

Chapter-III

Compliance Audit

CHAPTER-III COMPLIANCE AUDIT

Fisheries Department

3.1 Excess payment of subsidy under *Rashtriya Krishi Vikas Yojana*

Failure of Department to adhere to scheme guidelines in providing subsidy to beneficiaries resulted in excess payment of ₹ 53.24 lakh.

The scheme guidelines of Rashtriya Krishi Vikas Yojana (RKVY) provide for construction of fish ponds/ reservoirs, fish seed hatcheries, marketing infrastructure, procurement of mobile transport/ refrigerated vans, cold storage and ice plants for overall development of fisheries in the State. Assistance for construction of backyard fish farming unit and subsidy on gill nets at the rate of 25 *per cent* of the cost was admissible to fishermen under the scheme.

The State Government approved construction of 119 backyard fish units costing ₹ 1.71 crore and distribution of 520 gill nets costing ₹ 20.80 lakh in respect of beneficiaries of general category under RKVY in 10 districts during 2014-15. Audit noticed that the subsidy claim was however not restricted to 25 *per cent* of the cost and instead subsidy at the rate of 50 and 75 *per cent* was paid for backyard fish farming unit and gill nets to beneficiaries resulting in excess payment of benefits of ₹ 53.24 lakh. This subsidy beyond 25 *per cent* was met from RKVY funds (Central funds) without any approval for deviation from the norms.

The Director-cum-warden of Fisheries stated (May 2016) that, all project proposals under RKVY are approved by the State Level Sanctioning Committee (SLSC) as the apex committee for sanctioning of RKVY projects and representatives of Government of India are also members of the SLSC.

Audit observed that the RKVY Guidelines stipulate that the State Level Project Screening Committee (SLPSC) will screen project proposals to ensure *inter alia* their conformity with RKVY guidelines. Thereafter the proposals are considered and approved by the SLSC. The minutes of the meeting of SLSC held on 23 August 2014 that approved these proposals do not indicate that they were to be in deviation of the RKVY guidelines.

Thus, failure to adhere to the scheme guidelines in providing subsidy to the beneficiaries resulted in excess payment of ₹ 53.24 lakh which could have covered other needy beneficiaries to that extent.

The matter was referred to the Government in May 2016. Its reply had not been received (December 2016).

Forest Department

3.2 Encroachment of forest land in Himachal Pradesh

Against 20.63 lakh hectares forest area targeted to be demarcated, 11.04 lakh hectares (54 per cent) had not been demarcated even after lapse of more than 28 years. There was encroachment of 9,545 hectares of forest land involving 43,086 cases in the State upto March 2016. A total of 15,409 cases of forest land encroachments involving 3,572 hectares were pending in revenue and forest courts as of March 2016. Fencing work of the vacated forest areas could not be carried out and ₹ 46.76 lakh towards cost of fencing was not recovered from encroachers in accordance with directions of the Hon'ble High Court.

3.2.1 Introduction

The Forest Department is responsible for forest management and conservation in the State. The Principal Chief Conservator of Forest, under the administrative control of the Principal Secretary (Forest), heads the Forest Department and is assisted by Conservators of Forest in territorial divisions and Divisional Forest Officers (DFOs) for implementation of forest related activities, protection and management of forests. The Indian Forest Act, 1927, and Himachal Pradesh Public Premises and Land (Eviction & Rent Recovery) Act, 1971, empower the Department to prevent encroachment on forest land.

An audit of records relating to encroachment of forest land in Himachal Pradesh covering the period 2013-16 was conducted (May-June 2016) through test-check of the records of Nodal Officer- Chief Conservator of Forest (Forest Protection and Fire Control) Bilaspur, Chief Conservator of Forest (Working Plan and Settlement) Mandi and four¹ forest divisions.

3.2.2 Audit findings

Section 26 of the Indian Forest Act (IFA) prohibits a person from clearing or breaking up any reserved forest land for cultivation or any other purpose. Section 35 of IFA provides that the State Government may, by notification in official Gazette, regulate or prohibit the break up or clearing of land for cultivation in any forest or waste land.

Out of 35.91 lakh hectares of forest area owned by the forest Department, 9,545 hectares of forest area valued at ₹ 640 crore² involving 43,086 cases was encroached upon upto March 2016. Of this, 3,921 hectares involving 18,854 cases valued at ₹ 263 crore had been evicted by the Department as of March 2016 whereas 5,624 hectares of forest area involving 24,232 cases valued at ₹ 377 crore was still (March 2016) in the possession of encroachers.

3.2.2.1 Demarcation of forest land

The State Government vide notification in February 1952 had declared all forest land or waste lands in Himachal Pradesh as protected forest land under Section 29 of IFA.

¹ Anni, Chopal, Kullu and Rohru.

² Calculated at minimum circle rate applicable to area (Rohru tehsil in Shimla district) having maximum areas of encroachment.

As per the Forest Manual³, survey, settlement and demarcation of undemarcated and unsettled notified forests were to be taken up by the Department on priority to avoid encroachment or illegal occupation of forest land. Audit observed the following:

- In 12 districts, only 9.59 lakh hectares area had been demarcated against 20.63 lakh hectares forest area targeted to be demarcated leaving 11.04 lakh hectares (54 *per cent*) of forest area undemarcated even after lapse of more than 28 years. The Department stated (May 2016) that demarcation work could not be completed due to shortage of staff.
- The Department identified 8.37 lakh hectares of unprotected forests (UPF) land involving 6,983 cases for notification and mutation during 1994-2016. Of this, 7.16 lakh hectares of UPF land in 5,293 cases had been notified and remaining 1.21 lakh hectares of UPF land in 1,690 cases was pending for notification as of March 2016. Of the 7.16 lakh hectares land declared as protected forests during the above period, mutation had not been done in case of 0.49 lakh hectares of land (270 cases) as of June 2016. The delay in declaring/ notifying undemarcated/ unclassified forests as protected forests is fraught with the risk of encroachment or illegal occupation of forest land.

3.2.2.2 Encroachment in reserved forest area

Section 26 (1) of the IFA prohibits, unless permitted, all type of activities in reserve forest area including clears or break up of land for cultivation or any other purpose. It was noticed that area comprising of 222 hectares of reserve forest land was encroached by offenders (871 cases) upto March 2016. However, Damage Reports (DRs) were issued only in 233 cases involving 83 hectares of encroached land as of March 2016.

3.2.2.3 Registration of First Information Reports against encroachers

As per the instructions (May 2011) of the State Government, a special task force⁴ was to be constituted to facilitate process of registration of First Information Reports (FIRs) and issuance of challans against persons who have encroached upon more than 10 bighas of forest land. The Hon'ble High Court, however, ordered in February 2016 that FIRs should be registered in all cases of encroachments within eight weeks from the date of order.

In the test-checked divisions, it was noticed that FIRs were not registered in 3,872 cases involving encroachments of less than 10 *bighas* of land measuring 793 hectares as of June 2016. The Department attributed (May-June 2016) non-registration of FIRs to staff being busy in eviction process of encroachments.

3.2.2.4 Eviction of encroached forest land

Any encroachment on forest land is required to be removed immediately. For this purpose, DFOs had been delegated (June 1994) the powers of Collector. Eviction of encroachment cases are decided by Revenue courts as well as courts of DFO-cum-Collector. The position of encroachment cases and eviction during 2013-16 is given in **Tables-3.2.1 and 3.2.2** below.

³ Paragraph 6.15 of chapter-I of Himachal Pradesh Forest Manual (Volume-I).

⁴ Consisting of officials/ officers from Forest, Police and Revenue Departments.

Table-3.2.1: Position of encroachment cases filed in courts of DFO-cum-Collector during 2013-16
(Area in hectares)

Year	Cases challaned		Eviction order passed		Eviction obtained	
	No. of Cases	Area	No. of Cases	Area	No. of Cases	Area
2013-14	8,819	1,838	6,604 (75)	1,358 (74)	3,507 (53)	728 (54)
2014-15	9,069	2,017	7,064 (78)	1,486 (74)	3,386 (48)	815 (55)
2015-16	11,243	2,966	8,310 (74)	2,005 (68)	5,075 (61)	1,160 (58)

Source: Departmental figures. Figures in the parenthesis denote percentage.

Table-3.2.2: Position of encroachment cases filed in Revenue Court during 2013-16
(Area in hectares)

Year	Cases challaned		Eviction order passed		Eviction obtained	
	No. of Cases	Area	No. of Cases	Area	No. of Cases	Area
2013-14	3,960	514	1,092 (28)	88 (17)	769 (70)	71 (81)
2014-15	4,077	549	1,220 (30)	110 (20)	793 (65)	74 (67)
2015-16	4,166	606	1,225 (29)	111 (18)	793 (65)	74 (67)

Source: Departmental figures. Figures in the parenthesis denote percentage.

It is evident from above that the Departments had failed to vacate the encroachments/ take over possession of the forest land as the eviction during 2013-16 ranged between 48 and 81 *per cent*. Delay in obtaining eviction was due to lack of coordination between revenue and forest departments for demarcation/ spot verification of encroached land.

3.2.2.5 Delay in vacation of encroached forest land

Section 5 (2) of the Himachal Pradesh Public Premises and Land (Eviction & Rent Recovery) Act, 1971, stipulate that if any person refuses or fails to comply with the order of eviction within 30 days of its publication, the collector or any other officer duly authorised by him in this behalf may evict that person from and take possession of the public premises and may, for that purpose, use such force as may be necessary.

Scrutiny of records in test-checked divisions (Anni, Chopal, Kullu and Rohru) showed that against eviction order passed in 2,178 cases involving an area of 1,053 hectares during the years 1994-2016, land was vacated from encroachers only in 810 cases involving an area of 334 hectares with delays ranging between one and 21 years. In the remaining 1,368 cases involving an area of 719 hectares, action was yet to be taken (June 2016). Besides, 2,773 cases involving an area of 934 hectares encroached during the period 1994-2013 were lying pending for want of eviction orders in the concerned Courts.

The Department stated (May and June 2016) that delay in vacation of encroached forest land was due to paucity of field/ revenue staff and for want of spot verification/ demarcation by the Revenue Department.

