

Presented on 4th March, 2021

PUNJAB VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(2020-21)

(211th Report)

ON THE

Appropriation Accounts of the Government of Punjab for the
year 2016-17 and the Report of the Comptroller and
Auditor General of India for the year 2016-17
(civil) relating to the Rural Development
And Panchayats Department



PUNJAB VIDHAN SABHA SECRETARIAT, CHANDIGARH-160001

MARCH, 2021

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(Year 2020-21)

CHAIRMAN

1. Sardar Gurmeet Singh Meet Hayer

MEMBER

2. Sardar Amrik Singh Dhillon
3. Sardar Baldev Singh Khaira
4. Shri Budh Ram
5. Sardar Fatehjung Singh Bajwa
6. Sardar Hardev Singh Ladi
7. Sardar Kuldeep Singh Vaid Bulara
8. Sardar Navjot Singh Sidhu
9. Sardar Pargat Singh Powar
10. Shri Pawan Kumar Aadia
11. Shri Rakesh Pandey
12. Sardar Sharanjit Singh Dhillon
13. Shri Sushil Kumar Rinku

** Sardar Dilraj Singh Bhunder

SABHA SECRETARIAT

- | | | | |
|----|------------------------------|----|-----------------|
| 1. | Smt. Shashi Lakhanpal Mishra | .. | Secretary |
| 2. | Shri Surinder Pal | .. | Joint Secretary |
| 3. | Sardar Davinder Singh | .. | Superintendent |

In pursuance of the motion passed by the Punjab Vidhan Sabha on 04th March, 2020, authorizing the Hon'ble Speaker, Punjab Vidhan Sabha to nominate the Member to serve on the Committee on the Public Accounts for the year 2020-2021, the Hon'ble Speaker constituted the said Committee vide notification no. 1-P.A.C./2020-21/20, dated 18th May, 2020. Sardar Gurmeet Singh Meet Hayer, M.L.A. was appointed Chairman of the Committee under Rule, 184 (1) read with Rule 207 of the Rules of Procedure and conduct of the Business in the Punjab Vidhan

Sabha (Punjab Legislative Assembly) by the Speaker.

** The Hon'ble Speaker nominated Sardar Dilraj Singh Bhunder, M.L.A. in place of Sardar Baldev Singh Khaira, M.L.A. as a member to serve in Public Accounts Committee for the remaining period of year 2020-21 from 8th June, 2020 under Rule 180 (3) of the Rules of Procedure and conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).

Introduction

1. I, the Chairman of the Public Accounts Committee having been authorized by the Committee in this behalf do present the 211th report on the Appropriation Accounts of the Government of Punjab for the year 2016-17 and Report of the Comptroller and Auditor General of India for the year 2016-17 (civil) relating to the Rural development and Panchayats Departments (civil).
2. The Appropriation Accounts and Report (civil) of the Comptroller and Auditor General of India referred to in Para-1 above was laid on the Table of the House on 22.03.2018.
3. The Committee examined the Paragraphs/notes relating to the Rural Development and Panchayats Department appearing in the Appropriation Accounts and Reports of the Comptroller and Auditor General of India for the year referred to in Para No. 1 above. The Committee has finalized this report based on the evidence tendered/written information furnished by the department.
4. The Committee examined the Paras concerned with the Rural Development and Panchayats department during its sitting held on 09.12.2020.
5. The summary of the recommendation/observations of the Committee is appended to this Report (Appendix). For facility of reference, these have been printed in thick type in the body of the Report.
6. A brief record of each meeting of the Committee is kept separately in the Sabha Secretariat and the Committee has conducted a total of 32 meetings during the year 2020-21.
7. The Committee approved the report in its meeting held on 02.02.2021.
8. The Committee places on record its appreciation of the valuable assistance given to it by the Accountant General (Audit) Punjab, Chandigarh and his staff and the officers of the Finance department Punjab, Chandigarh.
9. The Committee is also thankful to the Secretary Punjab Vidhan Sabha Secretariat and his officers and staff for their valuable assistance and whole hearted cooperation.

CHANDIGARH
2nd FEBRUARY, 2021

GURMEET SINGH MEET HAYER,
CHAIRMAN.

Rural Development and Panchayats Department

Implementation of National Rural Livelihoods

The Governing Body and Executive Committee of State Mission Management Unit (SMMU) held only one meeting each since their Constitution in 2010 which showed inadequate monitoring of implementation of National Rural Livelihood Mission in the State. SMMU could not have access to funds of Rs. 20.30 crore during 2014-17 due to huge unspent balance in previous years. Shortage of manpower ranging between 20 and 74 per cent at State, District and Sub-district levels adversely impacted implementation of the programme. Only 11 to 57 per cent of the targeted Self Help Groups could be provided with credit linkage through banks.

Introduction

Page No: 204-205 Para No: 3.20.1 CAG's Report for the year 2016-17 (Civil)
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1. The Committee noticed from the audit paragraph that the Ministry of Rural Development (MORD), Government of India approved (December, 2010) the framework for Implementation of National Rural Livelihoods Mission (NRLM) and launched (June 2011) NRLM by restricting Swarnajayanti Gram Swarajgar Yojna (SGSY) with the objective of reducing poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis by building strong grassroots institution for the poor. The Mission envisages mobilizing poor women into functionally effective institutions by providing continuous support. This includes formation of Self Help Groups to provide space, voice and resources to the poor for reducing their dependence on external agencies; capacity building of the members to provide them with the requisite skills for managing their institutions, linking up with markets, managing their existing livelihoods, enhancing their worthiness; provision of revolving fund and capital subsidy to meet their credit needs in the long-run and immediate consumption needs in the shortp-run; and credit linkage to SHG's based on their micro-investment plans and marketing support.

At State level, Secretary, Rural Development and Panchayats Department (RDPD) is the administrative head and Joint Development Commissioner (JDC) is the departmental head, who is also the Director-cum-Chief Executive officer of Punjab State Rural Livelihoods Mission Society designated as State Mission Management Unit (SMMU), which functions as an apex coordinating organization for the implementation of NRLM in Punjab. The Scheme was initially implemented (up to November 2015) in five districts viz. Ferozepur, Gurdaspur, Patiala, Sangrur and Tarntarn. Two additional districts (Bathinda and Muktsar) were covered from December, 2015 and the remaining districts except for Hoshiarpur, Jalandhar, Kapurthala, Mansa and SBS Nagar were covered from the year 2016-17.

Out of the SMMU in the State and three out of seven districts {based on the amount of funds issued by the SMMU, the probability proportional to size without replacement method was selected (i) Patiala, (ii) Sangrur and (iii) Tarn Tarn} with a view to assessing the efficiency and effectiveness of implementation of NRLM, an audit for the period 2014-17 was conducted (November 2016-July 2017) by test-checking the records of SMMU and three (out of seven) District Mission Management Units (DMMUs) in the State. Further records of 71 SHGs (out of 1403), 41 village organizations (VO) (out of 107) and all existing four cluster level federations (CLPs) and one block level federation (BLF) of the selected DMMUs were also test-checked.

The department in its reply stated that the National Rural Livelihoods Mission is centrally sponsored scheme which was implemented in the year 2011. In the early years of the program, it was launched in 7 districts in the State. During the year 2019-20 it has been expanded to 104 blocks and the remaining blocks were proposed to be covered during the year 2020-21. 15259 SHGs have been formed under N.R.L.M, 883 village organizations (VOs) and 28 cluster level federation have been formed in the State till 31st December, 2019.

The departmental representative informed (09.12.2020) that this scheme is launched by the Center Government. When this Scheme was started in the year 2011, we started this scheme in the seven districts. In the year 2019-20, we started the same in 104 blocks and now this scheme has been implemented in 115 blocks of 22 districts.

The departmental officer further said that basically this scheme was launched by the Government of India. It was framed in the year 2011 and started in 2012. We had adopted it at that time but actually this scheme has been started when the staff was recruited. He further said that this scheme could not be implemented as there was no proper recruitment of the staff. Staff was recruited in the year 2017-18. All present, we have formed group above 20,000 in Punjab. Because lot of problems have arisen due to corona disease as this work has to be done by interacting with the people, the scheme has to be explained by gathering the ladies in the villages. Due to which entire work remained stopped due to covid. Our target is of 115 blocks. If we are allowed according to covid protocol, then we will complete remaining 11 blocks by the end of this quarter.

The Committee asked the departmental representative the detail of staff which was recruited in the first six-seven years before the year 2018? The departmental officer said that earlier there were 27-28 persons but now more than 200 persons have been recruited. There are district project managers at the District level, below that there is block manager at the block level, below the same, there is cluster co-ordinator, who have to interact with the public about group formation. So, it takes time to recruit staff and we also have to see whether we have the required budget. Under this scheme, 60% share is owned by Government of India and 40% by State. There is delay in getting State's share. Then the work stops till the funds are received. If we made recruitment then there is a problem in paying salary to the employees so as the funds are received we make recruitment.

