



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

**FOR THE YEAR ENDED 31 MARCH 1989.**

**No. 3**

**( CIVIL )**

1988-89

**GOVERNMENT OF RAJASTHAN**



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## **PREFATORY REMARKS**

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1988-89 together with other points arising from audit of the financial transactions of the Government of Rajasthan. It also includes certain points of interest arising from the Finance Accounts for the year 1988-89.

2. The Report containing the observations of Audit on Statutory Corporations, Boards and Government Companies and the Report containing the observations of Audit on Revenue Receipts are being presented separately.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1988-89 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1988-89 have also been included, wherever considered necessary.

## PRELIMINARY REMARKS

This report has been prepared in accordance with the instructions of the Committee on the part of the Government. It is intended to be a preliminary report, and is not intended to be a final report. It is intended to be a preliminary report, and is not intended to be a final report. It is intended to be a preliminary report, and is not intended to be a final report.

The Committee on the part of the Government has been instructed to prepare a preliminary report on the subject of the proposed new law. It is intended to be a preliminary report, and is not intended to be a final report. It is intended to be a preliminary report, and is not intended to be a final report. It is intended to be a preliminary report, and is not intended to be a final report.



## OVERVIEW

This Report contains two chapters on the observations of audit on the State's Finance Accounts and Appropriation Accounts and five chapters which include 7 reviews on various schemes and 32 individual audit observations.

### 1. Overall analysis of State Finances

The year 1988-89 closed with a revenue deficit of Rs. 218.54 crores, as against the projected revenue deficit of Rs. 191.81 crores (without taking into account the effect of proposed mobilisation of additional resources) anticipated in the budget. There was a revenue deficit of Rs. 356.10 crores during the previous year.

The net addition to Public Debt was Rs. 837.31 crores. This, after meeting capital expenditure (Rs. 427.64 crores), lending for development and other purposes (Rs. 136.19 crores), Appropriation to Contingency Fund (Rs. 10 crores) and revenue deficit (Rs. 218.54 crores), generated a surplus of Rs. 44.94 crores. This, together with the overdraft of Rs. 41.42 crores from the Reserve Bank of India, resulted in an increase in the cash balance (Rs. 40.74 crores) over the previous year's balance by Rs. 86.36 crores.

Against the plan provision of Rs. 1,282.59 crores, the expenditure on Plan schemes was Rs. 1182.02 crores, resulting in a shortfall of Rs. 100.57 crores (7.84 per cent). The assistance received from the Central Government for

Central and Centrally Sponsored Plan Schemes was Rs. 296.93 crores.

Non-Plan revenue expenditure (Rs. 1906.72 crores) increased by 11 per cent over that of 1987-88. Receipts from tax and non-tax revenue raised by the State Government (Rs. 1,255.32 crores) were not adequate even to finance the total non-plan revenue expenditure of Rs. 1906.72 crores. The arrears of revenue of Rs. 176.88 crores (11 departments) at the end of the year 1988-89 were more than those in 1987-88 (Rs. 161.78 crores-11 departments).

The growth in collection of tax revenues was 16 per cent, while the State's share of Union taxes constituted 11 per cent. The return from interest and dividend on investment in companies, corporations, etc. was only 1.09 per cent of the investment of Rs. 308.79 crores. The accumulated loss by 30 companies/corporations etc. in which Government had invested Rs. 137.41 crores was Rs. 145.98 crores. Six Multipurpose River Projects and Irrigation Schemes suffered a net loss of Rs. 81.24 crores. The loss on the Indira Gandhi Nahar Pariyojana alone amounted to Rs. 68.60 crores.

Receipts under loans and advances from the Central Government (after repayments of loans and advances) increased from Rs. 329.92 crores in 1987-88 to Rs. 381.98 crores in 1988-89. The interest paid to Central Government on loans and advances was Rs. 205.84 crores during 1988-89, and the net resources availability from this important source was Rs. 176.14 crores.

(Paragraph 1.2)



## 2. Appropriation Audit and Control over Expenditure

The saving was Rs. 288.24 crores in 108 grants/appropriations. The overall excess on the other hand was Rs. 17,00,71,710 in 14 grants/appropriations, requiring regularisation under Article 205 of the Constitution.

The supplementary grant of Rs. 1,353.75 crores obtained during 1988-89 constituted 35.45 per cent of the original budget provision of Rs. 3,819.03 crores. The supplementary provision of Rs. 45.51 crores obtained in 28 grants/appropriations proved unnecessary, and in 17 grants/appropriations the savings in each case were more than Rs. 1 crore, and also more than 10 per cent of the total provision.

There were persistent savings ranging from 12 to 100 per cent in 13 grants during the year 1986-87, 1987-88 and 1988-89.

(Paragraph 2.2)

## 3. Intensive Cotton District Programme

The programme partly financed by the Government of India during Seventh Plan aimed at organising production, procurement and distribution of improved varieties of seeds, strengthening of plant protection measures, and establishment of 'Kapas Grading Centres', for helping the cotton-growers in obtaining fair price of their produce. During 1985-86 to 1988-89, the expenditure incurred (Rs. 83.40 lakhs) was much less than the budgeted provision (Rs. 106.16 lakhs).

Rs. 12.90 lakhs for establishment of 'Kapas Grading Centres' approved by Government of India were not utilised.

Against the targeted procurement of 50 quintals of breeder-seeds (to be produced by Agriculture University, Udaipur) during 1987-89, the actual production/procurement was only 5.5 quintals. Foundation-seeds were not produced at all during these years, though a target of 400 quintals had been set for each year.

The utilisation of subsidy on distribution of certified seeds averaged 74 per cent; against 733 demonstrations planned, only 478 demonstrations were held during 1985-86 to 1988-89.

③

(Paragraph 3.1)

#### 4. Regional Biological Products Laboratory 40-48

The Laboratory is engaged in the production of various types of vaccines/antigens for the control of contagious diseases in livestock. A Centrally-sponsored plan for the expansion of the Laboratory envisaged production of 8 new biological products, and an increase in the production of existing vaccines to the level of 178.05 lakh doses. During 1984-89, the production of vaccines compared to the targeted level of 178.05 lakh doses, fell short by 21 to 44 per cent, and production of 7 out of 8 new vaccines and six diagnostic antigens was not taken up. The new laboratory complex constructed in May 1980 at a cost of Rs. 22.90 lakhs was not brought to the optimum use.

The delays in the release of funds by the State Government resulted in non-utilisation of the Central assistance of Rs. 4.90 lakhs sanctioned during 1986-87 to 1988-89 for production of a new viral vaccine.

(Paragraph 3.2)



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## 5. Rajasthan State Lotteries

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The financial results of the lotteries conducted during 1985-86 to 1988-89 were not prepared scheme-wise. Though the objective of running the State lotteries was to augment the State's resources, the schemes conducted resulted in a loss of Rs. 20.01 crores.

Several instances of irregular sale of tickets on credit (Rs. 1.65 lakhs), delay of remittance of sale proceeds of tickets by camps incharge (Rs. 120.95 lakhs), excess issue of tickets to agents against the commission payable resulting in loss of revenue (Rs. 166.00 lakhs), and grant of refunds on unsold tickets (Rs. 17.11 lakhs) were noticed. Besides, cases of loss due to excess printing of tickets (Rs. 19.21 lakhs) and delayed closure of one lottery scheme (Rs. 11.95 lakhs), were also noticed.

(Paragraph 3.5)

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## 6. Industrial Development of Backward Areas

Three schemes of Central Investment Subsidy, Concessional Finance and Central Infrastructural Assistance were introduced by the Government of India between 1970 and 1983 to help the growth of industries and to remove regional disparities in industrial development. During 1982-83 to 1988-89, Central Investment Subsidy of Rs. 5,626.07 lakhs was paid to 11,849 units by various agencies. As on 31 March 1989, 1,773 units were closed or became sick. Of these, 842 units had gone out of production within five years from the date of commencement, and the subsidy of Rs. 407.84 lakhs paid earlier had become recoverable from them.

In Bhiwadi Industrial Area, where the level of investment had exceeded Rs. 30 crores in 1985-86, payments of Central Investment Subsidy for Rs. 5.10 crores and of Concessional Finance for Rs. 25.70 crores were not admissible. Similarly, in Jodhpur Urban Agglomeration, payment of subsidy of Rs. 11.67 lakhs made after April 1983 was not admissible.

Irregular payments of subsidy to unregistered units amounting to Rs. 103.39 lakhs were noticed, besides payment of subsidy of Rs. 7.54 lakhs to ineligible units and Rs. 26.20 lakhs towards subsidy which were not admissible.

Concessional Finance amounting to Rs. 30,799.47 lakhs was granted to 12,796 units during 1982-83 to 1988-89. As on 31 March 1989, recovery of Rs. 4,946.41 lakhs towards principal and Rs. 4084.81 lakhs towards interest was due from 11,175 units. Physical and financial targets for 1982-83 to 1984-85 were not fixed by Rajasthan Financial Corporation while against the financial targets fixed for 1985-86 and 1986-87 there were shortfalls of 23 and 14 per cent respectively. No physical targets for any year were fixed by Rajasthan State Industrial Development and Investment Corporation Limited (RIICO).

Under Central Infrastructural Assistance Scheme, assistance of Rs. 569.84 lakhs was provided by Government of India, of which Rs. 87.15 lakhs (47.6 per cent) remained unutilised since June 1987 with RIICO. Under the same scheme, inadmissible expenditure on construction of sheds (Rs. 17.69 lakhs) and a dispensary building outside the area of Growth Centre (Rs. 6.18 lakhs) was incurred besides an idle investment of Rs. 18.73 lakhs on the construction of a transit hostel, bank building and kiosks.

(Paragraph 3.6)



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(1)

## 7. Rural Landless Employment Guarantee Programme (RLEGP)

The programme fully funded by the Central Government was launched in February 1984, mainly to generate additional gainful employment for the unemployed or underemployed in rural areas and to create productive community assets.

Against the allocation of Rs. 125.37 crores during 1983-84 to 1988-89, Rs. 19.01 crores remained unutilised at the end of 1988-89. Expenditure of Rs. 58.96 lakhs incurred on works already completed or partly completed under other schemes (NREP, Famine Relief) was irregularly transferred to RLEGP, showing inflated achievements.

Out of 43,893 works sanctioned under the programme for the State, only 27,637 works were completed; 4055 works had not even been commenced by March 1989. In the districts test-checked, 307 works (expenditure incurred Rs. 261.15 lakhs) were left incomplete on withdrawal of the programme in April 1989.

Against a project costing Rs. 987.58 lakhs sanctioned by the State Government in July 1987 for the development of on-farm infrastructure in Mahi Command Area, to be completed in two years, funds of Rs. 135.36 lakhs only were released during 1987-88 and 1988-89 to the District Rural Development Agencies, which in turn released Rs. 65.00 lakhs to the Chief Engineer, Mahi-Bajaj Sagar Project and diverted Rs. 60.00 lakhs to other agencies. Consequently, soil conservation works (nullah and contour bund) were completed in only 2,817 hectares against the targeted 18,813 hectares; and 'kutchha' water

courses were constructed only along 309 kms. out of 2240.00 kms. targeted. Required 'pucca' structures and waste-weir were, not built/completed, as a result of which a major part of the expenditure of Rs. 63.74 lakhs on soil-conservation and 'kutchha' water-courses was rendered wasteful.

Under Social Forestry, as against 25 per cent of the annual allocation to be earmarked, funds released declined from 26 per cent in 1984-85 to only 4 per cent in 1988-89.

Under the Indira Awaas Yojna, out of 2,097 dwelling-units completed 1,296 units were lying unoccupied in Sawaimadhopur and Banswara districts. In 4 Panchayat Samitis, 268 of the 314 dwelling-units constructed did not have facility of latrine and bathrooms

(Paragraph 3.12)

2

✓ 8. **National Capital Region—Integrated Urban Development Programme for Alwar District**

The National Capital Region Plan conceived by the Government of India envisaged integrated development of regions of Haryana, Rajasthan and Uttar Pradesh adjoining Delhi. The plan has been in operation for over 14 years, and an expenditure of Rs. 1031.78 lakhs has been incurred in the Alwar region in Rajasthan, yet its objectives have not been achieved by and large, because of tardy implementation.

Four projects under phase-I were completed by 1988-89, after delays ranging between 9 and 12 years. Out of 6,511 residential/commercial plots planned for



development in phase-I, only 4,757 plots were developed by March 1989.

Out of six works under commercial schemes, four were delayed by 8 to 20 months. Similarly, in the Counter-magnet scheme five 'kutchi basti' works (expenditure incurred, Rs. 11.17 lakhs) were lying incomplete.

Under the scheme of development of Bhiwadi town, meant to be implemented from 1985-86, no work was done during the first two years, though Central/State loans of Rs. 134 lakhs were received. Rs. 10.15 lakhs were paid towards interest on unutilised loans.

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(Paragraph 6.7)

#### 9. Delay in filing appeal to the Court

Failure to contest an appeal resulted in *ex-parte* judgement of the High Court setting aside the dismissal order of an employee. Consequently, Rs. 1.58 lakhs had to be paid to the employee towards pay and allowances for ten years from the date of dismissal to that of re-ins-tatement.

(Paragraph 3.3)

#### 10. Avoidable expenditure on continuance of two lecturers

Two lecturers were continued to be employed in the Basic School Training Centre, Udaipur, till December 1988 even though the subjects which they were supposed to teach had been discontinued from July 1980, resulting in avoidable expenditure of Rs. 4.08 lakhs on their pay and allowances.

(Paragraph 3.4)

(7)

✓ 11. Construction of sub-jail buildings 1 75-29

Construction of 9 sub-jails, one Borstal school and one prison for women was taken up between 1980 and 1989, and an expenditure of Rs. 307.75 lakhs incurred. Of these, six sub-jails, the Borstal school and the women's prison, though completed, were not put to use till March 1990.

(Paragraph 3.7)

12. Unutilised residential quarters

Two type-II residential quarters at Jaipur (cost Rs. 3.36 lakhs) constructed for an Inspector General and Deputy Inspector General of Prisons were lying vacant since their completion in July 1985.

(Paragraph 3.8)

13. Diet to prisoners

Diet costing Rs. 6.76 lakhs was supplied in excess of the norms to the inmates in Central Jails at Ajmer and Udaipur during 1987-88 and 1988-89.

(Paragraph 3.9)

14. Extra expenditure and non-adherence to Prescribed purchase Procedure

In the Medical and Health Department, medicines/instruments valued at Rs. 93.64 lakhs were purchased without following the prescribed procedure. An Extra expenditure of Rs. 9.65 lakhs was incurred due to purchases made at higher prices.

(Paragraph 3.11)



#### **15. Unfruitful expenditure on pay and allowances**

In Rajasthan State Flying School, Sanganer, a post of Gliding Instructor remained vacant since January 1987, and as a result the Flying School had become non-functional. The other operational staff were, however, continued without performing any useful work, resulting in an unfruitful expenditure of Rs.2.23 lakhs on their pay and allowances till May 1990.

(Paragraph 3.13)

#### **16. Extra expenditure**

Owing to the conclusion of a defective contract, the Regional Deputy Director, Women, Children and Nutrition Department, Jodhpur, had to purchase 1,780 quintals of Dal Moong from 2 other firms at higher prices resulting in an extra expenditure of Rs. 4.20 lakhs.

(Paragraph 3.14)

#### **17. Extra expenditure on acquisition of excess land and avoidable payment of interest**

Acquisition of excessive land for the construction of a bund on Amani Shah Ka Nallah at Jaipur resulted in an avoidable expenditure amounting to Rs. 51.74 lakhs.

(Paragraph 4.4)

#### **18. Infuctuous expenditure**

Manufacture of tiles and bricks by the 19th Division of the Indira Gandhi Nahar Pariyojana at Jaisalmer, using unsuitable soil, resulted in infuctuous expenditure of Rs. 29.13 lakhs.

(Paragraph 4.2)

## **19. Overpayment due to application of incorrect rates**

In 7 Divisions of the Jaisalmer zone of the Indira Gandhi Nahar Pariyojana, overpayments of Rs. 2.46 lakhs were made for transportation of material over a gravel road by allowing higher rates applicable to transportation over 'kuchha' roads.

(Paragraph 4.1)

## **20. Irregular expenditure**

In contravention of the contractual provisions; the Rehabilitation and Survey Division, Mahi Bajaj Sagar Project, Banswara, incurred an irregular expenditure of Rs. 1.22 lakhs on the carriage of cement issued to contractors from departmental stores to work sites, and on watch and ward arrangements.

(Paragraph 4.3)

## **21. Non-recovery of sales tax and avoidable payment of interest**

Sales of surplus bitumen drums by the Workshop and Stores Division, Command Area Development, Kota, without recovering sales tax from the buyers led to payments by the Department of Rs. 1.17 lakhs as tax and Rs. 1.12 lakhs as interest for belated payment of the tax.

(Paragraph 5.1)

## **22. Purchase of defective instruments/X-ray machines**

Instruments/X-ray machines procured during the period March 1983 to March 1987 at a total cost of Rs. 18.19 lakhs for Ravindra Nath Tagore Medical College, Udaipur, and 2 Primary Health Centres have not been put to use.

(Paragraph 5.3)



23. **Heavy carding losses**

The actual wastages in carding raw wool of different types in the two production centres of Rajasthan Khadi and Gramodyog Board during 1986-87 and 1987-88 were in excess of the permissible wastage. The excess wastage was valued at Rs. 3.24 lakhs.

(Paragraph 6.2)

24. **Non-recovery of dues from an institution and other irregularities in disbursement of assistance**

The Rajasthan Khadi and Gramodyog Board sanctioned and paid to the Rajasthan Gramodaya Sansthan, Jaipur, an amount of Rs. 10.17 lakhs for disbursement of assistance in the form of loans and grants according to prescribed pattern, to individual artisans engaged in eight specified rural industries in Sanganer Tehsil of Jaipur district. The institution, however, disbursed assistance amounting to Rs. 9.86 lakhs only, of this, it utilised an amount of Rs. 4.14 lakhs in disbursement of assistance to three unapproved industries and in excess of the approved pattern to three industries. While in one case the assistance was disbursed short by Rs. 1.76 lakhs of the approved pattern, no assistance was paid to four approved industries.

The institution had recovered from the artisans an amount of Rs. 5.81 lakhs upto 1984-85 towards, loan, but remitted only Rs. 1.49 lakhs to the Board. The utilisation certificate for the amount of Rs. 1.74 lakhs was not furnished by it to the Board.

(Paragraph 6.3)

25. **Excess Payment of Risk Fund contribution**

To encourage the Co-operative Credit Institutions to extend loan facilities to small and marginal farmers and

agricultural labourers, Risk Fund contribution at the prescribed rates was payable to the Co-operative Credit Institutions, on the incremental amount of loans granted during an year over the maximum quantum of loans given in any of the previous years. The District Rural Development Agency, Banswara, allowed Risk Fund Contribution on the total amount of short term loans advanced by the Co-operative Credit Institutions in each year without linking it to the increase in quantum of loans. This resulted in excess payment of Rs. 1.90 lakhs.

(Paragraph 6.4)

#### 26. Irregular payment of subsidy to big farmers

Under the Desert Development Programme, subsidy amounting to Rs. 4.51 lakhs was irregularly allowed by the DRDA, Pali to big farmers for sinking tube-wells.

(Paragraph 6.5)

#### 27. Infuctuous expenditure

Construction of 17 tanks by the Panchayat Samiti, Bassi, between May 1986 to August 1987 to provide drinking water to villagers without proper planning, and lack of co-ordination between the Departments concerned, resulted in infuctuous expenditure of Rs. 6.09 lakhs.

(Paragraph 6.6)

#### 28. Publication Branch

The publication Branch of the Government Central Press, Jaipur, had been incurring recurring losses, and its accumulated losses aggregated to Rs. 10.40 lakhs during the year 1983-88 mainly due to poor sales and disproportionately high overhead expenses.

(Paragraph 7.2)



## CHAPTER-I

### OVER ALL ANALYSIS OF STATE FINANCES

1.1 The summarised position of the accounts of the Government of Rajasthan emerging from the Appropriation Accounts and the Finance Accounts for the year 1988-89 is indicated in the statements following:

## 1. Statement of Financial Position of the Government

Amount as on 31 March 1988	LIABILITIES	Amount as on 31 March 1989
774.34	<i>Internal Debt including Ways and Means Advances (Market Loans, Loans From LIC and others).</i>	920.43
2,672.06	<i>Loans and advances from Central Government</i>	3,054.04
	Pre-1984-85 Loans	1,209.07
	Non-Plan Loans	655.35
	Loans for State Plan Schemes	1,161.17
	Loans for Central Plan Schemes	9.20
	Loans for Centrally Sponsored Plan Schemes.	19.25
25.00	<i>Contingency Fund</i>	35.00
678.52	<i>Small Savings</i>	851.74
554.01	<i>Deposits</i>	612.73
17.16	<i>Overdrafts from Reserve Bank of India</i>	58.58
59.04	<i>Reserve Funds</i>	66.13
..	<i>Surplus on Government Account</i>	..
4,780.13		5,598.65



## of Rajasthan as on 31 March 1989

(Rupees in Crores)

Amount as on 31 March 1988	ASSETS	Amount as on 31 March 1989
3,250.94	<i>Gross Capital Outlay on Fixed Assets—</i>	3,678.58
	Investment in shares of Companies, Corporations, etc.	308.79
	Other Capital Outlay	3,369.79
1,177.25	<i>Loans and Advances—</i>	1,266.17
	Loans for Power Projects	1,018.26
	Other Development Loans	207.66
	Loans to Government Servants and Miscellaneous Loans	40.25
1.84	<i>Other Advances</i>	1.30
52.54	<i>Remittance Balances</i>	46.48
16.83	<i>Suspense and Miscellaneous Balances</i>	12.84
326.35	<i>Deficit on Government Accounts—</i>	552.54
	Deficit of Current year	218.54
	Add —Appropriation to the Contingency Fund	10.00
	Accumulated deficit upto 31 March 1988	326.35
	Less —Capital Receipts	(- )2.35
(- )45.62	<i>Cash</i>	40.74
	Cash in Treasuries and Local Remittances	5.61
	Deposits with Reserve Bank	14.84
	Departmental Cash Balances including Permanent Advances	19.86
	Cash Balance Investment	0.43
4,780.13		5,598.65

## II-Abstract of Receipts and Disbursement<sup>S</sup> for the year 1988-89

Receipts	
	(Rupees in Crores)
I. Revenue Receipts—	2,352.18
(i) Tax Revenue	893.17
(ii) Non-Tax Revenue	362.15
(iii) State's share of Union Taxes	454.93
(iv) Non-Plan Grants	96.12
(v) Grants for State Plan Schemes	253.18
(vi) Grants for Central and Centrally sponsored Plan Schemes	292.63
II. Revenue Deficit carried over to Section 'B'	218.54
	<u>2,570.72</u>
III. Opening Cash Balance including Permanent Advances and Cash Balance Investment	(—) 45.62
IV. Miscellaneous Capital Receipts	2.35



## Section A-Revenue

## Disbursements

<i>I. Revenue Expenditure</i>		<i>(Rupees in Crores)</i>		
<i>Sector</i>	<i>Non-Plan</i>	<i>Plan</i>	<i>Total</i>	
(i) General Services	776.41	2.36	778.77	2,570.72
(ii) Social Services	777.13	203.01	980.14	
(iii) Agriculture and Allied Activities	71.84	102.24	174.08	
(iv) Rural Development	18.94	247.25	266.19	
(v) Special Area Programme	..	2.07	2.07	
(vi) Irrigation and Flood Control	138.09	54.70	192.79	
(vii) Energy	19.59	2.36	21.95	
(viii) Industry and Minerals	17.52	9.83	27.35	
(ix) Transport	72.73	37.52	110.25	
(x) Science, Technology and Environment	0.09	0.63	0.72	
(xi) General Economic Services	7.79	2.03	9.82	
(xii) Grants-in-aid and Contributions	6.59	..	6.59	
	1,906.72	664.00	2,570.72	

## II. Revenue Surplus carried over to Section 'B'

..

2,570.72

## Section B-Others

III. Opening Overdraft from Reserve Bank of India				17.16
IV. Capital Outlay—				427.64
<i>Sector</i>	<i>Non-Plan</i>	<i>Plan</i>	<i>Total</i>	
(i) General Services	0.11	5.19	5.30	
(ii) Social Services	(—) 0.01	156.26	156.25	
(iii) Agriculture and Allied Activities	(—) 2.53	14.51	11.98	
(iv) Rural Development	..	0.72	0.72	
(v) Special Area Programme	..	2.56	2.56	
(vi) Irrigation and Flood Control	..	180.65	180.65	
(vii) Energy	..	0.35	0.35	
(viii) Industry and Minerals	..	23.60	23.60	
(ix) Transport	..	44.90	44.90	
(x) General Economic Services	0.24	1.09	1.33	
	(—) 2.19	429.83	427.64	

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 Receipts
 

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(Rupees in Crores)

V. Recoveries of Loans and Advances—	47.27
(i) From Power Projects	2.55
(ii) From Government Servants	26.61
(iii) From Others	18.11
VI. Appropriation from Consolidated Fund	40.00
VII. Reserve Surplus brought down	..
VIII. Public Debt Receipts—	1,361.57
(i) Internal Debt-other than Ways and Means Advances and overdrafts	175.55
(ii) Ways and Means Advances	552.60
(iii) Loans and Advances from the Central Government	633.42
IX. Public Account Receipts —	4,282.54
(i) Small Savings and Provident Funds	222.77
(ii) Reserve Funds	24.19
(iii) Suspense and Miscellaneous	99.25
(iv) Remittances	1,024.40
(v) Deposits and Advances	2,911.93
X. Closing Overdrafts from Reserve Bank of India	58.58*

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 5,716.69
 

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\* Gross overdraft taken from Reserve Bank of India was Rs. 660.20 Crores.



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Disbursements

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(Rupees in Crores)

<i>V. Loans and Advances Disbursed—</i>	136.19
(i) For Power Projects	92.75
(ii) To Government Servants	28.87
(iii) To Others	14.57
<i>VI. Transfer to Contingency Fund</i>	10.00
<i>VII. Revenue Deficit brought down</i>	218.54
<i>VIII. Repayment of Public Debts—</i>	833.50
(i) Internal Debt-other than Ways and Means Advances and Overdrafts	29.46
(ii) Ways and Means Advances	552.60
(iii) Repayment of Loans and Advances to Central Government	251.44
<i>IX. Public Account Disbursements—</i>	4,032.92
(i) Small Savings and Provident Funds	49.55
(ii) Reserve Funds	17.10
(iii) Suspense and Miscellaneous	95.26
(iv) Remittances	1,018.34
(v) Deposits and Advances	2,852.67
<i>X. Cash Balance at end—</i>	40.74
(i) Cash in Treasuries and Local Remittances	5.61
(ii) Deposits with Reserve Bank	14.84
(iii) Departmental Cash Balances including Permanent advances	19.86
(iv) Cash Balance Investment	0.43

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5,716.69

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### III—Sources and application of funds for 1988-89.

<i>I. Sources</i>	<i>(Rupees in crores)</i>
1. Revenue Receipts	2,352.18
2. Capital Receipts	2.35
3. Recoveries from Loans and Advances	47.27
4. Increase in Public Debt, Small Savings, Deposits, Ways and Means Advances and Reserve Fund	767.64
5. Increase in Contingency Fund	10.00
6. Over draft from the Reserve Bank of India	41.42
	<hr/> 3,220.86 <hr/>

#### *Adjustments*

Effect on Remittance Balance	(+) 6.06	10.05
Decrease in Suspense Balance	(+) 3.99	
		<hr/> 3,230.91 <hr/>

#### *II. Application*

Revenue Expenditure	2,570.72
Capital Outlay	427.64
Lending for development and other programmes	136.19
Increase in Cash Balance	86.36
Appropriation to Contingency Fund	10.00
	<hr/> 3,230.91 <hr/>



## EXPLANATORY NOTES

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures etc. do not figure in the accounts.

3. There was an unreconciled credit-difference of Rs. 49.13 crores between the figure reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation.

### 1.2 Analysis of Accounts of the Government for 1988-89

1.2.1 The year 1988-89 closed with a revenue deficit of Rs. 218.54 crores as against revenue deficit of Rs. 191.81 crores (without taking into account the effect of proposed mobilisation of additional resources) anticipated in the budget.