3.2.2.6 Recovery of eviction/ removal and fencing cost

The Hon'ble High Court directed (April 2015) the State Government to recover the cost of removal/ eviction alongwith expenses on account of fencing of land with barbed wire from the encroachers in all cases where the encroachments have been removed or yet to be removed. In the test-checked divisions it was noticed that during 2013-16, possession of 334 hectares (involving 810 cases of test-checked division) of encroached land was taken over by the Department but neither was the vacated area

fenced nor the cost of fencing amounting to ₹ 46.76 lakh (334 hectares x ₹ 0.14 lakh)⁵ recovered from the encroachers.

DFO Kullu stated (May 2016) that notices have been issued to all concerned to pay the cost of removal/ eviction of encroachments, but the same had not been received. The reply is not acceptable as it indicates a casual approach of the Department to enforcement of the orders of the Hon'ble Court.

3.2.3 Conclusion

It was evident that the Department had not been able to ensure effective implementation and enforcement of the Forest Act and Himachal Pradesh Land Records Manual resulting in encroachment of 9,545 hectares of forest land involving 43,086 cases in the State upto March 2016. Targeted forest area had not been demarcated even after lapse of more than 28 years which provided opportunity for continuing encroachment and categorisation of undemarcated forest/ waste land as protected forests had not been taken up on priority. Fencing work of vacated forest areas had not been carried out and cost of it was also not recovered in accordance with directions of the Hon. High Court. The Department attributed many of the shortcomings to shortages of field and revenue staff without indicating steps being taken to remedy the position.

The audit findings were referred to the Government in August 2016. Reply had not been received (December 2016).

Higher Education Department

3.3 Irregularities in disbursement of scholarships

Weak internal control resulted in irregular disbursement of scholarships of ₹ 9.59 crore to students of unrecognised institutions.

Post Matric Scholarship (PMS) scheme provides financial assistance to students belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes studying at post matriculation level in recognised institutions. The scheme guidelines provide that scholarships will be provided only for study in recognised post matriculation/ post secondary courses in recognized institutions. The University Grants Commission (UGC) clarified (June 2013) that no private university has been granted permission to establish off-campus study centres and qualifications acquired through Open and Distance Learning (ODL) mode from non-recognised institution shall not be recognised. It added (August 2013) that State Universities/ Deemed Universities are not permitted to offer distance education courses beyond their territorial jurisdiction and operation of private study centres/ franchising is not permissible.

Scrutiny of data showed that the Department of Higher Education (DHE) paid ₹ 9.59 crore during 2014-15 as scholarships to 2,588 students pursuing studies through ODL mode from five institutions⁶ under different universities⁷ which were not

⁵ Cost has been worked out on the basis of norms fixed by the Department in case of new plantations during the year 2015-16.

⁶ ASAMS, Nahan; ASAMS Fatehpur, Kangra, ITFT Group Fatehpur, Kangra, SDS Education Group, Una and Skill Development Society, Chamba.

⁷ Karnataka State Open University, Mysore (ASAMS Fatehpur, SDS Una and SDS Chamba), Lovely Professional University Jalandhar (ASAMS Nahan) and IK Gujral Punjab Technical University, Kapurthala (ITFT Group Fatehpur).

authorised by UGC to offer programmes through ODL and therefore did not fulfill the eligibility criteria for PMS scheme. DHE had evidently failed to verify the status of the institutions as per UGC policy before sanction and release of scholarships.

The Department stated (June 2016) that the matter would be taken up with institutions concerned and banks for re-verification and two institutions⁸ have refunded (June 2016) the amount of duplicate payments.

The matter was referred to the Government in September 2016. Reply had not been received (December 2016).

Home Department

3.4 Follow up of Performance Audit on "Modernisation of Police Forces"

The extent of implementation of the accepted audit observations by the Government was 50 per cent for those partially implemented and 50 per cent for those not implemented (July 2016) whereas none of the recommendations had been fully implemented.

3.4.1 Introduction

A performance audit on "Modernisation of Police Forces" (MPF), covering the period 2004-09 was reported through the Comptroller and Auditor General's Audit Report (Civil) - Government of Himachal Pradesh for the year ended 31 March 2009. The report was placed before the State Legislative Assembly on 13 April 2010. The performance audit contained 24 observations and eight recommendations for remedial action to be taken by the Department. The performance audit has not been discussed by the Public Accounts Committee as of June 2016. Action taken note (ATN) from the State Government was received in July 2011.

With the objective of assessing the progress towards implementing recommendations of the previous performance audit, a follow up audit of actions taken by the Department on various issues covering the period 2011-16 was conducted during April to June 2016 by test-check of relevant records in the offices of the Director General of Police (DGP), Superintendent of Police (SPs) of four (out of 12) districts⁹, all Forensic Science Laboratories¹⁰ (FSLs) and 13 (out of 56) Police Stations¹¹ (PSs) of the selected districts.

3.4.2 Audit findings

The status of implementation of eight audit recommendations accepted by the Government has been arranged in three categories as below:

A Insignificant or no progress

Audit findings made in earlier Report	Recommendation made	Current status as informed by Department	Audit findings/ comment
1. Financial Management- Budget and expenditure (Paragraph 1.2.8.2) During 2004-09, there was short	Financial management should be streamlined to	The unspent amount as of March 2009 had been utilised	The position had not improved. During 2011-16, as against central share of ₹ 39.56 crore due under MPF, the GOI had released

⁸ ASAMS Education Group Fatehpur, Kangra and Skill Development Society, Chamba.

⁹ Mandi, Kangra, Shimla and Una.

¹⁰ State Forensic Science Laboratory at Junga and Regional Forensic Science Laboratories at Dharamshala and Mandi.

¹¹ Amb, Baijnath, Balh, Chirgaon, Dhalli, Dehra, Gohar, Haroli, Kumarsain, Mcleodganj, Palampur, Rampur and Sundernagar.

<p>release of central share of ₹ 3.95 crore (11 <i>per cent</i>) under MPF and unutilised central share ranging between ₹ 3.77 crore and ₹ 4.97 crore. Besides, the Department had not obtained the details of expenditure of ₹ 54.93 crore on police housing during above period from the executing agencies¹².</p>	<p>ensure timely release of funds and their optimum utilisation in the same year for the intended purpose.</p>	<p>(between April 2009 and September 2009).</p>	<p>₹ 20.98 crore only and Central funds ranging between 21 and 87 <i>per cent</i> remained unutilised at the end of each financial year during the above period. Further, during 2011-16, funds released by the State Government to the implementing agencies under 'Police housing' (₹ 93.70 crore) and 'Weaponry' (₹ 1.18 crore) were shown as fully spent and the Department had not obtained the details of expenditure from the executing agencies.</p>
<p>2. Civil Works- Housing and execution of works (Paragraph 1.2.9.7) Against National Police Commission recommendations (March 2000) of providing of 100 <i>per cent</i> accommodation for all lower and upper subordinate police personnel in the State, the satisfaction level of housing for Police personnel remained much below the targets fixed (Upper subordinates: ASI to Inspector: 13 <i>per cent</i> and lower subordinates: Constable and Head Constable: 17 <i>per cent</i>) during 2001-09. Besides, there was lack of adequate monitoring of the execution of the works.</p>	<p>The pace of construction should be accelerated to ensure completion of the buildings in a time bound manner. Availability of sites should be ensured before release of funds to the executing agencies. Civil works, especially housing for the police personnel should be taken up on priority to ensure optimum satisfaction level.</p>	<p>Out of 16,869 Police personnel in the State, only 2022 (12 <i>per cent</i>) were provided with housing facility as of May 2016.</p>	<p>(i) There was no improvement in the satisfaction level of housing for police personnel as out of 16,869 Police personnel in the State, only 2,022 (12 <i>per cent</i>) were provided housing facility as of May 2016. The satisfaction level of housing for upper subordinates remained at 16 <i>per cent</i> and that of lower subordinates it decreased to 11 <i>per cent</i>. (ii) The execution of the works had not been monitored as 23 civil works sanctioned for ₹ 16.69 crore¹³ prior to March 2009 were lying incomplete for more than seven years. (iii) Out of 366 civil works pertaining to residential accommodation for police personnel and non-residential buildings for which funds of ₹ 105.55 crore were deposited with executing agencies¹⁴ during 2011-16, 136 works had been completed and the remaining 230 works were lying incomplete. (iv) In spite of instructions (July 2014) to ensure availability of suitable sites before making proposals for construction of buildings, execution of 10 works¹⁵ for which amount of ₹ 5.26 crore was deposited with executing agencies during 2014-16 could not be taken up due to non-availability of sites. Thus, funds for execution of different works were lying parked</p>

¹² Himachal Pradesh Urban Development Authority (HIMUDA) and Himachal Pradesh Public Works Department (HPPWD).

¹³ 2003-05: three (₹ 2.87 crore); 2005-06: five (₹ 3.36 crore); 2006-07: two (₹ 1.63 crore); 2007-08: seven (₹ 5.03 crore) and 2008-09: six (₹ 3.80 crore).

¹⁴ HPPWD: 155 (₹ 32.09 crore); BSNL: 72 (₹ 27.98 crore); HIMUDA: 121 (₹ 40.83 crore); HPSIDC: 11 (₹ 2.89 crore); IPH: three (₹ 0.33 crore); HPSEB: two (₹ 1.03 core) and DRDA: two (₹ 0.40 crore).

¹⁵ BSNL: two (₹ 1.45 crore); PWD: two (₹ 1.10 crore) and HIMUDA: six (₹ 2.71 crore).

			with the executing agencies and the Government had not devised any monitoring mechanism to ensure timely utilisation of funds, availability of sites and execution of works in a time bound manner.
<p>3. Monitoring and Evaluation (Paragraph 1.2.11)</p> <p>For effective monitoring on regular basis, there was no recorded evidence of obtaining of reports and returns from the subordinate formations and implementation agencies and the monitoring of the scheme was also not done by the State Level Empowered Committee (SLEC) constituted in March 2001.</p>	There is an urgent need to put in place a stringent monitoring mechanism both at the Department and State Level Empowered Committee (SLEC) level.	The Department stated (May 2016) that the meeting of the SLEC was being held once in a year.	The Department had still not devised any system of obtaining reports/ returns under MPF Scheme from the subordinate functionaries and implementation agencies as of May 2016. There was no recorded evidence/ minutes of the SLEC meetings held for monitoring of the MPF Scheme during 2011-16 though the department stated that the SLEC met once in a year.