The Committee wanted to know the overall assessment of this scheme? How much staff is needed? How your system is run? Whether there is need to make recruitment from outside or management can be made only with the internal system the departmental officer said that under the scheme, groups of ladies are formed in the villages with a minimum of 10 to 20-25 in one group. They are given a fund which is called a revolving fund. Those ladies have to make saving habit before releasing the revolving funds. This is a new concept which is sometimes not easily accepted in the villages. First of all, the ladies get together and contribute Rs. 50 per month and Rs. 100 to a common land, So as to become a habit of their saving. Then they are given money under the revolving funds. They work on the basis of revolving funds, whether they weave rugs, weave cotton sheet, whether pick up tenting materials, pots etc. or do some other small jobs. Basically let's say that very oppressed ladies in the villages get some awakening. It is not yet the case that this will lead to a major transformation in the norms of the society as there are initial stages, only five or seven years have passed since the scheme was launched. This is a Central Government scheme. When the Central Government scheme, it does so by conducting a survey at the overall India level. Sometimes, we don't like a scheme, but we try to get the most out of it. We have formed 20,000 groups in villages under this scheme. Our Panchayat Secretaries or B.D.P.Os and D.D.P.Os in the villages cannot go to see them, to talk with them because they have a lots of development work to do due to which no time is left. That is why, we keep dedicated staff under this scheme separately and they are paid salary from the same fund. Salary is about Rs. 10 or 15 thousand per month, no higher salary. This staff is on contract only. This means that the work for which money is received under the scheme is used for the same scheme. Firstly recruitment is made for one year, then we extend it for next year. There is also a bar on it. This means that the administrative cost for staff recruitment should not be more than 10% of the budget due to which there is also a problem. All the instructions of the Central Government have to be followed and the scheme is run accordingly.

The departmental representative further said that this is a scheme which is related to poorest of poor ladies and National Mission Management Unit has been set up at Government of India level. S.M.M.U at State level and the Joint Development Commissioner is the head of the department who is also the Director-cum- Chief Executive Officer. Similarly A.D.C is the head of D.M.M.U. the district level. Below A.D.C. are the district project managers which we still have six. Not yet in all the districts because where we have more work, there are D.P.M. but as we are increasing the blocks. B.P.M are deputed. B.P.M at block level are deputed as per required number.

The Committee further wanted to know that the schemes of the department do not have much of existence at ground level, they are in papers only while every scheme has to reach the people properly so that the common man can avail its benefit. The Committee wanted to know that there are 61 villages in Jalandhar East Constituency. But so far this scheme has never been heard, but the department is saying that this scheme is running in 164 blocks. That's when it come to the notice. If this scheme is running in some villages then the concerned M.L.A. should be given full information so that he can make his due contribution. As long as the bureaucrats

and politicians do not work together in a positive way for social welfare, it is difficult for the society to improve.

The Committee also wanted to know the detail of works which are being done under this scheme and work which are not being done. If there is no benefit then we will send a letter to the Government of India through this Committee not to make such schemes for Punjab in which energy is wasted a lot and the general public is not benefitted at all.

The Committee wants to know what is the overall assessment of this scheme? How can schemes be successful without staff and what works are being done under this scheme? The Committee recommends that the schemes of the department which are implemented should be studied in advance so that the benefit of all the schemes can be availed. The Committee also strongly recommends that local M.L.As should also be involved in the schemes so that meaningful results can be obtained according to the local needs of the schemes.

Inter-loaning by Staff Help Groups

Page No: 208-209
Para No: 3.20.3.2
CAG's Report for
the year 2016-17
(Civil)

2. The Committee noticed from the audit paragraph that framework for implementation of NRLM (June, 2011) provides for reduction in poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grass-roots institutions of the poor. It further provides that the poor move gradually on the continuum from consumption to debt swapping, to enhancement of existing livelihoods and thereafter, to diversification.

As of March, 2017, 4,131 Self Help Groups (SHGs) had been formed in the State. Test-check of records of 67 {four SHGs did not provide data relating to inter-loaning.} out of 71 selected SHGs, each consisting of 10-15 members as of March, 2017, revealed that 60 SHGs did inter-loaning of Rs. 73.58 lakh during 2014-17 out of corpus. The corpus with SHG consists of their own savings. Revolving fund, Community Investment Fund received under the scheme and interest earned, if any created with each SHG, as detailed in the Table given below. Seven SHGs did not do inter-loaning for any purpose till March 2017, out of which one SHG viz. Kalgidhar, district Patiala was not functional since December, 2015.

Details of inter-loaning done by selected SHGs during 2014-17:-

Table (Rupees in lakhs)

District	Block	No. of SHGs, who did inter-loaning (Total No. of SHGs)	Amount of inter-loaning		Total
			Domestic needs	Livelihood activities	
Patiala	Sanour	26(27)	29.47	7.46	36.93
	Patran	04(05)	0.59	0.05	0.64
Sangrur	Sunam	18(18)	19.04	7.49	26.53
	Sangrur	02(05)	0.50	0.05	0.55
Tarntarn	Valtoha	10(12)	4.83	4.10	8.93
Total		60(67)	54.43	19.15	73.58

Source: Departmental information

During the period 2014-17, out of Rs. 73.58 lakh inter-loaning of Rs. 54.43 lakh (74 percent) was done by SHGs for fulfilling the domestic needs of the members and only Rs. 19.15 lakh (26 percent) was used for livelihood activities. It was further observed that out of 60 SHGs:

⇒ 29 SHGs {two SHGs viz Harkrishan and Jyoti of district Patiala were not functional since September 2016} did inter-loaning of Rs. 16.37 lakh solely for meeting their domestic needs and no inter-loaning was done to enhance their livelihood activities for a period ranging up to 29 months from their formation (March, 2017).

⇒ 31 SHGs did inter-loaning of Rs. 57.22 lakh for both purpose, of which only Rs. 19.15 lakh (33 percent) was used for livelihood activities.

⇒ The percentage of inter-loaning for livelihoods activities by these SHGs ranged between 5 and 85 percent.

Thus, a major portion of loaning catered only to consumption and not for creating livelihood opportunities that would enable the loanee to move up the livelihood ladder.

The State Programme Manger stated (July 2017) that NRLM's implementation had not gained proper momentum due to shortage of staff in 2017-18, efforts would be made to motivate SHGs for more inter-loaning towards livelihood.

The department stated in its reply (5-7-2018) that the panch sutra is a basic criteria for self-help groups which include regular meeting, regular saving, regular inter loaning, regular refunds and regular maintenance of all records. When Self-Help Group is formed its grading is done after three months. According to the grading numbers, PSRLM also conducts training from time to time through its trained cadres for the members of Self-Help Groups. The PSRLM staff at block level ensures that the Self-Help Groups are following the rules. P.S.R.L.M. also instructs to follow the guidelines from time to time. Efforts being made to help self groups to start their livelihood. In the meeting of the Executive Committee of PSRLM held on 25.05.2018 the Chairman-cum-Financial Commissioner, Department of Rural Development has directed that all the self-help groups should have some economic activity.

The department stated that according to the NRLM guidelines, there is a provision to set up inter-loaning self help groups to help each other. Its main purpose was to ensure that all the members of the group could make a living and improve their lives. The Committee observed that inter-loaning of Rs. 73.58 lakh was done, out of which Rs. 54.43 lakh was provided for household needs and Rs. 19.15 lakh was used for livelihood activities. The major portion of the loan was intended to improve livelihood opportunities but was used for domestic purposes only, which is violation of the guidelines.

The Committee wanted to know the number of self-help groups have been inter-loaning for the purpose so far during the year 2017-19. A detailed report of the same be sent to the Committee.

The department in its reply (17.03.2022) stated that the benefit of revolving fund (R.F) would be given to the self-help groups only if they adhere to panch sutra in right way like regular meetings, regular saving, regular inter-loaning, regular payment to maintain record properly. As pointed out in Audit paragraph 3.20.1 that Members of S.H.G can also get loan from their own funds for the immediate needs. So in the early years of the schemes self-help groups spend the amount of inter-loaning for their basic needs so as to improve their daily life. It is mandatory for S.H.G. members to receive basic training which includes panch sutra. If S.H.G. do not follow the panch sutra they cannot avail the benefit of revolving fund. Six months after the formation of self-help group, Its members can avail more loans by submitting their micro credit plan. First of all, it is not against the rules, the department officer said. The first condition in this scheme is that we have to improve the livelihood of the poorest women by forming their group. They have to be told that they are so poor and a solution can be made under this scheme to help them in poverty.

