector	Project ID	Implementing agency	Approved cost of the project	Receipt from DAC	Expenditure	Districts selected for test check
Agriculture Research (AGRE) Sector									
1	2009-10	Strengthening of Agricultural Research-PAU(Research (Agri/Horti/Animal Husbandry)	AGRE	PU/RKVY-AGRE/2010/112	PAU	5.00	4.00	4.00	Bathinda, Fazilka, Gurdaspur, Nawanshahar and Ludhiana
2	2010-11	Strengthening of Agricultural Research-PAU	AGRE	PU/RKVY-AGRE/2010/034	PAU	6.77	5.00	5.00	
3	2010-11	Development and dissemination of Technologies-**GADVASU**	AGRE	PU/RKVY-AGRE/2010/035	GADVASU	16.00	15.00	15.00	
Sub Total Agriculture Research (AGRE) Sector						**27.77**	**24.00**	**24.00**	
Animal Husbandry (ANHB) Sector									
1	2009-10	Provision for veterinary care and medicines	ANHB	PU/RKVY-ANHB/2010/135	Director, Animal Husbandry	4.77	2.79	2.79	Ferozepur, Sri Muktsar Sahib, Patiala, Sangrur, Tarn Taran, Barnala, Fazilka and Pathankot
2	2010-11	Provision for veterinary care and medicines.	ANHB	PU/RKVY-ANHB/2010/087	-Do-	4.78	4.78	4.78	
3	2011-12	Accelerated Fodder Development Programme	ANHB	PU/RKVY-ANHB/2011/163	-Do-	15.50	15.50	15.50	
4	2011-12	National Mission for Protein Supplement (DDEV)	ANHB	PU/RKVY-ANHB/2011/166	Director Dairy Development, Punjab	11.70	11.70	11.70	
5	2012-13	Accelerated Fodder Development Programme	ANHB	PU/RKVY-ANHB/2012/254	-Do-	10.00	10.00	10.00	
6	2012-13	Providing Veterinary Care and Medicines in Veterinary Institutions of the Department	ANHB	PU/RKVY-ANHB/2012/220	Director, Animal Husbandry	4.00	3.50	1.50	
7	2013-14	Establishment of Three Veterinary Polyclinics in the Districts of Barnala, Pathankot and Fazilka	ANHB	NA	-Do-	6.45	4.00	4.00	
8	2013-14	Enhancement of animal Productivity by creating Cattle Breeding Farm and Training Facilities at Rauni Farm (Patiala)	ANHB	NA	-Do-	46.03	10.00	10.00	
Sub Total Animal Husbandry (ANHB) Sector						**103.23**	**62.27**	**60.27**	

Sl. No.	Year	Implementing Agency /Description of the Project	Name of the Sector	Project ID	Implementing agency	Approved cost of the project	Receipt from DAC	Expenditure	Districts selected for test check
Dairy Development (DDEV) Sector									
1	2009-10	Incentive for Animal Insurance and Computer Chips	DDEV	PU/RKVY-DDEV/2010/131	Director Dairy Development, Punjab	1.87	1.68	1.68	Amritsar, Hoshiarpur, Jalandhar, Nawan Shahar and Roper
2	2010-11	Improvement of Animal Housing	DDEV	PU/RKVY-DDEV/2010/098	-Do-	3.75	8.75	8.75	
3	2011-12	Improvement in Animal Housing	DDEV	PU/RKVY-DDEV/2011/152	-Do-	11.11	3.50	3.50	
4	2011-12	Enhancing Income Level of Small Farmers and Rural Landless Workers in Punjab through Buffalo Breed Improvement and Management Programme.	ANHB	PU/RKVY-DDEV/2011/156	MILKFED	10.58	5.00	5.00	
5	2012-13	Improvement of Animal Housing	DDEV	PU/RKVY-DDEV/2012/215	Director Dairy Development, Punjab	3.50	3.50	3.50	
6	2013-14	Incentive for Animal Insurance and Computer Chips	DDEV		-Do-	4.40	2.50	2.25	
Sub Total Dairy Development (DDEV) Sector						**35.21**	**24.93**	**24.68**	
Fertilizers and Integrated Nutrient Management									
1	2009-10	Setting-up of Farmers Training Centre	FINM	PU/RKVY-FINM/2010/040	Director Agriculture, Punjab	1.75	1.98	1.98	Jalandhar, Kapurthala, Mansa, Nawanshahar and Sri Muktsar Sahib
2	2010-11	Distribution of Micro Nutrients	FINM	PU/RKVY-FINM/2012/206	-Do-	6.13	6.13	6.13	
Sub Total Fertilisers and Integrated Nutrient Management						**7.88**	**8.11**	**8.11**	
Irrigation (IRRI) Sector									
1	2010-11	Conjunctive use of surface & sub-surface water through Community UGPS under 'Conservation of Irrigation Water' project	IRRI	PU/RKVY-IRRI/2010/079	Chief Conservator of Soils, Punjab	40.00	49.00	49.00	Faridkot, Gurdaspur, Sri Muktsar Sahib, Patiala and Sangrur
Sub Total Irrigation (IRRI) Sector						**40.00**	**49.00**	**49.00**	
Seed Sector									
1	2010-11	Creation of Infrastructure at New Seed Farm, Rania, Amritsar.	SEED	PU/RKVY-SEED/2010/080	Director Agriculture, Punjab	2.00	1.00	1.00	Amritsar, Faridkot, Ferozepur, Mansa and Sri Muktsar Sahib
Sub Total Seed Sector						**2.00**	**1.00**	**1.00**	
Grand Total						**216.09**	**169.31**	**167.06**	

