HARYANA VIDHAN SABHA

COMMITTEE

ON

PUBLIC UNDERTAKINGS

(2013-2014)

(TWELFTH VIDHAN SABHA)

SIXTIETH REPORT

ON THE

REPORTS

OF THE

COMPTROLLER & AUDITOR GENERAL OF INDIA FOR THE YEARS 2009-2010 AND 2010-2011 (COMMERCIAL)

(Presented to the House on 4th March, 2014)

HARYANA VIDHAN SABHA SECRETARIAT, CHANDIGARH
MARCH, 2014.

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COMPOSITION
OF
THE COMMITTEE ON PUBLIC UNDERTAKINGS (2013-2014)

CHAIRPERSON

1 Shri Anand Singh Dangi

MEMBERS

2 Shri Venod Sharma

3 Shri Devender Kumar Bansal

4 Shri Naresh Sharma

5 Shri Anand Kaushik

6. Dr. Ashok Kashyap

7 Shri Mamu Ram

8 Dr Hari Chand Middha

9. Shri Ghanshyam Dass

SECRETARIAT

1 Shri Sumit Kumar, Secretary

2 Shri Rajinder Kumar Nandal, Additional Secretary

INTRODUCTION

I, the Chairperson of the Committee on Public Undertakings, having been authorized by the Committee in this behalf present this Sixtieth Report of the Committee on the Reports of the Comptroller and Auditor General of India for the Years 2009-2010 (Haryana Power Generation Corporation Limited (Review), Dakshin Haryana Bijli Vitran Nigam Limited, Haryana Roads & Bridges Development Corporation Limited, Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited and Haryana Wearehousing Corporation Limited) and 2010-2011 (Haryana State Industrial and Infrastructure Development Corporation Limited, Haryana Seeds Development Corporation Limited and Haryana Roadways Engineering Corporation Limited).

The Committee for the year 2013-14 undertook the unfinished work of the previous Committee(s) and also orally examined the representatives of the Government/Public Sector Undertakings/Boards where necessary A brief record of the proceedings of the various meetings has been kept in the Haryana Vidhan Sabha Secretariat.

The Committee are thankful to the Principal Accountant General (Audit), Haryana and his staff for their valuable assistance and guidance in completing the Report. The Committee are also thankful to the Principal Secretary to Government, Haryana, Finance Department including his representatives and representatives of the Departments/Corporations/Boards concerned who appeared before the Committee from time to time The Committee are also thankful to the Secretary, Additional Secretary, the dealing officer and the staff of the Haryana Vidhan Sabha for the whole hearted co-operation and unstinted assistance given in preparing this report.

Chandigarh
The 12th February, 2014

ANAND SINGH DANGI
CHAIRPERSON

REPORT

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR 2009-2010

HARYANA POWER GENERATION CORPORATION LIMITED

(REVIEW)

POWER GENERATION ACTIVITIES

2.2 Power Generation Activities

2.2.34 Financial Management

1 Efficient fund management is the need of the hour in any organisation. This also serves as a tool for decision making. optimum utilisation of available resources and borrowings at favourable terms at appropriate time.

The main sources of funds were realisations from sale of power, loans from State Government/Banks/Financial Institutions (FI), etc. These funds were mainly utilised to meet payment of power purchase bills, debt servicing, employee and administrative cost and system improvement works of capital and revenue nature.

Details of sources and utilisation of resources of the Company for the years 2005-06 to 2008-09 are given below .

(₹ in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09
Sources					
1	Net Profit/(loss)	(0.80)	1 75	5.70	66.22
2	Add. (a) adjustments: internal sources	587.04	634.95	658.10	768.42
3	Funds from operations (1+2)	586.24	636.70	663.80	834.64
4	Cash deficit (93)	464.03	1177.62	686.87	–
5	**Total (3+4)**	**1050.27**	**1814.32**	**1350.67**	**834.64**
Utilisation					
6	Capital expenditure	184 90	1543.90	1542.39	2129.63
7	Increase (decrease) in working capital	865.37	270.42	(191.72)	(1491.39)
8	Cash surplus (3-(6+7))	–	–	–	196 40
9	**Total**	**1050.27**	**1814.32**	**1350.67**	**834.64**

The cash deficit was overcome mainly by increased borrowings in the form of cash credit/loans from commercial banks/Financial institutions Main reasons for cash deficit identified by audit were poor/delay in recovery of power supply bills, heavy interest commitment on loans and locking up of funds in inventory not required immediately. Further, dependence on borrowed funds increased during review period as borrowings increased from ₹ 3,917.48 crore in 2005-06 to ₹ 4,902.11 crore as at the end of 2008-09. This entailed interest burden of ₹ 1,387.26 crore during 2005-09 ultimately increasing the operating cost of the Company. Therefore, there is an urgent need to optimise internal resource generation by enhancing the PLF of PTPSI to national level and vigorous pursuance of outstanding dues relating to recovery of energy bills. The instances of improper cash and inventory management are given below:—

- The Company invested (September 2007 and April 2008) funds of ' 395 crore in Banks through FDRs for a period ranging from 6 to 17 days at the interest rate ranging from 3.81 to 5 76 *per cent* per annum and earned interest of ₹ 67.44 lakh. During the same period the Company had availed cash credit/overdraft facility at the interest rate ranging from 10 to 10.50 *per cent*. Thus, instead of reducing the burden of overdraft/cash credit entailing higher rate of interest, as compared to the interest earned on FDRs, the Company suffered differential interest loss of ₹ 74.48 lakh

  The Management stated (July 2010) that the Company had not incurred any loss by investing surplus funds as simultaneously no cash credit limit was availed. The reply is not based on facts as cash credits were availed up to 15 April 2008.

- As per the guidelines of CERC, the Thermal Power Stations (TPS) have to maintain spares of ₹ four lakh for each MW of installed capacity. As worked out in Audit, the value of spares to be maintained by the TPS on the basis of CERC guidelines comes to ₹ 85.62 crore whereas the TPSs held a stock of spares valued at ₹ 593.62 crore as on 31 March 2009 resulting in holding of spares in excess of norm by ₹ 508 crore. This resulted in locking up of funds and corresponding loss of interest (at the rate of 11 *per cent* as allowed by HERC) of ₹ 55.88 crore for one year alone We observed that at PTPS, Panipat as on 31 March 2010, inventory valuing ₹ 15 88 crore had not been moved from the stores for more than 10 years. Besides, inventory valuing ₹ 3.40 crore had to be declared obsolete due to its non use.

  The Management in Exit Conference stated (July 2010) that power generation plants needed various items under standby arrangement for different sizes of plant to minimise shut down and loss of generation. The reply is not convincing as the

Company had neither conducted ABC analysis nor followed the principle of Economic Order Quantity.

In their written reply, the State Government/Company stated as under -

Financial Management

The specific reason for slow pace of recovery on account of energy bills for power sold to Discoms was that Power Sale Agreement entered into between HVPNL and Discoms "Transferred from HVPNL to HPGCL w.e.f. 10.06 2005 on the transfer of trading business" provided that the surcharge for delayed payment shall be levied after 90 days of the raising of the bill "Clause No.6 of the Agreement deals with time and manner of payment and reads as under:-

6.1 Due Date of Payment

Statements rendered by HVPNL shall be due and payable by DISCOMS to HVPNL no later than thirty (30) days after the date of the Statement Payment shall be made to the credit of one or more bank accounts I. designated by HVPNL to DISCOMs in a written notice delivered in accordance with clause No. 16.4. Notwithstanding the existence of an objection under clause No. 5.4.1 or clause No. 6 4 herein. DISCOMs shall be obliged to pay the full amount of the Statement on the Due Date of Payment.

6.2 Delayed Payment Surcharge:

In the event that the total payment of any Statement is not made within 90 days of the date of the Statement, DISCOMs shall pay to HVPN a delayed payment charge on the unpaid amount due equal to the product of (a) the unpaid balance due (b) the late payment surcharge @ 11% per annum, computed on daily basis, and (c) the number of days the Statement is overdue.

The CERC regulations dated 26.03.04 provided for levy of surcharge on delayed payment after 60 days of billing. In this way, Distribution companies got a leverage of one month beyond CERC Regulations.

HPGCL continuously took up this matter with the HERC for allowing payment terms in line with CERC Regulations. Finally, the State of Haryana vide letter No. 493 dated 11.04.08 and HERC vide its order conveyed vide its Secretary Office Memo No. 793-796/HERC dated 03.07.08 approved payment terms in line with CERC tariff regulations. Accordingly, w.e.f. 01.04.2008 the surcharge for delayed payment is levied on Discoms after the expiry of 60 days from the date of billing. This is the biggest step HPGCL has taken to ensure recovery of energy bills in time.

2. HERC in its tariff regulations allows Working Capital based on norms fixed by CERC which are as under:—

(i)	CERC Stock	2 months
(ii)	Oil Stock	2 months
(iii)	O&M Expenditure	1 month
(iv)	Spares 20% of O&M Expenses	
(v)	Receivables	2 months

HERC has allowed Normative Working Capital of ' 1199.83 Crore for the year 2009-10 Actual availment of Cash Credit Limit Working Capital during the year remained around the same level. However, in view of availability of liquidity in the market HPGCL was able to avail some Short Term Loans at cheaper rates.

Out of total receivable from HVPNL at the end of the year 2009-10 amounting to ₹ 52.25 Crore relates to the difference in actual cost of generation and the tariff approved by HERC for the year which the Commission has agreed to re-imburse. The balance amount is being reconciled.

The notification vide which CERC guidelines as mentioned in the Para were modified may kindly be detailed as the same or not available in HPGCL. However with respect to inventory it will be agreed that Power Generation Plant, need various item under standby arrangement to minimize down time and loss of generation. Further it is submitted that HPGCL has units of different rating that is 110 MW, 210 MW, 250 MW and 300 M W. It had also 55 MW units which have been abandoned w.e.f 01 April 2010. Now 600 MW units are being added All this adds to HPGCL requirement for higher inventory. Still HPGCL's endeavor shall be to minimize the inventory.

HPGCL since its formation has added one unit of 210 MW, two units of 250 MW, two Units of 300 MW and two units of 7 2 MW each (hydro) at Panipat Yamunanagar respectively.

The R&M of Unit of PTPS-I was got carried from B.H.E L, during the year 2008-09, of unit 2 from M/s A.B B. during the year 2003-04. The unit 3 & 4 of 110 MW at PTPS were commission during the year 1985-86 The unit 5 of 210 MW was commissioned during the year 1999, Unit 6 of 210 MW, during the year 2001 and Unit 7 & 8 of 250 MW during the year 2004-05. From the above its reveled that at Panipat Units of different ratings were commissioned at different intervals thus the design of each unit is different. To minimize the breakdown time of these units different inventory of spares has to be maintained for each unit and the Vital spares of these units are not Interchangeable. As per recommendations of OEM the spares are mainly categorized as vital, essential and desirable As per their use For smooth running of units mandatory spares have to be procured at the time of commissioning of unit for future requirement. It is pertinent to mention that most of the spare's are tailor made and delivery period of the spares various from six months to 1 5 years. Due to rapid change in technology the spares of old unit of 110 MW are not available with the manufacturer therefore for these units sufficient inventory of spares has to be kept in the best interest of the plant. The amount so invested in maintaining of the inventory is very less as compared to the outage due to non availability of spares.

All out efforts are being made to minimize the inventory by computerization of stores, disposing off the dead/obsolete items and by standardizing the spares which are of common use for all the Power Houses of HPGCL. In this regard it is intimated that HPGCL has already started Computerized Integrated Plant Management System which will definitely facilitate in controlling the inventory Action for disposal of obsolete/dead item lying at Faridabad Thermal Power Station, Panipat Thermal and W YC Hydel Project Yamunanagar has been initiated.

HPGCL since its formation has added one unit of 210 MW, two units of 250 MW each, (all at PTPS Panipat) 2 units of 300 MW each (at Yamuna Nagar)- (all coal fired thermals) and two units of 7.2 MW each (hydro) HPGCL is also adding two units of 600 MW each at RGTPP Hisar. Capacity addition in power generation in highly capital intensive. The borrowings of HPGCL have increased on this account. It will also be agreed that working capital requirement also increases with the capacity addition.

With respect to increasing the PLF level for PTPS-1 (Unit No.1 to 4) it, is submitted that HPGCL in view of the fact that these units have almost completed their normal life has already completed R&M of Unit No. 1 and has finalized the same for Unit No. 3 & 4 through World Bank Funds The completion of R&M for Unit No.3 & 4 is scheduled for 2013-14. With the completion of these activities, PLF of PTPS-I shall rise above national norm However it is reiterated that PLF of HPGCL for the year 2009-10 remained at 83% which is 6% higher than the national average of 76 66%.

HPGCL has not incurred any loss by investing surplus funds of ₹ 395 Crore as stated in the para as simultaneously no CC funds were availed. Actually CC limits outstanding as on 31st March 2008 detailed as under, had been \ transferred to UHBVNL/DHBVNL w.e f.