The Committee further desired to know that during the year 2014-17 a total of Rs. 73-74 lakhs was given and out of which Rs. 54-43 was used for domestic needs. This means the parameters have to be set that what percentage is to be used for domestic purpose. On this the departmental officer said that first time money can be given for domestic purpose and not after that. Once the money has been paid, the member has to submit a micro credit plan and then he gets the money again otherwise not. Money is also to be refunded. The basic norms under this scheme is that Panch Surta is there for the group to survive. First of all there are regular meetings. After the meetings the next condition is to make regular savings either it is fifty-fifty or hundred-hundred rupee per month, as decided by the group, money is transferred in savings. In addition to regular saving, they should also do regular inter-loaning and next is that they should also repay regularly. It is not that they had taken money and its over. The next condition is to have a regular account. The group has to decide because they have to return the money. If they don't return the money, 9% interest is charged. The system is too strong that no one can run away with money under the scheme.

The Committee desires to know that how many groups have done inter-loaning since year-2017 and the amount of recovery? The Committee also desires to know status of livelihood under this scheme.

The Committee recommends the department that the general public be awakened regarding this scheme in the entire State so that people can avail maximum benefits of this

scheme. Besides this, elected representatives of the people be also intimidated about this scheme so that they should have complete information about these schemes and they could also make the people more alert.

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Provision of credit linkage to Self-Hhelp Groups

Page No: 209-210
Para No: 3.20.3.3
CAG's Report for
the year 2016-17
(Civil)

3. The Committee noticed from the audit paragraph that the chapter II of framework for implementation of NRLM provides that access to repeat finance at affordable price and in desired amounts and convenient repayment terms is critical for the poor to smoothen consumption, exit debt trap and invest in livelihoods assets. Making poor the preferred clients of the banking system and mobilizing bank credit is core to the NRLM financial inclusion and investment strategy. For this purpose, Government of India approved (May 2013) interest subvention component for availing of loans by women SHGs from banks Public Sector Bnaks, Regional Rural Bnaks Cooperative banks and Private banks. (with effect from 1 February 2014) up to three lakh at seven percent per annum. Besides, these SHGs would get further three percent subvention on prompt repayment, there by reducing the effective charge on all such loans to four percent only.

The target vis-à-vis achievement in providing credit linkage to SHGs in the State during the period 2014-17 is given below:-

Table

Year	Total number of SHGs at the end of the year	Physical (No of SHGs)		Percentage shortfall	Financial (Rs in crore)		Percentage shortfall
		Target	Achievement		Target	Achievement	
2014-15	961	200	114	43	2.00	1.54	23
2015-16	2218	403	89	78	2.02	1.08	47
2016-17	4131	1950	209	89	19.50	1.45	93

Source: Departmental data

Target vis-à-vis achievement in providing credit linkage to SHGs during 2014-17.

It was observed that there was shortfall in achievement of physical and financial targets ranging from 43 to 89 per cent and 23 93 per cent respectively in providing credit linkage to SHGs during 2014-17.

Audit further observed that out of 71 selected SHGs only six SGHs had availed credit linkage from banks. Of these, two SHGs {(i) Baba Ravidass; (ii) Baba Balmik} of Sunam block (district Sangrur) had repaid their loans timely and thus were eligible for interest subvention of Rs. 0.15 lakh. However interest subvention was not extended by SMMU to these two SHGs despite availability of Rs. 2.09 crore SMMU received Rs. 1.57 crore received from GOI (75 percent) on 07 November, 2013 and Rs. 0.52 crore from GOP (25 percent) on 22 January, 2016 for the purpose, thereby denying the financial assistance to SHGs under NRLM.

The Special Secretary, RDPD stated (July, 2017) that NRLM was in initial stage of implementation in Punjab State and SHGs were not in a position to avail credit for projects which required preparation of Micro credit plan by them. It was added that bankers were also not familiar with NRLM and now steps were being taken to organize trainings of Bank Managers in this regard. It was further assured that during current financial year, the position of credit linkage would improve and interest subvention would also be granted to the eligible SHGs. The reply needs to be seen in light of the fact that NRLM had been in operation since 2011-12 and the key to its success was the provision of access to the self-help groups to micro credit, which could not be achieved satisfactorily in the State.

The department in its reply stated (5-7-2018) that credit linkage is an important part of DNRLM. Efforts are being made to increase the SRLM under credit linkage. 80 banks sakhis have been trained for this purpose. Out of which, 50 Banks have been placed in different Bank Branches. These banks sakhis will help self-help group to provide banking facilities. In addition, monitoring of the programme is also done. In the year 2017-18, training has been imparted to 2000 bank managers from various bank, so as to improve credit linkage in the intensive blocks.

Interest subvention is directly given by Nodal Bank in guidelines of scheme in category-I district. Interest subvention in category-II districts would be given in the year 2018-19.

The Committee noted that the members of self-help group can get loan of three lakh rupees under which loan is provided at 7% interest rate in starting and 3% rebate is given provided that beneficiary repays the loan under a fixed time period. The department had set a target of inclusion of 200 self help groups but only 114 were included. At the same time a financial target of Rs. 2 crore was set but target of only Rs. 1.54 crore was achieved.

The Committee desired to know that what is the current status of credit links provided to self help groups. Also, what are the physical and financial targets and achievements from the year 2017-18 to the year 2019-20? The department in its reply stated that with the recruitment of staff and placement of bank sakhis/BC sakhis, there has been a significant increase in bank credit for SHGs between 2018-19 and 2019-20? Bank sakhis assist self help group members in opening accounts, submitting loan applications to banks, uploading pass-books etc. it is clear from the progress made in this regard during the year 2018-19 and 2019-20 that the credit linkage has improved, which is given as under, which also shows the latest status of credit linkage and the target of bank linkage and achievement is also indicated:-

Year	Physical (no of SHGs)		Percentage of Achievement	Financial (Rs. in crores)		Percentage of achievement
	Target	Achievement	Target	Achievement		
2016-17	1950	209	11%	19.5	2.38	12%
2017-18	1920	3365	175%	17.47	16.73	96%
2018-19	3246	3485	107%	26.1	15.94	61%
2019-20 up to 28 Feb. 2020	3775	3008	80%	32.25	15.83	49%

As far as interest subvention is concerned, the category I districts are being provided directly by the Government of India to the respective bank branches through Canara Bank.

The Committee wanted to know that the financial progress in the year 2018-19 and 2019-20 as shown in the table is not proportionate to the physical achievement. Kindly told about it so the departmental officer told (09.12.2020) that 96% of our target has been achieved in the year 2017-18. It is less proportionate because it is a topic related to interest subvention. The interest subvention some time seems lesser because there are some districts in India, which are divided into category-I and category-II. Category-I gets interest from Government of India directly through Canara Bank, it seems less to us because the Government of India provides money to our six districts and we have to give to the rest of the districts. Out of remaining, those who are eligible, those who fulfil their parameters, have to be given. This year we could not give it at all. In the coming quarters of January, February and March, 2021, we have set a target of around 22 lakhs. As the parameters of this schemes are very hard. The interest subvention is given to them only after investigation. This seem less because six districts have come under our category-I and they got direct interest. So, we will work more now than our targets.

The Committee wanted to know that Baba Ravidas and Baba Balmiki are groups of Sunam block, what is their position? So, the departmental officer said that interest has been given to them. When we have to give interest to them, all the norms have to be observed, only then it is given. Last time it was pointed out but we have given it now.

The Committee recommends that the physical target and achievement be made adaptable to financial target and achievement under the scheme. The Committee wants to know how many SHGs have been given interest subvention by the year 2017-20? The Committee also wants that regular staff be provided to avail the full benefits of the schemes then only the benefits of schemes can be availed and the beneficiaries can reap the full benefits.

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Non-Release of Community investment funds to SHG

Page No: 210-211 Para No: 3.20.3.4 CAG's Report for the year 2016-17 (Civil)
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4. The Committee observed from the Audit Para that paragraph 3.2 of Community Operational Manual Stipulated that before formation of cluster level federation (CLF) village organization (VO), the Mission gives one installment of Community Investment Fund (CIF) to SHGs against their Micro Credit Plans (MCPs). Once VO is formed and prepares its own MCP (aggregation of all SHGs MCPs), it would receive the next installments of CIF. The VO then disburses the CLF to SHGs as per the MCPs. Similarly, when CLF is formed, the fund is disbursed to the CLF (against MCP) which in turn disburses it to VOs.