The net addition to Public Debt as adjusted by the effect of remittance and suspense balance etc. was Rs. 837.31 crores. This, after meeting the total capital expenditure (Rs. 427.64 crores), lending for development and other purposes (Rs. 136.19 crores) and Appropriation to Contingency Fund (Rs. 10 crores) generated a surplus of Rs. 263.48 crores. Even after meeting out the revenue

deficit of Rs. 218.54 crores, there was a surplus of Rs. 44.94 crores which together with the overdraft of Rs. 41.42 crores from the Reserve Bank of India resulted in increase in the cash balance of the current year (Rs. 40.74 crores) over the balance of last year (Rs. —) 45.62 crores by Rs. 86.36 crores.

1.2.2 While Non-Plan revenue expenditure increased by 11 per cent over 1987-88, the growth in collection of tax revenues as well as in the State's share of Union Taxes was 16 and 11 per cent respectively. The return from investment and dividend on investment in companies, corporations etc., was only 1.09 per cent of the investment. Six Multipurpose River Projects and Irrigation Schemes suffered a net loss of Rs. 81.24 crores (after meeting interest) during 1988-89. Receipts under loans and advances from the Central Government (after repayment of loans and advances) increased from Rs. 329.92 crores in 1987-88 to Rs. 381.98 crores in 1988-89. The interest paid to Central Government on loans and advances was Rs. 205.84 crores during 1988-89 and net resources availability from this important source was Rs. 176.14 crores. Total market borrowings (Rs. 1388.35 crores) increased by a sizable amount of Rs. 754.35 crores in 1988-89. Net collection from small savings, provident funds was more by Rs. 19.76 crores over previous year (Rs. 153.46 crores). Defaults in repayment of loans and interest by borrowers, however, continued.

1.2.3 The increase over 1987-88 (Rs. 120.71 crores) in tax revenues raised by the State Government was mainly on account of increase in the collection under (a) 'Sales-Tax' (Rs. 89.79 crores) due mainly to increase in trade turn over, (b) 'State Excise' (Rs. 12.98 crores) due mainly to 10 per cent increase in the prices obtained during



the auctions of liquor shops as compared to those obtained in the previous year, (c) 'Land Revenue' (Rs. 5.85 crores) due mainly to sales of land to the Government of India particularly in Chittorgarh, Nagaur and Jaisalmer districts, (d) 'Taxes on Immovable Property other than Agricultural Land' (Rs. 5.22 crores) due mainly to recovery of arrears from Rajasthan State Electricity Board and deposit of lump amount owing to amendments in Land and Buildings tax, and (e) 'Stamps and Registration Fees', (Rs. 5.10 crores) due mainly to increase in collection.

The decrease in non-tax revenue by Rs. 7.38 crores over the previous year's receipt (Rs. 369.53 crores) was due to receipt of less interest (Rs. 11.58 crores) mainly from other miscellaneous loans. The decrease was partly counter-balanced by increase under other heads of accounts.

1.2.4 The arrears of revenue at the end of the year 1988-89 as intimated by 11 departments were Rs. 176.88 crores (against Rs. 161.78 crores in the previous year). As per information supplied by six departments (Commercial Taxes, Revenue, Transport, State Excise, Urban Land and Building Tax, Mines and Geology) recovery of Rs. 32.58 crores (out of Rs. 147.63 crores) was stayed by Courts/Appellate Authorities (Rs. 25.48 crores) and State Government (Rs. 7.10 crores).

1.2.5 The interest paid on debt and other obligations during the year was Rs. 377.04 crores as against Rs. 298.70 crores during 1987-88. The interest received during the year was Rs. 116.71 crores including that from departmental commercial undertaking and others against Rs. 128.29 crores received during 1987-88. The net interest **burden was thus reduced to Rs. 260.33 crores** working out to 11 per cent of the revenue (Rs. 2352.18 crores).



1.2.6 At the end of 1987-88, the balance under loans and advances by Government was Rs. 1177.25 crores. During 1988-89 Government paid Rs.136.19 crores and recovered Rs. 47.27 crores under loans and advances. The balance at the end of the year stood at Rs. 1266.17 crores. Total amount of arrears due for recovery as on 31 March 1989, outstanding against loans advanced to various bodies, other than the \*Rajasthan State Electricity Board (RSEB), the detailed accounts of which are kept in the office of the Accountant General (Accounts and Entitlement) was Rs. 12.42 crores (Principal Rs. 3.31 crores and interest Rs. 9.11 crores). In the case of the Rajasthan State Electricity Board, loans totalling Rs. 1,018.26 crores were outstanding at the end of March 1989 and the amount of interest due for recovery as on 31 March 1989 was Rs. 444.38 crores.

In respect of loans, the detailed account of which are maintained by the Departmental Officers, the controlling officers are required to furnish to the Accountant General (A&E) statements showing details of arrears in recovery of loan instalments and interest by June every year. Against 194 statements due for 1988-89, only 11 statements were received by December 1989. According to these statements, total amount overdue for recovery against loans advanced as on 31 March 1989 was Rs. 16.92 crores including Rs. 3.26 crores on account of interest, the major amount of arrears being under 'Loans for Relief on account of Natural Calamities' (Rs. 2.68 crores) and 'Loans for Command Area Development' (Rs. 13.16 crores). The Co-operative, Agriculture, Industries Directorate, Rural

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\*The amount of loans overdue from RSEB could not be worked out in absence of detailed terms and conditions for the payment of loans in the Government sanctions.



Development, Panchayati Raj and Forest Department are the main defaulters in furnishing the statements of over due arrears.

1.2.7 The assistance received from the Central Government for Central and Centrally Sponsored Plan Schemes, increased by Rs. 56.77 crores over the previous year. Assistance of Rs.296.93 crores was received from Central Government for Central and Centrally Sponsored Plan Schemes against which expenditure was Rs. 325.25 crores during 1988-89.

1.2.8 Against the Plan provision of Rs. 1282.59 crores, the actual expenditure on Plan Schemes was Rs. 1182.02 crores during the year, resulting in a shortfall of Rs. 100.57 crores (7.84 per cent). Income from tax revenue and non-tax revenue raised by the State Government (Rs. 1255.32 crores) was not adequate even to finance the total non-Plan revenue expenditure (Rs. 1906.72 crores).

1.2.9 The annual debt service obligation, according to the schedule of repayment of principal and payment of interest was Rs. 1827.68 crores. The actual discharge was Rs. 1733.54 crores.

1.2.10 The Contingent liability for guarantees given by the State Government for repayment of loans etc., by statutory corporations, companies and co-operatives etc., as on 31 March 1989, was Rs. 1294.48 crores (including interest of Rs. 11.78 crores) against the maximum guaranteed amount of Rs. 2971.29 crores. The guarantee amounting to Rs. 4.19 crores given in respect of Nav Kalyan Chini Mitti, Pratapgarh (Rs. 0.03 crore),

M/s Jaipur Udyog Ltd., Sawaimadhopur (Rs. 2.66 crores) and M/s Jaipur Spinning and Weaving Mills, Jaipur (Rs. 1.50 crores) were invoked during the year 1988-89.

No law under Article 293 of the constitution has been passed by the State Legislature laying down the limits within which Government may give guarantees on the security of the Consolidated Fund of the State. A sum of Rs. 3.58 crores was received as guarantee commission during 1988-89.

1.2.11 With the fresh investment of Rs. 41.39 crores during the current year in statutory corporations (Rs. 10.94 crores), Government companies and joint stock companies (Rs. 12.54 crores), co-operative banks/societies (Rs. 17.91 crores), the total investment of Government in shares and debentures as on 31 March 1989, was Rs. 308.79 crores. Interest and dividends received on such investments during the year were Rs. 3.37 crores, representing 1.09 per cent of the investment. The accumulated loss of 30 companies/corporations etc., in which Government investment was Rs. 137.41 crores, as on 31 March 1989, as disclosed in the accounts rendered by them for various years from 1982-83 to 1987-88 was Rs. 145.98 crores. Nine companies with Government investment of Rs. 0.23 crore were under liquidation.

1.2.12 At the end of March 1989, the capital outlay on two Multipurpose River Projects and four Irrigation Commercial Schemes amounted to Rs. 769.49 crores. The revenue realised from these schemes was only Rs. 7.81 crores which accounted for 1 per cent of the capital outlay. The revenue receipts (Rs. 7.81 crores)



of all projects/schemes were not sufficient to cover even the direct working expenses (Rs. 19.37 crores). After meeting the working expenses (Rs. 19.50 crores) and interest charges (Rs. 69.54 crores) the schemes suffered a net loss of Rs. 81.24 crores. The loss under Indira Gandhi Nahar Pariyojana was substantial (Rs. 68.60 crores).

### **1.2.13 Ways and Means Advances and Overdrafts**

Under an agreement with the RBI the Government has to maintain minimum cash balance of Rs. 60 lakhs with the Bank on all days. The bank gives Ways and Means Advances when the cash balance falls short of this minimum. The limit for ordinary Ways and Means Advances was raised from Rs. 24 crores to Rs. 33.60 crores from 1 March 1988. The Bank has also agreed to give special (Secured) Ways and Means Advances upto Rs. 12 crores against pledge of Government Securities. If even after the maximum advances are given, there is a short-fall in the minimum cash balance, the short-fall is left uncovered. Overdrafts are given by the Bank, if the State has a minus balance after availing of maximum advances.

During 1988-89 the minimum balance was maintained without taking any advance on 85 days. Ways and Means advances (Rs. 552.60 crores) were taken on 182 days and overdrafts (Rs. 660.20 crores) on 98 days. The amounts of ways and means advances and overdrafts outstanding at the end of the year were Rs. 33.60 crores and Rs. 58.58 crores respectively. Interest paid on the ways and means advances and overdrafts was Rs. 2.53 crores.

In case an overdraft appears in the State Government's accounts for more than 7 continuous working

days (excluding holidays), an additional interest at 3 per cent is charged by the Reserve Bank of India beyond 7 continuous working days. On one occasion during 1988-89 the amount of the overdraft remained beyond 7 continuous working days i.e. from 10 March 1989 to 19 March 1989 resulting in the payment of additional interest of Rs. 0.55 lakh for the last 2 working days (excluding 19 March being a holiday).



## CHAPTER-II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 2.1 General

2.1.1 The summarised position of actual expenditure during 1988-89 against grants/appropriations is as follows :

	Original grant/ appropria- tion	Supple- mentary grant/ appropria- tion	Total	Actual expen- diture	Variation Saving(—) Excess(+)
(Rupees in crores )					
I. Revenue					
Voted	2150.61	261.85	2412.46	2328.59	(—) 83.87
Charged	370.54	10.90	381.44	381.32	(—) 0.12
II. Capital					
Voted	579.81	75.12	654.93	592.13	(—) 62.80
Charged	0.02	1.04	1.06	1.05	(—) 0.01
III. Public Debt					
Charged	547.03	1001.02	1548.05	1452.27	(—) 95.78
IV. Loans and Advances					
Voted	161.02	3.82	164.84	136.19	(—) 28.65
V. Transfer to Contingency Fund					
Voted	10.00	..	10.00	10.00	..
GRAND TOTAL	3819.03	1353.75	5172.78	4901.55	(—) 271.23

## 2.2 Results of Appropriation Audit

The broad results emerging from Appropriation Audit are brought out in the succeeding paragraphs :

### 2.2.1 Supplementary provision

Supplementary provision obtained during the year constituted 35.45 per cent of the original budget provision against 37.64 per cent in the preceding year.

### 2.2.2 Unnecessary/excessive/inadequate supplementary provision

Supplementary provision of Rs. 45.51 crores (for Rs. 1 lakh or more in each case) obtained during September 1988 and March 1989 in 28 cases proved unnecessary. In 27 other cases, against the supplementary grant of Rs. 1248.45 crores the actual utilisation of funds was Rs. 1112.27 crores, resulting in a saving of more than Rs. 10 lakhs in each case. In another 4 cases, supplementary grant of Rs. 36.61 crores proved insufficient by more than Rs. 48 lakhs each leaving an aggregate uncovered excess expenditure of Rs. 16.85 crores.

### 2.2.3 Saving/excess over provision

The saving was Rs. 288.24 crores in 108 cases of grants/appropriations. The over-all excess (Appendix-2.1) on the other hand was Rs. 17,00,71,710 in 14 cases of grants/appropriations requiring regularisation under Article 205 of the Constitution.

### 2.2.4 Unutilised provision

In the following grants/appropriations, expenditure fell short by more than Rs. 1 crore and also by more



than 10 per cent of the total provisions:

Description of the grant/ appropriation	Amount of saving (percentage of provision in brackets)	Reasons of savings
<i>(Rupees in crores)</i>		
13-Excise (Revenue-Voted)	3.23 (22.3)	Saving was attributed mainly to less consumption of country made liquor.
20-Housing (Capital-Voted)	1.08 (21.4)	Saving was attributed mainly to less disburse- ment of loans under low/ middle income group housing schemes.
22-Area Development (Revenue-Voted)	5.88 (18.7)	Saving was attributed mainly to (i) incurring of less expenditure on Adult Education and on minimum needs in schools (Rs. 1.25 crores), (ii) reduction in Plan ceiling and certain posts remaining vacant (Rs. 2.62 crores) and (iii) less expenditure on works pertaining to con- struction of water sheds and land development (Rs. 1.11 crores).
22-Area Development (Capital-Voted)	17.17 (31.3)	Saving was attributed mainly to (i) execution of less land development works (Rs. 14.20 crores) and (ii) reduction in Plan ceiling (Rs. 2.49 crores).

Description of the grant/ appropriation	Amount of saving (percentage of provision in brackets)	Reasons of savings
<i>(Rupees in crores)</i>		
23-Labour and Employment (Revenue-Voted)	1.10 (13.00)	Part of the saving was attributed mainly to (i) slow progress of works (Rs. 0.22 crore), (ii) posts remaining vacant, non-drawal of Travelling Allowance and less expenditure on medical claims (Rs. 0.19 crore) and (iii) non-receipt of assistance from Government of India, (Rs. 0.17 crore). Reasons for remaining saving have not been intimated (January 1990).
29-Town Planning and State Development (Capital-Voted)	1.49 (44.3)	Saving was attributed mainly to non-providing of loans to Jaipur Development Authority (Rs. 0.75 crore) and non-sanctioning of complete schemes for development of Alwar under National Capital Region Plan (Rs. 0.40 crore).
30-Tribal Area Development (Capital-Voted)	4.39 (20.9)	Saving was attributed mainly to (i) slow progress of works (Rs. 2.33 crores) and (ii) less investment in purchase of shares from Co-operative Societies and Rajasthan State Industrial Development and Investment Corporation (Rs. 1.20 crores).



Description of the grant/ appropriation	Amount of saving (percentage of provision in brackets)	Reasons of savings
<i>(Rupees in crores)</i>		
33-Social Security and Welfare (Revenue-Voted)	8.36 (14.00)	Saving was attributed mainly to (i) less number of beneficiaries for scholarship, certain posts remaining vacant and less expenditure on medical claims, etc. (Rs. 3.52 crores) and (ii) less receipt/ non-receipt of assistance from Government of India (Rs. 4.47 crores).
35-Miscellaneous Community and Economic Services (Revenue-Voted)	25.47 (54.5)	Saving (partly off-set by excess under other heads) was attributed to holding of fewer lottery draws (Rs. 24.53 crores) and less expenditure on advertisement and publicity (Rs. 1.03 crores).
36-Co-operation (Capital-Voted)	6.89 (20.7)	Saving (partly off-set by excess under other heads) was attributed to (i) non-disbursement of loans to Rajasthan Rajya Sahakari Kraya Vikraya Sangh Ltd., (Rs. 5.50 crores) and (ii) Non-receipt of assistance from National Co-operative Development Corporation (Rs. 3.98 crores).

Description of the grant/ appropriation	Amount of saving (percentage of provision in brackets)	Reasons of savings
<i>(Rupees in crores)</i>		
37-Agriculture (Capital-Voted)	9.97 (90.4)	Saving was attributed to non-issue of sanctions for loans to Rajasthan State Agriculture Industrial Corporation and Rajasthan State Seeds Corporation.
42-Industries (Revenue-Voted)	3.12 (19.2)	Saving was attributed mainly to non-implementation of schemes to provide grants for encouragement of electronic industries, sanction of less grants to Rajasthan State Handloom Development Corporation, certain posts remaining vacant and less receipt of claims from backward District Industries Units.
42-Industries (Capital-Voted)	7.19 (39.00)	Saving was attributed to non-sanctioning of loans to Rajasthan State Industrial Development and Investment Corporation (Rs. 6.00 crores) and reduction in Plan ceiling (Rs.1.09 crores).
43-Minerals (Revenue-Voted)	3.21 (20.4)	Saving was attributed mainly to posts remaining vacant, less payment of Sales-tax and less purchase/grinding of Rock Phosphate.



Description of the grant/ appropriation	Amount of saving (percentage of provision in brackets)	Reasons of savings
<i>(Rupees in crores)</i>		
43-Minerals (Capital-Voted)	1.34 (67.4)	Saving was attributed mainly to less purchase of machinery and reduction in Plan ceiling.
44-Stationery and Printing (Revenue-Voted)	1.41 (16.9)	Saving was attributed mainly to less purchase of stationery material due to economy measures and certain posts remaining vacant.
49-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Revenue-Voted)	1.32 (16.7)	Saving was due to less payment of grants to Panchayat Samitis and Gram Panchayats reasons for which were not communicated (January 1990).

### 2.2.5 Persistent Savings

Persistent savings of 10 per cent or more were noticed in the following grants:

S.No.	Number and name of grant	Percentage of savings		
		1986-87	1987-88	1988-89
Revenue Section				
1.	10-Miscellaneous General Services	30	30	28
2.	13-Excise	19	25	22
3.	35-Miscellaneous Community and Economic Services	76	50	54

S.No	Number and name of grant	Percentage of savings		
		1986-87	1987-88	1988-89
4.	40-State Enterprises	20	25	25
5.	44-Stationery and Printing	27	32	17
<i>Capital Section</i>				
6.	9-Forest	72	100	100
7.	20-Housing	21	24	21
8.	22-Area Development	49	32	31
9.	24-Education, Art and Culture	17	59	70
10.	30-Tribal Area Development	12	21	21
11.	36-Co-operation	42	36	21
12.	39-Animal Husbandry and Medical	47	37	23
13.	43-Minerals	16	52	67

#### 2.2.6 Significant cases of excesses

In grant No 27-Water Supply Schemes, Revenue-voted, even though the excess over the approved provision was Rs. 7.14 crores, (being 6.46 per cent of the total provision) yet no reasons were communicated.

#### 2.2.7 Injudicious re-appropriation

The Budget Manual enjoins that re-appropriation is permissible only when it is known or anticipated that the appropriation for the unit from which funds are to be diverted will not be utilised in full and that funds are required elsewhere for utilisation. Some instances where re-appropriation of funds turned out to be injudicious on



account of expected savings not materialising under the head of account from which funds were transferred or there being no or less expenditure against the additional funds provided by re-appropriation, are given in Appendix 2.2.

### 2.2.8 Surrender of savings

(a) According to the provisions in the Budget Manual all anticipated savings should be surrendered as soon as the possibility of savings is envisaged. The surrender of funds (Rs. 272.43 crores) was, however, made on the last date (31 March 1989) of the financial year in all cases.

(b) In the following grants, savings exceeding Rs. 1 crore in each case remained unsurrendered :

Sl. No.	Number and name of grant	Total grant	Total saving	un-surrendered savings and its percentage to total savings
1	2	3	4	5
<i>(In crores of rupees)</i>				
<b>REVENUE SECTION (VOTED)</b>				
1.	15—Pension and Other Retirement Benefits	104.97	3.79	3.61 (95.25)
2.	21—Roads and Bridges	112.51	2.07	1.23 (59.42)
3.	34—Relief from Natural Calamities	76.95	2.61	1.35 (51.72)
4.	49—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	7.92	1.32	1.29 (97.73)
5.	50—Rural Employment	181.96	6.07	4.98 (82.04)
<b>CAPITAL SECTION (VOTED)</b>				
6.	27—Water Supply Scheme	213.00	11.13	8.40 (75.47)
7.	45—Loans to Government Servants	30.30	1.54	1.35 (87.66)

(c) Under Grant No. 46-Irrigation (Capital-Voted) surrender of Rs. 32.56 crores (out of total grant of Rs. 262.14 crores) was made against actual available saving of Rs. 24.32 crores.

(d) In the following grants, surrender of funds (exceeding Rs. 10 lakhs each) was made on the last day though the expenditure had already exceeded the authorised provision :

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess	Surrender made on 31st March 1989
1	2	3	4	5	6
(Rupees in Crores)					
<b>REVENUE SECTION (VOTED)</b>					
1.	27—Water Supply Scheme	110.48	117.61	7.14	0.62
2.	46—Irrigation	174.44	176.24	1.80	1.22
<b>CAPITAL SECTION (VOTED)</b>					
3.	21—Roads and Bridges	37.90	37.93	0.03	4.01

### 2.2.9 Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all receipts and recoveries which are adjusted in the accounts in reduction of expenditure, the anticipated recoveries and receipts are shown separately in the budget estimates. During 1988-89 such receipts and recoveries were estimated at Rs. 346.48 crores (Revenue: Rs. 160.08 crores, Capital: Rs. 186.40 crores). The actual receipts and recoveries during the year were Rs. 304.72 crores (Revenue: Rs. 139.19 crores, Capital: Rs. 165.53 crores). Some of



the important cases of the shortfall/excess in recoveries/receipts are detailed below :

Sl. No.	Number and name of grant	Amount of excess(+) shortfall(—) (In crores of rupees) 3	Reasons
1	2		4
1.	19—Public Works (Revenue)	(+) 2.29	Due mainly to more recovery on issue of stock materials to works than anticipated.
2.	26—Medical and Public Health and Sanitation (Revenue)	(—) 6.15	Shortfall was due mainly to less receipts of aid materials than anticipated from the Government of India under various programmes and non-transfer of expenditure to concerned heads; reasons for which have not been communicated (January 1990).
3.	27—Water Supply Scheme		Shortfall was due mainly to less recovery on account of issue of stock materials for works than anticipated.
	(i) Revenue	(—) 2.71	
	(ii) Capital	(—) 10.99	
4.	46—Irrigation (Capital)	(—) 11.44	Shortfall was due mainly to less recovery on account of issue of stock materials for works than anticipated.
5.	50—Rural Development (Revenue)	(—) 9.16	Shortfall was due to less receipt of wheat under National Rural Employment Programme.

### 2.3 Non-receipt of explanations for savings/excesses

After the close of the accounts of a financial year, the detailed appropriation accounts (showing the final grants/appropriations, the actual expenditure and the resultant variations) are sent to the controlling officers by the Accountant General (Accounts and Entitlement) requiring the departments to explain reasons for wide variations. Out of the 256 heads of accounts having variations which required explanations for inclusion in Appropriation Accounts for the year 1988-89, no explanations were received for 101 heads constituting 39 per cent of total heads.

### 2.4 Reconciliation of departmental figures

Rules require that the departmental figures of expenditure should be reconciled with those in the books maintained by the Accountant General (Accounts and Entitlement) every month. The reconciliation remained in arrears for several departments. 115 controlling officers (out of a total of 375) had not reconciled their figures with the figures of expenditure recorded in the books of the Accountant General (Accounts and Entitlement) for any of the months during 1988-89.

## PUBLIC HEALTH ENGINEERING DEPARTMENT AND MEDICAL AND HEALTH DEPARTMENT

### 2.5 Budgetary procedure and control over expenditure

A test-check of the system of budgetary procedure and control over expenditure in respect of Grant No. 26-Medical and Public Health and Sanitation and Grant



No. 27-Water Supply Scheme (Capital) for the period 1984-85 to 1988-89 revealed the following:

1. The budget estimates required to be sent on 31 October each year were submitted by the Heads of Departments to the Administrative/Finance Department late, with the delays ranging between 31 and 137 days.

2. A statement of anticipated excesses and savings in expenditure required to be sent by the controlling officer to the Finance Department by 25 November each year, was not prepared and sent in any of the years.

3. Final statement of excesses and savings due for submission to the Finance Department by 1 February each year, was submitted persistently late, with delays ranging between 21 and 59 days.

4. While the Chief Engineer, Public Health Engineering Department (PHED) and the Additional Director, Medical and Health Services (Family Welfare) did not receive statements of monthly expenditure from any of the Drawing and Disbursing Officers (DDOs), the Director, Medical and Health Services, did not receive them from 4048 out of 9360 DDOs; and in the other 4022 cases, the statements were received late by 1 to 3 months.

5. The Chief Engineer, PHED did not reconcile the figures given in the accounts maintained in his office with those appearing in the books of Accountant General (Accounts and Entitlement).

6. From the original provision of Rs. 257.00 lakhs made under the head 2211-Family Welfare 004-200 (iii) Post Partum Centre-CSS for 1988-89, a sum of Rs. 26.61 lakhs was transferred to another head through re-appropriation on 31 March 1989, making a net total provision of Rs. 230.39 lakhs. Against this an expenditure of Rs. 258.35 lakhs was incurred, resulting in an excess of Rs. 27.96 lakhs. Obviously the re-appropriation of Rs. 26.61 lakhs was injudicious.

7. While intimating the budget allotment to the DDOs, Director, Medical and Health Services (ESI) did not indicate the budget provision under the Plan and Centrally Sponsored Schemes (CSS) separately. Consequently the DDOs booked the expenditure pertaining to both Plan Schemes and Centrally Sponsored Schemes under Plan, resulting in excess expenditure under Plan Schemes and nil expenditure under the latter Schemes. The misclassification was also not rectified by the Department during reconciliation of departmental figures with those appearing in the books of the Accountant General (Accounts and Entitlement).

8. On 26 March 1989, PHED obtained a supplementary provision of Rs. 200.00 lakhs under the head 4215-Capital Outlay on Water Supply and Sanitation, for construction of diggies in the Indira Gandhi Nahar Pariyojana area under Minimum Need Programme for providing potable drinking water supply in rural areas. The entire amount was, however, re-appropriated elsewhere on 31 March 1989, as the construction of diggies could not be started. Obtaining of supplementary grant on 26 March 1989 was, thus not justified.



9. In the following cases, there were huge savings/excesses exceeding Rs. 1 crore in each instance:

Head of Account	Net provision	Actual expenditure	Excess(+)/Saving(-)
<i>(Rupees in Crores)</i>			
4215—Capital Outlay on Water Supply and Sanitation			
01-101-I General Urban Water Supply Scheme			
(vi) Other Water Supply Scheme			
1. Major Work-Plan	7.56	9.87	(+)2.31
(ix) Reorganisation of Jodhpur Water Supply Scheme			
1. Major work	5.68	4.35	(-)1.33
01-102 (i) Enhanced Rural Water Supply Scheme			
I General	30.18	36.61	(+)6.43
II Desert	12.84	9.04	(-)3.80
III Naru Eradication Programme	2.46	1.36	(-)1.10
IV Maintenance expenditure on Rural Schemes	4.21	3.02	(-)1.19

The excess/saving was attributed (April 1990) to misclassification of expenditure by the departmental officers. Audit observed that provision of Rs. 1 crore made under 4215-01-102 (i) I-General, for installation of 40 defluoridation plants (a Centrally Sponsored Scheme), was wrongly re-appropriated on 31 March 1989 to another sub-head IV-Maintenance expenditure on Rural Schemes.

The amount was withdrawn on 31 March 1989, and the expenditure booked under the correct sub-head viz. I-General, and the money was deposited in the Personal Deposit Account of the Rajasthan Water Supply and Sewerage Corporation. This contributed to the excess under the earlier sub-head and saving under the latter.

## 2.6 Advances from the Contingency Fund

The State has a Contingency Fund of Rs. 35 crores, out of which advances can be sanctioned for meeting unforeseen expenditure of such an-emergent nature as cannot be postponed till the vote of the Legislature is taken.

Fifty sanctions were issued during 1988-89, advancing Rs. 36.19 crores from the Contingency Fund of which, one sanction for Rs. 0.42 crore was subsequently cancelled, and 12 sanctions for Rs. 14.75 crores were neither operated nor cancelled. The actual expenditure (Rs. 4.03 crores) against 14 sanctions was less than 50 per cent of the amount sanctioned (Rs. 13.01 crores).