01 April, 2008 on account of transfer of trading business of HPGCL to DISCOMS.

Name of Bank	Account Number	Limit Availed	Transfer to DISCOM
Oriental Bank of Commerce, PKL	5324011000169	1,620,532,680 00	Dr. DHBVNL
Vijaya Bank Panchkula	830406211000008	1,008,439,777 00	Dr DHBVNL
Indian Overseas Bank PKL	546	2 011,473,120 00	Dr UHBVNL
Canara Bank	1624261005293	2,514,457,803 00	Dr. UHBVNL

HPSCL had spares amounting to ₹ 493.05 Crore only as on 31st March 2009 as against the figure ₹ 593.62 Crore given in the audit observation.

Claim and Dues

The position is aggravating and DISCOMS are not making available LC and Escrow facility to HPGCL despite Govt. of Haryana's approval

A sum of ₹ 1342.10 Crore is receivable from UHBVNL and ₹ 998.36 Crore from DHBVNL as on 31.03.2011

During the course of oral examination of the representatives of the department, the department informed the Committee that the recovery in this case was Rs. 4700 crores but the department actually recovered Rs. 3000 crores from the company.

The Committee would like to know the reasons as to why the money was deposited in the Bank in the shape of FDRs.

The Committee recommends that the department should re-check this para and a fresh detailed reply be submitted for the information of the Committee.

DAKSHIN HARYANA BIJLI VITRAN NIGAM LIMITED

3.2 Unfruitful expenditure

Due to non rectification of fault occurred in the Energy Audit System, expenditure of ₹ 12.38 crore incurred on installation of System remained unfruitful.

2 With a view to pinpoint energy losses in the distribution system and improve the consumer services, the Company decided (April 2007) to build IT driven Energy Audit system. For the purpose, Distribution Transformer (DT) meters capable to download and communicate consumption data i.e. communication port and Automated Meter Reading (AMR) system were to be installed on all the DTs in Faridabad and Gurgaon operation circles. Accordingly 6,455 DT meters costing ₹ 11.90 crore were purchased and installed (June 2007 to January 2008) in Faridabad Circle. The Company decided (December 2007) to engage GSM service providers for installation of AMR activated sim cards on these DT meters for providing communication media between meters and control station in circle office. Accordingly, work orders for installation of AMR activated sim cards were placed (January 2008) on M/s Bharti Airtel Limited. In Faridabad circle 6,455 sim cards were installed and activated on the DT meters at monthly rent of ₹ 35 for each sim card. For assessing the energy losses/gaps by reconciling energy recorded on 11 KV outgoing feeder with energy received at DT and HT consumer, a detailed work order was placed (July 2008) on M/S Haryana Ex-Serviceman League (HESL).

Scrutiny of the energy audit reports of M/s HESL for the period from June 2008 to December 2009 revealed that 45 *per cent* to 69 *per cent* of DT meters were not working due to faulty AMR system and thus their data could not be generated for submission to circle office. Though M/s HESL submitted monthly energy audit reports to the circle office, there was no analysis of these reports. Resultantly, the Company could not take up the matter with the supplier of AMR system and no steps could be taken by the Company to get the faulty system rectified. Thus, the entire expenditure of ₹ 11.90 crore on purchase of 6,455 DT meters remained unfruitful. Besides, the Company paid monthly rental charges of ₹ 0.48 crore during the period from March 2008 to December 2009 to M/s Bharti Airtel Limited towards the monthly rental of sim cards installed on the DT meters. Out of which ₹ 0.23 crore were paid for sim cards installed on the meters with defective AMR for the period from June 2008 to December 2009. Services of these sim cards were finally blocked by the Company in January 2010. The Company could have avoided this payment by taking timely action to disconnect/remove the sim cards installed on meters with defective AMR.

The Company, instead of rectifying the fault, temporarily discontinued the AMR system in January 2010, without deciding on future course of action for making the entire Energy Audit System operational Resultantly the whole expenditure on the scheme remained unfruitful.

Thus, due to failure of Company to take remedial measures on the audit reports of M/s HESL, the expenditure of ₹ 12 38 crore incurred on the energy audit system remained unfruitful. Besides, payment made to HESL for their services also proved wasteful which could not be quantified in the absence of item wise details of the assignments in the work order

The Company should fix responsibility for not analysing the energy audit reports of HESL and also needs to take decision on further course of action for rectification of fault and making the 'Energy Audit System' operational so as to ensure optimal utilisation of its resources and investments

The matter was referred (June 2010) to the Government and the Company; their replies had not been received (September 2010).

In their written reply, the State Government/Company statff as under:—

The comments on Para 3 2 are given as under· -

The I.T. driven Energy Audit System basically consists of two activities i.e. (i) consumer indexing and (ii) installation of DT meters

To achieve the above aim, the Company procured 6455 meters costing Rs. 11.90 crore and also issued W.O No. 20/REC-151 dated 06.12.2005 to M/s. ABB for carring out the consumer indexing. However, M/s. ABB failed to properly carry out the consumer indexing work and no payment was made to the agency and as such the contract was terminated with levy of required penalty etc. and without making any payment.

To utilize the already purchased 6455 DT meters, it was decided by the Nigam to carry out the energy audit from sub-station end to DTs and accordingly the work order was placed in July-2008 on M/s. HESL The purpose of placing the work order was comparing the energy recorded on 11 KV outgoing feeders at sub-station end with energy received on DT. The DT meters were installed in areas where the energy consumption was very high and reduction of losses even by 1 % would have resulted in energy saving in crore of rupees.

It is also clarified that the study being conducted by HESL consisted of following activities -

(i) Determining the right size of conductor

(ii) Total load of the transformer.

(iii) Balancing of each phase etc.

All the above areas were adequately addressed with analysis of the reports of HESL resulting in reducing the DT damage rate, replacing of defective meters, reduction of losses and improvement of collection efficiency

The above activity entrusted to M/s HESL was one time activity and the necessary improvements were carried out as stated above due to analysis received from HESL. Hence, it was no longer required to continue with this activity since the required purpose had been accomplished.

All the hard-ware including DT meters available with DHBVN will be fruitfully used in other areas where consumer indexing is being done departmentally at present.

During the course of oral examination, the departmental representatives explained to the Committee in detail.

The Committee observed that the information in respect of linelosses besides output and discharge theft of electricity should have been maintained by the department. The Committee recommends that the responsibility of the departmental officers should be fixed to implement the reforms.

The Committee further also observed that whether energy audit system is being used? If not, the ressons for the same may be apprised to the Committee.

The Committee recommends that Committee may be informed after the completion of the work at the earliest.

3.3 Avoidable loss

The Company failed to recover the fraudulently claimed amount of ₹ 15.72 lakh from the contractor against the payments released subsequently.

3 The Company placed (May 2007) a work order on Mahindra Electrical works, Hodalan (Contractor) for execution of the augmentation of ACSR conductor at a total cost of ₹ 9 38 lakh on turnkey basis. As per terms of payment 70 *per cent* payment of cost of material was to be made to the contractor on receipt of material at work site store and 10 *per cent* after the erection of material. Both the receipt and erection of material were to be certified by the Company before releasing the payments. The balance 20 *per cent* was to be released after inspection and clearance by the Chief Electrical Inspector, Government of Haryana.

The Company released total payments of ₹ 11.20 lakh (in June 2007 ₹ 7.36 lakh and in December 2007 ₹3.84 lakh) against receipt and erection of material at site. Subsequently, the Company noticed (July 2008) that the contractor had not done work as per the work order and had claimed the payment by forging the signatures of the officials of the Company authorised to certify the work. An enquiry was conducted by the Company and it was found (29 September 2008) that the contractor in connivance with officials of the Company had fraudulently received payment of ₹ 14.09 lakh. The Company filed (11 April 2009) FIR against the contractor and issued chargesheets against the defaulting officials simultaneously placing them under suspension. The actual loss on this account worked out to ₹ 15.72* lakh.

We noticed that the Company had meanwhile, issued (April/May 2008) two separate work orders to the same contractor. As per the work regulations prescribed by the Company any such money due and payable to the contractor under the contract might be appropriated and set off against any claim of the Company arising out of or under this contract or any other contract entered into by the contractor with the Company. Contrary to these provisions, the Company failed to set off the amount (₹ 15.72 lakh) fraudulently claimed by the contractor and released (November 2008 and March 2009) payments of ₹ 15.90 lakh to the contractor.

Thus, due to ineffective internal control mechanism the Company lost an opportunity to recover the fraudulently claimed amount from the contractor, resulting into loss of ₹ 15.72 lakh.

The Company should fix responsibility for the negligence and strengthen its internal control mechanism to avoid such incidents in future

The matter was referred (May 2010) to the Government and the Company; their replies had not been received (September 2010).

In their written reply, the State Government/Company stated as under:—

> The company has released payment against supply of material worth Rs. 7.36 Lakh in June 2007 vide voucher no. 15/6 and 15/7 Dt. 18.06.2007 in compliance of the term & condition of the work order In December 2007 a sum of Rs. 4.11 Lakh were also released vide voucher 41/1 Dated 31.12.2007. The total payment made to the firm is Rs. 11.47 Lakh instead of Rs. 11.20 Lakh.
>
> Soon after receipt of inquiry report as well as special audit report, the Xen "OP" Divn. DHBVN Nuh was advised to take immediate action in the matter.
>
> Disciplinary action against 7 No. officers/Officials including the then XEN SDO Accountant and others indicted in the enquiry was initiated and finalized as per latest position given in the attached Annexure A.
>
> M/S Mohinder Aggarwal (Proprietor of M/s Mohinder Electricals Store) Hodal Contractor - The FIR against the said contractor has also been lodged with Police Station Punhana. Further none of the work order were allotted to the said contractor under this Circle since 2009. The case against the contractor is still pending in court of law

* (Payment made ₹ 11 20 lakh + Cost of material supplied by the Company ₹ 6 91 lakh (-) Actual word done ₹ 2 02 lakh (-) Security forfeited ₹ 0 37 lakh)

The vigilance enquiry no 343/GGN/08/3 7 (VO No. 1521) and enquiry no. 345/GGN/08/17 7.2008 (VO No. 1521) started during February 2009 The report of vigilance enquiry received during 04/ 2009 vide SE/Admn. DHBVN Hisar office memo no. ch-134 No 1521 No. 3880/Sr No. 157 Dt. 31.03.2009. The payment to M/S Mahinder Electric Store. Hodal was released in November 2008, against the following work orders as such it is evident that no payment after obtaining the report of vigilance as well as audit was made to the contractor and no further work order was issued, hence not intentional.

(A) The Work Order No.86 dated 30 04.08 for release of Tubewell connection amount Rs.2,98,499.00.

(B) The work order no 96 dated 09.05.2008 for release of 4 No's Public Health Connection amount to Rs. 1,46,518/-

(C) The Work order no. 96C dated 09.05 2008 for release of 4 Nos Public Health Connection amount to Rs. 1,38,237/-

(D) The work order No. 96D dated 09 05.2008 for release of one no Public Health Connection amount to Rs. 43,929/-

The payment was made in November 2008 amount to Rs 8.06 Lacs on dated 25.11.2008 much before the vigilance gave his report.

Similarly, an amount of Rs. 7.84 lacs was made on dated 02.03.2009 which was also made before the Vigilance enquiry report came after the knowledge no payment made to Mohinder Electric Store, Hodal. Both these payments were made before the case came into knowledge of this office

The Nigam has already finalized displinary proceedings against the responsible officers/officials.

During the course of oral examination, the departmental representatives admitted that there was negilence and the action against seven officers/officials have been taken by the department. A sum of Rs. 3.84 lakh have been recovered from the concerned XEN.

The Committee recommends that why the premitive steps were not taken before awarding the work. The recoveries should be made from the defaulting officers/officials at the earliest. The action taken in this respect may be informed to the Committee.

HARYANA STATE ROADS AND BRIDGES DEVELOPMENT CORPORATION LIMITED

3.9 Avoidable loss

The Company suffered loss of ₹ 3.19 crore due to abnormal delay in initiating action for revision of toll rates.

4. The Council of Ministers, Haryana Government approved (September 2002) the proposal for levying toll tax on 32 identified toll points at the rate of ₹ 100 per trip per vehicle having up to 10 tyres and ' 150 per trip per vehicle having more than 10 tyres. These rates were to be revised to ₹ 150 per trip from the year 2007-08 and ₹ 200 per trip from the year 2012-13 in respect of vehicles having up to 10 tyres. For vehicles having more than 10 tyres, the toll tax rates were to be revised proportionately. Haryana Government notified (September 2003) the rates and also authorised the Company to demand, collect and retain toll from the 32 identified toll points till 31 March 2017.