B Partial implementation

Audit findings made in earlier Report	Recommendation made	Current status as informed by department	Audit findings/comment
<p>1. Planning Five-year perspective plan (Paragraph 1.2.7)</p> <p>The Department did not make any efforts for obtaining approval of five year perspective plan under Modernisation of Police Forces from the Government of India (GOI).</p>	Five year perspective plan should be formulated and got approved from GOI in a timely manner and Annual Action Plans (AAPs) should flow out of the perspective plan.	Five year modernisation plan for 2011-16 submitted (July 2012) to the GOI had not been approved as of June 2016. However, Annual Action Plans (AAPs) were approved by the GOI.	The AAPs for 2011-16 approved by the GOI did not flow from the proposed (July 2012) five year modernisation plan for the above period. As per approved AAPs, there was less allocation of ₹ 26.72 crore under different components ¹⁶ of MPF as compared to the funds proposed in the five year modernisation plan (Appendix-3.1).
<p>2.1 (i) Mobility (Paragraph 1.2.9.1)</p> <p>Against the Bureau of Police Research and Development (BPRD) norms of two light vehicles and three motor cycles for each Police Station (PS) and two motor cycles for each Police Outpost, one light vehicle and two motor cycles for each PS and one motor cycle for each Police Outposts were provided whereas two Police Outposts were without motor cycles. Despite directions (March 2000) from the Ministry of Home Affairs (MHA) to deploy vehicles under MPF to the</p>	Quantifiable targets and specific timelines should be fixed to fill the gaps in weaponry, mobility and communication.	Each PS had been provided one light vehicle and two motor cycles and each Police Outpost was provided one motor cycle.	Only one light vehicle was available in each of the 13 selected PSs whereas two motor cycles were provided to each of the eight PSs and one motor cycle each was provided in other five ¹⁷ PSs. In spite of MHA directions (March 2000), 37 out of 54 light vehicles purchased during 2011-13 were retained at other units ¹⁸ instead of the PSs. PSs/ Police Outposts being the principal focus areas were still not provided the required mobility by providing vehicle as per norms.

¹⁶ Mobility (₹ 8.11 crore); communication (₹ 3.03 crore); weaponry (₹ 3.62 crore); forensic science laboratory equipment (₹ 8.83 crore) and office equipment (₹ 3.13 crore).

¹⁷ Chirgaon, Dhalli, Kumarsain, Rampur and Sundernagar.

¹⁸ State Police Headquarters (eight vehicles), District Headquarters (12 vehicles), India Reserve Battalions (three vehicles) and other offices (14 vehicles) i.e. State CID, State Vigilance and Anti Corruption Bureau, Inspectors General of Police North and South and Armed Police and Training, etc.

principal focus areas i.e. police station (PS) and police outpost level, 77 out of 141 vehicle received during 2004-09 were retained in other units.			
<p>2.1 (ii) Response time (Paragraph 1.2.9.1)</p> <p>The State Government had neither fixed any norms for the response time¹⁹ nor did it give any instructions for recording the time of the visits to the site of the offence in the crime diary.</p>		The State Government had not fixed norms for the response time as of June 2016.	In test-checked PSs, the time of visit to the site of crime by the police personnel was not found noted in the crime diary. The Officers-in-charge of the concerned PSs stated (May and June 2016) that there was no specific mechanism to record the time of visit in the crime diary.
<p>2.2 Weaponry (Paragraph 1.2.9.2)</p> <p>Against the requirement of BPRD norms, there was shortfall of 6,416 number (71 per cent) of 7.62 mm SLR Rifles and 285 number (88 per cent) of Light Machine Gun (LMG) in the State as of March 2009 whereas 869 number (221 per cent) of 9 mm Pistols were in excess of the <i>ibid</i> norms. Besides, most of the PSs continued to depend on outdated and obsolete weapons like .303 rifles, .455 revolvers.</p>		The matter regarding disposal/ replacement of old/ obsolete weapons was under consideration (May 2016).	Against the requirement of 9,074 numbers of 7.62/5.56 mm SLR Rifles and 323 numbers of LMGs, there were 5,889 Rifles and 191 LMGs in the Department as of March 2016 resulting in shortfall of 35 and 41 per cent in 7.62/5.56 mm SLR Rifles and LMGs respectively. Besides, the Department had not disposed off/ replaced the old weapons with modern weaponry as of March 2016.
<p>2.3 Police Communication Network (Paragraphs 1.2.9.3)</p> <p>In order to link the national capital with all the State capitals, POLNET project being a satellite based integrated network installed in the State during 2003-09 was not functioning effectively as three (out of 13) very small aperture terminals (V-SATs) installed at district headquarters were out of order. Besides, out of 79 multi access radio terminals (MARTs) supplied (2004-09) by GOI, only 47 were installed which also were not effective in the Hill States.</p>		The DGP stated (April 2016) that the up-gradation of POLNET (VSATs) to DVB-S2 or DVB-S2X technology is under process at Directorate of Co-ordination Police Wireless, MHA New Delhi.	Only three V-SATs at Kullu, Lahaul and Spiti and Shimla were functioning and other V-SATs were out of order due to obsolete technology and the MARTs systems replaced with HIM SWAN were lying unutilised as of April 2016.
<p>3. Implementation of CIPA (Paragraph 1.2.9.4)</p> <p>MHA had taken up (2005-06) a project viz., Common Integrated Police Application (CIPA), for developing a database relating to various crimes in the State. Though the National Informatics Centre</p>	Implementation of Common Integrated Police Application (CIPA) to the desired level should be ensured at once	The GOI had conceived and approved (July 2009) another project namely Crime and Criminal Tracking Network and	The Core Application Software (CAS) of the CCTNS was functioning online in 113 PSs and offline in one PS out of 125 PSs in the State as of May 2016. The system was not being fully utilised in 10 (out of 13) test-checked PSs ²⁰ due to non-availability of technical/

¹⁹ Total time taken from the time of receiving message/ making first information report to the time of police actually reaching the crime/ offence scenes.

²⁰ Amb, Balh, Baijnath, Chirgaon, Gohar, Haroli, Kumarsain, Mcleodganj, Rampur and Sundernagar.

<p>had installed (2005-09) systems in all 112 PSs in the State, error free software was not installed.</p>	<p>to access instantaneous information electronically at all levels including the police stations.</p>	<p>Systems (CCTNS) which aimed at enhancing the efficiency and effectiveness of police through e-governance and IT enabled state of the art tracking system. The CCTNS replacing CIPA was made operational in the State in August 2015 after incurring expenditure of ₹ 6.98 crore.</p>	<p>operational know-how as entries of first information reports, daily diary and missing persons reports only were being carried out, whereas other supporting investigation forms were not being filled up. CCTNS had not been fully utilised and the objective of full integration of police and criminal tracking system across the country remained unachieved.</p>
<p>4. Forensic Science Laboratory (Paragraph 1.2.9.6) In the State Forensic Laboratory (SFSL) there was delay in analysing the crime cases/ samples ranging between 12 and 218 days as of April 2009 due to shortage of technical posts to the extent of 56 <i>per cent</i>. About 17 <i>per cent</i> cases were pending for examination as of March 2009.</p>	<p>The Department needs to take effective steps to minimise delays in analysing samples at the State Forensic Science Laboratory (SFSL) to ensure timely prosecution of criminals in the court.</p>	<p>The Department while communicating number of tests conducted at FSLs during 2011-16 did not state any reasons for delay in conducting the tests.</p>	<p>(i) The shortage of staff in the Forensic Science Laboratories (FSLs) had been reduced to 25 <i>per cent</i> as of May 2016. Against timelines fixed (July 2012) by Himachal Pradesh Forensic Science Development Board for examination of crime cases exhibits/ samples in the FSLs in the State, 4,393 cases (out of 23,590) were disposed off during 2012-16. There was delay in the range of two to 207 days in analysis of 4,393 samples²¹ during 2012-16.</p>

C Full implementation

None of the recommendations were found implemented.

3.4.3 Conclusion

The extent of implementation of the accepted audit observations by the Government was 50 *per cent* partially implemented and 50 *per cent* not implemented (July 2016). Due to partial implementation of recommendations regarding formulation of five years modernisation plan, filling up of gaps for mobility, weaponry and communication and reducing delays in analysing the crime samples in the forensic science laboratories, the intended objectives of the scheme remained unachieved.

The matter was referred to the Government in August 2016. The reply had not been received (December 2016).

²¹ Biology and serology: 312 (delay of two to 40 days); chemistry and toxicology: 2,048 (delay of two to 40 days); physics and ballistics: 393 (delay of two to 55 days); document and photography: 1,120 (delay of two to 207 days); narcotics, drugs and psychotic substances: 144 (delay of two to 70 days) and deoxyribo nucleic acid: 376 (delay of two to 10 days).

3.5 Reformation, rehabilitation and other facilities in jails

The Department had not offered education and rehabilitation opportunities to the bulk of the prison population with only 69 out of 1,116 prisoners in the test-checked jails obtaining educational qualification and only 50 prisoners out of 786 released being imparted skill development training in different trades during 2013-16. Institutional structures and processes that were envisaged in the Model Prison Manual were not established which had an adverse effect on decision making and provision of requisite facilities and infrastructure in the State prisons. Absence of reception centres in jails led to non-segregation of a large number of prisoners suffering from various diseases including tuberculosis, scabies, heart disease and renal problems and lodging them with other prisoners in the barracks which exposed other prisoners to possibly infectious diseases. In the absence of medical check-up facilities at reception centres in jails, 456 new prisoners out of 809 in test-checked jails found to be suffering from various diseases were lodged with other prisoners in the barracks. Most of the jails remained overcrowded and medical facilities in the jails were inadequate.