## **CHAPTER III**

### **CIVIL DEPARTMENTS**

#### **AGRICULTURE DEPARTMENT**

### **3.1 Intensive Cotton District Programme**

#### **3.1.1 Introduction**

The Intensive Cotton District Programme (ICDP), introduced as a Centrally sponsored scheme in Sriganganagar district in 1971-72 and implemented during the Fifth Five-Year Plan period (1974-75 to 1978-79), was reviewed in para 3 of the Audit Report (Civil) 1978-79. The programme was continued during the Sixth and Seventh Five-Year Plans (1979-80 to 1988-89).

The objective of the programme was to increase the yield of cotton through improved agricultural practices, and contemplated:

- (i) organising production, procurement and distribution of improved varieties of seed;
- (ii) organising agricultural demonstrations to popularise adoption of the new agricultural technology;
- (iii) strengthening plant protection measures;
- (iv) establishment of 'Kapas' grading centres for helping cotton growers in obtaining proper prices for the produce;

(v) payment of subsidy to cotton growers towards the cost of cotton seeds, plant protection equipment and for laying out demonstration plots; and

(vi) diverting areas of production of short staple and superior medium varieties to production of medium and long staple varieties of cotton.

Results of the review on the working of the programme for the period 1985-86 to 1988-89 undertaken by Audit during April to July 1989 are detailed below.;

### 3.1.2 Highlights

- Under the Intensive Cotton District Programme, an expenditure of Rs. 83.40 lakhs was incurred against a provision of Rs. 106.16 lakhs during 1985-86 to 1988-89. The funds of Rs. 12.90 lakhs approved by Government of India for setting up Kapas grading centres remained unutilised.

(Paragraph 3.1.3)

- Against the targeted procurement of breeder seed of 20 quintals in 1987-88 and 30 quintals in 1988-89, the actual procurement was only 5.5 quintals. The foundation seed was not procured at all during 1987-88 and 1988-89, though a target of 400 quintals was set for each year.

(Paragraph 3.1.5)

- The shortfall in utilisation of subsidy on distribution of certified seed was to the extent of 74 per cent during 1985-86 to 1988-89. Non-utilisation of subsidy was attributable to issue of sanctions after the sowing season by the Government of India and the State Government.

(Paragraph 3.1.6)



—During 1985-86 to 1988-89, 733 demonstrations were planned, but only 478 were actually organised. In some cases the demonstrations were held without seeds or after the sowing season.

(Paragraph 3.1.7)

### 3.1.3 Financial arrangements

Upto the Fifth Five-Year Plan period, the entire expenditure on the programme including expenditure on staff was borne by the Government of India. During the Sixth Plan, the expenditure was shared between the Central and State Governments on 50:50 basis. During the Seventh Plan, 1985-86 to 1989-90 the assistance from the Government of India was limited to:

- (i) half of the expenditure on skeleton staff (including contingencies) provided to guide, coordinate and monitor the progress of cotton development at the district and State level;
- (ii) subsidy, on approved pattern, for breeder, foundation and certified seeds and laying out of the demonstration plots of medium and long staple varieties of cotton; and
- (iii) expenditure on demonstrations and subsidised distribution of plant protection equipment for the SC/ST cultivators.

During the period of four years from 1985-86 to 1988-89, Rs. 115.56 lakhs were approved by Government of India, while Rs. 106.16 lakhs were allotted by the State Government under the programme; but the expenditure incurred was only Rs. 83.40 lakhs.

The funds approved by the Government of India but not utilised by the State Government included Rs. 12.90 lakhs for establishment of 'Kapas' Grading Centres, Rs. 3 lakhs for laying out demonstrations, and Rs. 6 lakhs for payment of subsidy on distribution of certified seed. There were delays in issue of administrative/financial sanctions both by the Government of India and the State Government. The sanctions were issued in the middle of or after the sowing season (April-May), each year, resulting in shortfalls in physical and financial progress of the programme.

### 3.1.4 Cotton Production

(i) During 1985-86 to 1988-89, the targets for production of medium staple cotton (American variety) only were set. The achievements were as follows:

Year	Area		Production (in lakh bales)*	Average yield (per hectare in bales)
	Targets (in lakh hectares)	Achievements		
1985-86	1.22	1.63	2.64	1.62
1986-87	2.00	2.21	4.80	2.17
1987-88	3.23	2.41	1.44	0.60
1988-89	3.13	1.71	3.68	2.15

\*Note: 1 bale = 170Kg.

During the year 1987-88 the area under the scheme increased marginally over the area of the previous year but there was a steep fall in production, resulting in lower yield per hectare. The reasons were attributed to drought, less supply of water in irrigation canals, bad weather and fluctuation in temperature.



## (ii) Diverting areas of production

One of the objectives of the programme modified from 1987-88, was to encourage diversion of the area of production of short staple cotton and superior medium varieties of cotton, to the production of medium and long staple cotton. The Department intimated that it was not possible to give accurate data of area diverted, as the area under cotton production does not remain fixed but varies depending on the agroclimatic conditions, and that the area under medium staple cotton reflected an overall increase and the short staple cotton has its own use and importance in the market. A study of the table above would, however, show that in 1988-89 the area under medium staple cotton had gone down as compared to 1987-88. The average yield per hectare was also lower than that achieved in 1986-87.

### 3.1.5 Production/procurement of seeds

Under the programme (as revised in June 1987) breeder and foundation seeds produced by Agriculture University, Udaipur, were to be procured at Rs. 20 and Rs. 12 per Kg. respectively for distribution through the Rajasthan State Seeds Corporation. Target of procurement of 20 quintals of breeder seeds and 400 quintals of foundation seeds in 1987-1988, and 30 quintals breeder seeds and 400 quintals of foundation seeds in 1988-89, were fixed. Against these targets, only 5.5 quintals of breeder seeds produced by Agricultural University, Udaipur could be procured, at a cost of Rs. 0.11 lakh in 1987-88. No further quantities were produced by the Agricultural University in that year or in 1988-89. However, the Rajasthan State Seeds Corporation, which had received from the Government advances of Rs. 5.00 lakhs in 1987-88 and Rs. 5.40 lakhs in 1988-89 for purchase of breeder and foundation seeds from the University, irregularly adjusted an amount of Rs. 4.20 lakhs as subsidy towards the cost of 548.20 quintals of

foundation seeds available with them in stock for sale.

### 3.1.6 Subsidised distribution of certified seed

Under the programme, the subsidy to cultivators for the use of certified seed was available at rates varying from Rs. 150 to Rs. 250 per quintal. The distribution of certified seeds of various varieties was to be done by Rajasthan State Seeds Corporation.

It was noticed that out of the total allotment of Rs. 37.40 lakhs made during the period from 1985-86 to 1988-89, advances of Rs. 21.15 lakhs were paid to the Corporation, who could utilise only an amount of Rs. 9.74 lakhs (26 per cent) on payment of subsidy on certified cotton seeds. The balance of Rs. 11.41 lakhs remained unutilised with them. This was attributed to issue of sanctions after the sowing season (April-May) by the Government of India and the State Government.

### 3.1.7 Demonstrations

In order to popularise the adoption of the latest production technology suitable to local agro-climatic conditions, demonstrations were to be organised on farmer's fields under the programme, for which subsidy to meet full cost of essential inputs was admissible at the rate of Rs. 800/- per hectare for rain-fed areas, and at the rate of Rs. 1500/- per hectare for irrigated areas. Two-thirds of such demonstrations were to be laid on the fields of SC/ST cultivators. During the years 1985-86 to 1988-89, 733 demonstrations were planned (including 285 on the fields of SC/ST); but actual demonstrations laid out were only 478 (147 in the fields of SC/ST), and an expenditure



of Rs. 7.47 lakhs was incurred. In some cases, the demonstrations were held either without seeds, or after the sowing season due to delay in release of funds.

### **3.1.8 Plant protection measures**

The plant protection measures included aerial spraying of pesticides and distribution of subsidised plant protection equipment to farmers through the Rajasthan State Agro Industries Corporation (RSAIC). The rate of subsidy on plant protection (P. P) equipments (dusters and sprayers) was 25 per cent of the cost of equipment, subject to a ceiling of Rs. 250/- per equipment.

In February 1986, Rs. 5.00 lakhs were released to RSAIC for distribution of 2000 items of plant protection equipment (including 500 to be distributed to the SC/ST and marginal farmers) by March 1986 (later extended to March 1987). Against this, Rs. 3.87 lakhs were utilised in distributing 2450 items of equipment (including 370 nos. to SC/ST, marginal farmers) and the balance of Rs. 1.13 lakhs was refunded to the Government (August 1988).

No aerial spraying was undertaken during 1985-86 to 1988-89, though a target for spraying 20,000 hectares of land was set in 1985-86.

### **3.1.9 Evaluation**

No evaluation of the programme was undertaken by any agency of the State Government or the Government of India during the last four years.

## ANIMAL HUSBANDRY DEPARTMENT

### 3.2 Regional Biological Products Laboratory.

#### 3.2.1 Introduction

The Regional Biological Products (Veterinary) Laboratory (RBPL), established in 1937 at Jodhpur and later shifted to Jaipur in 1957, is engaged in the production of various types of vaccines, including sophisticated vaccines like Tissue Culture Rinderpest Vaccine (TCRP), Rabies vaccine and some vital diagnostic antigens needed for the control of contagious diseases in livestock and poultry (apart from the purchase of various vaccines/antigens not produced in the laboratory) for distribution in the State. The activities of RBPL also include surveillance operations and research work.

A centrally sponsored plan for the expansion and strengthening of the RBPL was approved by the Government of India for execution during the 5th Plan period at a cost of Rs. 50 lakhs. The expenditure was shared equally by the Central and State Governments.

After the 5th Plan period, the State Government were to carry out expanded programme by themselves. The actual expenditure incurred on the expansion programme during 1975-76 to 1978-79 was Rs. 33.32 lakhs.

#### 3.2.2 Audit coverage

Mention was made regarding the progress of the expansion programme of the laboratory during the Fifth Five-Year Plan period in paragraphs 3.3 and 3.4 of the



Report of the Comptroller and Auditor General of India for the year 1978-79 (Civil). A further review of the working of the laboratory during the period 1984-85 to 1988-89 was conducted between March and May 1989. The interesting points noticed are mentioned in the succeeding paragraphs.

### 3.2.3 Highlights

- Even 10 years after completion of the expansion plan, the laboratory has not been able to boost the production of vaccines/antigens to the projected level, and production of new biologicals has not been taken up. Research activities had not got any fillip.

(Paragraph 3.2.5)

- Central assistance of Rs. 4.90 lakhs sanctioned for the production of a new viral vaccine remained unutilised due to delayed release of the matching share by the State Government.

(Paragraph 3.2.6)

- The new laboratory complex constructed in May 1980 at a cost of Rs. 22.90 lakhs could not be brought to optimum use.

(Paragraph 3.2.8)

- The licence required under the Drug Control Act for the production of vaccine had not been obtained (June 1989) although the laboratory was in operation.

(Paragraph 3.2.9)

—Cost of vaccines/medicines worth Rs. 5.61 lakhs recoverable in advance from cattle owners was not realised.

(Paragraph 3.2.10 (ii) )

—A Freeze Drying Machine purchased at a cost of Rs. 8.78 lakhs in March 1986 was not put to use.

(Paragraph 3.2.10 (i) )

### 3.2.4. Financial outlay and expenditure

During 1984-85 to 1988-89, the RBPL incurred an expenditure of Rs. 180.04 lakhs (establishment : Rs. 99.97 lakhs; operational : Rs. 80.07 lakhs), against budget allotment of Rs. 184.42 lakhs (establishment : Rs. 97.98 lakhs; operational : Rs. 86.44 lakhs).

### 3.2.5 Production of vaccines/antigens

#### (i) Conventional vaccines

Under the expansion programme, the projected level of production of vaccines/antigens in 1978-79 was 178.05 lakh doses, against which the actual production was 109.67 lakh doses. During 1979-80 to 1983-84 the production remained between 118.58 lakh and 157.93 lakh doses.

During the period 1984-85 to 1988-89, the production of vaccines as compared to the target level of 1978-79 (178.05 lakh doses) was lower by 21 to 44 per cent. The targets fixed annually for the production of various vaccines (except Entero Toxaemia vaccine) were lower than the targets of 1978-79. The Department stated that the lower targets were fixed keeping in view the annual requirement and actual utilisation of vaccines in the State.

#### (ii) Production of new vaccines and antigens

The expansion plan envisaged production of eight new sophisticated vaccines and six new diagnostic antigens



Even a decade after the completion of the expansion plan the production of only one (TCRP) of the eight new sophisticated vaccines was taken up on trial basis.

The reason for delay in production of the new vaccines/antigens were attributed to (a) Delay in filling the post of virologist (TCRP and Rabies) (b) intermittent breakdowns in cold storage, air-conditioning plants and generator, requiring repairs and maintenance for which adequate funds were not provided; (c) inefficient working of walk-in-coolers and autoclaves, and (d) non-procurement of chilling plant for freeze drier.

### 3.2.6 Non-utilisation of Central assistance

The Government of India sponsored in 1986-87 a scheme for the production of Cell Cultural Virus Vaccines and Diagnostic Reagents in the State for implementation during 1986-87 to 1989-90, for which central assistance of Rs. 6.25 lakhs was to be released in a phased manner subject to the release of matching grant by the State Government. Government of India released to the State Government Rs. 1.30 lakhs in phases (Rs. 0.50 lakh in March 1987, Rs. 0.60 lakh in July 1987 and Rs. 0.20 lakh in February 1988), but the State Government sanctioned Rs. 2.60 lakhs including their share of Rs. 1.30 lakhs only on 27 March 1989, to be utilised by 31 March 1989 for the purpose. The permission sought for by the Department to carry forward and utilise the amount in 1989-90 was not received by the Directorate from the State Government till January 1991. Thus, the scheme remained unimplemented. Besides, the RBPL could also not avail of the balance Central assistance of Rs. 3.60 lakhs which would have been admissible.

### 3.2.7 Research activities

To bring about qualitative improvement, the production of vaccines in the Laboratory was to be closely linked

with concurrent research activity. Besides, the Department was also to conduct applied research relating to various animal diseases in the field. The production activity of vaccine was aimed to be a research-oriented one. Each sectional unit of the laboratory was, therefore, to be provided with a research officer possessing the minimum qualification of a post-graduate degree in Veterinary Science, to conduct research in the respective discipline.

It was observed that more than half the number of the Research Officers appointed did not possess the minimum qualification (M. V. Sc.) prescribed for the posts.

The Department stated (April 1989) that the appointees assisted in production and also looked after the routine work of the Laboratory. The field of research as envisaged in the scheme of strengthening the RBPL during the Fifth plan thus remained unrealised.

### 3.2.8 Construction of new laboratory building

Mention was made in para 3.3.2 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1978-79 about the delay in occupation of the main laboratory-cum administrative building constructed under the expansion plan. The building constructed at the cost of Rs. 22.90 lakhs was taken over in May 1980, but the laboratory has not been shifted from its old location in Veterinary Hospital complex in Jaipur. Production of viral and bacterial vaccines is being continued at both locations. Only a few



administrative sections have been shifted from the existing old building. 54 units of staff quarters planned for construction as permanent infrastructure for the laboratory, have not been taken up.

Two tube-wells (with pumps of 15 H. P. capacity) constructed (Rs. 0.40 lakh) by the Public Works Department have not been working since completion (May 1980), but the repairs have not been undertaken so far (August 1990).

### **3.2.9 Production of vaccines etc. without licence**

The laboratory could not obtain the licence required to manufacture the vaccines, etc. under the Drugs and Cosmetics Act, 1940 due to persisting operational and environmental shortcomings. In the absence of a licence, regular checks for ensuring the standards and safety norms envisaged in the Act or in the rules made thereunder were not carried out by the Drug Controller.

### **3.2.10 Other points of interest**

#### **(i) Purchase of Freeze Drying Plant**

A Shelf-type Freeze Drying Plant with annual capacity of 50 lakh doses was purchased at a cost of Rs. 8.78 lakhs, to prepare 4 types of vaccines in powder form, by placing a telegraphic order in March 1986. The plant received in March 1986 and installed in 1988 had not been

put to use, as the water-chilling plant with which it was to be used had not been purchased (August 1990) for want of funds.

A 24-hour capacity air-conditioning plant worth (Rs. 21 lakhs) was installed by the PWD under the expansion plan (1980) for use in the building where the Freeze Drying Plant was installed. It had, however, remained unused as the Freeze Drying Plant was not being operated.

### (ii) Recoveries of cost of vaccine/medicines

Under the footmouth disease control programme, vaccines valued at Rs. 4.01 lakhs were supplied during 1978-1989 by the laboratory to District Animal Husbandry Officers (Rs. 1.44 lakhs) and Rajasthan Cattle Development Federation for sale to cattle owner at 50 per cent subsidised price. Imported medicines valued at Rs. 1.06 lakhs were also sold between December 1973 to July 1987 under Surra Control programme to camel-owners through the DAHOs. Sale proceeds of the vaccines/medicines supplied had not been realised by the laboratory so far (August 1990).

#### 3.2.11 Evaluation.

No evaluation study of the working of RBPL has been conducted so far (May 1989).

## CO-OPERATIVE DEPARTMENT

### 3.3 Delay in filing appeal to the court

In March 1978, the Registrar, Co-operative Societies, Rajasthan, Jaipur dismissed an Accounts Clerk for



making alleged fraudulent entries in a contingent bill. The appeal of the clerk was rejected by Government in August 1978, and he filed a writ in the High Court in the year 1978. The Court served a notice on Government in June 1979. The latter did not file any reply to the Court and consequently, the High Court delivered an ex-parte judgement in December 1986, setting aside the dismissal order on the ground of petitioner's uncontroversial averments that he was denied reasonable opportunity of defending himself, and allowing him all consequential benefits. The Department filed (March 1987) a special appeal in the High Court, which was dismissed in July 1987 on the ground of its being time-barred. Petition for special leave to appeal filed in the Supreme Court in October 1987 was also dismissed in November 1987.

The clerk was reinstated in service on 15 April 1988. The Department had to pay him Rs. 1.58 lakhs on account of pay and allowances for the period from 1 April 1978 to 15 April 1988. Responsibility for the lapses on the part of the officials in not contesting the case in the Court was not fixed as of June 1990.

The matter was referred to Government in July 1989; reply has not been received (June 1990).

## EDUCATION DEPARTMENT

### 3.4 Avoidable expenditure on continuance of two lecturers

The Basic School Training Centre, Udaipur, was converted into the Refresher Training Centre from July 1980, for imparting training to teachers of Hindi, English,

Mathematics and Science. Posts of 11 lecturers were allowed to continue, including two on Drawing and Agriculture subjects which were discontinued in the new set-up. Two lecturers on these subjects continued in the institution till December 1988. The Principal stated (July 1988) that these two lecturers took classes in moral education, looked after court cases and performed duties of hostel warden. No separate posts for the jobs performed by them were sanctioned. Retention in service of the two lecturers for more than 8 years even after discontinuance of training in the relevant subjects resulted in waste & full expenditure of Rs. 4.08 lakhs on their pay and allowances.

Government stated (March 1989) that the staff position could not be reviewed earlier as the institution did not put forth the justification therefor. It was interesting to note that instead of abolishing the two posts in question, the Department re-posted (June-July 1989) the erstwhile incumbents transferred out earlier in December 1988.

## FINANCE DEPARTMENT

### 3.5 Rajasthan State Lotteries

#### 3.5.1 Introduction

The Rajasthan State Lotteries Scheme was launched by the Government of Rajasthan in December 1968 with a view to augmenting its resources, and utilising the net proceeds on various developmental schemes of the State. The Lottery schemes are conducted either on departmental



basis through departmental officials and commission agents, or on contracts awarded to the highest bidder (main stockist) who has his own arrangements for the sale of tickets.

The Director, Rajasthan State Lotteries, is responsible for running the scheme. The tickets in respect of departmental lotteries are printed by the Director and distributed through camp offices established at Jaipur and in other States. Tickets of contract lotteries are printed by the Director at the expense of the main stockist and distributed by the latter.

The payment of prize money above Rs. 5,000 is made by the Director for all the lotteries.

### **3.5.2 Audit coverage**

A review of the working of the State Lotteries Department for the period from 1985-86 to 1988-89 was undertaken by Audit from April to August 1989, in the office of the Director and their camp offices at Delhi and Lucknow. The main points noticed are mentioned in the succeeding paragraphs.

### **3.5.3 Highlights**

The accounts of receipts and expenditure and the financial results of the State lotteries conducted from 1985-86 to 1988-89 were not prepared scheme-wise. The Scheme resulted in a net loss of Rs. 20.01 crores. There were instances of irregular sale of tickets on credit, delay in remittance of sale proceeds of tickets by Camps-in-charge, excess issue of tickets to agents, and acceptance

of unsold tickets from them. The review brings out, inter-alia, the following :

- Sale proceeds of Rs. 120.95 lakhs were remitted by the Camps-In-charge after delays ranging from 10 days to over six months. Rs. 9.51 lakhs remained outstanding against the camp offices on account of sale of lottery tickets.

(Paragraph 3.5.5 (a) )

- Loss of Rs. 19.21 lakhs had occurred due to excess printing of tickets for a weekly draw scheme.

(Paragraph 3.5.5 (b) )

- Unsold tickets valuing Rs. 17.11 lakhs were accepted back and refunds allowed, resulting in loss of Rs. 4.74 lakhs.

(Paragraph 3.5.5 (c) )

- 145.06 lakh unsold tickets returned were not destroyed according to the provisions of the scheme.

(Paragraph 3.5.5. (c) )

- Excess issue of tickets to the agents against the commission payable to them resulted in loss of Rs. 166 lakhs.

(Paragraph 3.5.5. (d) )

- Delayed closure of Alladin Lottery Scheme resulted in loss of Rs. 11.95 lakhs.

(Paragraph 3.5.5 (e) )



### 3.5.4 Financial Results

The financial results of the draws held during 1985-86 to 1988-89 were as under:

	Expenditure			Receipts Surplus	
	Establi- shment	Opera- tional	Total		
	(In lakhs of Rupees)				
1985-86	15.13	1,141.45	1,156.58	1,336.21	179.63
1986-87	12.24	797.37	809.61	792.84	(—)16.77
1987-88	16.77	876.84	893.61	1,017.16	123.55
1988-89	19.97	1,474.70	1,494.67	1,801.01	306.34
TOTAL	64.11	4,290.36	4,354.47	4,947.22	592.75

The net surplus of Rs. 592.75 lakhs from running of lotteries during 1985-86 to 1988-89 does not include the liability of Rs. 2,593.78 lakhs on account of departmental scheme, which were outstanding on 31-3-89 for payment of prizes, printing charges, publicity expenses, etc. The year-wise break-up of these outstanding liabilities is given in Appendix 3.1. The scheme, therefore, resulted in a net loss of Rs. 2,001.03 lakhs.

The Department had not analysed the financial results, lottery-wise or scheme-wise, to determine the profitability of the different lotteries conducted.

### 3.5.5 Departmental Lottery Scheme

Six schemes were conducted during 1985-86 to 1988-89. The value of tickets sold was Rs. 6,902.18 lakhs, and the commission paid to agents Rs. 1,046.31 lakhs. 16 to 95 per cent of the tickets printed for individual draws remained unsold.

The result of audit revealed the following irregularities.

#### (a) Cash accounts

Sale proceeds of lottery tickets above Rs. 200 were to be realised by the camp-in-charge in the form of demand draft (D.D.), except in very special cases where it could be realised in cash also. In the Camp Offices at Delhi and Lucknow during 1983-89, the entire sale proceeds of lottery tickets (Rs. 359.35 lakhs) were collected in cash and Rs. 0.72 lakh incurred on their remittance to Jaipur.

Heavy amounts of cash balance were kept by the Camps-In-charge in their personal custody as no bank accounts were operated by them.

Sale proceeds of lottery tickets amounting to Rs. 120.95 lakhs by those In-charge of offices at Delhi, Lucknow, Bombay, Madras, Bangalore and Dhanbad were remitted to the Director after delays ranging from 10 days to over six months.

There were heavy outstandings (Rs. 9.51 lakhs) on account of sale proceeds of tickets, which were still to be



received (April 1989) from various Camp Offices for the draws held during 1985-86 to 1988-89.

A test-check of the accounts of various Camps in the Directorate for two years (1987-88 and 1988-89) revealed that Rs. 23.24 lakhs of the cash collected were unauthorisedly utilised by the Camp Offices to defray T.A. and contingent expenses. Supporting vouchers for such expenses amounting to Rs. 1.80 lakhs were also wanting.

### (b) Printing of tickets

The price and number of tickets to be printed for each draw to be released for sale was fixed by the State Government from time to time. The first weekly draw of Rajasthan State Lotteries was opened on 24 September 1982. The State Government permitted the printing of 10 lakh tickets of Re. 1 denomination for each weekly draw. The rising trend of sale of tickets prompted the Department to increase the number of tickets to be printed to 25 lakhs (from 7 October 1983) for the 55th to 69th draws, and to 30 lakhs from the 70th draw (opened on 20 January 1984). However, there was a decline in the sale of tickets as detailed below:

Draw No.		Sale of tickets (lakhs)	
From	to	Minimum	Maximum
70th	131 <del>st</del>	20.77	30.00
132nd	182nd	17.89	26.41
183rd	249th	6.01	14.35
250th	277th	0.35	11.86

Although the sale of tickets showed a sharp downward trend from the 183rd draw, (21 March 1986); the number of tickets ordered to be printed was not reviewed till the scheme was stopped on 12 January 1988. Government could have saved Rs. 19.21 lakhs on printing charges of 920 lakh tickets printed in excess had the number of tickets to be printed been reviewed and reduced, say from draw no. 198 to draw no. 277.

Under the agreement for printing and supply of lottery tickets and posters, the printer was liable to make good any losses or damages sustained by the Department due to late supply or non-supply of lottery tickets, besides paying penalty at specified rates depending on the period of delay but limited to a maximum of 10 per cent of the amount of the bill. It was noticed that penalty for delayed supplies, though recoverable at 10 per cent in these cases, were limited to 1/2 to 3 per cent of the amount of the claim. The Department stated (July 1989) that levy of penalty under the agreements was subject to the discretion of the Director. The reply was not tenable as any discretion under the term of agreement had to be exercised by the Director with due consideration of circumstances of delay and in consonance with the administrative instructions without detriment to the department's interest. This resulted in under-recovery of penalty of Rs. 1.26 lakhs from 3 printers during the years 1987-88 and 1988-89. It was also noticed that 4.60 lakh tickets for draw no. 138 (date of draw, 10 May 1985) and 5 lakh tickets of draw no. 139 (date of draw, 17 May 1985), due from the printer on 15-4-1985 and 22-4-1985, were received only on 17 May 1985. The payment for the supplies (Rs. 0.29 lakh) was made on 27 May 1985, but no claim for loss of revenue due to non-sale of the tickets was preferred on the supplier.

Further, the lottery tickets required for the Jaipur camp were to be delivered by the printers at Jaipur.



However, during 1987-88 and 1988-89, the lot of tickets required at the camp office in Jaipur were delivered at the Delhi Camp Office, and an expenditure of Rs. 0.69 lakh was incurred by the Department on their transportation from Delhi to Jaipur, resulting in unauthorised financial aid to the printers.

Test-check of one lottery (Shivam) revealed that 0.27 lakh tickets of value Re. 1 each bearing identical numbers were printed twice and sold. The Department did not offer any comments on the enquiry made by audit (May 1989) in this regard.

### **(c) Sale and disposal of lottery tickets**

According to the scheme, lottery tickets were to be supplied to the agents on payment of full price. A test-check of the individual ledger accounts of 11 agents of a Camp (Delhi) showed that Rs. 1.65 lakhs were outstanding against them towards the price of the tickets sold on credit.

According to the scheme, the cost of unsold tickets was not to be refunded to the agents. Review of the records revealed that the tickets were despatched/given to the agents without indicating the serial number and value of tickets sold, commission allowed, and details of cash/bank draft received, etc. The absence of these details provided scope for adjustment, at a later date, of the cost of unsold tickets returned by the agents.

Test-check of the accounts of four Camps for 47 draws, held from November 1985 to July 1987, revealed that 15.11 lakh tickets valued at Rs. 17.11 lakhs were accepted

by the Camps-In-charge irregularly and refunds allowed, which resulted in a net loss of revenue amounting to Rs. 4.74 lakhs.