Source: Departmental data

Appendix 2.2

(Referred to in paragraph 2.1.7.5, page 13)

Statement showing details of unutilised funds of RKVY

(₹ in lakh)

Year	Name of the project	Implementing Agency	Amount received	Expenditure	Balance (as on 01/08/14)	Reply/reasons for non-utilisation as intimated by the Implementing Agency
2009-10	Farmers' Training Centre at Abul Khurana, Sri Muktsar Sahib	Assistant Director, Fisheries, Sri Muktsar Sahib	11.60	8.29	3.31	Funds would be spent shortly.
2012-13	Project for providing veterinary care and medicines in veterinary institutions of the department.	Director, Animal Husbandry	350	150	200	Government had decided to purchase medicines by floating tenders from open market. Tenders have been floated. This amount would be fully utilized shortly.
-do-	Import of frozen semen for increase in productivity and breed improvement in cows	--do--	125	88	37	2,50,000 semen doses were proposed to import, but ony 1,36,700 doses were received. Now global tender had been floated for import 3,00,000 doses of high genetic merit HF semen.
2013-14	To Enhance the productivity of Dairy Cattle by importing of high Genetic Merit Semen	--do--	50	0	50	As above
-do-	Providing Specialized Veterinary care services at Tehsil/Block level Hospitals	--do--	200	0	200	It is proposed to upgrade 10 Tehsil level Veterinary Hospitals for providing specialised Veterinary care services. The necessary modifications in the existing buildings have been finalized. Estimates are being prepared by executive agencies. After getting the final estimates amount would be transferred to concerned agency.
-do-	CDP-Improvement in Conveyance efficiency of irrigation water through underground pipeline system	DSCO, Jalandhar	40.00	11.62	28.38	The funds were received at the end of the year and the matter for revalidation of funds would be taken up with the higher authority.
-do-	CDP-Cluster Demonstration	CAO, Jalandhar	603.24	560.12	43.12	The work of group leaders was not satisfactory. Thus, the amount was not disbursed.
-do-	CDP-Farm Mechanization and Value Addition	CAO, Ludhiana	220.00	157.72	65.30*	The amount was lying unutilised due to non-production of bills in support of purchase of machinery by the farmers.
-do-	CDP-Improvement in Conveyance efficiency of irrigation water through underground pipeline system	DSCO, Ludhiana	80.00	76.34	3.66	Utilisation certificate would be submitted after utilisation of funds.
-do-	CDP-Farm Mechanization and Value Addition	CAO, Mohali	120.00	77.24	42.76	NA
Total			**1799.84**	**1129.33**	**673.53**	

Source: Departmental records

***Includes interest of ₹ 3.01 lakh**

Appendix 2.3

(Referred to in paragraph 2.3.4, page 42)