3.5.1 Introduction

Prisons Department aims at reformation and rehabilitation of offenders by giving them appropriate correctional treatment by way of opportunities for diversified education, development of work habits/ skills, modification of social and moral behavior and providing vocational training for re-habilitation. There are 12 jails²² in the State under the administrative control of Director General of Prisons. In order to assess the reforms, rehabilitation and other facilities in the jails, the records of DGP and four jails²³ covering the period from April 2013 to March 2016 were test-checked during May 2016.

The Prison Department incurs expenditure against the approved budget on establishment, training, office expenses, creation/ maintenance of jail infrastructure, material and supply including food/ medicines and other facilities to the prisoners. Jail receipts include sale of finished goods manufactured in the jail factories and disposal of unserviceable items.

Position of budget allotment and expenditure and of estimated receipts and realisation during 2013-16 is given in **Table-3.5.1** below.

Table-3.5.1: Details of expenditure and receipts against estimates during 2013-16

(₹ in crore)

Year	Budget Allotment	Expenditure	Estimated Receipts	Actual receipts
2013-14	22.35	22.35	0.38	0.15
2014-15	27.32	27.32	0.18	0.20
2015-16	27.47	27.41	0.18	0.27
Total	77.14	77.08	0.74	0.62

Source: Departmental figures.

3.5.2 Reformation and rehabilitation

Paragraph 4 of the Himachal Pradesh Jail Manual (HPJM) places emphasis on transforming prisons into correctional homes by providing reforms and rehabilitative treatment to the prisoners rather than punishing them by merely detaining them in jails.

²² Central Jails: Kanda and Nahan; District Jails: Chamba and Dharamshala and Sub-Jails: Bilaspur (including open air jail), Hamirpur, Kaithu, Kullu, Mandi (including borstal jail), Nurpur, Solan and Una.

²³ Central Jail: Kanda; District Jail: Dharamshala and Sub Jails: Bilaspur and Mandi.

The HPJM provides for individualisation of programmes by jail authorities by providing opportunities of diversified education, development of work habits and skills, change in attitude, modification of behavior and instilling social and moral values. Further, the Model Prison Manual formulated in 2003 by Government of India (GOI) provides for imparting technical education to inmates with main stress on handicraft work. Audit noticed the following:

- (a) Only 69 prisoners²⁴ out of 1,116 prisoners in the test-checked jails had obtained educational qualification²⁵ during 2013-16 i.e. only six *per cent*.
- (b) Out of 786 prisoners released during 2013-16 in three test-checked jails (Bilaspur: 88, Dharamshala: 272 and Kanda: 426), only 50 prisoners (six *per cent*) were imparted skill development training in different trades²⁶ while no training was imparted to any of 78 prisoners released from sub-jail Mandi during the above period.

3.5.3 Non-establishment of Institutional structures

The Model Prison Manual (MPM) also envisages institutionalising of structures and processes for better management of jails. Audit observed the following:

- (i) As per the MPM, the State Government was to formulate State Prison Manual to cater to local conditions. The State Government had not revised the HPJM on the lines of the MPM. The Chief Welfare Officer stated (June 2016) that the formulation of new Prison Manual was in process.
- (ii) The MPM provides for formation of a State Advisory Board under the Chairmanship of Principal Secretary (Jails) with 17 other members and Inspector General of Prisons as its Member Secretary to advise the State Government and Prison Administration on matters relating to correctional work in prisons, rehabilitation of inmates and redressal of grievances of prisoners. The State Advisory Board had not been formed as of May 2016.
- (iii) The MPM stipulates that a High Powered Prison Development Board consisting of the Chief Minister as its Chairman, Minister of Prisons as Vice-Chairman, seven ex-officio Directors²⁷ and two non-official members including a woman to be nominated by the Government and Inspector General of Prisons as Managing Director was to be set up for speedy decision making and to take full advantage of modern technology and managerial practices. The High Powered Prison Development Board was not set up in the State as of May 2016.

3.5.4 Availability of infrastructure

3.5.4.1 Non-existence of reception centres

With a view to segregate prisoners on medical grounds, age, sex, behavior and mental health, the HPJM provides for each jail to be equipped with a reception centre where the newly admitted prisoners are to be kept for a fortnight. However, no reception

²⁴ Bilaspur: 3, Dharamshala: 32, Kanda: 33 and Mandi: 1.

²⁵ Plus two: 58, Graduation/ Post Graduation: 03 and Certificate Courses: 08.

²⁶ Bilaspur: Bakery and canteen (05); Dharamshala: (carpentry, mobile canteen, car washing, tailoring, bakery, laundry, canteen and dairy (09); Kanda: Weaving, mobile canteen and dairy (36).

²⁷ Registrar of High Court, Principal Secretaries (Home, Finance, Revenue and Law Departments), Director General of Police and Director of Prosecution.

centre was set up in test-checked jails during 2013-16 and 809 new prisoners²⁸ admitted during above period were not segregated on medical grounds, age and behavior. Of this, 456 prisoners found to be suffering from various diseases like tuberculosis, scabies and heart disease and renal problems were lodged with other prisoners in the barracks. Thus, the prisoners suffering from various diseases were not segregated so as to provide them with specific medical attention. Besides, health of the other prisoners was also put to risk.

3.5.4.2 Availability of health infrastructure

The HPJM provides for a hospital or proper place for the reception of sick prisoners in every prison. Audit noticed that no such hospital or place for reception of sick prisoners was available in Mandi Jail where the chamber of head warder was shared by the Medical Officer for the reception of sick prisoners. Besides, proper health infrastructure (testing laboratories, machinery and equipment, clothing and beddings, kitchen, suitable vessels for food) was not available for treatment of the prisoners in the dispensaries of the other-test-checked jails.

3.5.4.3 Overcrowding in Jails

The HPJM prescribes that when the number of inhabitants in jails approach to maximum capacity, the Inspector General of Jails and Superintendent of Police shall be informed for transfer of some of the convicts or arrangements of temporary shelter outside. Audit noticed that against the capacity of 1,732 prisoners in the State as a whole, there were 2,076, 2,137 and 1,962 prisoners as on 01 April of 2014, 2015 and 2016 respectively which indicated that there was overcrowding in jails with excess occupancy ranging between two and 122 *per cent* during above period. The Department did not take any action for increasing the capacity of the jails. Over-crowding in jails could cause unhygienic conditions in the jails besides raise issues of security.

The Mandi jail authorities stated (May 2016) that the proposal for the construction of new jail was under consideration with the State Government.

3.5.4.4 Non-availability of sleeping berths in the barracks

As per the HPJM, every ward or other compartment was to be provided with masonry sleeping berths of six and half feet long, two and a quarter feet broad and 18 inches high with slight slope down from the head. The space between two berths shall ordinarily be not less than 0.60 meters. During audit of the test-checked jails, it was noticed that there were no sleeping berths in all the five barracks of Bilaspur Jail. Out of 42 barracks in the other test-checked jails, the sleeping berths were not available in 21 barracks²⁹.

3.5.4.5 Idle investment on construction of barracks for open air jail

State Government accorded administrative approval and expenditure sanction for ₹ 64.75 lakh³⁰ for construction of two new barracks in the Open Air Jail and released

²⁸ Bilaspur: 103, Dharamshala: 185, Kanda: 442 and Mandi: 79.

²⁹ Dharamshala: One barrack with no berth and eight barracks with flat platform only; Kanda: 10 barracks with no berth and Mandi two barracks of six inches height only.

³⁰ September 2012: ₹ 34.15 lakh and January 2013: ₹ 30.60 lakh.

(September 2012 and February 2013) the amount to the Public Works Department (PWD) for execution of the works. The work was to be completed in two years.

Audit observed that though PWD submitted utilisation certificates for the entire amount, only one open air barrack (estimated cost ₹ 30.60 lakh) was completed in November 2015 and the remaining one barrack was not completed as of May 2016. The submission of utilisation certificates for ₹ 34.15 lakh for the second open air barrack even before its construction was irregular. Audit further observed that against the capacity of 80 inmates in Open Air Jail Bilaspur, the occupancy during 2010-13 ranged between 52 and 66. In view of non-utilisation of even the existing capacity, the proposal for construction of two more barracks was not justified which resulted in idle investment of ₹ 64.75 lakh as the open air jail cannot be utilised for any other purpose due to security reasons.

3.5.5 Medical facilities in jails

3.5.5.1 Availability of medical officers

The HPJM provides for a medical officer and a pharmacist respectively in every jail. In case of absence of medical officer, the same will be deputed by the Chief Medical Officer of the district on written request of the Jail Superintendent. Medical officer is authorised to diagnose the prisoners. Audit noticed as follows:

- (i) Pharmacists were posted in all the jails in the State during 2013-16. However, against four sanctioned posts of medical officers in test checked jails, only one medical officer was posted in Central jail Kanda during above period. Besides, no posts of medical officers were sanctioned for other jails in the State.
- (ii) As verified from the Out Patient Department Register of the test-checked jails (Bilaspur, Kanda and Mandi), pharmacists had carried out diagnosis of patients and prescribed medicines worth ₹ 18.12 lakh (46,340 times) during 2013-16 which was contrary to the provision of the HPJM.

3.5.5.2 Non-admission of prisoners to hospital

When a prisoner requires medical attention and admission to a Government hospital on the recommendation of a Medical Officer, the jail authorities should immediately demand police guard to admit the prisoner in a Government hospital under police custody. Audit noticed that in two test-checked jails (Kanda and Mandi), against 7,824 referrals during 2013-16, prisoners were sent to Government hospitals 2,732 times (35 *per cent*) only. The concerned jail authorities stated (May 2016) that the referred prisoners could not be sent to hospitals due to insufficient police escort.

3.5.6 Water Supply and Sanitation facilities

Water supply in all the jails is to be provided by the Irrigation and Public Health (IPH) Department. As per the HPJM, the water of all jail wells/ tubewells which is used for drinking or culinary purposes is to be analysed by the chemical examiner on or about 05 January of each year. Audit noticed that the jail authorities had not ensured the required water quality tests during 2013-16. In sub-jail, Bilaspur, the water of bore well was provided to the prisoners without quality test by any chemical examiner during 2013-16. Resultantly, 146 cases of diarrhoea, gastroenteritis, stomach pain and vomiting were detected during the above period.

