



**Report of the
Comptroller and Auditor General of India
on
Local Bodies**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**For the year ended 31 March 2020
Government of Rajasthan
Report No. 2 of the year 2022**

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Comptroller and Auditor General of India
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PREFACE

This Report for the year ended 31 March 2020 has been prepared for submission to the Governor of the State of Rajasthan.

This Report relates to Audit of receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies in Rajasthan conducted under provisions of the Comptroller and Auditor General (Duties, Power and Conditions of Service) Act, 1971 and read with proviso of sub-section (4) of section 75 of the Rajasthan Panchayati Raj Act, 1994, as amended on 27 March 2011 and section 99-A of the Rajasthan Municipalities Act, 2009, as amended on 31 March 2011, which empowers the Comptroller and Auditor General of India to conduct Audit of the accounts of Panchayati Raj Institutions and Urban Local Bodies and submit such Audit Report to the State Government for its placement in the State Legislature.

The instances mentioned in this Report are those, which came to notice in the course of test Audit during the period 2017-20 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2017-20 have also been included, wherever necessary.

The Audit has been conducted in conformity with the Auditing Standards (March 2017) issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report includes two parts:

Part-A contains observation on Panchayati Raj Institutions (PRIs). This part includes two chapters. Chapter-I includes 'An overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions' and Chapter-II comprises of a Thematic Audit on *Implementation of Mewat Area Development Scheme*, two Long Draft Para on *Mahatma Gandhi Janbhagidari VikasYojana*, 'Release and Utilisation of Grants as recommended by Fifth State Finance Commission' and six draft paragraphs of Compliance Audit.

Part-B includes Urban Local Bodies. This part includes two chapters. Chapter-III includes 'An overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Urban Local Bodies' and Chapter-IV comprises of four Compliance Audit paragraphs.

A synopsis of important findings contained in this report is presented in this overview.

PART-A

Panchayati Raj Institutions

1. Overview of Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions

The Rajasthan Panchayat Samiti and Zila Parishad Act, 1959 conforms to the new pattern of Panchayati Raj which provides for a three tier structure of local self-governing bodies at district, block and village levels and enhanced decentralisation of powers. The Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, consequent to the 73rd Constitutional Amendment giving constitutional status to Panchayati Raj Institutions (PRIs).

As mandated by RPRA, 1994, five standing committees were to be constituted by each PRI, however, the actual status of their constitution has not been made available to Audit, despite repeatedly commenting in the previous Audit Reports. Further, meetings of DPC to discuss and prepare a draft development plan for the district, were also not conducted by most of the districts in prescribed numbers and manner, as envisaged.

Certain sources of revenue like fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land had been provided to the PRIs. However, the PRIs have remained dependent upon the grants in aid released by State and central Government. PRIs have failed to

recognize the importance of generation of own revenue. Even figures of 'own revenue' were not available with the Department for the past many years.

Accounting formats have been formulated since 2009. However, the PRIs were still maintaining their accounts in conventional formats. Scheme wise separate cash books, quarterly accounts of Income and Expenditure and annual accounts in prescribed formats were also not maintained by many of the PRIs. Thus, record maintenance of PRIs continued to be poor and incomplete to that extent. *PRIASoft*, an online centralised accounting package that facilitates maintenance of accounts under Model Accounting System, was not being fully utilized as many PRIs were not making entries in it.

DLFAD is the primary auditor of PRIs. Huge arrears in audit as well as certification of accounts of PRIs on part of the DLFAD, is an area of concern. DLFAD also did not ensure compliance to the observations made by this office under parameter 4 and 5 of TG&S. Social audit coverage of PRIs has been decreasing over the years.

The PRIs have not provided even the first compliance of 23 IRs containing 291 paragraphs (issued during 2017-2020). The prescribed number of Audit Committee Meetings to settle the outstanding audit paras were not conducted in any of the years during the period 2017-20.

(Paragraphs 1.1 to 1.11)

2. Audit Findings on Panchayati Raj Institutions

Implementation of Mewat Area Development Scheme

Alwar and Bharatpur Districts' area in Rajasthan, which is thickly populated by the Meo community, is known as the Mewat Area. This area is considered socially and economically backward. Mewat Area Development Scheme (MADS) was started (February 1987) for socio-economic development of the Mewat area and is being implemented in 14 Panchayat Samities (PSs) of the Mewat Area. Small-scale industries and necessary resources were to be developed for employment and livelihood of local citizens alongwith maintenance of assets constructed under MADS and other developmental schemes.

Results of the Audit conducted revealed that planning for implementation of the scheme was not effective as prospective plan, drainage plan, detailed project report/consolidated project report were not prepared. There were delays in submission and approval of annual plans. Only 19.68 to 40.28 per cent of the funds available under the scheme were utilized during 2015-20. Further, funds were diverted to other scheme and advances given to implementing agencies were not adjusted. Joint Physical Verification revealed that inadmissible works were sanctioned under the scheme and unfruitful expenditure was incurred on works without electricity connection. Also, the assets created under the scheme were found damaged despite availability of dedicated funds for maintenance of assets upto 15 per cent of total available

fund, which remained unutilised. Third party inspection/impact study and evaluation of the scheme as envisaged in the guidelines was not also conducted resulting in poor monitoring and supervision of the scheme.

The scheme implementation did not focus on establishment/ development of small-scale industries and necessary resources for employment and livelihood of local citizens and more than two third of the available funds were deployed mainly for construction of CC Road/other small construction activities.

(Paragraph 2.1)

Mahatma Gandhi Janbhagidari Vikas Yojana

The *Mahatma Gandhi Janbhagidari Vikas Yojana* (MGJVY) formerly known as *Guru Golwalkar Janbhagidari Vikas Yojana* was launched in September 2014 in all the 33 districts of Rajasthan. The objective of the scheme is to ensure public participation in rural areas for development, employment generation and construction and maintenance of community assets and improve living standard of families of the rural areas.

The scheme is funded by the State Government. Under the scheme, for construction of boundary-walls of 'Shamshaans/Kabristan' along with plantation, tin sheds and platforms, 90 *per cent* funds and for other community assets, 70 *per cent* funds would be provided by the State Government and remaining matching amount would be contributed by the community which includes individual, NGOs, trust, social organization, local public, etc. However, for construction of other assets in the Schedule castes (SC)/ Schedule tribes (ST) dominated areas 80 *per cent* funds would be provided by the State Government.

The Rural Development and Panchayati Raj Department (RD&PRD) is responsible for overall supervision, monitoring and co-ordination of various activities of the scheme. At the District level, ZP (Rural Development Cell) is the nodal agency for implementation of the scheme.

The main objective of MGJVY is to encourage local public participation in socio-economic development of villages through creation of community assets in rural areas. Government contributed ₹ 376.91 crore, while community contributed ₹ 60 crore approximately under the scheme, during 2014-20. Though, 85 *per cent* of the funds were utilized, the year wise expenditure ranged from 24.14 *per cent* to 43.57 *per cent* of the available funds. Government contributed only nominal funds of ₹ 1.91 crore during last two years. As of March 2020, 330 works worth ₹ 28.73 crore were still incomplete after incurring an expenditure of ₹ 19.26 crore.

Instances of splitting of sanctions for works to avoid sanction of the competent authorities, sanction of works without deposit of required contribution and non-execution of works even after deposit of the public contribution were noticed. Cases of fraudulent payment, assets being used for personal purposes, non-maintenance of damaged assets and execution of inadmissible works etc. were also noticed. Payments were made for unexecuted and/or partially

executed items. Monitoring under the scheme was weak and social audit was also not carried out.

Thus, the prime objective of the scheme i.e. creation of community assets through public participation could be achieved only to a limited extent.

(Paragraph 2.2)

Release and Utilisation of Grants as recommended by Fifth State Finance Commission

Article 243-I of the Constitution of India provides that the Governor of a State is required to constitute a Finance Commission every five years in order to (i) review the financial position of the Panchayats; (ii) recommend the principles which should govern the distribution of the net proceeds of the taxes, duties, tolls and fees between the State and the Panchayats and the allocation between the Panchayats at all levels of their respective shares of such proceeds; and (iii) the grants in aid to the Panchayats from the Consolidated Fund.

Accordingly, the Fifth State Finance Commission was constituted (May 2015) for the period 2015-20 in Rajasthan. The Commission submitted two interim reports for 2015-16 (in September 2015) and for 2016-17 (in September 2016) and final report for whole of the award period in November 2018, which were presented to the Legislative Assembly on 22 September 2015; on 2 September 2016 and on 23 July 2019 respectively. The State Government while accepting most of the recommendations, issued guidelines from time to time for utilisation of the grants to be released under recommendation of Fifth SFC.

The main recommendations of Fifth SFC *inter alia*, included the following.

- Devolution of funds to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), at the rate of 7.182 *per cent* of the net own tax receipts of the State in ratio of 75.1 *per cent* and 24.9 *per cent* respectively.
- In the year 2015-16, devolved funds were to be distributed between 'basic and development functions' and 'national/state priority schemes' in the ratio of 85 *per cent* and 10 *per cent* respectively, rest 5 *per cent* was to be released as incentive grant.
- During 2016-20, the earmarked funds were categorized into three components *viz.* 55 *per cent* amount for the 'basic and development functions', 40 *per cent* for 'national/state priority schemes' and rest 5 *per cent* for incentivizing keeping of accounts, record, assets register and efforts for raising own revenues.
- For the year 2015-16, the devolved funds were to be allocated tier-wise among the PRIs *viz.* Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) in the ratio of 5:15:80. This ratio was revised to 5:20:75 for the period 2016-20.

During 2015-20, the State Government devolved grants of ₹ 10,345.71 crore under recommendation of Fifth SFC to the PRIs, of which an amount of ₹ 10,226.76 crore (98.85 per cent) was utilized.

Audit observed that the State Government did not release 11.94 per cent of the grant as recommended by fifth SFC. The PRD also did not release incentive grant of ₹ 193.30 crore during 2015-16 and 2019-20. Component-wise sanction and expenditure details were not maintained by the PRIs. Physical verification of assets created through Fifth SFC grants revealed that the CC roads were constructed without drains, works were executed without preparation of estimates and executed works were of lower specification. Registers of works and assets constructed were not maintained in PRIs. Third party inspection and impact assessment study was not conducted.

(Paragraph 2.3)

Non-observance of Rajasthan Panchayati Raj Rules, 1996 while leasing out the assets of two Panchayat Samitis resulted in deprival of legitimate income to the tune of ₹ 3.30 crore.

(Paragraph 2.4)

Non-observance of the provisions of RTPP Rules, 2013 by Panchayat Samitis resulted in unauthorised expenditure of ₹ 3.11 crore.

(Paragraph 2.5)

Lackadaisical approach of *Zila Parishads* in transferring mining royalty share to eligible Gram Panchayats in contravention to State Finance Commission's recommendations as well as Government of Rajasthan's directions.

(Paragraph 2.6)

Panchayat Samitis disregarded the directions regarding transfer of the unspent funds and irregularly retained ₹ 2.92 crore, thereby depriving the beneficiaries of the designated benefits under the Mid Day Meal Scheme.

(Paragraph 2.7)

Fraudulent payment of ₹ 1.06 crore towards procurement of material in violation of the directions of higher authorities in PS Hindoli.

(Paragraph 2.8)

Violation of the executive orders and directions resulted in irregular retention of unspent balances / grants and led to blockage of ₹ 6.99 crore for development activities.

(Paragraph 2.9)

PART-B

Urban Local Bodies

3. Overview of the Functioning, Accountability Mechanism and Financial Reporting issues of Urban Local Bodies

The own resources generated by Urban Local Bodies (ULBs) were not adequate to take care of their expenditure and they were largely dependent on grants and loans from Central/State Government. Absence of timely finalization of accounts in the prescribed formats and their certification deprived the stakeholders of timely and correct accounting information. During 2019-20, As against accounts of 196 ULBs required to be certified, accounts of only 159 ULBs (81 *per cent*) had been certified by the Local Fund Audit Department (LFAD). There were also huge delays in attending to Audit observations and in their settlement. Failure to timely respond to Audit observations is fraught with the risk of continuance of irregularities/deficiencies.

(Paragraphs 3.1 to 3.11)

4. Audit Findings on Urban Local Bodies

Functioning of Municipal Corporation, Udaipur

Udaipur Municipal Council was converted into Municipal Corporation (M Corp) in April 2013. The M Corp, Udaipur has 70 municipal wards. Udaipur is spread across 64 square km area having a population of 4.51 lakh (census 2011).

At the State level, the Local Self Government Department (LSGD) is the administrative department dealing with affairs of the Urban Local Bodies (ULBs) with the Directorate Local Bodies (DLB) as its nodal office. The DLB performs monitoring and coordinating functions for all ULBs. The Mayor is the elected head and Commissioner is the executive head of M Corp, Udaipur.

Functioning of Municipal Corporation Udaipur during the period of 2013-14 to 2017-18 was test checked from April 2018 to October 2018 and updated for the period 2018-20 from 21 December, 2020 to 15 January 2021. The areas covered during audit were planning, delivery of services, contract management, resource mobilisation, financial management and internal control. Against the total receipts of ₹ 1,112.52 crore, the M Corp incurred an expenditure of ₹ 1,146.91 crore during 2013-20.

It was noticed that the planning mechanism of M Corp, Udaipur was weak as neither detailed survey was conducted nor statutory plans were prepared for systematic development of Udaipur city. There were inadequacies in the services that were required to be provided by M Corp Udaipur. Segregation and disposal of municipal solid waste was not being managed effectively. Further, 45.27 *per cent* of the sewage was disposed untreated. M Corp did not

have any database of buildings for which fire NOC was required and systems for fire prevention, fire safety and checking of fire hazard were weak. The M Corp Udaipur also did not provide timely services to citizens that were guaranteed under the RGDPS Act. Disposal of complaints was also inordinately slow.

The Own revenue of M Corp was low and it did not increase by 10 *per cent* every year as recommended by 13th/14th CFC and 4th/5th SFC. Instances of accumulation of outstanding UD tax and lease money, non-recovery of lease money for change of land use, sewage charges, registration and permission fee from mobile towers, license fee from hotels, bakery, sweet shops etc., and short recovery of betterment levy were noticed. Further, the Financial Management was inefficient as M Corp did not prepare its annual accounts in a timely manner and on accrual basis. M Corp Udaipur had not executed its core functions i.e. public health, sanitation, solid waste management, firefighting, collection of own revenue etc. in a reasonable and proper manner.

(Paragraph 4.1)

Unfruitful expenditure of ₹ 37.01 crore on construction of dwelling units in Rajiv Awas Yojana for rehabilitation of Sanjay Nagar Bhatta Basti under submission of Jawaharlal Nehru National Urban Renewal Mission.

(Paragraph 4.2)

Short recovery of betterment levy of ₹ 7.46 crore from the applicants on granting permission for construction of buildings.

(Paragraph 4.3)

Municipal Corporation, Ajmer, Bikaner and Kota failed to recover the Labour Cess amounting ₹ 1.31 crore.

(Paragraph 4.4)

Resultant loss of revenue of ₹ 41.04 lakh due to delay in tendering process and low department collections during the delay period.

(Paragraph 4.5)

PART-A
PANCHAYATI RAJ INSTITUTIONS

CHAPTER-I

**An Overview of the Functioning,
Accountability Mechanism and
Financial Reporting Issues of
Panchayati Raj Institutions**

CHAPTER-I
AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY
MECHANISM AND FINANCIAL REPORTING ISSUES OF
PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The Rajasthan Panchayat Samiti and Zila Parishad Act, 1959 conforms to the new pattern of Panchayati Raj which provides for a three tier¹ structure of local self-governing bodies at district, block and village levels and enhanced decentralisation of powers.

The Rajasthan Panchayati Raj Act (RPRA), 1994 came into effect from April 1994, consequent to the 73rd Constitutional Amendment giving constitutional status to Panchayati Raj Institutions (PRIs). It delineated functions, powers and responsibilities of PRIs enabling them to function as third tier of Government. Later, Rajasthan Panchayati Raj Rules (RPRRs), 1996 were incorporated there under to ensure smooth functioning of the PRIs.

There were 33 Zila Parishads (ZPs) with two cells in each ZP viz. Rural Development Cell (RDC) and Panchayat Cell (PC), 352 Panchayat Samitis (PSs) and 11,341 Gram Panchayats (GPs) functioning in the State as of March 2020.

Rajasthan is the largest state in the country in terms of size and spans an area of 3.42 lakh square kilometers (sq. km). As per the Census 2011, the total population of the State was 6.85 crore, of which 5.15 crore (75.18 per cent) is living in rural areas. The comparative demographic and developmental profile of the State *vis-à-vis* the national profile as per Census 2011 is given in Table 1.1 below:

Table 1.1

S.No.	Indicator	Unit	Figures as per Census 2011	
			State level	National level
1.	Population	Crore	6.85	121.06
2.	Population (Rural)	Crore	5.15	83.35
3.	Population (Urban)	Crore	1.70	37.71
4.	Population Density	Persons per sq. km	200	382
5.	Decadal Growth Rate	Percentage	21.30	17.70
6.	Sex Ratio	Females per 1,000 males	928	943
7.	Total Literacy Rate	Percentage	66.10	73.00
8.	Female Literacy Rate	Percentage	52.10	64.60
9.	Male Literacy Rate	Percentage	79.20	80.90
10.	Total Literacy Rate (Rural)	Percentage	61.40	67.77
11.	Female Literacy Rate (Rural)	Percentage	45.80	57.93
12.	Male Literacy Rate (Rural)	Percentage	76.20	77.15
13.	Birth Rate	Per 1,000 Population	24 (2018)	20 (2018)*
14.	Death Rate	Per 1,000 Population	5.9 (2018)	6.2 (2018)*
15.	Infant Mortality Rate	Per 1,000 Live Births	37 (2018)	32 (2018)*
16.	Maternal Mortality Rate	Per lakh Live Births	164 (2016-18)	113 (2016-18)*

Source: As per Department of Economic and Statistics, Govt. of Rajasthan
**As per Economic Review 2020-21, Govt. of Rajasthan*

¹ Zila Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at Village level.

1.2 Organisational set up

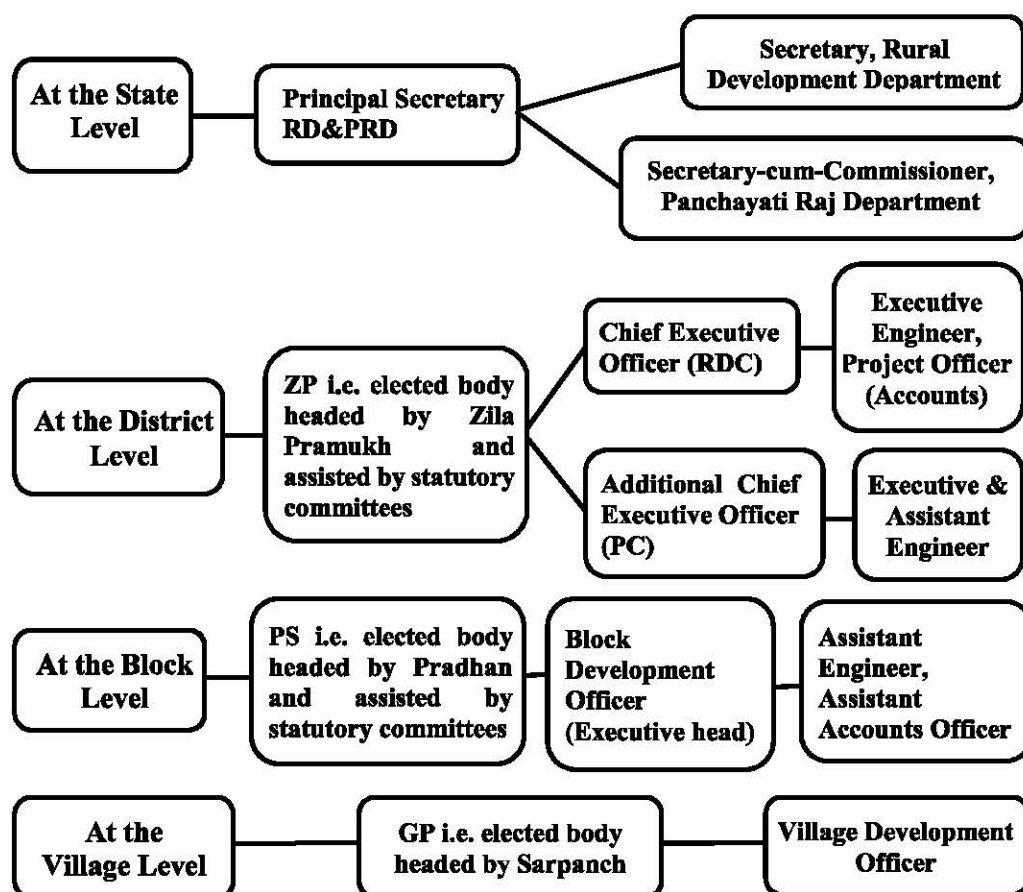
‘Special Scheme Organisation’ was established in 1971 to give priority and special importance to Rural development. The jurisdiction was increased and it was reorganized as ‘Special Schemes and Integrated Rural Development Department’ in 1979. Further, it was renamed as ‘Rural Development Department’ (RDD) in 1999.

Most of the schemes of RDD are executed by PRIs. Therefore, for coordination at district level, Rural Development Cell (RDC) under CEO was created by merging District Rural Development Authority (DRDA) with ZPs. Similarly, at State level, to establish coordination between activities of Rural Development and Panchayati Raj and ensure better execution of Programmes, RDD and Panchayati Raj Department (PRD) were merged to form Rural Development and Panchayati Raj Department (RD&PRD).

All the schemes under RDD and PRD are executed through Principal Secretary, RD&PRD.

The organisational set up of the PRIs is given in Chart 1.1 below:

Chart 1.1



1.3 Functioning of PRIs

Section 2 (xvii) of RPRA, 1994 defines the PRI as an institution of Self-Government established under this Act for rural areas at the level of village or block or district. Various Central and State schemes/programmes are implemented through the PRIs at district, block and village levels.

The 33 functions of a village level PRI (GP) include general administrative works related to agriculture, minor irrigation, drinking water, education and rural sanitation etc., as specified in the first schedule of RPRA, 1994.

Similarly, functions of PS (30 functions) and ZP (19 functions) are specified in the second and third Schedule of RPRA, 1994 respectively.

1.3.1 Devolution of Funds, Functions and Functionaries to Panchayati Raj Institutions

Following the 73rd Constitutional Amendment, orders on devolution were issued by the Government of Rajasthan (GoR) in June 2003 and October 2010. Accordingly, out of 29 functions to be devolved in terms of XI Schedule of the Constitution, 28 functions were initially transferred. However, funds and functionaries were transferred in respect of 20 subjects only (*Appendix I*). Subsequently, devolution of funds, functions and functionaries of five subjects relating to Public Health Engineering Department, Public Works Department and Food and Civil Supply Department were withdrawn in January 2004 from PRD.

1.4 Formation of various committees of PRIs

1.4.1 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and Section 121 of RPRA, 1994, State Government constituted District Planning Committee (DPC) in all the districts of the State. District Collector is a member of the DPC and he or his nominated officer has to attend the meetings of DPC. The required quorum for DPC meeting is 33 *per cent* of members elected from rural and urban areas.

The main objective of DPC is to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft developmental plan for the district as a whole and forward it to the State Government. The DPC should meet at least four times in a year.

Important decisions such as review/approval of district annual plans, quarterly/yearly, physical/financial progress of schemes, review of implementation of various schemes are taken in DPC meetings. However, during 2017-18, out of 33 districts, only four ZPs of Bhilwara, Dausa, Jhunjhunu and Pali held four DPC meetings. In Sikar and Baran five meetings

were held in the year. In another 21 districts² two or three meetings were held and remaining six districts, held only one meeting.

Similarly, during 2018-19, out of 33 districts, only two ZPs of Dungarpur and Jhunjhunu held four DPC meetings. In another 25 districts³ one to three meetings were held and remaining six⁴ districts did not hold any meetings. The information regarding number of DPC meetings held by ZPs during 2019-20, was not provided by PRD despite repeated reminders (February 2021, March 2021 and April 2021).

1.4.2 Standing Committees

According to section 55-A, 56 and 57 of RPRA, 1994, respectively every GP, PS and ZP shall constitute five standing committees, one each for the following group of subjects, namely (a) administration and establishment, (b) finance and taxation, (c) development and production programmes including those relating to agriculture, animal husbandry, minor irrigation, co-operation, cottage industries and other allied subjects, (d) education, (e) social service and social justice including rural water supply, health and sanitation, *gramdaan*, communication, welfare of weaker sections and allied subjects. These standing committees shall be headed by the elected member or elected chairperson of the institution concerned respectively.

Actual status of constitution and working of standing committees was not made available by PRD.

1.5 Audit Arrangement

1.5.1 Primary Auditor

Section 75(4) of the RPRA, 1994 stipulates that all the accounts to be kept and maintained by a PRI shall be audited by the Director, Local Fund Audit Department (DLFAD) as per provisions of the Rajasthan Local Fund Audit Act (RLFAD), 1954. The Audit Report⁵ of the DLFAD will include two chapters on Audit of PRIs viz. one on 'Status of accounts of PRIs' and other on 'Audit findings'. The paragraphs pertaining to PRIs are discussed by the Committee on Local Bodies and Panchayati Raj Institution constituted by Rajasthan State Legislature.

-
- 2 Three meetings: eight ZPs (Ajmer, Chittorgarh, Churu, Dholpur, Jaipur, Karauli, Kota and SawaiMadhopur); two meetings: 13 ZPs (Bikaner, Dungarpur, Hanumangarh, Ganganagar, Jalore, Jhalawar, Jodhpur, Nagaur, Rajsamand, Sirohi, Tonk, Pratapgarh and Udaipur); and one meeting: six ZPs (Alwar, Banswara, Badmer, Bharatpur, Bundi and Jaisalmer).
 - 3 Three meetings: five ZPs (Barmer, Bhilwara, Karauli, Pali and SawaiMadhopur); two meetings: nine ZPs (Ajmer, Alwar, Chittorgarh, Churu, Dausa, Jodhpur, Nagaur, Sikar and Tonk); and one meeting: 11 ZPs (Baran, Banswara, Bikaner, Bundi, Dholpur, Sriganganagar, Jaipur, Jalore, Kota, Rajsamand and Udaipur).
 - 4 Bharatpur, Hanumangarh, Jaisalmer, Jhalawar, Pratapgarh and Sirohi.
 - 5 Section 18 of the Rajasthan Local Fund Audit Act, 1954 requires Director, LFAD to submit his Annual Consolidated Report on audited accounts to the State Government for laying this report before the State legislature.

The Audit Reports of DLFAD, Rajasthan for the year 2016-17, 2017-18, 2018-19 and 2019-20 have been laid before the State legislature on 27 February 2018, 13 February 2019, 26 February 2020 and 25 February 2021 respectively.

1.5.1.1 Certification of Annual Accounts of Panchayati Raj Institutions

As per Rule 23 (h) of the Rajasthan Local Fund Audit Rules (RLFAR), 1955, LFAD is required to certify the correctness of the annual accounts of PRIs at all three levels i.e. ZPs, PSs and GPs. In view of Fourteenth Finance Commission guidelines, the GoR issued (September 2017) orders that Audit and certification of accounts of the PRIs till the year 2015-16 and 2016-17 be undertaken on priority basis by the DLFAD, to make them eligible for performance grant in subsequent years.

During 2017-18, out of 10,222 PRI⁶s, annual accounts of only 6,802 PRIs (mostly pertained to the years 2015-16 and 2016-17) were certified and accounts of 3,420 PRIs (33.46 per cent) remained uncertified. All the certificates, except 20, were issued with qualifications by the DLFAD.

Similarly, during 2018-19, out of 10,219 PRI⁷s, annual accounts of only 6,553 PRIs (mostly pertained to the years 2016-17 and 2017-18) were certified and accounts of 3,666 PRIs (35.87 per cent) remained uncertified. All the certificates, except 11, were issued with qualifications by the DLFAD.

Further, DLFAD during 2019-20, certified annual accounts of 4,270 PRIs out of total 10,220 PRI⁸s in the State and accounts of 5,950 PRIs (58.22 per cent) remained uncertified. All these accounts were certified with qualifications.

The number of certification of accounts consistently decreased during 2017-20. Thus, DLFAD has not been able to certify the accounts of all PRIs in a year. Further, certification of most of the annual accounts with qualification was indicative of improper and incomplete maintenance of accounts by the PRIs.

1.5.1.2 Arrears of Audit of Local Fund Audit Department

The details of audit conducted by DLFAD during the period 2017-20 is given in Table 1.2 below:

Table 1.2

S. No.	Year	Number of PRIs due for audit				Number of PRIs audited				Number of PRIs in arrears			
		ZP	PS	GP	Total	ZP	PS	GP	Total	ZP	PS	GP	Total
1.	2017-18	33	295	9,894	10,222	4	56	1,779	1,839	29	239	8,115	8,383
2.	2018-19	33	295	9,891	10,219	8	38	1,434	1,480	25	257	8,457	8,739
3.	2019-20	33	295	9,892	10,220	14	95	3,427	3,536	19	200	6,465	6,684

Source: Number of PRIs as provided by PRD and number of PRIs audited as provided by DLFAD

6 Number of PRIs in the State as of March 2017 were 10,222 (ZPs:33; PSs:295 & GPs:9,894).

7 Number of PRIs in the State as of March 2018 were 10,219 (ZPs:33; PSs:295 & GPs:9,891).

8 Number of PRIs in the State as of March 2019 were 10,220 (ZPs:33; PSs:295 & GPs:9,892).

Huge arrears of Audit for past many years has been commented in earlier Audit Reports also. However, concrete action to improve the situation has not been taken by the Department.

A total of 7,182 inspection reports (IRs) containing 69,225 paragraphs issued by the Director LFAD were pending for settlement as of March 2020. Out of these, 7,114 paragraphs involving monetary value of ₹ 19.14 crore were related to embezzlement.

Thus, huge pendency of IRs and paragraphs are indicative of lack of initiative on part of both LFAD & the PRIs towards enhancing accountability.

1.5.2 Audit by Comptroller and Auditor General of India

Comptroller and Auditor General of India (CAG) conducts test Audit of PRIs under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the proviso of sub section (4) of section 75 of the RPRA⁹, 1994, as amended on 27 March 2011 and submits Audit Report to the State Government for placement in the State legislature.

1.5.2.1 Implementation of Technical Guidance and Support/Supervision

Thirteenth Finance Commission recommended that the responsibility of providing Technical Guidance and Supervision (TG&S) over the audit of all the tiers of Panchayati Raj Institutions and Urban Local Bodies be given to C&AG of India. In pursuance of above recommendations Finance (Audit) Department, GoR, issued notification on 2 February 2011 for adoption of 13 parameters (*Appendix-II*) regarding TG&S. Accordingly TG&S Cell was constituted (November 2012) in the office of Principal Accountant General (General & Social Sector Audit) Rajasthan¹⁰ for providing TG&S to DLFAD. These TG&S arrangements were further extended to cover the period of Fourteenth Finance Commission (2015-20) also vide GoR's notification (25 April 2016) on the same terms and conditions.

Comments/suggestions in respect of three Factual Statements (FSs) & three Draft Paragraphs (DPs) during 2017-18, four FSs & two DPs during 2018-19 and five FSs and three DPs during 2019-20 proposed by DLFAD for inclusion in their Audit Report were communicated to DLFAD under the TG&S by the Office of Principal Accountant General (General & Social Sector Audit).

During the period 2017-18, DLFAD did not forward any IRs for comments under TG&S. During 2018-19 and 2019-20, three IRs in each year were forwarded by DLFAD for comments under TG&S. After due scrutiny, the suitable comments for technical guidance were communicated (May 2019 and May 2020) to DLFAD.

9 All accounts kept and maintained by PRI shall be audited, as soon as may be after the end of each financial year, by the DLFAD for the State and provisions of the Rajasthan Local Fund Audit Act, 1954 shall apply, provided that the CAG of India may also carry out a test Audit of such accounts.

10 Now known as Office of the Accountant General (Audit-I), Rajasthan w.e.f. 18th May 2020.

Further, in compliance of parameter 4 and 5 of TG&S, test check audit of three LFAD audited PSs Alsisar, Mundavar and Pisangan during 2017-19 and two PSs Osian and Pipalkhunt during 2019-20 was conducted by this office and their inspection reports were sent (October 2017, April 2018 and May 2019) to DLFAD for compliance of the objections. Reply of DLFAD was not received (November 2021).

1.6 Response to Audit observations

1.6.1 Response to Inspection Reports and paragraphs

As of March 2020, 2,951 IRs comprising 27,149 paragraphs issued by the Principal Accountant General (General and Social Sector Audit) Rajasthan in respect of the PRIs i.e. ZPs and PSs (including GPs) were pending for settlement as detailed in Table 1.3 below:

Table 1.3

S.No.	Year	IRs	Paragraphs
1	Upto 2008-09	1,263	9,291
2	2009-10	150	2,021
3	2010-11	104	925
4	2011-12	206	2,471
5	2012-13	191	2,413
6	2013-14	203	2,246
7	2014-15	170	1,304
8	2015-16	161	1,478
9	2016-17	178	1,670
10	2017-18	133	1,429
11	2018-19	123	1,215
12	2019-20	69	686
	Total	2,951	27,149

Recovery of ₹ 19,958, ₹ 18,684 and ₹ 2,04,250 was made at the instance of Audit in PS-Anoopgarh (2017-18), PS-Lunkaransar (2018-19) and PSs Dungarpur, Pindwada and Pisangan (2019-20).

Huge pendency of IRs and paragraphs indicates lack of prompt response on the part of PRIs.

For early settlement of outstanding paragraphs in IRs, GoR issued (August 1969) instructions to all the departmental officers for sending first reply to IRs within a month and replies to further audit observations within a fortnight. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance to all the matters relating to audit.

It was however, observed that first compliance of 23 IRs containing 291 paragraphs (issued during 2017-2020) have not been received as of August 2021.

For early disposal/settlement of the outstanding IRs and paragraphs, the Finance Department instructed (April 2016) all the departments to hold four Audit

Committee meetings in a year. However, against eight prescribed Audit Committee meetings (four each by PRD and RDD) to be held in a year, only three (PRD:1 and RDD:2), three (PRD:2 and RDD:1) and four (PRD:2 and RDD:2) meetings were conducted during the year 2017-18, 2018-19 and 2019-20 respectively.

Recommendation:

1. *Efforts should be made by Panchayati Raj Department and Rural Development Department to conduct Audit Committee meetings regularly to settle the pending paragraphs. PRIs should also take prompt action to rectify the irregularities pointed out by Audit.*

1.6.2 Response to paragraphs that featured in Audit Report

Reply to all the paragraphs which appeared in C&AG's Audit Report for 2016-17 have been received as on August 2021. However, reply for 24 paragraphs having money value of ₹ 2,217.04 crore were received after the prescribed time.

1.6.3 Discussion on Audit Reports by the Committee

A Committee on Local Bodies and Panchayati Raj Institution has been constituted since 01 April, 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Reports of Comptroller and Auditor General of India on Local Bodies. Audit Reports till the year 2012-13 has been discussed/deemed discussed by the committee. Audit Reports for the year 2013-14 to 2015-16 are due for report writing and Audit Report for the year 2016-17 is pending discussion by the committee.

Accountability Mechanism and Financial Reporting issues

Accountability Mechanism

1.7 Social Audit

Social Audit was formally introduced through Mahatma Gandhi National Rural Employment Guarantee (MGNREG) Audit of Scheme Rules¹¹, 2011. These rules prescribe procedures and the manner for conducting Social Audit.

For further simplification, delegation of responsibilities to various functionaries and effective implementation of the scheme, the GoR formulated detailed Social Audit Guidelines in 2012. In Rajasthan, Directorate of Social Audit (DSA) was constituted (September 2009) under the administrative set up of Principal Secretary RD&PRD. Director, Social Audit is responsible for conducting Social Audit of scheme¹² in the State as per provisions of the Social Audit Guidelines, 2012.

11 MGNREG Audit of Scheme Rules, 2011 were notified (30 June 2011) by the GoI in exercise of the powers conferred by sub section (1) of section 24 of the MGNREG Act, 2005.

12 In addition to MGNREG Scheme, Social Audit of Integrated Watershed Management Programme (IWMP) also commenced from April 2013 by adopting these guidelines.