List of selected Health Care Establishments

Sr.No.	PHSC	DSH		DAH	
1	CH Garhshankar	50	PHC Sarhala Kalan	96	Veterinary Polyclinic Hoshiarpur
2	CHC Mahilpur	51	PHC Bulhowal	97	Veterinary Polyclinic Ludhiana
3	CH Mukerian	52	PHC Khun Khun Kalan	98	Veterinary Polyclinic Jalandhar
4	CHC Hazipur	53	PHC Swaddi Kalan	99	Veterinary Polyclinic Amritsar
5	CH Dasuya	54	PHC Mandiala Kalan	100	Veterinary Polyclinic Tarn Taran
6	CHC Bhunga	55	PHC Ghungrali Sikhan	101	Veterinary Polyclinic Gurdaspur
7	CH Tanda	56	PHC Mau Sahib	102	Veterinary Polyclinic Bathinda
8	CH Hoshiarpur	57	PHC Talwan		**DRME**
9	CH Raikot	58	PHC Dosanjh Kalan	103	Guru Nanak Dev Hospital Amritsar
10	CH Jagraon	59	PHC Khalchian	104	TB Hospital & Sanatorium, Amritsar
11	CHC Kum Kalan	60	PHC Chamunda Devi	105	Government Dental College & Hospital, Amritsar
12	CH Samrala	61	PHC Sudhar		
13	CHC Pakhowal	62	PHC Rataul		
14	CHC Dehlon	63	PHC Dhotian		
15	SDH Phillaur	64	PHC Bagarian		
16	CH Jalandhar	65	PHC Bhullar		
17	CHC Adampur	66	PHC Jaura Chhattra		
18	CHC PAP Jalandhar	67	PHC Shri Hargobindpur Sahib		
19	SDH Noormahal	68	PHC Dayalpur Mirza Bathinda		
20	SDH Nakodar	69	PHC Badiala		
21	CHC Bundala	70	PHC Lehra Mohabbat		
22	CH Amritsar	**DHS(SI)**			
23	SDH Baba Bakala	71	ESI Dispensary Saila Khurd		
24	CHC Mehta	72	ESI Hospital Hoshiarpur		
25	CHC Majitha	73	ESI Dispensary Nasrala		
26	CHC Verka	74	ESI Dispensary Chohal		
27	SDH Ajnala	75	ESI Dispensary No. 1 Ludhiana		
28	CHC Kairon	76	ESI Dispensary No. 4 Ludhiana		
29	CHC Sursingh Wala	77	ESI Dispensary No. 10 Ludhiana		
30	SDH Khadoor Sahib	78	ESI Dispensary No.7 Ludhiana		
31	SDH Batala	79	ESI Dispensary Machhiwara		
32	CHC Dhariwal	80	ESI Hospital Jalandhar		
33	CHC Naurshera Majha Singh	81	ESI Dispensary No.2 Jalandhar		
34	CHC Kahnuwan	82	ESI Dispensary No.4 Jalandhar		
35	CHC Bhaini Mian Khan	83	ESI Dispensary Phillaur		
36	CH Gurdaspur	84	ESI Hospital Amritsar		
37	CHC Bhcho Mandi	85	ESI Dispensary Amritsar		
38	SDH Ghudda	86	ESI Dispensary Verka		
39	SDH Talwandi Sabo	87	ESI Dispensary Chheharta		
40	SDH Rampura Phul	88	ESI Dispensary Tarn Taran		
41	CHC Mehraj	89	ESI Dispensary Gobindwal Sahib		
42	CHC Sangat	90	ESI Dispensary Batala		
43	CH Bathinda	91	ESI Dispensary Dhariwal		
44	CH Ludhiana	92	ESI Dispensary Dina Nagar		
45	SDH Khanna	93	ESI Dispensary No. 3, Bathinda		
46	CHC Payal	94	ESI Dispensary Lehra Mohabbat		
47	CH Tarn Taran	95	ESI Dispensary No. 1, Bathinda		
48	CH Patti				
49	CHC Khemkaran				

PHSC - Punjab Health Systems Corporation
DHS - Director Health Services, Punjab
DHS (SI) – Director Health Services (Social Insurance), Punjab
DAH – Director Animal Husbandry
DRME – Director Research & Medical Education, Punjab
CH – Civil Hospital
CHC – Community Health Centre
PHC – Primary Health Centre

Appendix 2.4

(Referred to in paragraph 2.4.7, page 63)

Statement showing budget provisions and expenditure incurred under nine selected schemes

(₹ in lakh)

Sr. No.	Name of Scheme	Allotment / Expenditure	2009-10 (1)	2010-11 (2)	2011-12 (3)	2012-13 (4)	2013-14 (5)	Total (1 to 5)	Funds under utilized (A-E)	Percentage of under utilized funds
1	Integrated Child Development Services (CS 90:10)	A	23048.58	22518.17	36652.46	37128.83	44345.49	163693.53	33682.07	21
		E	19376.91	20465.34	32456.66	31493.63	26218.92	130011.46		
2	Enforcement of Juvenile Justice Act, 2000 (CS 50:50)	A	255.30	286.40	314.64	287.99	307.80	1452.13	124.19	9
		E	219.65	257.78	275.74	287.99	286.78	1327.94		
3	Integrated Child Protection Scheme (CS 75:25)	A	0.00	0.00	1716.66	2100.24	2384.00	6200.90	5205.78	84
		E	0.00	0.00	0.00	995.12	0.00	995.12		
4	Indira Gandhi Matritava Sehyog Yojana (CF 100 per cent)	A	0.00	0.00	1818.61	1139.60	1129.10	4087.31	3104.84	76
		E	0.00	0.00	23.00	959.30	0.17	982.47		
5	Infrastructure/basic amenities for Anganwadi centres in the State (CS 75:25)	A	0.00	0.00	1000.00	1200.00	2400.00	4600.00	3666.03	80
		E	0.00	0.00	142.80	629.00	162.17	933.97		
6	Awareness against Drug Abuse (SF 100 per cent)	A	100.00	14.10	100.00	100.00	100.00	414.10	315.66	76
		E	0.00	14.10	8.25	71.09	5.00	98.44		
7	Awareness programme for Domestic Violence Act ,2005 (SF 100 per cent)	A	50.00	25.00	50.00	50.00	0.00	175.00	145.13	83
		E	0.00	12.50	0.00	17.37	0.00	29.87		
8	Setting up of community homes for mentally ill person (SF 100 per cent)	A	50.00	0.00	0.00	50.00	0.00	100.00	100.00	100
		E	0.00	0.00	0.00	0.00	0.00	0.00		
9	Information technology for Braille Literacy in Indian Languages (SF 100 per cent)	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
		E	0.00	0.00	0.00	0.00	0.00	0.00		
	Total	A						**180722-97**		
		E						**134379.27**		