The Company accordingly levied toll fee after completion of concerned roads. In September 2008 the Company proposed to the Council of Ministers for revision in rates. After getting their approval (October 2008), the revised rates were notified in January 2009 effective from 1 March 2009

We observed that though, as per the proposal/scheme approved (September 2002) by the Council of Ministers, the toll rates were due for revision with effect from 1 April 2007, the Company submitted memorandum to the Council of Ministers for revision in rates only in September 2008 After approval, the revision was made effective from 1 March 2009. This inordinate delay in submission of proposal by the Company and corresponding delay in revision of rates resulted in loss of ₹ 3.19 crore calculated at the rate of 4.08* *per cent* for 23 months during April 2007 to February 2009. The Company had accumulated loss of ₹ 98.53 crore as on 31 March 2008 which was indicative of its poor financial health. By delaying the implementation of revision in the toll rates due to avoidable reasons, the Company lost the opportunity to avail additional cash inflow of ₹ 3.19 crore and reduce the accumulated losses to that extent. The Management, however, did not fix the responsibility for delay in submission of proposal for revision of rates

The local Management stated (January 2010) that the matter was referred to the State Government for approving the revised toll rates and after due consideration Government issued notification in January 2009 making the revised rates applicable from 1 March 2009. The revised rates were made applicable immediately and there was no delay. The reply did not address the abnormal delay of more than 17 months in moving the proposal for toll rate revision.

The Company needs to fix responsibility for the delay in initiating action for revision of rates and evolve an effective internal control system to avoid such losses in future

* Incremental increasing during 2008-09 over 2007-08 without any revision inrates = 9.32 *per cent* Increase during 2009-10 over 2008-09 after revision of rates = 13 40 *per cent* Net Increase due to revision in rates = 4 08 *per cent*

The matter was referred (March 2010) to the Government and the Company, their replies had not been received (September 2010).

In their written reply, the State Government/Company stated as under.—

In this connection, it is submitted that HSRDC was made responsible for toll collection at 32 toll points on state Highway & major distt road as per decision of council of ministers by Govt memo No. 9106/2001-03 B&R(W) dated 27/09/02 (copy enclosed Anneuxre-I) & accordingly the rates were notified by Govt given as under .-

Sr No	Particulars	Rates of toll to be charged per trip
1.	Trucks (laden with Goods or unladen) Canters/multi axled Vehicles/dozers and Earth movers etc.	Rs. 100/- per trip including return journey
2.	Buses/mini buses With stage carriage Permits	4) Rs. 100/- per trip, for single trip including return journey, 5) Rs. 150/- for daily pass 6) Rs 3000/- for montly pass
3.	Buses/mini buses With contract Carriae permits	Rs. 100 per trip including return journey
4	Maxi Cabs	Rs. 20/- per trip including return journey
5	Light Commercial goods vehicles like Mahindra and Tata Pick up Vans	Rs. 50/- per trip including return journey
6	Vehicles having more than 10 tyres	Rs 150/- per trip including return journey

As per the memorandum dated 16/09/2002, placed before the council of ministers, the toll rates were proposed to be levied at the rate of Rs 100/- per trip on trucks It was further proposed that the toll rates be increased to Rs 150/- per trip from the year 2007-08 and Rs 200/- per trip from the year 2012-13.

The matter was referred to the Government/CMM for approving the revised toll rates with the proposal that the revised rates to be revised during 2007-08 has not been implemented so far. The revised agenda for CMM meeting was submitted to the Govt. and it was approved considering to implement these revised rates from 1st March 2009 and revised notification based on this was issued on 14/01/2009 (Copy enclosed, Annexure-II)

However, after revised CMM approval and notification it has been implemented immediately. During delayed period, the toll collection was not made from masses in general and no benefit was given to any individual. There are many works/ schemes implemented by State Govt. against which nothing is recovered by the Govt. from public being welfare State, the delayed start of revised rate can not be termed as loss

This para relates to the revision of toll rates since 2007. But the department failed to submit the memorandum for the revision of rules as informed by the department to the Committee during the course of oral examination.

The Committee recommends that reasons for delay in this case may be apprised to the Committee beside fixing the responsibility of the delinquent officers/officials for delay in submission of proposal for toll rates and the Committee may be informed accordingly.

HARYANA POLICE HOUSING CORPORATION LIMITED

3.10 Undue favour to contractor

The Company suffered loss of ₹ 14.76 lakh due to unjustified waiver of compensation levied for delayed execution of work.

5 The work for construction of 144 houses in New Jail Complex, Karnal was allotted (March 2002) to a contractor at a cost of ₹ 2.34 crore, subsequently enhanced (August 2002) to ₹ 2.40 crore with a time limit of 12 months The terms of agreement provided, *inter alia*, that the time being the essence of the contract, the contractor shall pay as compensation an amount equal to one *per cent* of the estimated cost which the Executive Engineer-in-Charge Project (EEP) in charge may levy for every day for which the work remained uncommenced or unfinished The compensation amount should not exceed 10 *per cent* of the estimated cost of the work In case of any representation from the contractor the Engineer-in-charge (Co-ordination) (EC), was authorised to reduce the amount of compensation and his decision shall be final.

The contractor could not execute the work within the time limit on one pretext or other despite being served repeated notices to accelerate the progress of work and repeated extensions. The EEP imposed (August 2004) penalty of ₹ 24.01 lakh being 10 *per cent* of the tendered value of the contract. The contractor could execute (July 2005) work of ₹ 1.48 crore and as per terms of the agreement unexecuted portion of the work valuing ' 92.58 lakh was withdrawn and got executed from another contractor at his risk and cost. The work was completed in March 2009 and case for recovery of the extra amount was pending with the arbitrator (July 2010). The contractor made representation (August 2006) to the Company for reduction of penalty levied by the EEP. As there was no post of EC in the Company the case was reviewed (April 2007) by Chief Engineer (CE) who upheld the penalty. The contractor represented (July 2007) against the decision and the issue was again reviewed by the same CE in the capacity of Chief Engineer cum Engineer in Charge (Co-ordination). On this occasion the CE reduced (November 2007) the compensation amount from ₹ 24.01 lakh to ₹ 9.25 lakh without recording any additional facts/reasons for reduction in compensation

We observed that as there was no post of EC and the CE was the only officer in the Company for the project, the decision taken by him confirming penalty of ₹ 24.01 lakh was final and binding on both the parties as per terms of the contract. Thus, reduction of compensation amount was unjustified which resulted in loss of revenue of ₹ 14.76 lakh to the Company and tantamount to undue favour to the contractor.

The Management stated (July 2010) that the case was reviewed on second time as the contractor represented that the CE had no authority for passing any order. The reply of the Company is not acceptable as on both occasion, the representation was reviewed by the same CE who was designated to act as EC. Teversing his own decision by CE without recording any additional facts/grounds is not acceptable.

The matter was referred (March 2010) to the Government, the reply had not been received (September 2010)

In their written reply, the State Government/Company stated as under:—

The work for construction of 14 No s 350 sq. ft. Area houses in New Jail Complex at Karnal was allotted to M/s Vir Bhan Mittal Contractor, New Delhi vide Executive Engineer (P), HPHC, Karnal letter No 174 dated 4.3.2002 with a time period of 12 months. The agreement amount of Rs. 2,34,14,813/- was further enhanced to Rs. 2 40.14 813/-. The agency was requested time and again to increase the progress of the work but it could not complete the work within the contractual period despite time extensions As such compensation @ 10% i e. Rs 24,01,481/- of the enhanced cost of work was levied under clause-II of the agreement by XEN(P), Madhuban The compensation so levied by the XEN was confirmed by the Chief Engineer, HPHC vide order No. 240 dated 27.4.2007 But the Contractor through its constituted attorney vide his letter No. 50 (18)/C-03-04 dated 10.7.07 represented that the Chief Engineer had no authority for any order in the matter rather the Engineer-in-charge (Co-ordination) had the authority to pass on any decision in this matter as per contract agreement. Hence the request of the contractor was acceded to and the Managing Director, HPHC vide his order No 7203 dated 9.8.07 appointed Engineer-in-charge (Coordination) in terms of contract agreement to settle the issue. Therefore, the orders issued by Chief Engineer vide his No. 240 dated 27.4.2007 became null and void as no provision existed in the agreement for confirmation of compensation by Chief Engineer. HPHC or his decision being final and binding on both the parties.

As such the Engineer-in-charge (co-ordination) after hearing both the parties passed the appropriate order vide his No 762 dated 28.11 07 and reduce the compensation amount from Rs. 24,01,481/- to Rs 9,25821/- using the authority under the contract agreement clause No. 2 which concluded that 'the Engineer-in-charge (Co-ordination) may on representation from the contractor, reduce the amount of compensation and his decision in writing shall be final Accordingly, the action for the recovery of compensation amount is being taken.

The observation of audit that "reduction of compensation amount to 10 percent of the unexecuted value of the work was in contravention with the provisions of the contract which provided for 10 percent of the total value of the contract is not correct. As per contract, compensation can be levied up to a maximum of 10% of the total value of the contract by Executive Engineer project and on representation by the contractor it can be reduced to a reasonable level by the, Engineer-in-Charge (Coordination) and the reduction to 10% of the unexecuted value of the work is within the limits prescribed by the contract.

It is evidently clear from the above that the order passed earlier by Chief Engineer. HPHC were not received but entire exercise was conducted afresh by the Engineer-in- Charge (Coordination) in terms of contract agreement and suitable orders were passed by him after hearing both the; parties and he was fully competent to reduce the compensation amount to a reasonable level

The Committee was not satisfied with the written reply given during the oral examination and recommends that a departmental Committee may be constituted for detailed examination of the cases to arrive at proper conclusion.

The Committee also recommends that after the finalization of the report of the departmental Committee, the action taken in the case may be informed to the Committee at the earliest.

HARYANA BACKWARD CLASSES AND ECONOMICALLY WEAKER SECTIONS KALYAN NIGAM LIMITED

3.12 Arrears in finalisation of Accounts

The Company failed to take sincere efforts in liquidating the arrears and making the accounts up to date despite constant pursuance by us.

6. Section 210 of the Companies Act, 1956, read with Sections 166 and 216, casts the duty on the Board of Directors of a Company to place the accounts of the Company along with Auditor's Report (including supplementary comments of CAG) in the Annual General Meeting of the shareholders within six months of the close of its financial year. As per Section 210 (5), if any person, being a Director of a Company, fails to take all reasonable steps to comply with the provisions of Section 210, he shall be punishable with imprisonment for a term which may extend up to six months or with fine which may extend up to ten thousand rupees or with both. Similar provisions exist under Section 210(6) in respect of a person who is not a Director but is charged with the duty of ensuring compliance with Section 210.

In spite of above provisions in the Companies Act, Haryana Backward Classes and Economically Weaker Sections Kalyan Nigam Limited (Company) had not been finalising its accounts in time. As of 31 March 2010, the Company had finalised the accounts up to 2003-04 maintaining an arrear of five years in finalisation of accounts. We had been bringing out the position of arrears in finalisation of accounts to the notice of the Finance Secretary/Chief Secretary of the State Government regularly every quarter. However, the Company failed to initiate concrete and effective steps to liquidate the arrears in a time bound manner. Our contention had been substantiated with the fact that the Company could finalise only two accounts during the preceding three years up to March 2010 while three accounts were finalised during three years up to March 2007. In view of huge arrears in accounts the exact financial health of the Company could not be ascertained. During certification of accounts for the year 2003-04, the statutory auditors had pointed out short provision of ₹ 2.97 crore against doubtful debts. The issue remained unaddressed due to pending finalisation of account after 2003-04. Further as the accounts for the year from 2004-05 onwards were pending for finalisation, the books of accounts for these years remained open and were exposed to the risks of fraud, leakage of public money, by way of possible tampering with these accounts. The Company stated (August 2009) that the delay in finalisation of accounts was due to shortage of accounts personnel. It further assured that accounts for the year 2004-05 had been prepared and would be placed before BOD in September 2009 As regards finalisation of accounts for the year 2005-06 to 2007-08, the Company stated that a firm of Chartered Accountants had been appointed for the purpose. We noticed that the Company failed to fulfill its assurance as accounts for the year 2004-05 were approved by the Board on 31 March 2010 and handed over to the Statutory Auditors in April 2010 which were pending for certification by Auditors (July 2010). We further noticed that the firm of Chartered Accountants assigned with the work of finalising the accounts for 2005-06 to 2007-08 within two months period could not complete the work (July 2010) due to improper maintenance of district levels records as only one person was posted in each district level office.

Thus, the Company failed to take sincere efforts in liquidating the arrears and making the accounts up to date despite constant pursuance by us.