The scheme also envisaged destruction of unsold tickets after each draw in the presence of the Director or the District Lottery Officer to avoid their possible misuse. Instructions were issued in April 1985 to all the Camps-in-charge to return the unsold tickets to head office one day before the date of draw for disposal/destruction. During review of records, it was noticed that 145.06 lakh unsold tickets of two weekly lotteries (Sundaram 1st to 82nd and Shivam 21st to 36th draw) held upto 1988-89 were not destroyed even till June 1989. The department stated (July 1989) that due to shortage of accommodation and staff, the unsold tickets received from various Camps were dumped in a room without counting, and the correct position would be known after these tickets were counted and destroyed. In 25 instances the unsold prize-winning tickets were utilised by Camp-In-charge for obtaining payments (Rs. 0.13 lakh). Entries in the cutting register further revealed that unsold tickets were counted and destroyed by work-charged staff without supervision by members of the committee formed for the purpose.

#### (d) Commission to agents

According to the scheme, the agents were paid commission at the rate prescribed from time to time by the Department with a view to promote sale of the lottery tickets. The commission was payable in the form of lottery tickets, if paid before the closing date of the draw and in cash if paid later.



Thus an agent could get tickets of the value equivalent to the amounts remitted by him plus tickets of the value equivalent to the commission admissible on the remittances. Instead of doing so the agents were issued the number of tickets as required by them. Rebates on account of commission were allowed on the gross value of the tickets issued, and realisation of dues was limited to the net amounts (gross value of tickets issued less rebates allowed). The incorrect method followed resulted in excess issue of 137.50 lakh tickets valuing Rs. 166 lakhs during the period from April 1985 to March 1989.

Under the Rajasthan State Lottery (Agency) Rules, the agents are appointed on the basis of formal applications made by them to the Director, who registers and authorises them to sell the tickets. The rates at which commission is payable to the agents are approved by the Government for each lottery scheme separately as mentioned below:

Name of Scheme		On cumulative sale less than		On cumulative sale on and above
Satyam	No. of tickets	5,000	1,00,000	1,00,000
	Rate of commission	20%	21%	22%
Shivam	No. of tickets	6,000	1,00,000	1,00,000
	Rate of commission	10%	11%	12%
Sundram	No. of tickets	4,000	40,000	40,000
	Rate of commission	10%	11%	12%

It was noticed in the cases test-checked that the issue vouchers of tickets supplied to agents were not prepared immediately after each delivery. Number of tickets supplied to 13 to 15 agents were shown, by arbitrary clubbing, at the time of preparation of issue vouchers, as having been distributed to only 5 to 10

agents, fictitiously increasing the number of cumulative sale of tickets to them and allowing them undue benefit of higher rate of commission. The Director, stated that delivery of tickets was made only to or on behalf of big agents, and as such, there was no over-payment.

This argument is not tenable, as the Lottery (Agency) Rules recognise all those who have been registered and authorised as agents, and do not classify them as big or small. The Directorate had not maintained any register of agents as prescribed in the Rules. Moreover, some agents, whose sale figures were added to the sale figures of the other agent (s) were subsequently taken to be the "main agents", and vice-versa. In two Camps alone, at Delhi and Lucknow, there was an undue payment of excess commission of over Rs. 2.12 lakhs.

#### (e) Loss on Alladin Lottery

The Alladin Instant Lottery scheme was launched by Government on 7 February 1987. The first draw was held on 10 February 1987. The sale of tickets, which was 28.43 lakhs in the first draw, declined to 1.99 lakhs in the fifth draw (held on 30-6-1987), and the Department requested Government in the Finance Department on 1 July 1987 to stop further draws. Decision to stop further draws was taken by Government only after the 8th draw held on 11 August 1988. Against an expenditure of Rs. 28.27 lakhs incurred on the 6th, 7th and 8th draws, the receipts from sale of tickets amounted to Rs. 16.32 lakhs only. Thus, delay in approving the closure of the lottery caused Government a loss of Rs. 11.95 lakhs.



### 3.5.6 Contract Lotteries

Contract lotteries were conducted during February 1988 to March 1989, 951 lakh tickets valued at Rs. 1902 lakhs were printed on behalf of the main stockists and given to them.

The revenue earned amounted to Rs. 61.66 lakhs. The main stockists deposited Rs. 92.85 lakhs for the expenses on account of printing, publicity and payment of 1st prize money, against which liabilities to the extent of Rs. 60.79 lakhs towards cost of tickets printed, publicity expenses and 1st prize payments were pending for liquidation on 31 March 1989.

Besides these lotteries, the Department also held Deepawali Bumper 1987 and Holi Bumper 1988 draws on contract basis which earned a surplus of Rs. 55.50 lakhs. Against these two Bumper draws; liability for payment of one prize of Rs. 0.90 lakh was also outstanding as on 31 March 1989.

For the Holi Bumper 1988 draw the agreement entered into with the main stockist provided for an expenditure of Rs. 12 lakhs on publicity. Rs. 9 lakhs were to be spent by the Department, and Rs. 3 lakhs by the main stockist to be reimbursed on production of vouchers in support of the expenditure incurred by him. It was, however, noticed that Rs. 3 lakhs were paid by the Department to the main stockist without production of vouchers in support of expenditure incurred. Clarification of the reasons was awaited (July 1989).

The matter was reported to Government in January 1990; reply has not been received (July 1990).

## INDUSTRIES DEPARTMENT

### 3.6 Industrial Development of Backward Areas

#### 3.6.1 Introduction

With the objective of removing regional disparities in the level of industrial development, Government of India introduced four schemes of subsidy and assistance to entrepreneurs between 1970 and 1983. In Rajasthan, the following three schemes were in operation :

- (i) Central Investment Subsidy Scheme (CISS)
- (ii) Concessional Finance Scheme (CFS) and
- (iii) Central Infrastructural Assistance Scheme (CIAS)

Under the CISS, new industrial units and the existing units seeking expansion were eligible for subsidy on capital investment on land, building, plant and machinery, at the rate of 10 per cent (subject to a maximum of Rs. 10 lakhs), which was raised to 15 per cent (subject to a maximum of Rs. 15 lakhs) from March 1973. With effect from April 1983, graded subsidy at the rate of 25, 15 and 10 per cent of capital investment (subject to a maximum of Rs. 25 lakhs, Rs. 15 lakhs and Rs. 10 lakhs) was made admissible in the industrially backward districts categorised as 'A', 'B' and 'C' respectively.

The CFS provided finance to industrial units with a low interest rate, and low underwriting commission on subscription to shares and debentures through financial institutions. It was admissible in addition to the Central Investment Subsidy.

Rajasthan The CIAS envisaged payment of subsidy to the State Industrial Development and Investment Corporation, Limited-the nodal agency nominated by the Government, for facilitating infrastructural development in identified growth centres in the 'No Industry Districts' (NID's). The subsidy admissible was equal to one-third of the total project



cost, subject to a maximum of Rs. 2 crores per district, together with a matching contribution to be provided by the State Government and an equal amount to be given by IDBI on concessional terms.

Out of 27 districts in the State, the CISS was extended from time to time to 16 districts identified as industrially backward, which were further grouped under category 'A' 'B' and 'C' with effect from April 1983. The CFS was in operation in all the 27 districts, and the CIAS was introduced in four NIDs of Sirohi, Jaisalmer, Churu and Barmer.

### **3.6.2 Organisational set-up**

The Industries Department of the State Government was responsible for the implementation of the Schemes. The State Level Committee (SLC) and the District Level Committees (DLCs) were empowered to sanction subsidy to the industrial units under CISS. The subsidy was channelised through a few designated agencies viz., the District Industries Centres (DICs), Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), Rajasthan Financial Corporation (RFC), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI). Reimbursement of subsidy disbursed was obtained by the SLC by preferring claims with the Government of India. Under the CFS, assistance was provided by RIICO, RFC, IDBI, IFCI and ICICI, and for the CIAS, RIICO was nominated as the nodal agency.

### **3.6.3 Audit coverage**

A review on implementation of the schemes for the period 1982-83 to 1988-89 was conducted in four selected districts viz., Alwar, Banswara, Jhunjhunu and Sirohi during February-September 1989, at the District Industries Centres

and at the field offices of RIICO and RFC. Besides, the records in the Industries Department, Directorate of Industries and Head offices of RIICO and RFC were also scrutinised.

### 3.6.4 Highlights

The Central Investment Subsidy Scheme and the Concessional Finance Scheme were implemented in the State from October 1970 and April 1983 in 16 industrially backward districts. During 1982-83 to 1988-89, subsidy to 11,849 units was provided by various disbursing agencies and concessional finance to 12,796 units by RFC and RIICO. Of 9,787 units assisted by RIICO, RFC and ICICI, 1,773 units (18 per cent) either closed down or became sick as on 31 March 1989. Under the CIAS, while considerable progress was made in infrastructural development in NID, Sirohi, the progress in other three test-checked NIDs of Jaisalmer, Churu and Barmer was either too slow or negligible. The main points noticed in Audit are mentioned below :

—Subsidy of Rs. 407.84 lakhs was recoverable from 842 units which closed within five years of commencement. There were excess investments of Rs. 30.92 crores under CISS and CF5 above the ceiling of Rs. 30 crores during 1983-84 to 1988-89, besides payment of subsidy for Rs. 103.39 lakhs to unregistered units. Irregular grant of subsidy amounted to Rs. 33.74 lakhs.

(Paragraph 3.6.6)

—During 1982-89, 574 closed/sick units were taken over by RFC/RIICO, of which 252 units were disposed of at a cost of Rs. 599.74 lakhs which was 37 per cent lower than the amount of outstanding loans and subsidy due from these units.

(Paragraph 3.6.6)



—Investment of Rs. 18.73 lakhs made under CIAS on construction of a transit hostel and building for banks proved idle, inadmissible expenditure for Rs. 17.69 lakhs was incurred on construction of sheds in NID, Sirohi.

(Paragraph 3.6.8)

### 3.6.5 Financial outlay

Subsidy disbursed, claims for reimbursement submitted by the SLC; reimbursement made by Government of India and the financial assistance provided under the CFS and CIAS during the period from 1982-83 to 1988-89 were as follows:

Year	Central Investment Subsidy				Assistance provided by Government of India, State Government and RIICO under CIAS
	Disbursed	Reimbursement claimed	Reimbursement made by Govt. of India	Concessional Finance provided by RIICO and RFC	
(Rupees in lakhs)					
1982-83	477.93	444.93	444.93	2946.47	Nil
1983-84	673.42	645.75	645.75	3084.99	Nil
1984-85	729.63	745.89	745.89	3593.42	Nil
1985-86	777.33	790.51	790.51	3751.06	287.30
1986-87	768.87	807.35	807.35	4326.85	187.10
1987-88	1039.73	1037.80	1033.73	6173.08	95.46
1988-89	1159.16	1090.51	574.83	6923.60	(—)6.42**
TOTAL	5626.07	5562.74	5042.99	30799.47*	563.44

\* Excludes concessional finance provided by IFCI, IDBI and ICICI details, of which were not made available.

\*\* Represents deduction in expenditure by the RIICO due to downward revision of cost of houses constructed.

Out of the claims of Rs. 519.75 lakhs pending for reimbursement as on 31-3-1989 under the CISS claims for Rs. 6.92 lakhs (Rs. 4.07 lakhs for 1987-88 and Rs. 2.85 lakhs for 1988-89) were rejected by the Government of India for reasons such as non-submission of sanctions of DLC with the claims, non-admissibility of subsidy on certain items, inaccuracies in claims, etc. (August 1989).

During 1982-83 to 1988-89 financial assistance under CFS amounting to Rs. 30,799.47 lakhs was granted by RIICO and RFC to 12,796 units in 16 industrially backward districts. As on 31 March 1989 recovery of principal (Rs. 4,946.41 lakhs) and interest (Rs. 4,084.81 lakhs) was due from 11,175 units.

Against the total assistance of Rs. 569.84 lakhs provided by the Government of India, State Government and RIICO under CIAS for four NIDs for infrastructural development, funds provided for NID Sirohi were fully utilised, but in three NIDs (Jaisalmer, Churu and Barmer) funds of Rs. 87.15 lakhs (47.6 per cent) remained unutilised since June 1987 in the Personal Deposit Account of RIICO (July 1989).

### 3.6.6 Central Investment Subsidy Scheme

The Scheme was launched in Alwar and Jodhpur districts in October 1970 and in Bhilwara, Churu, Nagaur and Udaipur districts from August 1971. The scheme was modified from April 1983, and industrially backward districts were categorised as 'A', 'B' and 'C' by the Government of India and graded subsidy at the rate of 25, 15 and 10 Per cent of capital invested on Land/Building/Plant and machinery subject to a ceiling of Rs. 25 lakhs, Rs. 15 lakhs and Rs. 10 lakhs respectively, was allowed in 16



districts of the State. The scheme was discontinued from October 1988, but for the projects already approved by the SLC the scheme was continued and subsidy was payable upto 31 December 1989.

### (a) Quantum of assistance

During 1982-83 to 1988-89, CIS of Rs. 5,626.07 lakhs was provided to 11,849 units. As on 31 March 1989, 1,773 units (18 per cent) assisted by RFC (1,751 units), RIICO (21 units) and ICICI (1 unit) were either closed down or became sick. Information in respect of units assisted by Director of Industries, IDBI and IFCI was not available. The reasons for closure/sickness of the units were stated to be non-availability of sufficient working capital, skilled labour, adequate raw material and infrastructure facilities, besides frequent changes in excise tariff and fiscal and import policies of Government, erratic power supply and high rate of minimum charges, marketing competition, managerial incompetency, etc. It was stated by the Director of Industries, RIICO and RFC that efforts were being made to revive the closed/sick units under incentive schemes.

Out of 1,773 closed/sick units, 842 units had gone out of production within five years from the date of commencement. Consequently, subsidy amounting to Rs. 407.84 lakhs paid to these units had become recoverable.

### (b) Targets and achievements

No physical and financial targets were fixed by RFC, and only financial targets were fixed by RIICO.

During the years 1982-83, 1983-84, 1984-85 and 1988-89, the shortfall in achievement of financial targets of RIICO ranged between 22 and 42 per cent. The shortfall was attributed to non-creation of assets by the units on time and want of applications from entrepreneurs. Information in respect of IDBI, IFCI and ICICI was not available.

The percentage of shortfall in achievement of financial targets by DICs of the selected districts was as under :

	(Percentage)			
	1983-84	1984-85	1985-86	1986-87
Sirohi	—	—	—	35
Alwar	—	58	50	21
Banswara	92	79	62	64
Jhunjhunu	100	54	51	84

The Department did not intimate the reasons for such shortfalls.

### (c) Employment Generation

Targets for creation of employment opportunities for skilled, semi-skilled and unskilled workers were not fixed. The Director of Industries did not also maintain data in respect of actual employment generated with a view to ascertaining whether the employment opportunity increased as a result of implementation of the CISS and CFS. Effect of closure/sickness of various assisted units were also not assessed by the Department.

### (d) Irregular payment of subsidy

According to a Government of India notification dated May 1983, the Block/Taluka Urban agglomeration in cate-



gory 'B' and 'C' districts, where investment had exceeded Rs. 30 crores as on 31 March 1983, were not eligible for further investment subsidy and concessional finance. In Bhiwadi industrial area of Alwar district, though the level of investment in industrial units financed by the DI, RIICO and RFC had exceeded the ceiling of Rs. 30 crores in 1985-86, orders for discontinuance of further payments of subsidy were not issued. Consequently, during the years from 1986-87 to 1988-89 subsidy of Rs. 5.10 crores and concessional finance of Rs. 25.70 crores was irregularly paid. Figures of concessional finance provided by IDBI, IFCI and ICICI were not available.

Since the level of investment had exceeded Rs. 30 crores on 31 March 1983 CIS was not admissible in Jodhpur Urban Agglomeration, and orders to that effect were issued by the Government of India in May 1983. Nevertheless, subsidy of Rs. 11.67 lakhs to 13 units (Rs. 3.69 lakhs to 3 existing units for expansion and Rs. 7.98 lakhs to 10 new units) was irregularly paid during March 1984 to July 1988 by RFC (Rs. 9.81 lakhs to 11 units) and DI (Rs. 1.86 lakhs to 2 units).

Registration of units under the scheme with the Industries Department was obligatory, and they were not entitled for any subsidy on investments made during the period they remained unregistered. A test-check in the 4 selected districts revealed that during 1982-83 to 1988-89, 33 units had been granted subsidy of Rs. 72.37 lakhs on investments made either before their registration or after expiry of registration.

CIS of Rs. 31.02 lakhs was granted for setting up/ expansion of 8 units which were not registered under the scheme.

Further, in the following cases, CIS for Rs. 26.20 lakhs were irregularly paid by RFC:

- Out of a subsidy of Rs. 2.49 lakhs paid to a hotel in Bhiwadi (Alwar) during July 1986 to August 1987, subsidy for Rs. 1.90 lakhs was allowed on investment of Rs. 11.17 lakhs made prior to registration of the unit and on investment of Rs. 1.48 lakhs on furniture (not covered by the scheme).
- A unit of Abu Road was paid Rs. 7.86 lakhs in April-June 1988 without a no-objection certificate (NOC) from the Rajasthan Pollution Control Board as required by the SLC. The unit could not commence production (July 1989) for want of NOC.
- A unit in Bhiwadi (Alwar) was paid Rs. 7.49 lakhs during the period November 1986 to May 1988 although its name and product were changed without obtaining prior approval of the SLC.
- In 36 cases, Rs. 8.23 lakhs were sanctioned and paid by DLCs of 6 districts (Alwar, Banswara, Bhilwara, Churu, Nagaur and Tonk) after September 1988 when the scheme ceased to be in operation.
- CIS for Rs. 0.86 lakh paid to a unit in Abu Road by RFC, Sirohi, in February 1989 on an investment of Rs. 3.44 lakhs, included Rs. 0.72 lakh on invest-



ment of Rs. 2.88 lakhs on cost over-run on building which was irregular.

CIS was not payable to service-based units, and to those engaged in health activities. But subsidy of Rs. 5.42 lakhs were paid to 48 service-based industries like colour laboratories, printing presses and photo studios, and Rs. 2.12 lakhs were paid to 9 hospitals, dispensaries etc., engaged in health activities in Sirohi, Alwar, Banswara, Jhunjhunu and Udaipur.

A unit in Behror (Alwar district) was paid subsidy of Rs. 0.72 lakh by DIC, Alwar, twice on an investment of Rs. 4.83 lakhs, once based on supplier's bills and again on production of supplier's letter. Further, Rs. 1.80 lakhs were paid on the investment of Rs. 12 lakhs made during April 1985 to February 1986 when the unit remained unregistered. Rs. 0.72 lakh has been recovered, and notice for depositing the amount of Rs. 1.80 lakhs has been issued by the DIC, at the instance of audit. Moreover, as the unit had drawn the subsidy twice by misrepresentation of facts, the total subsidy paid (Rs. 4.32 lakhs) to it was recoverable.

#### (e) Takeover of sick/defaulting units

During 1982-83 to 1988-89, 574 closed/sick/defaulting units were taken over by RFC and RIICO; out of them, 252 units against whom Rs. 950.26 lakhs (loan Rs. 517.41 lakhs, interest Rs. 352.73 lakhs and subsidy Rs. 80.12 lakhs) were outstanding, were sold for Rs. 599.74 lakhs at a deficit of Rs. 350.52 lakhs. The amount actually realised on the sales upto 31 March 1989 was however Rs. 182.85 lakhs only. In terms of decision of SLC dated 5 August 1987, the sale value received was apportionable between the financial institution and the Government of India in the ratio of loan and subsidy. However, the entire

amount of Rs. 182.85 lakhs was adjusted by RFC and RIICO against loan dues.

**(f) Undue burden of interest and processing charges.**

During the years 1982-83 to 1988-89 interest amounting to Rs. 192.99 lakhs was recovered by RIICO (Rs. 50.35 lakhs in 189 cases), ICICI (Rs. 6.57 lakhs in 6 cases) and RFC (Rs. 136.07 lakhs, number of cases not furnished) from the entrepreneurs in cases where reimbursement could not be obtained from Government of India within six months. A test-check of subsidy claims preferred by RFC during 1986-87 to 1988-89 to the Director of Industries for arranging reimbursement from Government of India revealed that out of 5,570 claims for Rs. 1,731.58 lakhs, 1,668 claims for Rs. 339.75 lakhs preferred late by one year to seven years. Reimbursement of 2,412 claims for Rs. 677.08 lakhs took two to seven months by the Government of India.

**(g) Annual Performance Reports (APRs) and Periodical Inspections**

The industrial units were required to furnish to the disbursing agencies Annual Performance Reports (APRs) along with annual audited statements for a period of 5 years commencing from the year of disbursement, failing which the subsidy paid was recoverable.

Out of 11,704 units assisted by RFC, DI and ICICI during the years 1982-83 to 1988-89, APRs were not



received from 6,541 units and periodical inspections of 6,661 units had not been conducted upto March 1989.

While the amount of subsidy recoverable from the units which had not submitted APRs was not intimated by DI (863 units), Rs. 113.59 lakhs and Rs. 170 lakhs were recoverable from 5,678 units assisted by RFC and ICICI.

### 3.6.7 Concessional Finance Scheme (CFS)

Financial assistance on concessional terms for new projects and to existing industrial units for expansion was provided by RFC, RIICO, IDBI, IFCI and ICICI.

Physical targets for the period 1982-83 to 1988-89 and financial targets for the years 1982-83 to 1984-85 were not fixed by RFC. Against the financial targets of Rs. 3,150 lakhs and Rs. 3,700 lakhs fixed for the years 1985-86 and 1986-87, the achievements were Rs. 2,428.40 lakhs and Rs. 3,185.25 lakhs respectively. Reasons for the shortfall of 23 and 14 per cent were not intimated. Similarly, physical targets were not fixed by RIICO also. Bifurcation of financial targets for backward and non-backward districts was not made available.

### 3.6.8 Central Infrastructural Assistance Scheme (CIAS)

The CIAS was introduced for assisting the State Government to strengthen infrastructure in one or two identified 'Growth Centres' (GCs) in each No Industry District (NID) with effect from April 1983. Assistance

under the scheme from the Government of India was limited to one-third of the total project cost, subject to a maximum of Rs. 2 crores per district. A matching contribution was to be provided by the State Government, and an equal amount was to be given as loan by IDBI on concessional terms. Two GCs were approved by the Government of India for each of the following four districts:

District	Growth Centres (GCs)
Jaisalmer	(1) Pokaran (2) Jaisalmer
Sirohi	(1) Ambaji—Abu Road (2) Pindwara—Sirohi Road
Churu	(1) Churu (2) Ratangarh
Barmer	(1) Balotra (2) Barmer

(a) Delay in completion of the projects

In Sirohi District, the work of infrastructure development was taken up in Ambaji—Abu Road and Pindwara—Sirohi Road from December 1983 and July 1984, to be completed by March 1988. Against the project cost of Rs. 680 lakhs, only Rs. 470.88 lakhs were spent till March 1989, the shortfall being 31 per cent. While a large number of works were not completed on time, the work of construction of building for the post offices (2), telephone/telex exchange, police station (2), hospital, school (2), bank and residential flats (102) was not undertaken at all at these Growth Centres (June 1989).

In the remaining 3 NIDs (Jaisalmer, Churu and Barmer), infrastructure development in the six Growth Centres was



to be completed by August 1989. While no work was taken up at one of the Growth Centres at Barmer, the pace of development in the remaining five GCs was extremely slow. In Pokaran and Jaisalmer, Rs. 0.38 lakhs and Rs. 22.60 lakhs were incurred (July 1989) against the proposed outlay of Rs. 93 lakhs and Rs. 157 lakhs respectively. The process of acquisition and development of land in many cases was yet to be started.

### (b) Inadequate planning

In Sirohi district, while the major portion of the existing industrial areas developed by the State Government had remained unutilised, infrastructural development under CIAS was undertaken in the Growth Centres. The comparative position of plots developed, allotted, utilised and units not established in existing industrial areas and Growth Centres at the end of March 1989 is given below :

	Planned	Devel- oped	Allotted	Lying vacant	(Number of plots) Units not set up on allotted plots (Percentage to allot- ment)
Industrial Areas(6)	573	573	325	248	79 (24)
Growth Centres:					
Ambaji-Abu Road	268	237	220	17	118 (54)
Pindwara-Sirohi Road	123	123	40	83	19 (48)

Some of the plots allotted were also surrendered. Since 54 and 48 per cent of plots allotted remained unused,

the expenditure of Rs. 420.95 lakhs and Rs. 49.93 lakhs (March 1989) incurred on development of Ambaji-Abu Road and Pindwara-Sirohi Road Growth Centres respectively, was largely unfruitful. The discontinuance of CISS from October 1988 also deprived the entrepreneurs of 25 per cent assistance on their investment, causing further set-back to industrial growth.

### (c) Idle investment

An investment of Rs. 18.73 lakhs was made during March 1986 to March 1989 on Transit Hostel (completed in May 1987 at a cost of Rs. 15.77 lakhs), two Bank Buildings (completed in March 1986 at a cost of Rs. 2.52 lakhs) and 8 kiosks (completed in October 1986 at a cost of Rs. 0.44 lakh). These facilities were not put to use since their completion (June 1989).

### (d) Inadmissible expenditure

Though Central assistance was not admissible for construction of sheds in States other than North Eastern Region, RIICO incurred expenditure of Rs. 17.69 lakhs upto March 1989 on construction of 10 Sheds in Ambaji—Abu Road Growth Centre which was irregular. Similarly a dispensary building was constructed in March 1988 for Rs. 6.18 lakhs in the neighbouring Arbuda Industrial Area, which was not covered under CIAS but the expenditure was charged to NID project. This building was constructed in lieu of an approved project of a 20-bed hospital.

## 3.6.9 Monitoring and Evaluation

Effective monitoring of the CISS was not done by the SLC, and the bottlenecks or handicaps in working of the scheme or any other matter of importance were not reported



to the Government of India. There was also no established monitoring system for the CFS. Although monitoring was done by the financial institutions, the need for joint appraisal was felt during deliberations at various levels, which could not be implemented. Monitoring of the infrastructure development under CIAS was not done by the SLC.

Evaluation of the schemes was not done at the State or any other level, except an evaluation study by RIICO in NID Sirohi during 1987-88 regarding infra-structural development under CIAS. No corrective measures were taken in respect of the shortcomings pointed out therein (June 1989).

## **JAILS DEPARTMENT**

### **3.7 Construction of Sub-Jail Buildings**

(i) The Government of India sanctioned Rs. 214 lakhs during 1985-86 to 1988-89 for construction of 9 sub-Jails at Beawar, Nokha, Sagwara, Suratgarh, Nohar, Bilara, Atru Sangod and Jhadol, to accommodate 428 prisoners.

An expenditure of Rs. 196.02 lakhs was incurred during these years, but the facilities had not been utilised (August 1990). Possession of five sub-jails at Jhadol, Suratgarh, Sangod, Nohar and Beawar was taken over between June 1989 and May 1990. The Department was, however, not in a position to utilise the completed buildings as the jurisdiction of the sub-jails had not been decided (August 1990). Also, the Government had not

sanctioned staff for these sub-jails (March 1990).

The sub-jail building at Sagwara, completed in June 1988, was found to have defects which had not been rectified as of August 1990. The construction of the sub-jail at Atru could not be progressed after September 1988 because of legal disputes, while constructions of the sub-jail at Bilara and Nohar were in progress in August 1990. While the construction/ utilisation of the new buildings are being delayed, there is over-crowding in other jails. In 14 jails during 1985-1989, the average number of prisoners lodged was 1,561 against the capacity of 941 prisoners.

(ii) The construction of a new, sub-jail building at Kotda costing Rs. 8.20 lakhs was sanctioned (August 1978) for being executed through the Public Works Department. After an expenditure of Rs. 8.19 lakhs was incurred upto 1981-82, the work could not progress due to shortage of funds. During 1987-89 a further amount of Rs. 6.93 lakhs was spent on completion of the building. The new building had, however, not been used as of March 1990, mainly because the main gate has not been provided with wooden shutter. The prisoners were being accommodated in an old jail barrack which had been declared unsafe.

### (iii) Construction of Borstal School

A Borstal School building was constructed at Ajmer (cost Rs. 63.13 lakhs) for 301 inmates in October 1988 by additions to a juvenile reformatory building constructed earlier in March 1983 (cost Rs. 17.15 lakhs). The building had not been used (March 1990) as the Borstal Act has not been enacted by the State Legislature.