Source:- Departmental data

Appendix-3.1

(Referred to in paragraph 3.7.3.3(i), page 92)

Statement showing unserviceable arms

Sr. No.	Name of District	Kind of arms																			
		Rifle 7.62 mm(BA)	Revolver 455 Bore	Rivolver 38 bore	Rifle 7.62 mm(AK-47)	G.P.M. 7.62 mm	Pistol auto 9 mm	.303 Rifle	Rifle no. 4 all Mk DP	Sten Gun 9 mm	.410 Muskat	Rifle 7.62 mm(SLR)	Rifle 7.62 mm(ALR)	Carbine Machine 9 mm	Rifle 32 bore	DBBL 12"Bore Gun	Pistol Signal 1"	Gun Machine Bren .303" (LMG)	Gun Machine 7.62mm 1B (LMG)	Pistol Glock-17,9mm	Total
Unserviceable arms not deposited with Central Armoury																					
1.	C P, Amritsar	04	0	0	03	0	01	11	0	05	0	0	0	0	0	0	0	0	0	0	**24**
2.	SSP Ferozpur	08	01	01	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**10**
3.	Commandant, 5th IRB , ASR	02	0	0	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**5**
4.	SSP Pathankot	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**2**
5.	SSP SBS Nagar	02	0	0	03	01	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**6**
6.	Commandant PRTC, Jahan Khelan	16	01	0	0	0	04	01	13	0	0	0	0	0	0	0	0	0	0	0	**35**
7.	SSP (Rural) Jalandhar	0	0	0	0	0	0	0	0	0	0	01	0	01	0	0	0	0	0	0	**2**
8.	Commandant, 4th commando Battalion Mohali	0	0	0	01	0	02	0	0	0	0	0	0	0	0	0	0	0	0	01	**4**
9.	ADGP, GRP, Patiala	0	01	0	0	0	01	21	0	0	0	02	0	0	0	0	0	0	0	0	**25**
	Total	34	3	1	10	1	8	33	13	5	0	3	0	1	0	0	0	0	0	1	**113**
Unserviceable arms lying with Central Armoury awaiting disposal																					
1.	Central Armoury, Bahadurgarh	153	28	55	26	0	30	634	0	50	04	190	04	22	01	03	09	20	10	02	**1241**
	Grand Total	**187**	**31**	**56**	**36**	**01**	**38**	**667**	**13**	**55**	**4**	**193**	**4**	**23**	**1**	**3**	**9**	**20**	**10**	**3**	**1354**

Source: Departmental data

Appendix-3.2(a)

(Referred to in paragraph 3.16, page 106)

Detail of short deduction of Value Added Tax

(Amount in ₹)

Sr. No.	Name of the unit	Location of the unit	Short deduction of VAT	Period of short deduction	Amount reported to have been recovered	Amount yet to be recovered
(A) Agriculture Department (Punjab Mandi Board)						
1	Executive Engineer (Civil)	Abohar (Fazilka)	6,32,937	11/2011 to 02/2012	2,54,478	3,78,459
2	Executive Engineer (Civil)	Amritsar	7,23,443	11/2011 to 03/2012	7,23,443	0
3	Executive Engineer (Civil)	Bathinda	12,45,991	11/2011 to 03/2012	12,45,991	0
4	Executive Engineer (Civil)	Barnala	2,31,370	11/2011 to 03/2012	2,31,370	0
5	Executive Engineer (Electrical)	Chandigarh	7,54,057	11/2011 to 02/2012	7,54,057	0
6	Executive Engineer (Civil-1) SAS Nagar	Chandigarh	5,34,751	11/2011 to 02/2012	4,60,027	74,724
7	Executive Engineer (Public Health)	Chandigarh	2,95,433	11/2011 to 02/2012	2,95,433	0
8	Executive Engineer (Civil)	Gurdaspur	9,16,628	11/2011 to 03/2012	8,15,110	1,01,518
9	Executive Engineer	Kapurthla	2,31,192	11/2011 to 02/2012	2,31,192	0
10	Executive Engineer (Civil)	Ludhiana	38,73,107	11/2011 to 03/2012	38,73,107	0
11	Executive Engineer (Public Health)	Ludhiana	1,93,954	11/2011 to 02/2012	1,93,954	0
12	Executive Engineer (Civil)	Nawanshahar	1,76,731	11/2011 to 03/2012	1,61,866	14,865
13	Executive Engineer (Civil)	Patiala	5,28,593	11/2011 to 02/2012	5,28,593	0
14	Executive Engineer (Civil)	Sangrur	5,67,574	11/2011 to 01/2012	5,67,574	0
15	Executive Engineer (Civil)	Tarn Taran	5,55,138	11/2011 to 03/2012	5,38,788	16,350
Sub Total (Punjab Mandi Board)			**1,14,60,899**		**1,08,74,983**	**5,85,916**
(B) Irrigation Department						
1	Executive Engineer, Canal Lining Division	Abohar	82,725	11/2011 to 12/2011	75,647	7,078
2	Executive Engineer, Faridkot Canal Division	Faridkot	1,44,212	12/2011 to 02/2012	1,43,237	975
3	Executive Engineer, Madhopur UBDC Division	Gurdaspur	25,590	11/2011 to 01/2012	0	25,590
4	Executive Engineer, Investigation Division (IB)	Hoshiarpur	22,357	03/2012	22,357	0
5	Executive Engineer, Hoshiarpur Drainage Division	Hoshiarpur	1,39,042	11/2011 to 10/2012	70,833	68,209
6	Executive Engineer, Drainage Division	Jalandhar	2,98,295	11/2011 to 01/2012	279241	19054
7	Executive Engineer, Mansa I.B. Division	Mansa	6,34,471	11/2011 to 12/2011	0	6,34,471
8	Executive Engineer, Lehal I.B. Division	Patiala	14,062	12/2011 to 02/2012	14,062	0
9	Executive Engineer, Bhakra Main Line	Patiala	2,90,813	12/2011 to 04/2012	1,59,323	1,31,490
10	Executive Engineer, Drainage Division	Patiala	3,25,099	11/2011 to 03/2012	0	3,25,099
11	Executive Engineer, Canal Lining Arrear Division	Patiala	8,77,055	11/2011 to 11/2012	8,77,055	0