In the beginning of the year, the DSA with a view to cover each GP in a period of six months, prepares Annual calendar in two parts, each of a half yearly period. Corrective action is taken by executive agencies, line departments and payment authorities and the follow up action is taken by Directorate and GoR.

The position of Social Audit conducted by Director, Social Audit during 2017-20, is as given in Table 1.4 below:

Table 1.4

S. No.	Year	No. of GPs to be audited in each half	No. of GPs audited		No. of grievances registered		No. of grievances redressed/ closed	
			I st half	II nd half	I st half	II nd half	I st half	II nd half
1.	2017-18	9,894	9,244	7,814	259	201	Nil	Nil
2.	2018-19	9,891	7,587	9,262	1,567	63	1,317	21
3.	2019-20	9,892	8,717	3,671	551	Nil	346	Nil

It is evident from the above table that during 2017-18 Social Audit of 13.79 *per cent* GPs could not be conducted. This percentage further increased to 14.82 and 37.38 *per cent* during 2018-19 and 2019-20 respectively. Further, a total of 957 grievances were pending redressal as of January 2021 and no grievances were settled/closed in three of the six half-yearly periods of 2017-18 to 2019-20.

1.8 Investigation by Lokayukta

The Office of the Lokayukta, Rajasthan was set up in February 1973 as per the Rajasthan Lokayukta and Up-Lokayukta Act, 1973, with an objective of resolving cases of corruption, misutilisation of power by Ministers and higher officials of the GoR. It is an independent constitutional authority. The actions of Pramukh and Up-Pramukh of a ZP, Pradhan and Up-Pradhan of a PS and Chairman of any standing committee constituted by or under RPRA, 1994 are covered under the Lokayukta. However, the acts of the Sarpanch or Panch of GP do not fall under the direct jurisdiction of the Lokayukta in Rajasthan.

The position of complaint cases against the officers and employees of RD&PRD in Lokayukta, Rajasthan is as given in Table 1.5 below:

Table 1.5

S.No.	Year	Opening balance	Complaint received	Total	Complaint resolved	Closing balance
1.	2017-18	393	820	1,213	744	469
2.	2018-19	469	737	1,206	634	572
3.	2019-20	572	483	1,055	0	1,055

It is evident from above that 2,040 complaints cases against the officers and employees of RD&PRD were received in Lokayukta, Rajasthan during 2017-20 and adding an opening balance of 393 cases, there were a total of 2,433 cases. Out of this, 1,378 cases were disposed and the remaining 1,055 cases were pending (as on March 2020).

1.9 Submission of Utilisation Certificates

As per rule 284 and 286 of the General Financial & Accounts Rules (Part-I) of Government of Rajasthan, PRIs shall submit Utilisation Certificate (UCs) for the grant released to them for specific purpose. The UCs shall be prepared separately by the Vikas Adhikaris/Secretaries concerned and sent to the District Level Officer of Department concerned which released the grant. The District Level Officer shall countersign the same and submit it directly to the Accountant General, Rajasthan.

1.9.1 Panchayati Raj Department

The position of pending UCs in respect of the grants of 5th State Finance Commission (SFC) and 14th Finance Commission (FC) as of March 2018 and March 2019 is given in Table 1.6.

Table 1.6

(₹ in crore)

S.No.	Year of allotment	Pending UCs for the amount	
		5 th State Finance Commission Grants	14 th Finance Commission Grants
1.	2017-18	2,429.90	2,360.62
2.	2018-19	2,291.57	1,246.68
3.	2019-20	NA	NA

*NA (Not Available): The information was not made available by PRD despite repeated reminders.

PRD provided ZP wise amount of the pending UCs for 2017-18 and the total amount of pending UCs for 2018-19 in respect of grants of 5th SFC and 14th FC, however, ZP wise amount of the pending UCs for 2018-19 was not provided.

The Department needs to take concrete action to obtain the pending UCs for the grants released, from the ZPs concerned.

1.9.2 Rural Development Department

The position of pending UCs in respect of the Central and State sponsored schemes upto the year 2017-18, 2018-19 and 2019-20 is given in Table 1.7 as under:

Table 1.7

(₹ in crore)

S. No.	Name of Scheme	Pending UC for amount		
		As of March 2018	As of March 2019	As of March 2020
1.	MLALAD	1,432.58	1,282.79	912.95
2.	Swa Vivek Zila Vikas Yojna	14.98	10.99	9.42
3.	MGNREGS	805.36	56.53	65.51
4.	MAGRA	95.65	89.52	53.45
5.	MEWAT	125.75	82.92	56.16
6.	DANG	93.89	80.95	44.37
7.	BADP	260.93	347.40	275.52
8.	MPLAD	200.63	313.82	NA
9.	GGJVY	97.64	144.96	84.18
10.	SPMRM	1.85	123.95	NA
Total		3,129.26	2,533.83	1,501.56

*NA (Not Available): The information was not made available by RDD despite repeated reminders.

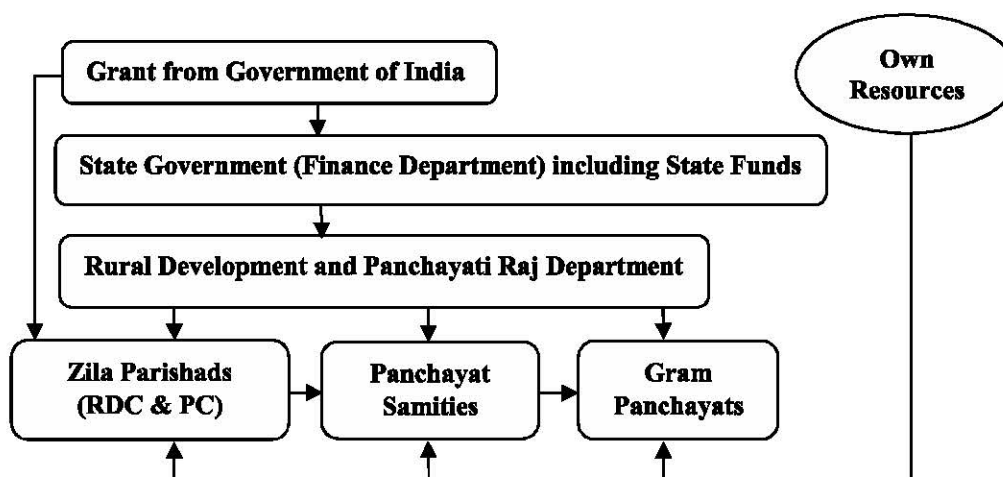
The Department is required to make efforts to ensure timely submission of UCs.

1.10 Financial Reporting Issues

1.10.1 Source of Funds

The receipts and expenditure of PRIs from all the sources are compiled by PRD and RDD separately at the State level. The schemes of PRD and RDD are usually executed by all the three tiers of PRIs. The fund flow of PRIs is given in Chart 1.2 below:

Chart 1.2



1.10.1.1 Financial Position of Panchayati Raj Institutions as per Panchayati Raj Department

PRIs have their own sources of tax and non-tax revenue *i.e.* fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land. In addition, the PRIs receive funds from the State Government and Government of India (GoI) in the form of grants-in-aid/loans for general administration, implementation of developmental schemes/works, creation of infrastructure in rural areas etc. PRIs also receive funds under recommendations of the Central/State Finance Commissions. The position of receipts and expenditure of PRIs for the schemes compiled by PRD for the period 2015-20 is given in Table 1.8 below:

Table 1.8

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
(A) Revenue receipts					
Tax (own revenue)	NA	NA	NA	Nil	NA
Non-Tax (ZP) (own revenue)	NA	NA	NA	11.28	NA
Total Own Revenue	NA	NA	NA	11.28	NA
Grants-in-aid from State Government	3,832.57	5,237.27	6,456.10*	4,717.62*	NA
Thirteenth Finance Commission Grants	1.63	Nil	Nil	Nil	NA
Fourteenth Finance Commission Grants	1,471.95	2,305.52	2,657.47	1,362.11@	5,043.12@
Total Receipts	5,306.15	7,542.79	9,113.57	6,091.01	NA
(B) Expenditure					
Revenue Expenditure (Pay and allowances and maintenance expenditure)	5,047.40	7,499.67	8,486.82	6,440.25	NA
Capital Expenditure	0.56	43.13	25.00	6.50	NA
Total Expenditure	5,047.96	7,542.80	8,511.82	6,446.75	NA
Source: As per data provided by PRD. @ : As per data of State Finance Audit Report (2019-20 and 2020-21)					
NA: Not available, The information for the year 2019-20 was not made available by PRD despite repeated reminders.					
*It includes amount pertaining to Fifth State Finance Commission grant.					

The above table indicates that:

- There has been a steep decrease in total receipts in the year 2018-19 by 33.17 per cent over the previous year. State Government grants decreased by 26.93 per cent and Fourteenth Finance Commission grants also decreased by 48.74 per cent over the previous year in the same period. However, this position could not be compared for the year 2019-20 as the department did not provide the relevant information even after repeated reminders.
- Total expenditure in 2018-19 also decreased by about 24.26 per cent over the previous year. However, the expenditure could not be compared for the year 2019-20 as the department did not provide the relevant information even after repeated reminders.
- Non availability of figures of own revenue (tax and non-tax) with the Department for the year 2014-18 reflects the weakness of the management information system of Department. There are certain revenue receipts in ZPs and PSs in the form of rent from shops, fisheries, auctions, tender receipts, other taxes, etc. However, these were not compiled or consolidated at State level. The department did not provide the relevant information for the year 2019-20 even after repeated reminders.

Hence, PRIs are totally dependent on grants-in-aid received from State Government and Finance Commission. Complete dependency on grants and lack of fiscal autonomy is a matter of serious concern that needs to be addressed for improving governance at grass-root level.

1.10.1.2 Financial Position of Panchayati Raj Institutions compiled by Rural Development Department

The position of receipts and expenditure of the rural development schemes compiled by RDD for the years 2015-20 is given in Table 1.9 below:

Table 1.9

(₹ in crore)

S. No.	Particulars	2015-16			2016-17			2017-18			2018-19			2019-20		
		CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total	CSS	SSS	Total
1.	Opening balance	790.73	329.16	1,119.89	249.68	765.52	1,015.20	364.42	953.38	1,317.80	801.32	1,998.37	2,799.69	1,403.27	1,688.39	3,091.66
2.	Receipts	662.04	530.78	1,192.82	216.76	639.78	856.54	4,129.55	792.53	4,922.08	5,571.22	289.47	5,860.69	15,875.70	392.34	16,268.04
3.	Total available funds*	1,457.37	754.48	2,211.85	440.92	1,103.03	1,543.95	4,493.99	1,745.92	6,239.91	6,373.04	2,287.84	8,660.88	17,278.97	2,080.73	19,359.70
4.	Expenditure	1,077.59	652.85	1,730.44	304.16	767.04	1,071.20	4,068.26	666.32	4,734.58	5,243.65	603.01	5,846.66	13,847.90	578.36	14,426.26
5.	Closing balance	379.78	101.63	481.41	136.76	335.99	472.75	425.73	1,079.60	1,505.33	1,129.39	1,684.83	2,814.22	3,431.07	1,502.38	4,933.45
6.	Percentage of expenditure to the total available funds	73.94	86.53	78.23	68.98	69.53	69.38	90.53	38.16	75.88	82.28	26.36	67.51	80.14	27.80	74.52

CSS: Centrally Sponsored Scheme, SSS: State Sponsored Scheme.
 *Total available funds include Interest on funds and exclude unsanctioned amount as per information provided by the Department.
 Source: As per data provided by RDD.

The above table indicates that:

- There are consistent difference in closing balance of the previous year and opening balance of next year for each of the years. Similar discrepancies were also commented in the previous Audit Reports but they still persist. Urgent remedial action for reconciliation of the differences need to be taken by the GoR.
- Total receipts from Central and State Government have increased by about 474.64 per cent, 19.07 per cent and 183.71 per cent and the expenditure also increased by about 341.98 per cent, 23.49 per cent and 146.74 per cent in 2017-18, 2018-19 and 2019-20 respectively over the previous year.
- Utilisation of available funds was about 75.87 per cent, 67.51 per cent and 74.52 per cent during 2017-18, 2018-19 and 2019-20 respectively.

Scheme-wise financial status and progress of work under schemes during the year 2019-20 is as given in Table 1.10 below:

Table 1.10

(₹ in crore)

Sl. No.	Name of scheme	Total available funds	Expenditure	Expenditure in percentage of available funds	Total available works	Completed	Percentage of completion	Work not started
1.	MLA-LAD	1,656.06	401.26	24.23	6,263	5365	85.66	210
2.	Swa Vivek Zila Vikas Yojna	11.65	2.23	19.16	27	22	81.48	1
3.	MGNREGS	8,083.23	6,896.41	85.32	4,57,168	2,92,426	63.96	NA
4.	MAGRA	93.02	39.56	42.53	39	33	84.62	0
5.	MEWAT	86.42	30.26	35.02	112	99	88.39	1
6.	DANG	84.42	40.05	47.44	26	13	50	6
7.	BADP	441.26	165.74	37.56	676	478	70.71	0
8.	MPLAD	690.19	148.74	21.55	1,170	888	75.90	85
9.	MGJVY	149.17	64.99	43.57	85	70	82.35	1
10.	SPMRM	127.85	30.76	24.06	1,085	313	28.85	397

1.10.2 Recommendations of the State Finance Commission

Fifth State Finance Commission (SFC) period commenced from the year 2015-16. An amount of ₹ 2,770.93 crore, ₹ 2,252.95 crore and ₹ 449.73 crore was provided to the PRIs by the Department as Fifth SFC grant during the year 2017-18, 2018-19 and 2019-20 respectively. The grant was distributed in the ratio of 5:20:75 to ZPs, PSs and GPs. Accordingly, directions and guidelines were given for utilisation of the grant. The grant is to be released as untied fund for development of basic citizen amenities and their maintenance.

1.10.3 Recommendations of the Central Finance Commission

1.10.3.1 Fourteenth Finance Commission Grants

The Fourteenth Finance Commission covered the period from the year 2015-16 to 2019-20. During the period 2015-20, State Government received grants amounting to ₹ 12,840.17 crore (as shown in **Table 1.8**) and the same was fully transferred to the PRIs.

As per the Fourteenth Finance Commission guidelines, the concerned ZP and PS would be responsible to ensure fair and optimum utilisation of the grants by the GPs. For claiming performance grant, the GPs, shall submit audited accounts that relate to year not earlier than two years preceding the year in which the performance grant is sought. The GPs will have to show increase in their own revenue over the preceding year as reflected in the audited accounts.

1.10.4 Unutilised Funds

Out of 33 ZPs, only 26 ZPs¹³, 24 ZPs¹⁴ and 23 ZPs¹⁵ furnished their annual accounts in 2017-18, 2018-19 and 2019-20 respectively. The position of the unutilized fund based on these accounts is shown in **Table 1.11** below:

Table 1.11

(₹ in crore)

S.No.	Year	Opening Balance	Receipts in the year	Total funds	Expenditure	Closing Balance
1.	2017-18	747.20	1,090.68	1,837.88	1,104.77	733.11
2.	2018-19	653.59	829.43	1,483.02	882.30	600.72
3.	2019-20	639.22	452.42	1,091.64	558.61	533.03

Source: Annual accounts of the Districts.

- 13 Zila Parishad: Ajmer, Banswara, Baran, Barmer, Bhilwara, Bikaner, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Hanumangarh, Jalore, Jhunjhunu, Jodhpur, Karauli Kota, Nagaur, Pali, Pratapgarh, Rajsamand, Sirohi, Sikar, Tonk and Udaipur.
- 14 Zila Parishad: Ajmer, Banswara, Baran, Bharatpur, Bhilwara, Bikaner, Bundi, Chittorgarh, Churu, Dholpur, Dungarpur, Hanumangarh, Jaisalmer, Jhalawar, Jhunjhunu, Jodhpur, Karauli, Kota, Pali, Pratapgarh, Rajsamand, Sikar, SawaiMadhopur and Tonk.
- 15 Zila Parishad: Ajmer, Banswara, Baran, Barmer, Bhilwara, Bikaner, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Hanumangarh, Jalore, Jhunjhunu, Jodhpur, Karauli Kota, Nagaur, Pali, Pratapgarh, Rajsamand, Sirohi, Sikar, Tonk and Udaipur.

These balances include funds from Central & State Finance Commissions, and other grants under various schemes. Non utilisation of available funds is indicative of the deficiency in planning and implementation. The PRD at State level needs to analyse and prioritise the provision of funds to the PRIs and ensure their optimum utility in time.

1.10.5 Maintenance of Records

As per provisions contained in Rule 245 of RPRR, 1996, a quarterly statement of income and expenditure is required to be prepared in prescribed proforma by each PRI and sent to next higher authority. Similarly, at the end of the year a GP/PS is required to prepare an abstract of annual accounts in prescribed proforma vide rule 246 of Rules *ibid* showing its income and expenditure under each head of budget and forward it to the State Government through ZP by first May of the following year. Abstract of annual accounts is required to be accompanied by a statement of grants-in-aid received and spent during the year, statement of loans and amount outstanding, a list of works undertaken under the various schemes and a statement of assets and liabilities.

Provisions regarding maintenance of records viz. cash book, asset register, advance register, stock register and other records have also been enumerated in the RPRR, 1996.

Test check of 264 PRIs (ZPs: 09, PSs: 30 and GPs: 225) and 191 PRIs (ZPs: 10, PSs: 16 and GPs: 165) was conducted during 2017-18 and 2019-20 respectively. The deficiencies noticed during the test check, are summarised in Table 1.12 below:

Table 1.12

S.No.	Year	PRIs not maintaining separate cash books for different schemes			PRIs not preparing quarterly statement of accounts of income and expenditure			PRIs not preparing annual accounts in prescribed formats		
		ZP	PS	GP	ZP	PS	GP	ZP	PS	GP
1.	2017-18	7	18	Nil	4	12	207	3	10	152
2.	2019-20	Nil	1	Nil	4	1	52	1	Nil	52

It was observed that most of the GPs prepared annual accounts in initial receipts and expenditure statements called '*Goshwara*'. Moreover, 146 GPs out of the test checked 225 GPs during 2017-18 did not submit annual accounts to the State Government.

Out of the total 295 Panchayat Samitis in the State, 201 PSs submitted annual accounts to the State Government during 2017-18. The remaining 94 PSs did not submit annual accounts to the State Government as of October 2018. Further, 231 PSs submitted annual accounts to the State Government during 2018-19. The remaining 64 PSs did not submit annual accounts to the State Government as of October 2019. During 2019-20, 222 PSs submitted annual accounts to the State Government. The remaining 73 PSs did not submit annual accounts to the State Government as of January 2021.

The entire accountability process has thus been restricted to furnishing of a simple '*Goshwara*' at GP level and quarterly and annual accounts statements at

PS and ZP level, against the provisions of the RPRR 1996, which prescribed different formats for the accounts.

1.10.5.1 PRIASoft is a centralised accounting package that facilitates maintenance of accounts under Model Accounting System. Data is entered at District/Block /GP level and is integrated at State level. It was noticed that the PRIs were entering transactions relating to the grants of Central and State Finance Commission and Untied funds. According to the information provided by the Department, 14 ZPs, 101 PSs and 1,988 GPs had closed their year book for the year 2017-18. There were less than 10 *per cent* entries in five ZPs¹⁶ in PRIASoft and four ZPs¹⁷ did not make any entry in PRIASoft. During this year 2,103 PRIs closed their year book compared to 684 PRIs in the year 2016-17 and 282 during 2015-16.

Further, as per the information provided by the Department for the year 2018-19, 30 ZPs, 272 PSs and 9,294 GPs had closed their year book. It was also noticed that at GP level in 14 ZPs, there were 100 *per cent* entries in PRIASoft while in GPs of Bikaner and Pali ZPs, there were less than 60 *per cent* entries in PRIASoft. There was significant improvement as 9,596 PRIs closed their year book during 2018-19 compared to 2,103 PRIs in the year 2017-18 and 684 PRIs during 2016-17.

The information regarding closing of year book and entries in PRIASoft made by PRIs for the year 2019-20 was not provided by the PRD.

1.10.5.2 As per Rule 247(2) of RPRRs, 1996, every ZP is required to prepare annual accounts of receipts and expenditure and furnish the same to the State Government by 15 May of every year.

The position of submission of Accounts by total 33 ZPs (Panchayati Raj Cell) for the period 2017-20 (as of October 2021) is as given in the **Table 1.13** below:

Table 1.13

S.No.	Annual Account for the year	No. of ZPs submitted Annual Account within prescribed time	No. of ZPs submitted Annual Account with delay (range)
1.	2017-18	22	11 (1 to 85)
2.	2018-19	24	9 (1 to 112)
3.	2019-20	23	10 (5 to 123)

Similarly, annual accounts of ZPs (RDC) were required to be submitted to RDD by 30 September of every year.

16 ZPs: Dausa, Jaipur, Jhalawar, Kota, Sirohi

17 ZPs: Jhalawar, Jodhpur, Karauli, Sirohi.

The position of submission of Accounts by total 33 ZPs (RDC) for the period 2016-20 (as of October 2021) is as given in the Table 1.14 below:

Table 1.14

S. No.	Annual Accounts for the year	No. of ZPs submitted Annual Accounts within prescribed time	No. of ZPs submitted Annual Accounts with delay (range)	No of ZPs did not submit Annual Accounts
1.	2016-17	3	29 (10 to 797 days)	1 (ZP Pali)
2.	2017-18	3	29 (4 to 1,108 days)	1 (ZP Pali)
3.	2018-19	3	28 (7 to 611 days)	2 (ZP Banswara and Pali)
4.	2019-20	8	23 (5 to 362 days)	2 (ZP Banswara and Pali)

As evident from the table, ZP (RDC) Banswara and Pali consistently did not submit their annual accounts at all. Both ZP (RDC) and ZP (Panchayati Raj Cell) needs to make efforts to submit annual accounts on time.

1.10.6 Reconciliation of Balances as per Cash Book with Bank Pass Book

Rule 238 of RPRR, 1996 stipulates that it shall be the duty of Panchayat Secretary to reconcile the deposit and drawals with bank pass book every month on the basis of Panchayat record and get the mistakes corrected, if any. Similarly, in case of PS and ZP, cashier shall reconcile the PD account with treasury every month.

During 2017-18, Audit scrutiny of 46 PRIs¹⁸ revealed that in 56 cases, differences to the tune of ₹ 44.63 crore between the figures of PRIs records and bank /treasury accounts were pending to be reconciled as of March 2018. During 2018-19, Audit scrutiny of 15 PRIs¹⁹ revealed that in 15 cases, differences to the tune of ₹ 32.38 crore between the figures of PRIs records and bank /treasury accounts were pending to be reconciled as of March 2019. During 2019-20, Audit scrutiny of 16 PRIs²⁰ revealed differences to the tune of ₹ 36.01 crore between the figures of PRIs records and bank/treasury accounts in 17 cases which were yet to be reconciled as of March 2020.

1.10.7 Maintenance of Database and the Formats on the Finances of Panchayati Raj Institutions

Ministry of Panchayati Raj, Government of India had introduced (October 2009) eight simplified accounting database formats (prescribed by the C&AG of India) for implementation by PRIs at District and State level. These formats were meant to compile data of the PRIs on consolidated financial position, income and tax receipts, non-tax receipts, total receipts, details of expenditure and physical progress of funds allotted under Central/State Finance Commissions. These formats were agreed to be adopted for mandatory implementation by the Department with effect from April 2011. These formats were incorporated in the RPRR, 1996 through a notification in May 2015.

18 ZPs: (Panchayat Cell) six, ZPs: (RD Cell) five and PSs: 35.

19 ZPs: (Panchayat Cell) four, ZPs: (RD Cell) three and PSs: eight.

20 ZPs: (Panchayat Cell) four, ZPs: (RD Cell) four and PSs: eight.

However, PRIs have not been compiling and presenting the accounts data in these formats.

State Government intimated (January 2021) that the accounts in the database formats, as mentioned above has been furnished by ZPs Alwar, Dholpur, Hanumangarh, Nagaur and constituent 17 PSs.

Recommendations:

- 2. The Panchayati Raj Institutions need to strengthen their financial position by generating revenue through own tax and non-tax sources, to reduce continued dependency on grants provided by GoI and State Government,*
- 3. Efforts should be made by Panchayati Raj Institutions to implement the model accounting system prescribed by CAG and the centralized accounting package PRIASoft instead of continuing to prepare the accounts in a conventional receipt and expenditure format.*

1.11 Conclusion

As mandated by RPRA, 1994, five standing committees were to be constituted by each PRI. However, the actual status of their constitution has not been made available to Audit, despite repeatedly commenting in the previous Audit Reports. Further, meetings of DPC to discuss and prepare a draft development plan for the district, were also not conducted by most of the districts in prescribed numbers and manner, as envisaged.

Certain sources of revenue like fair tax, building tax, fees, rent from land and buildings, water reservoir etc. and capital receipts from sale of land had been provided to the PRIs. However, the PRIs have remained dependent upon the grants in aid released by State and central Government. PRIs have failed to recognize the importance of generation of own revenue. Even figures of 'own revenue' were not available with the Department for the past many years.

Accounting formats have been formulated since 2009. However, the PRIs were still maintaining their accounts in conventional formats. Scheme wise separate cash books, quarterly accounts of Income and Expenditure and annual accounts in prescribed formats were also not maintained by many of the PRIs. Thus, record maintenance of PRIs continued to be poor and incomplete to that extent. *PRIASoft*, an online centralised accounting package that facilitates maintenance of accounts under Model Accounting System, was not being fully utilized as many PRIs were not making entries in it.

DLFAD is the primary auditor of PRIs. Huge arrears in audit as well as certification of accounts of PRIs on part of the DLFAD, is an area of concern. DLFAD also did not ensure compliance to the observations made by this office under parameter 4 and 5 of TG&S. Social audit coverage of PRIs has been decreasing over the years.

The PRIs have not provided even the first compliance of 23 IRs containing 291 paragraphs (issued during 2017-2020). The prescribed number of Audit Committee Meetings to settle the outstanding audit paras were not conducted in any of the years during the period 2017-20.

CHAPTER-II
Audit Findings on
Panchayati Raj
Institutions

CHAPTER-II

AUDIT FINDING ON PANCHAYATI RAJ INSTITUTIONS

This Chapter contains a Thematic Audit on *Implementation of Mewat Area Development Scheme*, two Long Draft Paragraph on *Mahatma Gandhi Janbhagidari Vikas Yojana, Release and Utilisation of Grants as recommended by Fifth State Finance Commission* and six draft paragraphs relating to Panchayati Raj Institutions.

Rural Development and Panchayati Raj Department

2.1 Implementation of Mewat Area Development Scheme

2.1.1 Introduction

Alwar and Bharatpur Districts' area in Rajasthan, which is thickly populated by the Meo community, is known as the Mewat Area. This area is considered socially and economically backward. Mewat Area Development Scheme (MADS) was started (February 1987) for socio-economic development of the Mewat area and is being implemented in 14 Panchayat Samities¹ (PSs) of the Mewat Area. MADS is a State funded scheme and being implemented in the rural areas with the following objectives.

- (i) Economic and social infrastructural development of Mewat area.
- (ii) Execution of works related to five basic facilities included in SHREE Yojana² on priority basis
- (iii) To execute the works related to education, medical, archaeology and environment conservation etc.
- (iv) Phase-wise overall development of villages on the basis of population of villages and Gram Panchayats (GPs) headquarters.
- (v) Maintenance of assets constructed under other developmental schemes.
- (vi) Establishment of small-scale industries and development of necessary resources for employment and livelihood to local citizens.
- (vii) Development of art, culture and tourism.

The guidelines for implementation of the MADS were issued in March 2015³ by the Rural Development and Panchayati Raj Department (RD&PRD), Government of Rajasthan (GoR). The Guidelines provided that 20 *per cent* of total allotted fund would be reserved at State level for basic infrastructures such as Railway Under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. and three *per cent* of the

1 **Alwar:** Kathumar, Kishangarhbas, Kotkasim, Laxmangarh, Mundawar, Ramgarh, Tijara, and Umren; **PSs included since June 2020: Govindgarh and Malakhera;** **Bharatpur:** Deeg, Kama, Nagar and Pahadi.

2 Sanitation, Health, Rural connectivity, Education & Medical facility and Energy (SHREE).

3 Before March 2015 the MADS was functioning on the basis of recommendations/guidelines issued by Mewat Area Development Board (constituted in February 1987).

allotted fund would be utilised for administrative expenditure (State, District and Block level). From 2017-18, 19 *per cent* of allotted fund was to be reserved at State level for basic infrastructure and one *per cent* was to be utilised for administrative expenditure (State, District and Block level). The 50 *per cent* of the remaining funds would be allocated to the selected districts on the basis of number of families below poverty line in the district. The other 50 *per cent* of the funds would be allocated on the basis of literacy rate and difference of literacy rate of the districts to the literacy rate of the State.

The RD&PRD is the administrative department for implementation of MADS at State level with overall responsibility for supervision, monitoring and co-ordination of various activities of Panchayat Raj Institutions (PRI). Agencies responsible for planning and implementation of programme/scheme at State, District, Block and Gram Panchayat (GP) level are given in **Table 2.1**.

Table 2.1

S. No.	Level	Agency	Headed by	Role/responsibility
1	State	Mewat Area Development (MAD) Board	Chairperson nominated by Minister of RD&PRD	Approval of Comprehensive Village Development Annual Plan (CVDA Plan) received from districts. Supervision and review of progress of implementation of MADS and give guidance for further improvement.
		RD&PRD	Additional Chief Secretary	Administrative department for implementation of MADS.
2	District	ZP (RDC)	Chief Executive Officer	ZP (RDC) is the Nodal Agency at the district level.
		District Level Mewat Area Development Committee	District Collector	All works relating to assessment, implementation, execution and control of annual work plan for the development of Mewat Area.
3	Block	PS	Block Development Officer (BDO)	Sending of annual work plan (approved by GP) to ZP after approval in General Body Meeting of PS.
4	Gram Panchayat (GP)	GP	Village Development Officer (VDO)	Preparation and approval of annual work plan in Gram Sabha and execution of approved works.

A compliance audit of implementation of MADS, for the period 2015-2018 was conducted during May 2018 to October 2018. For the purpose, six PSs (Alwar: 4 and Bharatpur: 2) being 50 *per cent* of the total PSs in each district where MADS was implemented, 60 GPs (10 GPs in each selected PSs) were selected for audit on the basis of maximum expenditure incurred and the number of Meo families' living in villages under PSs. (details in *Appendix III*). Further, in each selected GP, detailed check/physical verification of works limited to maximum 10, were also carried out by the audit teams.

The audit findings were communicated (November 2018) to the Department/Government for comments but no reply was received. Thereafter, audit

findings were updated till March 2020 through detailed check/physical verification of works (maximum three) during November-December 2020 and March 2021. However, due to COVID-19 pandemic situation, this time sample was limited to four PSs (two from each district) and 20 GPs (five from each select PS).

Audit findings

Audit on implementation of MADS in both the districts of the State revealed deficiencies in planning, execution of works, management of funds and monitoring of the scheme. The deficiencies noticed during audit are discussed in the succeeding paragraphs.

2.1.2 Planning and Governance

2.1.2.1 Preparation of Detailed Project Report/Consolidated Project Report and Prospective plan

Paragraph 6.1 of MADS guidelines provided for preparation of Detailed Project Report/Consolidated Project Report (DPR/CPR) for development of Mewat area in forthcoming years. Further, Paragraph 6.2 of MADS guidelines envisaged preparation of a prospective plan for next four years for comprehensive village development of Mewat area.

Scrutiny of records of RD&PRD and test checked ZPs, PSs and GPs revealed that DPR/CPR and prospective plan for comprehensive village development were not prepared.

GoR stated (November 2021) that Annual Plan is prepared at ZP level on the basis of proposals received from PS/GP concerned. Usually, these proposals are based on the demands of public and are approved by the Gram Sabha.

The reply is not acceptable as prospective plan for Mewat area is different from the annual plan. A prospective plan is a comprehensive village level development plan for a period of next four years while Annual Plan being a part of prospective plan is executed during a particular year. The Department also did not prepare DPR/CPR.

2.1.2.2 Delay in approval of Plan

As per Paragraph 9.2 & 9.3 of guidelines, the process for approval of Annual Plan should be completed by end of April every year by District Level Area Development Committee (DLADC) and should be approved by the MAD Board /RD&PRD within 15 days from the receipt of plan.

Scrutiny of records of RD& PRD and ZPs Alwar & Bharatpur revealed that the annual plans for the years 2015-20 were submitted by ZPs Alwar and Bharatpur with delays ranging from 10 to 285 days and approved by MAD Board/RD&PRD with delays ranging from one to 152 days beyond prescribed period. Due to delay in submission and approval of annual plan, the execution of plan and sanction of works were delayed to that extent.

GoR replied (November 2021) that the delays in preparation of plans during the period 2015-17 was normal. It stated that postponement of preparation of plan at State level due to political and administrative reasons and imposition of code of conduct for election were mainly responsible for delays in submission and approval of annual plan during 2017-19.

The reply is not acceptable as there was a delay of 144 & 273 days in submission of annual plan by ZP Alwar during 2015-17, which cannot be justified as normal. Further, the department remained silent on the fact that there was a delay of one to 152 days in approval of plan during 2015-20.

2.1.2.3 Preparation of drainage plan

Paragraph 6.3 of MADS guidelines provided for preparation of a drainage plan for systematic development of villages under MADS.

Scrutiny of records of RD&PRD and test checked ZPs, PSs and GPs revealed that drainage plans were not prepared.

RD&PRD accepted the facts and stated (May 2018) that drainage plans were not prepared as the Finance Department had not sanctioned administrative expenditure for this purpose. The Department of Finance allowed (February 2017) expenditure of one *per cent* of fund available for detailed survey, identifying critical gaps etc. as administrative expenses. RD&PRD further stated (August 2020) that concerned ZPs are also carrying out drainage works from the other schemes.

GoR stated (November 2021) that Annual Plans at GP, PS and ZP level are being prepared in accordance with the scheme guidelines issued in 2015.

The reply is not convincing as drainage works done by department were part of annual plan and not drainage plan, which was not prepared even after sanction of funds by the Finance department.

Thus, in the absence of plan, systematic drainage system in villages of Mewat area could not be developed (as discussed in **para 2.1.3.4 (ii)**).

2.1.3 Execution of the scheme

2.1.3.1 Non execution of works as envisaged in the objectives of MADS

The main objective of MADS was to implement projects relating to livelihood activities, establishment of small-scale industries, creation of community assets and infrastructural assets, employment generation works relating to art, culture and tourism development and execution of five⁴ basic infrastructure facilities included in SHREE Yojana.

Scrutiny of records of RD&PRD, ZPs Alwar and Bharatpur revealed that total 4,263 works worth ₹ 190.21 crore were sanctioned during the period 2015-20. Details are given in **Table 2.2** below:

4 Sanitation, Health, Rural connectivity, Education & Medical facility and Energy (SHREE).

Table 2.2

S. No.	Name of works	Number of works sanctioned	Sanctioned Amount (₹ in Crore)	Percentage of total sanctioned amount
1	Sanitation	178	13.35 ⁵	7.02
2	Health	1,883	35.38 ⁶	18.60
3	Rural connectivity	1,373	87.20 ⁷	45.84
4	Education and medical facility	284	13.98 ⁸	7.35
5	Energy	5	0.50 ⁹	0.27
6	Other activities ¹⁰	540	39.80 ¹¹	20.92
	Total	4,263	190.21	100

Source: As per information provided by ZPs.

It is evident from the above table that majority (79.08 per cent) of the works were executed prioritising the components of the SHREE Yojana. However, other activities such as establishment of small-scale industries, projects relating to livelihood activities and works relating to art, culture and tourism development were not included as envisaged in the objectives of the scheme.

Moreover, Guidelines of 2015 provided that 20 per cent (2015-17) and 19 per cent (2017-18 onwards) of total allotted fund would be reserved at State level for basic infrastructures such as Railway under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. It was observed that a provision of ₹ 23.90 crore only was made for the period 2015-17, however, no funds were sanctioned. During 2017-18, ₹ 9.40 crore were reserved at the Headquarter and were transferred to the *Mukhyamantri Jal Swavlamban Yojana*. Further, during 2018-19, no provision was made and during 2019-20, ₹ 1.22 crore were reserved at Headquarter, however, expenditure for basic infrastructure was not done.

GoR stated (November 2021) that livelihood, art, culture and tourism have been benefited due to the ease of transport by the roads constructed in the Mewat area of the National Capital Region.