The investment of Rs. 80.28 lakhs made on construction of building remained unfruitful.



#### (iv) Prison for women

The construction of a separate jail for women prisoners at Jaipur was completed in November 1980 at a total cost of Rs. 16.33 lakhs. The defects in the construction noticed in December 1980 were rectified by the PWD in August 1983, but the building had not been utilised as of March 1990. Women prisoners are being kept in the Central Jail, Jaipur, despite the instructions of the Director General (DG), Prisons (October 1985) to shift them to the new Jail. The staff for the new jail had already been provided during 1984-85 and 1985-86, and were being utilised in the Central Jail, Jaipur. The DG Prisons and Superintendent, Central Jail, Jaipur did not furnish any reason for not shifting the women prisoners to the new premises.

#### 3.8 Un-utilised residential quarters

Two type-II residential quarters at Jaipur for the Inspector General/Deputy Inspector General of Prisons were constructed at a cost of Rs. 3.36 lakhs (July 1985). During an inspection of the quarters undertaken by the Department seven months later (March 1986), construction of a partition wall between the two quarters and an approach road was felt necessary. The Executive Engineer, PWD, submitted (October 1988) an estimate of Rs 1.30 lakhs, and the additional funds were made available in January 1990. The work had not been started and the quarters remained unoccupied (March 1990) rendering the investment of Rs. 3.36 lakhs unfruitful.

#### 3.9 Diet to prisoners

In the Central Jails at Ajmer and Udaipur, the daily average number of jail inmates during 1987-88 and 1988-89 was 435 and 412 and 579 and 577 respectively. Substantial quantities of milk and curd in excess of the prescribed norms

were given as medical diet to prisoners during these years as shown below :

Station	Diet	Quantity to be supplied as per norms		Cost	Quantity actually supplied		Cost	Cost of excess supply
		1987-88	1988-89		1987-88	1988-89		
		(Rs. in lakhs)			(Rs. in lakhs)			
Ajmer	Milk	3,951	3,759	0.36	35,375	37,059	3.08	2.72
	(in litre)							
	Curd	..	..	..	8,129	8,840	1.24	1.24
	(in kg.)							
Udaipur	Milk	5,283	5,265	0.45	22,700	23,952	2.31	1.86
	(in litre)							
	Curd	..	..	..	12,257	8,721	0.94	0.94
	(in kg.)							
Total				0.81			7.57	6.76

In Ajmer, during 1988-89 curd (500 gms. per prisoner) was given to 12 per cent and milk (half litre to one and half litres) to 34 per cent of the jail population on the advice of the medical officer of the jail.

In respect of Udaipur, it was stated that excess milk was procured for sick prisoners and for prevention of diseases. However, number of such prisoners was 36 and 30 during 1987-88 and 1988-89 respectively, and there was no provision for giving milk for preventive purposes. During 1987-88, curd was given as hospital diet to 21 per cent of the prisoners at 500 gms. per prisoner, and during 1988-89, it was given to 8 per cent of the prisoners. The Medical officer clarified in February 1988 to the Superintendent, Central Jail, Udaipur, that due to gastroenteritis and diarrhoea diseases, excess quantity had been prescribed. Audit scrutiny revealed that in February 1988, no patient with these diseases was registered in the hospital.



Thus the Department had incurred extra expenditure of Rs. 6.76 lakhs on diet by not observing the prescribed dietary scales. The Department stated in April 1990 that the matter of excess expenditure was being investigated.

## **MEDICAL AND HEALTH DEPARTMENT**

### **3.10 Avoidable payment of Excise duty on the purchase of Air-Conditioners**

The rate contract concluded by the Director General of Supply and Disposal (D.G.S. & D.), New Delhi provide that excise duty on air-conditioners purchased for hospital use would be payable at concessional rates, provided the requisite documents as prescribed by the Central Excise Department were made available to the supplier by the indenting authority.

The Principal, Rabindra Nath Tagore Medical College, Udaipur, purchased 13 Air-Conditioners of 1.5 tonne capacity valuing Rs. 2.52 lakhs between October 1986 and March 1989, for use in General Hospital, Udaipur, under the rate contract without availing of the concessional rate of excise duty. This resulted in avoidable payment of excise duty amounting to Rs. 0.70 lakh. The Central Excise Department, Government of India, did not agree to the request of the College for a post-facto remission.

The Government, to whom the matter was reported in September 1989, stated (May 1990) that the concession in Central Excise duty could not be availed as the procedure involved in obtaining the requisite licence from the Excise Department would have caused delay in procurement of air-conditioners and resultant non-utilisation of other equipment worth lakhs of rupees. The reply was not tenable in view of the fact that the purchases were spread over a period of 2 1/2 years and there was sufficient time to complete the requisite formalities.

### 3.11 Extra expenditure and non-adherence to prescribed purchase procedure

The instructions issued by the Government/Department from time to time lay down that medicines/drugs, for use in hospitals/dispensaries, manufactured by the Rajasthan Drugs and Pharmaceuticals Ltd. (RDPL), a State Government undertaking may be purchased from them at the lowest prices quoted by any other public undertaking, the medicines/drugs not manufactured by the RDPL may be purchased on rate contracts entered into by the Directorate of Medical and Health Services and the Director General, Supplies and Disposals (DGS & D). The medicines could also be purchased from the Rajasthan Rajya Sahakari Upbhokta Sangh (RRSUS) at the approved prices for hospitals, provided the RRSUS obtained the medicines directly from the manufacturers.

A test-check of the records of purchase of medicines in the office of 19 Chief Medical and Health Officers (CMHO) and the associated hospitals, at Jodhpur, revealed that in purchases of medicines/instruments valued at Rs. 93.64 lakhs, the instructions laid down by Government were not followed, and extra expenditure of Rs. 9.65 lakhs was incurred as detailed below :

- (i) Medicines worth Rs. 14.43 lakhs not manufactured by RDPL were purchased during 1985-86 to 1987-88 from firms outside the rate contracts of the Directorate/DGS & D at higher prices, involving extra expenditure of Rs. 5.56 lakhs.



(ii) Medicines worth Rs. 7.85 lakhs were purchased during 1985-86 to 1987-88 from non-approved dealers at higher prices, and also in packs smaller than that mentioned in the rate contracts resulting an extra expenditure of Rs. 3.63 lakhs.

(iii) Medicines valued at Rs. 2.48 lakhs were purchased from RDPL (including their authorised dealers) at rates higher than the lowest rates of other public sector units, resulting in extra expenditure of Rs. 0.46 lakh.

Further medicines and instruments valued at Rs. 68.88 lakhs were purchased from the RRSUS during the period March 1987 to November 1988 without ensuring that they had been procured directly from the manufacturers and that the rates charged were the approved prices, for hospital supplies.

The matter was reported to Government in January 1990; reply has not been received (September 1990).

## ✓ **SPECIAL SCHEMES AND INTEGRATED RURAL DEVELOPMENT DEPARTMENT**

### **3.12 Rural Landless Employment Guarantee Programme**

#### **3.12.1 Introduction**

The Rural Landless Employment Guarantee Programme (RLEGP), a Centrally-sponsored scheme fully funded by the Central Government, was launched in Rajasthan in February 1984. The basic objectives of

the scheme were:

- (i) generation of additional gainful employment for the unemployed and under-employed persons, both men and women, in the rural areas and providing guaranteed employment for 100 days a year to one person from every rural landless family.
- (ii) creation of productive community assets for direct and continuing benefits to the poverty-stricken groups and for strengthening rural, economic and social infrastructure, which would lead to rapid growth of the rural economy and steady rise in the income levels of the rural poor.
- (iii) improvement in the overall quality of life in the rural areas.

Under the programme, preference was to be given to the landless labour for employment in all the works. Amongst the landless labour, preference was to be given to the Scheduled Castes, Scheduled Tribes and women.

### 3.12.2 Organisational set up

The apex body for planning, implementation and monitoring of the programme was the State Level Coordination Committee (SLCC) under the chairmanship of the Chief Minister. At the district level, District Rural Development Agencies the (DRDAs) had the overall responsibility for implementation and monitoring of the programme, and for timely submission of reports and returns to the State Government. Other functional Departments of the Government viz., Forest, Irrigation, Public Works, Soil Conservation and Panchayat Sanitis were also involved in execution of works in the districts.



### 3.12.3 Audit coverage

A review of the implementation of the programme was conducted by Audit during March to September 1989 covering the period from 1983-84 to 1988-89, in five districts of the State viz., Banswara, Bhilwara, Bikaner, Pali and Sawaimadhopur.

### 3.12.4 Highlights

- Out of total allocation of Rs. 12,536.75 lakhs made during 1983-84 to 1988-89, Rs. 1,901.42 lakhs (cash: Rs. 1,636.34 lakhs and wheat worth Rs. 265.08 lakhs) were not utilised upto the end of 1988-89.

(Paragraph 3.12.6)

- Out of 43,893 works sanctioned under the programme only 27,637 works were completed; 4,055 works had not even been commenced by March 1989.

(Paragraph 3.12.7)

- Expenditure of Rs. 58.96 lakhs incurred on works executed earlier by Irrigation and PWD Divisions was transferred to RLEGP, in - flating the achievements shown.

(Paragraph 3.12.8)

- Rs. 261.15 lakhs were spent on works which were left incomplete on withdrawal of the programme from April 1989.

(Paragraph 3.12.10)

- A major part of Rs. 63.74 lakhs incurred on construction of nullah/contour bunds and water

courses for Mahi Command Area were rendered wasteful due to non-construction of waste weir and pucca structures and discontinuance of the project.

(Paragraph 3.12.11)

—Rs. 7.39 lakhs, being pro-rata cost of Soil Conservation works executed on private lands of big farmers, were not recovered.

(Paragraph 3.12.14)

—As against 25 per cent of the annual allocation required to be earmarked for social forestry, the actual allocation declined to 4 per cent in 5 years.

(Paragraph 3.12.15)

—Out of 2,097 completed residential units, 1,296 units were unoccupied in Sawaimadhopur and Banswara. Out of 314 units completed in 4 Panchayat Samitis, 268 units did not have facility of latrines and bathrooms.

(Paragraph 3.12.16)

### 3.12.5 Annual Action Plan

Under the Scheme, the State Government was required to identify the specific works to be undertaken and prepare the Annual Action Plans. The Action Plan for each year was required to be sent to the Department of Rural Development, Government of India by 31 January of the preceding year. The State Government did not send the Annual Action Plans for 4 years (1983-84 to 1986-87), and the Plans for the years 1987-88 and 1988-89 were sent after delays of 2 and 4 months respectively.



### 3.12.6 Financial outlay and expenditure

Funds allotted and utilised under RLEGP from 1983-84 to 1988-89 were as under:

(Rupees in lakhs; wheat in tonnes)

S. No.	Year	Allocation			
		Cash	Wheat		Total (Col. 3 + 5)
			Quantity	Value	
1	2	3	4	5	6
1.	1983-84	233.98	401.40	6.02	240.00
2.	1984-85	1,139.42	4,038.80	60.58	1,200.00
3.	1985-86	1,215.80	52,300.00	784.50	2,000.30
4.	1986-87	2,022.07	38,800.00	582.00	2,604.07
5.	1987-88	2,469.02*	48,059.00	744.91	3,213.93
6.	1938-39	3,122.40	9,515.00	156.05	3,278.45
TOTAL		10,202.69	1,53,114.20	2,334.06	12,536.75

S. No.	Year	Utilisation			Excess(+) Savings(—)		
		Cash	Wheat		Total (Col. 7+9)	11	
			Quantity	Value			
							7
1.	1983-84	43.71	122.00	1.83	50.54	(—)	189.46
2.	1984-85	912.69	3,828.57	57.43	970.12	(—)	229.88
3.	1985-86	810.09	21,269.28	319.04	1,129.13	(—)	871.17
4.	1986-87	1,691.84	52,272.32	784.08	2,475.92	(—)	128.15
5.	1987-88	2,857.00	43,924.33	680.82	3,537.82	(+)	323.89
6.	1988-89	2,246.02	13,766.96	225.78	2,471.80	(—)	806.65
		8,566.35	1,35,183.46	2,068.98	10,635.33	(—)	1,901.42

\* Includes Rs. 454.34 lakhs transferred from 'Famine Relief Funds.'

In 3 out of 5 districts test-checked, Rs. 219.40 lakhs drawn from the Government were lying unspent with the DRDAs (Banswara Rs. 111.86 lakhs; Bikaner Rs. 24.81 lakhs; Sawaimadhopur Rs. 82.73 lakhs) at the end of March 1989. Information in respect of DRDAs, Pali and Bhilwara was awaited.

In Irrigation Divisions, Pali and Sawaimadhopur, 551.06 tonnes of Wheat (Pali : 294 tonnes and Sawaimadhopur : 257.06 tonnes) out of 1,818.625 tonnes (Pali : 878.625 tonnes and Sawaimadhopur : 940 tonnes) received during 1985-86 to 1988-89 were not utilised (March 1989). Shortages of 10.125 tonnes of wheat were also reported by Irrigation Divisions, Bhilwara (1.25 tonnes) and Pali (8.875 tonnes) in handling and transportation.

Under Social Forestry, an expenditure of Rs. 2.98 lakhs reported to have been incurred under RLEGP in Banswara, Bhilwara, Pali and Sawaimadhopur districts, was found actually incurred on works other than RLEGP (Rs. 2.03 lakhs), repairs and POL of departmental vehicles (Rs. 0.95 lakh).

### 3.12.7 Physical progress

Position of works sanctioned and completed under various schemes during the period from 1983-84 to 1988-89



as on 31 March 1989 is detailed below:

S. No.	Name of the scheme	Number of works			
		Sanc- tioned	Completed	Under progress	Yet to be started
1	2	3	4	5	6
1.	Through Panchayat Samitis				
	a. Minor irrigation works	263	225	29	9
	b. Primary school buildings	2,380	1,649	653	78
	c. Indira Awaas	21,444	17,258	3,542	644
	d. Sanitary latrines	7,800	6,564	754	482
	e. Wells under Jivandhar	1,000	845	6,922	2,233
2.	P. W. D. works	780	433	Nil	347
3.	Minor irrigation works	430	255	141	34
4.	Soil conservaion work	796	408	160	228
	TOTAL	43,893	27,637	12,201	4,055

Information in respect of Social Forestry works was not available.

The achievement of targets in respect of wells under Jivandhara and works executed through Soil Conservation, Public Works and Irrigation Departments was significantly low due to problems in acquisition of land, delay in release of funds, etc.

In respect of minor irrigation and soil conservation works, the details of additional area brought under irrigation as a result of execution of the works were not furnished by the Department. The position about utilisation of primary school buildings, Indira Awaas and sanitary latrines constructed under the programme was not available with the State Government (October 1989).

### 3.12.8 Expenditure on works under other projects transferred to RLEGP

According to the instructions issued by the Government of India in September 1983, the works covered under any State Plan should not be taken up under RLEGP. The projects under RLEGP were thus to supplement the State Plan. But the position in the selected districts was found to be different, as mentioned below:

(i) The progress report of RLEGP (March 1987) of Irrigation Division, Banswara, fictitiously showed 24 works (expenditure: Rs. 41.11 lakhs) as RLEGP works involving generation of 2.96 lakhs mandays, though these works had been originally taken up and executed under NREP (23 work; expenditure Rs. 39.30 lakhs, employment generated 2.66 lakhs mandays) and Famine Relief (1 work; expenditure Rs. 1.81 lakhs; employment generated 0.30 lakh mandays) during February 1985 to March 1987.

The transfer of expenditure from NREP (50 per cent funded by the Government of India) to RLEGP (100 per cent funded by the Government of India) exaggerated the additional employment generated, and facilitated drawal of additional assistance (Rs. 19.65 lakhs) from the Government of India.

(ii) Similarly five P. W. divisions (Banswara, Bhilwara, Bikaner, Pali and Sawaimadhopur) transferred expenditure of Rs. 15.39 lakhs incurred earlier on famine relief scheme works to RLEGP during September and November 1986. Besides, in the P W division, Banswara a sum of Rs. 2.46 lakhs booked under maintenance and repairs of roads and bridges was transferred in March 1987 to RLEGP even though no assistance under RLEGP was admissible for such work.



### 3.12.9 Employment generation

#### (a) Non-issue of identity cards and non-recording of employment provided

Identity cards were to be issued to landless labourers and employment provided for a minimum of 100 days per year to at least one member of every landless family.

In Banswara and Sawaimadhopur, identity cards were not made available by DRDAs to Panchayat Samitis or other executing agencies. In Pali, blank identity cards made available by DRDA to Panchayat Samitis and Soil Conservation Department in 1984-85, were not distributed (March 1989). In Bhilwara, the DRDA provided blank identity cards to Panchayat Samitis in June 1988 but these were not issued by Panchayat Samiti, Mandal (March 1989) and were issued by Panchayat Samiti, Shahpura only in November 1988. In Bikaner, blank identity cards received in November-December 1988 were not distributed till March 1989 by Panchayat Samitis, Kolayat and Lunkaransar.

#### (b) Employment to Rural Landless Labourers

In 14 out of 28 units covered in the 5 districts checked, it was observed that during 1983-89, out of the total employment potential generated (28.07 lakh mandays)

It was stated by Soil Conservation office, Banswara, Irrigation Division, Sawaimadhopur, and Panchayat

the employment of rural landless labourers was only for 5.46 lakh mandays (19 per cent). In three of these units (P. W. division, Bikaner, Soil Conservation office I and II, Bikaner) no rural landless labour was employed in any year. The relevant information in respect of 14 other units was not made available.

**(c) Larger expenditure under material components**

The material component was not to exceed 50 per cent of the total expenditure incurred on the works. But in the case of 13 works, completed in Public Works Divisions, Banswara, Bhilwara and Pali and Panchayat Samitis, Ghatol and Kolayat, the expenditure on material component ranged between 54 and 76 per cent of the total expenditure (Rs. 42.09 lakhs) incurred, resulting in creation of lower employment potential (0.32 lakh mandays).

**(d) Improper maintenance of records**

The officials responsible for maintenance of muster rolls were to record on the muster rolls a certificate indicating the employment generated for the SCs/STs/ others as also the total employment generated. The volume of work generated for women labour was also to be indicated separately.

It was observed during test-check that the above requirement was not complied with by the various executing agencies, and as such, category-wise employment generation figures shown in various reports and returns of the executing agencies were not susceptible to verification.

It was stated (by Soil Conservation office, Banswara, Irrigation Division, Sawaimadhopur, and Panchayat



Samiti, Shahpura, District Bhilwara) that there were no clear instructions from higher authorities in this regard and that the figures of category-wise employment generation sent by them to the State Government were only tentative.

### 3.12.10 Execution of works

In the units test-checked in the five selected districts, 307 RLEGP works remained incomplete as on 1 April 1989, when the RLEGP was discontinued as a consequence of launching of the Jawahar Rozgar Yojana. The total approved administrative cost of these works was Rs. 1,421.60 lakhs, against which expenditure of Rs. 261.15 lakhs had been incurred upto March 1989. The works had remained incomplete, although most of them were scheduled for completion well before 1 April 1989. The Department ascribed the delays to paucity of funds and to the fact that, for some time, RLEGP wage rate (Rs. 11 per day) was less than the minimum wage rate (Rs. 14 per day). The Government stated (September 1990) that the incomplete RLEGP works would be got completed by making provisions in the departmental budgets of the respective executing departments, and by utilising original provisions available in some works.

### 3.12.11 Mahi Command area

With the objective of developing on-farm infrastructure in the command area of Mahi Bajajisagar Project, where the majority of farmers belonged to Scheduled Castes and Scheduled Tribes and were in the category of small and marginal farmers, a project covering 20,661 hectares under Garhi and Ghatol Panchayat Samitis was

sanctioned at an estimated outlay of Rs. 987.58 lakhs by the State Government in July 1987, with the approval of the Government of India. It was to be completed within two years (1989). The project was labour-intensive, and envisaged besides development of the command area, afforestation of 1,848.6 hectares, and plantation of 1.88 lakh plants along canals and 6.26 lakh plants along water courses, generating 50.29 lakh man-days of employment in the process.

Government released Rs. 135.36 lakhs to DRDA, Banswara who advanced Rs. 65 lakhs to the Chief Engineer Mahi Project, for execution of the project as a deposit work. An expenditure of Rs. 64.25 lakhs (6.5 per cent of the Project cost) was incurred till March 1989. The DRDA, Banswara, also diverted Rs. 30.00 lakhs each, from the allotment received, to the Soil Conservation Department and the PWD in March 1988, leaving a balance of Rs. 10.36 lakhs unspent.

A test-check of various activities under-taken in the execution of the project revealed the following shortcomings/deficiencies:

#### (a) Stoppage of works

As mentioned, the project was scheduled for completion within a period of two years. However, the various works which were started between November 1987 and January 1988 were stopped in July 1988 with the onset of monsoon but they were not re-commenced due to non-availability of funds and discontinuance of the RLEGP. The actual progress in construction till December



1989 was as under :

S.No.	Item of Work	As per project report	
		Planned for execution	Estimated cost (Rupees in lakhs)
1	2	3	4
1.	Topographic Survey	20661 ha.	10.33
2.	Construction of water courses	2240 kms.	217.35
3.	Construction of drains	2240 kms.	103.31
4.	Construction of contour/ terrace bunds	14898 ha.	193.59
5.	Construction of nullah bunds	3915 ha.	293.59

S.No.	Item of Work	Targets fixed by Mahi Project (1987-89)		Achievements made (1987-89 )	
		Physical	Financial (Rupees in lakhs)	Physical	Financial (Rs. in lakhs)
1	2	5	6	7	8
1.	Topographic Survey	..	..	..	..
2.	Construction of water courses	10.31 km.	23.66	309 km.	6.33
3.	Construction of drains	..	..	..	..
4.	Construction of contour/ terrace bunds	6400 ha.	64.46	2817 ha.	57.41
5.	Construction of nullah bunds	6400 ha.	97.74	2817 ha.	

S.No.	Item of Work	As per project report	
		Planned for execution	Estimated cost (Rupees in lakhs)
1	2	3	4
6.	Afforestation (Number of plants)	20.34 lakh plants (1849 ha)	88.02
7.	Plantation along canals (Number of plants)	1.88 lakh plants (188 ha)	18.39
8.	Plantation along field boundaries/ water courses/farm roads etc. (Number of plants)	6.26 lakh plants (1881 ha)	35.12

S.No.	Item of work	Targets fixed by Mahi Project (1987-89)		Achievements made (1987-89)	
		Physical	Financial (Rupees in lakhs)	Physical	Financial (Rupees in lakhs)
1	2	5	6	7	8
6.	Afforestation (Number of plants)	Not Fixed	20.00	0.10 lakh (0.35)	0.51
7.	Plantation along canals (Number of plants)				
8.	Plantation along field boundaries/water courses/ farm roads etc. (Number of plants)				
		205.86		64.25	



The major part of the expenditure (Rs. 57.41 lakhs) incurred on construction of contour/nullah bunds had remained unfruitful due to non-construction of waste-weirs/drains.

**(b) Unfruitful expenditure on kutch water courses**

Construction of pucca structures, such as culverts, rapids, PCC slabs lining, syphons across road/nullahs, was an integrated component of the project, designed to ensure uninterrupted flow of water for irrigation in kutch water courses. This was not done. Kutch water courses were dug over a total length of 360kms. (cost : Rs. 6.33 lakhs) without providing for necessary pucca structures in the Command Area including 51.03 kms. on Khodan distributory and Udela minor, where the water had not even started flowing up to the required reaches. The expenditure incurred on the kutch works had become wasteful, as the project had since been discontinued.

**(c) Plantation and afforestation works**

Against 28.48 lakh plants which were to be developed under afforestation works and plantation programme along canals and water courses, only 10,000 seedlings were planted (expenditure incurred Rs. 0.51 lakh). No provision was made for maintenance of the plants. As a result, the chances of survival of the plants seemed remote. No survey of the plants was undertaken.

**3.12.12 Distribution of foodgrains**

**(a) Non-distribution of foodgrains**

In Mahi Bajaj Sagar Project, foodgrains were not distributed to the labourers as part of wages, though

according to Government instructions 50 per cent of the wages were to be made available in the form of foodgrains to the labourers at subsidised rates.

Government stated (September 1990) that foodgrains could not be distributed due to non-allotment of stocks to the Project.

**(b) Subsidy for handling and transportation of wheat**

Advance payment of subsidy upto a maximum of Rs. 20 per quintal for meeting expenses on handling and transportation of foodgrains from Food Corporation of India depots to work sites was allowed by the Government of India subject to adjustment on the basis of accounts of actual expenditure to be submitted. The unutilised portion of subsidy was adjustable against future releases of funds under RLEGP.

Out of Rs. 172.89 lakhs received from Government of India as subsidy for handling and transportation of wheat during 1983-84 to 1988-89, an amount of Rs. 93.70 lakhs was advanced to various executing departments/agencies. The Department could not furnish the details of utilisation of the amount, and intimated that information was being collected from districts. Further, an amount of Rs. 17.57 lakhs was lying unutilised with the State Government (September 1990).

**(c) Distribution of foodgrains to workers through contractors**

In the districts of Banswara (Soil Conservation Department), Sawaimadhopur and Pali (Irrigation Division) the contractors appointed for handling and transportation of wheat were also entrusted with the responsibility of



distribution of wheat amongst the labourers, which was irregular. It was also against the specific instructions of the State Government, which required that the distribution should be done by the executing agencies themselves.

#### (d) **Empty gunny bags**

In the districts test-checked, it was seen that the sale proceeds of 46,648 empty gunny bags (Rs. 1.93 lakhs) disposed of by the various executing agencies were not credited to RLEGP. 88,718 empty bags worth Rs. 3.99 lakhs were lying undisposed with various executing agencies/DRDAs till August 1989, and the cost of 3,760 empty gunny bags (Rs. 0.17 lakh) sold by the Panchayat Samitis, Lunkaransar and Kolayat in Bikaner district to the Rajasthan Co-operative Dairy Federation, Bikaner was yet to be recovered.

### 3.12.13 **Soil Conservation**

#### (a) **Non recovery of pro-rata cost from big farmers**

The renovation of important community works like irrigation tanks, land shaping, drainage, field channels, etc. was also permitted on private lands, which fell within the purview of a project, to improve the productivity of an area taken as part of land water management. While no recovery of the cost of land development was to be made from the small and marginal farmers, in case of big farmers, the recovery pattern was to be prescribed by the State Government, subject to the clearance of the Central Committee. The amount so recovered was to be retained by the State Government.

In Banswara district, watersheds were constructed on lands belonging to 144 big farmers by March 1987 at a total cost of Rs. 7.39 lakhs. The cost of construction of watersheds was converted into loans (Rs. 4.86 lakhs) and

subsidy (Rs. 2.53 lakhs) for the big farmers, in accordance with the norms approved by the Agriculture Department in October 1978. The agreements entered into between the farmers and Government, however, did not mention the loan or subsidy.

No action for recovery of loan (Rs. 4.86 lakhs) was taken although the works were completed in March 1987.

### (b) Outstanding utilisation certificates

In the five districts test-checked, Soil Conservation offices had not submitted utilisation certificates to the respective DRDAs for Rs. 30.91 lakhs (August 1989) in respect of funds of Rs. 106.96 lakhs received by them during 1984-85 to 1988-89.

## 3.12.14 Social Forestry

### (a) Inadequate allocation for social forestry

The programme envisaged earmarking at least 25 per cent of the annual allocation of funds for the social forestry project. During the period under review the position of funds released for social forestry out of total allocations made by Government of India under RLEGP declined to 4 per cent from 26 per cent, as shown below:

Year	Total allocation under RLEGP	Funds released	
		Amount	Percentage of Col.3 to Col.2
(Rupees in lakhs)			
1	2	3	4
1983-84	240.00	50.00	21
1984-85	1200.00	314.29	26
1985-86	2000.30	276.93	14
1986-87	2604.07	276.26	11
1987-88	3213.93	277.40	9
1988-89	3278.45	132.15	4



### **(b) Shortfall in plantation**

During the period under review, it was observed that at 23 sites (1205 hectares) taken up under RLEGP, the seedlings planted were less than the prescribed norms (1100, 2000, and 800 seedlings per hectare during the years 1983-84, 1984-85, and 1985-86 respectively) approved by the Government of India. At Pali the shortfall in plantation during 1984-85 ranged between 25 and 48 per cent at 14 sites (530 hectares); at Sawaimadhopur, the shortfall during 1983-84 to 1986-87 was between 18 and 100 per cent at 9 sites (675 hectares). Reasons for plantation below the norms were not intimated by the District Forest Officer (DFO).