Sr. No.	Name of the unit	Location of the unit	Short deduction of VAT	Period of short deduction	Amount reported to have been recovered	Amount yet to be recovered
12	Executive Engineer, Drainage Division	Ludhiana	3,96,164	11/2011 to 04/2012	3,30,945	65,219
13	Executive Engineer, Gurdaspur UBDC Division	Gurdaspur	6,27,023	11/2011 to 06/2012	1,98,981	4,28,042
14	Executive Engineer, Water Resources Investigation Division	Chandigarh	4514	12/2011	4,514	0
15	Executive Engineer, Township Division No. 2	Shahpurkandi	50,242	03/2012 to 06/2012	50,242	0
Sub Total (Irrigation)			**39,31,664**		**2226437**	**1705227**
(C) Public Works Department (Buildings & Roads)						
1	Executive Engineer, Central Works Division No. 1	Amritsar	3,77,875	12/2011	0	3,77,875
2	Executive Engineer, Construction Division No.2	Amritsar	14,91,783	12/2011 to 10/2012	0	14,91,783
3	Executive Engineer, Provincial Division	Amritsar	28,80,679	11/2011 to 03/2012	8,63,183	20,17,496
4	Executive Engineer, Construction Division No.1	Amritsar	21,43,407	11/2011 to 03/2012	2143407	0
5	Executive Engineer, Construction Division No.2	Bathinda	9,04,158	11/2011 to 12/2011	9,04,158	0
6	Executive Engineer, Construction Division No.1	Bathinda	2,09,779	11/2011 to 12/2011	2,09,779	0
7	Executive Engineer, Provincial Division	Chandigarh	2,71,865	11/2011 to 03/2012	2,71,865	0
8	The Executive Engineer Electrical Division	Chandigarh	14,036	12/2011	0	14,036
9	Executive Engineer, Construction Division No.2; Ferozepur	Fazilka	2,72,896	11/2011 to 02/2012	2,72,896	0
10	The Executive Engineer Electrical Division	Faridkot	1,75,836	12/2011 to 05/2012	1,75,836	0
11	Executive Engineer, Construction Division No.2	Fatehgarh Sahib	6,66,415	11/2011 to 08/2012	6,66,415	0
12	Executive Engineer, Provincial Division	Hoshiarpur	6,16,605	11/2011 to 06/2012	5,32,185	84,420
13	Executive Engineer, Construction Division No. 2	Hoshiarpur	3,63,884	11/2011 to 5/2012	3,63,884	0
14	Executive Engineer, Construction Division I	Jalandhar	8,24,152	11/2011 to 03/2012	6,54,081	1,70,071
15	Executive Engineer, Construction Division No.2	Kapurthala	2,43,130	12/2011 to 11/2012	2,43,130	0
16	Executive Engineer, Provincial Division	Ludhiana	3,69,403	11/2011 to 2/2012	3,69,403	0
17	The Executive Engineer Electrical Division	Ludhiana	58,191	11/2011 to 3/2012	58,191	0
18	Executive Engineer, Construction Division No. 1	Ludhiana	2,01,055	11/2011 to 01/2012	0	2,01,055
19	Executive Engineer, Provincial Division	Mansa	1,64,476	12/2011 & 02/2013	0	1,64,476
20	Executive Engineer, Construction Division	Moga	3,01,046	11/2011 to 02/2012	0	3,01,046
21	Executive Engineer, Provincial Division	Mohali	12,85,355	11/2011 to 12/2012	4,14,157	8,71,198
22	Executive Engineer, Construction Division	Sri Muktsar Sahib	3,13,270	11/2011 to 02/2012	0	3,13,270
23	Executive Engineer, Provincial Division	Nawanshahar	2,56,345	11/2011 to 03/2012	2,34,375	21,970
24	Executive Engineer, Provincial Division No.2	Patiala	5,96,469	01/2012 to 06/2012	5,63,485	32,984
25	Executive Engineer, Central Works Division	Ropar	2,22,737	11/2011 to 06/2012	0	2,22,737
Sub Total Public Works Department (Buildings & Roads)			**1,52,24,847**		**89,40,430**	**62,84,417**
Grand Total			**3,06,17,410**		**2,20,41,850**	**85,75,560**