It is recommended that the Government/Company may arrange adequate personnel and make a time-bound programme to clear the arrears and monitor it on regular basis

The matter was referred (May 2010) to the Government and the Company; their replies had not been received (September 2010)

In their written reply, the State Government/Company stated as under.—

Reasons for delay in finalization of acccounts

The accounts of the Nigam are in arrears since its inception i.e. from the year 1981. The main reason for delay is that the Nigam has never been provided any accounts expert personnel in any of the districts

The Nigam advances loans to the people belonging to the Backward Classes, Minorities Community and physically Handicapped Persons for self employment and recovers the loan amount from the poor beneficiaries and repays that amount to the National Corporations. The working of the Nigam depicts that it is working as a Non-banking Financial Institution. But, it is a matter of concern that the Nigam is having only two Accounts Personnel at Headquarter and they are responsible to maintain accounts at headquarter and 21 District Offices.

To clear the backlog of accounts has ever been a priority of the Nigam and to overcome the position of shortage of accounts personnel, the company is getting its account finalized by outsourcing the services of a Chartered Accountant. The year wise present position of the accounts is as under

Accounts for the year 2004-05

The balance sheet has been adopted in the AGM on 21.03.2011. Hence no action is required.

Accounts for the year 2005-06

The balance sheet has been adopted in the AGM on 10.08.2011. Hence no action is required.

Accounts for the year 2006-07

The balance sheet has been adopted in the AGM on 01.12.2011. Hence no action is required.

Accounts for the year 2007-08

The Statutory Auditor are conducting the audit of the annual accounts and it will be completed within a week and there after it will be sent to AG, Haryana for comments of CAG of India. As soon as comments from CAG of India are received the same will be placed before the AGM for adoption.

Accounts for the year 2008-09 and 2009-10

The balance sheets for the year 2008-09 and 2009-10 are read for audit of Statutory Audit. The balance sheet for the year 2008-09 will be sent to the Statutory Auditor immediately after the adoption of accounts in AGM for the year 2007-08.

The Nigam has planned to update its accounts at the earliest. From the current year 2011-12, it is maintaining its accounts at district level by outsourcing the services of M/s GNRA Associates Chartered Accountants and the work of maintaining of daily account books is upto date and it is assured that from current year there will be no pendency so far as finalization of accounts is concerned

However, to clear the arrears of accounts, there is only procedural delay. The balance sheet is finally adopted by crossing the set steps i.e. approval from Audit Committee and Board of Director, Statutory Auditor, comments from AG/CAG and Adoption by the AGM.

In the light of above details, it is hoped that Balance Sheet upto 2009-10 will be finalized during the current year 2011-12 i.e. 31.3.12

During the course of oral examination, the departmental representatives assured the Committee that the work in respect of finalization of accounts will be completed within next three months.

The Committee recommends that the work of finalization of accounts should be completed at the earliest possible and the report in this respect should be sent for the information of the Committee.

HARYANA WAREHOUSING CORPORATION

3.14 *Loss due to improper maintenance of stock*

- **Failure to maintain health of the stock resulted in loss of ₹ 13.82 lakh.**

7 The Corporation procures wheat for the Central Pool from various *mandis* allotted by the State Government and delivers it to Food Corporation of India (FCI). FCI accepts the wheat of specified quality and reimburses the cost of wheat along with carryover charges for the period the wheat remains in the custody of the Corporation. It was the sole responsibility of the Corporation to maintain proper health of wheat till it is delivered to FCI In order to maintain proper health of wheat the Corporation was required to make proper storage arrangements ensuring periodical inspection, fumigation and segregation of damaged stock.

The Corporation purchased 1,861 MT of wheat at Tauru Mandi (district Mewat) during Rabi Season 2008-09 and stored it in open plinths. FCI, during monthly inspection of the stock found (June 2008) that all the upper layers of the stock stored in open had been affected by rain water and recommended for their segregation. However, the segregation work was done by the Corporation in January 2009. After salvaging these stocks, 289 358 MT wheat was found totally damaged FCI refused to take delivery of this wheat. The stock was auctioned (January 2010) as cattle feed at the rate of ₹ 960 per quintal by the Corporation.

We observed (January 2010) from records that the stock was covered with untied old poly covers without ropes Resultantly, the rain water damaged the wheat stock Even after recommendation (June 2008) of FCI, the work of segregation of stock was undertaken in November 2008 after a lapse of over four months.

Thus, failure to maintain health of the stock due to improper storage and delayed segregation resulted in loss of ₹ 13.82* lakh Losses due to such lapses were pointed out in the performance audit on the working of the Corporation included in the Report of the Comptroller and Auditor General of India for the year 2005-06, Government of Haryana. Recommendations for ensuring proper storage were also made to avoid recurrence of similar losses in the said Report.

The Management replied (May 2010) that the loss was due to natural vagaries and the disciplinary action had been initiated against the negligent

*	Realisable value from FCI	₹ 1389 17 per quintal
	Quantity	2,893 58 quintals
	Amount	₹ 40 20 lakh
	Less amount actually received	₹ 27 86 lakh
	Loss on disposal	₹ 12 34 lakh
	Add Expenditure on Salvaging	₹ 1 48 lakh
		₹ 13 82 lakh

* Includes fixed fee for six months and variable fee for TEU handled during said period

staff. The reply is not convincing as with proper safeguards and loss preventing measures, the loss on account of natural vagaries could have been avoided

The Corporation should strengthen its internal monitoring mechanism to ensure that the inspection, disinfestations and reconditioning/segregation of stocks is done at reasonable time intervals in order to maintain its good ealth and should also evolve suitable procedure for taking punitive action against the negligent staff.

The matter was referred (March 2010) to the Government, the reply had not been received (September 2010)

In their written reply, the State Government/Company stated as under.—

> The observation of the audit that Haryana State Warehousing Corporation(HSWC) undertakes procurement of wheat on behalf of Government of India from various mandis allotted by State Government for Central Pool and delivers to Food Corporation of India (FCI) and FCI accepts the wheat of specified quality and makes payment of cost of wheat ,incidentals and carry over charge for the entire storage period is confirmed.
>
> It is also not denied that Corporation is responsible for proper maintenance of health of stocks in its custody and provide periodical treatments, inspection and every possible step to avoid any damage to the stocks but it is not always possible to ensure it especially in the circumstances which are beyond human control and when the stocks are subjected to longer period of storage The part of wheat stocks of crop year 2008-09 stored at SWH, Tauru in open were affected by un-seasonal & un timely rains occurred incessantly from 19-5-2008 to 26-5-2008 at the time of procurement in the mandi itself and during their receipt from mandi for storage at SWH, Tauru. Observation of the rain affected bags by FCI during inspection in June 2008 in the midst of procurement season which lasted upto 30th June 2008 also proves the above contention. Thus, due to untimely, unseasonable & incessant heavy rains the situation became uncontrolled.
>
> The observation of the audit that the corporation delayed segregation of the rain affected bags after the inspection made by FCI, it is mentioned that though the concerned DM, Faridabad was advised to undertake shifting/reconditioning of stocks as and when the situation demand so (Annex A) yet it was not possible -in- view of wheat procurement operations which lasted upto 30th June 2008 and thereafter due to onset of rainy season from July 2008 to Sept. 2008 when it is always risky to handle the stocks in open for salvaging/ reconditioning. However, Manager, SWH, Tauru was advised by DM, Faridabad time and again to undertake these operations when weather

permits so. Moreover if the segregation of the stocks which was started in Nov 2008, and not in Jan 2009 as already mentioned by the audit in its temporary draft para bearing No CA-2/TOP/2009-10/454 dated 19.2 2010 ,had been done earlier though it was not possible under the circumstances, it would have not made any difference to the quantity of the damaged stocks received after their segregation as whatever quantity had damaged, had already damaged. If the segregation/reconditioning of operations had been started earlier in monsoon months, it would not have minimized the already damaged quantity rather there was every possibility of occurring further damage to the stocks due to exposure of stocks due to heavy rains in monsoon months. Further, these operations could not be started in the month of Oct '2008 due to onset of paddy/bajra procurement season

The audit's further observations that in Jan 2010, the stocks in question were found to be covered with untied old polythene covers in the absence of ropes ,and this caused damage to the stocks, is not correct as by that time all sound stocks of crop year 2008-09 had already been delivered and only 289.359 MTs stock already segregated as damaged were to be disposed of which were later on sold through public auction in the same month The stocks were covered with serviceable and new polythene covers at the time of storage as is evident from the monthly appraisal reports.

The financial losses worked out by the Audit are not to the extent as indicated by it After salvaging the rain affected stocks, 289.358 MT wheat stocks segregated as damaged were categorized in association with FCI as Feed-II and against which actually 290.256 MT stock were disposed off during January 2010 through public auction @ Rs.960/- per quintal at the maximum possible rates, maintaining complete transparency in the process in line with the FCI's instructions. Further the Corporation has already paid Rs.41.20 per quintal as VAT on these stocks which is adjustable/reimbursable to the Corporation in the shape of purchase tax in delivery of other wheat stocks. Hence, element of 4 % VAT taken into account by the Audit while calculating cost of one quintal wheat is not correct.

Moreover, the corporation had initially stored the stocks in question i.e. 1861 MTs wheat in CAP (open) due to paucity of space but, seeing that immediate delivery to FCI is not possible ,shifted the stocks inside the godowns after the storage space became available there in Thus, by shifting the stocks inside the godowns, the corporation not only nullified expenditure of Rs.97523/- incurred on reconditioning/shifting of stocks but also earned Rs. 210943/- more storage charges on their delivery as the storage charges applicable for covered godowns and CAP were Rs. 3.58 per qtl. and Rs. 1.84 per qtl. respectively as provided in the provisional incidental of wheat for the relevant year.

Further, the Corporation allows 1 % replacement of gunnies for storage of stocks in open upto two years, as per the norms fixed by it (Annexure B). Thus in 1861MTs stocks stored in open at Tauru replacement of 372 gunnies is permissible. The Audit has reflected 2703 number of gunnies replaced which is not correct Out of this quantity, 103 number of gunnies were consumed in filling the made up bags. Hence, actually Corporation replaced 2600 gunnies instead of 2703 gunnies (Annexure-C). Thus after giving allowance of 1% replacement as mentioned above, excess replacement works out to 2228 no. of gunnies valuing Rs 50,665/- @ Rs. 22 74 per gunny at which the Corporation purchased the gunny bales and not Rs 24/- per gunny as shown in the audit para.

In this way, the total revenue earned by the Corporation and net loss caused to it on account of the sale proceeds of 289.358 MTs (actually disposed off 290.256 MTs) is worked out as under

Sr No	Particulars	(Rs Per quintal)
1	Cost of wheat (MSP)	1,000.00
2	Market fee @ 2%	20 00
3	RD Cess @ 2%	20 00
4	Arhtias Commission @2,5%	25 00
5	Mandi Labor charges	11 15
6	Cost of gunny	22 74
7	Total (1 to 6)	1,098 89
8	Interest charges @11 10% for 18 M (July 08 to Dec 09)	191 69
9	TOTAL (7+8)	1,290 58
10	Total acquisition cost of 2893.58 quintal damaged Wheat @ Rs. 1290 58 per quintal	37,34,396 47
11	Cost of replacement of gunnies @ Rs 22 74 per gunny	50,665 00
12	Total (10+11)	37,85,061.47
13	Sale proceeds per quintal	960 00
14	Total sale proceeds of 2902.56 quintals wheat actually Disposed of @ Rs. 960/- per quintal	27,86,457 60
15	**Net loss (12-14)**	**9,98,603.87**

The Committee recommends that the department should take action against the delinquent officers/officials under intimation to the Committee.

REPORT

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR 2010-2011

HARYANA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

3.4 Non recovery

Improper survey and assessment of collateral securities led to non recovery of ₹ 4.17 crore.

8 The Company disbursed term loan of ₹ 2.11 crore to M/s Sonu Textiles Limited, Bhiwani (Unit) during March 2002 to March 2003 after verification of Collateral Security (CS) of agriculture land measuring 6 Kanals 13 Marlas at Charkhi Dadri with an assessed value of ₹ 1.42 crore. While processing the case the promoters got valued the property, from Government approved valuers at ₹ 1.42 crore. The location of the property was stated at front facing Mahindergarh highway and being used for commercial purpose. However, at the time of acceptance of CS the officers of the Company who were assigned the task of valuation/identification, did not identify the property to be mortgaged and resultantly assessed land other than that actually mortgaged. However, the CS was also got valued by the Company at ₹ 1.07 crore by North India Technical Consultancy Organisation Limited (NITCON) in March 2002. Due to persistent default, the Company took over (December 2006) the Unit under Section 29 of the State Financial Corporations Act, 1951.

We observed (July 2010) that the Company again got CS revalued (January 2008) from NITCON and it was revealed that area of the site and its location was not the same that was accepted as CS. Due to this, the realisable value of CS was assessed by NITCON at ₹ 60 35 lakh. Had the CS been at declared location with same area, the value of CS would have increased manifold over a period of time and been sufficient to recover entire outstanding amount of ₹ 4.17 crore (principal: ₹ 2.11 crore and interest: ₹ 2.06 crore). Thus, due to faulty verification of CS, recovery became doubtful.