Further, small scale units have also been benefited by the use of local materials in construction of sanctioned assets.

The reply is not acceptable as department did not undertake works/activities related to establishment of small-scale industries, which would have directly generated livelihood and employment for residing community. Further, ease of transport could benefit art, culture and tourism only indirectly. Activities for protection of environment and development of art, culture and tourism were also not sanctioned in Mewat area under the scheme.

5 ZP Alwar- 53 works: ₹ 8.60 crore and ZP Bharatpur-125 works: ₹ 4.75 crore.

6 ZP Alwar- 1,156 works: ₹ 25.47 crore and ZP Bharatpur-727 works: ₹ 9.91 crore.

7 ZP Alwar-788 works: ₹ 60.61 crore and ZP Bharatpur-585 works: ₹ 26.59 crore.

8 ZP Alwar- 169 works: ₹ 9.46 crore and ZP Bharatpur-115 works: ₹ 4.52 crore.

9 ZP Alwar- 0 work: ₹ 0.00 crore and ZP Bharatpur-5 works: ₹ 0.50 crore.

10 Construction of tin sheds, platform and boundary wall of crematorium, Construction of community halls etc.

11 ZP Alwar- 318 works: ₹ 15.05 crore and ZP Bharatpur-222 works: ₹ 24.75 crore.

2.1.3.2 Maintenance of Assets

(a) Paragraph 5.4 of MADS guidelines provided that upto 15 *per cent* of available funds could be utilised for maintenance, strengthening, restoration and upkeep of the assets created under various scheme.

During 2015-20, funds amounting to ₹ 133.01 crore (ZPs Bharatpur: ₹ 55.56 crore and ZP Alwar: ₹ 77.45 crore) were released by State Government. Therefore, upto 15 *per cent* funds i.e. ₹ 19.95 crore (ZPs Bharatpur ₹ 8.33 crore and ZP Alwar: ₹ 11.62 crore) could be utilised for maintenance, strengthening, restoration and upkeep of the assets. The roads were found in damaged condition due to non-construction/blockage of drains during joint physical verification conducted (May-October 2018, November-December 2020 and March 2021) by Audit with department (**discussed in Para 2.1.3.4**). However, expenditure on maintenance/repair of these roads was not incurred by test checked ZPs, PSs and GPs on these activities.

RD&PRD replied (March 2020) that in Bharatpur during 2015-17, no proposals for repair and maintenance were received from the GPs at the district level while during 2017-18, six works amounting to ₹ 19.90 lakh were approved for repair and maintenance. ZP Alwar and Bharatpur further, replied (September 2020) that the sanctions of works for repairing and maintenance included in approved plan, will be issued soon.

GoR stated (November 2021) that maintenance works wherever required, are being included in Annual Plans by the *Gram Sabhas* and approved accordingly.

The reply is not acceptable as repair and maintenance works were not sanctioned/undertaken during 2019-20 despite availability of funds, though included in the approved annual plans.

Further, various assets/roads constructed under the scheme were damaged and therefore, maintenance/repair thereof was necessary. However, only six maintenance/repair works in ZP Bharatpur were executed despite availability of 15 *per cent* earmarked funds for this purpose.

(b) As per paragraph 24.3 of GKN, 2010, a register of assets (Assets Register) is required to be maintained at ZPs, PSs and GPs to record all assets created under various schemes in each GP.

Scrutiny of records of selected ZPs, PSs and GPs revealed that register of assets created under various schemes was not maintained in test checked ZP Bharatpur, PSs Nagar, Laxmangarh & Tijara.

Further, out of test checked 60 GPs, register of assets were not being maintained in the two GPs, 45 GPs stated that registers are being maintained but copies of register were not made available to audit for verification while in remaining 13 GPs, audit could verify the registers being maintained.

GoR stated (November 2021) that asset register has regularly been maintained at ZP, PS and GP levels. However, these registers were not made available to audit for verification by 47 test checked GPs. In the absence of the registers, Audit could not assess as to whether the registers were maintained properly by the ZP/PS/GP.

2.1.3.3 Physical performance of works

The position of works sanctioned and completed in the test checked ZPs during 2015-20 was given in Table 2.3 below:

Table 2.3

(₹ in crore)

S No.	Name of ZPs	No. of works sanctioned	Sanctioned amount	No. of works completed	Expenditure	No. of incomplete works	Amount of incomplete works
1	2	3	4	5	6	7=(3-5)	8=(4-6)
1	Alwar	2,484	119.19	2,246	103.51	238	15.68
2	Bharatpur	1,779	71.02	1,674	67.74	105	3.28
	Total	4,263	190.21	3,920	171.25	343	18.96

Source: Information as per Integrated Works Monitoring System

It can be seen that 343 works amounting to ₹ 18.96 crore (10 per cent) were not completed.

GoR stated (November 2021) that only 253 works in ZPs Alwar (148 works) and Bharatpur (105 works) were under progress as on September 2021 and the same would be completed soon; while other 90 works in ZP Alwar were stated to be completed.

2.1.3.4 Joint physical verification

For the audit period 2015-18, out of the total 1,602 completed works amounting to ₹ 63.93 crore in test checked 60 GPs of six PSs; 550 works amounting to ₹ 22.21 crore (34.33 per cent) were physically verified (May-October 2018). For updation period i.e. 2018-20, out of total 99 completed works amounting to ₹ 4.06 crore in test checked 20 GPs of four PSs; 53 works amounting to ₹ 3.02 crore (74.38 per cent) were physically verified (November-December 2020) alongwith the officials of the department (Assistant Engineer (AEN)/Junior Technical Assistant (JTA)/Village Development Officer of GPs). The results of physical verification are discussed below:

(i) Unfruitful expenditure

Thirteen works of Cement Concrete (CC) road, installation of single phase/deep bore with tanki, nallah/nali nirman, boundary wall, kamra nirman, hand pump nirman and pokhar khudai karya were sanctioned (March 2016-December 2018) at a cost of ₹ 0.46 crore and completed (June 2016-December 2019) with an expenditure of ₹ 0.43 crore in five PSs. These assets were not being utilised due to encroachment, damage, accumulation of water, not ensuring catchment area and non-installation of motor & electric

connection on single phase boring etc. (Details of defects are given in **Appendix IV**).

Some of the, illustrative cases are as under:

Case study 1

Work: *Nallah nirman karya asru se johad ki aur* at GP Piproli, PS Ramgarh, District Alwar. The *nallah* was blocked due to presence of stone, sand, bushes and it was encroached at one place. The expenditure on construction of the *nallah* was unfruitful as it was not connected with the pond.



Case study 2

Work: *Pokhar Khudai Karya*, Jhanjhar at GP Jhanjhar, PS Nagar, District Bharatpur. There was no catchment area for incoming water and *Pokhar* was dry.



Thus, an expenditure of ₹ 0.43 crore incurred on these works remained unfruitful.

RD&PRD replied (March 2020) that the defects of hand pump have been repaired and are now in working condition, *nallah* has been cleaned, complete catchment area was ensured for the *pokhar*, motor for the boring has been repaired and is now being used. However, these defects were found not to have been rectified even during physical verification conducted by Audit along with departmental officials in March 2021.

GoR attached certain photographs and stated (November 2021) that out of total 13 non-functional assets, seven assets (02 hand pumps, 01 boring, 03 *nallahs* and 01 gate) were functional as of September 2021 and were being utilised by the community. In case of one non-functional hand pump (S.No. 2)

it was stated that the water level had depleted. Further, in cases of two *pokhars* (S.No. 12-13) it was stated that the catchment area for the *pokhars* was ensured before sanction of works but the *pokhars* dried due to lesser rainfall (290 mm) in 2017-18 than the average annual rainfall (674 mm) in the district and high percolation rate of the sand. In respect of remaining three damaged/non-functional assets (S.No. 9-11) the compliance had been sought (June 2021) by GoR from the ZPs concerned and the same was awaited (December 2021).

The reply is not acceptable as photographs provided (November 2021) to show the assets as functional were those photographs which were earlier provided (March 2020) by the department and the same were found incorrect during the joint physical verification in March 2021. Further, low rainfall cannot be the sole reason for dried *pokhars* as sufficient annual rainfall was recorded in PS Nagar during 2018 (480 mm) and 2019 (450 mm). Audit is of the view that absence of catchment area for inflowing water to the *pokhars* could be the main reason.

(ii) Damaged works

GKN-2010 provided that wherever required, drains should be constructed along the roads to prevent water logging and improve strength of the road. Further, MADS guidelines also provided that internal roads should be constructed along with drains.

(a) Works where drains were required but not constructed

Sixty three works of CC roads/interlocking tiles *Kharanja sadak* were sanctioned (September 2015- November 2019) for ₹ 3.22 crore and completed (November 2015- December 2019) at a cost of ₹ 3.15 crore. It was observed that drains were not constructed along the roads. As a result 39 out of 63 roads were either damaged or there was water logging/mud on the roads. Further, 20 roads were also damaged due to laying of pipe line under the Chambal Project. These roads were required to be repaired by contractor but the same has not been repaired so far (March 2021). (Details are given in *Appendix V*). Illustrative cases are as under:

Case study 3

Work: CC *sadak mai nali nirman kalu khan ke makan se masjid ki aur*, titarka at GP Langadbas, PS Kishangarhbas, District Alwar.

It was observed that the drain was not constructed. Road was damaged and logged with water and mud, it was inconvenient for traffic flow.



Case study 4

Work: CC road *nirman Ishak ke ghar se school tak* at GP Bilond, PS Kama, District-Bharatpur.

It was observed that the drain was not constructed along with road and there was sludge and pits at some places of the road due to dirty water flowing from houses and lack of cleaning.



Case study 5

Work: CC Road *Chhirmauli ke ghar se hargyan ke ghar ki aur* at GP Sonokhar, PS Kaman, District Bharatpur.

It was observed that due to non-construction of drain, there was dirty water and mud on the road and road was damaged.



RD&PRD stated (March 2020) that works were constructed as per guideline and the expenditure incurred was not unfruitful. Due to dispute between the families residing nearby, the construction of drain could not be completed. It was also stated that there is *johad*¹² on one side and fields on the other side of the roads therefore, construction of drain was not taken in estimate. It further stated that in some works the construction of road was done with one side slope so that water flows out of one side and brick drain has been made on that side. In other works both side slopes are made along with road for water drainage due to which there is no problem in water drainage. It was further explained that at present roads are in good condition and no dirty water is collected on the road. RD&PRD also stated that cleaning of road is being done regularly with support of the villagers.

The reply is not convincing as the roads were not constructed with drains as provided in guidelines as well as GKN 2010. This resulted in repeated

¹² Johad is a small check dam built from earth and rocks to intercept and conserve rain water. It helps to improve percolation and increases groundwater recharge.

occurrence of water logging and mud deposition, thereby, damaging the road. The facts were reconfirmed during the physical verification conducted (March 2021) by Audit.

GoR stated (November 2021) that out of 63 works, in 19 cases (S.No. 4,9-12,15,17-23 and 31-36) there was no requirement of drain as the slope of road was constructed in such way as to let the water flow easily. In 08 cases (S.No. 1, 2, 14, 16 and 26-29), the drain has been constructed and in 05 cases (S.No. 3 and 5-8), drains would be constructed from 14th Finance Commission's grants. In 03 cases (S.No. 24, 25, 30), the garbage/sand deposited on the edges of road that blocked the water flow was cleared and in a case (S.No. 13), the drain was not constructed as the road was narrow and construction of drains would have further reduced the width of road. In remaining 27 cases (S.No. 37-63) compliance had been sought (June 2021) from ZP Bharatpur and the same was awaited (December 2021).

The reply is not acceptable as photographs provided (November 2021) to show that drains were constructed were those photographs which were earlier provided (March 2020) by the department and the same were found incorrect during the joint physical verification in March 2021. Further, in the cases where GoR said that the drain was not required, roads were found in damaged condition during physical verification (March 2021) due to water logging in absence of drains.

(b) Roads were damaged due to blockage of drains

Construction works of 23 CC/Interlocking Tiles/Interlocking Cement *Eent Kharanja* roads with drain were sanctioned (September 2015-November 2016) for ₹ 1.14 crore and completed (November 2015-April 2017) at a cost of ₹ 1.12 crore in PSs Kaman and Nagar (ZP Bharatpur) and PSs Laxmangarh and Ramgarh (ZP Alwar) (details are given in *Appendix VI*).

It was found that although the road were constructed with drains, the drains were blocked and dirty water/mud was lying on the roads due to which the road were badly damaged.

Some of the illustrative cases are as under:

Case study 6

Work: CC Road with *Nali Nirman Ratti ki Dukan se Illiyas ke Ghar ki ore* at GP Bilond, PS Kama, District-Bharatpur.

It was observed that the road was damaged due to flow of dirty water and mud logging.



Case study 7

Work: CC Road mai nali puliya main road se Rajkiya Uchha Prathmik Vidyalaya Pangsedi GP- Saidampur, PS- Laxmangarh, District- Alwar.

It was observed that drain was blocked and dirty water/mud was logged on the road, thereby, damaging the road.



RD&PRD replied (March 2020) that drains were not being cleaned due to closure of *Mukhymantri Gram Swachha Yojana*. However, the roads have now been cleaned with the support of villagers.

The reply is not convincing as under MADS, sanitation work is part of SHREE Yojana, which is to be done on priority basis. Thus, under sanitation head, arrangements could have been made for cleaning of drains to ensure cleanliness in village and to prevent damage of roads. Further, the joint physical verification conducted (March 2021) by Audit with the departmental officials revealed that the roads were still not cleaned and drains were blocked.

GoR stated (November 2021) that out of 23 works, in two cases (S.No.1-2) the *nallah* had been cleaned and there was no water logging on the road. It was also stated that compliance with evidence had been sought (June 2021) from the ZPs concerned for rest of the 21 works. However, the same was still awaited (December 2021).

Interestingly, evidence in support of cleaning of the *nallaha* was not made available to Audit. On the other hand an old photograph (March 2020) of a work (out of 21 works) where compliance with evidence from ZPs was awaited, has been provided, which is not relevant to the issue.

(iii) Inadmissible works

While approving the Annual Work Plan for the year 2015-16, RD&PRD issued (June 2015) directions that works of construction of boundary wall and other construction works in *Shamshan Ghat* and *Kabristan* etc. could be executed under *Gramin Jan Sahbhagita Yojana* so these works should not be executed under MADS.

During scrutiny of records of ZP Alwar, Audit observed that 20 works of construction of boundary wall and tin shed of *Shamshan Ghat/Kabristan* worth ₹ 1.04 crore were sanctioned (January 2016-March 2016) and an expenditure of ₹ 0.94 crore was incurred. These works were not permissible under MADS. (Details are given in *Appendix VII*).

GoR stated (November 2021) that as per MADS guidelines the construction of boundary wall in *Shamshan Ghat/Kabristan* was not inadmissible. It was also

stated that these works were executed in accordance with the plan approved by the MAD Board and the approval of the ZP.

The reply is not convincing as such type of works were already covered under the *Gramin Jan Sahbhagita Yojana* separately implemented by the GoR and during approval of Annual Work Plan for the year 2015-16, RD&PRD specifically prohibited these works. Thus, expenditure of ₹ 0.94 crore incurred on execution of these works under MADS was irregular.

(iv) Unfruitful Expenditure on single phase boring and hand pump

Under MADS seven *single phase boring with tanki and hand pump* were constructed (June 2016-November 2017) at a cost of ₹ 0.15 crore in PSs Kishangarhbas and Tijara. (Details are given in *Appendix VIII*).

It was observed that constructed assets were idle due to non-installation of electricity connection on single phase boring, absence of connection from single phase boring to *tanki*, defective submersible pump, broken *tanki* and hand pump platform etc. Thus, the constructed assets were not being utilized which resulted in unfruitful expenditure of ₹ 0.15 crore.

RD&PRD replied (March 2020) that the boring/submersible is running smoothly and being used by the people. In cases where there was no electricity connection, an electrical connection has been made and the platform has been repaired and these have been certified by the Assistant Engineer of the concerned PSs.

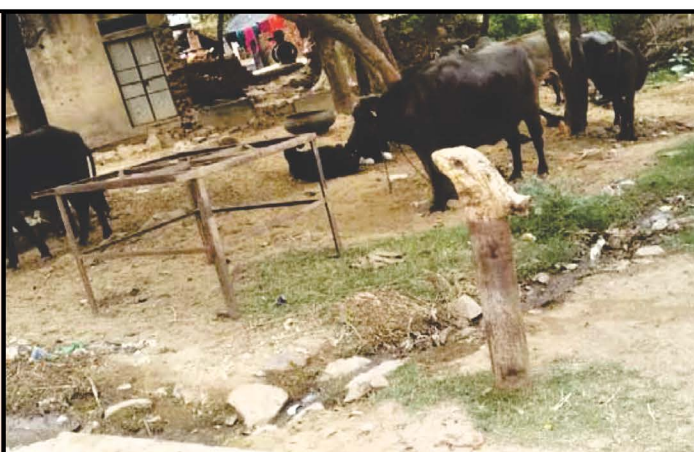
The reply is not convincing as assets were found to be lying idle during joint physical verification (March 2021) conducted by Audit along with departmental officials.

GoR stated (November 2021) that out of seven works, in five works (S.No. 2-6) single phase boring with tanki and water tank has been installed. Electricity connection has also been provided and assets have been made functional. In one work of hand pump (S.No. 7) the platform has been repaired and hand pump is in working condition and in case of another hand pump (S.No. 1), the water level has depleted. However, no evidence to support the installation of electricity connection from public contribution, was made available to Audit.

Case study 8

Work: *single phase motor boring mai tanki nirman karya jagat patel putra shri birju ke ghar ke pas* GP Phullawas, PS Tijara, District- Alwar.

It was observed that the bore was non-functional and there was no motor and *tanki*.



(v) **Funds utilised in inadmissible works**

Paragraph 8.2 (e) of MADS guidelines provided that execution of works for individual benefits is prohibited. Further, Paragraph 6.3.6 of GKN 2010 provided that technical officer would inspect the work sites and ensure feasibility and utility of the construction work.

Thirteen works for construction of single-phase boring along with water tank and hand pump were sanctioned (April 2016-May 2017) for ₹ 0.24 crore and completed (November 2016-October 2017) at a cost of ₹ 0.21 crore in PSs Tijara and Kishangarhbas (ZP-Alwar).

It was found that the above assets were constructed in the fields of farmers and personal land of individual household which was in contravention of the MADS guidelines. Individuals were using these assets with private electricity connection for personal use (Details of works are given in *Appendix IX*). Illustrative case is as under:

Case study 9

Works: *Hand pump nirman karya lal bhagat ke ghar ke pass evam babita bewa k ghar k pas* GP Khaleelpur, PS Tijara, District-Alwar. It was observed that the hand pump was installed inside a house for personal use.



Case study 10

Works: *Single phase boring and tanki nirman near house of Nabba, Banshi ka bas* GP Sirmoli, PS Kishangarh bas, District-Alwar. It was observed that bore was being used personally by using private electricity connection.



RD&PRD replied (March 2020) that the works constructed under the scheme are not being utilised by individual. Villagers were benefitted by creating these assets. The reply was not tenable as at the time of joint physical verification (March 2021) these assets were being utilised by individuals.

GoR stated (November 2021) that out of 13 works, in seven works (S.No.1-7) of single-phase borings, the electricity connections have now been installed with public contribution. In two works (S.No.8-9), the boring and tanki were constructed on donated land and the same are being used by public. Further, in two works (S.No.10,13), the hand pumps were installed along with the boundary wall of the houses on public road and in two other works (S.No.11-12), the hand pumps were being used by the nearby residing families, thus, these assets are not for personal benefits.

Audit acknowledges the details of action taken provided by the GoR. However, these responses could not be substantiated in the absence of supporting evidence.

2.1.4 Financial management

2.1.4.1 Utilization of funds

The consolidated position of funds released and expenditure incurred there against on the scheme during 2015-20 was given in Table 2.4 below:

Table 2.4

(₹ in crore)							
S. No.	Year	Opening Balance	Funds released by GoR	Total funds available	Expenditure incurred	Closing Balance	Percentage of expenditure against total fund available
1	2015-16	89.19	46.20	135.39	26.64	108.75	19.68
2	2016-17	108.75	43.22	151.97	47.77	104.20	31.43
3	2017-18	104.20	40.09	144.29	29.62	114.67	20.53
4	2018-19	114.67	0	114.67	43.17	71.50	37.64
5	2019-20	71.50	3.50	75.00	30.21	44.79	40.28
Total			133.01		177.41		

Note: Expenditure incurred include expenditure on complete as well as incomplete work.

Source: Information as per Districts CA Reports

The percentage of expenditure ranged only between 19.68 and 40.28 during 2015-20. At the end of March 2020, balance of ₹ 44.79 crore (33.67 per cent of total amount allotted during 2015-20) was unutilized. Further, funds were not released during 2018-19 and only a meagre amount was released during 2019-20 for the scheme.

Besides, only 4.02 per cent fund (₹ 3.81 lakh) out of allotted ₹ 2.14 crore for the MAD Board were utilized during 2016 -18 while no funds were utilized during the period 2015-16 and 2018-20.

RD&PRD stated (March & September 2020) that the fund allotted for MAD Board could not be utilized due to vacant posts in the board.

GoR stated (November 2021) that after reviewing the expenditure and calculating the surplus amount of last three years, no amount was released for 2018-19. Works worth ₹ 18.98 crore in ZP Alwar and ₹ 20.24 crore in ZP Bharatpur were sanctioned despite non-release of amount from the State level in the year 2018-19. A special campaign is underway to complete the works.

The fact thus, remains that only 19.68 to 40.28 *per cent* of available funds were utilised during 2015-20.

2.1.4.2 Diversion of funds

Para 2 of Chapter VI (Re-appropriation) of 'Accounting Procedure-2001 for the District Rural Development Agencies/Zila Panchayats' envisaged that funds are not allowed to be diverted from one scheme to another scheme.

Scrutiny of record of ZPs Alwar and Bharatpur revealed that ₹ 3.02 crore¹³ of MAD funds were diverted to DRDA-Administration scheme during 2015-20 which was not admissible under the scheme and contrary to the provision of Accounting Procedure. Total fund outstanding of ₹ 4.09 crore were not recouped as of 31 March 2020.

GoR stated (November 2021) that due to non-availability of funds in the DRDA administration head, advance was taken for payment of salary allowances from the scheme and the same has been transferred to the scheme head. The Government of India and the State Government were requested in this regard. The advance given had no adverse effect on the progress of the scheme.

Date wise details of the recovery/transfer of diverted funds and documents in support of correspondence with Government of India and the State Government were not provided to Audit to verify the response.

2.1.4.3 Adjustment of advance given to Implementing Agencies

Para 22.12 of GKN 2010 provides that if an executing agency/department fails to complete the work in time as specified in Para 22.10 (ranging from three to nine months) then the responsibility for the delay may be fixed and accordingly disciplinary action must be taken against the responsible officer.

Scrutiny of record of ZPs Alwar and Bharatpur revealed that an advance of ₹ 47.47 crore (Alwar ₹ 36.79 crore and Bharatpur ₹ 10.68 crore) were outstanding with executive agencies¹⁴ as on 31 March 2020. Further, it was noticed that in ZP Alwar ₹ 0.42 crore and in ZP Bharatpur ₹ 1.38 crore remained outstanding since 2013-14 and 2010-12 respectively with various implementing agencies as of 31 March 2020.

RD&PRD stated (March 2020) that a special campaign is under progress for completing the works and adjusting the advances. ZP Alwar replied (September 2020) that out of ₹ 36.79 crore outstanding amount, ₹ 11.00 crore has been adjusted (up to August 2020) from executive agencies and efforts are

13 ZP Alwar ₹ 0.89 crore (2015-16: ₹ 0.84 crore, 2019-20: ₹ 0.05 crore). ZP Bhartpur: ₹ 2.13 crore (2015-16: ₹ 1.02 crore, 2016-17: ₹ 0.28 crore, 2017-18: ₹ 0.36 crore, 2019-20: ₹ 0.47 crore).

14 Alwar (PSs : ₹ 0.34 crore GPs : ₹ 18.78 crore and Other agencies : ₹ 17.67 crore), Bharatpur (PSs : ₹ 0.47 crore, GPs : ₹ 5.55 crore and Other agencies : ₹ 4.66 crore).

being made for adjustment of remaining ₹ 25.00 crore. ZP Bharatpur did not furnish reply though called for.

GoR stated (November 2021) that most of the advances given to the executing agencies have been adjusted. The outstanding advances with a few executing agencies would be adjusted soon.

GoR did not provide the details of outstanding/adjusted advances with the executive agencies/ departments. Further, the reply is silent regarding initiation of disciplinary action against the officials responsible for the delay, as per the provision of GKN.

2.1.4.4 Pendency of Utilisation/Completion Certificates

According to Para 22.0 of GKN 2010 UCs would be submitted within a maximum of 15 days and Completion Certificates (CCs) should be issued within a maximum of 30 days.

Scrutiny of records of ZPs Alwar and Bharatpur revealed that during 2015-20, 411 UCs/CCs amounting to ₹ 20.02 crore (Alwar: 306¹⁵ amounting to ₹ 16.74 crore and Bharatpur: 105¹⁶ amounting to ₹ 3.28 crore respectively were outstanding as of March 2020.

GoR stated (November 2021) that directions have been issued to complete the remaining 253 works (Alwar: 148 works and Bharatpur: 105 works). It was also stated that a special campaign was being carried out for adjustment of UCs/CCs and the same would be completed soon.

2.1.5 Monitoring, Evaluation and Social Audit

2.1.5.1 Impact study and evaluation of the scheme

Paragraph 6.9 of guidelines provided that impact study of MADS was to be carried out by the department to evaluate the socio-economic development of village community residing in Mewat area based on the assets developed and facilities provided under MADS.

Scrutiny of records of RD&PRD, test checked ZPs, PSs and GPs revealed that impact study of the scheme to evaluate the socio-economic development of Mewat area was not carried out during 2015-20.

GoR stated (November 2021) that the amount sanctioned have been spent for transportation, higher education, clean drinking water, energy, better medical facilities in the entire Mewat area. Apart from this, works of community importance have also been approved from time to time. Due to above mentioned expenditure, there has been a big change in the picture of the entire Mewat area. The entire Mewat area was highly backward before inception of

15 306 UCs: (2015-16: 5 UCs-₹ 0.39 crore, 2016-17: 45 UCs-₹ 2.65 crore, 2017-18: 61 UCs- ₹ 3.45 crore, 2018-19: 159 UCs-₹ 9.13 crore and 2019-20: 36 UCs-₹ 1.12 crore).

16 105 UCs: (2016-17: 4 UCs-₹ 0.04 crore, 2017-18: 31 UCs-₹ 0.86 crore, 2018-19: 53 UCs-₹ 1.98 crore and 2019-20: 17 UCs-₹ 0.40 crore).

MADS, but it has now been connected to the mainstream as a result of the various infrastructure works approved under MADS.

In the absence of an impact study of the scheme, the achievements stated by the Department could not be vouchsafed in audit. Implementation of the scheme has focused mainly on construction of CC Road/other small construction activities and the works related to establishment of small-scale industries, livelihood activities, art, culture and tourism development were not included as envisaged in the objectives of the scheme. Moreover, no expenditure was incurred for basic infrastructure such as Railway under Bridge, Railway Over Bridge, Community Warehouses, Community Small Scale Units etc. (as discussed in **Para 2.1.3.1**).

Audit is of the view that if the impact study of the works executed under the MADS had been conducted by the Department, it would have helped in better planning and execution of the scheme.

2.1.5.2 Third Party inspection of works

Paragraph 6.7 of guidelines provided that third party inspection of works executed in the MADS, was to be carried out.

Scrutiny of records of RD&PRD, test checked ZPs, PSs and GPs revealed that third-party inspection was not carried out.

GoR stated (November 2021) that the provision of third-party inspection as described in para 6.7 of the guidelines is allowed in the administrative head, but it is not mandatory. It was also stated that third party inspections would be carried out on the direction of State Government.

The reply was not tenable as the MADS guidelines clearly provided for third party inspection under administrative expenses.

2.1.5.3 Inspection of Works

Paragraph 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stage should be carried out by the Junior Engineer (JE), JTA and AE of PSs, Assistant Project Officer (APO), AE, Senior Technical Assistant, Executive Engineer (EE) and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs. The norms of inspection for concerned authorities are given **Table 2.5** below:

Table 2.5

(in per cent)

S. No.	Total cost of work	JE and JTA of PS	APO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	-	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹ 10 lakh and above	100	100	100		

**of total works ensuring that work of each scheme running in the area may be covered*

During audit scrutiny of ZPs, PSs and GPs, records related to periodical inspections for the periods 2015-20 were not made available to Audit.

RD&PRD replied (March 2020) that inspections are being carried out from time to time and instructions are given to the executing agencies. It mentioned that Inspection Register is being maintained in Alwar, but not being maintained in Bharatpur. It further stated that special attention will be given to maintain the inspection registers. The reply given (March 2020) by RD&PRD was also endorsed by GoR (November 2021).

However, as per replies received (September 2020) from ZP Alwar and Bharatpur, the inspection registers have not been prepared till now. In the absence of the register it could not be assessed in Audit as to whether the inspection was conducted by designated authority.

2.1.6 Conclusion

The MADS was aimed at overall economic and social development of Mewat area. Small-scale industries and necessary resources were to be developed for employment and livelihood of local citizens alongwith maintenance of assets constructed under MADS and other developmental schemes.

Results of the Audit conducted revealed that planning for implementation of the scheme was not effective as prospective plan, drainage plan, detailed project report/consolidated project report were not prepared. There were delays in submission and approval of annual plans. Only 19.68 to 40.28 per cent of the funds available under the scheme were utilised. Further, funds were diverted to other scheme and advances given to implementing agencies were not adjusted. Joint Physical Verification revealed that inadmissible works were sanctioned under the scheme and unfruitful expenditure was made on works without electricity connection. Also, the assets created under the scheme were found badly damaged despite availability of dedicated funds for maintenance of assets upto 15 per cent of total available fund, which remained unutilised. Third party inspection/impact study and evaluation of the scheme as envisaged in the guidelines was not also conducted resulting in poor monitoring and supervision of the scheme.

The scheme did not focus on establishment/ development of small-scale industries and necessary resources for employment and livelihood of local citizens and more than two third of the available funds were deployed mainly for construction of CC Road/other small construction activities.

2.1.7 Recommendations

The State Government needs to

- 1. Develop a four year prospective plan for MADS and prepare annual plans in line with the prospective plan for comprehensive development of Mewat Area;*
- 2. Focus on achievement of all the objectives of MADS including development of small scale industries, education, art and culture etc.;*

3. Properly maintain the assets created under MADS/other developmental scheme;
4. Develop an effective mechanism for monitoring and supervision of the scheme which should include third party inspection, impact study and evaluation of the scheme.

Rural Development Department

2.2 Mahatma Gandhi Janbhagidari VikasYojana

2.2.1 Introduction

The *Mahatma Gandhi Janbhagidari Vikas Yojana* (MGJVY¹⁷) formerly known as *Guru Golwalkar Janbhagidari Vikas Yojana*¹⁸ was launched in September 2014 in all 33 districts of Rajasthan. The objective of the scheme is to ensure public participation in rural areas for development, employment generation and construction and maintenance of community assets and improve living standard of families of the rural areas.

The scheme is funded by the State Government. Under the scheme, for construction of boundary-walls of 'Shamshaans/Kabristan' along with plantation, tin sheds and platforms, 90 per cent funds and for other community assets, 70 per cent funds would be provided by the State Government and remaining matching amount would be contributed by the community which includes individual, NGOs, trust, social organization, local public, etc. However, for construction of other assets in the schedule castes (SC)/schedule tribes (ST) dominated areas¹⁹ 80 per cent funds would be provided by the State Government.

The Rural Development and Panchayati Raj Department (RD&PRD) is responsible for overall supervision, monitoring and co-ordination of various activities of the scheme. At the District level, ZP (Rural Development Cell) is the nodal agency for implementation of the scheme. The amount of public contribution has to be deposited with *Panchayat Samiti (PS)* or *Zila Parishad (ZP)* concerned in cash or through bank's demand draft. In case, if a donor wants to engrave his name on created community assets, 51 per cent contribution is required to be deposited. However, the ownership of the assets so constructed would vest in the State Government/*Panchayati Raj Institution (PRI)* and will be entered in Register of assets maintained in the *Gram Panchayat (GP)*.

With a view to examine the implementation of the MGJVY in the State, a compliance audit for the period from 2014 to 2020 was conducted in three

17 Existing name of the scheme (*Guru Golwalkar Janbhagidari Vikas Yojana*), with effect from 06 February, 2020 was changed to *Mahatma Gandhi Janbhagidari Vikas Yojana*.

18 Formerly known as *Gramin Janbhagidari Vikas Yojana* (upto September 2014).

19 Where SC/ST population is more than 40 per cent of total population of village (Census 2011).

spells²⁰ ending in January 2021 in 130 selected PRIs (ZPs: 6, PSs: 12 and GPs: 112). To draw the Audit sample, out of seven zones in the State, two zones i.e. Jaipur and Udaipur were selected randomly. Thereafter, in the selected two zones, 50 per cent of the districts i.e. total six districts (Jaipur zone: Alwar, Jaipur and Jhunjhunu and Udaipur zone: Banswara, Chittorgarh and Udaipur) were selected randomly. Further, 12 PSs (two PSs in each selected district) and 112 GPs in these 12 PSs²¹ were selected on the basis of maximum works executed in each GP. Sampling was done using IDEA software. The details are given in *Appendix X*.

Audit Findings

Audit observations noticed during audit of MGJVY in the six selected districts relating to financial management, execution of works, monitoring of the scheme are discussed in the succeeding paragraphs.

2.2.2 Financial Management

2.2.2.1 Utilisation of Funds

- (i) The year-wise allotment of funds and expenditure there against on the scheme during 2014-20 is given in **Table 2.6** below.

Table 2.6

(₹ in crore)

S. No.	Year	Opening Balance	Funds released during the year		Total funds available	Expenditure	Closing Balance	Percentage of expenditure against total funds available
			GoR	Misc. Receipts*				
1	2014-15	123.00**	50	4.99	177.99	66.88	111.11	37.58
2	2015-16	111.11	100	15.96	227.07	54.82	172.25	24.14
3	2016-17	172.25	100	11.50	283.75	100.27	183.16	35.34
4	2017-18	183.16	125	15.46	323.62	88.03	235.59	27.20
5	2018-19	235.87	0	13.55	249.42	104.46	144.96	41.88
6	2019-20	144.96	1.91	2.30	149.17	64.99	84.18	43.57
Total			376.91	63.76		479.45		
* Includes public contribution and interest amount								
** As per GoR order (September 2014) unutilised funds of previous scheme Gramin Janbhagidari Vikas Yojana were to be utilised.								

Source: Information provided by RDD

It is evident from the above table that

20 Initially, compliance audit covering the period 2014-17 was conducted during May-September 2017, thereafter audit findings were updated (September-October 2018) upto March 2018. Audit findings were finally updated upto March 2020 during October 2020-January 2021.

21 Jaipur zone (Alwar District: Tijara, Kathumar; Jaipur District: Govindgarh, Sambharlake and Jhunjhunu District: Jhunjhunu, Udaipurwati), Udaipur zone (Banswara District: Ghadi, Ghatol; Chittorgarh District: Chittorgarh, Nimbahera and Udaipur District: Jhadol, Salumber).

- Out of total available funds²² of ₹ 563.67 crore under the scheme an amount of ₹ 479.45 crore (85.06 per cent) was utilized, However, annual utilization of the available funds ranged from 24.14 per cent to 43.57 per cent only, during 2014-20.
- During 2018-20, as compared to earlier years only a nominal amount of ₹ 1.91 crore (2018-19: nil and 2019-20: ₹ 1.91 crore) was released for the scheme and the name of the scheme was changed (February 2020). Audit is of the view that huge unspent balances of ₹ 235.87 crore as of March 2018, could be the reason for nominal allotment of funds in next two years i.e. 2018-20.
- An amount of ₹ 84.18 crore remained unutilized with the respective ZPs and implementing agencies at the end of March 2020.
- Further, a difference of ₹ 0.28 crore was noticed between closing balance of 2017-18 (₹ 235.59 crore) and opening balance of 2018-19 (₹ 235.87 crore) in the consolidated annual accounts of ZPs at RDD. Similarly, the closing balance for the year 2016-17 was shown as ₹ 183.16 crore instead of ₹ 183.48 crore (₹ 283.75 crore- ₹ 100.27 crore), that is lesser by ₹ 0.32 crore.