Audit observed that DMMU, Tarn Taran released (March 2015-March 2016) CIF amounting to Rs. 68.75 lakh to eight test checked VOs for disbursement to 83 SHGs. Five (i) Eknor (Gharyala Khurd); Rs. 7.96 lakh (out of Rs. 13.20 lakh) to 12 SHGs; (ii) Gajjal (Gajjal); Rs. 8 lakh (out of Rs. 11 lakh) to 10 SHGs; (iii) Khalsa (Bhura Khona); Rs. 2.13 lakh (our of Rs. 4.95 lakh) to five SHGs; (iv) Lucky (Mastgarh); Rs. 7.87 lakh (out of Rs. 9.90 lakh) to 11 SHGs; and (v) Azad (Ratoke); Rs. 11 lakh (out of Rs. 19.25 lakh) to 10 SHGs besides one VO Nari Shakti (Mehdipur) did not produce record in respect of eight SHGs to Audit. Out of eight VOs did not disburse CIF of Rs. 36.96 lakh to 48 SHGs No CIF was released to 27 SHGs and partial CIF was released to 21 SHGs. Of these, three VOs transferred (March-April 2016) Rs. 22.90 lakh (i) Azad; Rs. 11 lakh; (ii) Gajjal; Rs. 5.40 lakh; and (iii) Lucky; Rs. 6.50 lakh to Valtoha Cluster level federation and VO Gajjal disbursed Rs. 2.60 lakh to Six SHGs for whom CIF was not Sanctioned by DMMU. However, VO Gajjal did not produce MCP in respect of these six SHGs to Audit. Remaining amount of Rs. 11.46 lakh was still lying with these VOs (May, 2017).

The DMMU, Tarn Taran, while admitting the fault on the part of VOs, stated (August 2017) that the credit needs of SHGs to whom the CIF was not released would be assessed afresh. It was added that the MCPs in respect of six SHGs were not traceable and the same would be supplied to Audit, which were awaited (October, 2017). Thus, the SHGs were deprived of adequate financial assistance under NRLM.

The department through its reply (05.07.2018) said that Community Investment Funds are provided to self help groups through village level Institutions and cluster level institutions. These funds are released to VP and CIF among the grants received from the Government. Funds could not be released to VO and CLF as funds were not received by the Government. As a result CLF could not be provided to SHGs. As far as VO Gajjal's release of funds without the approval of the District Mission Unit is concerned VO Gajjal has been written to obtain necessary approval from D.M.M.U and send a copy of a approval letter. D.M.M.U Tarn Taran was also directed to trace the 6 missing micro credit plans and sent their copies to the state head quarters.

The Committee wants to know the reasons why the proposal which was to be prepared and sent to the Central Government by the year 2011 for financial help in this regard was not sent by the year 2017. The departmental representative said that due to lack of dedicated staff for this purpose it happened but now the recruitment has been made in this regard.

The department further informed through its written reply (17.03.2020) that Women Farmer Empowerment Project is a Sub-component of National Rural Livelihoods Mission. Technical staff is required to implement this programme which was not available with PSRLM. Staff has been recruited during 2018-19 and MP has been implemented in four districts of the State; Sangrur, Patiala, Ferozepur and Gurdaspur, the department reported the progress under this scheme as follows-

Mehla Kisans involved	-	13316
Krishi Sakhis Trained	-	160
Pashu Sakhis Trained	-	19
Neutri Gardens established	-	3695

The Committee noted that during the year 2020-21 Agricultural livelihoods are being implemented in 19 blocks by increasing its activities and necessary staff is also being recruited for this purpose. The Committee asked the departmental officer about non-releasing of Community Investment Fund (CIF) whether any action was taken in this regard or not? So the departmental officer said that it happened due to lack of staff. You should compare the current scenario with the previous scenario, you will know the situation yourself. We have not let the staff stay even during corona. We have also conducted online training. We have worked hard even during corona.

The Committee feels that the department has not provided some required documents to the Committee and Audit on time and usually they are presented during the meeting due to which the Committee cannot scrutinize the paragraphs properly. The department has not properly co-ordinate with the Audit due to which the paragraphs are pending.

The Committee recommends to the department that all the necessary documents should be provided to the Audit and Committee and the whole situation should be reconciled by conducting meeting with the audit officials and a detailed report of the action taken should be sent to the Committee.

The Committee also wants that the department should study the schemes thoroughly in order to fully implement the schemes. Various arrangements for the schemes like required staff, structure, coordination at the Government level etc. should be made in advance so that the schemes could be implemented in a proper manner and beneficiaries can get full benefits of the schemes.

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Non-Implementation of Mahila Kisan Sashaktikaran Pariyojana

Page No: 211-212 Para No: 3.20.3.5 CAG's Report for the year 2016-17 (Civil)
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5. The Committee noticed from the Audit paragraph to improve the present status of women in Agriculture and +to enhance the opportunities for their empowerment. GOI announced (December 2010) the Mahila. Kisan Sashaktikaran Pariyojana (MKSP) as a sub-component of NRLM and asked (January, 2011) the State Government to submit its proposals to GOI for providing financial support {sharing pattern of 75:25 (Centre: State), revised to 60:40 (Centre: State) w.e.f. 01 April 2015} under the scheme.

Audit observed (January, 2017) that the Department did not initiate any action to implement (MKSP) to enhance productive participation of women in agriculture and to create sustainable agricultural livelihood opportunities for them even after about six years from launching the scheme by Government of India due to non-availability of manpower (June, 2017).

The Special Secretary, RDPD stated (July, 2017) that two blocks, namely Dhariwal in Gurdaspur district and Valtoha in Tarn Taran district, had been selected under MKSP in the current financial year and the scheme would be implemented as per the guidelines of Government of India. The fact, however, remains that action was taken by SMMU only after being pointed out in audit, which was indicative of a casual approach of SMMU/ department in the implementation of an important sub-component of NRLM in the State.

The department through its reply (05.07.2018) said that due to the release of P.S.R.L.M. funds by the Government, the required staff could not be recruited in the year 2017-18. Mehla Kisan Sashaktikaran Yojana will also be implemented after the recruitment of required staff during the year 2018-19.

The department through reply (17.03.2020) said that the Mehla Kisan Sashaktikaran projects is a sub-component of the National Rural Livelihoods Mission. Technical staff is required to implement the programme, which the PSRLM did not have. During 2018-19, the staff has been recruited and this yojana has been implemented in four districts of the State, Sangrur, Patital, Ferozepur and Gurdaspur. The progress made under this scheme is given below for consideration of the Committee.

Mehla Kisans involved	-	13316
Krishi Sakhis Trained	-	160
Pashu Sakhis Trained	-	19
Neutri Gardens established	-	3695

The department also informed that during the year 2020-21 the activities of Agricultural livelihoods are being implemented in 19 blocks and the required staff is also being recruited for this purpose. However, the Committee feels that the department has sent the reply but the documents are not attached with the reply due to which the paragraph cannot be considered satisfactorily.

The Committee recommends that documents which are required for the audit be provided to them as soon as possible and the report thereof be sent to the Committee. The Committee also recommends that documents should be sent to the Committee as per the audit observations and the department should coordinate with the audit department and discuss and reconcile the latest situation regarding the paragraph and full attention be given to the audit observations in future, so that the shortcomings pointed out by the audit could be avoided and same should not be repeated.

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Shortage of Staff

Page No:212-213
Para No: 3.20.3.6
CAG's Report for
the year 2016-17
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6. The Committee noticed from the Audit paragraph that as per chapter VI of framework for implementation of NRLM, the success of the Mission is critically linked to the quality and professional competence of dedicated sensitive support structure at various levels and their staff.

The position of staff under NRLM at State, district and sub-district levels during 2014-17 is given in the table below.

Table

Level	Position as of	Sanctioned strength	Men-in-position	shortage (percent)
State (SMMU)	March 2015	14	9	5(36)
	March 2016	14	6	8(57)
	March 2017	16	8	8(50)
District	March 2015	25	19	6(24)
	March 2016	29	18	11(38)
	March 2017	32	21	11(35)
Sub-district	March 2015	60	48	12(20)
	March 2016	67	51	16(24)
	March 2017	172	45	127(74)

Source: Departmental data

The Audit noticed that there was shortage of staff ranging between 20 and 74 per cent at State, District and Sub-district levels during 2014-17. Though this remained one of the main causes for weak implementation of NRLM in the State, the issue of shortage of staff was not taken on agenda in the only meeting of Executive Committee of SMMU held (August, 2015) during 2011-17, wherein the matter regarding salary of staff only was discussed.

The SMMU attributed (July, 2017) the reasons for inadequate man-power to non-finalization of Human Resource (HR) Manual. It was stated that the HR Manual had been approved by the Executive Committee of PSRLM Society in May, 2017 and adequate staff would be recruited during 2017-18. Thus, in spite of NRLM having been launched in June, 2011 and the framework of its implementation prescribing the State to have its own HR policy and

manual, the same was approved only in May, 2017 i.e. after six years from the launch of the scheme.

The department vide its reply (05-07-2018) stated that as mentioned in the above para no: 3.20.3.5, there was a shortage of staff at all levels (State, District Block, cluster) in PSRLM. According to the annual action plan of the year 2018-19, as many as 263 positions are required to be filled for the smooth functioning of PSRLM. It has been planned to recruit the required staff by 30.06.2018. Governing body of PSRLM in its meeting held on 16.04.2018 authorized Executive Committee PSRLM to make necessary amendments in HR manual and implement it. EC PSRLM in its meeting held on 25.05.2018 approved the amendments made in it and soon it will be implemented. Due to implementation of H.R manual necessary recruitments will also be made.