3.5.7 Other issues

3.5.7.1 Facilities of e-peshies and jail-varta

With a view to mitigating the problem of arranging police escorts and reducing cost thereof, the Government of India suggested (August 2001) that the Jail Department introduce video conferencing facilities between the jails and the courts.

The Department of Information and Technology installed (July 2014) the programme *e-peshies*³¹ in Jails Department so that the *peshies* of prisoners with the courts could be held through video conferencing. However, out of 31,284 *peshies* of prisoners of test-checked jails held with the court during 2014-16, only 1,518 (five *per cent*) were held through *e-peshies* and remaining 29,766 *peshies* were held by physically presenting the prisoners in courts on which an expenditure of ₹ 60.58 lakh was incurred. Video conferencing facilities meant to save time, money and unnecessary ferrying of prisoners was thus not utilised optimally and the department persisted with physical presence of prisoners in the court premises.

The jail authorities stated (May 2016) that the shortfall was due to poor connectivity and insufficient infrastructure.

3.5.7.2 Non-availability of modern security equipment

The MPM provides that jails should have modern security equipments like jammers, metal detectors, screening machines, closed circuit television (CCTV), cameras and other electronic devices to maintain the desired levels of security.

Audit noticed that none of the test-checked jails had facilities of screening (x-ray), metal detection, explosive detection and mobile phone jamming to prevent entry of prohibited articles into the prisons. Out of 21 CCTV cameras³² installed (September 2009) in the test-checked jails, 10 cameras³³ were not working since May 2012. This compromised the level of security in the jail.

3.5.8 Conclusion

The Department had not offered education and rehabilitation opportunities to the bulk of the prison population thereby defeating on the main objectives of reformation and rehabilitation of inmates through providing them skills and qualifications for alternate employments on their release. Institutional structures and processes that were envisaged in the Model Prison Manual were not established which had an adverse effect on decision making and provision of requisite facilities and infrastructure in the State prisons. Absence of reception centres in jails led to non-segregation of a large number of prisoners suffering from various diseases including tuberculosis, scabies, heart disease and renal problems and lodging them with other prisoners in the barracks which exposed other prisoners to possibly infectious diseases. Medical facilities were inadequate and water supplied was not tested for quality and fitness for human consumption.

The audit findings were referred to the Government in July 2016. Reply had not been received (December 2016).

³¹ *E-peshies*: Trial proceedings in court before Magistrate through video conferencing without physical presence of prisoners.

³² Bilaspur: five, Dhramshala: five, Kanda: six and Mandi: five.

³³ Kanda: six and Mandi: four.

Industries Department

3.6 Non-recovery of royalty and interest on extraction of minerals

The Department failed to recover royalty of ₹ 22.72 crore for extraction of minerals and interest of ₹ 4.39 crore from a firm.

The State Government, with the approval of Government of India and in accordance with the Mineral Concession Rules, 1960, executed (September 2007) a mining lease for 30 years with a firm (lessee) allowing the lessee to extract lime stone and shale. As per lease agreement, the lessee was liable to pay royalty each year except in the first year of the lease for mineral removed or consumed by lessee or by its agent, manager, employee or contractor. Further, if the royalty was not paid within the prescribed time of 60 days, the same, together with simple interest due thereupon at a rate of 24 per cent per annum, was to be recovered as arrears of land revenue. Effective from September 2014, the Government of India fixed royalty at rate of ₹ 80 per metric tonne (MT) for lime stone and ₹ 60 per MT for shale.

Scrutiny of records of Mining Officer, Solan revealed that royalty was recovered from the lessee on monthly consumption of lime stone and shale from the second year of mining till November 2014. The lessee stopped the payment of royalty from the month of December 2014 without assigning any reason although notices were served (March-July 2015) to him. The lessee extracted 39.05 lakh MT lime stone and 4.80 lakh MT shale from December 2014 to March 2016 on which royalty of ₹ 34.12 crore was leviable. On this being pointed out in audit (December 2015), the Department effected (February 2016) recovery of royalty of ₹ 11.40 crore from transport subsidy admissible to the firm and ₹ 27.11 crore (royalty: ₹ 22.72 crore and interest: ₹ 4.39 crore calculated upto April 2016) remained to be realised.

Mining Officer, Solan stated (May 2016) that matter for recovery of the due royalty and interest thereupon had been taken up.

The matter was referred to the Government in April 2016. Reply had not been received (December 2016).

Irrigation and Public Health Department

3.7 Assessment and collection of water charges

Water charges of only ₹ 91.64 crore could be recovered from beneficiaries during 2013-16 against dues of ₹ 371.77 crore and arrears increased from ₹ 167.05 crore in April 2013 to ₹ 280.06 crore in March 2016. Due to incorrect application of rates, there was short assessment of water charges of ₹ 2.95 crore in respect of rural domestic connections in test-checked divisions. System of online collection of water charges through *Lok Mitra Kendras* was not implemented efficiently as there was short deposit of ₹ 0.40 crore by the Service Centre Agencies during 2013-15.

3.7.1 Introduction

The Irrigation and Public Health (IPH) Department is responsible for supply of drinking water to the public in rural and urban areas and water to farmers for irrigation

purposes. The assessment and collection of drinking water charges is governed by the Himachal Pradesh Water Supply (HPWS) Act, 1968, read with HPWS Rules, 1989, at rates specified by the Government from time to time.

Audit of assessment and collection of water charges covering the period 2013-14 to 2015-16 was conducted during January to April 2016 by test-check of records of the Engineer-in-Chief (E-in-C) and nine³⁴ (out of 53) divisions in the State on the basis of number of water connections and outstanding amount of water charges.

3.7.2 Assessment and collection of water charges

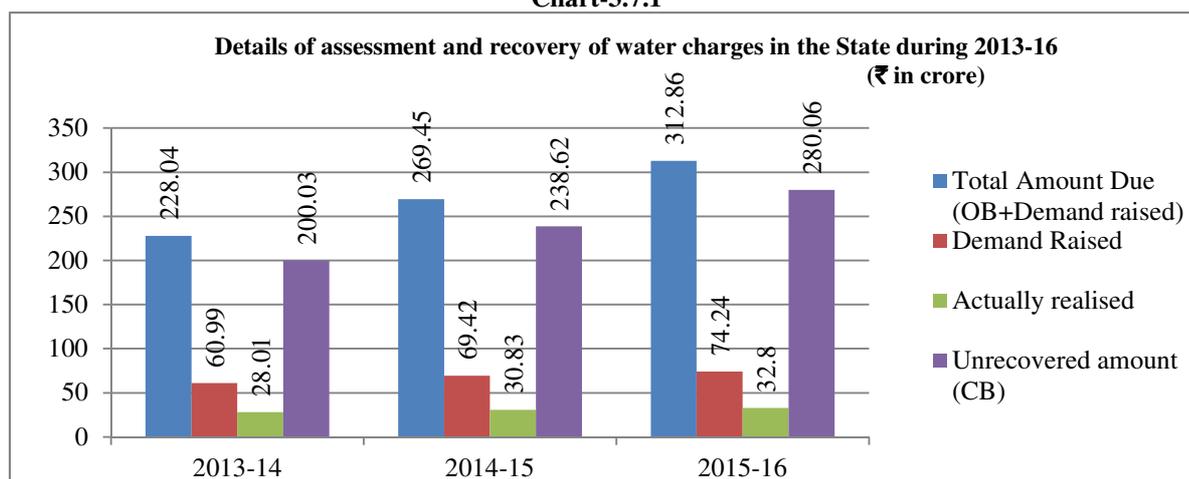
The supply of drinking water has been divided into three sectors³⁵. Domestic consumers in the rural water supply sector are charged at flat rates whereas urban water supply sectors are charged on the basis of meter rates and flat rates in cases of unmetered connections. Different rates have been prescribed for commercial consumers. Assistant Engineer (AE) of the sub-division has been declared as authorised officer for assessment and collection of water charges.

3.7.2.1 Demand of water charges raised and pace of recoveries

As per the HPWS Act, recovery of water charges shall be effected from individuals on the basis of flat rate or on the basis of metered connections. Water charges levied shall, if not paid when due, be recovered as arrears of land revenue. Audit noticed the following:

(i) As depicted in **Chart-3.7.1**, only ₹ 91.64 crore had been recovered against water charges of ₹ 371.77 crore due from consumers during 2013-16 and the arrears had increased from ₹ 167.05 crore in April 2013 to ₹ 280.06 crore in March 2016. The percentage of realisation during above period ranged between 10 and 12. The major portion of the arrears viz. ₹ 260.16 crore pertained to bulk water supply sector.

Chart-3.7.1



³⁴ Dharamshala, Hamirpur, Mandi, Nahan, Palampur, Shimla divisions No. I and II, Solan and Sundernagar.

³⁵ Rural water supply sector, urban water supply sector (direct supply to the beneficiaries) and bulk supply sector (supply to the municipal committees, Solan and Palampur and municipal corporation Shimla).

(ii) Against water charges of ₹ 296.22 crore³⁶ due from beneficiaries in test-checked divisions during 2013-16, only ₹ 32.33 crore³⁷ (11 *per cent*) had been recovered and arrears had increased from ₹ 133.11 crore in April 2013 to ₹ 263.89 crore as of March 2016.

Continuous rise in the arrears of water charges indicated Department's failure to recover the amount from municipalities especially when consumers were being billed and charged by municipalities. The Department had also not taken any action for recovery of the outstanding amount of water charges as arrears of land revenue.

The E-in-C stated (June 2016) that directions to initiate appropriate action had been issued to field offices.

3.7.2.2 Short assessment of water charges

As per State Government notifications of June 2005 that fixed rates of the water charges for domestic and commercial connections in rural as well as urban areas (except Solan, Palampur and Shimla), the tariffs would increase by 10 *per cent* with effect from 1st April of every year. The notifications also state that meters were to be installed in respect of all connections in urban areas and commercial connections of rural areas. Audit noticed the following:

- (i) Comprehensive data of number of water users, water connections allotted and water meters installed in respect of each water supply sectors in the State as a whole had not been maintained/ updated at E-in-C level during 2013-16 resulting in lack of monitoring at apex level.
- (ii) In the case of domestic connections in rural areas, the authorised officers of eight test-checked divisions had not assessed the water charges as per revised rates notified by the State Government during 2013-16 resulting in short assessment of ₹ 2.95 crore as per details in **Table-3.7.1** below.