RDD stated (August 2020) that difference of ₹ 0.28 crore was due to certain rectification in Chartered Accountant (CA) Reports of ZP Bhilwara, Bundi, Dholpur and Jaisalmer.

The reply is not acceptable as department did not correct their accounts after knowing the facts about rectification of CA Reports even after lapse of three years.

- (ii) Similarly, in the six test checked ZPs, only 78.46 per cent of the available fund²³ (₹ 111.41 crore out of total ₹ 142.00 crore) was utilized. Annual utilization of the available funds ranged from 23.20 per cent to 36.94 per cent, during 2014-20. The details are given in Table 2.7 below.

Table 2.7

(₹ in crore)

S. No.	Year	Opening Balance	Funds released during the year		Total funds available	Total Expenditure	Closing Balance	Percentage of expenditure against total funds available
			GoR	Misc. Receipts				
1	2014-15	26.49	13.88	1.54	41.91	13.29	28.62	31.71
2	2015-16	28.62	25.11	5.27	59.00	13.69	45.31	23.20
3	2016-17	45.31	30.01	4.10	79.42	24.77	54.65	31.19
4	2017-18	54.65	28.89	3.47	87.01	22.61	64.40	25.99
5	2018-19	64.40	0.00	2.14	66.54	24.58	41.96	36.94
6	2019-20	41.96	0.30	0.80	43.06	12.47	30.59	28.96
	Total		98.19	17.32		111.41		

Source: Chartered Accountants Audit Reports of ZPs.

22 Opening balance of previous scheme: ₹ 123.00 crore, total release: ₹ 376.91 crore and misc. receipts: ₹ 63.76 crore.

23 Opening balance of previous scheme: ₹ 26.49 crore, total release: ₹ 98.19 crore and misc. receipts: ₹ 17.32 crore.

An amount of ₹ 30.59 crore remained unutilized with the ZPs and executing agencies at the end of March 2020.

The Rural Development Department while accepting the facts attributed (August 2020) the less utilization of funds due to non-adjustment of advances given to executing agencies for want of Utilisation Certificates (UCs) and Completion Certificates (CCs). It also stated that necessary directions were issued from time to time for submission of UCs/CCs.

GoR stated (September 2021) that funds allotted to ZP Chittorgarh during 2014-20 have been utilised except ₹ 3.00 lakh, which would be utilised on incomplete works. In ZP Alwar, the amount (₹ 161.04 lakh) received after August 2020 under the scheme, has also been utilised.

Audit noticed that GoR's reply was silent about the funds which remained unutilised during the period 2014-15 to 2019-20. Further, information in respect of four ZPs (Jaipur, Jhunjhunu, Udaipur and Banswara) was awaited (December 2021) though called for (September 2021) from concerned ZPs.

2.2.3 Execution of the Scheme

As per the guidelines (September 2014) of the scheme, the works of *Shamshaans/ Kabristan* will be taken on priority. In the absence of any proposal in the district under this category, to ensure construction of community assets/facilities and rapid growth in economic and social development of the villages, any other works which is useful and beneficial to the local community could be taken up under this scheme. In special circumstances, the incomplete or left over works of other scheme could also be executed in this scheme. Various provisions and norms contained in the *Gramin Kary Nirdeshika* (GKN) with regard to technical estimates, detailed estimates, execution and completion of works, were also applicable in execution of works under MGJY. Works related to commercial organisation/personal institutes, assets for individual benefit, worship places for religious rituals and caste or religion wise community centers were not admissible under the scheme.

Audit scrutiny of the records and joint physical verification of the works in selected PRIs revealed the following.

2.2.3.1 Incomplete works

Paragraph 6.3.5 and 6.3.6 of GKN, 2010 stipulate that technical officer should ensure feasibility by inspecting the work sites and utility of the construction work before preparation of detailed estimates and sanction of work. Further, paragraph 22.10.1 of *ibid* also prescribes the completion period of nine months (maximum) from the date of sanction of a work.

In the six test checked ZPs, a total of 1,719 works amounting to ₹ 145.60 crore were sanctioned during 2014-20, of which 1,389 works (80.80 per cent) amounting to ₹ 116.87 crore were completed. Three hundred and thirty

works²⁴ (19.20 per cent) amounting to ₹ 28.73 crore were still incomplete after incurring an expenditure of ₹ 19.26 crore as of August 2020. The details are given in the Table 2.8 below.

Table 2.8

(₹ in crore)							
S. No.	Year	Sanctioned works	Amount	Completed works	Amount	Incomplete works	Amount
1	2014-15	265	17.95	239	16.27	26	1.68
2	2015-16	398	35.63	346	30.77	52	4.86
3	2016-17	319	28.86	294	26.72	25	2.14
4	2017-18	389	33.95	313	26.59	76	7.36
5	2018-19	302	25.73	189	15.73	113	10.00
6	2019-20	46	3.48	8	0.79	38	2.69
	Total	1,719	145.6	1,389	116.87	330	28.73

GoR stated (September 2021) that the incomplete works in ZP Alwar (03), ZP Jaipur (41) and ZP Chittorgarh (10) would be completed at the earliest. The works in ZP Udaipur remained incomplete due to paucity of funds and the same will also be completed by utilising the fund received in June 2021.

GoR, however, did not furnish reply in respect of ZP Banswara, while information in respect of ZP Jhunjhunu was awaited (December 2021) though called for (September 2021).

2.2.3.2 Splitting of works

Para 6.5 of the scheme guidelines stipulates that the works may be sanctioned within the maximum limit of ₹ 15 lakh, so that more works can be executed in a district from the available funds. In unavoidable circumstances for the works costing more than ₹ 15 lakh, the proposals indicating details of funds available may be sent to RD&PRD for obtaining sanction.

Scrutiny of records of two ZPs (Barmer and Churu) revealed that four works related to construction of boundary wall of crematoriums (₹ 25 lakh), CC roads (₹ 19.33 lakh) and 12 class rooms with verandah in two schools (₹ 60 lakh) were sanctioned (2017-18) by splitting these works into 11 works for ₹ 104.33 lakh. The works were completed (2017-19) with an expenditure of ₹ 100.62 lakh. Details of works are given in the *Appendix XI*.

Audit observed that the works were split to avoid sanction of the competent authorities i.e. RD&PRD.

GoR did not furnish specific reply to Audit. The compliance in this regard was called for (September 2021) from the concerned ZPs by the GoR, which was still awaited (December 2021).

24 330 works: 2014-15 (26 works): ₹ 1.49 crore, 2015-16 (52 works): ₹ 4.30 crore, 2016-17 (25 works): ₹ 1.75 crore, 2017-18 (76 works): ₹ 4.86 crore, 2018-19 (113 works): ₹ 6.06 crore and 2019-20 (38 works): ₹ 0.79 crore.

2.2.3.3 Irregular expenditure on works sanctioned to Trust/NGO

As per para 4.1.1 (xii) of the scheme guidelines (March 2015), one or more works for *gauseva* cannot be sanctioned to any Trust/Non-Governmental Organisation (NGO) for a limit exceeding ₹ 10 lakh under any circumstances.

Scrutiny of records of RDD revealed that ZP Bikaner irregularly sanctioned (February 2018) three²⁵ works of construction at *Nandi Gaushala*, Gajner, PS Kolayat for ₹ 30 lakhs (₹ 10 lakh for each work), in contravention of provisions of the scheme guidelines. Thus, undue benefit of ₹ 20 lakh was extended to this *Gaushala*.

ZP Bikaner stated (November 2020) that provision for sanction of such works are given at the point no. 6 of scheme guidelines and sanction of works were issued in reference to the para 6.5 under admissible financial limit of ₹ 15 lakh.

The reply of ZP Bikaner was not acceptable as provisions for works related to *Gauseva* are contained in para 4.1.1 (xii) which clearly prescribes the limit of ₹ 10 lakh for *Gauseva*. While provisions contained in para 6.5 of the guidelines pertains to the works other than *Gauseva*.

GoR intimated (September 2021) that ZP Bikaner has been directed to submit compliance in this regard, which was awaited (December 2021).

2.2.3.4 Non-execution of works after collection of public contribution

Paragraph 3.3 of scheme guidelines 2014 envisaged that funds in prescribed ratio would be provided by the State Government for construction of community assets and remaining matching amount would be contributed by the community. The public contribution would be deposited with PS or ZP concerned in cash or through bank's demand draft.

In three ZPs (Chittorgarh, Jhunjhunu and Udaipur) local community deposited (July 2014 to November 2019) contribution of ₹ 291.86 lakh²⁶ for 247 works (costing ₹ 20.25 crore) for construction of boundary wall, tin shed and development of crematorium, CC road, community hall, class room and open verandah in schools etc. However, the required administrative, financial and technical sanctions were not issued even after lapse of 4 to 68 months (as of March 2020).

ZP Udaipur accepted the fact and stated (December 2020) that the public contribution is lying with PS/GP concerned. Other ZPs did not furnish any reply.

25 (1) Construction of boundary wall for stray animals part I, (2) Construction of boundary wall for stray animals part II, *Choukidar* room and (3) Construction of animal *kheli* and water tank for stray animals.

26 ZP Chittorgarh (80 work): ₹ 134.92 lakh, Udaipur (59 work): ₹ 63.20 lakh and Jhunjhunu (108 works) : ₹ 93.74 lakh : Total : ₹ 291.86 lakh.

GoR stated (September 2021) that in ZP Chittorgarh, works could not be sanctioned due to non-allotment of state share during 2019-20 and now the public contribution is being returned to the concerned GPs on their demand. GoR further added that works in ZP Udaipur remained incomplete due to paucity of funds and now works would be completed by utilising the fund received in June 2021.

It was stated that compliance from ZP Jhunjhunu was still awaited (December 2021), though, the same was called for by the GoR (September 2021).

2.2.3.5 Works sanctioned without deposit of required contribution

As per scheme guidelines, for construction of community assets public contribution at 30 *per cent* of cost of work was required to be deposited with ZP/PS. However, in case of areas having population of Schedule Castes (SC)/ Schedule Tribes (ST) more than 40 *per cent* of total population of village as per census 2011, only 20 *per cent* public contribution was required to be deposited.

In ZP Udaipur, 13 works related to construction of community hall/boundary wall of *Snanghat* and CC road etc. were sanctioned (March 2015 to March 2019) for ₹ 95.62 lakh in 10 villages of four PSs (Jhallara, Lasadia, Jhadol & Salumbar) and an expenditure of ₹ 76.04 lakh was incurred. Details are given in *Appendix XII*.

Audit observed that population of SC/ST in these 10 villages was less than 40 *per cent* as required, therefore, contribution of ₹ 28.69 lakh was required to be deposited at the rate of 30 *per cent*. However, only ₹ 19.12 lakh contribution was deposited at the rate of 20 *per cent*. Thus, ₹ 9.57 lakh less contribution was deposited.

GoR stated (September 2021) that population of SC/ST was 40 *per cent* in these villages therefore only 20 *per cent* public contribution was required under the scheme, which was received. Further, in case of community hall in GP Bhabrana (Sl no.2) 10 *per cent* public contribution was required to be deposited as per rule, which has also been received.

The reply is not acceptable as SC/ST population in all these villages was not more than 40 *per cent* as per census 2011, therefore, for community works in these villages including GP Bhabrana (Sl no.2), 30 *per cent* public contribution was required to be deposited.

2.2.3.6 Inadmissible works

ZP Jhunjhunu sanctioned construction works of boundary wall of crematorium at GP Bhimsar, PS Jhunjhunu for ₹ 29.98 lakh in two spells of ₹ 14.99 lakh (July 2016) and ₹ 14.99 lakh (June 2017) and completed the works in November 2016 and March 2018 respectively with an expenditure of ₹ 29.97 lakh. CCs of both spells have been issued.

As per *jamabandi*²⁷, 5,100 square meter (sqm), land was earmarked by Revenue Department for crematorium at GP Bhimsar. Therefore, construction of boundary wall was to be executed in 5,100 sqm of land.

Scrutiny of records and joint physical verification revealed that boundary wall in length of 1,622 feet and 1,680 feet was constructed in first and second spell respectively, covering 1,13,329 sqm of land against 5,100 sqm of land allotted/earmarked for crematorium. As such boundary was constructed on 1,08,220 sqm of *Charagah*²⁸ land in excess of allotted land.

GoR stated (September 2021) that compliance was called for (September 2021) from ZP Jhunjhunu, which was still awaited (December 2021)

2.2.3.7 Delay in issue of Completion Certificates

Para 20.1 of GKN 2010 stipulates that CCs should be issued within a maximum of 30 days from completion of work. In case, CC is not issued within prescribed time limit, the responsibility for delay should be fixed and disciplinary action may be initiated against the responsible officer along with imposition and recovery of penalty.

Scrutiny of records of four ZPs (Chittorgarh, Jhunjhunu, Jaipur and Udaipur) revealed that 91 works²⁹ related to construction of boundary wall of *shamshanghat*, open verandah, community hall, CC road and wood house, etc. were sanctioned during 2012-19 for ₹ 642.37 lakh and completed with an expenditure of ₹ 622.38 lakh during 2012-20. CCs of aforesaid 91 works have been issued after a lapse of two months to 72 months.

GoR accepted the facts and stated (September 2021) that due to paucity of funds, the works in ZPs Jaipur and Udaipur could not be completed in prescribed time, while completion of works in ZP Chittorgarh was delayed at the end of executive agencies.

The reply is not relevant to the audit finding as it was silent regarding delay in issue of CC after completion of works. GoR also intimated (September 2021) that ZP Jhunjhunu has been directed to submit compliance in this regard, which was awaited (December 2021).

2.2.4 Physical verification of works

Out of total 382 works in test checked GPs, 261 works³⁰ were physically verified (May-September 2017, September-October 2018 and October 2020-January 2021) along with Junior Engineer (JEN)/Junior Technical Assistant (JTA), secretary of GPs and other departmental authorities.

27 *Jamabandi* means Record of Rights, containing the name of the landowner, an area of cultivation, the share of owners, and other rights.

28 *Charagah* is a land used for grazing of animals (Pasture Land).

29 ZP Udaipur: 43 cases, ZP Chittorgarh: 17 cases, ZP Jaipur: 16 cases, ZP Jhunjhunu: 15 case.

30 261 works: (ZPs- Alwar: 26 works, Banswara: 60 works, Chittorgarh: 45 works, Jaipur: 32 works, Jhunjhunu: 46 works and Udaipur: 52 works)

The important audit findings noticed during the physical verification are discussed below:

2.2.4.1 Payment made for items not executed

GKN 2010³¹ provided that CC Roads are to be constructed in two layers i.e. first CC layer of 15 cm thickness in the ratio of 1:3:6 (Cement 1: Sand 3: 40 mm Grit 6) and second CC layer of 10 cm thickness in the ratio of 1:1.5:3 (Cement 1: Sand 1.5: 20 mm Grit 3) and with drains along the roads to prevent water logging and for strengthening of the roads.

In ZP Banswara, eight works of construction of CC roads were sanctioned (May 2014-September 2016) and completed (June 2014-December 2016) at an expenditure of ₹ 78.40 lakh.

Joint physical verification (May-September 2017) of the works revealed that roads were actually constructed in lesser thickness as compared to sanctions. However, in MBs, thickness of all these roads were recorded on higher side than the actual thickness found in Physical verification. Payments for these works were also made according to the measurements recorded in respective MBs. Thus, not only were roads constructed with lower specification but also, payment of ₹ 30.89 lakh were made for quantities/measurements which were actually not executed. Details of works are given in *Appendix XIII*.

No action in this regard was taken (January 2021) by ZP Banswara despite GoR directions (March 2018). ZP Banswara stated (January 2021) that factual position was called for from the PS Ghadi.

Suitable action may be initiated against the officials involved in misappropriation of the public money.

GoR intimated (September 2021) that ZP Banswara has been directed to submit compliance in this regard, which was awaited (December 2021).

2.2.4.2 Construction of CC roads without drains and expansion joint

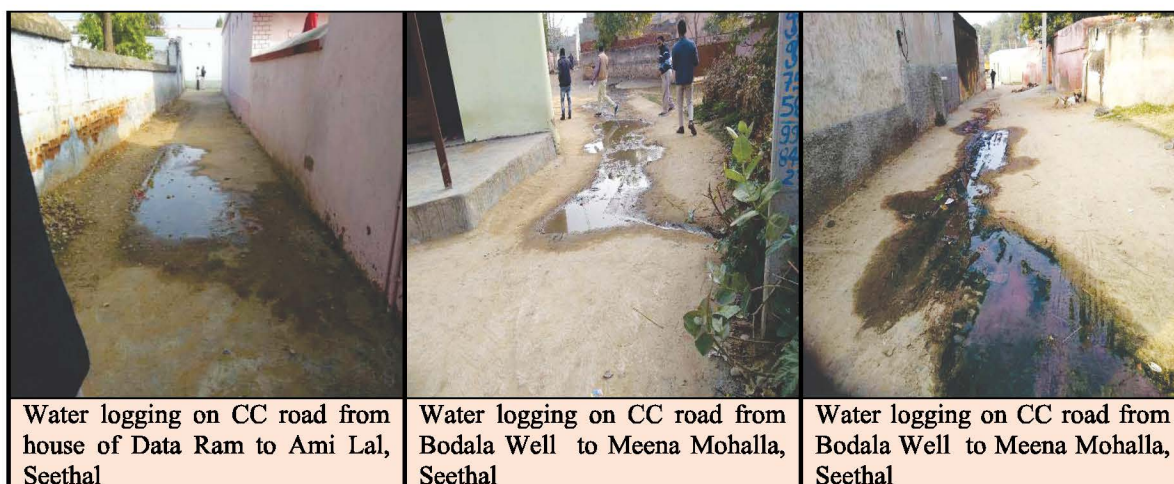
GKN-2010 (para 17 (A) and 23 of Annexure-I) provided that drains should be constructed along the roads to prevent water logging and improve strength of the road and expansion joints should also be given in every span of 15 meters on CC roads.

Scrutiny of records of four ZPs (Banswara, Jaipur, Jhunjhunu and Udaipur) revealed that 16 CC road works were completed with an expenditure of ₹ 1.25 crore. Details are given in *Appendix XIV*.

Joint physical verification (May-September 2017 and October 2020-January 2021) revealed that these 16 CC roads were damaged due to water logging in the absence of drains. Further, it was also observed that 10 out of these 16 CC

31 Paragraph 17(a) and Map no. 17 (Appendix-3).

roads were constructed without expansion joint resulting in cracks and damage to roads.



GoR intimated (September 2021) that four ZPs Jaipur, Jhunjhunu, Udaipur and Banswara have been directed to submit compliance in this regard, which was awaited (December 2021).


Further, GoR directed BDO Jhadol to recover cost of drains based on calculations by the Technical officer and to initiate disciplinary action as required in the matter





2.2.4.3 Works not executed on site



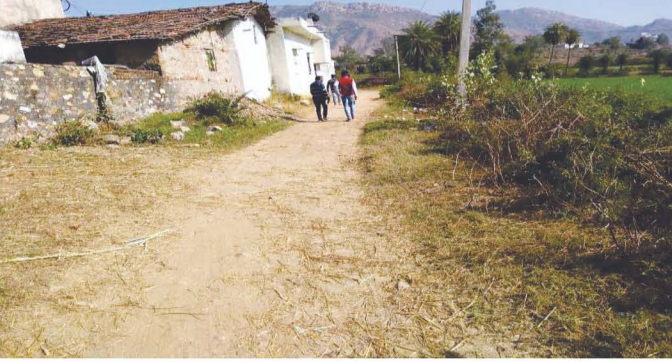

ZP Udaipur sanctioned (2016-19) ten works relating to construction of CC road, community hall, class room in school with interlocking tiles on ground & construction of crematorium including shade and other facilities which were completed (2017-19) at an expenditure of ₹ 92.50 lakh. Audit scrutiny of records and joint physical verification (May-September 2017 and October 2020-January 2021) revealed that these works were not executed/partially executed on site but shown as completed in records.



Interestingly, quality control reports of the CC roads have also been issued by Public Works Department. Details of the cases are given in **Table 2.9** below.

Table 2.9

S. No.	Name and details of work	Findings of physical verification
1	<p>Construction of CC road with drainage from Naveen Panchayat Bhawan to main road (2017-18/25939) GP Netaji ka Bara, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 08.01.18 Date of completion: 15.03.18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed on site.</p>

S. No.	Name and details of work	Findings of physical verification
2	<p>Construction of CC road from near Tube Well to Babu Lal Vadera farm. (2018-19/28776) GP Netaji ka Bara, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 12.09.18 Date of completion: 30.09.18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road from road Antri Ghati to main road was sanctioned (January 2018) for ₹ 10 lakh. However, CC road from near Tube Well to Babu Lal Vadera sanctioned (September 2018) was already covered under length of CC road from Antri Ghati to main road. Starting point of both the roads is same place.</p>
3	<p>Construction of CC road from near house of Somraj Meena to near house of Peetha Lal Kolar. (2018-19/28742) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 11-09-18 Date of completion: 30-09-18</p> <p>Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed on site.</p>
4	<p>Construction of Crematorium development and plantation Saraka Khera (2016-17/10503) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 26-12-16 Date of completion: 30-09-17</p> <p>Sanctioned cost: ₹ 9.96 lakh Expenditure: ₹ 9.10 lakh</p>	 <p>Construction of boundary wall, tin shed etc. not found at site.</p>
5	<p>Construction of crematorium and plantation Kolar (2016-17/9366) GP Peelak, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 26-12-16</p> <p>Sanctioned cost: ₹ 8.64 lakh Expenditure: ₹ 8.62 lakh</p>	 <p>Boundary wall was constructed without plaster, length of 63.5 meter of wall was found instead of 173.13 meter. Tin shed and DPC, stone <i>kharanja</i> on platform were also not found.</p>

S. No.	Name and details of work	Findings of physical verification
6	<p>Construction of CC road with drainage from Katala Falan main road to Nana Gayari and near around village street Beeda. (2017-18/15442)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 14-08-17</p> <p>Sanctioned cost: ₹ 6.38 lakh</p> <p>Expenditure: ₹ 6.38 lakh</p>	 <p>CC road was not found constructed on site.</p>
7	<p>Construction of New class room with playground, retaining wall and interlocking tiles from main gate to class room at Government Primary School Beeda, Jhadol (2017-18/22506)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 06-12-17</p> <p>Date of completion: 30-03-18</p> <p>Sanctioned cost: ₹ 13.40 lakh</p> <p>Expenditure: ₹ 13.40 lakh</p>	 <p>New class room, retaining wall and interlocking tile in playground was not found constructed at village Beeda, GP Jhadol.</p>
8	<p>Construction of CC road from near house of Amaraji Patel to common way Hathikaad, Jhadol (2018-19/28752)</p> <p>GP Jhadol, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 11-09-18</p> <p>Date of completion: 30-09-18</p> <p>Sanctioned cost: ₹ 10 lakh</p> <p>Expenditure: ₹ 10 lakh</p>	 <p>CC road was not found constructed.</p>
9	<p>Construction of CC road Kharafalan, Paliakhera, Selana (2018-19/19571)</p> <p>GP Selana, PS Jhadol, ZP Udaipur.</p> <p>Date of sanction: 19-07-18</p> <p>Date of completion: 15-02-19</p> <p>Sanctioned cost: ₹ 5 lakh</p> <p>Expenditure: ₹ 5 lakh</p>	 <p>Technical Officer could not tell starting point and end point of CC road. Therefore, construction of the sanctioned CC road could not be verified. The constructed road was damaged at many places.</p>

S. No.	Name and details of work	Findings of physical verification	
10	Construction of community hall near Government Primary School, Chaukhal Bara, GP Neta Ji Ka Bara, PS Jhadol ZP Udaipur Date of Sanction: 09/2018 Expenditure: ₹ 10 lakh		
		Photo-1: Actual picture of community hall	Photo-2: Fictitious picture shown in CC
		Community hall was actually incomplete (Photo-1). However, CC of work had been issued by using the picture of other community hall (Photo-2) and expenditure was adjusted by ZP. Thus, payment of ₹ 10 lakh was fraudulently made for an incomplete community hall using picture of other completed community hall.	

GoR stated (September 2021) that instructions had been issued (July 2021) to BDO, Jhadol to initiate action for recovery, FIR or disciplinary action against the concerned officers, as required.

Further progress in this regard was awaited (December 2021). Audit is of the view that stringent action needs to be taken for the fraudulent payments made for these works.

2.2.4.4 Improper execution of works

In five ZPs (Banswara, Chittorgarh, Jaipur, Jhunjhunu and Udaipur) 29 works relating to construction of boundary wall of crematorium and graveyard, roof on pillars, tin shed, CC work, leveling of sports ground and CC roads etc. were sanctioned (July 2014-October 2018) and completed (August 2014-March 2019) at an expenditure of ₹ 2.45 crore.

Joint physical verification of works revealed that without executing/completing the works in all respect, the works were shown completed in respective MBs and full payment in case of each work was made, while, items/works amounting to ₹ 26.85 lakh were pending execution. Detail of the works is given in *Appendix XV*. The CCs of these works were issued by EE/BDO/JE and JTA after inspection of works.

Thus, full payments were made for 29 works, which actually were not found to be completed during Joint Physical Verification.



GoR stated (September 2021) that instructions for taking necessary action against erring officers and recovery have been issued to the concerned BDOs in Jaipur, Chittorgarh and Udaipur. ZPs Jhunjhunu and Banswara were also directed (September 2021) to submit compliance in this regard, however, the same was awaited (December 2021).





2.2.4.5 Non maintenance of assets created under the scheme





Scrutiny of records of selected ZPs revealed that 10 works relating to construction of boundary wall, tin shed and platform of crematorium along with water facilities, CC road, etc. were sanctioned (April 2014-June 2019) and completed (September 2014-September 2019) at an expenditure of ₹ 86.37 lakh.

Joint physical verification (May-September 2017 and October 2020 -January 2021) of the works revealed that these works were in damaged state due to lack of maintenance. The details of works are given in **Table 2.10** below:

Table 2.10

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification
1	Construction of tin shed and platform of crematorium along with water facilities for Meghwal Samaj at Village Manas, GP Goran, PS Jhadol, ZP Udaipur.	September 2014/ September 2014 Sanctioned cost: ₹ 3.00 lakh Expenditure: ₹ 2.47 lakh	Tin shed and platform of crematorium were found damaged (May 2017). The condition was same during joint physical verification carried out on 21.12.2020. 
2	Tin shed and platform of crematorium along with water facilities for Patel Samaj at Village Manas, GP Goran, PS Jhadol, ZP Udaipur.	September 2014/ September 2014 Sanctioned cost: ₹ 3.00 lakh Expenditure: ₹ 2.47 lakh	Tin shed and platform of crematorium were found damaged (May 2017). The condition was same during joint physical verification carried out on 21.12.2020. 

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification	
3	Construction work of boundary wall and open verandah in the crematorium at village Borkheri, GP Gadola, PS Nimbahera, ZP Chittorgarh.	September 2014/ January 2015 Sanctioned cost: ₹ 10 lakh Expenditure: ₹ 10 lakh	Boundary wall and open verandah were damaged at various places (June 2017). The condition was same during joint physical verification carried out on 2.12.2020.	
4	Construction work of incomplete boundary wall of crematorium, Baijika Johda, Khasra No. 2268/3, Village Khajiroli, GP Khajiroli, PS Govindgarh, ZP Jaipur	August 2016/ March 2017 Sanctioned cost: ₹3.50 lakh Expenditure: ₹ 3.49 lakh	The incomplete boundary wall was constructed in two spells, small pieces of stone and inferior material were utilized in masonry work which had been damaged at many places, cracks were also found at many places, coping was not done. (15.10.2020)	
5	Construction work of boundary wall, tin shed and water facility of crematorium at village Sangriya, GP Badoli, Madhosingh, PS Nimbahera, ZP Chittorgarh.	April 2014/ September 2019 Sanctioned cost: ₹10 lakh Expenditure: ₹10 lakh	Boundary wall of crematorium was found damaged and cracked at various places. Masonry work of foundation was of inferior quality. Tube Well was being utilised for personal use. (1.12.2020)	
6	Construction of open verandah (Shed) at Graveyard of Meerashiyon, GP Seethal, PS Udaipurwati, ZP Jhunjhunu.	June 2017/ September 2017 Sanctioned cost: ₹4.17 lakh Expenditure: ₹4.17 lakh	Open verandah was found in bad condition. There was leakage of water from roof, lintels and roof was bent. Pipes for drainage of rain water were not affixed in land. (19.1.2021)	

S. No.	Name of work	Date of sanction/ completion and sanctioned amount/ expenditure incurred	Findings of physical verification
7	Construction of CC road from main road to house of Lal Singh Banjara via house of Hukum Chand. GP Karanpur, PS Garhi, ZP Banswara.	December 2014/ January 2015 Sanctioned cost: ₹15 lakh Expenditure: ₹14.75 lakh	Drain was not constructed along with the CC Road, water was spilling over the road. CC Road was damaged /broken at various places. (19.1.2021) 
8	Construction work of <i>baradary</i> building with boundary wall Crematorium, Sundani, GP Sundani, PS Garhi, ZP Banswara.	June 2017/ September 2018 Sanctioned cost: ₹14 lakh Expenditure: ₹13.91 lakh	The boundary wall was found damaged at various places. (18.1.2021) 
9	Construction work of Crematorium with boundary wall Ojaria Metwala GP Metwala, PS Garhi, ZP Banswara.	September 2018/ November 2018 Sanctioned cost: ₹15.00 lakh Expenditure : ₹14.98 lakh	The boundary wall was found damaged at various places. (19.1.2021) 
10	Construction work of boundary wall and earth filling of old graveyard near Ishab's house at Village Khorike Khurd, GP Mayapur, PS Tijara, ZP Alwar.	June 2019/ August 2019 Sanctioned cost: ₹12.11 lakh Expenditure: ₹10.13 lakh	Boundary wall was found constructed on top of an old wall. A large portion of the boundary wall was broken which shows inferior quality of work. (21/22.1.2021) 

ZPs/PSs concerned did not furnish any reply.

GoR stated (September 2021) that instructions have been issued to concerned BDOs for initiating necessary action in ZPs Chittorgarh, Alwar and Udaipur. ZPs Jaipur, Jhunjhunu and Banswara were also directed (September 2021) to submit compliance in this regard, however, the same was awaited (December 2021).

2.2.4.6 Unfruitful expenditure on incomplete work

Scrutiny of records of PS Govindgarh revealed that construction of verandah and cement chair at Sarv Samaj crematorium, Kishanpura, PS Govindgarh was sanctioned (March 2018) for ₹ 4.50 lakh and an expenditure of ₹ 4.57 lakh was incurred (July 2018).

Joint physical verification (October 2020 - January 2021) revealed that only structure of verandah was constructed, pavement and plaster work of verandah were not done and cement chairs were also not constructed.

However, even after incurring an expenditure in excess of the sanctioned amount, no entry was made in Measurement Book.



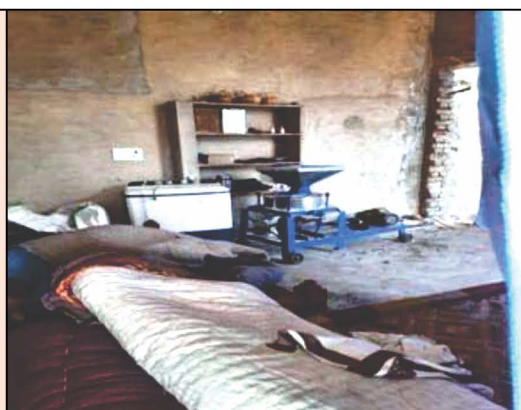
GoR stated (September 2021) that ZP Jaipur has been directed to submit compliance in this regard, which was awaited (December 2021).

2.2.4.7 Assets being used for personal purposes

(i) A community hall was sanctioned (December 2018) for ₹ 6 lakh near Fazzar's house at village Arandka, GP Roopwas, PS Tijara, ZP Alwar and completed (September 2019) with an expenditure of ₹ 5.97 lakh.

Joint physical verification (January 2021) revealed that two rooms and an L-shaped verandah were attached with under construction private house. There was no separate entry gate and signboard was not displayed.

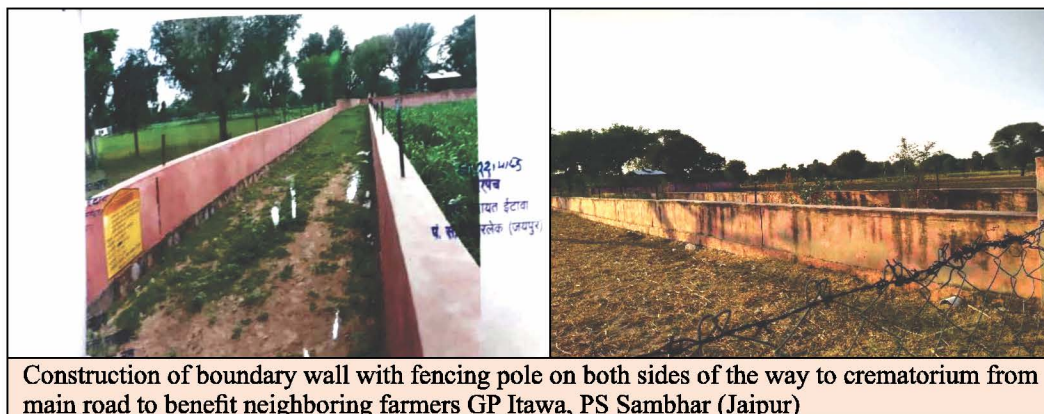
A flourmill, washing machine, two beds and other domestic articles were also found in the verandah. Rooms were locked which showed that it was being utilized for private purposes



(ii) Construction of boundary wall, tin-shed, ground level tank and leveling of Joshi crematorium, GP Itawa, PS Sambhar, was sanctioned (November 2017) for ₹ 15 lakh and work was completed (June 2018) with an expenditure of ₹ 14.98 lakh.

Joint physical verification of the work revealed that in addition to boundary wall of crematorium, a 158 feet boundary wall with fencing pole was also constructed on both sides of the pathway to crematorium from main road. The land where additional boundary wall was constructed was not part of the crematorium as per map issued by Revenue Department. There were farms on both side of this pathway and resultantly the neighboring farmers were benefitted.

Thus, due to incorrect estimates prepared by Junior Technical Assistant, avoidable expenditure of ₹ 2.07 lakh³² was incurred on additional boundary wall.



Construction of boundary wall with fencing pole on both sides of the way to crematorium from main road to benefit neighboring farmers GP Itawa, PS Sambhar (Jaipur)

GoR stated (September 2021) that both the ZPs have been directed to submit compliance in this regard, which was awaited (December 2021).

2.2.5 Monitoring, Evaluation and Social Audit

2.2.5.1 Inspection of Works

Paragraph 16.2 and 16.3 of GKN, 2010 provided that periodical inspection for ensuring quality of work at every stage should be carried out by the Junior Engineer (JE), Junior Technical Assistant (JTA) and Assistant Engineer (AE) of PSs, Assistant Project Officer (APO), AE, Senior Technical Assistant, Executive Engineer (EE) and Administrative Officer of ZPs. Further, an inspection register in a prescribed proforma was required to be maintained at ZPs, PSs and GPs. The norms of inspection for concerned authorities are given in Table 2.11 below:

Table 2.11

(in per cent)

S. No.	Total cost of work	JE and JTA of PS	APO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	-	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹ 10 lakh and above	100	100	100		

*of total works ensuring that work of each scheme running in the area may be covered

Scrutiny of records of selected GPs, PSs and ZPs (except Alwar) revealed that records relating to periodical inspections for the period 2014-20 were not maintained. Selected PS and GPs of Alwar did not furnish information/records to audit.

ZPs and PSs did not furnish reply except ZP Jhunjhunu and PS Jhadol who accepted that records were not maintained and PS Salumber who stated that hundred per cent inspection will be done in future.

32 Foundation and super structure -78.25 cum x at the rate of ₹ 2,650.87

GoR stated (September 2021) that periodical inspections of works were carried out in ZP Alwar, by the technical officers at all level, however, inspection records were not maintained. Now, in ZP Alwar as well as in ZP Chittorgarh inspection registers are being maintained.

Compliance in this regard was awaited (December 2021) from ZP Udaipur despite being directed by GoR (September 2021) while, in respect of other selected ZPs no specific reply was furnished by GoR.