It has come to the notice of the Committee that only two meetings of the Executive body have been held and only one meeting has been held at the Chief Secretary level. Due to which the implementation of the scheme did not take place properly. If shortage of staff is said to be the reason for this by the department then the Committee feels that shortage of staff cannot be considered as the reason for non-implementation after 2011 till 2019.

The departmental representative said that HR manual was implemented last year regarding staff shortage after which 210 staff were recruited and 216 more are to be recruited during the year 2020-21.

The Director, Rural Development and Panchayats Department said that he remained DC of 3-4 districts. A meeting is called at the district level regarding various schemes in which MLA of the area and even BDS doctors are present in that meeting. All the schemes in the agenda of that meeting are made online to know what is going to be discussed in the meeting. If there is flaw in any case, it is discussed in the meeting at the State level. He said that whatever guidance is given by the Committee will be implemented at the district level.

In this regard, the Committee felt that there is no benefit in the meetings to be held by the department or whether these meetings are held or not because there is no implementation on it further. The department should make every possible effort to implement the schemes related with Rural Development and Panchayats Department and Monitoring of the schemes be done in a proper manner so that no complaint is received in this regard from the M.L.A. of that area.

The department said in its reply that there is a human intensive programme of the National Rural Livelihoods Mission. At the beginning of the programme, staff could not be recruited and there was shortage of staff. This program was initially implemented in 5 districts and later more district/blocks were added. According to the instructions of the Government, the Human Resource Manual was prepared on the basis of Model H.R. Manual sent by the Centre Government and was implemented from 25.05.2018 and recruitment of staff was made as per requirement, the details of the same is as under:-

Sr. No.	Year	No of Post Sanctioned (Total)	No of Posts filled at various levels				
			State	District	Block	SubBlock	Total
1	2018-19	263	4	5	11	8	28
2	2019-20	216	9	20	64	52	136
3	2020-21	101	-	-	-	-	-

The department also wrote that the Commissioner, Rural Development and Panchayats Department and Joint Development Commissioner hold meetings with the Deputy Commissioner of the districts every month to review the progress at the State level and assured the Committee that the schemes related with the Rural Development and Panchayats Department will be implemented in a more efficient manner so that the benefit of these schemes can reach the concerned needy poor families and no opportunity for any kind of complaint will be given in this regard.

The Committee wants that documents which are required by the Audit Department be provided and its report be sent to the Committee.

The Committee feels that lack of staff makes it difficult to implement the schemes properly, therefore the Committee recommends to the department to meet the shortage of staff so that the benefits of the scheme can be fully availed. The Committee also wants the advance evaluation of the schemes should be done for proper implementation of the schemes and necessary advance arrangements be made for the implementation of the schemes so that the full benefit of the schemes can be availed.

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Impact Assessment

Page No:213-214
Para No: 3.20.3.7
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7. The Committee noticed from the Audit paragraph that in order to assess impact of NRLM on self-help groups, audit along with the District Programme Manager of the three test-checked D.M.M.U.s interacted with members of 16 out of 71 selected self-help groups selected by adopting 'Systematic Sampling' method (23 per cent). Response of self-help groups with respect to some important parameters under NRLM are discussed as under.

⇒ No collective initiatives for social and economic development were taken by any of the self-help groups, as required under paragraph 2.1 of Community Operational Manual (COM).

⇒ Five SHGs were released revolving fund as per guidelines, revolving fund would be provided to SHGs as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their credit needs in the long-run and immediate needs in the short-run (RF) of Rs. 10,000 each against the stipulated amount of Rs. 15,000 as per paragraph 3.2 of COM.

⇒ As many as 13 out of 16 self help groups were released RF with delay ranging up to 225 days from the dates on which SHGs became eligible {SHGs which are six months old (practicing

Panchasutra for for the last 15 weeks w.e.f. 05.01.2015) and SHGs three months old w.e.f. 10.08.2015 and adhering to Panchsutra (i.e. regularity in meetings, savings, internal lending, repayment and book-keeping), having active savings bank account and minimum three days of training on SHG concept, leadership and functioning for RF}.

⇒ One SHG (Nagar Khera of Patiala district) reported that it had not received community investment fund (CIF) despite submission of micro credit plan to village organization (Marda Heri).

No reply was furnished by SMMU (July 2017) to the issues brought out in the survey.

The Department has given para-wise reply (5-7-2018) as per below:-

1. Impact study of N.R.L.M. has been done by National Level monitors in district Ferozepur and Tarn Taran.
2. Due to non-receiving of adequate funds from the Government and due to increase in number of eligible self-help groups to receive revolving funds, revolving fund of Rs. 10,000 per group is given so that more groups can be covered.
3. Delay in release of revolving funds is due to non-availability of funds. When funds are received late from the Government then there is also delay in releasing of Community Investment Fund (CIF) and RF to self-help groups.
4. Delay in release of revolving funds is due to non-availability of funds. When funds are received late from the Government then release of CIF and RF to self-help groups is also delayed.

It has come to the notice of the Committee that only two meetings of the executive body have been held and only one meeting has been held at the Chief Secretary level. Due to which the implementation of the scheme did not take place properly. If shortage of staff is said to be the reason for this by the department, then the Committee feels that shortage of staff cannot be considered as the reason for non-implementation after 2011 till 2019.

The Director, Rural Development and Panchayats Department said that he remained DC of 3-4 districts. A meeting is called at the district level regarding various schemes in which MLA of the area and even BDS doctors are present in that meeting. All the schemes in the agenda of that meeting are made online to know what is going to be discussed in the meeting. If there is flaw in any case it is discussed in the meeting at the State level. He said that whatever guidance is given by the Committee will be implemented at the district level.

The department officer also told the Committee that the Finance Commissioner, Rural Development and Panchayats Department and Joint Development Commissioner hold meetings with the Deputy Commissioner of the district every month to review the progress at the State level. The Honorable Committee was assured that the schemes related with the Rural Development and Panchayats Department will be implemented in a more efficient manner so that the benefit of these schemes can reach the concerned needy poor families and no opportunity for any kind of complaint will be given in this regard.

The Committee feels that there is a lack of supervision/ monitoring of the schemes at the district level. The Committee wants the department to discuss the information regarding the schemes with people's representative, MLA etc.

The Committee noticed that the department did not provide the complete documents to the Committee, due to which the audit did not get complete information, regarding the paragraphs. Therefore, the Committee wants that the necessary documents should be provided immediately as per the audit observation regarding this paragraph and the department should coordinate with the audit and discuss the latest position regarding the paragraph and the action taken should be intimated to the Committee.

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Lack of Monitoring at State Level

Page No: 214 Para No: 3.20.4 CAG's Report for the year 2016-17 (Civil)
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8. The Committee noticed from the Audit para that as per chapter VI of framework for implementation of NRLM, the State Rural Livelihood Mission Society's (SMMU) Governing Body under the Chairmanship of the Chief Minister or the Chief Secretary and the Executive Committee under the Chairmanship of the Chief Secretary or Development Commissioner with the Principal Secretary, Rural Development as Vice Chairperson, are to provide guidance and advice in all aspects of planning and implementation of NRLM.

Audit observed that the Governing Body and Executing Committee of SMMU were constituted in December 2010. However, Governing Body met only once in January, 2011 and no meeting was held thereafter against the requirement of meeting at least once in a year. Similarly, Executive Committee of SMMU met only once in August, 2015 after four years of registration of Punjab State Rural Livelihood Mission Society (May 2011) against the requirement of meeting at least twice in year.

The Special Secretary, Rural Development and Panchayats department stated (July, 2017) that meeting of Executive Committee of SMMU was held in May, 2017 and the meeting of Governing Body would be conducted shortly. Thus, the implementation of NRLM in the State lacked direction, monitoring and guidance from the top as the apex bodies meant to provide such interventions did not meet as envisaged.

The department through its reply (5-7-2018) stated that the meeting of the Governing body of P.S.R.E.A.M. was held on 16.04.2018 and the meetings of the EC were held on 11.05.2017 and 25.05.2018. Efforts will be made to conduct regular meetings of the Governing Body and EC in future as per the instructions of the Central Government.

The Committee noticed that the executive body met only twice and there was also only one meeting at the Chief Secretary level, due to which the implementation of the scheme was not done properly.

The department officer also told the Committee that the Finance Commissioner, Rural Development Commissioner and Joint Development Commissioner hold meetings with the Deputy Commissioner of the districts every month to review the progress at the State level. The Honorable Committee was assured that the schemes related with the Rural Development and Panchayats Department will be implemented in a more efficient manner so that the benefit of these schemes can reach the concerned needy poor families and no opportunity for any kind of complaint will be given in this regard.