The Company stated (July 2011) that an enquiry has been initiated against the erring officials. The final outcome is awaited (September 2011). However, the fact remains that the Company could not recover ₹ 4.17 crore

The matter was referred to the Government in March 2011; the reply had not been received (September 2011).

In their written reply, the State Government/Company stated as under.—

> Since the collateral security .verified by the team at the time of disbursement was found to be other than that mortgaged to the Corporation, the Corporation after seeking explanation from the team

which verified it at the time of disbursement, has initiated enquiry against them and the same is at the final stage.

Further, to secure the interest of the Corporation, the matter is actively being pursued with HUDA to pay the compensation directly to HSIIDC as the mortgaged collateral security in question is under acquisition for which price is yet to be decided by authority

Since the collateral security verified by the team at the time of disbursement was found to be other than that mortgaged to the Corporation, the Corporation after seeking explanation from the team which verified it at the time of disbursement, has initiated enquiry against them and the same is at the final stage.

During the oral examination, the department intimated that the charge sheet had been issued to the concerned officers and enquiry had also been initiated.

The Committee recommended that the enquiry report be completed within six months and it may be apprised of the same.

HARYANA SEEDS DEVELOPMENT CORPORATION LIMITED

3.7 Extra expenditure

The Company incurred extra expenditure of ₹ 44.52 lakh due to rejection of valid offers and subsequent purchase at higher rates during May 2010.

9. The Company requires jute bags in the first week of May for packing of raw and processed seed of various crops and accordingly it needs to place the order preferably by 15 April so as to ensure availability of certified and packed seeds to the farmers well in time. The Company invited open tenders for purchase of seven lakh jute bags. Out of five quotations received (February 2010), the lowest three ranged between ₹ 2,565 to ₹ 2,717 per 100 bags The matter was put up (March 2010) before the State High Power Purchase Committee (SHPPC) which invited the three lowest firms for holding negotiations. During negotiations, one of the firms agreed to supply jute bags at the rate of ₹ 2,539 per 100 bags. However, the SHPPC found the rate on very high side as compared to last year supply rate of ₹ 1,980 per 100 bags and decided to re-invite the tenders. Accordingly, the Company re-invited (March 2010) the tenders and the same three firms quoted their rates ranging from ₹ 3,225 to ₹ 3,232 per 100 bags. The SHPPC approved (May 2010) placement of supply order for supply of seven lakh jute bags on these three firms at negotiated rate of ₹ 3,175 per 100 bags Thus, the Company purchased jute bags at a higher rate by ₹ 636 per 100 bags and incurred extra expenditure of ₹ 44.52* lakh.

We observed (November 2010) that the Company did not conduct any market survey so as to assess the reasonability of rates quoted in the tenders before putting the case to SHPPC. This led to rejection of negotiated rates and re-tendering. Thus, failure of the Company to assess the reasonableness of rates offered in February 2010 resulted in extra expenditure of ₹ 44.52 lakh.

The Company stated (February 2011) that there was no loss since the entire cost had been recovered through sale price as packaging cost of seeds. The contention of the Management is not in the best interest of the farmers as they have been overburdened.

The matter was referred to the Government in April 2011; the reply had not been received (September 2011).

In their written reply, the State Government/Company stated as under.—

invited tenders for 700000 Nos. DWT jute bags (86.5 x 56 cms), as well as 200000 Nos. BT will gunny bags (50 Kgs Size) on dated 09.02 2010. Five Nos. tenders were received for DWT jute bags and 8 Nos tenders received for BT will gunny bags. All these I tenders were opened by a committee of HSDC's officers constituted by the Managing Director. In respect of jute bags the rates offered ranged between Rs. 2565/- to Rs. 2860/- per 100 bags, whereas in case of gunny bags the rates ranged between Rs. 2951/- to Rs 3477/- per 100 bags Lowest rates of the three firms namely M/s Industrial Associates, Kolkata, M/s K.L. Jute Products (P), Kolkata and M/s National Trading Corpn. Kolkata ranged between Rs 2565/- to Rs. 2717/- for jute bags and in case of gunny bags, the rates of M/s J P. Rice Mills, Ratia, M/s Yeninder Bansal, Ratia and M/s RDB Textiles Ltd , Kolkata ranged between Rs. 2951/- to Rs. 2960/-. Since the value of purchase in both the cases exceeded Rs. 50.00 lakh each item and as per Govt. instructions, the necessary agenda prepared and forwarded to Director Supplies & Disposal, Haryana on 25 02.2010 for placing the same before Special High Power Purchase Committee. The meeting of SHPPC held on 03.03.2010 In the meeting the SHPPC observed that lowest rates of Rs. 2565/- DWT jute bags per 100 bags is on the higher side in comparison to last year rate of Rs. 1980/- per 100 bags. Keeping in view the higher rates of the DWT jute bags, the SHPPC negotiated with the lowest three tenderers for reduction in the rates. The tenderers reduced their rates to some extent and the lowest tenderers i e. M/s K L Jute Products reduced the rate to Rs 2539/- per 100 bags from Rs. 2591/- per 100 bags But SHPPC still observed that the lowest negotiated rates of Rs 2539/- is still higher in comparison to last year rates of Rs. 1980/- per 100 bags and took decision for retendering. In the same meeting for 2nd item i.e. BT will Gunny bags the Committee members felt that the rate of Rs. 2951/- to Rs. 2960/- is also on the higher side and accordingly negotiation was held with the tenderers and during negotiation one supplier namely M/s J.P. Rice Mills, Ratia reduced their rates from Rs. 2951/- to Rs. 2945/- per 100 bags, and the Committee finally gave decision for purchase of gunny bags @ Rs 2945/- per 100 bags. Therefore, SHPPC decided to place order of gunny bags at the finally lowest rates of Rs. 2945/- per 100 bags whereas for jute bags the Committee decided for retendering (copy of the proceedings enclosed for ready reference at Annexure-A) As per the decision of SHPPC in case of jute bags, and considering the urgent requirement, the Company invited short term tender on 30 03 2010 In the retendering four firms submitted their tenders and quoted their rates which ranged between Rs. 3225/- to Rs 3293.25 per 100 bags The Agenda was prepared as usual and forwarded to Director Supplies & disposals, Haryana on 08.04.2010 for placing it before forth-coming meeting of SHPPC. The Company in the agenda categorically mentioned about the urgent requirement of jute bags for timely packing of seed to avoid delay. The meeting of the SHPPC was however, held on 25.05.2010 and the lowest three tenderers were asked for attending the meeting of SHPPC fixed for 25.05 2010 In the mean time SHPPC decided to purchase the DWT Jute Bags with IS specification No. 7 407 (Part-II) which is of a better specification and quality with weight of the jute bags as 420 gms. against 380 gms. Keeping in view this better specification, the SHPPC held negotiation with the 3 lowest tenderers and after great persuasion, the tenderers reduced their rates to Rs. 3175/- per 100 bags from Rs. 3225/- and Rs 3293.25. for better quality i.e 420 gms. against 380 gms as decided by SHPPC.

It is also worthwhile to mention that the Company also informed the SHPPC members about the purchase rate of DWT Jute Bags of Punjab State Seeds Corporation, Uttar Pradesh State Seeds Corporation and Uttra Khand State Seeds Corporation which are given hereunder:—

Sr No	Name of S.S C	Rate of DWT Jute Bags
1	Punjab State Seeds Corpn Ltd	Rs 3200/- per 100 bags
2	Uttra Khand State Seeds Dev. Corpn. Ltd	Rs 3759 per 100 bags
3.	U P. Seeds Dev. Corpn Ltd ,	Rs. 3700/- per 100 bags

The SHPPC also noticed about above higher rates at which other State Seeds Corporation purchased these jute bags as compared to the rates approved by SHPPC at Rs. 3175/- per 100 bags which was the lowest rate amongst the above other Seed Corporations.

The audit observation that Company did not conduct any market survey to justify the increase in the rate of the jute bags in comparison to the previous rates does not hold good. However, it is again reiterated that in the agenda submitted to the SHPPC the Company specifically mentioned about urgent requirement of the jute bags in the 1st week of May otherwise delay in purchase would make to face miserable position in the ensuing Rabi sowing season. Therefore, the committee was fully aware of the facts and the situation. As far as the market rates are concerned, the SHPPC members fully analyzed the matter by personal discussion with the concerned suppliers who appeared before them. After lengthy discussion regarding the higher rates offered by supplier of the SHPPC felt that there was further scope in getting more competitive rates offered by these tenderers Thereafter considering revised rates offered by the supplier, the SHPPC reached to a conclusion that the rates offered by supplier are still on a very higher side in view of the prevailing rates at that time and in the given situation it was then decided by the SHPPC that HSDC should go for retendering (short term tender) for purchase of OWT Jute Bags. It is also worthwhile to mention that the Company submitted the agenda to SHPPC for purchase of the gunny bags as well as jute bags in the same agenda, but the purchase of the gunny bags was decided and approved by SHPPC, whereas retendering was approved for the purchase of jute bags (copy of the proceedings of the committee is enclosed for ready reference) which interalia proves that the market rates and other factors were well within the knowledge of the SHPPC on the basis of which the committee took the decision. Moreover being highest committee of the State Govt. the decision was in preview of the SHPPC and Corporation has to make necessary compliance as their decision.

It is a matter of record that the Company purchased these jute bags of better specification at very competitive and lowest rates as compared to other State Seeds Corporations who purchased the jute bags at higher purchase price ranging from Rs. 3200/- to Rs 3759 per 100 bags lower specification compared with purchase of the Corporation. Thus from the above it may be concluded that jute bags purchased by the Company were at very competitive rates taking in to account the circumstances prevailing at that time. Thus, the Company neither incurred extra expenditures of Rs. 44.52 lakh nor there is any loss to the Company as observed by the audit

During the course of the oral examination, the Committee was not satisfied with the reply given by them and recommended that the department should review this para.

The Committee also desired that the action taken in this regard may be informed the Committee.

HARYANA ROADWAYS ENGINEERING CORPORATION LIMITED

3.8 Injudicious investment

Due to injudicious investment in October 2009, the Company lost the opportunity to earn additional interest of ₹ 19.13 lakh.

10 For optimum management of surplus funds, State Government issued (June 1997) guidelines on investment of deposits/surplus funds by State Public Enterprises (SPE). Investment was to be made only in debt securities providing highest safety by adopting transparent procedure. The State Government specified permissible institutions in which investment could be made which, *inter-alia,* included all nationalised banks besides Regional Rural Banks. Gurgaon Gramin Bank (GGB) was also approved by State Government for making investment of surplus funds. Further, half yearly status of investment portfolio by each Department and SPE was to be submitted to State Government in April and October each year

The Company had surplus funds (October 2009) of ₹ 38 crore. The Company invited quotations (October 2009) from various banks for making investment. Amongst the four banks that responded to quotations, GGB quoted the highest rate of interest of 8 25 *per cent per annum* on term deposit for period of one to two years. The Company invested ₹ 15 crore in 16 Fixed Deposits (FDs) with Allahabad Bank at the rate of 7 *per cent per annum* for the period ranging between 365 to 380 days ignoring the offer of GGB and invested the balance funds with IDBI bank in short term FDs

We observed (May 2011) that had the Company invested ₹ 15 crore in FDs with GGB during October 2009 to October 2010, it could have earned additional interest of ₹ 19.13 lakh Thus, due to injudicious investment of funds, the Company could not earn additional interest of ₹ 19.13 lakh. Further, the Company had not complied with the directions of State Government with respect to submission of investment portfolio.

The Management stated (July 2011) that the funds were not placed with GGB keeping in view the security and safety aspect of Government funds. The reply is not convincing as the State Government had already approved GGB for investment of surplus funds and the Company had also subsequently invested (April 2010) ₹ eight crore in FDs with GGB.

The matter was referred to the Government in August 2011; the reply had not been received (September 2011).

In their written reply, the State Government/Company stated as under.—

It is intimated that surplus funds were received from Transport Department, Haryana to the tune of ₹ 80.18 crore during April 2009 and in order to place the funds in fixed Deposits, the rate of interest were obtained from various banks located at Chandigarh and Gurgaon. According to the requirement of the Transport Department, funds for about ₹ 25 crores were to kept for upto 3 months and about ₹ 50 crore for up to six months approximately The funds were placed with SBI, Gurgaon for a period of 91 days to 181days at the highest quoted rates of interest ranging from 6.25% per annum to 7% per annum.

After maturity of FDRs, during October 2009, it was considered worthwhile to invest the funds further and accordingly rates from local Nationalized Banks were obtained. Allahabad Bank, Gurgaon - one of the Nationalized and Public Sector banks had given highest rate and funds were placed with highest quoted rate except Gurgaon Gramin Bank which is local Bank

These amounts belonged to Transport Department, Haryana and not to this corporation for purchase of Volvo AC Buses, Ordinary buses and other equipments. The quantum of amount was substantial, security and safety aspect of Government funds was important. As such, funds were placed with highest quoted Nationalized and Public Sector Bank - Allahabad Bank

However, on later stage, on being pointed out by AG, Haryana, corrective action was taken by putting the surplus fund into Gurgaon Gramin Bank.