Source: Departmental records

Appendix-3.2(b)

(Referred to in paragraph 3.16, page 106)

Detail of short deduction of Value Added Tax

(Amount in ₹)

Sr. No.	Name of the unit	Location of the unit	Short deduction of VAT	Period of short deduction	Amount reported to have been recovered	Amount yet to be recovered
(A) Irrigation Department						
1	Executive Engineer, Investigation (IB)	Hoshiarpur	2,79,853	10/2013	0	2,79,853
Sub Total (Irrigation)			**2,79,853**		**0**	**2,79,853**
(B) Public Works Department (Buildings & Roads)						
1	Executive Engineer, Construction Division, No.4	Ludhiana	1,94,224	04/2013	0	1,94,224
2	Executive Engineer, Construction Division	Moga	2,94,678	04/2013 to 06/2013	0	2,94,678
3	Executive Engineer, Provincial Division	Bathinda	1,23,530	04/2013 to 05/2013	0	1,23,530
4	Executive Engineer, Construction Division	Barnala	10,79,439	04/2013 to 11/2013	0	10,79,439
5	Executive Engineer, Provincial Division	Mansa	5,37,591	04/2013 to 11/2013	0	5,37,591
6	Executive Engineer, Provincial Division-II	Patiala	10,83,271	04/2013 to 10/2013	0	10,83,271
7	Executive Engineer, Provincial Division	Amritsar	3,73,780	05/2013 to 07/2013	0	3,73,780
8	Executive Engineer, Construction Division-I	Amritsar	1,43,179	05/2013 to 09/2013	0	1,43,179
9	Executive Engineer, Construction Division	Sirhind	2,43,673	04/2013 to 01/2014	0	2,43,673
10	Executive Engineer, Construction Division	Patiala	4,17,646	05/2013	4,17,646	0
11	Executive Engineer, Provincial Division	Hoshiarpur	1,85,210	05/2013		1,85,210
Sub Total Public Works Department (Buildings & Roads)			**46,76,221**		4,17,646	**42,58,575**
Grand Total			**49,56,074**		4,17,646	**45,38,428**

Source: Departmental records

Consolidate statement showing short deduction of VAT

(₹ in crore)

Name of the department	4 to 5 *per cent*			5 to 6 *per cent*			TOTAL		
	Amount of VAT short deducted	Amount of VAT recovered	Amount of VAT recoverable	Amount of VAT short deducted	Amount of VAT recovered	Amount of VAT recoverable	Amount of VAT short deducted	Amount of VAT recovered	Amount of VAT recoverable
Punjab Mandi Board	1.15	1.09	0.06	0	0	0	1.15	1.09	0.06
Irrigation	0.39	0.22	0.17	0.03	0	0.03	0.42	0.22	0.20
PWD B&R	1.52	0.89	0.63	0.47	0.04	0.43	1.99	0.93	1.06
TOTAL	**3.06**	**2.20**	**0.86**	**0.50**	**0.04**	**0.46**	**3.56**	**2.24**	**1.32**

Appendix-3.3

(Referred to in paragraph 3.20.3.2(b), page 114)

Statement showing difference in penetration level noticed during joint visits

Sl. No.	Name of District/ Block	Water Supply and Sanitation Division	Date of joint visit	Name of village	Penetration level as per report	Penetration level found during physical visit	Differe -nce	TDS during Physical Visit (in mg/l)
1.	Abohar	Abohar	11.2.2014	Maujgarh	0	0	0	closed
				Tootwali	100	60	40	TDS meter was not available at site
				Sapanwali	130	48	82	
2	Bathinda	Bathinda-1	8.5.2014	Teona,	213	60	153	TDS meter was not available at site
				Naruana	341	49	292	
				Multania	68	55	13	
3		Bathinda-2	13.5.2014	Fathe Garh,	85	52	33	60
				Kot Bakhtu	96	52	44	130
				Manwala	73	39	34	73
4		Bathinda-3	13.5.2014	Bhai Bakthaur,	45	30	15	75
				Gheri Bara Singh,	45	47	2	32
				Kot Bhara	55	33	22	125
				Maiser Khana	55	55	0	78
5	Faridkot	Faridkot	25.04.2014	Gobind Nagar,	102	78	24	TDS meter was not available at site
				Mai Godri Sahib	138	49	89	
				Makhi Mal Singh	130	43	87	
6	Ferozepur	Ferozepur-1	22.05.2014	Noranke Syal	130	151	21	138
				Narang Ki Lali	90	40	50	20
				Kakho ke Behram	110	60	50	122
				Karma	120	110	10	41
				Hakke Wala	82	85	3	53
7		Ferozepur-2	22.05.2014	Bazidpur,	150	153	3	29
				Malwala	66	53	13	21
				Piriana	66	53	13	88
				Mishriwala	75	76	1	24
				Basti Gulab Singh	42	41	1	61
8	Mansa	Mansa Div-1	20.02.2014	Ashpal,	86	0	86	Closed
				Khokar Kalan	98	0	98	Closed
				Ramdittewala	129	86	43	TDS meter was not available at site
9		Mansa Div-2	14.05.2014	Kotra	53	62	9	--
				Sammon	340	202	138	85
				Atla Khurd	80	33	47	30
				Atla Kalan	120	68	52	105
10	Sri Muktsar Sahib	Muktsar Div-1	12.03.2014	Bir Sarkar	230	654	424	TDS meter was not available at site
				Bura Gujar	106	54	52	
				Jamuna	Closed			
		Malout	12.02.2014	Malout	368	176	192	TDS meter was not available at site
				Katorewala	25	Operator not available	25	
				Mallwala	175	178	3	
11	Moga	Moga	24.04.2014	Roli	132	166	34	71
				Talwandi Bageraia	72	102	30	113
				Doshand	138	85	53	72
12	Sangrur	Sangrur	28.3.2014	Kheri	95	79	16	TDS meter was not available at site
				Ramnagar Sibian	Closed	Closed	Closed	Closed
		Malerkotla	11.4.2014	Kanjla	180	112	68	30
				Quila Hakima	70	53	17	17