Table-3.7.1: Short assessment of water charges from rural domestic connections during 2013-16

Year	No. of Connections	Revised rates per connection per month (₹)	Amount due at revised rates (₹ in crore)	Actually assessed (₹ in crore)	Short assessment (₹ in crore)
2013-14	1,15,614	21.45	2.98	2.35	0.63
2014-15	1,38,579	23.60	3.92	2.99	0.93
2015-16	1,64,179	25.96	5.11	3.72	1.39
Total			12.01	9.06	2.95

Source: Departmental figures.

- (iii) Thirty three *per cent* of the urban domestic connections was unmetered (12,667 out of 38,362 connections) and were being charged at flat rate of ₹ 100 per month instead of on basis of actual consumption at specific rates.
- (iv) While rates for metered commercial connections were regularly revised, the rates of unmetered commercial connection were not revised. The E-in-C sent the proposal for hike of 10 *per cent* per annum in the rates of water charges for unmetered commercial connections for 2006-07 to 2015-16 to the Government only in January 2016. The proposal is still awaiting approval (December 2016) of the Government.

³⁶ Opening balance: ₹ 163.11 crore and demand raised: ₹ 133.11 crore (2013-14: ₹ 41.44 crore, 2014-15: ₹ 44.20 crore and 2015-16: ₹ 47.47 crore).

³⁷ 2013-14: ₹ 10.18 crore, 2014-15: ₹ 10.85 crore and 2015-16: ₹ 11.30 crore.

3.7.2.3 Non-raising of water bills

The HPWS Rules provide for raising of water bills for consumption of rural water supply scheme regularly with the interval between two successive bills being two to six months. Audit noticed that the Assistant Engineers (AEs) of Kasumpti and Sainj sub-divisions under Shimla division No. I had not raised the water charges bills during 2013-16 resulting in non-realisation of ₹ 18.50 lakh as given in **Table-3.7.2** below.

Table-3.7.2: Details of water charges bills not raised during 2013-16

(₹ in lakh)

Sub-division	Period	Water charges due from domestic connections			Water charges due from commercial connections		
		No.	Rate per month (₹)	Amount	No.	Rate per month (₹)	Amount
Kasumpti	March 2014	1498	21.45	0.32	45	215	0.10
	2014-15	1575	23.60	4.46	55	236	1.56
	2015-16	1670	25.96	5.20	65	259	2.02
Sainj	January to March 2015	1028	23.60	0.73	22	236	0.16
	2015-16	1049	25.96	3.27	22	259	0.68
Total				13.98			4.52

Source: Departmental figures.

3.7.2.4 Non-recovery of charges of bulk water supply

The EE of Shimla-II division is responsible for bulk water supply to Municipal Corporation Shimla and EEs of Palampur and Solan divisions were responsible for bulk water supply to Municipal Committees Palampur and Solan respectively. The quantity of bulk water supply made is based upon the metre reading installed by the Department at separate rates of water charges fixed by the State Government. The EEs were also responsible for assessment and collection of water charges for the bulk water supply by raising monthly bills.

Audit noticed that the Department had not realised the amount due from the above municipalities within the stipulated period. Against ₹ 263.55 crore outstanding from the municipalities since 2002-03 onwards, ₹ 3.39 crore (one *per cent*) had been recovered during 2013-16 and the outstanding water charges increased from ₹ 161.23 crore in April 2013 to ₹ 260.16 crore in March 2016 as detailed in **Table-3.7.3** below.

Table-3.7.3: Detail of outstanding water charges of bulk water supply during 2013-16

(₹ in crore)

Year	Opening balance	Bills raised	Total due amount	Amount collected	Outstanding for recovery
2013-14	161.23	32.77	194.00	1.87	192.13
2014-15	192.13	34.34	226.47	1.02	225.45
2015-16	225.45	35.21	260.66	0.50	260.16
Total		102.32		3.39	

Source: Departmental figures.

In spite of the fact that the concerned municipalities had collected ₹ 49.83 crore³⁸ from consumers during 2013-16, only a meagre amount of ₹ 3.39 crore was remitted by them to the Department.

3.7.2.5 Collection of water charges through common service centres

For on-line collection of water charges from consumers, 3,366 common service centres (CSCs) known as *Lok Mitra Kendras* (LMKs) were set up by service centre agency

³⁸ 2013-14: ₹ 14.16 crore; 2014-15: ₹ 14.08 crore and 2015-16: ₹ 21.59 crore.

(SCA) in the State through State Designated Agency (SDA)³⁹ on public private partnership mode in pursuance of the national e-governance plan. Tripartite agreements were signed (August 2011) by the representative of IPH Department (first part), each of two SCAs (second part) and Director, Information Technology on behalf of the SDA (third part) mandated to act as facilitating agency. However, it was optional for the consumers to deposit the money through LMKs.

As per agreements, each of the SCAs was to collect water bill payments in cash only through LMKs (SCA-I: 1,296 and SCA-II: 2,070) in its jurisdictional sub-divisions and generate receipts having consecutive serial number to be issued to the consumers on behalf of the IPH Department. Each of the SCAs was to consolidate the amount due in respect of all LMKs and transfer the same online in the centralised/ designated bank account opened in the name of a nodal officer (EE, Shimla-II division) nominated (September 2011) for the purpose on the next working day. The Department was to reconcile the amount collected for water bills through LMKs on daily basis as per reports generated from software application and IPH Bank account statement and the SCA was also to participate in reconciliation of account on quarterly basis with the departmental officers. Audit noticed the following:

- (i) Water collection charges were not deposited by SCA-I since June 2014 and that by SCA-II since October 2014 for reasons that were not on record. However, the LMKs continued to collect and deposit the water charges in the designated bank account without involvement of the SCAs.
- (ii) During 2013-16, the required daily/ quarterly reconciliation of water charges collected by the SCAs through LMKs was not made by the concerned sub-division/ nodal division of the Department and necessary reports were not generated through web interface. In the absence of daily reconciliation of water charges collected by SCAs, the Department was not aware of the amount of water charges due for collection, amount actually collected and amount deposited into the designated bank account by the SCAs.
- (iii) As per reports generated by the Nodal division from the SCAs account, there was short deposit of ₹ 0.40 crore in the designated bank account by the SCAs during 2013-15 (**Table-3.7.4**). In spite of the fact that the SCAs had left (June 2014 and October 2014) the project, the Department had not taken any action for reconciliation/ recovery of the amount from the concerned SCAs and chances of misappropriation of Government money are not ruled out.

Table-3.7.4: Detail of water charges collected by LMKs and deposited in bank during 2013-16
(₹ in crore)

Period	As per bank Statements			As per SCAs/ LMKs reports			Short(-)/ Excess (+) deposit		
	SCA-I	SCA-II	LMKs	SCA-I	SCA-II	LMKs	SCA-I	SCA-II	LMKs
2013-14	1.91	2.00	0	2.00	2.37	0	(-) 0.09	(-) 0.37	0
2014-15	0.51	0.21	2.88	0.45	0.21	2.60	(+) 0.06	0	(+) 0.28
2015-16	0	0	3.58	0	0	3.58	0	0	0
Total	2.42	2.21	6.46	2.45	2.58	6.18	(-) 0.03	(-) 0.37	(+) 0.28

Source: Departmental figures.

³⁹ Society for promotion of information technology and e-governance (SITEG under aegis of Department of Information Technology, HP).

Thus, the system of collection of water charges through SCAs was not implemented properly and was fraught with the risk of misappropriation.

The EE, Shimla-II division stated (April 2016) that the reconciliation was not made due to non-receipt of records of the LMKs from the divisions. The EEs of the other test-checked divisions stated (January to April 2016) that there was no procedure for reconciliation with LMKs.

3.7.2.6 Delay in deposit of the water charges

The Himachal Pradesh Treasury Rules (HPTRs), 2007, provides for deposit of water charges receipts collected during a day in treasury on the same day or on the morning of the next day at the latest.

Audit noticed that the water charges of ₹ 80.72 lakh collected by the officials of test-checked divisions except Shimla-II during 2013-16 were deposited in treasury after a delay ranging from two to 52 days as given in **Table-3.7.5** below that raises the risk of misappropriation or mis-utilisation.

Table-3.7.5: Details of delay in deposit of water charges in treasury

(₹ in lakh)

Year	Urban water supply sector	Rural water supply sector	Delay in days	
			Urban water supply sector	Rural water supply sector
2013-14	5.30	32.90	2 to 20	4 to 52
2014-15	6.23	21.40	3 to 25	4 to 32
2015-16	2.18	12.71	3 to 19	2 to 45
Total	13.71	67.01		

Source: Departmental figures.

The EEs of the concerned divisions stated (January to April 2016) that the delay in deposit of receipts in treasury was due to shortage of field staff.

3.7.3 Conclusion

Thus, the Department was unable to recover water charges from all consumers, both domestic and commercial, resulting in significant increase in arrears of revenue. In addition, the Department effectively lost potential revenue due to non-revision of water charges of unmetered commercial connections as envisaged in State Government notification of June 2005 as also due to non installation of meters by consumers.

The audit findings were referred to the Government in August 2016. The reply had not been received (December 2016).

3.8 Unfruitful expenditure on procurement of rigs for drilling of tubewells

Lack of adequate technical assessment of specifications of rigs with reference to the topography and soil/rock profile in the intended regions where they were to be deployed resulted in procurement of rigs that were not suitable for the purpose. Further, the department did not enforce compliance with the terms of the supply order relating to the warranty period, imparting of training and deployment of trained personnel by the firm. This resulted in unfruitful expenditure of ₹ 2.24 crore and non-recovery of cost of materials of ₹19.82 lakh from the firm.

In order to replace two old and non-functional drilling rigs⁴⁰, the State Government accorded (February 2007) administrative approval and expenditure sanction for

⁴⁰ Unicef Rig no. 1 purchased during 1972 and Rig P-1100 purchased during 1978.