The reply of letter No-CA-II/PDP-218/HREC/2011-12 dated 27.06.2011 were already sent to the Accountant General of India (Audit), Haryana vide letter No-FC/HREC-107 dated 21 7 2011

During the course of oral examination the departmental representatives admitted that there was loss of interest.

The Committee recommended that the enquiry may be conducted against the negligent officers/officials and the action taken be informed to the Committee

The Committee further recommended that full details of the action taken against the delinquent officers/officials may be sent within a month for the information of the Committee.

Annexure A

Para No. 3.3

DAKSHIN HARYANA BIJLI VITRAN NIGAM LTD.

"Avoidable Loss-Failure to recover the fraudulently claimed amount of Rs. 15.72 lacs from the contractor-Latest Status of administrative action taken against DHBVN officers/Officials held responsible.

Sr No	Name & Designation	Status Position
1	R.S. Gupta, DGM	Charge sheet decided by ordering recovery of Rs 3.84 lacs from Pensionary benefits.
2	AS. Jaiswal, SDO	Charge sheet decided vide O/O No. 85/ Conf/DVN-1970 dt. 23.08.2010, by issuing letter of warning
3	R.S Yadav. D/Acctt.	Charge sheet decided vide O/O No. 72/ Conf/NG/DH-663 dt 28.02.2011, charge sheet dropped.
4	O P. Gupta, JE (Retd.)	Charge sheet decided vide O/O No. 122/Conf/NG/DH-664 dt. 26 04.2011, charge sheet dropped.
5	Bal Ram, AFM	Charge sheet decided by stopping one increment.
6	Imran Khan, UDC	Charges dropped vide SE/HR, Delhi O/o No. 267 dated 27/10/09.
7	Deepak Garani,ALM	Charge sheet decided vide O/O No. 197/Conf/NG/DH-667 dt 19.08.2011 by stopping one pay increment.

1. Status of Court Case (State V/s Contractor M/s Mahender Electrical store).

Pending in the court of Law. Next date of hearing 8/10/2013 & 23/11/2013.

Annexure I

Para No. 3.9

HARYANA STATE ROAD AND BRIDGES DEVELOPMENT CORPORATION LIMITED

From

The Commissioner & Secretary to Government, Haryana,
Public Works (B & R) Department.

To

The Engineer-in-Chief, Haryana,
PWD, B & R Branch, Chandigarh.

Memo No. 9/106/2001-3 B & R(W),
Dated, Chandigarh, the 27 September, 2002.

Subject:- Improvement of State Highways Phase-I, II, III & IV, Major District Roads (MDRs) and other District Roads (ODRs) Phase- I & II- integrated toll policy.

....

Reference Your U.O.No. HSRDC/19, dated 11.7.2002 on the subject noted above.

2. The matter regarding integrated toll policy was placed before the Council of Ministers, Haryana vide Memorandum, dated 16.9.2002(Copy enclosed). The Council of Ministers, in its meeting held on 19.9.2002 has approved the approval. It has further been decided that toll may be charged from commercial vehicles of upto ten tyres @ of Rs. 100/- per trip as proposed by the Department and Commercial Vehicles of more than ten tyres may be charged @ of Rs.150/- per trip and further shall be increased proportionately periodically. You are, therefore, requested to take further necessary action accordingly.

Superintendent, B & R(W),
for Commissioner & Secretary to Government, Haryana,
Public Works (B & R) Department.

27/9

A copy is forwarded to the Secretary to the Council of Ministers, Haryana w.r.t. his U.O.No. 9/199/2002-2 Cabinwt, dated 19.9.2002 for information.

Superintendent, B & R(W),
for Commissioner & Secretary to Government, Haryana,
Public Works (B & R) Department.

To

The Secretary,
Council of Ministers, Haryana.
U.O.No. 9/106/2001-3 B & R(W) Dated, Chandigarh, the SEPT. 2002.

CONFIDENTIAL

MEMORANDUM

MINISTER-IN-CHARGE CHIEF MINISTER, HARYANA

SECRETARY-IN-CHARGE COMMISSIONER & SECRETARY TO GOVT , HARYANA, PUBLIC WORKS (B&R) DEPTT.

SUBJECT : IMPROVEMENT OF STATE HIGHWAYS PHASE-I, II, III & IV, MAJOR DISTRICT ROADS (MDRs) & OTHER DISTRICT ROADS (ODRs) PHASE-I AND II INTEGRATED TOLL POLICY.

1. Council of Ministers in different meetings held on the dates indicated in table below had approved the following proposals for taking loan from HUDCO for the Improvement of State Highways, Major District Roads & Other Districts Roads:-

Sr. No.	Name of Project	Loan amount (Rs. in Crores)	Project cost (Rs. in Crores)	Date of approval of CMM
1.	Improvement of State Highways Phase I & II	173.66	217.08	2.4.2000
2	Improvement of MDRs and ODRs Phase-I	144.08	180 10	15 11.2000
3.	Improvement of MDRs and ODRs Phase-II	150.53	188 16	12 12.2000
4	Improvement of State Highways Phase III & IV	158.49	198 10	20 5.2002
	Total	**626.76 Crores**	**783.44 Crores**	

It was proposed to levy toll on the improved roads@ Rs. 10/- per trip for cars/jeeps and Rs. 20/-per trip for Trucks/Buses and repay the loan alongwith the interest to HUDCO out of toll collections. As per approval accorded by the Council of Ministers in the meetings held on the dates indicating in para 1 above, it was proposed to levy toll at 26 toll points on the State Highways and 21 points on Major District Roads. However, later on, it was decided that to reduce inconvenience to the public, toll be levied only on commercial vehicles and therefore, policy for the levy of toll on the roads being improved through HUDCO luaus may be revised It is, therefore, proposed that :—

(i) Toll points should be located on the, border of Haryana with other states so that traffic entering into Haryana or leaving the state is subjected to toll.

(ii) Toll may be levied on such roads which have high volume of traffic leading to quarries and mines etc.

(iii) Toll may be levied on roads which are being used by the traffic diverted from Delhi on account of implementation of order dated 6.12 2001 of the Hon'ble Supreme Court.

(iv) Toll may be levied only on trucks (Laden with goods or unladen), buses (with pessengers or without passengers), Mini buses / trucks, Canters, Mult-axled vehicles, Cranes, Dozers and earth movers etc. entering or leaving the state.

3 Accordingly toll points have been identified, out of which 27 toll points are on State Highways and 5 points are on MDRs. Toll is proposed to be levied at @ Rs, 100/- per trip on trucks (Laden with goods or unladen), buses (with passengers or without passengers), Mini buses / trucks, Canters, Multi-axled vehicles, Cranes, Dozers and and earth movers etc., which includes its single return tip on the same day through the same toll point However, if the user crosses the same toll point more than once on the same day in the same direction, the user shall have to pay toll again for additional trip at the same rate of Rs. 100/- per trip. Furthermore, if the user crosses any other toll point on the same day, user shall have to pay toll again at that toll point also at the applicable rates. It is further proposed that toll rates be increased to Rs. 150/- per trip from the year 2007-2008 and Rs 200/- per trip from the year 2012-2013. Council of Ministers in meeting held on 14.02.2002 has given tolling rights to the Haryana State Roads & Bridges Development Corporation Ltd. for levying toll on these roads.

4. The statement indicating the assessment of toll collection on the basis of revised toll points is enclosed as **Annexure-A** and the case flow chart indicating the source of funds and application of funds for the entire duration of loan repayment period is enclosed as **Annexure-B.**

5. Concurrence of Department has been obtained vide their UO No22/ 2/99-3 FICW dated 05.09.2002. Finance department have also raised some points on which comments of the Administrative Department are as under.

Sr. No.	**Points raised by the Finance Department vide UO No. 22/2/99-3 FICW dted 05.09.2002**	**Comments of A.D.**
1	2	3
1.	Approval of council of Ministers will be obtained by A.D	This memorandum is being put up for seeking approval of CMM.
2.	The A.D. should ensure that a separate account of the toll collection will be maintained by Corporation and priorities of the application of the toll revenue should	This will be ensured

1	2	3
	be decided as per debt servicing, maintenance of these roads, liquidation of investment etc.	
3.	The budgetary support for repayment of HUDCO Loans/interest should be provided under Revenue account instead of Capital account.	This will be ensured
4.	The A.D. should monitor the toll recovery from these projects.	This will be ensured.
5.	The projections of Rs. 127.58 Crores during 2001-02 to 2006-07 shown as deficit to meet the repayments and advance to be given by Govt will be as an advance with an interest at the usual rate of Interest.	There will no surplus funds with the Corporation upto the year 2010-11. However, interest on Rs. 127.58 Crores to be taken from the Government as advance during the period from 2001-02 to 2006-07 shall be paid to the Government during the year 2010-11
6	The projection of maintenance cost for the toll period has been worked out on a normative basis and it is quite likely that these figures may change actually. However, Finance Department agrees in principle to accept these figures. The A D is requested to indicate the actual figures on annual basis keeping in view the latest maintenance requirements.	Maintenance cost to be incurred for maintaining the toll roads only will be intimated yearly on the basis of actual requirement.
7.	The A.D has availed several other loans from NABARD etc. for development of roads. It is unlikely that such developed roads lengths would be put up to toll after being developed. In that case, the presently proposed toll system should take into account these other repayment liabilities and accordingly the tolling period may actully increase. The State Government is looking at a continuous cycle of substantial borrowings for road development in future and therefore, il may be imperative for State Government to consider a permanent tolling system	Although toll is likely to continue even after the repayment of loan for ensuring proper maintenance of these roads, yet there will be no surplus funds available with the Corporation for repaying any other loan out of the toll collections. The Corporation will be taking advance from the Haryana Government during the period from

1	2	3
	Although it is not necessary now, yet it can be considered in future.	2001-2002 to 2006-2007 for meeting the commitment of debt servicing and debt repayment.
8.	All escrow account for toll revenue and expenditure would be maintained subject to escrow liability towards HUDCO The exact of modalities of expenditure booking in a transparent manner may be worked out. The flow funds from this account should follow in the following orders: i) Repayment of HUDCO loans along with interest payment ii) Repayment to Govt. to the extent of project counter funding as has been used for repayment of loan so far and also in future. iii) Maintenance cost of State Highways, MDR and ODRs in the State. iv) Repayment/recovery of govt. counter funding. v) Recovery of HSRDC funds.	Escrow account shall be maintained for repayment of loan installments and interest thereon, However the flow of funds from the Escrow account shall be in the following order:- i) Repayment of HUDCO loans and interest thereon. ii) Maintenance cost of toll roads only. iii) Repayment of advance taken from Government iv) Recovery of counterpart funding out of toll collection which had been incurred out of out Equity capital. v) Payment of interest on the advance taken from Government and recovery of other funds of the corporation vi) Payment of Government Guarantee fee to the Government,
9.	Finance Department also agrees in principle to given a commitment of an advance of Rs. 127.58 Crores during 2001-07, which is subject to a final figure on the basis of actual revenue from tolls	As agreed by the Finance Department the advance amount of Rs. 127.58 Crores shown in the Cash flow chart is indicative only and will vary subject to the actual revenue. However, Finance Department has agreed in principle for

1	2	3
		giving advance of Rs. 127 58 Crores during the period from 2001-2002 to 2006-2007 to the Corporation for meeting shortfall of Debt. repayment and Debt serving.

6. Though it has been envisaged that sufficient toll collection will be generated by the Corporation for repayment of the loan as indicated in the Case Flow Chart for repayment of HUDCO loans and interest accrued thereon but as already decided by the Council of Ministers in the meetings mentioned in para-I above, if the amount of toll collections Is inadequate to meet the liability of debt service and debt repayment HUDCO even after availing advance from the Government, then the amount of shortfall shall be contributed by Haryana Government through additional budgetary support to the Corporation as an advance which will also be ultimately be repaid to the Government along with usual interest

7 Although at present the toll is proposed to be levied at 32 points after the improvement of roads, yet there is possibility of identifying some other toll points in due course of time in accordance with the proposal/basis mentioned in para 2 above to ensure adequate revenue collection through toll Department may be authorised to levy toll on these toll points also with the approval of Government.

8 The matter is placed before the Council of Ministers.—

(i) for seeking approval for levying toll at 32 points under all the HUDCO loan projects for the Improvement of State Highways Phase-I to IV and Major District Roads & Other District Roads Phase I & II and

(ii) authorising the Haryana State Roads & Bridges Development Corporation Ltd to levy toll on these points for repaying the HUDCO loan alongwith interest.

(iii) approval of related matters as mentioned in para 2 of 4, 6, 7, 8 and comments of Administrative Department in para 5 above.