The Committee noticed that there has been a lack of monitoring of the scheme at the State level. The Governing Body meeting was held only in January, 2011 and was held after 4 years in August, 2015 whereas the meeting was supposed to be held once a year. Cross negligence on the part of the department is visible and there is a lack of responsibility. The officers at the State level do not take the schemes seriously due to which schemes are not completed and the beneficiaries are deprived from the benefit of the schemes. The department also does not provide the complete documents to the Committee due to which the Committee had difficulty in examining the paragraphs.

The Committee wants that documents which the department has not sent along with the reply, be provided to the Audit and the Committee. The Committee also wants to know how many meetings of the Governing body were held from the year 2011 to 31.12.2020? Documentary evidence regarding the meetings should be submitted.

The Committee recommends that the monitoring of the mission at the State level should be done properly. According to the guidelines of the schemes, meetings should be conducted regularly so that the schemes can be properly monitored and the inspection of the schemes at the District level can be done in a proper manner and the benefit of schemes could be given to beneficiaries.

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Suspected Misappropriation of funds

Page No: 215-217 Para No: 3.21 CAG's Report for the year 2016-17 (Civil)
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Failure of the Rural Development and Panchayats Department to adhere to the codal provisions/instructions/rules led to suspected misappropriation of funds amounting to Rs. 3.26 crore in the Panchayati Raj Division, Jalandhar.

9. The Committee noticed from the Audit paragraph that as per Rule 7.130 of Departmental Financial rules (DFR) provides that funds received by the Divisional Officer on account of deposit works should be credited in the accounts to the head "Public Works Deposits" against which all expenditure will be debited. The Finance Department (FD), Government of Punjab, had also issued (December, 2004) instructions based on Rule 10 of Punjab Treasury Rules that no Drawing and Disbursing Officer (DDO) in the State Government can open a bank account without the explicit permission of ED. Further, Rule 2.2 of Punjab Financial Rules (volume-I) provides that every officer receiving money on behalf of the Government should maintain a cash book and all monetary transactions should be entered in the cash book as soon as they occur and should be attested by the head of the officer in token of check.

Test-check of records (January, 2017) in the officer of Executive Engineer (XEN), Panchayati Raj Division (PRD), Jalandhar and examination of bank account statement revealed that PRD, Jalandhar had opened eight {Axis Bank Account Nos. (i) 91501004422108; (ii) 914010055220807; (iii) 916010025439747 (disclosed by the Division vide its reply dated 28.04.2017 after being pointed out by Audit); (iv) HDFC Bank Account No. 50100073132685; IDBI Bank Account Nos. (v) 073104000049595; (vi) 1488104000022862; and Kotak Mahindra Bank Account No. 8911604645; and (viii) Yes Bank Account No. 007194600000340} bank accounts out of which five accounts in Axis Bank, HDFC Bank and Yes Bank had been

disclosed whereas other three were not disclosed in official records. The requisite permission of FD for operation of any of these eight bank accounts was not shown to Audit.

Audit observed that XEN, PRD, Jalandhar reported (June, 2016) refund of unspent funds of Rs. 1.02 crore (including interest) to Punjab Infrastructure Development Board (PIDB) pertaining to works of small bore Sewer System, vide cheque No. 605745 date 30.06.2016 from saving bank account No. 007194600000340 operative in its name in Yes Bank and closed the cash book (June, 2016) with nil balance. The closing balance of cash book (cash in chest and bank) for the months July, 2016 to December, 2016 was also shown as nil. However, examination of bank statement of the said account in Yes bank revealed that the cheque No. 605745 dated 30.06.2016 was never presented in the bank for payment. Instead, payments amounting to Rs. 0.46 crore were made during August, 2016 to September, 2016, which were neither accounted for in the cash book nor were vouchers supporting thereof made available to Audit. The balance amount of Rs. 0.59 crore {Rs. 30,00,000 on 05.10.2016; Rs. 28,50,000 on 09.11.2016; and Rs. 20,233 on 16.01.2017} (including interest and other deposits) was transferred (October, 2016- January 2017) by XEN, PRD, Jalandhar to a new bank account No. 1488104000022862 opened in its name in IDBI Bank on 20 June 2016 and the savings bank account No. 007194600000340 of Yes Bank was closed in January 2017.

Further examination of IDBI Bank Account No. 1488104000022862 and other two bank accounts in Kotak Mahindra (Account No. 8911604645) and Axis Bank (Account No. 916010025439747) operational in the name of XEN, PRD, Jalandhar revealed that funds amounting to Rs. 2.80 crore received from various departments/agencies for deposit works and other receipts were deposited (June 2015-February 2017) in these bank accounts of this, Rs. 2.80 crore was paid (July, 2015- February, 2017) through cheques, leaving a balance of Rs. 577 in IDBI Bank Account, as detailed in Appendix 3.15. However, neither the cash book depicting entries of receipts/payments nor the vouchers supporting the payments of Rs. 2.80 crore IDBI Bank; Rs. 2,35,82,279; Kotak Mahindra Bank: Rs. 19,13,655; and Axis Bank; Rs. 24,61,418 (as confirmed (April 2017) by the Division with regard to non-accounting of transactions of Axis Bank Account in cash book) in respect of these three bank accounts were shown to Audit despite issue of reminders during February and November, 2017.

On this being pointed out in audit (January, 2017) the XEN, PRD, Jalandhar stated (April, 2017) that an F.I.R. against the concerned Executive Engineer had been registered by the Superintending Engineer, PRD, Jalandhar on 07 March, 2017. It was added that there was a high possibility of other accounts being operational in the name of XEN, PRD, Jalandhar without the knowledge of the division. For which the division had written to the lead bank, Jalandhar. Further reply of the department was awaited (November, 2017).

Thus, Failure of the department to adhere to the codal provisions/instructions/rules ibid Id to respected misappropriation of funds amounting to Rs. 3.26 crore {Yes Bank: Rs. 45,50,496; IDBI Bank: Rs. 19,13,655; and Axis Bank: Rs. 24,61,429} in the Panchayati Raj Division, Jalandhar. The matter was referred to Government in March, 2017; reply was awaited (November, 2017).

The department through its reply (13.12.2018) stated that keeping in view the maintaining of correct accounts of scheme-wise funds received from the various agencies, the funds of deposit work are kept in different bank accounts. If separate accounts are not opened, it becomes difficult to maintain the account for the interest earned on the remaining unutilized balance. As far as the operation of various bank accounts under the Divisional Office is concerned it is submitted that apart from the bank accounts being maintained at the divisional office level Mr. Navdeep Singh Gill, Executive Engineer has opened accounts wrongfully in 4 other banks at his own level in which the cash book was never written by him and the information about these bank accounts was not given by him to any staff or higher officials of the divisional office.

The information regarding the irregularities during the time of deceased Mr. Navdeep Singh Gill Executive Engineer was brought to attention only during the audit conducted by the audit party from 23.01.2017 to 31.01.2017. There was no information to any staff member of the divisional office regarding this transaction. This officer died on 07.02.2017 under suspicious circumstances. These facts were brought to the attention of the office only after a thorough investigation conducted by the special audit party during the month of February, 2017. Hiding the information of four bank accounts (IDBI Account No. 14881040000022862, Kotak Mohindra Account No. 8911604645, Axis Bank Account No. 916010025439747 and Yes Bank Account No. 007194600000340) by the said officer depicts the bad intention of Executive Engineer. After the matter came into notice, accounts have been freezed from the concerned bank.

The department stated that then late Executive Engineer (Pard) Shri Navdeep Singh Gill is responsible for this whole matter, who did not follow the codal rules and instructions. Due to which, there has been a suspected embezzlement of funds worth, Rs. 3.26 crore in Panchayati Raj Division Jalandhar.

After the embezzlement of funds by the deceased Mr. Navdeep Singh Gill, Executive Engineer came into notice of FIR No. 0050 was registered against the concerned Executive Engineer on 07.03.2017 at New Barandri Police Station, Jalandhar and the Police Department transferred this case to the Vigilance Department for investigation. In this way, further action at the level of the department regarding the fraud in the funds in this case can be taken only after the investigation of the Vigilance Department is completed.

In this regard, the SSP, Jalandhar Range Vigilance Bureau, Jalandhar has also been issued demi-official letter No. 3114 dated 22/11/2018 regarding the speeding up of the investigation in the case. Apart from this matter, the issue was already taken up separately with the Director Prosecution and Litigation regarding the recovery of the embezzlement amount from the concerned accused.

It was brought to the notice of the Committee by the audit in the meeting of the Committee held on 03.01.2020 that whenever the demand for funds in made by the department the estimate of the same is prepared, after that the proposal is send and then the financial progress reports are prepared. This also includes higher level supervision but the department's reply did not mention anything like that, only embezzlement of Rs. 3.26 crore by the deceased

Executive Engineer, Navdeep Singh Gill in the year 2016 was mentioned whereas involvement of all from top to bottom is remained there in the proposal of case.