2.2.5.2 Social Audit of the Scheme

Section 7 (i) of Rajasthan Panchayati Raj Act, 1994 provided that the ward sabha of GP would conduct social audit of all the works implemented in the area.

Scrutiny of records of test checked GPs, PSs and ZPs revealed that social audit of works executed under the scheme during 2014-20 was not carried out. PS Jhunjhunu, Ghatol and GP Sawa, Jalampura (Chittorgarh), Bhatiwada (Udaipurwati), Sawania (Ghatol) and Satkhanda (Nimbahera) stated that Social audit was conducted but details were not made available to audit. Further, selected PS and GPs of Alwar did not furnish information/record to audit.

GoR stated (September 2021) that ZPs Chittorgarh and Udaipur have been directed to submit compliance in this regard, which was awaited (December 2021). GoR did not furnish specific reply in respect of other selected ZPs.

2.2.6 Conclusion

The main objective of MGJVY is to encourage local public participation in socio-economic development of villages through creation of community assets in rural areas. Government contributed ₹ 376.91 crore, while community contributed ₹ 60 crore approximately under the scheme, during 2014-20. Though, 85 per cent of the funds were utilized, the year wise expenditure ranged from 24.14 per cent to 43.57 per cent of the available funds. Government contributed only nominal funds of ₹ 1.91 crore during last two years. As of March 2020, 330 works worth ₹ 28.73 crore were still incomplete after incurring an expenditure of ₹ 19.26 crore.

Instances of splitting of sanctions for works to avoid sanction of the competent authorities, sanction of works without deposit of required contribution and non execution of works even after deposit of the public contribution were noticed.

Cases of fraudulent payment, assets being used for personal purposes, non maintenance of damaged assets and execution of inadmissible works etc. were also noticed. Payments were made for unexecuted and/or partially executed items. Monitoring under the scheme was weak and social audit was also not carried out.

Thus, the prime objective of the scheme i.e. creation of community assets through public participation **could be achieved only to a limited extent.**

2.2.7 Recommendations

1. *The Department should ensure optimal utilisation of the funds allotted for the scheme.*
2. *The works sanctioned under the scheme should be executed effectively and efficiently and the assets created should be maintained properly.*
3. *The department should initiate disciplinary action against those responsible for fraudulently certifying and making payments on works not executed or partially executed.*
4. *The department should ensure designated authorities carry out inspections and social audit of the works executed under the scheme.*

Panchayati Raj Department

2.3 Release and Utilisation of Grants as recommended by Fifth State Finance Commission

2.3.1 Introduction

Article 243-I of the Constitution of India provides that the Governor of a State is required to constitute a Finance Commission every five years in order to (i) review the financial position of the Panchayats; (ii) recommend the principles which should govern the distribution of the net proceeds of the taxes, duties, tolls and fees between the State and the Panchayats and the allocation between the Panchayats at all levels of their respective shares of such proceeds; and (iii) recommend the grants in aid to be devolved to the Panchayats from the Consolidated Fund.

Accordingly, the Fifth State Finance Commission (SFC) was constituted (May 2015) for the period 2015-20. The Commission submitted two interim reports for 2015-16 (in September 2015) and for 2016-17 (in September 2016) and final report for whole of the award period in November 2018, which were presented to the Legislative Assembly on 22 September 2015; on 2 September 2016 and on 23 July 2019 respectively. The State Government while accepting most of the recommendations, issued guidelines from time to time for utilisation of the grants to be released under recommendation of Fifth SFC.

The main recommendations of Fifth SFC (detailed in *Appendix XVI*) *inter alia*, included the following.

- Devolution of funds to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), at the rate of 7.182 per cent of the net own tax receipts of the State in ratio of 75.1 per cent and 24.9 per cent respectively.

- In the year 2015-16, devolved funds were to be distributed between 'basic and development functions' and 'national/state priority schemes' in the ratio of 85 *per cent* and 10 *per cent* respectively, rest 5 *per cent* was to be released as incentive grant.
- During 2016-20, the earmarked funds were categorized into three components *viz.* 55 *per cent* amount for the 'basic and development functions', 40 *per cent* for 'national/state priority schemes' and rest 5 *per cent* for incentivizing keeping of accounts, record, assets register and efforts for raising own revenues. For the year 2015-16, the devolved funds were to be allocated tier-wise among the PRIs *viz.* Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) in the ratio of 5:15:80. This ratio was revised to 5:20:75 for the period 2016-20.

During 2015-20, the State Government devolved grants of ₹ 10,345.71 crore under recommendation of Fifth SFC to the PRIs, of which an amount of ₹ 10,226.76 crore (98.85 *per cent*) was utilized.

The State, divided into seven³³ administrative divisions, has adopted three tier structure of PRIs *viz.* Zila Parishad (ZP) at district level, Panchayat Samiti (PS) at block level and Gram Panchayat (GP) at village level. At the State level, Panchayati Raj Department (PRD) is the administrative department for the implementation of recommendations of the Fifth SFC. Chief/Additional Chief Executive Officer (CEO/ACEO), Block Development Officer (BDO) and Village Development Officer (VDO) are responsible for the implementation of the recommendations of the Fifth SFC at the District, Block and Village level respectively.

A compliance audit covering the period of 2015-20 was conducted during April 2019 to November 2019 and September 2020 to December 2020 to examine the implementation of recommendation of Fifth SFC and the devolution/utilisation of funds in PRIs. Records of PRD at State level and 59 PRIs (ZPs: 04, PSs: 06 and GPs: 49) representing each level of PRIs selected³⁴ on the basis of Simple Random Sampling using IDEA software, were test checked during the Audit. Details of selection are given in *Appendix XVII*. In the selected GPs, 663 works were physically verified along with departmental authorities. Audit findings are discussed in the succeeding paragraphs.

Audit Findings

PRIs utilised 98.85 *per cent* of the funds released under Fifth SFC to maintain their core services. Certain deficiencies observed in the implementation of the scheme are discussed in succeeding paragraphs.

33 Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.

34 Initially, four divisions (out of seven) were selected on the basis of maximum expenditure incurred. Thereafter, 4 districts (one district from each of the selected divisions), 6 PSs in selected districts (10 *per cent* PSs of a selected district) and 49 GPs in selected PSs (20 *per cent* GPs of a selected PS) were selected on the basis of Simple Random Sampling using IDEA software.

2.3.2 Devolution of funds to PRIs

As per the Guidelines, grants under the component 'basic and development functions' 55 per cent (85 per cent in 2015-16) with effect from April 2016 were to be released for creation, addition and maintenance of basic civic amenities like solid waste management, street and road lights, crematoriums, sanitization and drinking water. Further, all the direct or indirect expenditure on drinking water in rural areas was to be met as first charge on this component of grant.

Similarly, the grant under the component 'national/state priority schemes' 40 per cent of total grant (10 per cent in 2015-16) could be used for any of the prescribed State or national scheme. Mukhyamantri Jal Swavlamban Abhiyan (MJSA), was to be given top priority and Pradhan Mantri Awas Yojana (PMAY) and Swachhh Bharat Mission (SBM) were among the important programme included under this component.

The year wise position of State's own net tax revenue (SOTR), amount of grants to be devolved and grants actually transferred to the PRIs, is given in the Table 2.12 below.

Table 2.12

(₹ in crore)

S. No.	Year	State's Own Net Tax Revenue	Grants to be transferred to PRIs				Grants actually transferred to PRIs			Excess (+)/less (-) devolution of grants		
			Basic & development Function	National /State priority Schemes	Incentive grants	Total	Common fund	Incentive Grants	Total	Common fund	Incentive Grants	Total
1	2015-16	41,006.48	1,880.00	221.17	110.59 ⁺	2,211.76	2,247.39	Nil	2,247.39	146.22	(-) 110.59	35.63
2	2016-17	42,178.92	1,251.25	910.00	113.75	2,275.00	2,486.16	138.55	2,624.71	324.91	24.80	349.71
3	2017-18	42,273.43	1,254.06	912.04	114.00	2,280.10	2,632.38	138.55	2,770.93	466.28	24.55	490.83
4	2018-19	44,840.67	1,330.21	967.42	120.93	2,418.56	2,223.69	29.26	2,252.95	(-) 73.94	(-) 91.67	(-) 165.61
5	2019-20	47,528.24	1,409.94	1,025.41	128.17 ⁺	2,563.52	361.95	87.78*	449.73	(-)2,073.40	(-) 40.39	(-) 2,113.79
Total		2,17,827.74	7,125.46	4,036.04	587.44	11,748.94	9,951.57	394.14	10,345.71	(-)1,209.93	(-) 193.30	(-) 1,403.23

Note: (i) + Incentive grants for 2015-16 and 2019-20 were not transferred to the PRIs

(ii) *This grant pertains to year 2018-19.

Source: Information provided by PRD and Fifth SFC final report

From the above table it can be seen that:-

Grants for 'basic & development functions' and 'national/state priority schemes'

- The State Government did not release component wise grants for basic & development works and national/state priority schemes and released grants in lump sum, during 2015-20. However, incentive grants was released separately.
- During 2015-20, against the total award of ₹ 11,748.94 crore the State Government transferred only an amount of ₹ 10,345.71 crore to the PRIs, which was lesser by ₹ 1,403.23 crore (11.94 per cent) than the grants awarded by the Fifth SFC.

- The State Government transferred grants of ₹ 876.17 crore in excess of recommended grants during 2015-16 to 2017-18. However, the Government did not transfer grants of ₹ 2,279.40 crore (45.75 per cent) out of recommended grants of ₹ 4,982.08 crore to the PRIs, during 2018-20.

Scrutiny of records further revealed that during 2019-20, an amount of ₹ 1,922.64 crore (75 per cent of total grant of ₹ 2,563.52 crore) was required to be transferred to GPs however, sanction for only ₹ 1,085.72 crore was issued (October 2019) by PRD and even that was not transferred to GPs as of March 2020. However, after approval of Finance Department, an amount of ₹ 1,197.57 crore was transferred to GPs during 2020-21.

Incentive grants

- Incentive grants of ₹ 110.59 crore and ₹ 128.17 crore for the years 2015-16 and 2019-20 respectively, were not released to PRIs. Overall incentive grants were short released by ₹ 193.30 crore (49.04 per cent).

The PRD stated (January 2020) that major period of the financial year 2015-16 was consumed in working out the modalities for payments of incentive grants (2015-16) to PRIs. It also stated that incentive grant for financial year 2015-16 was provided during 2016-17.

The reply is not tenable as there was overall short release of incentive grant of ₹ 193.30 crore during 2015-20.

Test check of records in ZP Udaipur revealed that incentive grants of ₹ 12.42 crore³⁵ was transferred to its all PRIs without furnishing the eligibility certificates by ZP Udaipur as prescribed for the years 2016-17 and 2018-19. The PRD did not furnish reply in this regard (September 2021).

Further, the Fifth SFC in its interim report for 2015-16 recommended (September 2015) that PRD may issue detailed scheme for utilization of incentive grants and notify the same to PRIs upto GP level. The PRD in compliance of the interim report of Fifth SFC for 2015-16 issued guideline (December 2015) stating that directions/guideline for use of incentive grant will be issued separately. However, no such separate guideline were issued by PRD.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

35 2016-17: ZP Udaipur: ₹ 0.34 crore, 17 PSs of ZP Udaipur: ₹ 1.35 crore and 544 GPs of PS Udaipur: ₹ 5.05 crore, 2018-19: ZP Udaipur: ₹ 0.28 crore, 17 PSs of ZP Udaipur: ₹ 1.14 crore and 544 GPs of PS Udaipur: ₹ 4.26 crore.

2.3.3 Utilisation of grants under recommendation of Fifth SFC

The status of total grants transferred under recommendation of fifth SFC to the PRIs and expenditure incurred there against during 2015-20, is given below:

- During 2015-20, funds to the tune of ₹ 10,345.71 crore were transferred to the PRIs to maintain their core services, of which an amount of ₹ 10,226.76 crore (98.85 per cent) was utilized.
- However, in 59 test checked PRIs, against total allocation of ₹ 245.53 crore only ₹ 200.53 crore (81.67 per cent) could be utilized during 2015-20, as detailed in Table 2.13 below.

Table 2.13

(₹ in crore)					
S. No.	Particulars	Funds released	Funds utilized	Closing Balance	Percentage Utilisation
1	ZPs (4)	163.46	125.33	38.13	76.67
2	PSs (6)	49.83	40.85	8.98	81.98
3	GPs (49)	32.24	34.35	(-) 2.11	106.54
	Total	245.53	200.53	45.00	81.67

Source: Information provided by PRIs

- It can be observed that 18.33 per cent of the funds received was lying unutilised mainly with the ZPs and PSs for the works sanctioned from ZP/PS funds.

The PRIs concerned stated (September-December 2020) that the funds were lying unutilised/unadjusted due to non-receipt of Utilisation Certificates (UCs)/Completion Certificates (CCs) from the executive agencies.

This indicated that the UCs/CCs of the completed works were not being submitted by the concerned authorities within the time limit as prescribed in provisions of *Gramin Karya Nirdeshika* (GKN) 2010.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

- **Diversion of funds:** Rule 199 of RPRR, 1996 provides that grants received from the State Government/Central Government should be spent for the purpose for which it was sanctioned and amount sanctioned under a major head should not be transferred to another major head.

However, in PS Gogunda, an amount of ₹ 9.99 lakh actually incurred on for painting work of biography of Maharana Pratap at GP Gogunda under other scheme Shyama Prasad Mukherji Rurban Mission was debited to grants under Fifth SFC. Thus, grants of Fifth SFC was diverted to the work sanctioned/executed under other scheme. The reasons for the same were not furnished to Audit, though called for (October 2019).

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.3.1 Annual Action Plans not prepared by PRIs as mandated

PRD issued (October 2015) guidelines for preparation of an inclusive and decentralised Gram Panchayat Development Plan (GPDP) based on requirement at the GP level. Accordingly, a GPDP was to be prepared for all the available resources and state/central scheme being implemented. Once it was approved by the Gram Sabha, the plan was to be sent to the concerned PS. After consolidation and adding PS level works the Panchayat Samiti Development Plan (PSDP) would be approved by the General Body of the PS. At the District level, after consolidation and adding ZP level works including development schemes for the urban areas, the District Development Plan (DDP) would be approved by the General Body of the ZP.

Audit scrutiny of records revealed that out of four, two test checked ZPs (Jodhpur and Udaipur) did not prepare the development plans during 2015-20, as prescribed.

In ZP Udaipur, though plans were prepared by its PSs and GPs, the same were not consolidated at ZP level. In ZP Jodhpur, plans were not prepared by two test checked PSs (Luni: for 2015-18 and PS Shergarh: for 2015-19) and seven GPs (PS Shergarh for 2015-19). In ZP Sikar, a test checked PS Dhod also did not prepare development plans for the period 2015-18.

ZP Udaipur and PSs Dhod, Luni and Shergarh stated (September-December 2020) that the works were being sanctioned on the basis of recommendations made by *Zila Pramukh/Pradhan* and public representatives. ZP Jodhpur stated (December 2020) that the works were being sanctioned after approval of works in the meeting of General Body and standing committee of ZP on administration and establishment. GPs of PS Shergarh stated (November 2019) that proposals of works have been taken in the Gram Sabha.

Further, the quorum of one-tenth of the total number of members including members belonging to scheduled castes, scheduled tribes, backward classes and women members as prescribed in Rajasthan Panchayati Raj Act, 1994 for a meeting of Gram Sabha, was not fulfilled in any of the Gram Sabha meetings of the test checked 49 GPs.

The concerned GPs accepted the facts and stated (September-December 2020) that the quorum was not fulfilled due to excessive number of meetings and the members were not interested to take part in *Gram Sabha* meetings.

Thus, due process with respect to planning as envisaged was not adhered to. The development plans were not formulated with the mandated approval of the Gram Sabha having due representation of the weaker sections and women.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.3.2 Component-wise sanctions and expenditure not maintained

Guidelines (December 2015, November 2016 and September 2019) issued by PRD prescribed for component wise distribution and utilization of grants released under Fifth SFC to PRIs. However, nothing was mentioned regarding component wise maintenance of accounts of the expenditure.

Scrutiny of records of PRD and all the selected 59 PRIs revealed (April–November 2019 and September–December 2020) that neither funds were released component wise as prescribed by Fifth SFC nor were the sanctions of works issued component wise by the PRIs. Further, component wise record of expenditure incurred under Fifth SFC was also not maintained by the test checked PRIs and PRD at State level.

The selected PRIs accepted the facts and stated (September–December 2020) that lump sum expenditure is accounted for in the accounts.

In the absence of details of component wise sanctions and expenditure at the State level, the component wise utilisation of funds as prescribed by Fifth SFC could not be ascertained by audit.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.3.3 Expenditure incurred on roads beyond the prescribed limits

As per the Guidelines, the work related to creation, addition and maintenance of basic civic amenities like solid waste management, street and road lights, crematoriums, sanitization and drinking water could be undertaken under the component “basic & development functions” of grant. However, for construction of roads a ceiling of 60 *per cent* under this component was prescribed.

Audit compiled and analyzed the component wise utilisation data of funds, in respect of 4,958 works sanctioned in 59 test checked PRIs as the same was not maintained by the PRIs at any level.

Analysis of data revealed that during 2015-20 only in 14 PRIs (ZP Jodhpur, PS Gogunda, PS Shergarh and 11 GPs³⁶) the prescribed limit of 60 *per cent* for the road works was adhered to. While, in 45 test checked PRIs, against the earmarked funds of ₹ 45.59 crore being 60 *per cent* of the grant (₹ 75.98 crore) devolved under the component ‘basic & development functions’, sanctions of road works amounting to ₹ 80.29 crore were issued. This constituted an

36 PS Gogunda: GP Madra, GP Rawalia kalan, GP Rawalia khurd; PS Kherwara: GP Bawalwara; PS Shergarh: GP Gajesingh Nagar, GP Devigarh, GP Bhandujati, GP Khirja Tibna, GP Himmatpura and GP Bapunagar and PS Luni: GP Daipada Khichiyani.

average of 105.67 *per cent* (ranged from 66.88 to 250.47 *per cent*) of the available grants (₹ 75.98 crore) under this component, which was in contravention of the guidelines (*Appendix XVIII*).

In case of 32 PRIs, even whole of the grants provided under the component 'national/ state priority schemes' was utilized on the road works, which indicated that construction of roads was given top priority by the PRIs over other development works.

On being pointed out, ZP Tonk and PS Tonk accepted (September 2020) that during 2015-19 road works were sanctioned in excess of prescribed limit but these were within the prescribed limit during 2019-20. ZP Sikar, ZP Udaipur, PS Kherwara and PS Dhod stated (September-December 2020) that excess road works were sanctioned based on requirement and proposal received from GPs. Other PRIs did not offer any comment in this regard.

The replies of the ZPs/PSs are not acceptable as the expenditure on road works was to be incurred up to the prescribed percentage of funds as envisaged in the Fifth SFC guidelines. Excess expenditure on roads reduced the availability of funds for other basic and development works like works pertaining to water conservation, drinking water etc.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.3.4 Convergence of Fifth SFC funds with MGNREGS

As per the instructions issued (November 2015) by Rural Development and Panchayati Raj Department (RD&PRD), sanctions for the works permitted under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) were to be issued for at least 20 *per cent* of the total funds received in a financial year under various schemes. The ZPs are responsible to approve/sanction works under MGNREGS through convergence with other schemes.

Audit scrutiny of records of the test checked PRIs revealed that out of total grants of ₹ 166.83 crore received under Fifth SFC, against an instruction of 20 *per cent* funds i.e. ₹ 33.38 crore, only ₹ 3.95 crore (2.37 *per cent*) was utilised by only 12 PRIs (ZPs: 2, PSs: 2 and GPs: 8) for the works permitted under MGNREGS through convergence during 2015-20 (*Appendix XIX*).

While accepting the facts, three³⁷ PRIs stated (September-December 2020) that convergence would now be ensured with the MGNREGA and other three PRIs (ZP Jodhpur, ZP Sikar and PS Dhod) stated (September-December 2020) that convergence could not be ensured due to non-receipt of proposals. The reply was not acceptable as the proposals for convergence were to be included in Annual Action Plan at each level i.e. GP (GPDP), PS (PSDP) and ZP (DDP).

37 PS Tonk, PS Luni and PS Shergarh.

Two PRIs (ZP Udaipur and PS Kherwara) stated (August-September 2019) that sanctions for MGNREGS works under convergence of Fifth SFC would be issued from the financial year 2019-20, but no action was taken in this regard as of December 2020.

Audit is of the view that more resources could have been provided to the job seekers under MGNREGS if the ZPs had been able to ensure convergence with MGNREGS.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.4 Execution of Works

- **Physical Progress of Works:** Paragraph 22.10 of GKN 2010 provides that works sanctioned should be completed within prescribed time schedule (three to nine months depending on the nature and expenditure involved). For utilisation of grants released under recommendation of Fifth SFC, 3,37,641 works were sanctioned in the State during 2015-20.

As per progress report of March 2020, 12,313 works were under progress, 452 works were cancelled and 1,528 works could not be started till March 2020, reasons for the same were not available on the records. Thus, 3,23,348 works (95.77 per cent) were completed during 2015-20.

- **Test Check:** Further, in test checked 59 PRIs, 4,958 works were sanctioned, of which 1,298 works remained incomplete and 99 works amounting to ₹ 2.41 crore were cancelled/not started and 3,561 works (71.8 per cent) were completed. Details are given in the Table 2.14 below.

Table 2.14

S. No.	No. of PRIs	Works						Percentage of incomplete works
		Sanctioned		Completed		Incomplete		
		Number	Amount	Number	Amount	Number	Amount	
1	ZPs (4)	2,209	68.18	1,236	37.69	952	21.45	43.10
2	PSs (6)	1,536	50.02	1,157	37.33	321	6.66	20.90
3	GPs (49)	1,213	34.89	1,168	30.85	25	0.62	2.06
	Total	4,958	153.09	3,561	105.87	1,298	28.73	

Source: Information provided by PRIs

Audit noticed that the percentage of completed works in the State during 2015-20 was shown 95.77 per cent as per the consolidated monthly progress reports (MPR) at State level. However, the same did not reflect in the test checked PRIs, where only 71.8 per cent works were completed.

On being enquired (September-December 2020), the PRIs concerned stated that certain works were shown as incomplete due to non-submission of UCs/CCs and some works are yet to commence. This indicates that the works

physically completed but actually pending for UCs/CCs were shown as completed in the MPRs. Thus, MPRs needs to be prepared with due diligence.

- **Joint Physical verification:** Out of 4,958 works, 663 works were physically verified (July-November 2019 and September-December 2020) by the Audit along with the departmental officials. The category wise details of these 663 works are given in the Table 2.15 below.

Table 2.15

S. No.	District	Blocks	Number of GPs	Number of works	Roads	Water sources ³⁸	Retiring Hall	Nallah (drain)	Misc. work ³⁹
1	Jodhpur	Luni	9	126	77	19	-	9	21
2		Shergarh	7	89	20	37	1	-	31
3	Sikar	Dhod	9	131	88	19	-	6	18
4	Tonk	Tonk	10	137	105	10	1	7	14
5	Udaipur	Gogunda	5	71	27	10	3	5	26
6		Kherwara	9	109	52	22	1	8	26
Total			49	663	369	117	6	35	136
Deficiencies found					282	36	1	1	4
Percentage					76.42	30.77	16.67	2.86	2.94

The results of test check of records of selected 59 PRIs and joint physical verification of 663 works are discussed in the succeeding paragraphs.

2.3.4.1 Internal roads works

(i) CC roads constructed with lower specifications

As per design prescribed in GKN 2010 (map No.17), a CC road is to be constructed in two layers viz. first layer of 15 cm thickness of CC in the ratio of 1:3:6 (cement: 1; sand: 3 and grit: 6) and second layer of 10 cm thickness of CC in the ratio of 1:1.5:3 (cement: 1; sand: 1.5 and grit: 3).

Audit however, observed that 21 CC roads of ₹ 87.98 lakh in test checked four PRIs (ZP Tonk: 04, ZP Udaipur: 02, PS Tonk: 05 and PS Kherwara: 10) were constructed only in single layer of cement concrete, despite the fact that provision for two layers was taken in the detailed estimates prepared after inspection of the site by technical officer. In most of these cases, either length or width of the road was increased compared to the length/width taken in the estimates to consume the sanctioned amount of these roads, while thickness of the road was compromised to consume the sanction amount.

Further, test check of records of PS Tonk, revealed that in case of 73 CC roads (18 GPs) completed at an expenditure of ₹ 3.69 crore, specification of the base layer was changed to 40 mm dry grit instead of 15 cm thickness of CC in the ratio of 1:3:6 (cement: 01, sand: 03 and grit: 06).

Thus, roads were constructed with lower specification than those prescribed, despite availability of adequate funds and quality of road was also

³⁸ Anicut, hand pump, *tanka*, *panghat*, pipe lines, cattle *ghat* etc.

³⁹ Levelling of ground, toilet, boundary wall, repair work etc.

compromised to that extent. This was also indicative of lack of supervision and inspection by the departmental officials as pointed out in the **paragraph 2.3.4.6 (iii)**.

PS Tonk stated (August 2019) that base layer had been prepared with the laying of dry 40 mm grit as per the requirement of the area. Other three PRIs stated (September-December 2020) that works were executed by laying only the top layer as per the site requirement.

The reply is not tenable as roads were not constructed as per provisions of GKN 2010 and approved detailed technical estimates.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(ii) Construction of Internal Roads without drains and expansion joints

According to Fifth SFC Guidelines, with a view to achieve sanitation and water conservation, the works of internal roads and cement concrete (CC) (including interlocking block) roads with drain would be permissible.

Audit observed that 208 roads (96 CC roads, 112 CC block roads) completed at an expenditure of ₹ 10.38 crore in nine test checked PRIs (four⁴⁰ ZPs and five⁴¹ PSs) were constructed without drains. Five similar cases (of ₹ 0.22 crore) were also noticed during compliance audit (July 2019) of PS Chauth ka Barwara (ZP Sawai Madhopur).

Further, Para 23 (3) of Appendix-1 of GKN 2010, stipulates that expansion joints at the distance of 15 meters each are required to be given in the CC road for enhancing the technical quality. However, out of 213 roads, expansion joints were not given in 89 CC roads (41.78 *per cent*), which was necessary for enhancing the quality of these roads. Thus, road safety was also compromised to that extent.

Two ZPs (Tonk and Udaipur) and three PSs (Tonk, Kherwara and Gogunda) stated (September 2020-December 2020) that drains were constructed wherever required, while other ZPs and PSs did not furnish any reply.

The reply is not tenable as drains were to be constructed along with the roads to ensure sanitation and water conservation as envisaged in the Fifth SFC guidelines.

(a) Physical verification: A joint physical verification of 369 roads with Departmental Authorities revealed that 274 CC roads (74.25 *per cent*) completed at a cost of ₹ 11.34 crore, were constructed without drains. This led to damage of the top surface (11 works) and water logging (8 works) apart from failure to ensure adequate sanitation and water conservation. Illustrative cases are mentioned below:

40 Four ZPs: Jodhpur, Udaipur, Sikar and Tonk

41 Five PSs: Dhod, Luni, Tonk, Kherwara and Gogunda


	
<p>Case 1: Construction of CC road from main road to house of Jeevat Ram, GP Dabaycha, PS Kherwara: the road was found without drain and damaged top surface</p>	<p>Case 2: Construction of CC road from house of Devikishan Gurjar to house of Babu Khatik, Kuredi, GP Kureda, PS Tonk: the road was found without drain and with water logging</p>

(b) Construction of roads at a different location: In five⁴² cases of PS Tonk, it was also noticed that CC roads costing ₹ 24.56 lakh, either entire road or a portion of the road, was constructed at a place other than the sanctioned location. Junior Technical Assistant/Junior Engineer/Assistant Engineer responsible for certifying the payment of these roads, certified the payment only on the basis of Measurement Books (prepared as per sanction) without inspecting the sites.

The PS stated (September 2020) that necessary action would be taken and Audit will be informed accordingly.

(c) Damaged Roads: The works of construction of four CC/interlocking block roads was completed at an expenditure of ₹ 14.82 lakh in PS Gogunda (GP Madra), PS Kherwara (GP Kanpur and GP Kanbai) and PS Tonk (GP Arniyamal).

These roads were found damaged due to non-laying of base layer and absence of side packing etc., during physical verification of the sites. No action to correct the defects of the roads, was found on record. An illustrative case is given below.


<p>Case 3: Construction of CC road from main road towards house of Kure Singh/Sardar Singh GP Kanpur (PS Kherwara)</p>

42 GPs-Sankhna: 1; Soran: 2 and Ghas: 2.

(d) **Encroachment on Roads:** A work of construction of CC road with drain for sanitation from *Main Road towards Kota Kakar*, GP Obra Kalan, PS Gogunda was sanctioned (December 2017) and completed (January 2018) at a cost of ₹ 3.70 lakh. Encroachment was found (October 2019) on the road as an iron gate was fixed in the middle of the road blocking the passage.

The VDO stated (October 2019) that the encroachment would be removed soon. However, the encroachment was not removed till December 2020.



Case 4: Encroachment (October 2019) on the road by fixing an iron gate in the middle of the road.

The matter was forwarded (March 2021) to the Government, their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.4.2 Works related to water sources

(i) **Construction of Panghat without providing electricity connection**

The PRD issued (November 2015) circular that while preparing an estimate for installation of a water source, provision for electricity connection and cost thereof should be made in the estimate. In case the electricity connection is not provided, the water source would be deemed unfruitful and the expenditure incurred on the development of the water source would be recoverable from the executing agency. The CCs will be issued after obtaining electricity connection.

Audit scrutiny of records of two test checked PRIs (ZP Udaipur and PS Kherwara) however, revealed that 17 works⁴³ of construction of *Panghat*⁴⁴ were completed with an expenditure of ₹ 27.19 lakh during June 2016 to December 2019 but provision for electricity connection was not taken in the detailed estimates. Similarly, 45 bore motor works were completed without provision of electricity in PS Gangrar (compliance audit in February 2019) at an expenditure of ₹ 63.00 lakh

43 ZP Udaipur (eight works) and PS Kherwara (nine works).

44 A structure for providing drinking water to the people.

Moreover, the CCs were issued for these 62 works without provision of electricity connection, rendering the whole expenditure of ₹ 90.19 lakh unfruitful.

PS Kherwara stated (September 2019) that all works have been executed with the consent of GPs and electricity connections are already available, while ZP Udaipur did not furnish any reply (December 2020).

The reply is not factually correct because in four cases⁴⁵ out of nine such *Panghat* works (completed in PS Kherwara during May-July 2018) private electricity connections were found to be taken from nearby houses during joint physical verification (September 2019). Moreover, the position was found unchanged on joint physical verification again in December 2020. An illustrative case is given below. Thus, possibility of government electricity connections in remaining *Panghats* is remote.



Case 5: Construction of *Panghat* near house of Kishore Singh, GP Kanpur, PS Kherwara without government electricity connection.

(ii) Installation of hand pumps without cattle water tank and soak pits

PRD issued (September 2014) circular regarding installation of hand pump (HP) which prescribes that the drain, cattle water tank (CWT) and soak pit should be constructed in such a way that the waste water flows naturally into the cattle water tank.

Audit scrutiny of records (measurement books and detailed estimates) however, revealed that 123 works⁴⁶ of installation of HPs in four test checked PRIs (ZP Tonk, ZP Udaipur, PS Kherwara and PS Gogunda) were completed

⁴⁵ Construction of *Panghat* near Bus Stand, GP Kanpur, PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure of ₹ 1.50 lakh; Construction of *Panghat* near Panchayat headquarters, GP Jayra PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure of ₹ 1.55 lakh, Construction of *Panghat* near house of Banshi/Roopsi, Futla, GP Karawada, PS, Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure ₹ 1.51 lakh and Construction of *Panghat* near house of Kishore Singh, GP Kanpur, PS Kherwara: Sanctioned amount ₹ 1.55 lakh and expenditure ₹ 1.51 lakh.

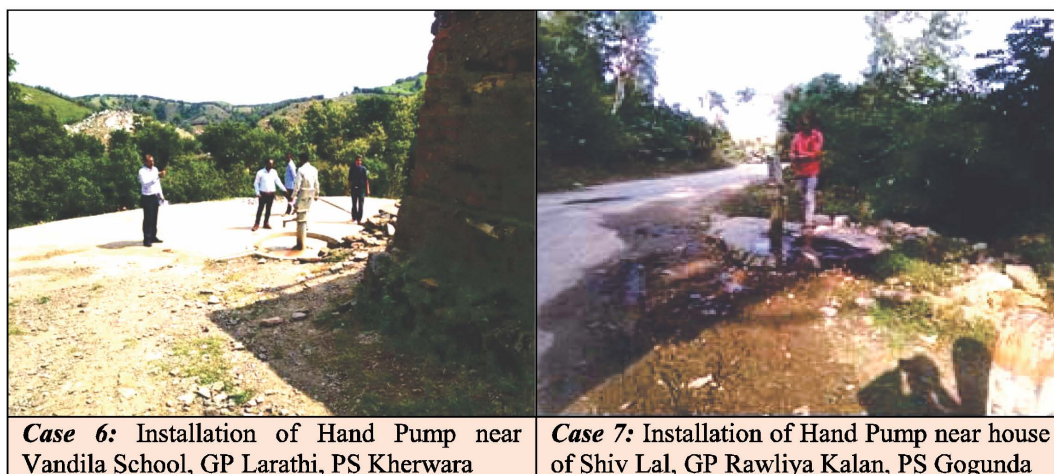
⁴⁶ ZPs Tonk (10 works), Udaipur (36 works) and PSs Kherwara (54 works), Gogunda (23 works).

at an expenditure of ₹ 76.06 lakh without construction of soak pits and CWTs, as prescribed.

PRIs stated (September 2020-December 2020) that the construction of CWT and soak pit would be ensured.

- **Physical verification:** Further, out of the 117 physically inspected works of water sources, deficiencies were noticed in 36 works (30.77 per cent) as discussed below:

(a) 18 HPs were installed/constructed during October 2016-June 2018 in two PRIs (PS Gogunda: 3 works and PS Kherwara: 15 works) at an expenditure of ₹ 9.39 lakh but CWTs and soak pits were not constructed with the HPs. Illustrative cases of installation of HPs without CWT and soak pits are given below:



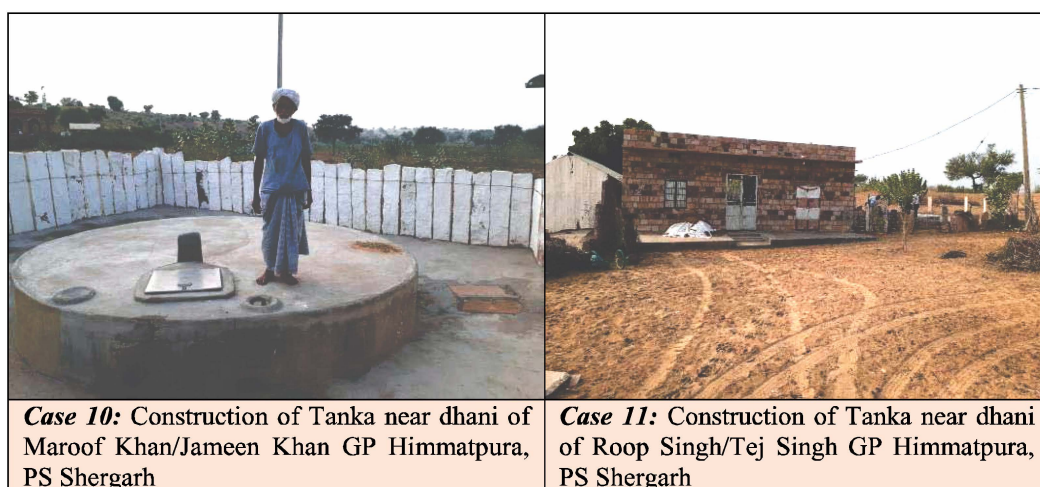
(b) 12 works of construction of water tank and pipeline were sanctioned (June 2016-September 2018) at a cost of ₹ 29.62 lakh and completed (July 2016-September 2019) with an expenditure of ₹ 29.19 lakh in PSs Dhod (one work) and Shergarh (11 works). These assets were found not being utilised due to absence of connection to the water source, thus, rendering whole expenditure of ₹ 29.19 lakh unfruitful. The illustrative cases are given below.