### **3.12.15 Panchayat Samitis**

#### **(a) Unfruitful expenditure on housing projects**

The housing projects for SC/STs were required to be located at proper sites after taking into consideration the living habits and local needs of the beneficiaries. The house sites were to be properly developed with provision of internal roads, street lights, drains, drinking water, streets with pavements and other sanitary facilities.

In Sawaimadhopur and Banswara, it was noticed that out of 2,554 dwelling units sanctioned for construction during 1985-86 to 1988-89 under the Indira Awaas Scheme, 2,097 units were completed by 31 March 1989, of which 1,296 units remained unoccupied (June 1989 and August 1989). The reasons were attributed to non-provision of infrastructure facilities, construction of houses at places away from the villages (Sawaimadhopur district), and

construction of houses without taking into consideration local environment and living habits (Banswara district where people did not prefer to live in clusters). Non-occupation of more than 50 per cent of the houses constructed under the scheme not only defeated the objective, but also resulted in unfruitful expenditure on their construction.

The instructions issued by Government of Rajasthan in March 1987 specifically laid down that each house should be provided with a latrine and a bathroom. However, in the following Panchayat Samitis test-checked, the houses constructed were found to be lacking in these basic amenities:

Name of Panchayat Samiti	Houses completed	Houses without latrines and bathroom
1. Pali	6	6
2. Gangapur city	78	78
3. Talwara	160	114
4. Shahpura(Bhilwara)	70	70
	314	268

The Vikas Adhikaris, Gangapur city, Pali and Talwara, intimated that latrines/bathrooms could not be constructed for want of funds. Informations regarding occupation of the houses was awaited (January 1991).

**(b) Utilisation of funds meant for infrastructural facilities on the construction of houses**

The estimated construction cost of an Indira Awaas house in hilly areas like Banswara was Rs. 7,800,



In addition, expenditure upto a maximum amount of Rs. 3,000 per house could be incurred on providing infrastructural facilities. The State Government ordered in March 1987 that in no circumstances the funds made available for infrastructural development were to be used for the construction of houses. However, in Banswara, the DRDA diverted Rs. 5.71 lakhs out of funds for infrastructural facilities on construction of 714 houses.

### **(c) Non-adjustment of advances**

In Panchayat Samiti, Shahpura, out of Rs. 5.10 lakhs paid to 18 Gram Panchayats for construction of schools, Indira Awaas and Community Centres, etc., Rs. 1.13 lakhs were lying unspent with them although the full amount of Rs. 5.10 lakhs had been booked by the DRDA as final expenditure under the schemes.

In another 3 Panchayat Samitis (Mandal, Shahpura and Sawaimadhopur) advances of Rs. 1.77 lakhs were outstanding against Panchayats since 1984-85 and no adjustment/recovery was made (June 1989).

### **3.12.16 Diversion of funds to non-RLEGP work**

In Banswara, Bhilwara and Sawaimadhopur, funds amounting to Rs. 5.84 lakhs were utilised/diverted to works not approved under the RLEGP.

### **3.12.17 Delayed payment of wages**

The payment of wages to labourers was required to be made on any fixed day of the week, preferably the local market day, and was not to be

delayed by more than a week. It was, however, observed in the 5 districts test-checked that delay in payment of wages during the years 1984-85 to 1988-89 ranged from 15 days to 15 months. In Panchayat Samiti Shahpura (Bhilwara), the payments of wages for the period February 1988 to June 1989 in respect of 5,801 man-days, amounting to Rs. 0.97 lakh, were yet to be made (July 1989). The Government stated in September 1990 that reasons for delay/non-payment of wages were being ascertained.

### 3.12.18 Other points of interest

#### (i) Non-maintenance of Register of Assets

Complete inventory of assets created under the programme was to be maintained at Village, Block and DRDA levels, giving details of date of commencement, cost involved, benefits provided, employment generated, date of completion, photographic record of work, etc. No such record was maintained at DRDA level in Bhilwara, Banswara, Pali and Sawaimadhopur districts. At the block or executing agency level, the register of assets was found maintained in only 5 out of 28 offices test-checked.

#### (ii) Non-maintenance of assets

The assets created were to be maintained by the Departments and necessary allocations were to be made in the State budget. Detailed instructions were also to be issued by the State Government to the Departments for maintenance of assets.

During test-check of selected districts it was noticed that no such provision had been made in the State budget and no instructions for maintenance of assets were issued.



### 3.12.19 Monitoring

No project monitoring cell was in existence at the Special Schemes Organisation (SSO) for monitoring the progress of RLEGP. It was intimated by the State Government (September 1989) that occasional monitoring was done from time to time by the Project Director (Engineering), Executive Engineer and Project Officer, and that other officers of the SSO also inspected the RLEGP works during their normal inspections. No periodic monitoring report of the programme was, however, submitted to the Government of India.

## TRANSPORT DEPARTMENT

### 3.13 Unfruitful expenditure on pay and allowances

The Gliding Instructor of Rajasthan State Flying School, Sanganer (Jaipur) retired from service in December 1986. After protracted consideration by Government, the qualifications for the appointment of a gliding instructor were prescribed in September 1988. The post was advertised in November 1988, and the applications received were sent to Government in December 1988; but the appointment was made only in June, 1990. The post of the instructor remained vacant from January 1987 to May 1990, and as a result the Flying School did not function. The other operational staff comprising a winch-operator, two traffic-hands and a driver were, however, continued without performing any useful work, resulting in unfruitful expenditure of Rs. 2.23 lakhs on their pay and allowances till May 1990.

The matter was referred to Government in August 1989; reply has not been received (October 1990).

## WOMEN AND CHILD DEVELOPMENT DEPARTMENT

### 3.14 Extra expenditure

In February 1988, the Regional Deputy Director, Women, Children and Nutrition (WCN) Department, Jodhpur, entered into an agreement with firm 'A' of Jaipur for supply of Dal Moong, Gur and Salt at a total cost of Rs. 24.00 lakhs, to 12 Children Development Projects (CDPs). The quantity of Dal Moong, Gur and salt, to be procured was not specified in the supply order. However, as per the scale of nutrition laid down by the Government, monetary ratio of Dal and salt/Gur should be 10:3. Accordingly Dal worth Rs. 18.46 lakhs and Gur/salt worth Rs. 5.54 lakhs should have been purchased. Gur and salt for Rs. 20.71 lakhs were purchased from the firm in February/March 1988, while Dal Moong was purchased for Rs. 0.63 lakh only in October 1988.

In June 1988 the Director obtained the permission of the Government for inviting short-term tenders for supply of Dal Moong stating that the firm was not willing to supply Dal Moong due to hike in prices.

On the basis of the fresh short-term tenders invited in June 1988, 1,780 quintals of Dal Moong for these 12 CDPs were purchased in July 1988 from two other firms of Jaipur at rates ranging from Rs. 9.94 to Rs. 10.16 per kg. which were higher than that of the first firm (Rs. 7.63 per kg.). The purchase of Dal Moong at higher rates from other sources during the currency of the agreement with firm 'A' resulted in extra expenditure of Rs. 4.20 lakhs.

Government, to whom the matter was reported in August 1989, stated (February and June 1990) that firm



'A' had expressed inability (June 1988) to supply Dal Moong due to its non-availability in the market. But the very fact that two other firms could supply Dal Moong in July 1988 disproves this contention.

## FINANCE AND EDUCATION DEPARTMENT

### 3.15 Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts noticed during local audit are communicated to heads of offices and to next higher departmental authorities through audit inspection reports. For their early settlement, Government issued instructions (August 1969) to all departmental officers for (i) sending first replies to audit inspection reports within a month, and replies to further observations from audit within a fortnight; and (ii) maintenance of a register of audit inspection reports and its critical and careful review once in a month/fortnight by the departmental officers concerned. In September 1987, the Finance Department, while reiterating the instructions issued from time to time, stressed that there should be no delay in disposal of inspection reports.

At the end of June 1989, 4,755 inspection reports involving 22,786 paragraphs issued during the period from 1972-73 to 1988-89 (reports issued upto December 1988) had not been settled, as shown below (with corresponding figures for the earlier two years):

	As at the end of June		
	1987	1988	1989
Number of inspection reports with paragraphs not settled	4,204	4,632	4,755
Number of paragraphs	25,934	25,582	22,786
Earliest year of issue	1969-70	1971-72	1972-73

Year-wise break-up of the outstanding inspection reports is given below:

	Number of inspection reports	Number of paragraphs
Upto 1983-84	795	2,540
1984-85	323	1,328
1985-86	777	3,407
1986-87	909	4,049
1987-88	1,172	6,801
1988-89	779	4,661
	4,755	22,786

For prompt settlement of inspection reports, Audit Committees were formed in 1985-86 in three out of 35 departments of the Government consisting of the Secretary of the controlling Department, the Head of the Department, Deputy Secretary, Finance Department and representatives of the Chief Accounts Officer, Rajasthan and the Accountant General. Meetings of these Audit Committees were held only once in December 1986-May 1987 since their formation.

An analysis of the position of outstanding reports relating to the District Education Officers, Government Higher Secondary Schools and Secondary Schools revealed that at the end of November 1989, 976 inspection reports involving 3,722 paragraphs issued during the period from 1980-81 to 1988-89 (reports issued upto December 1988) remained outstanding. Year-wise details of these outstanding



inspection reports are given below:

Number of Inspection reports				
	Distt. Education Officers	Higher Secondary Schools	Secondary School	Total
1	2	3	4	5
Upto				
1983-84	12	49	21	82
1984-85	17	36	25	78
1985-86	31	40	80	151
1986-87	40	88	140	268
1987-88	76	69	133	278
1988-89	40	35	44	119
TOTAL:	216	317	443	976

Number of Outstanding paragraphs				
	Distt. Education Officers	Higher Secondary Schools	Secondary Schools	Total
1	6	7	8	9
Upto				
1983-84	43	111	54	208
1984-85	52	66	47	165
1985-86	114	186	198	498
1986-87	192	376	397	965
1987-88	370	352	461	1,183
1988-89	238	233	232	703
	1,009	1,324	1,389	3,722

A review of the outstanding inspection reports of the Education Department, conducted during May to December 1989, disclosed the following :

- (i) First reply to 269 inspection reports involving 1,409 paragraphs had not been sent by the Department till November 1989. In the remaining cases, delay in furnishing the reply ranged between one year to five years;
- (ii) In 38 cases (27 to 187 months old), sanctions of the competent authority for regularising expenditure had not been obtained;
- (iii) Out of 49 offices, in five districts (Ajmer, Bharatpur, Jaipur, Alwar, Tonk) checked; the register prescribed for keeping a watch over the timely disposal of the inspection reports was not maintained in 46 offices, in the remaining three offices, it was not maintained in the prescribed form;
- (iv) An analysis of some of the paragraphs revealed that important observations commented upon in inspection reports remaining unsettled broadly comprised of:

	No. of paragraphs	Amount involved <i>(Rupees in lakhs)</i>
1. Irregular purchases without inviting tenders during the period 1981-82 to 1986-87.	44	9.94
2. Non-recovery/short-recovery of rent from staff for Government accommodation during the period 1971-72 to 1988-89.	8	0.27



	No. of paragraphs	Amount involved (Rupees in lakhs)
3. Overpayment/irregular payment of pay and allowance to the staff made during 1965-66 to 1988-89.	16	0.53
4. Theft cases relating to the period 1968-69 to 1987-88.	16	0.67
5. Embezzlement cases relating to the period 1959-60 to 1984-85	5	1.01
	89	12.42

The matter was reported to Government in January 1990, reply has not been received (September 1990).

## CHAPTER—IV

### WORKS EXPENDITURE

#### INDIRA GANDHI NAHAR PARIYOJANA DEPARTMENT

##### 4.1 Overpayment due to application of incorrect rates

The specifications for Highways prescribed by the State Public Works Department in 1981 provide, *inter alia*, that payments for the transportation of material over paved (pucca) roads and unpaved (kaccha) roads shall be made at different rates as prescribed in the schedule of rates. Paved or pucca roads for this purpose shall include roads that have been given some sort of treatment (i. e. with cement concrete, black top, metal, kankar, gravel or stabilised soil). The rates for the transportation of materials over pucca roads are lower than those applicable to transportation over kaccha roads.

Thirty contracts for the transportation of bajri (sand) from the Ghogri river to 13 workshops (engaged in the manufacture of pre-cast cement concrete blocks) in 7 Divisions of the Jaisalmer Zone of the Indira Gandhi Nahar Pariyojana were awarded to 21 contractors by the Department during 1987-88 and 1988-89. The transportation of bajri from the river to these workshops involved a lead of 6 kilometres over a kaccha road.

In November 1987, the Executive Engineer, 19th Division, Jaisalmer, informed all concerned that a portion of this kaccha road (distance: 4.5 kilometres) had been



paved with gravel, and that payment for transportation of bajri over this stretch should be made at lower rates applicable to gravel (pucca) roads. Contrary to these instructions, all the Divisions continued to make payments to the contractors for transportation over this portion at the higher rates applicable to kaccha roads even after November 1987. This resulted in overpayments totalling Rs. 2.46 lakhs upto February 1990.

The Department stated (August 1989) that although the road in question had been paved with gravel, it was not designed for heavy loads and had become worse than a kaccha road after two or three movements of vehicles, and that the road could not, therefore, be covered by the definition of a pucca road, which justified the payments made to the contractors. This contention is not tenable in view of the fact that, according to the specifications of the Public Works Department, roads paved with gravel are to be treated as pucca roads. Further the instructions in this regard issued in November 1987 by the Executive Engineer, 19th Division, in whose jurisdiction the road lay, had not been withdrawn.

The matter was reported to the Government in May 1989; reply has not been received (October 1990).

#### 4.2 Infertuous expenditure

The Additional Chief Engineer, Indira Gandhi Nahar Pariyojana (IGNP), Jaisalmer, sanctioned, in September 1986, 10 estimates for the manufacture of 35 lakh tiles and 2 lakh bricks at each of the ten kilns located at RD-54 (5 kilns) and RD-86 (5 kilns) of the Sagar Mal Gopa Branch of the Indira Gandhi Main Canal, using soil available locally which had been tested earlier in 1981-82. Tenders for these kilns were approved by the Indira Gandhi Nahar Board (IGNB) in December 1986, and the works were

awarded to contractors.

The Specifications of the soil to be used in the manufacture of tiles and bricks, issued in January 1986 by the Chief Engineer, Indira Gandhi Nahar Pariyojana, envisaged that the permissible size of the nodules in the soil should not exceed 1.5 mm. The size of the nodules not having been determined in the test undertaken earlier in 1981-82, the soil was re-tested in January 1987 before the commencement of manufacture of tiles and bricks in these kilns. The test results revealed the presence of nodules of size 2 mm. and more in the soil making it unsuitable for the manufacture of tiles and bricks. Laboratory test of three samples of burnt tiles, moulded with this soil and burnt in one of the kilns on an experimental basis, also revealed in January 1987 that the samples broke while processing and setting.

The Executive Engineer, 19th Division, Jaisalmer, brought these facts to the notice of the Superintending Engineer in January 1987, and sought his directions on whether the manufacture of tiles and bricks should be stopped or continued. In the absence of any response from the Superintending Engineer, 5,522.62 tonnes of coal (cost: Rs. 40.83 lakhs) were transported to the kiln sites at a cost of Rs. 11.67 lakhs and manufacture of tiles and bricks commenced in five of the kilns (RD 54 : 2 kilns, RD 86 : 3 kilns) thereafter during February-May 1987, 57.22 lakh tiles and 0.46 lakh bricks moulded with the soil available locally were loaded in these kilns for firing for which 2,469.63 tonnes of coal (value : Rs. 18.26 lakhs) were consumed. Of these, only 3.49 lakh tiles



(6.1 per cent), obtained from two of the kilns, were found to be of the desired specifications, while none of the bricks conformed to the specifications. The kilns were, therefore, closed during June-July 1987, and further manufacture of tiles and bricks was discontinued.

The manufacture of the tiles and bricks when it was known that the soil available locally was unsuitable resulted in infructuous expenditure of Rs. 29.13 lakhs, representing the cost of 2,385.87 tonnes of coal consumed in the manufacture of tiles and bricks of unacceptable quality. (No payment was made for the unaccepted tiles and bricks).

Government decided to take disciplinary action against the officials responsible for the lapse, and requested the Chief Engineer, Indira Gandhi Nahar Pariyojana, in January 1990 to submit a draft charge-sheet alongwith the relevant records.

The matter was reported to Government in February 1989; reply has not been received (May 1990).

## IRRIGATION DEPARTMENT

### 4.3 Irregular expenditure

The Public Works Financial and Accounts Rules prescribe that, in the case of contracts for completed item of works, no carriage or incidental charges are to be borne by Government for moving material beyond the place where the contractors have agreed to take delivery thereof.

The agreements in respect of 97 construction/lining works executed by the Rehabilitation and Survey Division, Mahi Bajaj Sagar Project, Banswara, during the period 1986-87 to 1987-88 provided for the supply of cement to contractors at the Central Store, Banswara. Cement transported by the contractors at their cost from the Central Store was, however, retained initially in the departmental stores at various sites, and was transported subsequently to the actual work sites at Government cost by engaging labour on muster rolls. Besides, departmental store yards for 78 works were maintained exclusively for stocking cement issued to the contractors, and the expenditure on watch and ward of these store yards was also borne by the Department. This resulted in irregular expenditure totalling Rs. 1.22 lakhs on the carriage of cement from the departmental stores to the work sites (Rs. 0.46 lakh) and on watch and ward (Rs. 0.76 lakh) during the period June 1986 to September 1987. This practice was, however, discontinued at the instance of Audit. Responsibility for the irregular expenditure has not been fixed (August 1989).

The matter was reported to the Government in January 1989; reply has not been received (June 1990).

#### 4.4 Extra expenditure on acquisition of excess land and avoidable payment of interest

The construction of a bund on Amani Shah Ka Nallah at Jaipur to control and regulate the flow of water in the Nallah in the rainy season was sanctioned by the additional Chief Engineer, Irrigation, Jaipur Zone, in December 1981 at an estimated cost of Rs. 34.75 lakhs. Notification for the acquisition of land likely to be submerged was issued in February 1982. Based on a survey conducted



between November 1981 and January 1982, possession of 1,045 bighas and 8 biswas (Government land : 627 bighas and 5 biswas, Private land : 418 bighas and 3 biswas) in two villages was taken in August 1982, and the construction of bund was completed by March 1983.

As the departmental representative did not attend the proceedings on the appointed date (18 March 1983), the Land Acquisition Officer, Jaipur, issued in August 1983 ex-parte awards amounting to Rs. 55.32 lakhs for 418 bighas and 3 biswas of private land. The compensation was, however, not paid immediately due to non-allotment of funds by Government. The awardees sought redressal in the Jaipur bench of the Rajasthan High Court during 1985.

Meanwhile, a fresh survey undertaken (September 1985) by the Executive Engineer disclosed that only an area of 275 bighas and 9 biswas (Government land: 210 bighas and 2 biswas, Private land : 65 bighas and 7 biswas) actually came under submergence, against 1,045 bighas and 8 biswas taken over earlier. On the advice of the Legal Affairs Department, a notification for the de-acquisition of the surplus private land acquired was issued in September 1985, to avoid payment of compensation for the land acquired in excess. One of the awardees challenged the notification in the High Court. On a further examination, and based on the opinion (January 1986) of the Government counsel that there could be no question of de-acquisition of land already acquired and taken over, the case was not contested in the Court, and payments totalling Rs. 60.04 lakhs (compensation: Rs. 52.92 lakhs and interest: Rs. 7.12 lakhs) were made to the awardees between September 1985

and February 1987. Compensation amounting to Rs. 2.40 lakhs only remained unpaid in the absence of clear title to the land.

As mentioned, the survey conducted in 1985 had revealed that only 65 bighas and 7 biswas actually came under submergence. The private land of 324 bighas and 4 biswas acquired in one of the 2 villages (Beed Paped) did not come under submergence. Acquisition of 352 bighas and 16 biswas of land in excess of actual requirements resulted in avoidable expenditure of Rs. 51.74 lakhs, including interest on belated payment of compensation. Responsibility for the excess acquisition of land had not been fixed (July 1990).

The matter was reported to the Government in February 1989; reply has not been received (September 1990).

## **PUBLIC HEALTH ENGINEERING DEPARTMENT**

### **4.5 Extra Payment due to amendment of supply condition**

The Superintending Engineer, District Circle, Jodhpur, invited tenders in February 1987 for supply of rubber rings of different dimensions for cast-iron detachable joints, duly inspected by Engineers India Limited (EIL). The lowest offer received was not considered on the ground that the concerned firm had offered to supply only commercial quality rubber rings and had also not agreed to prior inspection of the supplies by EIL. Of the two firms which had agreed to this condition, one had quoted two sets of prices—higher unit prices for supplies



to be made after inspection by EIL, and lower unit prices in respect of general quality rubber rings supported only by laboratory-test certificates. The offer of this firm having been found to be lower, the Department placed an order on it in March 1987 for the supply of 61,000 rubber rings of varying dimensions at the higher prices applicable to supplies to be made after inspection by EIL. The supplies were to be completed within a period of eight to twelve weeks.

The firm, however, informed the department in July 1987 that although production of the rubber rings was in progress, their inspection by EIL prior to despatch had been rendered difficult because the testing equipment required to be provided by the firm was not readily available in the market and that its procurement was likely to be time-consuming. In the circumstances, and in the context of the urgency expressed by the Department, the firm suggested that the supplies might be got tested by some other Government agency, either prior to despatch at its premises or after their receipt. The Department amended the supply order in September 1987, providing for the despatch of the rings after visual inspection by the Directorate-General of Supplies and Disposals. On completion of the supplies, payments totalling Rs. 1.93 lakhs, computed at the higher unit prices applicable to supplies after inspection by EIL, were made to the firm in November and December 1987.

The higher prices at which payments were made to the firm were applicable only when inspection was undertaken by EIL, involving the procurement of

appropriate testing equipment by the firm. The condition of prior inspection by EIL having been dispensed with, the payments to the firm should have been restricted to the lower prices quoted by it for supplies with only laboratory-test certificates. Computed with reference to these prices, the payment resulted in an unjustified additional benefit of Rs. 0.89 lakh to the firm.

Government stated (March 1990) that as the testing equipment required by EIL was not available, and since both EIL and the Directorate General of Supplies and Disposals were authorised Government agencies for inspection, the firm's request in this regard had been accepted so as to ensure early supply of the material, and there was no unjustified payment. The reply was, however, not tenable in view of the fact that, the condition precedent to the applicability on the higher prices had not been fulfilled by the firm. The visual inspection finally agreed to did not involve procurement of testing equipment by the firm, the cost implications of which would have been relevant to the higher quotation. In the circumstances, the payments made to firm at the higher prices could not be considered justified.

#### 4.6 Extra expenditure due to non-acceptance of tenders within validity period

The Chief Engineer, Public Health Engineering Department (PHED), invited tenders for the supply of 8,000 metres of casing pipes of 200-mm nominal bore and 8-mm thickness on 1 September 1984, and the tenders received were opened on 7 January 1985. As the Steel Authority of India Limited, whose offer was the lowest



(Rs. 291.58 per metre), was not in a position to supply the pipes immediately from stock, the next higher offer of Rs. 329.55 per metre, subject to price variation received from firm 'A' was accepted on 17 April 1985 by the Stores Purchase Committee (SPC), in order to meet urgent requirements. The firm, however, informed the Department on 30 April 1985 that they were not in a position to accept the order because the validity period of their offer had expired on 13 April 1985, and the availability of raw material had also undergone a significant change. The firm nevertheless offered to supply the pipes provided that the necessary raw material was made available by the Department.

Tenders were thereafter re-invited for opening on 31 July 1985. While the lowest offer (Rs. 481.73 per metre) received was considered to be high, firm 'A' offered (August 1985) to supply 3,000 metres of casing pipes at a rate of Rs. 418.55 per metre as a goodwill gesture. This was accepted, and a supply order for this quantity was placed on the firm. The pipes were supplied in October 1985. On account of non-acceptance of the original offer of firm 'A' within its validity period, the Department incurred an extra expenditure of Rs. 0.99 lakh on the purchase, after taking into account the impact of the price variation clause in that offer.

The matter was reported to the Government in February 1989; reply has not been received (September 1990).

## CHAPTER V

### STORES AND STOCK

#### AGRICULTURE (COMMAND AREA DEVELOPMENT AND WATER UTILISATION) DEPARTMENT

##### 5.1 Non-recovery of sales tax and avoidable payment of interest

The Workshop and Stores Division (subsequently merged in the Field Machinery Division II), Command Area Development (C.A.D.), Kota, sold 4,185 surplus drums and bitumen for Rs. 19.25 lakhs to six autonomous bodies, statutory corporations and the Railways between April 1983 and January 1984, without getting itself registered as required under the Rajasthan Sales Tax Act. Sales tax as applicable was also not recovered on these sales.

The Commercial Taxes Officer served a notice on the Division in April 1984 that it should get itself registered under the Act with effect from 1 January 1983. The Executive Engineer, thereafter, filed an appeal with the Deputy Commissioner, Commercial Taxes (Appeals), contesting the liability for registration, on the ground that the Department could not be treated as a dealer since it was not involved in trading activities. The appeal was rejected in December 1984. A second appeal was filed before the Tribunal in July 1985, but it was not pursued on the advice of the Law Department. Though the relevant records should have been produced before the sales



tax authorities immediately thereafter for the purpose of assessment, this was not done. The sales tax authorities, completed the assessment ex-parte in December 1987 and levied sales tax of Rs. 1.54 lakhs, besides interest of Rs. 1.12 lakhs for the delay of 44 months in payment of the tax due, which was deposited by the Division during March-September 1988. Of the total amount of Rs. 1.54 lakhs paid on account of sales tax, only Rs. 0.37 lakh had been recovered from the buyers (April 1989).

Government, to whom the matter was reported in January 1989, stated (December 1989) that demands for recovery from the concerned units had been raised. Information about recovery was awaited (June 1990).

## IRRIGATION DEPARTMENT

### 5.2 Fraudulent manipulation in stores accounts

A test-check of the stores and stock accounts of the Irrigation Division, Banswara, for the period from July 1985 to May 1987, conducted by Audit in November 1987, revealed the following:

(i) The half-yearly returns of balances were not prepared by the storekeeper;

(ii) The half-yearly register of stock was not maintained in the Divisional office;

(iii) 538 bags of cement, received in November 1985 (373 bags) and March 1986 (165 bags), were not accounted for in the stores ledger account, and the omission was also not pointed out in the physical verification conducted in March 1986;

(iv) Out of 950 bags of cement for which issue notes were prepared in June 1986 (750 bags) and January 1987 (200 bags), only 350 bags were accounted for as having been issued in the stores ledger accounts.

Besides, in the absence of the half-yearly returns and half-yearly registers, the annual physical verification conducted could not be considered to have been effective, though the certificates of physical check were recorded in the ledger.

A physical verification and check of the stock accounts for the period from August 1983 to November 1987 (period of incumbancy of the then storekeeper), undertaken by the Department subsequently in July 1988 on the basis of audit observations, disclosed shortages of 5,983 bags of cement (Rs. 3.33 lakhs) and other <sup>Cost:</sup> miscellaneous articles (Rs. 0.19 lakh). These shortages were attributed to issues without gate passes and obtaining acknowledgement of recipients, non-accountal of receipts and issues, mistakes in working out balances, etc. The storekeeper was placed under suspension in July 1988.

While accepting the facts, Government stated (July 1990) that a court case had been filed against the storekeeper, and action had also been initiated in December 1989 for recovery of the value of shortages under the Public Demands Recovery Act. No departmental enquiry had, however, been initiated till June 1990.