₹ 2.82 crore for purchase of two drilling rigs along with spare tools, accessories and air compressors for Gagret Tubewell division (Una district) responsible for drilling of tubewells.

Scrutiny of records of the division revealed that supply orders were placed with a firm in March 2007 and the division received (August 2007) two hydraulically operated Direct Rotary (DR) rigs along with air compressors and accessories. The supply order *inter alia* included a condition that the firm would train departmental operational staff at their works for 10 days and deploy one skilled, one semi-skilled and one beldar with each rig for operation for two years from the date of their successful commissioning. The equipment would be under warranty from the date of successful commissioning with after sale service for two years. The firm was paid ₹ 3.09 crore for supply of the rigs.

The rigs did not function smoothly since operation (September 2007) as only seven tubewells could be constructed up to March 2016 against expected 103 tubewells⁴¹. Failure of the hydraulic pump system and non-availability of Tungsten Carbide Inserted (TCI) rock roller bits rendered one of the rigs idle since August 2010 while the second rig remained inoperational since August 2012 due to non-functioning of safety valve, non-availability of spare parts and TCI rock roller bits. The low performance and non-functioning of the rigs was due to the following reasons:

- The rigs procured were meant for drilling in alluvial and semi-consolidated formations whereas the allotted bore sites at Bathera, Kante and Barnoh were not suitable as stated by the firm in January 2008 for direct rotary rigs as tough boulders were encountered for most part of the depth drilled. There was no reference/ record of specific locations identified by the division for which the rigs were to be used. This indicated that the technical requirements for rigs suited for such topography had not been properly assessed nor were trials conducted before finalising the procurement.
- The Department had failed to arrange sufficient sets of TCI rock roller bits due to their high cost.
- The rigs suffered frequent faults/ defects in mud pump machinery right from the commissioning of the rigs. The rigs did not function smoothly even during warranty period extended up to July 2010.
- The firm did not deploy the skilled operational staff regularly and the unskilled/ untrained staff deployed for the purpose also kept leaving the drilling sites frequently. The firm had not imparted training to the departmental operational staff at their works for 10 days so as to ensure proper operation of the rigs in the absence of operational crew members of the firm.
- The firm had not made replacement/ payment of the cost of the materials of ₹ 19.82 lakh⁴² lost during operation within the warranty period due to negligence of operational crew of the firm and frequent defects in mud pump machinery.

⁴¹ At an average of 12 (6x2) tubewells per annum for September 2007 to March 2016.

⁴² Cost of collapsed bore at Barnoh tubewell (February 2008 to December 2008): ₹ 4.07 lakh, Cost of collapsed tubewell at Majra and material lost in borewell (May 2008 to September 2008): ₹ 11.51 lakh and Cost of collapsed bore out turn of rigs at Majra bore (May 2008 to September 2008): ₹ 4.24 lakh.

- The Department had not taken any action against the firm for non-compliance of the conditions of the supply order (March 2007) and for repair/ functioning of the rigs in a timely manner.

Thus, lack of adequate technical assessment of specifications required for rigs with reference to the topography and soil/rock profile in the intended regions where they were to be deployed resulted in procurement of rigs that were not suitable for the purpose. Further, the Department did not enforce compliance with the terms of the supply order relating to the warranty period, imparting of training and deployment of trained personnel by the firm. This resulted in unfruitful expenditure of ₹ 2.24 crore and non-recovery of cost of materials of ₹19.82 lakh from the firm.

The matter was referred to the Government in May 2016. The reply had not been received (December 2016).

3.9 Infertuous expenditure on drilling of tubewells due to wrong selection of sites

Drilling of tubewells without proper selection of sites resulted in infertuous expenditure of ₹ 47.47 lakh.

As per the Code of Practice for Construction and Testing of Tubewells/ Borewells, 1994, issued by the Bureau of Indian Standards, the executing agency is required to furnish information regarding suitability of site for tubewell boring. To provide irrigation facilities to the farmers of five villages⁴³ of Sirmour district, construction of three lift irrigation schemes⁴⁴ were administratively approved (March 2008 and December 2009) for ₹ 5.62 crore which included the construction of seven tubewells.

Scrutiny of records of Paonta Sahib division revealed that the division had constructed four tubewells between October 2010 and June 2011 at a cost of ₹ 47.47 lakh under lift irrigation scheme (LIS) Haripur Tohana-II, LIS Bangran, Shivpur, Phoolpur and LIS Bhatrog. However, the required discharge of water for irrigation was not found available in the tubewells. Construction of tubewell for LIS Haripur Tohana-II was done on the basis of feasibility survey conducted in November 2004 by Ground Water Organisation, Una, and no fresh survey was conducted in view of the depleting ground water level in the area. Feasibility survey was conducted in June 2010 by the Ground Water Organisation Una in respect of tubewell for LIS Bhatrog but no water was found therein. No survey was on records in the case of tubewells constructed for LIS Bangran, Shivpur, Phoolpur. Evidently, the tubewells were constructed without ascertaining the expected water levels in the sites of the tubewells through proper feasibility studies which rendered unfruitful the expenditure of ₹ 47.47 lakh.

The EE stated (August 2016) that discharge of water from tubewells was not sufficient for irrigation purpose which only confirms the lack of a survey.

The matter was referred to the Government in May 2016. The reply had not been received (December 2016).

⁴³ Bhatrog, Haripur Tohana-II, Bangran, Phoolpur and Shivpur.

⁴⁴ LIS Haripur Tohana-II (March 2008: ₹ 2.97 crore), LIS Bangran, Shivpur, Phoolpur (December 2008: ₹ 2.27 crore) and LIS Bhatrog (December 2009: ₹ 0.38 crore).

Planning Department

3.10 Irregular sanction and release of funds under Members of Parliament Local Area Development Scheme (MPLADS)

Non-compliance of the provisions of the scheme guidelines and absence of any mechanism to verify admissibility limit of financial assistance to a Society resulted in excess release of ₹ 1.97 crore to a society. Besides, funds of ₹ 2.50 crore meant for the areas inhabited by Scheduled Castes/ Scheduled Tribes population were released to the other areas.

As per MPLADS guidelines not more than ₹ 50 lakh can be spent from scheme funds for a particular society/ trust in its lifetime. If a society has already availed of MPLADS funds to the aforesaid limit, no more funds can be recommended for that society/ trust under the scheme. Further, Members of Parliament (MPs) are also to recommend every year at least 15 and 7.5 per cent of the allocated funds for areas inhabited by scheduled castes (SCs) and scheduled tribes (STs) population respectively. As per revised guidelines (May 2014) of MPLADS, if there is inadequate SC/ ST population in any constituency, exemption from the stipulated provision can be made with the prior approval of the GOI.

(a) Scrutiny of records of five DCs⁴⁵ showed that the DCs released ₹ 2.47 crore⁴⁶ to a society for execution of 68 school building works of various schools being run by the society during 2008-15 resulting in excess release of ₹ 1.97 crore. Audit noted that this excess release was facilitated by the lack of any mechanism to record and verify release of funds to societies by different districts.

(b) From the scrutiny of records of DC Bilaspur, Audit observed that funds of ₹ 2.50 crore that were to be earmarked for SC/ ST inhabited areas were spent on other areas in deviation of the guidelines as detailed in **Table-3.10.1** below:

Table-3.10.1: Allocation and release of funds under MPLADS during 2012-15

Year	Fund allocation of MP	Total funds released		Funds required to be released to the areas inhabited by		Funds actually released to areas inhabited by		Short release of funds (per cent)	
		Amount	No. of works	SCs (@ 15 %)	STs (@7.5%)	SCs	STs	SCs	STs
2012-13	5.00	4.88	203	0.75	0.38	0.07 (4 works)	0.05 (1 work)	0.68 (91)	0.33 (87)
2013-14	5.00	4.97	225	0.75	0.38	0.14 (9 works)	0.23 (9 works)	0.61 (81)	0.15 (39)
2014-15	5.00	5.14	181	0.75	0.38	0.29 (14 works)	0.11 (8 works)	0.46 (61)	0.27 (71)
Total	15.00	14.99	609	2.25	1.14	0.50 (27 works)	0.39 (18 works)	1.75 (78)	0.75 (63)

As per the scheme norms, out of the total allocation of ₹ 15.00 crore during 2012-15 in respect of Rajya Sabha MP, ₹ 3.39 crore were required to be released to areas inhabited by SCs/ STs. However, out of the total funds of ₹ 14.99 crore during the above period, the DC Bilaspur (nodal district) had released only ₹ 0.89 crore to areas

⁴⁵ Bilaspur, Hamirpur, Kullu, Mandi and Solan.

⁴⁶ DC Bilaspur: ₹ 78.50 lakh, DC Hamirpur: ₹ 94.00 lakh, DC Kullu: ₹ 41.00 lakh, DC Solan: ₹ 25.00 lakh and DC Mandi : ₹ 8.00 lakh.

inhabited by SCs/ STs and ₹ 2.50 crore meant for the areas inhabited by SCs (₹ 1.75 crore) and STs (₹ 0.75 crore) were released for other areas. The shortfall in release of funds in the areas inhabited by the SCs during 2012-15 ranged between 61 and 91 per cent and that for STs, it ranged between 39 and 87 per cent.

The District Planning Officers stated (January 2016) that works were sanctioned on the recommendations of the MPs concerned. The reply is not acceptable as the *ibid* provisions of the guidelines should have been brought to the notice of the concerned MP by the DCs so that funds as per prescribed limit and percentage are released to a society and areas inhabited by SCs/ STs population.

Thus, non-compliance to the provisions of the scheme guidelines and absence of any mechanism to verify admissibility limit of financial assistance to a society resulted in excess release of ₹ 1.97 crore to a society. Besides, funds of ₹ 2.50 crore meant for the areas inhabited by Scheduled Castes/ Scheduled Tribes population were released to the other areas.

The audit findings were referred to the Government in May 2016. Reply had not been received (December 2016).

Public Works Department

3.11 Irregular withdrawal and blocking of funds

Drawal of funds in anticipation of requirement and their prolonged retention under "Public Works Deposits" resulted in keeping the money outside budgetary control and blocking of ₹ 89.97 lakh from two to 10 years.