9 Prior approval of the Chief Minister for placing this matter before the council of Ministers has been obtained.

Place : Chandigarh
Dated : 16-9-02

(Naresh Gulati)
Commissioner and Secretary to Govt. Haryana
Public Works (Building and Roads) Department.

Annexure 'A'

Assessment of toll collection on the basis of revised toll collection points

IMPROVEMENT OF STATE HIGHWAYS PHASE-I, II, III, IV and MDRs

Year	Ph. I & II	Ph. III & IV	Total
2002-2003	18.06 Crores	—	18.06 Crores
2003-2004	56.36 Crores	9.53 Crores	65.89 Crores
2004-2005	58 61 Crores	39 63 Crores	98 24 Crores
2005-2006	60 96 Crores	41.22 Crores	102 18 Crores
2006-2007	63.39 Crores	42.87 Crores	106.26 Crores
2007-2008	98.90 Crores	66 87 Crores	165.77 Crores
2008-2009	102.85 Crores	69.55 Crores	172.40 Crores
2009-2010	106.96 Crores	72.33 Crores	179.29 Crores
2010-2011	111.24 Crores	75.22 Crores	186 46 Crores
2011-2012	115.69 Crores	78.23 Crores	193 92 Crores
2012-2013	160 43 Crores	108.48 Crores	268.91 Crores
2013-2014	166 85 Crores	112 82 Crores	279.67 Crores
2014-2015	173.52 Crores	117 34 Crores	290.86 Crores
2015-2016	180.46 Crores	122.03 Crores	302.49 Crores
2016-2017	187 68 Crores	126.91 Crores	314.59 Crores
Total	1661.96 Crores	1083.03 Crores	2744.99 Crores

Annexure 'B'

Assessment of toll collection on the basis of revised toll collection points

IMPROVEMENT OF STATE HIGHWAYS PHASE-I and II

Sr No.	Name of Road	Length (In Kms)	Toll Collection Point	Trucks/Buses Nos	Amount toll collection @ Rs 100/- per trip
1	Gurgaon-Sohna Road	26 00	Km 11 near Badshahpur	3915	391500
2	Gurgaon- Pataudi - Rewari Road	50 41	Km 2 4 Near Gurgaon	1443	144300
3	Gurgaon-Farrukh Nagar-Jhajjar Road	45 53	About 6 kln from Gurgaon	1363	136300
4	Palwal-Sohna- Dharuhera Road	50 00	Km 4 1 near Palwal	1824	182400
5	Palwal-Sohna- Dharuhera Road	50 00	Km 49 Near Bhiwadi	964	96400
6	Bhadurgarh -Jhajj ar- Dadri-Loharu-Pilani Road	126 00	Near Rajasthan Border	266	26600
7	F atehabad - Bhattukalan-Bhadra Road	25 00	Near Rajasthan Border	539	53900
8	Sirsa-Ellanabad Road	50 00	Near Rajasthan Border	960	96000
9	Sardulgarh-Sirsa Road	16 00	Near Punjab Border	269	26900
10	Budhlada- Ratia- Fatehabad Road	41 00	Near Punjab Border	599	59900
11	Jagadhri -Chhachhauli-Poanta Road	45 50	Near Himachal Border	848	84800
12	Yamunanagar-Radour-Ladwa-Thanesar Road	75 00	Near Yamunanagar	2926	292600
13	Shamli-Panipat Road	15 00	Near U P Border	3942	394200
14	UP Border-Sonepat-GohanaRoad	57 43	Near U P Border	1313	131300
15	Bahadurgarh-Jhajjar Road	26 00	Near Bahadurgarh	2395	239500

Less 30 % for exempted Vehicles, Multiple Trips and Skipping Vehicles	(-) 706980
Balance	1649620
Less 10 % for toll collection charges	164962
Anticipated daily toll collection	1484658
Anticipated daily toll collection	541900170
	Say 54 19 Crores

Total toll collection considering growth of 4% per year

2002-2003	18 06 Crores	For4 months
2003-2004	56 36 Crores	
2004-2005	58.61 Crores	
2005-2006	60 96 Crores	
2006-2007	63.39 Crores	
2007-2008	98.90 Crores	Rate increased to Rs 150/ per trip
2008-2009	102.85 Crores	
2009-2010	106.96 Crores	
2010-2011	111 24 Crores	
2011-2012	115 69 Crores	
2012-2013	160 43 Crores	Rate increased to Rs 200/- per trip
2013-2014	166.85 Crores	
2014-2015	173.52 Crores	
2015-2016	180.46 Crores	
2016-2017	187 68 Crores	
Total	**1661.96 Crores**	

Assessment of toll collection on the basis of revised toll collection points

IMPROVEMENT OF STATE HIGHWAYS PHASE-III & IV and MDRs

Sr No.	Name of Road	Length (In Kms)	Toll Collection Point	Trucks/Buses Nos.	Trucks/Buses Amount toll collection @ Rs 100/- per trip
1	Sohna-Nuh-Ferozepur Zhirka-Alwar Road	76.00	Near Rajasthan Border	2924	292400
2	Shahjahanpur-Rewari Road	21.00	Near Rajasthan Border	2486	248600
3	Namaul-Nizampur Road	11 00	Near Rajasthan Border	654	65400
4	Namau-Singhana Road	15 00	Near Rajasthan Border	480	48000
5	Hansi- Tosham-Sodiwas-Behal Road	84 00	Near Rajasthan Border	217	21700
6	Barwala-Agroha-Bhadra Road	55 50	Near Rajasthan Border	354	35400
7	Uklana-Tohana-Munak Road	29 50	Near Punjab Border	451	45100
8	Kaithal-Khanauri Road	24 00	Near Punjab Border	250	25000
9	Kaithal-Pitiala Road	36.00	Near Punjab Border	524	52400
10	Pehowa-Patiala Road	10 00	Near Punjab Border	1133	113300
11	Kalaamb-Sadhaura-Shahbad Road	59 75	Near Himachal Border	380	38000
12	Rohtak-Kharkhauda-Delhi Border	42 00	Near Delhi Border	1136	113600
13	Bhattu-Ludesar-Jamal upto Border	-	Near Rajasthan Border	912	91200
14	Sirsa-Ludesar-Bhadra upto State Border	-	Near Rajasthan Border	437	43700
15	Kotputli-Budhwal- N angal Choudhry-Namaul Road	MDR 129	Near Rajasthan Border	3402	340200
16	Tosham-Dharsul-Ratia-Ron Road	MDR 101	Near Punjab Border	324	32400
17	J akhal-Dharsul-Bhuna-Pabra Road	MDR 102	Near Punjab Border	510	51000
				Total	**1657400**

Less 30 % for exempted Vehicles, Multiple Trips and Skipping Vehicles	(-) 497220
Balance	1160180
Less 10 % for toll collection charges	1160180
Anticipated daily toll collection	1044162
Anticipated daily toll collection	381119130
	Say 38.11 Crores

Total toll collection considering average growth of 4% per year

2003-2004	9 53 Crores	For 3 months
2004-2005	39.63 Crores	
2005-2006	41 22 Crores	
2006-2007	42.87 Crores	
2007-2008	66.87 Crores	Rate ıncreased to Rs 150/- per trıp
2008-2009	69 55 Crores	
2009-2010	72.33 Crores	
2010-2011	75.22 Crores	
2011-2012	78.23 Crores	
2012-2013	108.48 Crores	Rate ıncreased to Rs 200/ per trıp
2013-2014	112.82 Crores	
2014-2015	117.34 Crores	
2015-2016	122 03 Crores	
2016-2017	126 91 Crores	
Total	**1083.03 Crores**	

Annexure II

Para No. 3.9

HARYANA STATE ROAD AND BRIDGES DEVELOPMENT CORPORATION LIMITED

Haryana Government

Public Works Department (Building and Roads)

Notifications

The 14th January, 2009

No. 9/106/2001-3B&R(Works) In exercise of the powers conferred by clause (f) of section 2 of the Haryana Mechnical Vehicles (Levy of Tolls) Act, 1996 (Haryana Act 9 of 1996) and in supersession of Haryana Government, Public Works Department (Buildings and Roads), Notification Nos. and dates as mentioned in cilumns 4 of the Schedule-I given below, the Governor of Haryana hereby notifies section of the roads as mentioned in column 3 of the said Schedule, to be toll facilities for the purpose of the said Act with effect from the dates as mentioned in column 5 thereof:-

SCHEDULE-I

Sr No	Toll Point	Section of the road	No and date of notification of toll facility	Date of start of toll facility
1	2	3	4	5
1	T-1	Gurgaon-Sohna road Km 11	9/106/2001-3 B&E (W) (Toll-1) dated 2 1 03	13 11 03
2	T-2	Gurgaon-Pataudi road km 24 (shifted from km 7-8 with effect from 06 11 2007)	9/106/2001-3 B&R(W) (Toll-2) dated 2 1 03	11 01 03
3	T-3	Gurgaon-Farrukhnagar-Jhajjar road	9/106/2001-3 B&R(W) (Toll-3) dated 31 1 03	12 2 03
4	T-4	Palwal-Sohna Road	9/106/2001-3 B&R(W) (Toll-4) dated 2 1 03	4 1 03
5	T-5	Sohna-Dharuhera Road Loharu-Pilani road	9/106/2001-3 B&R(W) (Toll-5) dated 9 9 03	3 1 04
6	T-6	Bahadurgarh-Jhajjar-Dadri-Loharu-Pilani road	9/106/2001-3 B&R(W) (Toll-6) dated 31.1.03	22 2 03

1	2	3	4	5
7	T-7	Fatehabad-Bhattu Kalan-Bhattu-Ludesar road	9/106/2001-3 B&R(W) (Toll-7) dated 9 9 03	21 11 03
8	T-8	Sırsa-Ellanabad road	9/106/2001-3 B&R(W) (Toll-8) dated 9 9 03	1 1 04
9	T-9	Sardulgarh-Sırsa road near Pb Border	9/106/2001-3 B&R(W) (Toll-9) dated 31 1 03	25 2 03
10	T-10	Budhlada-Ratıa-Fatehabad road	9/106/2001-3 B&R(W) (Toll-10) dated 31 1 03	20 2 03
11	T-11	Jagadharı-Chachchraulı-Paonta road	9/106/2001-3 B&R(W) (Toll-11) dated 31 1 03	20 2 03
12	T-12	Y/Nagar-Radour-Ladwa-Thanesar road	9/106/2001-3 B&R(W) (Toll-12) dated 2 1 03	12 12 03
13	T-13	Shamlı-Panıpat road	9/106/2001-3 B&R(W) (Toll-13) dated 2 1 03	4 1 03
14	T-14	UP Boarder-Sonepat-Gohana road	9/106/2001-3 B&R(W) (Toll-14) dated 31 1 03	20 2 03
15	T-16	Sohana-Nuh-Ferozpur-Zhırkha-Alwar road	9/106/2001-3 B&R(W) (Toll-16) dated 8 9 05	7 10 05
16	T-17	Shajahanpur-Rewarı road near Rajasthan border	9/106/2001-3 B&R(W) (Toll-17) dated 27 7 04	16 9 04
17	T-18	Narnaul-Nızampur road near Rajasthan	9/106/2001-3 B&R(W) (Toll-18) dated 5 5 04	6/04
18	T-19	Narnaul-Sınghana road near Rajasthan Boder	9/106/2001-3 B&R(W) (Toll-19) dated 5 5 04	6/04
19	T-20	Hansı Tosham Sodhıwas road	Not notıfıed	Date of completıon of ımprovement of work of the road
20	T-21	Barwala-Agroha-Bhadra road	9/106/2001-3 B&R(W) (Toll-21) dated 27 7 04	1 12 04
21	T-22	Uklana Tohana Munak road	9/106/2001-3 B&R(W) (Toll-21) dated 27 7.04	01 11 04 (Closed wıth effect from 4 9 2006 and toll facılıty wıll be re-actıvated after

1	2	3	4	5
				completing due procedural compliances after completion of bridge by Punjab Government
22	T-23	Kaithal-Khanauri road near Pb. Border	9/106/2001-3 B&R(W) (Toll-22) dated 5 5 04	21 6 04
23	T-24	Kaithal-Patiala road near Pb Border	9/106/2001-3 B&R(W) (Toll-24) dated 27 7.04	1.10 04
24	T-25	Pehowa-Patiala road	9/106/2001-3 B&R(W) (Toll-25) dated 9 9 03	20 11 03
25	T-26	Kala Amb-Sadhaura-Shahbad road	9/106/2001-3 B&R(W) (Toll-25) dated 27.7 04	16 9 05
26	T-27	Rohtak-Kharkhauda-Delhi road	9/106/2001-3 B&R(W) (Toll-27) dated 27 8.04	18 9 04
27	T-28	Bhattu Ludesar-Jamal road upto Rajasthan Border	9/106/2001-3 B&R(W) (Toll-28) dated 12 6 06	22 6 06
28	T-29	Sirsa-Ludesar-Bhadra road	9/106/2001-3 B&R(W) (Toll-29) dated 8.9 05	8 10 05
29	T-30	Kotputli-Budhwal-Nangal Chaudhary-Narnaul road near Rajasthan border	9/106/2001-3 B&R(W) (Toll-30) dated 27.8 04	9.10 04
30	T-31	Tohana-Dharsul-Ratia-Hanspur road (upto Punjab Border) near Punjab Border	9/106/2001-3 B&R(W) (Toll-31) dated 9 9 03	3 12.03
31	T-32	Jakhal-Dharsul-Bhuna-Pabra road near Punjab Border	9/106/2001-3 B&R(W) (Toll-32) dated 27 8 04	1 12 04