## **MEDICAL AND HEALTH DEPARTMENT**

### **5.3 Purchase of defective instruments/X-ray machines**

The following instruments/X-ray machines procured during the period March 1983 to March 1987 at a



cost of Rs. 18.19 lakhs have not been put to use so far:

S.No.	Name of instrument	Cost (Rupees in lakhs)	Date of receipts	Remarks
1	2	3	4	5
<i>(A) Ravindra Nath Tagore Medical College, Udaipur</i>				
1.	(i) Opti-surgicon	1.80	March 1985	In August 1985, the Principal and Controller certified that the instruments had been installed and demonstrated. The Head of the Ophthalmology department reported in March 1989 that the instruments were never used as these had not been properly installed. The firm removed (July 1989) two cables of diathermy for repairs, and they were yet to be returned in April 1990.
	(ii) Opti-vitreon	2.02	July 1985	
2.	(i) Argon Brittlaser	9.39	August 1986	The instruments were imported and installed in September 1986, but their performance was only theoretically demonstrated in October 1987. As the instruments did not work satisfactorily, in April 1988 the firm was requested to repair them, which had not been done as of April 1990.
	(ii) Krypton laser			
3.	Autonops Micro - Computarised Tonometer Tonograph	1.86	March 1987	The instrument, imported in March 1987, was installed in June 1987. After some minor repairs, it was

S.No.	Name of instrument	Cost (Rupees in lakhs)	Date of receipts	Remarks
1	2	3	4	5

certified to be in working condition in November 1987. However, the instrument did not work satisfactorily, and no patient could be treated. In March 1988 the Department requested the firm to depute an expert engineer from France. The instrument had not been repaired as of April 1990.

**(B) Primary Health Centres (PHC)**

4.	X-ray machine at PHC Balesar	1.46	March 1983	The machine was installed in December 1983 and commissioned in February 1984. It remained idle from April 1985 to March 1986, and again from August 1986 till October 1989 as a Radiographer was not posted for operating the machine. The reasons for not filling the post of Radiographer had not been intimated (December 1990).
5.	X-ray machine at PHC Bhopalgarh	1.66	June 1984	The machine was delivered in June 1984, and installed in September 1985; but it could be demonstrated only in January 1986, because of structural shortcomings in the dark room and lack of ancillary facilities at the PHC. It was, however, reported that it was not possible to 'screen' properly with



S.No.	Name of instrument	Cost (Rupees in lakhs)	Date of receipts	Remarks
1	2	3	4	5

the machine. On 7 February 1986, the machine was reported to be neither "exposing nor screening". It had not been repaired by the firm till September 1989. The warranty period of 12 months had expired in February 1985.

The above cases were reported to Government in October and December 1989. Progress in the repair/utilisation of the equipments has not been intimated (December 1990).

## CHAPTER VI

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### FINANCE DEPARTMENT

#### 6.1 General

6.1.1 During 1988-89, Rs. 498.86 crores, constituting about 19.41 per cent of the total revenue expenditure (Rs. 2570.72 crores) of the State Government during the year, were paid as grants to local bodies, co-operative societies, private institutions and other non-Government bodies, as shown below:

	(Rupees in crores)
1. Panchayat Samitis and Zila Parishads	137.59
2. Educational Institutions	57.21
3. Co-operative Societies and Co-operative Institutions	3.46
4. Other institutions and bodies	300.60
	498.86

The table below shows broadly the purpose for which the grants were given:

	(Rupees in crores)
1. Rural Employment and other Rural Development Programmes	198.54
2. Education	
(a) General Education	159.45
(b) Technical Education	3.40
	162.85



3. Roads and Bridges	37.52
4. Power	20.53
5. Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	17.50
6. Crop Husbandry	13.03
7. Urban Development	11.13
8. Industries, including village and small industries	8.91
9. Compensations and assignments to Local Bodies and Panchayati Raj Institutions	6.26
10. Others	22.59
	<hr/> 498.86 <hr/>

### 6.1.2 Audit of financial assistance to local bodies and others

(a) According to the provisions of section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants or/and loans from the Consolidated Fund of India or of a State are to be audited by the Comptroller and Auditor General of India. For this purpose, a body or an authority is deemed to be substantially financed in a year if the total amount of grants and loans received by it during the year, including the unutilised balance, if any, of grants or/and loans of the previous year(s), is not less than Rs. 25 lakhs and also not less than 75 per cent of the total expenditure of the body or authority in that year.

For identification of such bodies and authorities, all administrative Departments of the State Governments were requested in June 1989, to furnish information about grants and loans given by them and their subordinate offices to the bodies and authorities during 1988-89, along with the total expenditure for the year of such bodies and authorities. This requirement of Audit was also brought to the notice of the Finance Department in December 1989, with the request to make available the relevant information for the previous years from the defaulting Departments and offices. However, information for 1988-89 has not been received (July 1990) from several Departments, including Tribal Area, Energy, Medical and Health which normally release large amount of grants and loans. Further, the Agriculture (Group XI) department had not furnished similar information for the years 1985-86 and 1986-87.

(b) On the basis of information received (July 1990) from the administrative departments, the details of the number of bodies/authorities which received grants/loans of Rs. 25 lakhs or more in a year during 1987-88 and 1988-89 and from whom accounts were awaited are given below :

	1987-88	1988-89
(i) Number of bodies/authorities which received grants/ loans of not less than Rs. 25 lakhs per annum	25	27
(ii) Out of the bodies/ authorities at (i) above—		
(a) Number of bodies from which accounts have been received	18	15
(b) Number of bodies from which accounts have not been received	7	12



Non-submission of accounts was mainly due to non-compilation of annual accounts by the organisations.

## INDUSTRIES DEPARTMENT

### 6.2 Heavy carding losses

The permissible percentage of wastage in carding raw wool of different types of wool by the Khadi and Village Industries Commission (KVIC) and the actual wastage in the two production centres (Ooni Utpati Kendra, Bikaner, and Oon Anubhag, Barmer) during 1986-87 and 1987-88, were as under :

Type of wool	Percentage of wastage		
	Norms	Actual	Quantity of excess wastage ( Kgs.)
Desi	25	26 to 33	227
Mix Marino	15	17 to 22	4,260
Grey Black	20	26	69

The total excess wastage during the two years was valued at Rs. 3.24 lakhs.

The excessive wastage in carding was attributed by the Rajasthan Khadi and Gramodhyog Board/Government (September 1989) mainly to the use of better quality "Ashadu" raw wool which gives less yield after carding, not washing the raw wool before carding due to non-availability of scouring plant, and use of old carding machines/clothing. The Government also stated that the percentage of wastage in carding adopted by the KVIC

in the price chart was a guideline for working out the sale price of the products and was not final. This reply was not tenable, since the prices were fixed adopting the prescribed norms of wastage in various processes, and any higher wastage amounted to a corresponding loss.

### 6.3 Non-recovery of dues from an institution and irregularities in disbursement of assistance

Under the Intensive Development Programme, the Khadi and Village Industries Commission (KVIC), Bombay, took a decision to avail of the services of some of the selected institutions engaged in welfare activities in rural areas for providing assistance to ancestral rural artisans to establish village industries. The KVIC issued (September 1978) detailed guidelines for selection of the institutions, and disbursement of financial assistance to individual artisans through such institutions. The guidelines laid down that there should not be any type of accumulated loss in the Balance Sheets of the institutions. However, an institution having such an accumulation could be considered if it did not incur any loss in the last 3 consecutive years. The institution would be responsible for arranging recovery of the loans from artisans and remit them to the Khadi Board.

The Rajasthan Khadi and Gramodyog Board, (hereafter called Board) selected the Rajasthan Gramodaya Sans-than, Jaipur (registered in February 1978 under the Societies Registration Act) for the purpose, though its Balance Sheet for the year ending 31 March 1979 depicted a loss. The Board sanctioned and paid (March 1980) to the institution an amount of Rs. 10.17 lakhs for disbursement of assistance



in the form of loans (Rs. 8.43 lakhs) and grants (Rs. 1.74 lakhs), as per prescribed pattern, to individual artisans engaged in eight rural industries, viz, fruit processing and preservation, non-edible oils and soap, carpentry and blacksmithy, ghani oil, leather craft, pottery, bee-keeping and gober gas, in Sanganer Tehsil of Jaipur District. The institution, however, disbursed assistance amounting to Rs. 9.86 lakhs only (loan : Rs. 8.26 lakhs and grant Rs. 1.60 lakhs).

It was observed in Audit that:

(i) The institution utilised an amount of Rs. 4.14 lakhs in disbursement of assistance for three unapproved industries (pulses and cereals, fibre and lime) (Rs. 2.69 lakhs) and in excess (Rs. 1.45 lakhs) of the approved pattern to three industries (blacksmithy and carpentry, leather craft and pottery). While in the case of Ghani oil the assistance was disbursed short (Rs. 1.76 lakhs) of the approved pattern, no assistance was paid in four approved industries (fruit processing and preservation, non-edible oils and soap, bee-keeping and gober gas).

(ii) The institution had recovered from the artisans an amount of Rs. 5.81 lakhs upto 1984-85 towards repayment of loans, but remitted only Rs. 1.49 lakhs to the Board. The position of recovery made by it beyond 1984-85 was not available with the Board.

(iii) The utilisation certificate for the amount of grant of Rs. 1.74 lakhs was not furnished by the institution to the Board.

There being no progress in recovery of the outstanding amount, the Board referred (February 1985) the

matter to the Collector, Jaipur, to effect recovery from the institution under the Public Demands Recovery Act. In May 1986, the Collector informed the Board that efforts were being made to effect recovery of Rs. 2.92 lakhs, equivalent to the value of the assets under the possession of the institution, and the balance amount should be recovered by the Board. Neither the recovery of Rs. 2.92 lakhs had been made through the Collector, nor the balance amount of Rs. 5.76 lakhs recovered by the Board, as of (April 1990).

The Government to whom the matter was reported in August 1989 stated (December 1990) that action for recovery under Public Demands Recovery Act was being taken.

## **SPECIAL SCHEMES AND INTEGRATED RURAL DEVELOPMENT DEPARTMENT**

### **6.4 Excess payment of Risk Fund contribution**

For encouraging Co-operative Credit Institutions to extend loan facilities to small and marginal farmers and agricultural labourers under the Centrally-sponsored Integrated Rural Development Programme, District Rural Development Agencies, (DRDAs) provide Risk Fund to such Institutions as outright grants, proportionate to the loan assistance extended by them to the identified small/marginal farmers and agricultural labourers Risk Fund contribution at the prescribed rates was payable to the Co-operative Credit Institutions on the total quantum of such advances made during the initial year, and in any subsequent year it was payable only on the additional quantum of loan given during that year over and above the maximum quantum of loans given in any of the previous years.



A test-check of the records of the DRDA, Banswara, conducted during November-December 1988, revealed that the DRDA allowed Risk Fund contribution on the total amount of short-term loans advanced by the Co-operative Credit Institutions in each year (1979-80, 1980-81, 1982-83 and 1984-85), without deducting the maximum quantum of loans advanced in the earlier years for which the Risk Fund coverage had already been given. This resulted in excess payment of Rs. 1.90 lakhs. The Government stated (June 1990) that the amount would be recovered from the Central Co-operative Bank. Information about recovery was, however, awaited (September 1990).

### 6.5 Irregular payment of Subsidy to big farmers

The Desert Development Programme (a Centrally-sponsored scheme) **inter-alia** provided for boring of tube-wells for small and marginal farmers in the identified areas. Subsidy at the rate 25 per cent and 33 1/3 per cent of the cost was available for the small and marginal farmers under the scheme, and the balance was to be met from loans sanctioned by financing institutions. In the event of the tube-wells failing, the cost of boring was to be borne by the DRDA-100 per cent in the case of complete failure and 50 per cent in the case of partial failure. In the case of big farmers, money for such work was to be advanced by the farmers themselves, and no subsidy was admissible. The DRDA Pali, however, used its funds for such works also, and converted an expenditure totalling to Rs. 4.51 lakhs incurred between August 1987 and March 1988 into subsidy to 20 big farmers whose tubewells had failed.

Government, to whom the matter was reported in May 1989, accepted (February 1990) the facts. Action taken against the persons responsible for irregular payment of subsidy and for recovery of the payment was, however, not initiated (January 1991).

## 6.6 - Infuctuous expenditure

The DRDA, Jaipur, allotted funds (January-December 1986) amounting to Rs. 6.10 lakhs under the National Rural Employment Programme (NREP) to the Panchayat Samiti, Bassi, for construction of water reservoirs in 17 villages (one in each village) to provide drinking water to the villagers. The reservoirs were constructed between May 1986 and August 1987, at a cost of Rs. 6.09 lakhs. No provision for installation of pump sets, pipelines etc. for commissioning these reservoirs was made. Till August 1990 only three out of 17 reservoirs had been transferred to the Public Health Engineering Department (PHED). Information about their actual use has, however, not been received (January 1991).

The Superintending Engineer, District Circle, Jaipur, requested (January 1988) the Chief Engineer, PHED, for according administrative and financial sanction for Rs. 12.57 lakhs for commissioning these service reservoirs. The Chief Engineer, however, stated (April 1988) that the villages had already been covered under the hand-pump schemes, and could not be covered by the scheme for supply of water through pipes. The hand pumps schemes for these villages had been sanctioned between September 1979 and February 1986, and the PHED was not consulted prior to the construction of these reservoirs. Construction of reservoirs without planning and lack of co-ordination between the Departments resulted in infuctuous expenditure of Rs. 6.09 lakhs.



The matter was reported to Government in August 1989; final reply had not been received (September 1990).

## **URBAN DEVELOPMENT AND HOUSING DEPARTMENT**

### **6.7 National Capital Region—Integrated Urban Development Programme for Alwar District.**

#### **6.7.1 Introduction**

With a view to keeping the population and the area of Urban Delhi within manageable limits, a National Capital Region Plan (N.C.R.P.) was conceived by the Government of India in 1962 and given a final shape in 1973. The plan envisaged integrated development of adjoining regions of Haryana, Rajasthan and Uttar Pradesh aiming at dispersal of population from Delhi to the peripheral and other regional towns and selective dispersal of wholesale trade, governmental and other economic activities in the region as a whole.

A National Capital Region Planning Board (hereafter called the Board) was set up in 1985, and was responsible (1) for preparation and implementation of regional as functional plans by participating States, and (2) overseeing the financing of selected development projects through Central and State plans and other sources of revenue.

The N.C.R. within the Rajasthan sub-region covers, besides Alwar city, six tehsils, viz. Ramgarh, Behror, Tijara, Mandawar, Kishangarh and Alwar of Alwar district.

According to the project report prepared by Government of Rajasthan, the outlays in NCRP were spread over a period of 22 years (1974-75 to 1995-96) in four phases. Phase-I (1974-79) was to coincide with the Fifth Five-Year Plan and consisted of five projects relating to acquisition, development, demarcation and disposal of land, creation and development of infrastructure, water supply, street lighting, construction of roads, drainage, sewerage, environmental development, slum development, social services like hospitals; educational institutions, etc.

#### 6.7.2 Organisational set-up

To plan and oversee the implementation of NCRP in Rajasthan, a State Level Standing Committee (SLSC) was constituted in August 1984 under the Chairmanship of Chief Secretary with the Secretary, Town Planning Department as its Member-Secretary. At the district level, the responsibility of implementation of NCRP vested with the Urban Improvement Trust (UIT) Alwar of which the Collector, Alwar, was the ex-officio Chairman. The Collector, was also the Chairman of the District Level Standing (Monitoring) Committee to be set-up to oversee the progress of NCRP. The Committee has not, however, been formed. The Chief Executive Officer of NCRP was the Secretary, UIT, Alwar who also acted as ex-officio Director, NCRP, Rajasthan.

#### 6.7.3 Audit coverage

This audit-review, conducted during March-June 1989, covers implementation of NCRP since its inception in 1974-75 to 1988-89. The coverage is, however, only 20 per cent of the expenditure in schemes taken up in the initial phase upto 1984-85, and 60 per cent of expenditure in schemes executed during 1984-85 to 1988-89.



#### 6.7.4. Highlights

The review brings out that despite the implementation of NCRP in Alwar region over a period of 14 years and incurring expenditure of Rs. 1,031.78 lakhs during that period, the objectives of NCRP, viz., dispersal of population, industries, trade, Government offices etc., from Delhi to Alwar region had not been achieved. The important points noticed in the execution of the various schemes are mentioned below :

- All the four projects (17 schemes) under Phase-I, due for completion by 1978-79, were completed by 1988-89, after delays ranging between 9 and 12 years. Out of 5,840 residential and 671 commercial plots, originally planned, only 4,220 residential and 537 commercial plots could be developed by March 1989. Development of 1,160 plots was curtailed due to transfer of 146.56 hectares (ha.) land acquired under the project to the Rajasthan Housing Board and Krishi Upaj Mandi.

(Paragraph 6.7.6)

- In the Countermagnet scheme, five Katchi Basti works on which expenditure of Rs. 11.17 lakhs had been incurred, were lying incomplete.

(Paragraph 6.7.7)

- In the Shivaji Park Commercial Complex scheme, out of 139 shops and kiosks completed by May 1988, 118 shops were yet to be disposed of.

(Paragraph 6.7.9)

- In the scheme for the development of Bhiwadi town, no expenditure was incurred during 1985-86 and 1986-87 though Central/State loans amounting to Rs. 134 lakhs were received resulting in payment of interest of Rs. 10.15 lakhs.
- Out of 734 plots developed only 445 plots had been disposed of (June 1989).

(Paragraph 6.7.12)

- The overall objectives of the NCRP Scheme had not been achieved.

(Paragraph 6.7.15)

#### 6.7.5 Financial arrangements

The N C R Plan was to be financed primarily from the internal resources of the implementing agency i.e. UIT, Alwar and the loans to be provided by the State Government. The Central assistance, in the form of loans to the extent of 50 per cent of the cost of the project, was intended to supplement the resources of the State Government and the implementing agency.

During 1974-75 to 1988-89, the Central assistance received by the State and UIT contribution and the expenditure incurred under various projects/schemes were as under:

Name of the Project/Scheme	Central assistance	State's share	UIT share	Total	Expenditure incurred (till 1988-89)
(Rs. in lakhs)					
1. Scheme of Phase-I, Alwar	252.00	140.00	112.00	504.00	526.66
2. Countermagnet Scheme, Alwar	47.05	15.00	32.10	94.15	94.18



Name of the Project/Scheme	Central assistance	State's share	UIT share	Total	Expenditure incurred (till 1988-89)
3. Katchi Basti, Alwar	38.00	..	38.00	76.00	75.57
4. Bhiwadi Town (Bhagat Singh Colony), Bhiwadi	95.00	39.00	56.00	190.00	112.80
5. Commercial schemes, Alwar	16.50	..	13.25	29.75	24.35
6. Shivaji Park Commercial scheme, Alwar	14.70	14.70	..	29.40	28.47
7. Rail-road over bridge, Alwar	70.00	48.30	21.70	140.00	68.59
8. Hasankhan Mewati Nagar, Alwar	78.50	50.00	28.50	157.00	101.16
9. Budh Vihar Residential scheme, Alwar	24.00	..	24.00	48.00	..
10. Truck terminal scheme, Alwar	15.00	10.00	5.00	30.00	..
TOTAL	650.75	317.00	330.55	1298.30	1031.78

Under the instructions issued by the Government of India in May 1977, a revolving fund for undertaking further developmental activities was required to be created within a short period, to which all amounts received from the Central and State Governments for developmental schemes as well as all proceeds by sale of

land and funds received as advances from potential beneficiaries, were to be credited.

It was observed that such a revolving fund was not set up formally.

The UIT did not keep scheme-wise accounts of receipts and expenditure of the Projects financed by the Board, nor did it prepare separate annual accounts and the Balance Sheet relating to NCR activities, although this was required to be done under the loan agreements between the UIT and the Board and also under Section 68 of the UIT Act 1959.

#### 6.7.6 Integrated Urban Development Programme (IUDP) for Alwar : Phase-I

The programme sanctioned by the State Government in November 1976 consisted of 17 schemes by acquisition, development and sale of land under four projects and envisaged an outlay of Rs. 504.30 lakhs.

##### (a) Financial provision and expenditure

The following table shows the year-wise position of Central/State loan assistance received, and UIT contributions made and expenditure incurred :

Year	Amount of loans assistance and UIT's contribution			Total	Expenditure incurred	Percentage of expenditure to funds available in each year
	Central	State	UIT			
(Rupees in lakhs)						
1974-75	10.00	10.00	..	20.00	2.09	10
1975-76	33.00	33.00	..	66.00	20.86	25
1976-77	..	..	..	..	61.41	97
1977-78	22.00	22.00	..	44.00	27.22	60



Year	Amount of loan assistance and UIT's contribution			Total	Expenditure incurred	Percentage of expenditure to funds available in each year
	Central	State	UIT			
	(Rupees in lakhs)					
1978-79	25.00	25.00	..	50.00	26.63	39
1979-80	..	..	..	..	22.02	53
1980-81	..	..	..	..	29.58	
1981-82	50.00	5.00	45.00	100.00	48.91	59
1982-83	70.00	10.00	60.00	140.00	88.78	49
1983-84	..	15.00	..	15.00	40.71	38
1984-85	42.00	20.00	7.00	69.00	83.31	61
1985-86	..	..	..	..	44.98	86
1986-87	..	..	..	..	19.46	
1987-88	..	..	..	..	8.06	
1988-89	..	..	..	..	2.61	
TOTAL	252.00	140.00	112.00	504.00	526.66	

Note : Percentage of expenditure incurred during the year has been worked out with reference to savings of the previous year plus loan assistance received during the current year.

### (b) Physical achievements

The seventeen schemes (of four projects) under phase-I were due for completion by 1978-79, but these were completed only by 1988-89.

The Trust had taken up for execution all the 4 projects in Phase-I simultaneously, even though the guidelines of the Government of India (March 1976) stipulated that only one or two viable projects of land acquisition, development and disposal should be taken up at any given time, to be completed within a short period to avoid time over-runs. The delays in completion of the schemes ranged from 9 to 12 years. The project-wise progress

is analysed in the table given below:

Sl. No.	Project No./ Proposed period of execution	Year of actual completion	Land to be acquired/ actually acquired (in hectares)	Short fall(—)/ Excess(+) (percentage)
1	2	3	4	5
1.	I (1974-76)	1986-87	21.23 19.96	(—)1.27 (6)
2.	II (1975-77)	1988-89	51.54 48.18	(—)3.36 (7)
3.	III (1976-79)	1987-88	130.36 104.85	(—)25.51 (20)
4.	IV (1976-79)	1987-88	106.07 153.98	(+)47.91 (45)
TOTAL			309.20 326.97	



Estimated actual expenditure upto March 1989	Short fall(—)/ Excess (+) (percentage)	Anticipated/ Actual return	Net return	Delay in implementation (No. of years)
6	7	8	9	10
(Rupees in lakhs)				
76.46	(—)4.38	52.84	55.16	11
<u>72.08</u>	(6)	<u>127.24</u>		
112.04	(+)10.37	101.84	46.23	12
<u>122.41</u>	(9)	<u>168.64</u>		
198.28	(—)69.43	128.00	110.58	9
<u>128.85</u>	(35)	<u>239.43</u>		
122.52	(+)80.80	227.00	42.91	9
<u>203.32</u>	(66)	<u>246.23</u>		
509.30		509.68	254.88	
<u>526.66</u>		<u>781.54</u>		

The number of plots originally planned to be developed for residential and commercial purposes under the schemes taken up and those actually developed is given below :

Number of plots planned to be developed		Plots developed and disposed of (percentage)		Number of plots remaining undeveloped (percentage)	
Residential	Commercial	Residential	Commercial	Residential	Commercial
5,840	671	4,220 (72)	537 (80)	1,620 (28)	134 (20)

1,160 plots (under North East Extension Block and South West Block) could not be developed due to transfer of land to the Rajasthan Housing Board/Krishi Upaj Mandi and 362 plots (Scheme 10) could not be developed due to litigation. No reason was given for non-development of the remaining 232 plots.

### (c) Advance Payments—Non-submission of accounts

Advances of Rs. 16.35 lakhs were paid during 1976-77 to 1986-87 and supply of pipes worth Rs. 16.09 lakhs during 1979-80 to 1983-84 were given to Public Health Engineering Department (PHED) for providing water supply arrangements. Advance of Rs. 18.57 lakhs during 1982-83 to 1986-87 was also given to Rajasthan State Electricity Board (RSEB) for laying low transmission lines in various residential colonies developed under Phase I. The concerned authorities, however, failed to send either the physical and financial progress reports or the detailed accounts of expenditure to the Trust upto June 1989. UIT had also not monitored the progress of the work.



### 6.7.7 Countermagnet scheme, Alwar

To reduce migration of people to Delhi, a counter-magnet scheme, comprising nine works at the estimated cost of Rs. 94.15 lakhs, was approved in 1978-79. The works included in the scheme were improvement and widening of roads, construction of footpaths and providing drainage, both on main roads of Alwar city and in Katchi Bastis which (except for five Katchi Basti works) were completed during 1981-82. The total expenditure incurred by UIT, Alwar, on the scheme was Rs. 94.19 lakhs.

The five Katchi Basti works on which expenditure of Rs. 11.17 lakhs had been incurred were lying incomplete due to encroachment by dwellers and lack of adequate action for their removal.

### 6.7.8 Development of Katchi Bastis, Alwar

A project for the development of 14 Katchi Bastis covering an area of 32.35 ha. at an estimated cost of Rs. 76 lakhs, was approved by the Government of India in July 1982. The project envisaged improvement of slums by providing and improving infrastructural facilities such as roads, water supply, electrification and sewerage system. Against the total estimated outlay of Rs. 76.00 lakhs expenditure of Rs. 75.57 lakhs was incurred during 1982-83 to 1988-89.

The project, which was scheduled for completion by March 1984, was actually completed in 1988-89. Advance payments amounting to Rs. 9.85 lakhs were made to PHED (Rs. 7.46 lakhs) and RSEB (Rs. 2.39 lakhs) between March 1983 and August 1985, for providing water supply and

laying low power transmission lines in the Bastis. Asbestos cement pressure pipes worth Rs. 5.75 lakhs were also supplied to PHED for the same purpose. The detailed accounts and progress reports of the works had not been furnished by the authorities (June 1989), and the progress was also not monitored.

#### 6.7.9 Shivaji Park Commercial Complex, Alwar

A proposal for the construction of a commercial complex in Shivaji Park (a residential colony for economically weaker sections) at an estimated cost of Rs. 29.40 lakhs was approved by the Board in July 1987. The scheme comprised construction of shops (Rs. 20.40 lakhs), kiosks (Rs. 0.51 lakh), toilet blocks (Rs. 1.20 lakhs), sewerage (Rs. 1.28 lakhs), covered platforms for vegetables and fruit sellers (Rs. 0.54 lakh), pavement parking (Rs. 5.44 lakhs), etc. It was to be completed by August 1988.

The works under the scheme completed up to May 1988 (cost Rs. 28.47 lakhs) were as follows:

Nature of building	Size	Targets fixed	Actual construction
1. Shops	15' × 10'	88	75
2. Shops	10' × 10'	38	56
3. Kiosks	6½' × 5½'	8	8
4. Covered platforms (vegetable and fruit sellers)	30' × 40'	4	3
5. Toilet blocks	15' × 20'	2	...

Out of 139 shops and kiosks completed by May 1988, not more than two shops could be sold on auction (June/



August 1988) due to lack of demand and nineteen more shops were allotted on instalment payment basis (February 1989).

#### 6.7.10 Commercial schemes, Alwar

Three commercial schemes of Lal Gate, Gajda Nallah and Old Bus Stand were approved by the Board in November 1986, at an estimated cost of Rs. 37.73 lakhs, to promote trade and to improve the environmental and hygienic conditions of the main commercial area of the Alwar city. The schemes had been taken up for construction even earlier to their approval and were due for completion in 1986-87.

Out of the six works for construction of shops and a commercial complex costing Rs. 17.25 lakhs, which were taken up between April 1985 and August 1987, only two works were completed in time. The remaining four works costing Rs. 15.42 lakhs were delayed by eight to twenty months beyond the period specified in the contracts. Reasons for delay in the completion of works were non-availability or non-clearance of sites, non-removal of encroachments and delay in finalisation of designs. An expenditure of Rs. 24.35 lakhs had been incurred on the scheme till 1988-89.