Source:- Departmental records

Appendix-3.4

(Referred to in paragraph 3.21.2, page 118)

Details of deposits in saving bank account without permission of Government of India

Receipt Side			Expenditure		
Date	**Particular**	**Amount (₹)**	**Date**	**Particular**	**Amount (₹)**
19.06.2012	XEN, Hoshiarpur	4884942	13.02.2013	Salary	18869
	XEN, Sri Muktsar Sahib	522922	04.03.2012	Salary	24650
20.06.2012	XEN, Batala	13382845	02.04.2013	Salary	24650
	XEN, Pathakot	40872	03.05.2013	Salary	24650
21.06.2012	XEN, Faridkot	1807000	14.05.2013	XEN, Sri Muktsar Sahib (IHHL)	5457000
25.06.2012	XEN, Moga	3265000	03.06.2013	Salary	24650
26.06.2012	XEN, Nawan Shahar	3919780	16.07.2013	XEN, Nawan Shahar (Survey)	451194
	XEN, Tarn Taran	10345766	01.07.2013	Salary	24650
	XEN, Amritsar	28400000	14.08.2013	Salary	6650
	XEN, Tarn Taran	9178921	02.09.2013	Salary	21747
	XEN, Tarn Taran	17396139	24.09.2013	CA	112360
27.06.2012	XEN, Tarn Taran	7959303	04.10.2013	Salary	24650
	XEN, Tarn Taran	10123563	21.10.2013	CA	112360
	XEN, Jalandhar	8133000	28.10.2013	CA	112360
	XEN, Bathinda	26200000	01.11.2013	Salary	24650
	XEN, Tarn Taran	102663	19.11.2013	XEN, Ferozepur (IHHL)	72600
28.06.2012	XEN, Mansa	2500000	02.12.2013	Salary	24650
02.07.2012	Interest	89205	01.01.2014	Salary	24650
03.07.2012	XEN, Mohali	7707700	29.01.2014	XEN, Sri Muktsar Sahib (IHHL)	3676000
13.07.2012	XEN, Barnala	8458000	03.02.2014	Salary	24650
	XEN, Kapurthala	9400000	06.03.2014	XEN, ASR-2 (Ponds)	3350000
17.07.2012	XEN, Anandpur Sahib	5419020		XEN, ASR I	1900000
21.07.2012	XEN, Ludhiana	238719		XEN, Sangrur	1900000
01.08.2012	XEN, Malerkotla	2415000		XEN, Rajpura	350000
06.08.2012	XEN, Ferozepur	215843		XEN, Partala 2	3773000
24.08.2012	XEN, Mansa	1500000		XEN, Ropar 2	2450000
29.08.2012	XEN, Jalandhar	981410		XEN, Mohali 3	1700000
04.09.2012	XEN, Pathankot	91500		XEN, Bathinda 1	2200000
05.09.2012	XEN, Amritsar	1000000		XEN, Fatehgarh Sahib	2036000
15.9.2012	XEN, Sri Muktsar Sahib	13249		XEN, Bathinda 3	2800000

Receipt Side			Expenditure		
Date	**Particular**	**Amount (₹)**	**Date**	**Particular**	**Amount (₹)**
24.09.2012	XEN, Chandigarh	161576		XEN, Mansa I	1950000
08.10.2012	Interest	1804838		XEN, Bathinda 2	2750000
12.11.2012	XEN, Kapurthala	1850000		XEN, Kapurthala	350000
20.11.2012	XEN, Patiala	217000		XEN, Ferozepur 2	1250000
07.01.2013	Interest	1903148	06.03.2014	Salary	24650
3.4.2012	Interest	1889892	10.03.2014	Salary	9310
02.07.2013	XEN, Ropar	9579			0
08.07.2013	Interest	1902855			0
17.07.2013	XEN, Jalandhar	85047			0
	XEN, Hoshiarpur	58771			0
24.07.2013	XEN, Ludhiana	655			0
06.08.2013	XEN, Faridkot	363379			0
02.09.2013	XEN, Amritsar	125706			0
07.10.2013	Interest	1914422			0
02.01.2014	Interest	1952905			0
31.03.2014	Interest	1834412			0
	Total	**201766547**			**39080600**
	Closing Balance				**162685947**