Case 9: Madarsa Bahmani Sindhiyon Ki Dhani GLR Mai Pipe Line Karya (GP Himmatpura)

(c) Two works⁴⁷ of Public Tanka completed at an expenditure of ₹ 1.20 lakh in PS Shergarh were constructed within the premises of houses covered by boundary wall. Thus, the possibility of use of *Tankas* by public is remote.



Case 10: Construction of Tanka near dhani of Maroof Khan/Jameen Khan GP Himmatpura, PS Shergarh

Case 11: Construction of Tanka near dhani of Roop Singh/Tej Singh GP Himmatpura, PS Shergarh

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.4.3 Retiring hall, drain and other works

(i) Construction of Retiring Hall at Meghwal Basti, GP Gogunda, PS Gogunda was undertaken at an expenditure of ₹ 4.63 lakh. It was observed (September 2019) that the work was incomplete and debris was dumped in the hall. The Retiring Hall was found in the same condition even during the physical verification in December 2020. Thus, the purpose for construction of Retiring Hall could not be served.

47 Construction of Public Tanka near *Dhani* of Roop Singh/Tej Singh, GP Himmatpura PS Shergarh (sanctioned cost: ₹ 0.63 lakh, expenditure: ₹ 0.60 lakh) and Construction of Public Tanka near *Dhani* of Maroof Khan/Jameen Khan GP Himmatpura, PS Shergarh (sanctioned cost: ₹ 0.63 lakh, expenditure: ₹ 0.60 lakh).



Case 12: Construction of retiring hall at meghwal basti, GP Gogunda, PS Gogunda

(ii) The work of construction of *Nallah* near Masjid, Allahpura, GP Arniyamal, PS Tonk was executed at an expenditure of ₹ 2.00 lakh. The exit of *Nallah* was opening within the habitation and a lot of filth and waste was found around the *Nallah*. Thus, the purpose of sanitation through construction of *Nallah* was not fulfilled.

(iii) For the work of construction of toilet-urinal in Government Senior Secondary School Patiya, GP Patiya PS Kherwara, an expenditure of ₹ 1.60 lakh was incurred. However, joint physical verification (September 2019) of the work, revealed that material worth ₹ 0.54 lakh was lying unutilised and water tank and toilet sheet were not installed/fixd.



Case 13: Incomplete work of toilet-urinal in Government Senior Secondary School Patiya, GP Patiya PS Kherwara (December 2020).

Even during the next physical verification (December 2020), the condition of toilet remained unchanged. Since, there were no other toilet/urinal facilities in this school, children were facing difficulties. The VDO stated (December 2020) that the work could not be completed as space/land available for toilet-urinal was not sufficient.

(iv) Physical verification of three works⁴⁸ completed at an expenditure of ₹ 6.92 lakh in PS Shergarh, ZP Jodhpur revealed that these works were constructed on personal lands and were not being used by the public.



The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

2.3.4.4 Works executed without preparation of technical estimates

Provisions for preparation of estimates for construction of various works are provided in Para 6 of the GKN 2010. Accordingly, para 6.3.1 and 6.3.5 envisage that detailed estimate should be prepared for new works by assessing the quantities of each item to be executed as per approved drawings and requirement of site. The quantity of items and unit cost of item, total cost of work should be shown in prescribed formats. The technical sanction of the works and execution of works would be based on these detailed estimates.

Audit, observed that detailed technical estimates by showing the quantities of items of work and unit rates etc., were not prepared in prescribed format for

⁴⁸ Construction of Retiring Hall Rewat Singh Ki Dhani, GP, Khirja Tibna: sanctioned cost: ₹ 2.20 lakh and expenditure ₹ 2.16 lakh; Construction of Public Library Guman Singh Ki Dhani, Khirja Tibna : sanctioned cost: ₹ 2.30 and expenditure ₹ 2.26 lakh; Construction of Public Library Khanodi Sadak Par Bhilon Ki Dhani Ke Pas, GP Bapu Nagar: sanctioned cost: ₹ 2.50 lakh and expenditure ₹ 2.50 lakh.

115 works⁴⁹ in test checked 9 GPs of PS Dhod. The works were completed at an expenditure of ₹ 3.60 crore against sanctioned cost of ₹ 4.10 crore.

Most of these works were found to be completed. However, irregularities like non construction of drains with roads (49 work of ₹ 2.05 crore), non-availability of quality test reports (54 work of ₹ 2.21 crore), non-existence of display boards at site (11 work of ₹ 0.44 crore) and works not included in GP development plan (three work of ₹ 0.08 crore) etc., were noticed during physical verification. However, in absence of detailed estimate, deviation of quality/quantity could not be ascertained.

2.3.4.5 Lack of transparency

(i) Works executed without following the provisions of Rajasthan Transparency in Public Procurement Rules

The Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 were promulgated by the State Government to regulate public procurement with the objectives of ensuring transparency, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy and safeguarding integrity in the procurement process.

Rule 5 of RTPP Rules, 2013 provides that procurement of works having estimated value of rupees five lakh or more should be through e-procurement. Further, in case of a rate contract, rule 29(2) of *ibid* Rules provides that the period of rate contract shall be generally one year, which could be extended on same price, terms and conditions for a period not exceeding 3 months in unavoidable circumstances. It should be ensured that new rate contracts become operative right after the expiry of the existing rate contracts without any gap.

(a) In PS Gogunda, tenders for works of installation of HPs and Tube Wells (TWs) for the period 2015-16 were invited (September 2015) for an estimated value of ₹ 35.00 lakh and ₹ 10.00 lakh respectively. The rates of contractor 'A' being lowest were approved and a rate contract was entered (November 2015) with the contractor for execution of work amounting to ₹ 45.00 lakh during 2015-16. Against this rate contract, PS Gogunda awarded 103 works for ₹ 74.07 lakh and the contractor executed 81 works for ₹ 57.81 lakh during 2015-17.

Audit observed that the rate contract was irregularly extended up to June 2017 beyond the prescribed limit of three months (June 2016). The PS Gogunda irregularly, executed 58 works on incurring an expenditure of ₹ 41.42 lakh through this contractor 'A', instead of inviting fresh tenders. Besides, the process of e-Procurement was also not followed for inviting tenders as envisaged in the RTPP Rules, 2013.

49 Works of CC road:78; Water source:14; Repair work:2; Boundary wall:5; Sewerage:10 and other works:6.

(b) In PS Kherwara, a rate contract with contractor 'B' was executed (July 2018) for installation of HPs and construction of *Panghats* in PS Kherwara for the period of one year up to July 2019. In July 2019, the rate contract was extended upto three months (upto October 2019).

Audit, observed that PS Kherwara irregularly, sanctioned 33 works of *Panghats* and HPs for ₹ 29.07 lakh during December 2019 to May 2020, beyond extended period of rate contract and the work was completed at an expenditure of ₹ 28.78 lakh by the contractor 'B'. This was in contravention of provisions of the RTPP Rules.

The PS stated (December 2020) that the works were executed in public interest. The reply is not tenable as the works were sanctioned after expiry of extended period of rate contract.

Thus, provisions of transparency in public procurement as envisaged in RTPP Rules were not adhered to by these two PRIs while executing the works out of grants under Fifth SFC.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(ii) Wall painting of details of funds provided by the Fifth SFC

As per the instructions issued (June and September 2016) by PRD, for ensuring transparency in the utilisation of funds, the information regarding funds received and expenditure incurred under various development schemes is required to be provided to public through wall paintings at GP or *Atal Seva Kendras*. The funds received under Fifth SFC could be utilised for this purpose.

Audit however, observed that wall painting displaying the above details was not made by any of the test checked 49 GPs during 2015-20. The GPs accepted the facts and stated (September-December 2020) that no expenditure was incurred on wall paintings.

Thus, people were deprived of the information regarding utilisation of funds provided under Fifth SFC and the transparency was also hindered to that extent.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(iii) Information of works not displayed at work-site

Paragraph 24.2 of GKN 2010 envisages that information relating to works such as name of the work with work site, name of the scheme, sanctioned amount, man-days, date of commencement and completion of work, expenditure incurred and resulting benefits/utilities to the public *etc.*, is required to be displayed on a board at each work site.

However, such information was not found displayed on the boards in respect of 353 works⁵⁰ (53.24 per cent), out of 663 works physically verified in the test checked districts.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite reminders (April to December 2021).

2.3.4.6 Internal Control and Monitoring Mechanism

(i) Non Submission of Utilisation /Completion Certificates in time

Para 22.6 and 22.7 of GKN 2010 provide that on receipt of intimation of completion of the works by the executing agencies, the UCs and CCs should be furnished by the competent authority within 15 days and 30 days respectively, of utilisation of funds and completion of works. Further, para 22.10 of GKN 2010, has prescribed maximum period for completion of works as nine months. In case, CC is not issued within prescribed time limit, the responsibility for delay should be fixed and disciplinary action may be initiated against the responsible officer along with imposition and recovery of penalty as provided in para 20.1 of GKN 2010.

(a) Audit scrutiny of record of 59 test checked PRIs revealed that out of 4,958 works (worth ₹ 153.09 crore) sanctioned during 2015-20, UCs/CCs were pending in respect of 1,553 works⁵¹ (31.32 per cent) amounting to ₹ 37.77 crore, as of December 2020.

The PRIs concerned stated (September-December 2020) that UCs/ CCs were pending due to non-submission of UCs/CCs by executive agencies, non-measurement of works and non completion of works etc.

(b) *Utilisation/adjustment of funds of earlier SFCs:* An amount of ₹ 8.78 crore⁵² released under earlier SFCs, was pending adjustment in the test checked ZPs and PSs, even after 6 to 11 years of expiry of the period of SFCs.

The ZPs and PSs stated (September-December 2020) that the funds remained unutilised/unadjusted due to non-submission of UCs/CCs and the unutilised funds would be paid after adjustment of UCs/CCs.

The reply is not acceptable because all the works should have been completed within nine months of the sanction and UCs/CCs should have also been submitted timely as prescribed in the GKN 2010. The Department should have

50 ZP Jodhpur: 31; ZP Tonk: 130; ZP Sikar: 14 and ZP Udaipur: 178.

51 2015-16: 29 works (₹ 53.04 lakhs); 2016-17: 238 works (₹ 471.15 lakhs); 2017-18: 211 works (₹ 580.17 lakhs); 2018-19: 501 works (₹ 1211.20 lakh) and 2019-20: 574 works (₹ 1461.21 lakhs).

52 4 ZPs: Tonk (SFC III- ₹ 0.27 crore, SFC IV- ₹ 0.58 crore), Sikar (SFC III- ₹ 0.91 crore, SFC IV- ₹ 1.44 crore), Jodhpur (SFC IV- ₹ 1.73 crore) and Udaipur (SFC III- ₹ 1.35 crore, SFC IV- ₹ 1.27 crore) 5 PSs: Luni (SFC IV- ₹ 0.65 crore), Shergarh (SFC III- ₹ 0.002 crore), Tonk (SFC III- ₹ 0.06 crore), Dhod (SFC III- ₹ 0.04 crore, SFC IV- ₹ 0.13 crore) and Kherwara (SFC III- ₹ 0.21 crore, SFC IV- ₹ 0.14 crore).

initiated disciplinary action against the officers responsible for not issuing CCs within prescribed time limit.

Further, keeping the amounts unadjusted for a long period may lead to misappropriation of public money. In this regard, a case of double/ fictitious payment noticed during test check/physical verification of GP Larathi (PS Kherwara, Udaipur), is discussed in **sub paragraph (c)** below.

(c) Fictitious payment: A work of construction of a CC road with drain from *Alkha Ramji ke ghar se main road ki aur* in GP Larathi was sanctioned (August 2015) at a cost of ₹ 2.00 lakh under Thirteenth Finance Commission (TFC) and an expenditure of ₹ 1.78 lakh was incurred (September 2015), but completion certificate was not issued.

Subsequently, in March 2016, construction of a CC Road main road *se Babu/Alkha ke ghar ki aur* was sanctioned at the same site in the same GP Larathi with a cost of ₹ 2.50 lakh under Fifth SFC and an expenditure of ₹ 2.51 lakh was incurred (April 2016). The Completion Certificates of this work was not issued. A departmental inquiry was conducted, which proposed (September 2019) recovery of ₹ 1.78 lakh for the earlier work sanctioned under TFC. The amount was pending for recovery as of February 2021 despite assurance of the PRD (December 2020).

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(ii) Maintenance and Submission of Annual Accounts

As per rule 246 and 247 of RPRRs, 1996, at the end of the year a GP/PS is required to prepare an abstract of annual accounts in Form XXXVI showing its income and expenditure under each head of the budget and send it to the State Government through ZP by 1st May of the following year. Abstract of annual accounts is required to be accompanied by a statement of grants-in-aid in Form XXXVII, expenditure incurred, supported by UCs etc., a list of works undertaken under the various schemes and a statement of assets and liabilities. ZP will closely scrutinise these statements and send it to state Government along with his comments. The Annual Accounts of the ZPs are required to be sent to the State Government by 15th of May.

Audit observed that during 2015-20, the PSs submitted their annual accounts directly to PRD without submitting them to ZPs for scrutiny. Thus, accounts finalisation could not be supervised/validated by ZPs as prescribed in the rules.

Further, the test checked ten PRIs (four ZPs and six PSs) also submitted their annual accounts, with delays of five days to 306 days.

Seven⁵³ PRIs accepted the facts and stated (September-December 2020) that there were delays in submission due to time taken in preparation of accounts, while three PRIs did not submit any reply.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(iii) Inspection of works

Para 16.2 and 16.3 of GKN, 2010 provide that periodical inspections for ensuring quality of work at every stage should be carried out by the departmental officials⁵⁴. Further, an inspection register of works should be maintained in prescribed proforma at ZP, PS and GP level having details of inspection of works carried out by the ZP, PS and GP level authorities. The norms for the inspection are given in the Table 2.16 below.

Table 2.16

(Figures in percentage)

S. No.	Total cost of work	JE and JTA of PS	Astt. PO, AE, Sr. TA of ZPs and AE of PS	EE of ZP	BDO	District Collector/ CEO
1	Up to ₹ 2 lakh	100	25	0	25*	5*
2	₹ 2 lakh to ₹ 10 lakh	100	100	25		
3	₹10 lakh and above	100	100	100		

*of total works ensuring that work of each scheme running in the area may be covered.

Scrutiny of records of selected PRIs revealed that inspection registers of works were not maintained at any level.

The PRIs concerned stated (September-December 2020) that periodical inspections were carried out from time to time but details of inspections were not maintained. They further stated that inspection register would now be maintained.

In absence of inspection registers, it could not be assured that periodical inspections were carried out or any corrective measure has been taken, as prescribed. However, deviation in specification during construction of CC roads as discussed in paragraph no. 2.3.4.1 (i) could be attributable to the lack of inspection/supervision by the authorities during execution of these works.

The matter was forwarded (March 2021) to the Government but their reply was still awaited (December 2021) despite repeated reminders (June, August September and December 2021).

(iv) Third party inspection and impact assessment study

According to Para 10.39 (XV) of final recommendation report of Fifth SFC,

53 Two ZPs (Udaipur and Sikar) and five PSs (Gogunda, Kherwara, Luni, Shergarh and Tonk).

54 Junior Engineer (JE), Junior Technical Assistant (JTA) and Assistant Engineer (AE) of PSs and Assistant Project Officer (Asstt. PO), AE, Senior Technical Assistant (Sr. TA), Executive Engineer (EE) and Administrative Officer of ZPs.

third party inspection and impact assessment study of works executed under Fifth SFC, was to be carried out by an independent agency.

However, such impact assessment study and third party inspections of works executed under Fifth SFC was not carried out in the State. The PRD accepted (June 2020) the facts.

(v) Register of assets and Register of works not maintained

(a) Register of assets was not maintained at ZPs and PSs

Para 24.3 of GKN 2010 provides that a register of assets constructed (Development Register) shall be maintained at all three levels of PRIs i.e. ZPs, PSs and GPs level.

The register of constructed assets was maintained by all the test checked GPs. However, the asset register was not maintained at ZP and PS levels. The concerned ZPs and PSs accepted (September–December 2020) the fact.

(b) Rule 180 of RPRRs, 1996 stipulates that every PRIs shall keep a register of works in Form XXV for each work.

However, none of the 59 test checked PRI maintained the register of works in the prescribed form. All the PRIs except PS Kherwara, accepted the facts and stated (September-December 2020) that register of works would now be maintained in the prescribed format.

PS Kherwara stated (December 2020) that register of works was being maintained.

The reply is not acceptable as the copy of register provided to Audit was not found as per the prescribed format.

2.3.5 Conclusion

Fifth State Finance Commission was constituted to review the financial position of Panchayats and to recommend principles for distribution of revenue receipt between the State and the Panchayats and allocation between the Panchayats at all levels of their respective shares of such proceeds and grant in aid from the consolidated fund of State.

Audit observed that the State Government did not release 11.94 per cent of the grant as recommended by fifth SFC. The PRD also did not release incentive grant of ₹ 193.30 crore during 2015-16 and 2019-20. Component-wise sanction and expenditure details were not maintained by the PRIs. Physical verification of assets created through Fifth SFC grants revealed that the CC roads were constructed without drains, works were executed without preparation of estimates and executed works were of lower specification. Registers of works and assets constructed were not maintained in PRIs. Third party inspection and impact assessment study was not conducted.

2.3.6 Recommendations

- 1. The State Government should ensure release of the whole amount of grant to PRIs as recommended by fifth SFC.*

2. *The PRD should issue component-wise sanctions and PRIs should maintain component-wise expenditure details.*
3. *The PRIs should prepare detailed estimates of works and execute the works accordingly.*
4. *The PRD should carry out third party inspection and impact assessment study of the works executed under fifth SFC.*

2.4 Deprivation of the legitimate income

Non-observance of Rajasthan Panchayati Raj Rules, 1996 while leasing out the assets of two Panchayat Samities resulted in deprivation of legitimate income to the tune of ₹ 3.30 crore.

Rule 164 of Rajasthan Panchayati Raj Rules (RPRRs), 1996 stipulates that shops and other commercial sites may be leased out for not more than three years, through open auction by a committee. The agreements for leasing out such premises on rent shall include the condition of 10 *per cent* increase in rental amount every year. Panchayat or Panchayat Samiti (PS) may also negotiate the matter for extending the term of three years, but in such case, yearly increase shall be 20 *per cent* in rental amount, by mutual agreement. In case the premises are not vacated after the three years' time limit or it is sub-let to any other person in violation of terms of agreement or rent is not deposited regularly, Chief-Executive Officer (CEO) of Zila Parishad shall get the premises vacated after giving show cause notice for eviction of premises if requested by the Panchayat or PS concerned.

Scrutiny of records (January and February 2019) in two PRIs (PS Talwara and PS Dug) and further information collected (August 2021) revealed that:

In PS Talwara, 12 newly constructed shops were leased out from the month of June 2007 through auction (February-March 2007) for rent of ₹ 1,250 to ₹ 2,175 per month with usual terms and conditions. Audit, however, noticed that eight shops were leased out to the tenants who did not accept the condition of increase in rent by 10 *per cent* annually, which was in contravention to the rule *ibid*. The PS neither initiated the action to get the shops vacated after three years and to allot the shops afresh nor increased the rent by 20 *per cent* annually to the existing tenants as per the Rules.

Further, 20 old shops instead of being leased out through auction, were continued to be leased out in February 2008 at fixed rent of ₹ 700 per month (₹ 500 per month since 2002) despite the prevailing market rate of ₹ 1,250 to ₹ 2,175 per month. The rent in February 2008 would have been ₹ 1,045 per month i.e. more than the rent of ₹ 700 per month fixed by the PS, had the rent been increased by 10/20 *per cent* since 2002 as per the Rules. This resulted in deprivation of legitimate income of ₹ 2.32 crore to the PS till July 2021.

PS Talwara, even after six year of its constitution did not revise the rent and neither took action against defaulters to recover the outstanding dues nor got the shops vacated.

Similarly, in case of PS Dug, rent of 16 shops which were leased out between April 2006 to June 2007, was increased after three years by only 10 *per cent* annually against the provision of 20 *per cent* during May 2006 to July 2021, which also resulted in deprival of legitimate income of ₹ 0.98 crore. PS Dug while accepting the facts, stated (January 2019) that recovery of rent is under process.

GoR stated (February 2022) that PS Talwara was newly constituted in 2014-15 and prior to this, the shops were under the jurisdiction of PS Banswara. It also stated that the tenants requested to effect minimum increase in rent in view of their low income from business and therefore, in the meetings of standing committee (November 2019) and general body (December 2019) of PS, it was decided to condone the recovery of increase in rent.

Reply is not convincing as the action of PS of condoning the increase in rent was in contravention to Rule 164 of RPRRs. GoR did not furnish reason for non-recovery of outstanding rent in respect of PS Dug.

Moreover, in both the PSs the tenants defaulted in regular payment of rent. The PSs did not take any action to recover the outstanding rent or to get the shops vacated. Thus, due to non-adherence to the provisions in respect of assets to be leased out on rent and non-initiation of any action against the defaulters, the PS was deprived of the legitimate income to the tune of ₹ 3.30 crore over a period of 19 years (*Appendix XX*).

Similar irregularities in leasing out the assets of PRIs, were featured as para no. 2.6 and 2.3 of the Audit Reports on Local Bodies for the period 2014-15 and 2016-17 respectively. However, such irregularities were again noticed which indicates that the Panchayati Raj Department and the PRIs have not ensured compliance of the prescribed Rules.

2.5 Expenditure in violation of Rajasthan Transparency in Public Procurement Rules

Non-observance of the provisions of RTPP Rules, 2013 by Panchayat Samitis resulted in unauthorised expenditure of ₹ 3.11 crore.

The Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 were promulgated by the State Government to regulate public procurement with the objectives of ensuring transparency, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy and safeguarding integrity in the procurement process.

According to the Rule 73 of RTPP Rules, 2013 repeat orders for extra items or additional quantities, limited to 50 *per cent* of the value of goods or services of the original contract may be placed if it is provided in the bidding documents. Further, Rule 29(2) of *ibid* Rules provides that the period of rate contract shall be generally one year, which could be extended on same price, terms and conditions for a period not exceeding 3 months in unavoidable circumstances. It should be ensured that new rate contracts become operative right after the expiry of the existing rate contracts without any gap.

Tendering process for 2017-18 was to be completed by March 2017. However, considering the fact that tenders for 2017-18 would not be finalised in most of the districts by March 2017, the State Government allowed (April 2017) an extension of three months for the existing contract subject to the condition that procurement of additional quantities would be limited to 50 per cent of the value of goods or services of the original contract. The Government also directed (April 2017) that procurement as per the rates after finalising tenders for 2017-18 was to be ensured. The existing contracts were finally extended (June 2017) up to September 2017.

Panchayat Samiti (PS) *Todaraisingh* (District Tonk) and PS *Baseri* (District Dholpur) issued (April-May 2016) notice inviting tenders (NITs) for procurement of material for construction works to be executed in these PSs under various schemes during the year 2016-17 and approved (June 2016) rates of lowest bidders (at par BSR rates) for supplying the material amounting to ₹ 50 lakh in each PS.

Audit scrutiny (November 2018 and February-March 2019) of records revealed that PS *Todaraisingh* did not execute a formal rate contract with the supplier. The PS placed 56 supply orders during 2016-17 and procured construction material of worth ₹ 1.57 crore. However, without inviting fresh tenders for rate contract PS continued the procurement for another one year and placed 37 supply orders valuing ₹ 1.04 crore to the same supplier, which was in contravention of the provisions contained in the RTPP rules.

Similarly, in PS *Baseri* 25 supply orders for procurement of construction material valuing ₹ 1.03 crore were placed during 2016-17 against the annual rate contract⁵⁵ (approximate value ₹ 50 lakh). The PS, without inviting tenders for fresh rate contract, continued the existing contract for another one year and placed 28 supply orders valuing ₹ 0.95 crore to the same supplier, which was in contravention of the provisions contained in the RTPP rules. Even, the previous rate contract (for the year 2015-16) of the same supplier was also extended upto June 2016.

Details of procurement of additional quantities by PSs *Todaraisingh* and *Baseri* are given in the Table 2.17 below:

Table 2.17

(₹ in crore)						
S No.	PS	Original contract value	Total permissible limit of procurement including additional quantities	Actual Procurement value	Value of additional procurement (per cent of original contract value)	Value of unauthorised procurement (per cent of original contract value)
	(1)	(2)	(3)= Original contract value plus 50 per cent of original contract value	(4)	(5)=(4)-(2)	(6)=(4)-(3)
1	Todaraisingh	0.50	0.75	2.62	2.12 (424)	1.87 (374)
2	Baseri	0.50	0.75	1.99	1.49 (298)	1.24 (248)
	Total	1.00	1.50	4.61	3.61 (361)	3.11 (311)

55 Copy of the formal rate contract executed by PS *Baseri* with the supplier was not provided to the Audit.

It is evident from the table above that the procurement made by PSs were in excess of the original contract value by 424 and 298 *per cent* respectively whereas the permissible limit was only 50 *per cent*. Thus, the PSs irregularly procured additional/extra material worth ₹ 1.87 crore⁵⁶ and ₹ 1.24 crore⁵⁷ respectively in violation of the provisions of rule 73 of RTPP Rules, 2013 and GoR Directions.

On being pointed out, PS *Todaraisingh* accepted (November 2018) the facts and PS *Baseri* stated (December 2019) that GoR had extended (June 2017) the period of all the existing contracts upto 30.09.2017. The reply is not tenable as extension of all the rate contracts was granted subject to procurement of additional quantity upto 50 *per cent* only. Moreover, after 30.09.2017, procurement was to be done as per the tenders finalised for 2017-18 but these PSs did not initiate tenders for 2017-18 in terms of the provision of rule 29 (2) of RTPP Rules, 2013.

Thus, non-observance of the provisions of RTPP Rules, 2013 defeated the very purpose of these rules which were introduced to ensure greater transparency in the public procurements and resulted in unauthorised expenditure of ₹ 3.11 crore.

The matter was referred (June 2019, July 2019 and August 2020) to the Government of Rajasthan for comments; their reply was awaited (February 2022) despite repeated reminders (February, August, October and December 2021).

2.6 Irregular retention of royalty share

Lackadaisical approach of Zila Parishads in transferring royalty share to eligible Gram Panchayats in contravention to State Finance Commission's recommendations as well as Government of Rajasthan's directions

Excavation of minerals in rural areas creates problems for the rural population and results in pressure on the civic services to be provided by the village panchayats. Considering these issues, the Second State Finance Commission (SFC) of Rajasthan (award period 2000-05) recommended transfer of one *per cent* of net receipts from royalties on minerals (both major and minor) to the Gram Panchayats (GPs) of respective districts and if feasible, within a district to the GPs of the area where mining was done. The Fourth SFC of Rajasthan (award period 2010-15) reiterated the recommendation.

In compliance with the recommendation made in Second SFC, the Government of Rajasthan (GoR) issued (December 2007) an order that one

56 (Total procurement of ₹ 2.62 crore) minus (contract value of ₹ 0.50 crore and 50 *per cent* limit for additional quantity ₹ 0.25 crore).

57 (Total procurement of ₹ 1.99 crore) minus (contract value of ₹ 0.50 crore and 50 *per cent* limit for additional quantity ₹ 0.25 crore).

per cent of royalty collected from the year 2000-01 be distributed amongst the Zila Parishads (ZPs) in the ratio of royalty originating from the ZPs. It also directed that the share received by a ZP would be distributed amongst the GPs where mining takes place according to an appropriate formula determined in the general body of respective ZP.

Test-check (March 2019) of records of ZP Ajmer revealed that the ZP received an amount of ₹ 2.43 crore towards royalty share during 2006-07 to 2012-13 but distributed only ₹ 0.63 crore among the GPs. Further, during 2013-20, no amount of royalty was received/disbursed by ZP Ajmer as shown in annual accounts. Audit observed that an amount of ₹ 1.80 crore which was to be distributed among the eligible GPs, was lying unutilised with the ZP Ajmer, since March 2013.

Similarly, ZP Kota received an amount of ₹ 4.30 crore towards royalty share during 2006-07 to 2014-15 but distributed only ₹ 2.48 crore among the GPs through Panchayat Samities (PS) and balance of ₹ 1.82 crore⁵⁸ was lying undisbursed with the ZP since March 2015. Further, during 2015-20, no amount of royalty was received/disbursed by ZP Kota.

In respect of ZP Ajmer GoR stated an amount of ₹ 1.80 crore has been transferred to GPs concerned. In respect of ZP Kota, GoR stated (February 2022) that the GP wise detail has been received from mining department for transferring an amount of ₹ 1.14 crore but the same could not be transferred to GPs because of enforcement of code of conduct of panchayat elections. The details for remaining amount of ₹ 0.51 crore has not been received so far from mining department and this amount would be transferred on receiving the same.

Reply of GoR in respect of ZP Ajmer is not tenable as the ZP, though transferred the amount but did not furnish the evidence in support. In respect of ZP Kota the pending amount pertained to the period 2006-15 and in the same period ZP had already disbursed an amount ₹ 2.48 crore to the GPs through PSs. Thus there was no need to wait for directions/details from mining department.

ZPs Kota and Ajmer did not transfer an amount of ₹ 3.62 crore to GPs in violation of the SFC's recommendation as well as GOR's directions to strengthen their financial resources for six to eight years. Thus, the GPs which are affected by the mining activities were deprived of their respective royalty share.

58 Though the annual accounts of ZP Kota shows pending amount of royalty ₹ 1.65 crore only.

2.7 Irregular retention of funds

Panchayat Samitis disregarded the directions regarding transfer of the unspent funds and irregularly retained ₹ 2.92 crore, thereby depriving the beneficiaries of the designated benefits under the Mid Day Meal Scheme.

The Mid-Day Meal (MDM) Scheme is a centrally sponsored scheme, to enhance enrollment, retention and attendance and simultaneously improve nutrition levels among children. In Rajasthan, Panchayati Raj Department (PRD) was initially designated (May 2009) as the administrative department for implementation of this Scheme. Later, the Government of Rajasthan, designated (January 2016) Elementary Education Department as the administrative department in place of PRD. Accordingly, Commissioner, MDM directed (19 May 2016) the Chief Executive Officers (CEOs) of Zila Parishads (ZPs) to ensure transfer of entire records and balance amount of MDM Scheme lying with them, to District Education Officer, Elementary Education within 15 days.

Test-check (December 2018 to February 2021) of records and annual accounts of 12 Panchayati Raj Institutions (PRIs) and further information collected (September 2021) from these PRIs, revealed that an amount of ₹ 2.92 crore⁵⁹ was still lying with these PRIs, pending transfer to Elementary Education Department as of September 2021. Thus, the amount of ₹ 2.92 crore had not been transferred to Elementary Education Department even after lapse of four years since issue of directions by Commissioner, MDM.

On being pointed out, three PRIs (PSs Balesar, Sanganer and Bamanwas) stated (March 2019 and September 2021) that in the absence of clear directions, the unspent funds of MDM Scheme could not be transferred. PSs Desuri and Sanchore stated (February and March 2019) that the unspent funds of MDM Scheme would be transferred after adjustment from other Scheme. Two PRIs (PSs Nagaur and Uniyara) stated (March 2021 and September 2021 respectively) that the action is being taken for transferring the unspent funds of MDM Scheme. Four PRIs (PSs Bassi, Sagwara, Deedwana and Mandore), did not furnish reply. ZP (RDC) Bharatpur transferred (November 2021) the due amount to the Elementary Education Department, at the instance of Audit.

The replies need to be seen in light of the fact that the remaining balance of MDM Scheme was to be transferred within 15 days of issue (19 May 2016) of directions by Commissioner, MDM. However, these 11 PRIs failed to transfer the balance even after lapse of more than four years. Also, the response of PSs Desuri and Sanchore about adjustment of balances under MDM scheme against balances of other schemes tantamounts to diversion of funds from one Scheme to another.

59 PS Balesar: ₹ 80 lakh, PS Desuri: ₹ 20 lakh PS Bamanwas: ₹ 6.64 lakh, PS Uniyara: ₹ 0.18 lakh, PS Sanganer: ₹ 1.96 lakh, PS Bassi: ₹ 112.82 lakh, PS Sagwara: ₹ 6.62 lakh, PS Nagaur: ₹ 3.19 lakh, PS Deedwana: ₹ 20.97 lakh, PS Sanchore: ₹ 14.77 lakh, PS Mandore: ₹ 14.07 lakh and ZP (RDC) Bharatpur: ₹ 10.40 lakh.

GoR stated (February 2022) that PS Desuri and PS Balesar transferred (November and August 2021) ₹ 0.20 crore and ₹ 0.24 crore respectively to Elementary Education department. Reply in respect of PS Balesar is not tenable as the PS transferred only ₹ 0.24 crore against the balance amount of ₹ 0.80 crore under MDM. GoR did not furnish reply in respect of other nine PRIs.

Thus, even after lapse of four years, the 11 PRIs did not comply with the directions issued by the Government. Irregular retention of funds has direct adverse effect on availability of resources for effective implementation of the MDM scheme and also creates a situation conducive to fraud/embezzlement.

Rural Development and Panchayati Raj Department

2.8 Fraudulent payment to contractors

Fraudulent payment of ₹ 1.06 crore towards procurement of material in violation of the directions of higher authorities.

Rural Development and Panchayati Raj Department (RD&PRD) Rajasthan issued (February 2014) instructions regarding electronic payment of material for the works executed through line department/Gram Panchayats (GP) under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Accordingly, existing practice of providing advances for material in cases of works to be executed by the line departments/GP was dispensed with and instead the bills of material verified by line departments/GP were to be submitted for payment to the Panchayat Samiti (PS). The PS, after scrutiny, was to make direct payment to the suppliers' account through National Electronic Fund Management System (Ne-FMS). Copy of Measurement Book (MB) of related works and approval of MGNREGS Standing Committee were also required to be obtained before making payment of these bills.

To effect a payment on Ne-FMS platform, e-pay order (FTO) after due verification are prepared by the signatories at the PS level. The concept of Maker and Checker is inbuilt in the NREGASoft, where first signatory is responsible to generate the FTO and second signatory for checking and pushing it as e-pay order to NREGASoft server. Further, RD&PRD categorically instructed (May 2014) that the Block Development Officer (BDO) and authorized Accounting officials of the PS (whose digital signature had been authorized) would be directly and personally responsible for any irregularity in payment for material or transfer to a bogus supplier.

Test-check (February-March 2018) of e-pay orders (FTO) of PS Hindoli in respect of works executed under MGNREGS through line departments revealed that during 2015-18, PS Hindoli processed FTOs of ₹ 1.06 crore of five suppliers for supplying materials to 23 works which were executed by two departments (Forest/Water Resources) and GP, Mendi without obtaining the certified bills of material, copy of MBs and work completion certificates from the executive agencies. Audit scrutiny of the relevant records obtained from

the line departments further revealed that the suppliers to whom FTOs were issued didn't supply material for the aforesaid works. The fact was also confirmed by both line departments and GP Mendi. Thus, fraudulent payment of ₹ 1.06 crore was made to the five firms without availability of bills duly verified with reference to the related MB/approval of MGNREGS Standing Committee. Such payment is possible only if the digital signatories (the Maker and the Checker of the FTOs) share their authority with others who collude with such firms. In that case possibility of fraud by the digital signatories cannot be ruled out.

It was also noticed that these FTOs were processed against such works which had already been completed and payment to the actual suppliers of material had also been made. This indicates a control failure in the Ne-FMS platform as it allows an opportunity to process FTOs against the already completed works, which needs to be plugged in.

The Department stated (October 2020) that a *lekha sahayak* (on contract service) responsible for the incident had been terminated (February 2018) and an FIR had been lodged in police against the defaulters to recover the balance amount. Further, process of issuing charge sheet under Rule 16 of the Rajasthan Civil Services (classification, control and appeal) Rules, 1958 to the officers (BDOs:7 and Assistant Accounts officers:1) involved in the case, was also stated to be under progress.

The reply reveals that a person hired on contract was provided authority for the digital signatures by the BDOs and AAOs, which is a serious system lapse. The Department needs to strengthen its internal control mechanism to avoid repetition of such instances in future. The matter may also be examined to identify the lacunae in Ne-FMS system that makes such fraudulent payments possible.

The Government while accepting the facts stated (March 2021) that an amount of ₹ 72.57 lakh had been recovered from respective firms and balance amount of ₹ 33.71 lakh would be recovered soon. It was stated that all the District Collectors had been instructed (January 2021) to ensure that government officers responsible for payment would not share their digital signature certificate with any contractual person and in no case, a contractual person would be authorized to make payments. The matter regarding providing suitable checks in Ne-FMS system to stop such fraudulent payments, was under process to be taken up with Government of India.