And further in exercise of the powers conferred by section 3 of the said Act, the Governor of Haryana hereby determines the rate of toll as given in column 3 of the Schedule-II given below for the type of mechanical vehicles as mentioned in column 2 of the said Schedule be to levied and paid to the Toll Collector passing over the said toll facilities at toll points mentioned in column 2 of the said Schedule-I with effect from 1st March, 2009.-

SCHEDULE-II

Serial No	Type of mechanical vehicles	Rate of toll to be charged per trip
1	2	3
1	Trucks (laden with goods or unladen) canters-multi axled vehicles/dozers and earth movers etc	Rs 150/- per trip including return journey
2.	Buses/mini buses with stage carriage permits	(i) Rs 150/- per trip, for single trip including return journey. (ii) Rs 225/- for daily pass (iii) Rs. 4500/- for monthly pass
3.	Buses/mini buses with contract carriage permits	Rs 150/- per trip including return journey
4.	Maxi cabs	Rs. 20/- per trip including return journey
5	Light commercial goods vehicles like Mahindra and Pick Up Vans	Rs 50/- per trip including return journey
6.	Vehicles having more than 10 tyres	Rs. 225/- per trip including return journey

Note :- The above toll rates include signle return trip on the same day through the same toll point. When the same vehicles has to cross this toll point more than once in the same direction on the same day, then the user shall have to pay toll again for the additional trip at the same toll rates except for the vehicles having daily and monthly passes However, if the user also crosses any other toll point of any other toll facility on the same day, the user shall have to pay toll at that toll point also as applicable.

As the toll point already stands auctioned, it was decided that the various 'toll collecting contractors' may be given an option to continue operating their respective toll facilities till the currency of their respective contracts while charging the rates so enhanced with effect from 1st March, 2009, provided that with effect from 1st March, 2009, they shall also pay the consideration at an enhanced rate representing 130% of the current consideration payable from them respectively

Further, in exercise of the powers conferred by section4 of the said Act, the Governor of Haryana hereby authorises Haryana State Road and Bridges Development Corporation Limited, to demand, collect and retaintolls from the said toll facilities at above said toll points mentioned in Schedule-I for a period ending 31st March, 2007, at such rates and on such mechanical vehicles as specified in Schedule-II mentioned above.

Further in exercise of the powers conferred by section 13 of the said Act, the Governor of Haryana hereby exempts the following mechanical vehicles from the payment of toll over the said toll facility at toll points mentioned in Schedule-I above.

1 Defence vehicles,

2 Non commercial vehicles of all State Government and Government of India;

3 Police vehicles;

4. Fire Fighting vehicles,

5. Ambulances;

6 Funeral Vans,

Note - No toll shall be levied on two wheelers, jeeps and other maxi cabs, cars, tractors and tractor with trolley for agriculture purpose.

K K. Jalan,
Financial Commissioner and Principal
Secretary to Government, Haryana,
Public Works (Buildings and Roads)
Department, Chandigarh

Annexure A

Para No. 3.14

HARYANA WAREHOUSING CORPORATION

BAY NO. 15-18, SECTOR-2, PANCHKULA

NO HWC/1(2)-TECH/2008/30852-60 Dated : 25th July, 2008

To

All the District Managers,
Haryana Warehousing Corporation, in the field.

Sub: Shifting of the vulnerable wheat stocks from open to covered storage.

During Rabi, 2008 about 1.50 lakh MTs of HWC wheat have been stored in open complexes at 27 locations in the State. The need for their proper storage, preservation and safety from vagaries of weather has been impressed upon you through repeated instructions and discussions in the Officers' meeting held on 4.6 2008 and 16.7 2008 During the last Officers' meeting, DMs were informed that in the wake of slow pace of movement of wheat stocks from the State, the stocks might undergo storage even beyond a period of one year and therefore, utmost care has to be taken for the stocks and more particularly for the wheat stocks stored in open The District Managers, being the overall Incharge of circle have to ensure regular inspection, disinfestation treatment to maintain the quality of the stocks and to decide action required to be taken for the safeguard of the stocks at their own level without waiting approval from the Head Office

It is, therefore, imperative that as and when a situation demands reconditioning, replacement of gunnies or even shifting of stocks from open to covered godowns, necessary action may be taken by the DMs at their own level.

These instructions may please be followed in letter & sprit.

Sd/-. .
Manager(S&T)

Annexure B

HARYANA WAREHOUSING CORPORATION

BAY NO. 15-18, SECTOR-2, PANCHKULA

OFFICE ORDER

The Board of Directors in its 152nd meeting held on 8.1.2003 had prescribed the following norms for the replacement of gunnies inHWC wheat stocks which were circulated vide office orders bearing Endst No. HWC/ Tech./Gunny Repl /TA-3/10083-223 dated 25 2 2003

Sr.No.	Particulars	Storage of stocks upto	
		2 Years	3 Years
a)	Covered godowns	0.5%	1.5%
b)	Open storage	1 0%	3.0%

As per delegation of powers by the Board of Directors in its 179th meeting held on 21.12.2009, the District Managers are competent to approve replacement of gunnies falling within the above prescribed norms. However, the details of the cases of replacement of gunnies so approval by the District Managers will be sent to the Managers (S&T) every six months as on 30th June and 31st December in the months of Janaury and July of each year respectively.

Dated : 7.01.2010
Place : Panchkula

MANAGING DIRECTOR

Endst No. HWC/Tech./Gunny Repl./TA-2-2009/1343-1493 Dated 11/1/2010

A copy of the above is forwarded for information and necessary action to·—

All the Officers at Head Office.

All the District Managers, Haryana Warehousing Corporation, in the field

The Managers (Accounts), HWC, Panchkula.

All the Accountants, posted in the H O/field.

All the Managers/Incharges, State Warehouses in Haryana

Sd/-...
Advisor(P&S)
For Managing Director

Annexure C

Haryana Warehousing Corporation
हरियाणा वेयरहाऊसिंग कारपोरेशन

No. HWC/DM/ TRU/WRI/28/2010-11 Dated 15/4/2010

From

The District Manager,
Haryana Warehousing Corporation
..........Tauru..................

To

The Manager (S&I)
Haryana Ware Housing Corporation.
Panchkula.

Sub:- 'A' class gunnies Consumed during the segrigation of stocks, crop year 2008-09.

Sir,

As per advised by DISH Manager SWH Faridabad. The Replacement of gunnies at the time of Segrigation of HWC wheat Stock crop year 2008-09 and shifted from open to godown detail as under

Total Stock Stored in open plinth = 37302 B/S = 18610.37-575
Total gunnies replacement = 2600 'A' Class Jute.
used in Madeup bags = 103 'A' Class Jute.

Yours faithfully.

14.4.2010

MANAGER
STATE WARE HOUSE
Tauru Nuh ... 122105

Annexure A

Para No. 3.7

HARYANA SEEDS DEVELOPMENT CORPORATION LIMITED

Proceedings of the meeting of Special High Powered Purchase Committee held on 03.03.2010 under the Chairmanship of Hon'ble Chief Minister, Haryana for finalizing the rate of 2,00,000 Nos B Twill Gunny bags (50 Kg. size) and 7,00,000 Nos DWT Jute Bags (86.5 x56 cms) required by Haryana Seeds Development Corporation Ltd. Panchkula. (HSDC)

Present :

1	Shri Bhupinder Singh Hooda, Hon'ble Chief Minister, Haryana.	Chairman
2.	Shri Y.S. Malik, IAS, F.C. & P.S. Industries Deptt., Haryana	Member
3	Shri Roshan Lal, IAS, F.C & P.S Agriculture Deptt.-cum-Chairman, HSDC	Member
4	Smt. Shashi Gulati, IAS, Director, Supplies & Disposal, Haryana.	Member
5.	Shri Ashok Kumar Yadav, IAS, MD, HSDC	Member Secy.
6.	Shri Ashwani Kumar, Additional Director Technical, Industries Deptt. Haryana	Member
7	Smt.Kiran Lekha Walia, Financial Advisor, HBPE (F.D.)	Member

BACKGROUND FACTS :

(1) Agenda Note circulated by Haryana Seeds Development Corporation Limited (HSDC) was considered by the committee.

(2) The firms whose offers were valid were asked to depute their authorized representatives in today's meeting.

(3) Shri Ashok Kumar Yadav, IAS, Managing Director, HSDC/ Member Secretary presented the Agenda Note/Case before the committee.

(4) The committee felt that there was further scope in getting more competitive rates than the rates offered by the three tenderers. Accordingly, the SHPPC desired that 3 tenderers who have offered rates for supply of B.Twili Gunny bags(50 Kg. size) and DWT Jute Bags (86.5 x 56 cms. size) may appear and submit their final lowest rates before the committee.

(5) The position of the rates offered in the tenders and finally revised/ negotiated lowest rates submitted before the SHPPC by the tenderers accordingly for gunny bags and jute bags emerges as under:

ITEM NO. 1 (B.TWILL GUNNY BAGS OF 50 KG. SIZE)

Sl. No.	**Particulars**	**Name of tenderers**		
		M/S J.P. Rice Mills, Ratia	M/S Yeninder Bansal, Ratia	M/S R D B.L Textiles Limited Kolkata
1	Rates offered per 100 bags including taxes & F O R. destination against C. Form	Rs 2951/-	Rs. 2955/-	Rs 2960/-
2.	Revised/netotiated rates offered	Rs. 2945/- **Lowest-I**	Rs. 2954/- **Lowest-II**	Rs 2958/- **Lowest-III**

ITEM NO. 2 (DWT JUTE BAGS OF 86.5x56 cms size)

Sl. No.	**Particulars**	**Name of tenderers**		
		M/S Industrial Associates Kolkata	M/S K.L. Jute Products (P) Ltd Kolkatta	M/S National Trading Corpn Kolkata
1	Rates offered per 100 bags including taxes & F.O.R. destination against C. Form	Rs. 2565/-	Rs. 2591/-	Rs. 2717/-
2.	Revised/netotiated rates offered	Rs 2556/- **Lowest-II**	Rs. 2539/- **Lowest-I**	Rs. 2581/- **Lowest-III**

(6) The Financial Commissioner & Principal Secretary to Govt. Haryana, Agril. Deptt.-cum- Chairman, HSDC confirmed that the final lowest rates of B.Twill Gunny bags (50 Kg size) offered by MIS J.P Rice Mills, Ratia @ RS.2945/- (Rupees Two thousand nine hundred forty five only) per hundred bags including all taxes and FOR destinations in today's meeting are reasonable. Accordingly, the committee approved the placement of supply orders on this firm @ Rs 2945/- (Rupees Two thousand nine hundred forty five only) per 100 bags including all taxes and FOR destinations for the supply of 2,00,000 Nos. B Twill Gunny bags (50 Kg.size). Other terms and conditions to be allowed to this firm will be as per NIT

(7) Further, as regards the supply of DWT Jute bags (86,5 x 56 cms size) Financial Commissioner & Principal Secretary to Govt Haryana, Agril Deptt. Chairman, HSDC informed the Committee that the rates offered by the supplier are on very higher side in comparison to the last year supply rates, Accordingly, the Committee decided that HSDC should re-tender (Short Term Tenders) for purchase of 7,00,000 Nos. DWT Jute bags (86.5 x 56 cms size) immediately.

(Sd/-)
(Bhupinder Singh Hooda)
Hon'ble Chief Minister, Haryana
Chairman

(Sd/-)
(Y.S Malik, IAS)
F C & P S, Industries
Deptt, Haryana
Member

(Sd/-) .
(Roshan Lal, IAS)
F C & P S Agriculture Deptt,
-cum-Chairman, HSDC
Member

(Sd/-)
(Shashi Gulati, IAS)
Director, Supplies & Disposal,
Haryana
Member

(Sd/-)
(Ashok Kumar Yadav, IAS)
M D, HSDC, Panchkula
Member Secretary

(Sd/-) .
(Ashwani Kumar)
Additional Director, Technical
Industrias Deptt, Haryana
Member

(Sd/-)..
(Kiran Lekha Walia)
Financial Advisor, HBPE (F D)
Haryana
Member

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