#### 6.7.11 Development of Hasan Khan Mewati Nagar, Alwar

A scheme for the development of 800 residential plots of various sizes in an area of 59.9 hectares estimated to cost Rs. 257.00 lakhs for the development of Hasan Khan Mewati Nagar, Alwar, was approved by the Board in February 1988. It included survey, demarcation and levelling of grounds (Rs. 3.71 lakhs); construction and widening of roads (Rs. 93.55 lakhs), horticulture and development of open space (Rs. 17.17 lakhs), water supply and sewerage

(Rs. 56.77 lakhs), electrical works (Rs. 12.63 lakhs), construction of school buildings (Rs. 6.50 lakhs), and over-heads and price escalation (Rs. 66.61 lakhs). The project was to be completed in three years.

Central and State loan assistance of Rs. 78.50 lakhs and Rs. 50.00 lakhs respectively, and UIT's contribution of Rs. 28.50 lakhs (total Rs. 157.00 lakhs), were available during 1987-88 and 1988-89. An expenditure of Rs. 101.16 lakhs was booked under the scheme during the period. 405 plots had been developed and sold till March 1989.

A test-check of eight works costing Rs. 38.84 lakhs revealed that out of five roads costing Rs. 17.43 lakhs, which were to be completed by February 1988, only two works (zone 'A' and 'C') had been completed. Three road works (zone 'B', 'D' and 'E'), on which an expenditure of Rs. 7.26 lakhs had been incurred against an estimated cost of Rs. 12 lakhs, were still in progress (March 1989).

Two 'Nallah' works taken up during April 1987 and May 1988, due to be completed by July 1987 and January 1989 respectively, were incomplete (June 1989). An expenditure of Rs. 7.90 lakhs had been incurred on these works upto June 1989 against the estimated cost of Rs. 15.71 lakhs. One of these works, (viz. construction of 'Nallah' from 4 km. stone culvert to railway culvert No. 77 in a length of 1.310 kilometres) which was allotted in April 1987, (cost Rs. 8.34 lakhs) was left incomplete by the contractor in February 1988. No action had been taken to complete the work (June 1989).

#### 6.7.12 Development of Bhiwadi Town

A scheme for the development of Bhiwadi Town (Bhagat Singh colony) at an estimated cost of Rs. 154.80 lakhs



was approved by the Board in November 1985. The scheme envisaged 734 residential plots of different sizes, in an area of 20.24 ha. The various components of the scheme were land acquisition and development-residential (16.19 ha.-Rs. 93.25 lakhs), commercial (4.05 ha. + Rs. 23.31 lakhs), street lighting (4 kilometres-Rs. 10 lakhs), development of Bhiwadi-Bilaspur road link to National Highway No. 8 (4.5 kms-Rs. 10 lakhs), and sewerage (Rs. 18.24 lakhs).

A revised project (estimated cost Rs. 256 lakhs) for developing an area of 38.46 hectares was submitted by UIT to the Board in July 1988, which was yet to be approved (March 1990). The execution of the scheme was being done according to the revised projections. For the implementation of the scheme, 38.18 hectares of land were transferred in November 1987 from the Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) to UIT, at the rate of Rs. 1,60,550 per hectare (Total cost Rs. 61.30 lakhs).

The land transferred to UIT was initially acquired by RIICO in April 1985 at Rs. 0.79 lakh per ha. from cultivators. Its transfer thus involved extra payment of Rs. 31.12 lakhs by UIT. The basis on which the transfer price was paid at Rs. 1,60,550 per ha. was not stated.

During 1985-86 to 1986-87, Central and State loan assistance of Rs. 95.00 lakhs and Rs. 39.00 lakhs was received, but no expenditure was incurred, as the project was being revised. Interest amounting to Rs. 8.44 lakhs and Rs. 1.71 lakhs was paid upto 1986-87 by UIT on the unutilised loans. During the next two years (1987-88 and 1988-89), only 49 per cent of the total outlay of Rs. 190 lakhs was incurred.

A test-check of the eleven works sanctioned for an estimated cost of Rs. 37.25 lakhs taken up during June 1987 to December 1988 revealed that only five works estimated to cost Rs. 13.11 lakhs had been completed after incurring an expenditure of Rs. 8.28 lakhs (63 per cent) and six road works with an estimated cost of Rs. 24.14 lakhs on which expenditure of Rs. 13.01 lakhs had been incurred were still (June 1989) incomplete due to non-availability of bitumen.

Out of 734 plots demarcated and developed, only 445 plots (61 per cent) could be disposed of at Rs. 59.95 lakhs leaving a balance of 289 plots undisposed (June 1989). Further, basic infrastructure such as water supply and electricity had not been provided (June 1989), in the absence of which the allottees were not able to construct houses on the plots.

#### 6.7.13 Rail-road overbridge.

Approval of the Board for the construction of an over-bridge (crossing No. 115-A) on Delhi-Jaipur section of Western Railway, at an estimated cost of Rs. 235 lakhs, was accorded in July 1987.

The construction of the bridge work was allotted to the Rajasthan State Bridge and Construction Corporation (RSBCC), on 1 September 1988; but no agreement was signed between the UIT and the Corporation. Bank guarantee in lieu of cash security as required was also not obtained. Central and State loan assistance of Rs. 118.30 lakhs was received upto 1988-89. UIT advanced Rs. 67.58 lakhs between September 1988 and March 1989 to RSBCC (Rs. 65 lakhs), RSEB (Rs. 1.50 lakhs) and Telecommunications District Engineer (Rs. 1.08 lakhs). The detailed accounts of expenditure had not been received from any of the agencies.



#### 6.7.14 **Non-preparation/non-approval of Master Plan for Tehsils**

According to the guidelines issued by the Government of India the State Government was required to have an integrated plan for the development of Alwar city based on the Master Plan, and also to prepare specific projects for being financed under the scheme. It was observed that a Master Plan for Alwar city was prepared in January 1975, but it had not been approved by the State Government as of April 1990. Master Plans for various Tehsils i.e., Behror, Kishangarh, Tijara, etc. included under NCR had not been prepared. The State Government was also required to enact a Town and Country Planning Act, providing for the preparation and statutory approval of Master Plans, land use, control and setting up of planning and development authority; but this has not been implemented. The scheme was meanwhile being implemented under the Urban Improvement Trust Act 1959.

#### 6.7.15 **Non-achievement of various objectives of NCR**

No Government/private offices and establishments were shifted from Delhi to the Rajasthan sub-region. Selective dispersal of wholesale trade to this sub-region was not achieved. Infrastructural facilities like commercial warehousing, wholesale market yards, truck terminus, etc. were not developed (March 1989). No incentives for attracting whole-sale trade to the sub-region were announced by the State Government.

The objectives of the National Capital Region Plan in Rajasthan had thus not been largely achieved.

### 6.7.16 Monitoring

It was observed that periodical physical progress reports for phase-I, involving expenditure of Rs 526.66 lakhs and covering the period 1974-1989, were not submitted to the Government of India. No administrative reports or monitoring and evaluation reports were prepared and submitted by the UIT to State Government/NCRP Board to apprise the progress of NCRP.



## **CHAPTER VII**

### **COMMERCIAL ACTIVITIES**

#### **7.1 General**

This chapter deals with the results of audit of departmentally-managed Government Schemes/undertakings run on commercial basis. As on 31 March 1989, there were 21 such Schemes/undertakings vide Appendix 7.1.

The proforma accounts of 3 schemes under the Department of Agriculture, the consolidated accounts of Water Supply Schemes under the Public Health Engineering Department, one scheme under the Mines Department, and four schemes in the Medical and Health Department were in arrears for three years or more, as indicated in Appendix 7.2. The 3 schemes under the Department of Agriculture were particularly lagging behind. The accounts of the scheme for the purchase and distribution of seeds and manures are in arrears from 1969 onwards, and those of the Rajasthan Ground Water Department from 1974-75, while the accounts of the scheme for the purchase and sale of pump sets at Jodhpur, are in arrears from 1975-76.

A synoptic statement showing the summarised financial results of the working of 14 undertakings on the basis of latest accounts made available during the year is given in Appendix 7.3.

## PRINTING AND STATIONERY DEPARTMENT

### 7.2 Publication Branch

#### 7.2.1 Introduction

The Publication Branch of the Government Central Press, Jaipur, is concerned primarily with the stocking of publications relating to financial and service rules, statutory acts, etc. and their sale at prices fixed by the Government.

The Branch functions under the overall supervision and control of the Director, Printing and Stationery, while its day-to-day affairs are looked after by a Manager.

The working of the Branch was last reviewed in paragraph 7.2 of the Report of the Comptroller & Auditor General of India (Civil) for the year 1979-80. The present review covers the period from 1983-84 to 1988-89.

#### 7.2.2 Highlights

The activities of the Branch had resulted in recurring loss, and the accumulated loss up to the year 1987-88 totalled Rs. 10.40 lakhs. The losses were attributable mainly to poor sales and disproportionate overhead expenses.

Printing of publications in excess of requirements and poor sales resulted in accumulation of stocks of unsold publications. Such stocks at the end of each of the five years up to 1987-88 represented roughly sales of 148 months, 299 months, 156 months, 43 months and 111 months respectively, consisting mainly of old and obsolete publications.



### 7.2.3 Accounts and working results

According to the Government instructions (April 1964), the proforma accounts of departmentally managed commercial and quasi-commercial undertakings are required to be submitted for audit to the Accountant General within six months of the close of each financial year. The accounts from the year 1983-84 to 1987-88 were, however, submitted only after the expiry of the prescribed period, the delay ranging from 1 to 24 months, while the accounts for the year 1988-89, due on 30 September 1989, were still awaited in March 1990. The Department attributed this (June 1990) to staff shortages, and added that instructions had been issued to complete the posting of ledgers and subsidiary books and to submit the accounts on time.

The working results of the Branch for the five-year period from 1983-84 to 1987-88, presented in the following table, would reveal that its activities had resulted in recurring losses during this period, the total accumulated loss at the end of 1987-88 being Rs. 10.40 lakhs :

Particulars	1983-84	1984-85	1985-86	1986-87	1987-88
	(Rupees in lakhs)				
<b>A. Income</b>					
1. Sales	0.76	0.34	0.68	2.59	1.11
2. Other receipts	0.01	..	0.03	0.01	0.02
<b>TOTAL-A</b>	<b>0.77</b>	<b>0.34</b>	<b>0.71</b>	<b>2.60</b>	<b>1.13</b>
<b>B. Expenditure</b>					
3. Opening Stock	8.70	8.90	8.93	8.71	9.56
4. Purchases	0.68	0.25	0.21	2.48	1.14
	<b>9.38</b>	<b>9.15</b>	<b>9.14</b>	<b>11.19</b>	<b>10.70</b>

Particulars	1983-84	1984-85	1985-86	1986-87	1987-88
	(Rupees in lakhs)				
5. Less Closing Stock(at cost)	8.90	8.94	8.71	9.56	10.01
6. Cost of Publications Sold	0.48	0.21	0.43	1.63	0.69
7. Salaries and Allowances	0.74	0.83	0.87	1.13	1.38
8. Other Over heads	0.28	0.20	0.19	0.50	0.51
9. Interest on Government Capital	0.24	0.34	0.37	0.35	0.44
TOTAL-B	1.74	1.58	1.86	3.61	3.02
C. Net Loss	0.97	1.24	1.15	1.01	1.89
D. Accumulated loss	5.11	6.35	7.50	8.51	10.40
E. Percentage of other expenses(excluding interest on Government Capital) to cost of publications sold	212	490	246	100	274

The publications printed at the Government Press are invoiced at cost, and accounted for as purchases, in the proforma accounts of the Publication Branch. The sale prices, of different publications are fixed after an addition of 60 per cent of the cost to cover overheads, as prescribed in May 1956. The actual percentage of overheads (salaries and allowances and other overheads excluding interest on Government capital) to the cost of publications sold, however, ranged from 100 to 490 during the period from 1983-84 to 1987-88. Realisations from sales were less than even the expenditure on salaries and allowances of



the staff during the years 1984-85, 1985-86 and 1987-88. Though the non-recovery of the overheads in their entirety contributed to the losses of the Branch, the formula for the fixation of the sale price of publications had not been revised since 1956, notwithstanding the periodical revision of the pay and allowances of Government servants and general inflationary trends. The Department stated (June 1990) that the issue of revision of overhead charges had been referred to Government.

The poor sales also resulted in the under-utilisation of the manpower resources of the Branch. For instance, two packers had handled only 547 packets during the four years period from 1985-86 to 1988-89, while the salaries and allowances paid to them amounted to Rs. 0.78 lakh. The average cost per packet worked out to Rs. 143 approximately. The Department justified (June 1990) the retention of the two persons on the ground that because of the uncertain and erratic flow of work, considerable packing was required to be done on certain days, which would have not been feasible with only one packer.

In the context of the recurring losses incurred by the Branch, the Director, Printing and Stationery, suggested to Government in July 1981 that the losses could be minimised provided that: (a) various amendments to the rules and acts were made available to the press for printing immediately on approval of such amendments; (b) the availability of mid-year publications was streamlined; (c) the past question papers relating to various competitive examinations conducted by the Rajasthan Public Service Commission, which were printed and sold to prospective candidates by the publication

Branch, were made available sufficiently in advance before the commencement of the subsequent examinations to facilitate timely printing and sale; and (d) agents were appointed in the districts to sell various publications. The action taken in pursuance of these suggestions was, however, not intimated. The Department attributed (June 1990) the losses to incorrect assessment of the number of books to be printed and failure to update the publications.

#### 7.2.4 Accumulation of stocks of unsold publications

A review of the stocks of unsold publications and their disposal revealed the following:

(i) In September 1980, the Director of Printing and Stationery had enjoined upon all Departments desirous of getting various rules, acts, ordinances, etc. printed to furnish information in regard to the number of copies to be printed, number of copies for departmental use, sale projections to the public, status of existing stocks, etc. Notwithstanding this measure, stocks of unsold publications continued to accumulate. The closing stocks represented in terms of monthly sales ranged from 43 months to 299 months sales between 1983-84 and 1987-88.

The Manager, Publication Branch, stated (July 1989) that the main reasons for the accumulation of stocks of unsold publications were delays in the issue of correction slips by the administrative Departments, printing of publications in excess of requirements, and actual sales being less than the projected sales.



(ii) Government decided (February 1973) that publications remaining unsold for more than two years should be returned to the concerned administrative Departments and their cost debited to them, so as to enable the publication Branch to function on a no-profit-no-loss basis. A list of 946 publications (value: Rs. 2.17 lakhs) remaining unsold for more than two years were accordingly sent to the concerned administrative Departments in September 1978, followed by further lists of 1,165 obsolete publications (value: Rs. 2.78 lakhs) in September 1982, requesting them to take them back. None of these publications could, however, be returned to the administrative Departments, as the indents placed by them were not available with the Branch. The accumulated stocks included publications remaining unsold for periods, ranging from 2 to 31 years, as shown below:

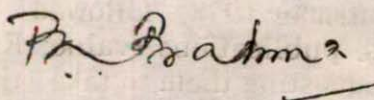
No. of publications	Value (Rs. in lakhs)	Periods for which lying unsold
21	0.74	16 to 31 years
15	1.55	9 to 12 years
32	3.03	2 to 9 years

The Department stated (June 1990) that a proposal for disposal by auction of all publications remaining unsold for more than 20 years, as also obsolete publications, was under consideration of Government.

### 7.2.5 Accounts maintenance

As on 31 March 1988, dues amounting to Rs. 1.24 lakhs were recoverable in respect of credit sales of publications. Year-wise and party-wise details of these dues

were, however, not available. Further, the interest due on belated payments of these outstandings, which was required to be reflected in the accounts from the year 1978-79 onwards, continued to be excluded from the accounts.



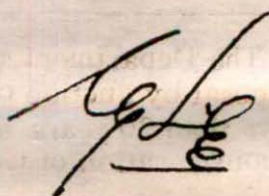
Jaipur,

(P. K. BRAHMA)

The

**Accountant General (Audit) Rajasthan**

Countersigned



New Delhi

(C. G. SOMIAH)

The

**Comptroller and Auditor General of India**



## APPENDICES

# CASES OF EXCESS

(Reference : paragraph

S. No.	Number and name of grant or appropriation	VOTED	
		Revenue	Capital
1.	2—Council of Ministers	82,744	..
2.	6—Administration of Justice	..	..
3.	9—Forest	..	..
4.	15—Pension and Other Retirement Benefits	..	..
5.	16—Police	..	..
6.	17—Jails	3,42,243	..
7.	19—Public Works	..	..
8.	21—Roads and Bridges	..	3,28,188
9.	24—Education, Art and Culture	7,42,69,843	..
10.	27—Water Supply Scheme	7,13,92,754	..
11.	32—Civil Supplies	..	..
12.	46—Irrigation	1,79,98,319	..
13.	48—Power	..	48,00,000
TOTAL		16,40,85,903	51,28,188



APPENDIX 2.1

REQUIRING REGULARISATION

2.2.3, page 18)

EXCESS		Total
CHARGED		
Revenue	Capital	
..	..	82,744
5,95,748	..	5,95,748
5,618	..	5,618
13,859	..	13,859
58,177	..	58,177
..	..	3,42,243
1,05,140	..	1,05,140
..	..	3,28,188
..	..	7,42,69,843
47,755	..	7,14,40,509
31,322	..	31,322
..	..	1,79,98,319
..	..	48,00,000
8,57,619	..	17,00,71,710

## INJUDICIOUS RE-APPROPRIATION

(Reference; para graph 2.2.7,

Sl. No.	Number and name of grant and head of account	Provision (original plus supplementary
		(In lakhs of rupees)
<b>22—Area Development</b>		
1.	2705—Command Area Development 101 VI (iv) Forest Development under World Food Programme	40.26
<b>24—Education, Art and Culture</b>		
2.	2202—General Education 01,102 (i) Upper Primary Schools for boys	11,954.54
3.	01,102 (ii) Upper Primary Schools for girls	1,686.17
<b>27—Water Supply Scheme</b>		
4.	4215—Capital outlay on water supply and sanitation 01,102 (i) Enhanced Rural Water Supply Scheme	5,242.02
5.	01 102 (ii) Desert	0.01



## OF FUNDS)

Page 25)

Re-appropriation	Total grant	Actual expenditure	Excess (+)/ Saving (—)
<i>(In lakhs of rupees)</i>			
(+)9.71	49.97	—	(—)49.97
(—)483.99	11,470.55	11,936.93	(+)465.38
(—)205.92	1,480.25	1,671.62	(+)191.37
(—)2,224.49	3,017.53	3,660.45	(+)642.92
(+)1,284.11	1,284.12	903.64	(—)380.48

# APPENDIX 3.1

## STATEMENT SHOWING THE PAYMENTS/LIABILITIES PENDING FOR LIQUIDATION AS ON 31 MARCH 1989

(Reference : Paragraph 3.5.4, page 51)

(Rupees in lakhs)

	Upto 1985-86	1986-87	1987-88	1988-89	Total
<b>Departmental Lotteries</b>					
1. Prize winning tickets awaiting adjustment	..	..	414.49	1983.15	2397.64
2. Prizes awaiting payment	..	..	3.28	28.54	31.81
3. Pending printing bills for lottery tickets	..	..	5.99	2.04	8.03
4. Pending publicity bills	..	..	..	5.77	5.76
5. Payment of commission on sale of tickets	..	9.66	27.62	68.61	105.90
6. Pending contingent/ T.A. bills	0.19	0.76	3.68	11.33	15.96
7. Adjustment of Agency bonus	..	..	..	28.68	28.68
Total:	0.19	10.42	455.06	2128.12	2593.78



## APPENDIX 7.1

## List of Departmental undertakings as on 31st March 1989

(Reference: Paragraph 7.1, Page 153)

S.No.	Name of departmental undertakings	Number of schemes
1.	<i>Home Department</i> Jail Manufactures at Ajmer, Alwar, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.	7
2.	<i>Forest Department</i> Departmental Trading of Forest Coupes Patta Tendu Scheme	1 1
3.	<i>Printing and Stationery Department</i> Government Publication Branch, Government Central Press, Jaipur	1
4.	<i>Mines Department</i> Rock Phosphate Mining Beneficiation Scheme at Udaipur	1
5.	<i>State Enterprises Department</i> Rajasthan State Chemical Works at Didwana (Sodium Sulphate Works, Sodium Sulphate Plant and Sodium Sulphide Factory). Government Salt Works at Pachpadra and Didwana	3 2
6.	<i>Medical and Health Department</i> Government Ayurvedic Rasayanshalas at Ajmer, Bharatpur, Jodhpur and Udaipur.	4
7.	<i>Public Health Engineering Department</i> Rajasthan Water Supply and Sewerage Management Board, Jaipur	1
TOTAL		21

## APPENDIX 7.2

### UNDERTAKINGS WHOSE ACCOUNTS ARE IN ARREARS FOR THREE YEARS OR MORE

(Reference : Paragraph 7.1, Page 153)

S.No.	Name of departmental undertakings	Years for which accounts are awaited
<b>Agriculture Department</b>		
1.	Scheme for purchase and distribution of seeds and manures	1969-70 to 1985-86 (upto September 1985)
2.	Rajasthan Ground Water Department of Jodhpur	1974-75 to 1987-88 (upto November 1987)
3.	Scheme for purchase and sale of pumping sets at Jodhpur	1975-76 to 1987-88 (upto November 1987)
<b>Public Health Engineering Department</b>		
4.	Rajasthan Water Supply and Sewerage Management Board, Jaipur	1986-87 to 1988-89
<b>Mines Department</b>		
5.	Rock Phosphate Mining Beneficiation Scheme at Udaipur.	1986-87 to 1988-89



S.No.	Name of departmental undertakings	Years for which accounts are awaited
<b>Medical and Health Department</b>		
6.	Government Ayurvedic Rasayanshala at Ajmer	1985-86 to 1988-89
7.	Government Ayurvedic Rasayanshala at Bharatpur	1986-87 to 1988-89
8.	Government Ayurvedic Rasayanshala at Udaipur	1985-86 to 1988-89
9.	Government Ayurvedic Rasayanshala at Jodhpur	1986-87 to 1988-89

## FINANCIAL RESULTS OF

(Reference : Paragraph 7.1)

S.No.	Name of departmental undertakings	Period of accounts	Government Capital	Mean capital
1	2	3	4	5

### Home Department

1. Jail Manufacture, Ajmer	1987-88	3.02	3.02
2. Jail Manufacture, Alwar	1987-88	0.16	0.16
3. Jail Manufacture, Jaipur	1986-87	5.80	5.64
4. Jail Manufacture, Kota	1987-88	0.12	0.12

### Forest Department

5. Departmental Trading of Forest Coupes	1987-88	88.02	87.17
	1988-89	88.49	88.26
6. Patta Tendu Scheme	1987-88	18.56	17.21

### Printing and Stationery Department

7. Government Publication Branch, Government Central Press, Jaipur	1985-86	0.04	0.04
	1986-87	0.04	0.04
	1987-88	0.04	0.04

### Mines Department

8. Rock Phosphate Mining Beneficiation Scheme at Udaipur	1985-86	209.20	208.45
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## DEPARTMENTAL UNDERTAKINGS

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(Rupees in lakhs)

Block assets (Net)	Depreciation	Net Profit(+)/ Loss(—)	Interest charged	Total return	Percentage of return on mean capital
6	7	8	9	10	11
2.06	0.23 (—)	1.38	0.59 (—)	0.79	Nil
0.12	0.002 (—)	0.49	0.03 (—)	0.46	Nil
3.83	0.41 (—)	2.48	1.01 (—)	1.47	Nil
0.07	0.01 (—)	0.52	Nil (—)	0.52	Nil
32.59	4.12 (+)	190.83	Nil (+)	190.83	218.9
29.88	3.42 (+)	105.11	Nil (+)	105.11	119.1
12.62	0.55 (+)	54.54	Nil (+)	54.54	316.9
0.03	0.002 (—)	1.15	0.37 (—)	0.78	Nil
0.03	0.002 (—)	1.01	0.35 (—)	0.66	Nil
0.02	0.002 (—)	1.90	0.44 (—)	1.46	Nil
26.46	4.69 (+)	1541.71	Nil (+)	1541.71	739.6

S. No.	Name of Departmental undertaking	Period of Account	Government Capital	Mean Capital
1	2	3	4	5
<b>State Enterprises Department</b>				
9.	Rajasthan State Chemical Works (Sodium Sulphate Plant) Didwana	1988-89	103.40	103.40
10.	Rajasthan State Chemical Works (Sodium Sulphide Factory) Didwana	1988-89	15.15	15.15
11.	Government Salt Works, Pachpadra	1983-84	20.34	19.32
		1984-85	22.44	21.39
		1985-86	24.95	23.69
		1986-87	25.31	25.13
12.	Government Salt Works, Didwana	1987-88	31.38	29.05
<b>Medical and Health Department</b>				
13.	Government Ayurvedic Rasayan-shala (GAR), Bharatpur	1985-86	3.21	3.22
<b>Public Health Engineering Department</b>				
14.	Rajasthan Water Supply and Sewerage Management Board, Jaipur	1985-86 (recast)	22,166.53	20,514.09



**APPENDIX 7.3 (concl'd.)**

*(Rupees in lakhs)*

Block assets (Net)	Depreciation	Net Profit(+)/ Loss(—)		Interest charged	Total return	Percentage of return on mean capital
6	7	8		9	10	11
27.50	1.84	(—)	4.43	16.63	12.20	11.8
5.59	0.47	(—)	14.42	3.51 (—)	10.91	Nil
0.75	0.08	(—)	5.29	4.05 (—)	1.24	Nil
9.62	0.60	(+)	4.86	4.00 (+)	8.86	41.4
9.24	0.56	(—)	4.43	4.89 (+)	0.46	1.9
9.76	0.53	(—)	6.79	5.38 (—)	1.41	Nil
21.16	1.39	(+)	4.39	Nil (+)	4.39	15.1
1.13	0.16	(+)	2.02	0.49 (+)	2.51	78.0
7,894.64	277.68	(—)	2,020.49	601.95 (—)	1,418.54	Nil

# APPENDIX 73 (contd.)

(Figures in lakhs)

Block 1970- (Net)	Depreciation	Net Profit (Loss)	Interest charges	Total return	Percentage of return on mean capital
6	7	8	9	10	1
27.50	1.84 (-)	4.45	16.03	12.20	13.8
6.50	0.47 (-)	1.45	1.27 (-)	10.91	20.1
0.75	0.08 (-)	2.59	4.03 (-)	1.24	20.1
0.65	0.00 (-)	4.86	4.00 (-)	8.86	14.4
0.34	0.26 (-)	4.43	4.24 (-)	0.48	1.3
5.76	0.25 (-)	6.79	8.22 (-)	1.41	20.1
21.18	1.30 (-)	4.36	2.71 (-)	4.36	22.1
1.13	0.16 (-)	2.03	0.40 (-)	2.21	15.0
1,804.64	227.68 (-)	2,020.40	801.92 (-)	1,418.24	60.8



AUDIT REPORT 1988-89 IMPORTANT POINTS

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4.4 Extra expenditure on                      For construction  
acquisition of excess                      of a Bund on  
private land and                      Amani Shah ka  
avoidable payment of                      Nallah at Jaipur  
interest.

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Possession taken                      418 bighas

Actual land coming under  
submergence                      65 bighas

Excess acquisition                      353 bighas

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Total compensation paid                      Rs. 60.04 lakhs

Excess compensation paid                      Rs. 51.74 lakhs  
including interest(Rs.7.12  
lakhs) on belated payment.

Facts accepted by the  
Government(June 1991)

6.5 Irregular payment of                      Subsidy amounting  
subsidy to big farmers                      to Rs.4.51 lakhs  
was                      irregularly  
allowed                      between  
8/87 to 3/88 by the  
DRDA, Pali to 29  
big farmers for  
failed                      sinking  
tube-wells who were  
not eligible under  
the scheme.



For consideration of the Secretary of Agriculture, Washington, D. C.

Respectfully,  
Very truly yours,  
[Signature]

Enclosed for the Secretary of Agriculture are two copies of a report on the results of the investigation conducted by the Bureau of Plant Industry, United States Department of Agriculture, during the summer of 1914, in connection with the study of the life history of the cotton bollworm, *Pectinophora gossypiella* (L.), and its relation to the cotton industry.

The report is divided into two parts. The first part, entitled "Life History of the Cotton Bollworm," contains a detailed account of the life history of the insect, from the egg to the adult stage, and includes a description of the various stages of the life cycle. The second part, entitled "Relation of the Cotton Bollworm to the Cotton Industry," contains a detailed account of the damage caused by the insect to the cotton crop, and includes a description of the various methods of control.





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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE



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