2.9 Blocking of funds

Violation of the executive orders and directions resulted in irregular retention of unspent balances/grants and led to blockage of ₹ 6.99 crore for development activities.

The financial resource base of PRIs consists of State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for development activities and implementation of schemes. The funds allotted to the PRIs through different sources are kept in banks. While Central and State grants are utilised by the

PRI for execution of Central and State sponsored schemes as per guidelines issued by the GoI and State Government, the own receipts are utilised for execution of schemes and works formulated by the PRIs themselves.

With the passage of time, many of the development schemes and programmes cease to be in operation or are merged/subsumed with other schemes/programmes. However, unspent funds remained deposited in respective banks or PD accounts opened as per the guidelines. In respect of such unspent balances, RD&PRD directed (December 2012) all the PRIs to remit back the unspent balances to Consolidated Fund of the State under respective receipt heads of the grants. In respect of three schemes⁶⁰ RD&PRD directed (December 2013) the PRIs to surrender the unspent balances of Central and State share of grants to the Ministry of Rural Development, GoI (through Demand Draft) and Consolidate Fund of the State respectively as prescribed.

Similarly, six employment generation schemes/programmes⁶¹ were merged in other similar schemes from time to time and eventually merged/subsumed in NREGA/MGNREGA. As per NREGA guidelines (2005) the balance funds of existing Samproon Gram Rozgar Yojna (SGRY) was to be transferred immediately to NREGA Account. Further, RD&PRD also directed (August 2015) the PRIs to transfer all the unspent balances to MGNAREGA Account.

(i) Audit scrutiny of records of five PRIs revealed (July 2018 to April 2019) that unspent balances of ₹ 1.64 crore pertaining to four closed Schemes/Programmes⁶² in four PRIs and ₹ 1.37 crore pertaining to six employment generation Schemes⁶³ in two PRIs were not transferred to Public exchequer and MGNREGA respectively as of March 2018.

In addition, an amount of ₹ 78.48 crore given as advance for execution of projects/works to the various agencies by four PRIs under these Schemes/Programmes⁶⁴, was lying unspent/un-adjusted with the executive agencies as of March 2018 for want of Utilisation Certificates, which needs to be adjusted/recovered.

60 Desert Development Programme (DDP), Community Development Programme (CDP) and Integrated Wastelands Development Programme (IWDP) schemes.

61 National Rural Employment Programme (NREP) and Rural landless Employment Guarantee Programme (RLEGP) were merged under Jawahar Rozgar Yojna (JRY) in 1989 which was restructured and renamed as Jawahar Gram Smiridhi Yojna (JGSY) in 1999. Employment Assurance Scheme (EAS) and JGSY were merged under Samproon Gram Rozgar Yojna (SGRY) in 2001 which was eventually subsumed under National Rural Employment Guarantee Act (NREGA) in 2005.

62 **ZP Churu:** ₹ 60.69 lakh (DDP: ₹ 24.82 lakh, CDP: ₹ 18.05 lakh, NWDPR: ₹ 17.82 lakh); **ZP Nagaur:** ₹ 30.47 lakh (DDP: ₹ 5.50 lakh, Hariyali: ₹ 24.97 lakh); **ZP Pali:** (NWDPR: ₹ 32.21 lakh) and **PS Lunkaransar:** (DDP: ₹ 40.93 lakh).

63 **ZP Jodhpur:** ₹ 70.94 lakh (EAS: ₹ 19.68 lakh, JRY: ₹ 45.82 lakh, NREP: ₹ 4.84 lakh, RLEGP: ₹ 0.60 lakh) and **PS Lunkaransar :** ₹ 65.90 lakh (JRY: ₹ 63.25 lakh, SGRY: ₹ 2.65 lakh).

64 **ZP Churu:** ₹ 10.81 crore (DDP: ₹ 2.97 crore, CDP: ₹ 6.55 crore, NWDPR: ₹ 1.29 crore); **ZP Hanumangarh:** ₹ 2.06 crore (DDP: ₹ 0.34 crore, NWDP : ₹ 0.07 crore, Hariyali: ₹ 1.65 crore); **ZP Jodhpur:** ₹ 53.24 crore (EAS: ₹ (-)0.06 crore, JRY: ₹ 48.78 crore, NREP: ₹ 2.99 crore, RLEGP: ₹ 0.61 crore, SGRY: ₹ 0.92 crore) and **ZP Nagaur:** ₹ 12.37 crore (DDP: ₹ 1.14 crore, Hariyali: ₹ 8.48 crore, DDP (Combating): ₹ 2.25 crore, DDP (special Project, Hariyali): ₹ 0.50 crore).

(ii) Further, in nine PRIs⁶⁵ even after expiry of the award period of CFCs⁶⁶ and SFCs⁶⁷ the unspent grants of ₹ 11.45 crore (₹ 4.69 crore under CFC and ₹ 6.76 crore under SFC) were not surrendered as of March 2018 to the Public exchequer as directed by RD&PRD (December 2012).

Thus, these PRIs did not comply with the repeated directions of the RD&PRD and irregularly retained unspent balances of ₹ 14.46 crore even after lapse of two to 29 years since cessation/merger/ subsume of Schemes/Programmes or expiry of award period of CFCs/SFCs. This practice of retention of funds may lead to possible embezzlement or irregular diversion of funds.

GoR stated (February 2021) that an amount of ₹ 65.04 lakh in respect of closed schemes had been deposited to GoI/GoR⁶⁸ by three PRIs i.e. ZP Churu: ₹ 2.20 lakh (DDP: ₹ 1.69 lakh and CDP: ₹ 0.51 lakh), ZP Pali: (NWDPR: ₹ 32.21 lakh) and ZP Jodhpur: ₹ 30.63 lakh (EAS: ₹ 17.28 lakh, JRY: ₹ 7.91 lakh, NREP: ₹ 4.84 lakh and RLEGP: ₹ 0.60 lakh), while the process for surrender of unspent balances in other PRIs was under progress. In ZP Hanumangarh, adjustment of outstanding advances against the implementing agencies was stated to be under process.

GoR further stated (February 2022) that an amount of ₹ 2.38 crore has been adjusted/utilised by two PRIs i.e. ZP (PRC) Rajsamand (CFC: ₹ 52.23 lakh and SFC: ₹ 171.85 lakh) and PS Gogunda (SFC: ₹ 14.00 lakh) and an amount of ₹ 4.44 crore has been surrendered by 4 PRIs i.e. PS Gogunda (CFC & SFC : ₹ 12.44 lakh), PS Dug (CFC: ₹ 25.84 lakh and SFC: ₹ 56.87 lakh), PS Sindhari (CFC: ₹ 117.49 lakh and SFC : ₹ 216.87 lakh) and PS Peepalkhunt (CFC: ₹ 14.08 lakh). However, no evidence was furnished w.r.t. utilization/adjustment/ surrenders mentioned in the reply furnished by GoR in February 2022.

The fact remains that 14 PRIs did not surrender the remaining funds of closed/merged/subsumed schemes to Government in time in violation of extant directions and an amount of ₹ 6.99 crore is still remaining with 11 PRIs. Reply regarding not surrendering the unspent balances by three PRIs (PSs Mandal, Arain and Sanchore) and non-settlement of advances against implementing agencies in four PRIs, was still awaited (February 2022).

65 **ZP Rajsamand** : ₹ 3.45 crore (CFC: ₹ 0.85 crore & SFC: ₹ 2.59 crore), **PS Mandal**: ₹ 0.40 crore (CFC: ₹ 0.39 crore & SFC: ₹ 0.01 crore), **PS Gogunda**: ₹ 0.26 crore (CFC: ₹ 0.09 crore & SFC: ₹ 0.17 crore), **PS Arain**: ₹ 0.31 crore (CFC: ₹ 0.12 crore & SFC: ₹ 0.19 crore), **PS Dug**: ₹ 0.83 crore (CFC: ₹ 0.26 crore & SFC: ₹ 0.57 crore), **PS Mandore** : ₹ 0.98 crore (CFC: ₹ 0.55 crore & SFC: ₹ 0.43 crore), **PS Sindhari**: ₹ 3.34 crore (CFC: ₹ 1.17 crore & SFC: ₹ 2.17 crore), **PS Sanchore**: ₹ 1.74 crore (CFC: ₹ 1.12 crore & SFC: ₹ 0.62 crore), **PS Peepalkhunt** : ₹ 0.14 crore (CFC).

66 The award period of Tenth, Eleventh, Twelfth and Thirteenth FCs expired in 2000, 2005, 2010 and 2015 respectively.

67 The award period of Second, Third and Fourth SFCs expired in 2005, 2010 and 2015 respectively.

68 GoI: ₹ 30.64 crore and GoR: ₹ 34.40 crore.

PART-B
URBAN LOCAL BODIES

CHAPTER-III

**An Overview of the Functioning,
Accountability Mechanism and
Financial Reporting Issues of
Urban Local Bodies**

CHAPTER-III

An Overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies

3.1 Introduction

In pursuance of the 74th Amendment in 1992, Articles 243 P to 243 ZG were inserted in the Constitution of India whereby the State legislature could endow Municipalities with certain powers and duties in order to enable them to function as institutions of Self-Government and to carry out the responsibilities conferred upon them including those listed in the Twelfth Schedule of the Constitution. The Rajasthan Municipalities Act (RMA), 2009 was accordingly enacted by repealing all the prevailing municipal laws and enactments to enable the Urban Local Bodies (ULBs) to function as third tier of the Government.

There were 196 ULBs i.e. 10 Municipal Corporations¹ (M Corps), 34 Municipal Councils² (MCs) and 152 Municipal Boards³ (MBs) as of September 2020. As per census 2011, the statistics of Rajasthan State are given in **Table 3.1**.

Table 3.1: Statistics of Rajasthan State

S.No.	Indicator	Unit	State level	
1.	Population	Crore	6.85	
2.	Population (Urban)	Crore	1.70	
3.	Population Density	Persons per sq km	200	
4.	Decadal Growth Rate	Percentage	21.30	
5.	Sex Ratio	Females per 1,000 males	914	
6.	Total Literacy Rate (Urban)	Percentage	Total: 69.23 Male: 76.14 Female 61.68	
7.	Urban Per Capita Income	Rupees per annum	65,974	
Status of ULBs (as on 30 September 2020)				
8.	Municipal Corporation	Numbers	10	
9.	Municipal Council	Numbers	34	
10.	Municipal Board	(Class II)	Numbers	13
11.		(Class III)		58
12.		(Class IV)		81
<i>Source: Information provided by Local Self Government Department, Rajasthan.</i>				

1 Municipal Corporations: Ajmer, Bharatpur, Bikaner, Jaipur Heritage, Jaipur Greater, Jodhpur North, Jodhpur South, Kota North, Kota South and Udaipur.

2 Municipal Councils: Alwar, Balotara, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhiwadi, Bundi, Chittorgarh, Churu, Dausa, Dholpur, Dungarpur, Gangapurcity, Hanumangarh, Hindauncity, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kishangarh, Makarana, Nagaur, Pali, Pratapgarh, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Sriganganagar, Sujangarh and Tonk.

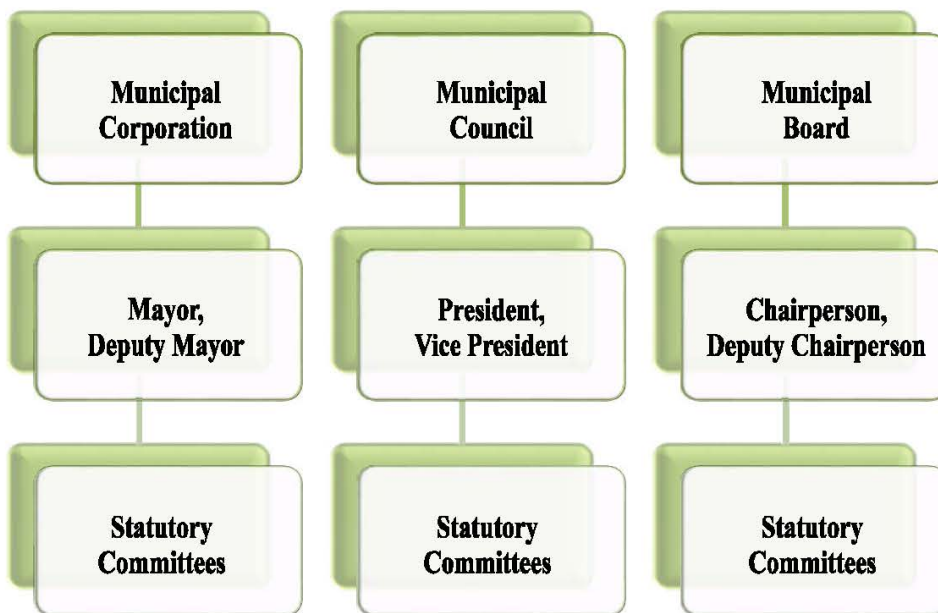
3 Municipal Boards: Class-II (with population 50,000-99,999): 13, Class-III (with population 25,000-49,999): 58 and Class-IV (with population less than 25,000): 81.

3.2 Organisational Set up

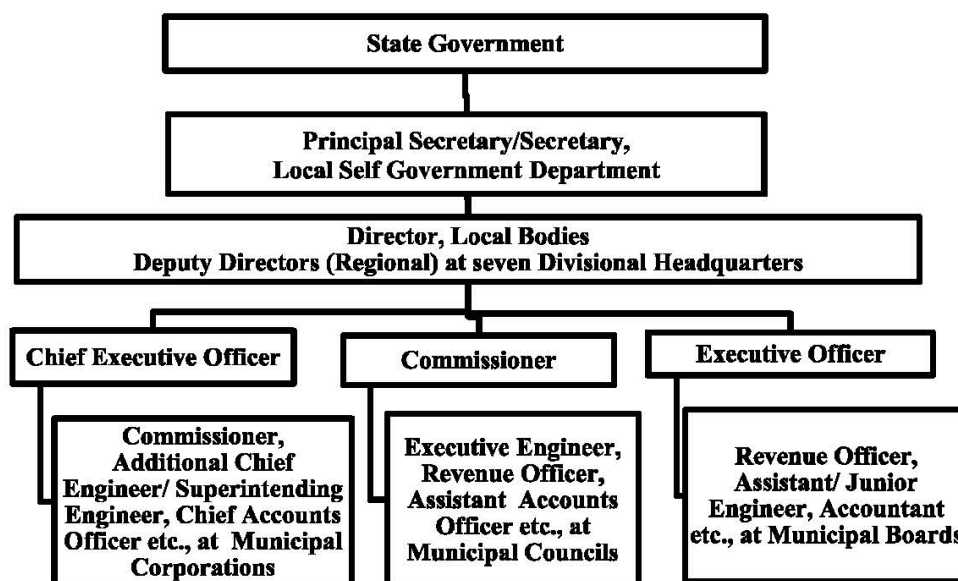
Local Self Government Department (LSGD) is the administrative Department dealing with affairs of the ULBs. An organisational chart combining the State Government administrative machinery with ULBs is given in **Chart 1**.

Chart 1

ELECTED MEMBERS LEVEL



EXECUTIVE LEVEL



3.3 Functioning of ULBs

Sections 45 to 47 of RMA, 2009 envisaged certain core functions⁴. State Government⁵ has powers to prescribe other functions such as protection of environment, education & culture, public welfare, community relations etc.

Sections 101 to 103 of RMA, 2009 provides for internal revenues of Municipalities, obligatory taxes and other taxes that may be imposed by the Municipalities.

3.3.1 Devolution of Funds, Functions and Functionaries to Urban Local Bodies

Article 243W inserted through the 74th Constitutional Amendment envisaged devolution of powers and responsibilities to municipalities in respect of 18 subjects mentioned in XII Schedule of the Constitution. The functions relating to 16 subjects were being performed by ULBs. Two functions i.e. Slum Improvement & Upgradation and Urban Poverty alleviation were not transferred to ULBs in the RMA, 2009. However, these two functions were carried out by ULBs under various schemes as an implementing agency. Two functions i.e. Urban forestry, protection of the environment & promotion of ecological aspects and Safeguarding the interest of weaker sections of society were not notified as core functions. However, the RMA 2009 provided that these functions may be performed by the ULBs subject to their managerial, technical and financial capacity.

3.4 Formation of Various Committees

3.4.1 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and section 158 of RMA, 2009, the State Government constitutes District Planning Committee (DPC) in all the districts of the State. District Collector is a member of the DPC and he or his nominated officer attends the meeting of DPC. The required quorum for DPC meeting is 33 *per cent* of members elected from rural and urban areas.

The main objective of DPC is to consolidate the plans prepared by the panchayats and the municipalities in the district and to prepare a draft developmental plan with regard to matters of common interest between the panchayats and the municipalities; including spatial planning; sharing of water

4 Public health, sanitation, conservation, solid waste management, drainage and sewerage, cleaning public streets, places, sewers and all spaces not being private property, lighting public streets, places and buildings, extinguishing fires and protecting life and property when fire occurs, constructing, altering and maintaining public streets, arranging for planned development, registering births and deaths etc.

5 The State Government may, by general or special order, require a municipality to perform such other municipal functions as the State Government may, having regard to the necessity and the resources of the municipality, think fit to be performed by the municipality.

and other physical and natural resources; integrated development of infrastructure and environment conservation and the extent and type of available resources financial or otherwise. The DPCs should prepare the draft development plan for onward submission to the State Government. The Committee would meet once in a quarter for review of allotted works and thus a minimum four times a year.

During performance audit on “Efficacy of implementation of 74th constitutional amendment” (*Report No. 5 of the year 2021, Government of Rajasthan*) audit observed that all the districts in Rajasthan constituted the DPC, but these committees did not meet regularly. Further DPCs in meetings did not take up matters of common interests between Panchayats and Municipalities and draft development plans were not prepared in accordance with the codal provisions.

3.4.2 Standing Committees

According to section 55 of RMA, 2009, every municipality shall constitute an executive committee. In addition to the executive committee, every municipality shall also constitute the following committees consisting of not more than 10 members (i) finance committee, (ii) health and sanitation committee (iii) buildings permission and works committee (iv) slum improvement committee (v) rules and bye-laws committee (vi) compounding and compromising of offences committee and (vii) committee for looking into the functions of a municipality. It may also constitute such other committees, not exceeding eight in case of M Corp, not exceeding six in case of MC and not exceeding four in case of MB, as it may deem necessary⁶.

As regards the actual status of standing committees constituted under section 55 of RMA, 2009, the same was not provided by the Director, Local Bodies (DLB) Department (January 2021).

3.5 Audit Arrangement

3.5.1 Primary Auditor

The Director, Local Fund Audit Department (DLFAD) is the Primary/ Statutory Auditor for Audit of accounts of the ULBs under Section 4 of the Rajasthan Local Fund Audit Act (RLFAA), 1954 and Rajasthan Local Fund Audit Rules, 1955. As per section 18 of RLFAA, 1954, Director, LFAD submits Annual Consolidated Report to the State Government and the Government lays this report before the State Legislature.

The Audit Report of LFAD, Rajasthan for the year 2018-19 was laid on the table of the State Legislature on 26th February 2020. Audit Report for the year 2019-20 was under preparation (August 2020).

6 The State Government may, looking to the functions of a municipality, increase the maximum limit of committees specified in this clause.

The Director, LFAD covered only 57 units out of 196 units of ULBs (M Corps: one, MCs: six and MBS: 50) in Audit during 2019-20. The Director, LFAD intimated (September 2020) that the shortfall was due to vacant posts and engagement of staff in the work of updating voter lists.

3.5.2 Audit by Comptroller and Auditor General of India

The Comptroller and Auditor General of India (CAG) conducts Audit of bodies substantially financed by grants or loans from the Consolidated Fund of India or any State under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Further, Section 99-A of RMA, 2009, as amended⁷ in 2011, provides for Audit of municipalities by the CAG.

A committee on Local Bodies and Panchayati Raj Institutions has been constituted since 1 April 2013 in Rajasthan Vidhan Sabha to examine and discuss the Audit Report of Comptroller and Auditor General of India on Local Bodies. Audit Reports till the year 2012-13 has been discussed or left on the Accountant General for ensuring compliance on the Reports, by the Committee.

The Committee further decided to prepare its report on the basis of departmental replies on the paragraphs contained in the Audit Report for the years 2013-14 to 2015-16. Audit Report (Local Bodies) for the year 2016-17 is pending for discussion in the Committee.

3.5.3 Implementation of Technical Guidance and Support/Supervision

In pursuance of recommendations of XIIIth Central Finance Commission, the Government of Rajasthan, Finance (Audit) Department issued notification (2 February 2011) for adoption of 13 parameters under the Technical Guidance and Support/Supervision (TG&S) over the Audit of all the tiers of Panchayati Raj Institutions and ULBs.

During 2017-20, comments/suggestions on 157 Factual Statements and 141 Draft Paragraphs, proposed by Director, LFAD for inclusion in their Audit Report and comments on eight Inspection Reports (IRs) of Director, LFAD were communicated to Director, LFAD under the TG&S by the Principal Accountant General (General and Social Sector Audit), Rajasthan.

3.6 Response to Audit Observations

For early settlement of Audit observations, Departmental Administrative Officers are required to take prompt steps to remove defects and irregularities brought to their notice during the course of Audit and/or pointed out through IRs.

⁷ The accounts of the Municipalities shall be audited by the CAG of India in accordance with the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

3.6.1 For the period from 2015-16 to 2019-20, 328 IRs containing 3769 paragraphs in respect of ULBs and controlling offices, issued by the Office of the Principal Accountant General (General and Social Sector Audit), Rajasthan⁸ involving money value of ₹ 23,830.20 crore were pending for settlement (January 2021). Out of this, even first compliance report of 651 paragraphs of 49 IRs were not furnished as per details given in Table 3.2.

Table 3.2: Year-wise status of Inspection Reports

S.No.	Year	IRs	Paragraphs	Money value (₹ in crore)	First compliance not furnished	
					IRs	Paragraphs
1.	2015-16	98	909	2,016.32	6	62
2.	2016-17	70	785	3,409.05	3	38
3.	2017-18	57	648	4,070.51	5	64
4.	2018-19	42	556	8,056.96	9	137
5.	2019-20	61	871	6,277.36	26	350
	Total	328	3,769	23,830.20	49	651

3.6.2 As of 31.03.2020, 66717 paragraphs of 5866 IRs issued by Director, LFAD were pending for settlement and first compliance to five IRs was awaited. Audit observations including 42 embezzlement cases involving monetary value of ₹ 142.82 lakh were pending for settlement for the period 2015-16 to 2019-20, as per details given in Table 3.3.

Table 3.3: Embezzlement cases pending for settlement

S.No.	Year	Outstanding Embezzlement cases	
		Number	Money value (₹ in lakh)
1.	2015-16	7	73.47
2.	2016-17	11	14.81
3.	2017-18	11	47.47
4.	2018-19	6	4.35
5.	2019-20	7	2.72
	Total	42	142.82

Source: Information provided by LFAD

This indicated lack of prompt response on the part of the Municipalities/ Departmental authorities.

3.6.3 Two meetings of Audit Committee were organized by the Department during the year 2017-20 whereas such meetings were required to be organized every quarter.

3.6.4 Response to Paragraphs in Audit Reports

All replies on the paragraphs included in earlier reports (upto 2016-17) on Urban Local Bodies have been received.

8 Now known as Office of the Accountant General (Audit-II), Rajasthan w.e.f. 18th May 2020.

3.6.5 Impact of Audit

During the year 2017-20, recovery of ₹ 1.62 crore was made in 53 cases at the instance of Audit.

Recommendation: 1

Efforts should be made by LSGD to conduct the Audit Committee meetings regularly to settle the pending paragraphs. ULBs should also take prompt action to rectify the irregularities pointed out by the Audit.

Accountability Mechanism and Financial Reporting Issues

Accountability Mechanism

3.7 Property Tax Board

The Thirteenth Finance Commission (TFC) recommended (February 2011) setting up of a State Level Property Tax Board to assist the ULBs to put in place an independent and transparent procedure for assessing property tax. The Commission also recommended that the Board should enumerate or cause to enumerate all properties in the ULBs, review the property tax system and suggest suitable basis for assessment and valuation of properties. The Fourteenth Finance Commission (FFC) also emphasized property tax as an important tool to enhance the income of ULBs.

The State Government had constituted (February 2011) State Level Property Tax Board and appointed Director, Local Bodies as Secretary to the Board. However, the Board was non-functional after its first meeting held on 28 April 2011 and thereafter no meeting was held till completion of its tenure in April 2017. Thereafter, the State Government did not reconstitute the Board. Thus, due to non-functioning of board during its tenure up to April 2017 and non-constituting new Board thereafter, ULBs, particularly small ULBs, were deprived of technical guidance for assessment and revision of property tax (UD Tax). Thus, the goal of establishing independent, transparent and strong system for assessment of property tax by ULBs remains unaccomplished.

3.8 Submission of Utilisation Certificates

As of December 2020 grants of ₹ 3696.53 crore and ₹ 3987.81 crore under Fifth State Finance Commission (SFC-V) and Fourteenth Finance Commission (FFC) respectively were released to ULBs by the Finance Department.

Details of utilisation of grants and pendency in submission of UCs for the period 2015-16 to 2019-20 are shown in Table 3.4.

Table 3.4: Pendency in submission of UCs

(₹ in crore)

S. No.	Particulars of grants	Actual grants released by the Finance Department to ULBs	UCs received from ULBs		UCs pending	
			Amount	Percentage	Amount	Percentage
1.	Grant of SFC-V	3696.53	2822.04	76.34	874.49	23.66
2.	Grant of FFC	3987.81	2673.83	67.05	1313.98	32.95

Source: Information provided by DLB.

In absence of pending UCs under SFC-V and FFC, the proper utilisation of funds could not be ascertained.

3.9 Internal Audit and Internal Control System of ULBs

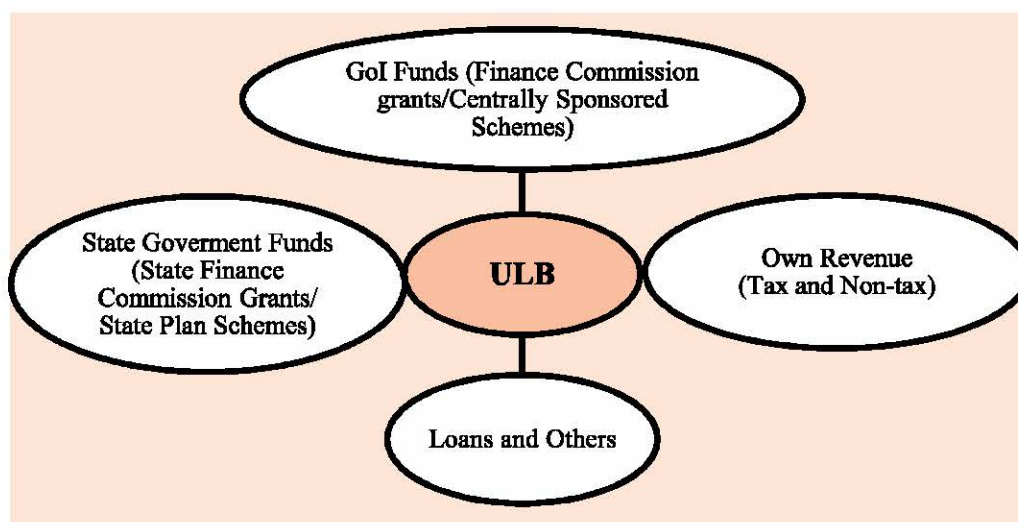
As per Section 99 of RMA, 2009 the State Government or the Municipality may provide for Internal Audit of the day to day accounts of the Municipality in the manner prescribed.

The DLB Department intimated (December 2020) that no such mechanism of internal audit was there in ULBs.

3.10 Financial Reporting Issues

3.10.1 Source of Funds

The resource base of ULBs consists of own revenues, assigned revenues, grants received from GoI and the State Government and loans as depicted in the diagram below:



Receipts

The position of receipts under various heads of the ULBs during 2015-16 to 2019-20 is given in Table 3.5.

Table 3.5: Position of receipts under various heads

₹ in crore)

Sources of receipts	2015-16*	2016-17**	2017-18#	2018-19#	2019-20#
(A) Own Revenue					
(a) Tax Revenue					
(i) House tax	Nil	Nil	Nil	Nil	Nil
(ii) Urban development tax ⁹ / property tax	73.73	59.08	135.53	106.29	35.08
(iii) Tax on vehicles	Nil	Nil	5.88	4.75	0.26
(iv) Passenger tax	Nil	Nil	Nil	Nil	Nil
(v) Terminal tax	Nil	Nil	Nil	Nil	Nil
(vi) Other taxes ¹⁰	234.17	74.80	201.87	111.94	56.60
(vii) Outsourcing	Nil	Nil	Nil	Nil	Nil
Total of Tax Revenue (a) (% of total revenue)	307.90 (8.70)	133.88 (4.06)	343.28 (6.52)	222.98 (3.80)	91.94 (2.92)
(b) Non-tax Revenue					
(i) Revenue from bye-laws ¹¹	222.98	152.62	Nil	Nil	Nil
(ii) Revenue from assets	33.51	21.78	Nil	Nil	Nil
(iii) Fees/User charges	Nil	Nil	410.48	339.47	232.57
(iv) Other income	Nil	Nil	452.93	598.88	337.78
(v) Sale and Hire	Nil	Nil	186.85	185.31	147.02
(vi) Interest on investments	52.94	46.15	Nil	Nil	Nil
(vii) Misc. non-tax revenue ¹²	372.04	269.01	Nil	Nil	Nil
(viii) Sale of land ¹³	99.33	60.77	Nil	Nil	Nil
(ix) Interest receipts	Nil	Nil	76.22	86.54	55.49
(x) Rental income	Nil	Nil	44.41	52.05	48.37
Total of Non-tax Revenue (b)	780.80 (22.05)	550.33 (16.69)	1170.89 (22.24)	1262.25 (21.53)	821.23 (26.06)
Total of Own Revenue (A)	1,088.70 (30.75)	684.21 (20.75)	1514.17 (28.76)	1485.23 (25.34)	913.17 (28.98)
(B) Assigned Revenue/ Entertainment tax	5.82 (0.16)	0.04 (0.00)	Nil	Nil	Nil
(C) Grants and Loans					
(i) General and special grant	1471.73	1785.17	2197.67	2743.07	1354.72
(ii) Grant in lieu of octroi	974.30	828.41	1553.46	1633.63	883.42
(iii) Special assistance and loans	Nil	Nil	Nil	Nil	Nil
Total of Grants and Loans (C)	2,446.03 (69.09)	2613.58 (79.25)	3751.13 (71.24)	4376.70 (74.66)	2238.14 (71.02)
(D) Miscellaneous Non- recurring Income¹⁴	Nil	Nil	Nil	Nil	Nil
Grand Total (A to D)	3,540.55	3297.83	5265.30	5861.93	3151.31

Note: Figures in brackets denote percentage to the total receipts.

*The figures for the year 2015-16 were of 166 ULBs only. Information of remaining ULBs was not provided by DLB.

**The figures for the year 2016-17 are of 120 ULBs only. Information of remaining ULBs was not provided by DLB.

#Number of ULBs for which the figures pertain for the year 2017-18, 2018-19 and 2019-20 not provided by DLB.

Source: Information provided by DLB.

It could be seen from the table above that:

- 9 Subsequent to abolition of House tax from 24 February 2007, Urban Development tax was introduced with effect from 29 August 2007.
- 10 Income from land revenue, tax on advertisement, pilgrim tax, other income etc.
- 11 Income from birth and death certificate, sign advertisement board fees, tender form fees, marriage registration fees, building permission fees, license fees of hotel bye-laws etc.
- 12 Income from sewerage tax, fair fees, application fees, income from contract of *Bakra Mandi*, income from cattle house, income from lease, etc.
- 13 Receipt from sale of land to public, Government and other commercial organisations.
- 14 Including deposits and recoveries of loans and advances.

- Tax revenue comprised only 2.92 per cent of the total revenue during the year 2019-20 as compared to 8.70 per cent in 2015-16.
- Non-tax revenue comprised 26.06 per cent of the total revenue during 2019-20 as compared to 22.05 per cent in 2015-16.
- During 2019-20, own revenue (tax and non-tax) comprised 28.98 per cent of total receipts. In 2018-19 it comprised 25.34 per cent of total receipts. This indicated significant increase in dependency of ULBs on grants and loans.

Grants and Loans constituted 71.02 per cent of the total revenue in the year 2019-20.

Expenditure

The position of expenditure in ULBs during 2015-16 to 2019-20 is given in Table 3.6.

Table 3.6: Position of expenditure in ULBs

	(₹ in crore)				
Items of Expenditure	2015-16*	2016-17**	2017-18#	2018-19#	2019-20
(A) Recurring Expenditure					
(i) General administration	1,020.77 (33.21)	848.73 (33.71)	1597.36 (32.33)	2052.40 (31.16)	1112.76 (32.26)
(ii) Public health and sanitation	103.79 (3.38)	99.91 (3.97)	361.21 (7.31)	456.74 (6.93)	197.88 (5.74)
(iii) Maintenance of civic amenities	485.27 (15.79)	261.54 (10.39)	427.82 (8.66)	497.91 (7.56)	179.87 (5.21)
Total of Recurring Expenditure (A)	1,609.83 (52.38)	1,210.18 (48.07)	2386.39 (48.29)	3007.05 (45.65)	1490.51 (43.21)
(B) Non-recurring Expenditure					
(i) Expenditure on developmental works	1,280.47 (41.66)	1,303.83 (51.79)	2224.53 (45.02)	3217.04 (48.84)	1733.04 (50.24)
(ii) Purchase of new assets	Nil	Nil	Nil	Nil	Nil
(iii) Repayment of loans	Nil	Nil	Nil	Nil	Nil
(iv) Miscellaneous non-recurring expenditure ¹⁵	183.29 (5.96)	3.71 (0.15)	330.38 (6.69)	363.39 (5.52)	225.69 (6.54)
Total of Non-recurring Expenditure (B)	1,463.76 (47.62)	1,307.54 (51.93)	2554.91 (51.71)	3580.43 (54.35)	1958.73 (56.79)
Grand Total (A+B)	3,073.59	2,517.72	4941.30	6587.48	3449.24
<p>Note: Figures in brackets denote percentage to the total expenditure.</p> <p>*The figures for the year 2015-16 were of 166 ULBs only. Information of remaining ULBs was not provided by DLB Department.</p> <p>**The figures for the year 2016-17 are of 120 ULBs only. Information of remaining ULBs was not provided by DLB Department.</p> <p>#Number of ULBs for which the figures pertain for the year 2017-18, 2018-19 and 2019-20, not provided by DLB.</p>					

Source: Information provided by DLB.

It could be seen from the table above that:

- The percentage of recurring expenditure to total expenditure in 2019-20 decreased significantly compared to 2015-16, mainly due to less expenditure under the head "Maintenance of civic amenities" by the Department.
- The percentage of non-recurring expenditure increased in 2019-20 by 2.44 over the previous year.

15. It includes refunds or deposits, investment made and disbursement of loans and advances.

Category wise breakup of receipt and expenditure of ULBs is given in Table 3.7.

Table 3.7: Category wise breakup of receipt and expenditure

(₹ in crore)

Category of ULBs	2018-19		Surplus (+)/ Shortfall (-)	2019-20		Surplus (+)/ Shortfall (-)
	Receipts	Exp.		Receipts	Exp.	
(A) Municipal Corporations						
(i) Jaipur	855.16	1020.81	-165.65	*	*	*
(ii) Ajmer	204.88	197.10	7.78	179.71	177.45	2.26
(iii) Jodhpur	263.02	275.05	-12.03	*	*	*
(iv) Bikaner	182.77	183.55	-0.78	154.35	195.18	-40.83
(v) Kota	307.98	239.00	68.98	*	*	*
(vi) Udaipur	233.18	254.57	-21.39	*	*	*
(vii) Bharatpur	*	*	*	*	*	*
Total (A)	2046.99	2170.08	-123.1	334.07	372.64	-38.57
(B) Municipal Councils	1663.26	1860.51	-197.25	1382.77	1535.34	-152.57
(C) Municipal Boards	2151.69	2556.88	-405.19	1434.48	1541.27	-106.79
Grand Total (A+B+C)			-725.54			-297.93

* Information was not provided.