The Himachal Pradesh Financial Rules (HPFRs), 1971, read with the Himachal Pradesh Treasury Rule (HPTRs), 2007, provides that no money should be drawn from the treasury unless it is required for immediate disbursement. Further, an Executive Engineer (EE) in whose favour letter of credit (LOC) is issued is not permitted to draw money and retain it in any other manner.

Scrutiny of records of Solan division revealed that on the basis of LOC received from Superintending Engineer, Solan, the EE drew (between March 2006 and December 2013) ₹ 96.08 lakh from treasury for minor road works, for works under the Scheduled Caste Sub Plan-SCSP and booking of materials against maintenance of Jatoli-Damrog-Seri road under PMGSY from State funds and kept it under "Public Works Deposits". Of this, only ₹ 6.11 lakh had been utilised for execution of works and balance amount of ₹ 89.97 lakh was lying unspent from two to 10 years. The works under SCSP were not taken up for execution due to non-finalisation of tenders and non-completion of codal formalities. The funds for maintenance of Jatoli- Damroh-Seri road were kept under deposit as the work had already been executed from regular budget and the funds for minor works were withdrawn merely to avoid lapse of budget.

The Executive Engineer accepted the facts and stated (May 2016) that funds were withdrawn from the treasury to avoid lapse of budget and kept under "Public Works Deposits" for utilisation in a phased manner.

The matter was referred to the Government in June 2016. Reply had not been received (December 2016).

Revenue Department

3.12 Unproductive expenditure on idle survey equipment under National Land Records Modernisation Programme

Failure of the Department to either enforce due performance of contractual obligations by contractor or impose contractual penalties resulted in expenditure of ₹ 1.91 crore on idle equipment being rendered unproductive and blocking of ₹ 1.68 crore.

The National Land Records Modernisation Programme (NLRMP) is a centrally Sponsored Scheme (CSS) launched by Government of India (GOI) in August 2008 aimed at modernising management of land records to minimise scope for land/property disputes. The major components of the programme are computerization of land records, digitization of maps and integration of textual and spatial data, survey/re-survey and updating of all survey and settlement records and capacity building. The expenditure for the programme was to be shared between the Centre and the State in various ratios for different components and completed within a period of two years from release of funds.

Government of India sanctioned (March 2009) ₹ 9.58 crore⁴⁷ for implementation of NLRMP in three districts (Hamirpur, Mandi and Sirmour) and released ₹ 7.18 crore between March 2009 and May 2009 as first instalment. Out of this, the Director, Land Records released (June 2010) ₹ 3.59 crore⁴⁸ to the Settlement Officer (SO) Kangra division for survey/ re-survey and updating of settlement records.

Scrutiny of the records of the SO, Kangra division showed that the Department entered into (05 August 2011) an agreement with a firm at a cost of ₹ 2.20 crore⁴⁹ for procurement and installation of survey equipment, training to 100 officers/ officials and survey and preparation of Record of Rights (RoRs) in respect of 30 villages. An amount of ₹ 1.91 crore was paid (November-December 2011) to the firm on account of cost of equipment supplied on 16 August 2011. Survey and capacity building work was to be completed within 28 weeks from signing (August 2011) the agreement. However, the firm abandoned the survey work in July 2013 without assigning any reason and did not impart training to the officials nor prepared the RoRs. The Department granted (February 2015) extension to the firm upto 5 February 2016 for completing the work. However, the firm did not resume the work. The Department thereafter issued a notice (August 2015) to the firm for breach of contract. However, neither has any action been taken thereafter nor had the firm resumed the work.

The Department stated (February 2016) that notice had been served (August 2015) upon the firm for breach of contract. The Department informed audit that the contractor has assured to complete the remaining work.

Thus, failure of Department to ensure due performance of the contract and lack of effective action to either get the survey works done or to rescind contract after

⁴⁷ Hamirpur: ₹ 2.40 crore; Mandi: ₹ 5.27 crore and Sirmour: ₹ 1.91 crore.

⁴⁸ Hamirpur: ₹ 1.09 crore; Mandi: ₹ 2.50 crore.

⁴⁹ Survey equipment: ₹ 1.91 crore; Survey and preparation of ROR: ₹ 0.28 crore; printing of every digitised cadastral map: ₹ 0.01 crore

imposition of the contractual penalties resulted in idling of survey equipment costing ₹ 1.91 crore and blocking of funds of ₹ 1.68 crore that had been released for the project.

The audit findings were referred to the Government in April 2016. Reply had not been received (December 2016).

Departments of Public Works, Industries, Scheduled Castes, Other Backward Classes and Minority Affairs, Technical Education, Vocational and Industrial Training and Youth Services and Sports

3.13 Non-execution/ non-completion of works due to non-identification/ availability of encumbrance free sites

Drawal and release of funds to executing agencies without ensuring feasibility and encumbrance free land as envisaged in the Himachal Pradesh Treasury Rules and Central Public Works Manual resulted in unfruitful expenditure of ₹ 1.57 crore and blocking up of ₹ 12.14 crore with the executing agencies for more than one to nine years.

Rule 5.71 (c) of the Himachal Pradesh Treasury Rules (HPTR), 2007 stipulate that no money should be drawn from the treasury unless it is required for immediate disbursement and that advances cannot be drawn from the treasury for the execution of works, the completion of which is likely to take a considerable time. Central Public Works Manual being followed by Himachal Pradesh Public Works Department (HPPWD) stipulates that works should be awarded and taken up for construction only after proper assessment of design, specifications and ensuring encumbrance free sites. Due diligence in survey, planning and ensuring availability of funds as well as land is thus pre-requisite for efficient execution of projects and avoiding cost and time overrun. The user departments as well as the executing agencies are responsible for execution of the works/ schemes in a time bound manner.

Audit, however, noticed that in six works sanctioned for ₹ 52.41 crore, the concerned departments had released ₹ 13.71 crore between April 2007 and July 2015 to the executing agencies for execution of various works. However, all the works were held up due to non- identification/availability of encumbrance free sites and non-completion of codal formalities as per details given below:

(₹ in crore)

Works	Sanctioned cost	Amount/ period of drawal	Unutilised amount	Status of work
Public Works and Industries Departments				
1. Improvement of Excise and Taxation barrier at Baddi	1.37	1.37 (April 2007)	0.89	Though, encumbrance free site for the work was not available due to ongoing issue of forest land (November 2006) and private land (March 2007) the work was awarded (May 2007) for ₹ 1.14 crore by HPPWD to a contractor. However, after execution of the work of the value of ₹ 0.48 crore upto January 2009, the work was stopped due to the land disputes at site. The issue remained unresolved as of September 2016 and the work was lying abandoned for more than seven years resulting in unfruitful expenditure of ₹ 0.48 crore and blocking of ₹ 0.89 crore.

Scheduled Castes, Other Backward Classes and Minority Affairs Department				
2. Construction of Home for mentally challenged children at Heeranagar (Shimla district)	5.24	4.98 (December 2007 to June 2015)	4.98	Though funds were drawn and released to HPPWD, the work could not be started by HPPWD as of March 2016 due to non-finalisation of location as the State Government decided (March 2016) to relocate the Home from the proposed site at Heeranagar (Shimla) to Sundernagar (Mandi). The Department subsequently withdrew (July 2016) from the work and funds were lying unutilised with HPPWD as of October 2016.
Technical Education, Vocational and Industrial Training Department				
3. Construction of building for Centre of Excellence (COE) at Industrial Training Institute (ITI) Shimla	1.60	1.16 (March 2009 to March 2012)	0.76	The work was taken up for execution (February 2010) by Himachal Pradesh State Industrial Development Corporation Limited (HPSIDCL) at a site (owned by ITI) falling under the prohibited area of "Vice Regal Lodge (Rashtrapati Niwas Shimla)" a protected monument of national importance notified (November 1997) under the Ancient Monuments and Archeological Sites and Remains (AM&ASR), Act 1958, without obtaining prior permission from National Monuments Authority under the AM&ASR Rules, 1959. A show cause notice was served by Superintending Archaeologist and the work was stopped in September 2011 after the Department expended ₹ 0.40 crore.
Youth Services and Sports Department				
4. Construction of International Cricket Stadium at Kutasani (Shimla district)	43.00	5.00 (July 2007)	4.64	The Department transferred (August 2007) funds to HPPWD (₹ 4.64 crore) for execution of work and Forest Department (₹ 0.36 crore) in lieu of diversion of forest land for construction of stadium. Land for construction of stadium was transferred (August 2015) to the Department after more than eight years. The work could not be started as of June 2016 as drawings were still being prepared.
5. Construction of outdoor multi-sports stadium at Rajgarh (Sirmour district)	0.50	0.50 (March 2011)	0.44	Out of ₹ 50 lakh drawn by the Department, only ₹ 5.84 lakh was utilised by the HPPWD as of June 2016 on leveling, fencing and construction of drains on the selected site. Work was not taken up for execution as of June 2016 due to inadequate dimensions of the selected site for construction of multi-sports stadium.
6. Construction/ beautification of utility stadium/ ground and construction of shops around stadium at Jaisinghpur (Kangra district)	0.70	0.70 (February 2011 and July 2012)	0.43	Out of ₹ 70 lakh deposited (February 2011 and July 2012) with the HPPWD, only ₹ 26.95 lakh was utilised on construction of shops and the work of stadium was not started as of June 2016 due to opposition by the local people. The Government stated (June 2016) that the revised drawings are under preparation as per a revised (January 2016) proposal.
Total	52.41	13.71	12.14	

Thus, drawal of funds and releasing it to executing agencies without ensuring feasibility and encumbrance free land as envisaged in the HPTRs and Central Public Works Manual resulted in unfruitful expenditure of ₹ 1.57 crore and blocking up of ₹ 12.14 crore with the executing agencies for more than one to nine years.

The audit findings were referred to Government in March-November 2016. Reply was received only from one Department (Youth Services and Sports Department) (December 2016).



(Ram Mohan Johri)

Principal Accountant General (Audit)
Himachal Pradesh

Shimla
The : 23 February 2017

Countersigned



(Shashi Kant Sharma)

Comptroller and Auditor General of India

New Delhi
The : 01 March 2017