Source: Cash Book and Bank Statement supplied by SWSM

Appendix-3.5

(Referred to in paragraph 3.22, page 123)

Allotment of budget and expenditure incurred on various schemes

(₹ in crore)

Name of the Scheme	2009-10			2010-11			2011-12			2012-13			2013-14			Total allotment/ total expenditure
	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Savi ng (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-)*	
Shagun Scheme (SS)	80.00	35.00	*(-)45.00 56.25%*	80.00	80.00	*0.00 0.00%*	106.27	72.29	*(-)33.98 31.98%*	103.50	124.30	*(+)20.80 20.10%*	152.00	94.17	*(-)57.83 38.05%*	*521.77/ 405.76*
Attendance scholarship to SC/BC/EWS primary girl student (SS)	18.00	00.00	*(-)18.00 100%*	20.00	17.06	*(-) 2.94 14.70%*	22.00	0.00	*(-) 22.00 100%*	27.00	7.52	*(-)19.48 72.15%*	27.00	9.28	*(-) 17.72 65.63%*	*114.00/ 33.86*
Incentive to girls for secondary education (CS)	10.36	10.36	*0.00 0%*	12.59	12.59	*0.00 0%*	13.59	13.59	*0.00 0%*	0.00	0.00	*0.00*	0.00	0.00	*0.00*	*36.54/ 36.54*
Construction and running of girls hostel for students of secondary and higher secondary schools (CS+SS) (90:10)	4.49	4.41	*(-)0.08 1.78%*	3.61	3.20	*(-) 0.41 11.36%*	0.00	2.00	*(+) 2.00 (Loan from SSA) 0%*	2.94	0.26	*(-)2.68 91.16%*	2.63	2.81	*(+) 0.18 6.84%*	*13.67/ 12.68*
Balri Rakshak Yojna (SS)	0.60	0.10	*(-) 0.50 83.33%*	0.60	0.36	*(-) 0.24 40%*	0.60	0.07	*(-)0.53 88.33%*	0.98	0.38	*(-)0.60 61.22%*	0.55	0.03	*(-) 0.52 94.55%*	*3.33/ 0.94*
Bebe Nanki Ladli beti kalyan scheme (SS)	0.00	0.00	*0.00 00.00%*	0.00	0.00	*0.00 00.00%*	62.50	0.00	*(-) 62.50 100%*	62.50	15.00	*(-) 47.50 76%*	62.50	55.17	*(-)7.33 11.73%*	*187.50/ 70.17*
Mai Bhago Vidya Scheme (SS)	*Started from 2011-12*						75.00	30.00	*(-) 45.00 60%*	30.00	0.00	*(-)30.00 100%*	47.00	40.00	*(-)7.00 14.89%*	*152.00/ 70.00*
Attendance scholarship to handicapped girls students in rural area (SS)	0.20	0.14	*(-)0.06 30%*	0.30	0.23	*(-)0.07 23.33%*	0.30	0.21	*(-)0.09 30%*	0.50	0.19	*(-)0.31 62%*	0.50	0	*(-)0.50 100%*	*1.80/ 0.77*

Name of the Scheme	2009-10			2010-11			2011-12			2012-13			2013-14			Total allotment/ total expenditure
	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Savi ng (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-) and Percentage*	Budget Allotment	Expend-iture	*Excess(+) / Saving (-)*	
Nutrition and Kishori shakti yojna (and Rajiv Gandhi scheme for empowerment of adolescent girls (SABLA) (CS+SS) (50:50)	**2.00**	**1.82**	*(-)0.18 90%*	**1.90**	**1.90**	*0.00 00.00%*	**17.94**	**5.41**	*(-)11.53 64.27%*	**17.00**	**9.28**	*(-)7.72 45.41%*	**17.50**	**0.29**	*(-)17.21 98.34%*	*56.34/ 18.70*
Awareness programme for improving adverse sex ratio and female foeticide (SS)	**0.50**	**0.00**	*(-)0.50 100%*	**0.50**	**0.06**	*(-) 0.44 88%*	**1.50**	**0.40**	*(-)1.10 73.33*	**1.50**	**1.00**	*(-)0.50 33.33%*	**0.00**	**0.00**	*0.00*	*4.00/ 1.46*
	116.15	**51.83**	*(-)64.32*	**119.50**	**115.40**	*(-)4.10*	**299.70**	**123.97**	*(-)174.73*	**245.90**	**157.90**	*(-)87.99*	**309.68**	**203.74**	*(-) 105.94*	*1090.95/ 650.88*

Source:- Departmental records

CS= Centrally Sponsored , SS= State Sponsored

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