In this regard, the departmental officers told the Committee that basically the deceased Navdeep Singh Gill was S.D.O. and he was given the charge of Executive Engineer and he had done embezzlement at his own level. Apart from this, the contractor also died under suspicious circumstances. Earlier this case was being investigated by the local police but they said that this is a vigilance case and now the vigilance is conducting an inquiry to find out who else is involved in it.

The Committee noted that a SDO was given the charge of XEN and after that there is an embezzlement of Rs. 3.26 crore. When this unfolds, then XEN dies and so does contractor under suspicious circumstances. The police, which is the investigating authority gave up investigating for some time. The Committee felt that someone is protecting these people. In order to complete this case quickly, the Committee wrote to the Punjab Government that its inquiry should be handed over to C.B.I. within a month so that the culprits can be brought forward and punished.

The Committee also wanted to know how many gram sewaks were given the charge of BDPO and it should also be stated whether the BDPO level officer can directly recruit clerks without advertisement?

The department through its reply (27.11.2020) said that according to the orders of the Honorable Minister, Rural Development and Panchayats regarding observation made by the Committee there is no need for CBI investigation. Chief Director Vigilance Bureau, Punjab has been written vide letter no. C.E (PAR) Accounts/20/44/2968, dated 19/11/2020 to complete required investigation within 6 months.

The department through its reply (13.11.2020) stated that three gram sewaks and one clerk (accounts) were given the charge of B.D.P.O. and B.D.P.O. level officers voluntarily cannot recruit clerks. In this regard, it is clarified that clerks are recruited on the Government side and Panchayat Samiti/District Parishad side in the Rural Development and Panchayati Department. Clerks are recruited on the Government side through S.S.S. Board. The recruitment of clerks on the Panchayat Samiti/District Parishad side can be done under the Punjab Panchayat Samitis and Zila Parishad service Rules 1965".

When the Committee wanted to know whether the vigilance had conducted any investigation regarding the embezzlement, the departmental officer said that earlier only an FIR was registered, no investigation had been conducted. Now they have been asked to complete the investigation within 6 months. The Punjab Government has withdrawn everything from the CBI.

Further, on being asked by the Committee, the departmental officer said that D.O. letter was written on 03.12.2020 and six months period will be taken to complete the investigation by June, 2021.

When the Committee wanted to know that no departmental inquiry of this case was conducted, the departmental officer told that 3 crore 25 lakh rupees had been deposited in 4 bank accounts. Two days before the day the XEN died, he deposited one and a half crores of RIGS in the bank account of Harbhajan Singh, Contractor. He had deposited Rs. 1crore, 2 lakh, 31 thousand in February, 2017 and then Rs. 48.67 lakh on 7.2.17. The department had frozen Rs. 94 lakh deposited in the contractor's bank account by pressurizing.

The departmental officer further said that FIR was registered, if we see, the maximum punishment was death. The person is dead, its over now.

The Committee did not agree with this and felt that vigilance registered the case but what about the system from Chief Secretary to lower level which we have established. We said that the person has died and over but whether there is no any Secretary, Minister or police. Then we have evolved this system? Powers are delegated at different levels below the Chief Secretary, when powers are delegated at different levels, then ultimately it becomes responsibility of someone. How many crores of RTGs is done by an Executive Engineer. Whether any file is signed? Don't we delegate powers at every level? The Committee thinks that someone must have put up the file. It cannot be possible that no one has put up the file. Babu did not cross check? We cannot say that if one person has died and everything has gone with him. How can this be possible? Now this is the case of irrigation department, in which 3-4 IAS officers are there. Whatever there is no responsibility for 40 crores? Now, there is a case of Rs. 1200 crore but now can a single person embezzle Rs. 1200 crore? You said that the man died and the maximum punishment was death but a system has involved. Ultimately, the departmental officers also have to see something. The Committee felt that those who are senior officers have withdrawn from taking responsibility. So the departmental officer told that now FD has stopped this system when the bill is made take its direct payment. Even if, there are 25 contractors, in this project they will go directly to RTGS. The earlier system itself was flawed. Earlier we used to withdraw in advance. As this XEN has withdrawn the money and deposited it in his account and then transferred it to four accounts. But the Committee felt that the problem still exists. The money that goes directly into the contractor's account there are bureaucrats also in the system, there are politicians also, we all are also there. They should also be monitored.

The departmental officer assured that action will be taken as per the directions of the Committee.

The Committee felt that 2-3 of them have even retired, but if we do not take any action, then this is a system failure. The departmental officer said that we will check this matter internally.

The Committee wants the department to check internally who is involved in this case, be it political or anyone else should be included. The retirees involved in this case will be receiving retirement benefits, which is tax payer money. The departmental action should be taken as per rules against those who have committed negligence.

The Committee recommends that the investigation of all the cases related to this paragraph should be completed by vigilance within the prescribed six months. There is already a lot of delay in this case. Therefore, the concerned officer should pursue this case on day to day basis and there should be no further delay in this.

The Committee wants to know the details of instruction according to which charge of BDPO has been given to Gram Sevak and Clerk whereas there are instructions of the Government that charge can be given to the senior most employee only.

The Committee also wants to know that copy of the Punjab Panchayat Samiti and Zila Parishad Service Rules 1965 be sent to the Committee for information.

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Loss of Interest due to delay in renewal of fixed deposit receipts

Page No: 217-218 Para No: 3.22 CAG's Report for the year 2016-17 (Civil)
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Inordinate delay in renewal of Fixed Deposit Receipts by the Director, Rural Development and Panchayats, in contravention of the Punjab Financial Rules and instructions of the Finance Department, resulted into loss of interest amounting to Rs. 1.50 crore.

10. The Committee noticed from the Audit paragraph as per Rule 2.10 of Punjab Financial Rules (volume-I) provides that every Government employee incurring or sanctioning expenditure from the revenue of the State should be guided by high standards of financial propriety. Each Head of Department is responsible for enforcing financial order of strict economy of every step. The Government of Punjab (GOP), Department of Finance issued (March 2001) instructions for placement of temporary surplus funds by the State Government Departments with Scheduled Commercial banks for best possible returns and safety of funds.

Test-check of records (September, 2016) of the Director, Rural Development and Panchayats, Punjab (Department) revealed that the department received (July, 2008) funds of Rs. 80.48 crore from Sub-divisional Magistrate-cum-Land Acquisition Collector, SAS Nagar for making payment of compensation to the claimants of village Jheourheri in lieu of their land acquired for construction of International Airport at Mohali (SAS Nagar). Audit noticed that out of Rs. 80.48 crore, the Department kept (July 2008) Rs. 76.48 crore in Fixed Deposit Receipts (FDRs) in Punjab National Bank (PNB), Chandigarh without looking for best possible return from other banks {Except for the period from January 2012 to February, 2013 when the funds were kept in four different private banks at competitive interest rates} The remaining amount of Rs. 4.00 crore was transferred (July, 2008) to Punjab and Sindh Bank (PSB), Chandigarh on which interest of Rs. 0.64 crore was earned through FDRs till May, 2011, as reported (October, 2017) by the Department. The amount of Rs. 4.64 crore was further kept (April-May 2011) in 13 FDRs having maturity value of Rs. 5.26 crore between November 2011 and August 2012. Thereafter, these FDRs were not renewed.

On this being pointed out (September, 2016) in audit, the Department took up (October and December, 2016) the matter with PSB for renewal of 13 FDRs amounting to Rs. 5.26 crore. The PSB, after giving credit of interest of Rs. 0.76 crore at the rate of four per cent (as per bank policy) on the maturity value (Rs. 5.26 crore) of FDRs during the intervening period (November, 2011- December, 2016) 13 FDRs amounting to Rs. 6.02 crore for one year i.e. up to December 2017. Had the Department renewed the FDRs immediately on their maturity between November 2011- and August 2012, it could have earned interest amounting to Rs. 2.26 crore at the rate 7.00 to 9.60 per cent. However, the department did not furnish reasons for not renewing the FDRs immediately on their maturity.

Thus, inordinate delay in renewal of FDRs by the Department, in contravention of the Rules and instructions *ibid*, resulted in loss of interest amounting to Rs. 1.50 crore, besides showing lack of internal control mechanism over financial transactions in the Department. The matter was referred to Government in July, 2017; reply was awaited (November, 2017).

The department through its reply (17-17-2018) said that at the time of renewal of FDRs in December, 2016, the bank has given interest at the rate of 4% from August, 2012 to

December, 2016. While this amount was in the form of FDRs, the bank itself had to pay interest on FDRs. But regarding the loss due to non-receipt of interest as per the rates of FDRs on the said amount, correspondence/procedure is going on with the bank regarding taking interest as per the rates of FDRs.

It has come to the notice of the Committee that the department had not timely renewed its 3 F.D.Rs deposited with the Punjab and Sindh Bank. Due to which there has been an interest loss of Rs. 50 crores.

The departmental officer admitted (03.01.2022) that this is correct but this fault lies with the Punjab and Sindh Bank who had not done auto renewal of FDRs as Punjab National Bank does auto renewal by itself. He said that he will send a letter to MD, Punjab & Sindh Bank in this regard so that the department can be compensated for the suffered loss.

The departmental officer also said that when Land Acquisition Deptt. had given this money to the Rural Development and Panchayats Department, it was also said that some people are asserting their right on the shamlat land. In the year 2008, this issue was discussed in the cabinet then it was decided that if it is the right of the people, then it should be given to them. In the meantime, some people filed a case in the Civil Court that it is our money. From there, this matter was referred to the Additional Sessions Judge and he ordered to deposit F.D.R. alongwith entire amount to the Civil Court. The department approached the High Court against it, saying that the people have no right over it, this money belongs to the department. There is a provision in the Land Acquisition Act that where there is a deispute between two parties, the order of the civil court prevails and the Land Acquisition Collector has to deposit the money with them. Now it is lying with the Civil Court but the FDRs are still in continuity and the Court called the bank manager and took the FDRs into their custody.

The Committee had desired that a big amount is involved in this and the department cannot deny it by placing the responsibility only on the bank that the department also committed negligence in this. So, the Committee wanted to know the name of the officer by which the terms & conditions were fixed with these banks? The Committee also wanted to know that the recovery of this amount should have been made from the officer who was responsible for all this.

The department stated (5.11.2020) in its reply that during the year, 2011, the department had arranged 13 FDRs of different amounts with Punjab and Sindh Bank, whose interest loss is not 50 crores but interest is Rs. 1.50 crores. The department has also informed that the case is under hearing in the Hon'ble Punjab and Haryana High Court on 08.02.2021 against the decision made by the Hon'ble Civil Court, Mohali regarding the distribution of amount. Hon'ble D.R.D.P. wrote to MD New Delhi and zonal Manager, Punjab and Sindh Bank, Chandigarh in order to compensate loss from bank and due to lack of response, again issued demi-official letters.

It was also clarified by the department that the department is not putting the responsibility on the bank in this regard and neither is the department denying it. No notice was received regarding transfer of saving account or renewing (F.D.R's of the Departments from the bank branch) for this loss. Therefore, D.R.D.P.G. has written to the bank for compensation of loss of interest. Efforts are being made by the bank to recover it, if the interest is not recovered from the bank, then a case will be filed against the bank to recover it. As far as the authorities regarding recovery are concerned those officers/employees have retired.

During the Committee meeting date (9.12.2020), the departmental representative said that he had personally talked to the zonal Manager of Punjab and Sindh Bank on phone and also in writing that you had given less interest on our 13 F.D.Rs and full due interest be given to us. They replied that the matter has been taken up with the head office and an answer will be given shortly. In this letter, we have written that the Punjab Government has listed 13 banks in which your bank is also listed and if you do not compensate the Government's loss, we will remove your bank from that list and thereafter full amount would be recovered after filing case in the Court.

The Committee wants to know when FDR was done whether any conditions were set in advance that if it is not done timely then FDR will automatically mature after this time? Did you assure this, then the departmental officer stated that it is this much issue only.

The department says that it will mature automatically but they say that you have not given the option for it to mature automatically. Basically, this money was not ours, the land of a village was acquired. It was the money of land acquisition of that village. Then, there was hue and cry regarding purchasing of land at high rates and some money came back to us. Basically the Panchayat land money should have remained with the Panchayat, this money should not have come to us.

The Committee wants to know that this should be resolved quickly by talking to the bank and the Committee should be informed in this regard as it is the responsibility of the departments.

The Committee feels that though the money belongs to Panchayat but it was Government's money. Whosoever has the Government money he is responsible for the proper protection of it. Therefore, it was the duty of the concerned officer/employees of the department to renew the FD of the relevant amount, the Government has suffered financial loss in the form of interest due to their negligence. They are responsible for the safety of Government money. Therefore, the Committee wants to know the names and designations of the officers/employees who were dealing with the case at that time. If they are retired, then what was the date of their retirement? The responsibility of the concerned officers/employees should be fixed and appropriate due action should be taken.

The Committee also recommends that suggestion of finance dept. should also be taken regarding this issue and the finance department should contact the bank and make efforts to deposit the due interest in the Government treasury. The finance department should inform the Committee about the action taken. If the bank is shirking its responsibility, then the Punjab Government should consider to stop lending money to the bank.

The Committee wants the department to take up the matter with the bank and help of the finance department should also be taken and a report should be sent to the Committee by 31 March, 2021 regarding the same.

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APPENDIX

SUMMARY OF RECOMMENDATIONS/OBSERVATIONS OF THE
COMMITTEE ON PUBLIC UNDERTAKINGS 2014-15

Sr. No.	Paragraph of the Report	Recommendations/Observations
1	2	3
1	1	<p>The Committee also wanted to know the detail of works which are being done under this scheme and work which are not being done. If there is no benefit then we will send a letter to the Government of India through this Committee not to make such schemes for Punjab in which energy is wasted a lot and the general public is not benefitted at all.</p>
		<p>The Committee wants to know what is the overall assessment of this scheme? How can schemes be successful without staff and what works are being done under this scheme? The Committee recommends that the schemes of the department which are implemented should be studied in advance so that the benefit of all the schemes can be availed. The Committee also strongly recommends that local M.L.As should also be involved in the schemes so that meaningful results can be obtained according to the local needs of the schemes.</p>
2	2	<p>The Committee desires to know that how many groups have done inter-loaning since year-2017 and the amount of recovery? The Committee also desires to know status of livelihood under this scheme.</p>
		<p>The Committee recommends the department that the general public be awakened regarding this scheme in the entire State so that people can avail maximum benefits of this scheme. Besides this, elected representatives of the people be also intimated about this scheme so that they should have complete information about these schemes and they could also make the people more alert.</p>
3	3	<p>The Committee recommends that the physical target and achievement be made adaptable to financial target and achievement under the scheme. The Committee wants to know how many SHGs have been given interest subvention by the year 2017-20? The Committee also wants that regular staff be provided to avail the full benefits of the schemes then only the benefits of schemes can be availed and the beneficiaries can reap the full benefits.</p>
4	4	<p>The Committee feels that the department has not provided some required documents to the Committee and Audit on time and usually they are presented during the meeting due to which the Committee cannot scrutinize the paragraphs properly. The department has not properly co-ordinate with the Audit due to which the paragraphs are pending.</p>
		<p>The Committee recommends to the department that all the necessary documents should be provided to the Audit and Committee and the whole situation should be reconciled by</p>

1	2	3
		conducting meeting with the audit officials and a detailed report of the action taken should be sent to the Committee.
		The Committee also wants that the department should study the schemes thoroughly in order to fully implement the schemes. Various arrangements for the schemes like required staff, structure, coordination at the Government level etc. should be made in advance so that the schemes could be implemented in a proper manner and beneficiaries can get full benefits of the schemes.
5	5	The Committee recommends that documents which are required for the audit be provided to them as soon as possible and the report thereof be sent to the Committee. The Committee also recommends that documents should be sent to the Committee as per the audit observations and the department should coordinate with the audit departments and discuss and reconcile the latest situation regarding the paragraph and full attention be given to the audit observations in future, so that the shortcomings pointed out by the audit could be avoided and same should not be repeated.
6	6	The Committee wants that documents are which required by the Audit Department, be provided and its report be sent to the Committee. The Committee feels that lack of staff makes it difficult to implement the schemes properly, therefore the Committee recommends to the department to meet the shortage of staff so that the benefits of the scheme can be fully availed. The Committee also wants the advance evaluation of the schemes should be done for proper implementation of the schemes and necessary advance arrangements be made for the implementation of the schemes so that the full benefit of the schemes can be availed.
7	7	The Committee feels that there is a lack of supervision/ monitoring of the schemes at the district level. The Committee wants the department to discuss the information regarding the schemes with people's representative, MLA etc. The Committee noticed that the department did not provide the complete documents to the Committee, due to which the audit did not get complete information, regarding the paragraphs. Therefore, the Committee wants that the necessary documents should be provided immediately as per the audit observation regarding this paragraph and the department should coordinate with the audit and discuss the latest position regarding the paragraph and the action taken should be intimated to the Committee.
8	8	The Committee wants that documents which the department has not sent alongwith the reply, be provided to the Audit and the Committee. The Committee also wants to know how many meetings of the Governing body were held from the year 2011 to 31.12.2020? Documentary evidence regarding the meetings should be submitted. The Committee recommends that the monitoring of the mission at the State level should be done properly. According to the guidelines of the schemes, meetings should be conducted regularly so that the schemes can be properly monitored and the inspection of the schemes at the District level can be done in a proper manner and the benefits of schemes could be given to beneficiaries.

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The Committee recommends that the investigation of all the cases related to this paragraph should be completed by vigilance within the prescribed six months. There is already a lot of delay in this case. Therefore, the concerned officer should pursue this case on day to day basis and there should be no further delay in this.

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