Source: Information provided by DLB

Recommendation: 2

The Urban Local Bodies should take effective steps to strengthen their financial position by focusing on collection of own tax and non-tax revenue to decrease their dependency on grants provided by GoI and State Government.

3.10.2 Recommendations of the State Finance Commission (SFC)

The SFC-IV constituted on 11 April 2011 and the SFC-V constituted on 29 May 2015 are concurrent with the Thirteenth Finance Commission (TFC) and the Fourteenth Finance Commissioner (FFC) respectively. SFC-IV recommended devolution of five per cent of net State Own Tax Revenue (SOTR) to local bodies whereas SFC-V recommended devolution of 7.182 per cent of SOTR to local bodies in the ratio of 75.10: 24.90 to PRIs and ULBs respectively. This ratio was adopted on the basis of the rural and urban population ratio of Census 2011.

The position of grants released by the State Government under the SFCs and their utilisation is given in Table 3.8.

Table 3.8: Details of grants released by the State Government under the SFCs

S. No.	Year	Grants released to ULBs		UCs received			Pending UCs	
		During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
The position of grants released by the State Government under the SFC-IV								
1.	2010-11	45.00	45.00	41.26	41.26	91.69	3.74	8.31
2.	2011-12	237.82	282.82	207.31	248.57	87.89	34.25	12.11
3.	2012-13	321.66	604.48	247.87	496.44	82.13	108.04	17.87
4.	2013-14	323.84	928.32	203.51	699.95	75.40	228.37	24.60
5.	2014-15	692.23	1620.55	374.86	1074.81	66.32	545.74	33.68
6.	2015-16	Nil	1620.55	248.02	1322.83	81.62	297.72	18.38
7.	2016-17	Nil	1620.55	28.24	1351.07	83.37	269.48	16.63
8.	2017-18	Nil	1620.55	8.76	1359.83	83.91	260.72	16.09

S. No.	Year	Grants released to ULBs		UCs received			Pending UCs	
		During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
The position of grants released by the State Government under the SFC-V								
1.	2015-16	773.95	773.95	364.83	364.83	47.14	409.12	52.86
2.	2016-17	895.32	1669.27	586.15	950.98	56.97	718.29	43.03
3.	2017-18	812.03	2481.30	691.24	1642.22	66.18	839.08	33.82
4.	2018-19	784.53	3265.83	827.38	2469.60	75.62	796.23	24.38
5.	2019-20	430.70	3696.53	352.44	2822.04	76.34	874.49	23.66

Source: Information provided by DLB.

It could be seen that 23.66 per cent UCs were pending against the grants released under SFC-V and 16.09 per cent UCs were pending against the grants released under SFC-IV, even though it was closed.

This indicated poor utilisation of grants by the implementing agencies and ineffective monitoring by the DLB Department.

3.10.3 Recommendation of the Central Finance Commissions

The position of grants released by the Government of India to State Government and further by the State Government to ULBs under the Thirteenth Finance Commission and the Fourteenth Finance Commission and their utilisation is given in Table 3.9.

Table 3.9: position of grants released by the State Government and their utilisation

(₹ in crore)

S.No.	Year	Grants released to ULBs		UCs Received			Pending UCs	
		During the year	Cumulative	For the year	Cumulative	Percentage	Amount	Percentage
The position of grants released by the State Government under the TFC								
1.	2010-11	111.36	111.36	55.03	55.03	49.42	56.33	50.58
2.	2011-12	209.48	320.84	101.84	156.87	48.89	163.97	51.11
3.	2012-13	252.06	572.90	172.97	329.84	57.57	243.06	42.43
4.	2013-14	361.81	934.71	243.04	572.88	61.29	361.83	38.71
5.	2014-15	200.26	1134.97	236.77	809.65	71.34	325.32	28.66
6.	2015-16	132.89	1267.86	180.87	990.52	78.12	277.34	21.88
7.	2016-17	Nil	1267.86	88.51	1079.03	85.11	188.83	14.90
8.	2017-18	Nil	1267.86	56.75	1135.78	89.58	132.08	10.42
The position of grants released by the State Government under the FFC								
1.	2015-16	433.12	433.12	264.90	264.90	61.16	168.22	38.84
2.	2016-17	776.73	1209.85	443.20	708.10	58.53	501.75	41.47
3.	2017-18	692.93	1902.78	576.44	1284.54	67.51	618.24	32.49
4.	2018-19	801.60	2704.38	802.22	2086.76	77.16	617.62	22.84
5.	2019-20	1283.43	3987.81	587.09	2673.83	67.05	1313.98	32.95

Source: As per data provided (December 2020) by DLB Department, Rajasthan.

It could be seen that 10.42 per cent and 32.95 percent UCs were pending against the grants released under TFC and FFC respectively.

This indicated slow pace of utilisation of funds by ULBs and lack of monitoring at Directorate level.

3.10.4 Annual Financial Statement

As per Section 92(1) of RMA, 2009, the Chief Municipal Officer shall, within three months of the close of a financial year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding financial year in respect of the accounts of the municipality and a balance sheet of the assets and liabilities of the municipality for the preceding financial year.

No reply was given by DLB Department indicating number of ULBs preparing their annual accounts within the prescribed time (December 2020).

3.10.5 Maintenance of Accounts by Urban Local Bodies

As per Rule 25(xi) of Rajasthan Local Fund Audit Rules 1955, a certificate of correctness of annual accounts shall be included in Director's Report. As such, accounts of all 196 ULBs are required to be certified. Director, LFAD intimated (February 2021) that accounts of only 159 ULBs (81 *per cent*) had been certified during the year 2019-20. In the absence of certification of accounts in 37 ULBs (19 *per cent*), the correctness of accounts could not be verified by Audit.

National Municipal Accounts Manual (NMAM) for ULBs in India developed by the Ministry of Urban Development, GoI was introduced in February 2005. On the lines of NMAM, Rajasthan Municipal Accounting Manual (RMAM) was prepared. Following the Manual, the LSGD directed (December 2009) all ULBs to maintain the accounts on Accrual Based (Double Entry) Accounting System from 1 April 2010.

Director, LFAD intimated (February 2021) that only 62 ULBs were maintaining the accounts on the above system. Thus, 134 ULBs are still to adopt Accrual Based (Double Entry) Accounting System.

3.10.6 Maintenance of Database and the Formats therein on the Finances of Urban Local Bodies

As prescribed by the TFC, the Ministry of Urban Development, GoI issued (April 2010) seven database formats to be adopted by ULBs. The DLB Department intimated (December 2020) that all the ULBs were preparing the information in the prescribed database formats.

Recommendation: 3

ULBs should follow the prescribed accounting system and make sincere efforts for timely finalization/certification of accounts. ULBs should also ensure effective & timely utilisation of grants.

3.11 Conclusion

The own resources generated by ULBs were not adequate to take care of their expenditure and they were largely dependent on grants and loans from Central/State Government. The receipts of ULBs showed decreasing trend during the last five years.

Absence of timely finalization of accounts in the prescribed formats and their certification deprived the stakeholders of timely and correct accounting information.

There were also huge delays in attending to Audit observations and in their settlement. Failure to timely respond to Audit observations is fraught with the risk of continuance of irregularities/deficiencies.

CHAPTER-IV
Audit Findings on
Urban Local Bodies

CHAPTER-IV

AUDIT FINDINGS ON URBAN LOCAL BODIES

This chapter contains Compliance Audit of 'Functioning of Municipal Corporation, Udaipur' and four paragraphs relating to Urban Local Bodies.

COMPLIANCE AUDIT

Local Self Government Department

4.1 Functioning of Municipal Corporation, Udaipur

4.1.1 Introduction

Udaipur Municipal Council was converted into Municipal Corporation (M Corp) in April 2013. The M Corp, Udaipur has 70 municipal wards. Udaipur is spread across 64 square km area having a population of 4.51 lakh (census 2011).

At the State level, the Local Self Government Department (LSGD) is the administrative department dealing with affairs of the Urban Local Bodies (ULBs) with the Directorate Local Bodies (DLB) as its nodal office. The DLB performs monitoring and coordinating functions for all ULBs. The Mayor is the elected head and Commissioner is the executive head of M Corp, Udaipur.

Functioning of Municipal Corporation Udaipur during the period of 2013-14 to 2017-18 was test checked from April 2018 to October 2018 and updated for the period 2018-20 from 21 December, 2020 to 15 January 2021. The areas covered during audit were planning, delivery of services, contract management, resource mobilisation, financial management and internal control. Against the total receipts of ₹ 1,112.52 crore, the M Corp incurred an expenditure of ₹ 1,146.91 crore during 2013-20

Audit Findings

4.1.2 Planning

4.1.2.1 Development of Udaipur City

Section 159 of Rajasthan Municipal Act (RMA), 2009 provides that the Municipality, with a view to secure planned and integrated development of the city and balanced use of the land, shall carry out a detailed survey of the city. It shall prepare a Master Development Plan (MDP) for 20 years and other statutory plans such as Execution Plan for five years and Annual Municipal Action Plan for one-year period. In this regard, it was observed that:

(i) Twenty years MDP of Udaipur city for the period from 2011 to 2031 was prepared and notified (September 2013). As per MDP, M Corp, Udaipur

was required to establish a cell¹ and to prepare a plan for redevelopment of existing slum areas and sector plans at regular intervals for the systematic implementation of MDP. However, zonal and sector plans were still under process in Urban Improvement Trust (UIT), Udaipur and M Corp only constituted a heritage cell for removal and prohibition of encroachment near and around the lakes area and conservation of heritage places (17 December 2020).

(ii) Municipal Corporation did not prepare the five-year execution plan and annual municipal plan during 2013-20. In the absence of such plans, development of the city could not be ensured in a systematic manner. The works were executed on the basis of recommendations of existing committees, ward *parshads* or decided by the M Corp officials.

The State Government stated (February 2019) that MDPs of all municipalities in Rajasthan were prepared by Town Planning Department. MDP prepared by Town Planning Department for Udaipur was adopted by the M Corp, Udaipur and action is being taken as per adopted MDP. The reply is not tenable as neither the sector plan was prepared by UIT Udaipur nor the five years and annual execution plans prepared by the M Corp (January 2021).

4.1.2.2 Execution of functions

As per Section 45 of RMA, 2009, it shall be the duty of every municipality to make reasonable provision and proper arrangements to perform functions relating to public health, solid waste management, drainage, sewerage, street lighting, fire control etc., and regulate the construction of buildings in the municipal area.

4.1.2.3 Solid Waste Management

Management of Solid Waste (Management and Handling) Rules, 2000 and Solid Waste Management Rules, 2016 make every municipal authority responsible for collection, storage, segregation, transportation, processing and disposal of solid waste for urban areas. In this regard, following were observed in audit:

(i) Non-preparation of Detailed Project Report (DPR): According to Swachh Bharat Mission (SBM) Guidelines 2014, DPR was to be prepared at the earliest for Solid Waste Management (SWM). No such DPR for SWM was prepared by the M Corp till December 2020. This indicates that works under the SWM activities were being carried out without proper assessment and planning.

1 (i) For removal and prohibition of encroachment near and around the lakes area and
(ii) To prepare a plan for the conservation of heritage places.

The State Government stated (February 2019) that the M Corp has got a gap assessment report prepared by a consultant for SWM and a thesis done by a Ph.D scholar of Sukhadia University was also helpful. The reply is not tenable as neither of these can be substitute for a focussed DPR made for the purpose. The thesis of Ph.D scholars was not made available to audit, but it can only be an input to the action plan/DPR. Further gap assessment report (2018) stipulates only gaps between activities which are supposed to be conducted as per SWM rules and actually conducted by the M Corp without futuristic assessment of machinery, manpower or disposal of solid waste including collection, segregation and transportation.

(ii) Assessment of Municipal Solid Waste (MSW): As per para 3.3.1 of SWM Manual, 2000, an analysis of the composition, characteristics and quantities of solid waste is essential as it provides the basic data for planning, designing and operating activities for management of waste.

The M Corp, Udaipur did not have accurate data of MSW generated during 2013-20 in their municipal area. The M Corp intimated that 5,400 metric ton per month solid waste was generated during the period 2017-18 to 2019-20 but 6,687.7 metric ton and 6006 metric ton per month for the year 2017-18 and 2019-20 respectively is shown in service level benchmarks return, submitted to DLB.

The State Government stated (February 2019) that MSW characterization to identify the composition of the waste has already been done. The reply is not tenable as there were inconsistencies between MCorp's own data. Thus, in the absence of realistic data, planning, designing and operating activities for SWM could not be ensured. Further, no information in this regard was provided to audit.

(iii) Collection, segregation and transportation of MSW: As per MSW Rules, 2000 the municipality shall ensure that all waste that is generated in the municipal area, is collected (door to door), segregated and transported (in covered vehicles) in a hygienic manner.

The M Corp intimated that solid waste is being collected from door to door and dry and wet wastes are being segregated at source in separate containers in all 70 wards.

However, joint physical verification (6 January 2021) in Titaradi and Balicha revealed that 20 ton per day (TPD) waste was being processed in Titaradi and remaining 160 TPD waste was being collected and dumped together without segregation at the dumping site Balicha.

(iv) Processing and disposal of waste: As per MSW Rules, 2000 municipal authorities shall adopt suitable technology to make use of waste to minimize burden on landfills. Further, land filling should be restricted to non-biodegradable, inert waste only. The M Corp identified a land at Titaradi and Balicha for development of landfill. During joint physical inspection (January 2021) it was noticed that land fill site was developed at Titaradi and 60 TPD process plant for wet and dry waste was running. However, only 20 TPD was

processed. In Balicha, 20 TPD of food waste process plant (Bio methane Plant), 100 TPD dry & waste plant was under construction. Thus, out of 180 TPD generated in Udaipur city only 20 TPD waste was processed and remaining 160 TPD waste was being dumped at Balicha on open land. Waste is being burnt and stray animals were eating the waste. The segregation was being executed at collection centre but MSW was dumped together at land fill sites. Further, no records regarding dumping and disposal of waste at dumpsite was maintained by the M Corp.

The State Government while accepting the facts stated (February 2019) that a work order for development of sanitary landfill site at Balicha has been issued and that the work shall commence after environment clearance.

4.1.2.4 Sewer System

As per Service Level Benchmark (SLB) information 2020, there were 1,05,000 households (HHs) residing in 70 wards of Udaipur city. Scrutiny of information provided by the M Corp revealed that sewer facility was available in 33 wards only covering 44,200 (42.09 *per cent*) HHs and the work of laying sewer line was in progress in 8 wards covering 12,903 HHs (12.29 *per cent*). The M Corp has no plans for providing sewer line in remaining 29 wards covering 47,897 HHs (45.62 *per cent*).

Further, as per DPR of AMURT scheme, out of 56.60 million liters per day (MLD) sewage being generated, only 30.98 MLD (54.73 *per cent*) sewage of 41 wards was being treated through sewage treatment plant (STP). M Corp has no plan for remaining 25.62 MLD sewage generated by remaining 29 wards. The sewage was being discharged untreated either in water bodies or in earthen pits.

Tests conducted² on the quality of water in Pichola lake by Rajasthan State Pollution Control Board (RSPCB) for the period 2013-18 revealed that the presence of E-coli bacteria³ ranged from 4 to 21 MPN⁴/100ml (2013-18) to 11 to 93 MPN/100ml (2019-20) in the water and the source of this bacteria was human excreta. It was also indicated in the City Sanitation Plan (2013). Thus, due to the inadequacy of sewer facilities, untreated sewage continues to cause water pollution in Udaipur city.

The State Government while accepting the facts stated (February 2019) that three Sewerage Treatment Plants were under construction and after completion of these STPs the total treatment capacity would be 60 MLD. Audit noticed that the reply was silent on plans for providing sewer line in remaining 29 wards. Thus, 45.62 *per cent* population of Udaipur city was still out of reach of the sewerage facilities.

2 RSPCB conducts monthly testing of water of Pichola lake.

3 E-coli refers to a wide range of bacteria that can cause various diseases, including pneumonia, urinary tract infections and diarrhea.

4 Most probable number.

4.1.2.5 Drainage System

As per section 200 of RMA 2009, covered sewers and drains shall be provided by the municipality with proper traps or other coverings. As per City Sanitation Plan 2013 (CSP), total length of drainage was 1,031 km in 2013. Further as per CSP, 31 km existing major drains were mostly irregular and unlined and the drains were full of weeds, vegetation, silt, and rubbish. CSP also indicated that the drains were insufficient to carry the runoff during storm resulting in flooding of adjacent roads and colonies.

The State Government replied (February 2019) that out of total 1031 km length of drainage, only 860 km drainage is under the M Corp and remaining 171 km drainage is in outskirts of city and lying with UIT. Further, M Corp accepted (January 2021) that 173.575 Km drain was still uncovered which strengthen the audit contention about the issues narrated above.

4.1.2.6 Cleaning of Public Toilets

The M Corp, Udaipur outsourced two contractors for cleaning of the 184 public toilets in Udaipur during the period December 2015 to April 2018 and thereafter it is being done by departmental staff at their own level. The work was outsourced with the condition that if toilets were not found cleaned, a penalty of ₹ 200 per toilet per day will be imposed.

The Health Officer, M Corp, Udaipur had instructed (December 2015 and January 2016) all Health Inspectors/Officers-in-charge to conduct regular inspection of cleaning of public toilets in their respective sectors and inspection report should be maintained, so that the payment could be made accordingly. However, payments were made without enclosing inspection reports and nominal penalty of ₹ 200 was charged for a few toilets only for the period December 2015 to April 2018. In this respect M Corp Udaipur's Mayor, (October 2016) and Commissioner (September 2017) had also raised the issue of unsatisfactory cleanliness and M Corp Udaipur itself executed the toilets cleaning work from 2018. Even after that, due to lack of regular inspections public toilets were not cleaned up properly. Further, Joint physical inspection of 65 toilets (July 2018 and January 2021) revealed that all the toilets were highly dirty and unusable. Thus, the toilets were not usable whether they were maintained by the contractor or by the M Corp Udaipur.



Unhygienic toilets

4.1.2.7 Fogging Activity

To prevent bacteria based diseases, fogging activity was to be executed by M Corp, Udaipur. For fogging, a solution i.e. Pyrethrin chemical and diesel were to be mixed in the prescribed ratio of 1:19.

The M Corp, Udaipur carried out fogging in Udaipur city twice in a year (May and September), in accordance with the technical guidance of Chief Medical and Health Officer, Udaipur. Scrutiny of records revealed that the solution of Pyrethrin chemical and diesel was used in fogging in the ratio ranging from 1:24 to 1:68 during the period 2013-20 (records for the year 2016 was not made available to Audit). It indicates that diluted solution of Pyrethrin was used and it appeared ineffective as number of persons infected from malaria and dengue increased from 1642 to 1989 and 276 to 453 respectively from 2013-14 to 2017-2018.

The State Government stated (February 2019) that solution of Pyrethrin chemical and diesel was mixed as per climate and direction of the experts of Chief Medical & Health Officer (CMHO). The reply is not tenable as CMHO Udaipur stated (January 2021) that solution of Pyrethrin chemical and diesel should be prepared every time in the ratio of 1:19.

4.1.2.8 Fire Prevention and Fire Safety

(i) Non-issuance of fire NOC: Section 255 of RMA, 2009 stipulates that the owner or the occupier of any premise in the municipal area should make such arrangements as may be necessary for fire prevention and fire safety in the municipal area and may also require the owner or the occupier to obtain a No Objection Certificate (NOC). NOC is essential for 15 meters or higher residential and all the commercial buildings situated within the municipal area. Provisional/final fire NOC should be issued within 35 days of receipt of application and was to be renewed every year.

It was observed that M Corp neither conducted any survey for identification of actual number of buildings prone to fire hazard nor had any database of buildings for which NOC/ renewal of NOC is required. The M Corp issued building permission certificates by mentioning a condition of making proper arrangement for fire prevention as per National Building Code. It did not issue any building completion certificate during 2013-20 which requires fire NOC. This indicated that the M Corp did not ensure whether fire fighting arrangements were available in these building premises.

Further, during 2013-20, fire NOC was issued only in 370 cases and nine cases were not finalised till December 2020. In 12 out of 370 cases, fire NOC was issued with a delay of 2 to 65 months against the prescribed period of 35 days. Due to non-renewal of fire NOC charges⁵ in six residential/

5 For residential and industrial buildings: ₹ 1 and ₹ 2 per square feet on total built up area for first time and 50 per cent amount on renewal per year; for commercial buildings: ₹ 1.50 per square feet for height upto 15 meters and thereafter ₹ 2 per square feet for the first time and 50 per cent amount on renewal per year.

commercial/industrial buildings, a loss of revenue amounting to ₹ 34.80 lakh occurred (*Appendix-XXI*).

(ii) Inaction in purchase of snorkel ladder in time: DLB accorded (November 2011) sanction for the purchase of a snorkel ladder vehicle for Udaipur city at an estimated cost of ₹ 5 crore. The cost of the ladder was to be borne 70 per cent by Urban Improvement Trust, Udaipur and 30 per cent by M Corp, Udaipur. It was observed in audit that the ladder could not be purchased due to administrative reasons and absence of proper planning. In case of any fire mishap, the M Corp did not have the requisite ladder for extinguishing fire.

The State Government (February 2019) stated that for purchase of snorkel ladder, vehicle tenders would be invited by DLB and further action would be taken at State Government level. As of now (January 2021) snorkel ladder had not been purchased.

4.1.2.9 Unauthorised construction/encroachment on Public Land

As per RMA 2009, M Corp may take appropriate/penal action against the persons who encroach the land falling in the area of the Municipal Corporation. Further, an employee of the Municipality, shall be made responsible for reporting the cases of unauthorized construction/ encroachment on public land immediately and take necessary action to stop unauthorized construction.

It was observed that the designated officers⁶ of the M Corp did not carry out regular inspection/survey to find out cases of encroachment/unauthorized construction in Udaipur city in spite of 3,928 complaints received during 2013-20 regarding encroachment.

Test check of 384 out of the 3,928 complaints revealed that in 317 cases the M Corp had taken action to address the cases of encroachment, while in 67 cases during 2013-20 there was no follow up after issuance of notices to the offenders. M Corp provided only 65 case files during 2018-20. The M Corp Udaipur replied (January 2021) that due to shortage of staff proper action could not be taken in this regard and in most of the cases, designated officers were solving the complaints at local level. It was added that no records were maintained for solved complaints. Thus, no proper system for identification of unauthorized constructions and encroachment of public land existed.

4.1.2.10 Implementation of RGDPs Act

The GoR promulgated (November 2011) Rajasthan Guaranteed Delivery of Public Services Act, 2011 (RGDPs Act) with the objectives of providing responsible, accountable, transparent and corruption free administration. GoR

6 Junior Engineer, Health Inspector, Revenue Inspector and Assistant Revenue Inspectors.

framed RGDPS Rules, 2011 under the Act, under which 11 services⁷ were required to be provided by M Corp, Udaipur. In this regard, following were observed:

(i) Non-compliance of the provisions of RGDPS Act

Section 5 of the RGDPS Act stipulates that acknowledgement of the application would be issued to the applicant. It was observed that no proper system existed to receive the applications and the applicant had to approach the concerned section for the desired services. Further, acknowledgements were also not issued to the applicants. GoR did not furnish any reply in this regard (December 2021).

(ii) Delay in providing of Services

As per Section 4 (1) of RGDPS Act the designated office shall provide the services within the prescribed time to the person eligible to obtain the service. If a service is delayed or denied, the Appellate Authority may impose penalty upon the designated officer while deciding the appeal.

There was no centralised recording system of services provided by M Corp. M Corp provided only 1,358 case files (983 case files of seven services for 2013-18 + 375 case file for five services for 2018-20) and 1,14,660 birth/death certificates. No case files of remaining three⁸ important services for 2013-18 and six⁹ services for 2018-20 were provided. Scrutiny of these files/certificates revealed that services in 333 (24.52 per cent) cases and 6,591 (6,284+307) birth/death certificates, were provided with delay, as detailed in Table 4.1 below:

Table 4.1: Delay in providing Services

S. No.	Name of service	Schedule days	No. of cases scrutinized	No. of cases with Delay (per cent)	Range of delay (in days)	Remarks
1.	Layout plan of building	60	268	77 (28.73)	8 to 600	Record for the year 2019-20 not provided
2.	Issue of marriage certificate	7	486	50 (10.29)	4 to 155	Not issued in two cases
3.	Issue of name transfer certificate	15	97	95 (97.94)	17 to 1984	Record for the year 2018-20 not provided
4.	Works related to public health	7	38	36 (94.74)	11 to 166	Record for the year 2018-20 not provided

7 (i) Approval of layout plan of building, (ii) Issue of marriage certificate, (iii) Issue of name transfer certificate, (iv) Works related to public health, (v) Booking of community centre, (vi) Refund of security deposit money, NOC for firefighting, (vii) Birth/Death certificate, (viii) Issue of license other than food license, (ix) To receive copy of documents/building maps, and (x) Issue of lease exemption certificate.

8 Issue of license other than food license, to receive copy of documents/building maps and Issue of lease exemption certificate.

9 Issue of license other than food license, to receive copy of documents/building maps, Issue of lease exemption certificate, Issue of name transfer certificate, Works related to public health, Refund of security deposit money.

S. No.	Name of service	Schedule days	No. of cases scrutinized	No. of cases with Delay (per cent)	Range of delay (in days)	Remarks
5.	Booking of community center	7	328	52 (15.85)	2 to 213	-
6.	Refund of security deposit money	90	71	04 (5.63)	5 to 51	Record for the year 2018-20 not provided
7.	No objection certificate of fire-fighting and others	35	70	19 (27.14)	2 to 1,690	-
8.	Birth/Death Certificate	30	1,14,660	6,591 (5.75)	30 to 1,825	All certificates were lying undelivered with M Corp.

It can be seen from the above table that there was significant delay of two to 1984 days in providing services. Thus, no proper system existed in the M Corp for timely provision of public services.

The State Government stated (February 2019) that delay occurred due to non-convening of meetings of concerned committees in time. Further, the applicants were also not producing the required documents and fees within time. The reply is not tenable as it should be ensured before receiving application for providing of particular service that all required documents have been attached and fees has been deposited.

4.1.2.11 Contract Management

To carry out its mandated duties, M Corp Udaipur executes various kinds of works through contracts. Effectiveness and efficiency of contract management was test checked in a sample of 105 works¹⁰ out of 1,820 works carried out during 2013-18. With regard to the audit of 105 works, following were observed:

(i) Non-adherence to general conditions of the contracts

Out of 105 test checked works, cases of non-adherences to the general conditions of contract were as details given in Table 4.2 below:

Table 4.2: Non-adherence of general conditions

Sl. No.	Observation	Governing rule	No. of works	Impact
1.	Non-preparation of detailed estimates, drawing and designs	As per Rule 289 of Public Works Financial & Accounting Rules (PWF&AR) - technical sanctions along with detailed estimate, survey, drawings and design are required to be prepared.	103	7.16 per cent to 230.10 per cent variation in execution of 72 works (68.71 per cent).
2.	Non-issue of Letter of Acceptance to successful bidders	As per Rule 40 of Rajasthan Transparency in Public Procurement (RTPP) Rules - the letter of acceptance is to be issued within maximum of 3 days after approval of bid to the contractor.	41	Time limit for signing the contract/agreement could not be fixed.
3.	Non-revalidation of bank guarantee and short submission of BG	As per Appendix XI of PWF&AR - bank guarantee should be valid/revalidated defect liability period (DLP) of the work.	3	Undue benefit was given to the contractors.

10 18 out of 88 works more than ₹ 50 lakh and above; 48 out of 961 works between ₹10 lakh to ₹ 50 lakh and 39 out of 771 works of less than ₹ 10 lakh, were selected.

Sl. No.	Observation	Governing rule	No. of works	Impact
4.	Non-deposit of additional bank guarantee of difference amount	As per PWD circulars issued by Public Works Department- additional bank guarantee of difference amount is to be received from contractor if the contractor offers price below more than 10 percent of the G schedule.	12 cases	Undue benefit was given to the contractors.
5.	Refund of Security deposit before the completion of defect liability period	As per Appendix XI of PWF&AR - security deposits will be refunded to the contractors only after the expiry of defect liability period of the work.	1	Undue benefit was given to the contractor.
6	Issue of work order after expiry of validity period of tender	As per Rule 48 of RTPP Rules- the validity period of any tender will be normally 90 days from the date of opening of tender.	5 (delay of 9 to 275 days)	Violation of RTPP Rules

It can be seen from the table above that M Corp did not follow the guiding features of the contract management.

The State Government in respect of serial number 1 to 3 and 5 while accepting the facts stated (February 2019) that the M Corp would keep relevant provisions in mind in future contracts. In respect of points number 6, it stated that the rates were on the lower side and if retendered there was possibilities of higher rates so in the interest of the M Corp, the work orders were issued and there is no financial loss to the M Corp. The reply is not tenable as the provisions of RTPP were not followed and the M Corp is not executing the works in a time bound manner. In respect of point number 4 no reply was given.

(ii) Excess payment/non recovery of ₹ 13.45 lakh

(a) Under the work *construction of bridge over Ayad River* two items (a) providing & laying of cement concrete (P&L of CC) and (b) providing & laying of specified grade of reinforced cement concrete (P&L in RCC) of G-Schedule were paid on the higher rate than prescribed in the G-Schedule without specifying the reason, as detailed in **Table 4.3** below:

Table 4.3: Payment on higher rate than prescribed in G-Schedule

S.No.	Item	As per G-Schedule			Actually paid			Excess Amount paid		
		Qty (cum)	Rate	Amount (in ₹)	Qty (cum)	Rate	Amount (in ₹)	Qty (cum)	Rate	Amount (in ₹)
1.	P&L in CC	27	2,596	70,092	221	3,621	8,00,241	221	1,025	2,26,525
2.	P&L in RCC	178	4,429	7,88,362	920	5,334	49,07,280	742	905	6,71,510
	Total									8,98,035

(b) Under the work *patch repair work at various places in city division 2* item P&L stone aggregate was paid on the higher rate than prescribed in the G-Schedule without specifying the reason, as detailed in the **Table 4.4** below:

Table 4.4: Payment on higher rate than prescribed in G-Schedule

Item	As per G-Schedule			Actually paid			Excess Amount paid		
	Qty (cum)	Rate (in ₹)	Amount	Qty (cum)	Rate (in ₹)	Amount	Qty (cum)	Rate (in ₹)	Amount
P&L stone aggregate	1,137	546	6,20,802	882.57	941	8,30,498	882.57	395	3,48,615

(iii) Non-completion of works within the stipulated period: As per the contract agreement and PWF&AR, application will be given by the contractor for time extension in written to the Engineer-in-charge within 30 days of occurrence of hindrance. Competent authority was to give approval of time extension within 30 days of receipt of application without waiting for the completion of work. Further, according to Section 2 of the contract agreement, penalty at the rate of 10 *per cent* of the balance work should be imposed, if the contractor fails to complete the work within the stipulated time.

It was observed that out of 105 test checked works, 59 works were completed without any delays and 13 works were in progress. The remaining 33 works were completed with a delay ranging from 13 days to 12 months as of October 2018. Further, M Corp *suo-moto* had given ex post facto time extension on note-sheets up to actual date of completion of the work with levy of penalty in 4 works and without levy of penalty in 29 works.

Out of 29 cases, in 16 cases, the M Corp accepted the reasons furnished by the contractor and did not impose penalty. However, 13 cases, of delay ranging from 13 to 215 days were finalized without ascertaining the reasons by the M Corp without penalty. Scrutiny of records revealed that a penalty amount of ₹ 8.15 lakh was to be recovered from these 13 cases. Moreover, no records relating to hindrance were maintained by the M Corp.

The State Government stated (February 2019) that according to site conditions, Junior Engineer found that hindrances were due to public or other circumstances and thereafter the M Corp decided the time extension with or without levy of any penalty.

The reply is not tenable as the time extension was given in these 13 cases without preparing hindrance statements and reasons thereof.

(iv) Other important findings relating to contracts/works

(a) Irregular time extension: According to Rule 73 of RTPP Rules 2013, repeat orders for extra items or additional quantities may be issued upto 50 *per cent* of the total cost of procured material or proportionate period of contract agreement to the contractor, if the procuring department had such provision in the tender document. Further, Rule 73 provides that delivery or completion period may also be proportionately increased.

Scrutiny of records revealed that M Corp, Udaipur issued repeat orders in three cases as per details given in Table 4.5 below:

Table 4.5: Irregular time extension

S.No.	Name of work	Sanctioned Period	Can be extended Up to (50 %)	Actually extended upto	Extended Period (in months)
	1	2	3	4	5 (4-3)
1.	Development and Implementation of Integrated Computerized System	01.03.2005 to 31.10.2011	31.3.2014	30.09.2018	54
2.	Cleaning contracts for the year 2014-15	30.05.2014 to 31.03.2015	31.8.2015	30.09.2016	13
3.	Installation of LED street lights in MC area	04.02.2015 to 26.05.2015	21.7.2015	06.06.2018	35

It can be seen from the table above that in violation of RTPP Rules, time of these works were extended beyond prescribed 50 per cent of original time allowed in the contracts.

The State Government accepted the facts (February 2019).

(b) Unfruitful expenditure on pedestals: M Corp, Udaipur awarded (December 2015) work of construction of pedestals for nine sculptures in Vibhuti Park at a cost of ₹ 37.85 lakh to a contractor. Though construction of these 9 pedestals was completed by incurring an expenditure ₹ 29.76 lakh in June 2016, the sculptures could not be installed as of October 2018 because Water Resources Department and expert appointed (14 September 2016) on the direction of Hon'ble High Court suggested that installation of pedestals at Fateh Sagar lake was not safe. Further, another committee constituted by the M Corp gave (May 2017) suggestions¹¹ and the M Corp sought (August 2017) further advice from EPTISA¹² on the concerns expressed by the Committee. No comments were received from EPTISA, even after a lapse of 40 months. Thus, without ensuring technical aspects of the work, the M Corp incurred an expenditure ₹ 29.76 lakh which proved to be unfruitful so far. Further, M Corp Udaipur constructed four additional pedestals (2019) at a cost of ₹ 16.71 lakh, on the basis of decision taken in joint visit of political/administration representatives/staff. However, these were demolished later on due to non-receipt of NOC and decision taken by the committee constituted as per decision of Hon'ble High Court. Thus, an expenditure of ₹ 46.47 lakh incurred on construction of pedestals was unfruitful.

(c) Non-recovery of liquidated damages of ₹ 8.33 lakh

(i) Directorate, National River Conservation, GoI sanctioned (February 2009) work of *installation of eight numbers of ozonizer cum floating fountains in Pichola lake* at an estimated cost of ₹ 1.57 crore under National Lake Conservation Project. The M Corp issued (December 2016) work order

11 (i) the retaining wall was required to be strengthened; (ii) restoration of seepage drainage system and V notch (iii) execution of stone pitching work; (iv) commissioning of Piezo meter after consultation with the WRD and (v) action for surface treatment, etc.

12 It is a firm of Spain which is executing agency of Smart Raj Project.

to a contractor with the stipulated date of completion as 28 September 2017 which was further extended up to 31 January 2020. As of December 2020, the contractor installed only three fountains at the cost of ₹ 47.28 lakh. Due to non-completion of work within the stipulated time, liquidated damages of ₹ 14.41 lakh¹³ was to be recovered from the concerned contractor.

A notice was issued to contractor (January 2019) under clause 2 and 3 of agreement and the Commissioner was also instructed (December 2019) for black listing the contractor and to re-tender the balance work but no action was taken. Against the liquidated damages amounting to ₹ 14.41 lakh, an amount of ₹ 10.88 lakh was recovered and penalty of ₹ 3.53 lakh remains outstanding.

(ii) M Corp, Udaipur awarded (December 2015) the work *maintenance of old sewerage line of Udaipur city* to a contractor for three years for operation and maintenance (O&M). A work order of ₹1.43 crore (including ₹ 89 lakh for execution work and ₹ 54 lakh for O&M) was issued to the contractor with the stipulated period of completion of one year for repair work and three years for O&M from January 2016. The contractor executed repair works of ₹ 1.32 crore and left the O&M work after four months (i.e. May 2016). Afterwards O&M work was being carried out by the Electrical Branch of the M Corp. Thus, liquidated damages of ₹ 4.80 lakh (10 per cent of ₹ 48 lakh¹⁴) was to be recovered from the contractor as O&M work was not executed satisfactorily.

The State Government accepted (February 2019) the facts.

4.1.3 Assessment, demand and collection of revenue

4.1.3.1 Tax Revenue from Urban Development Tax

(i) Non Recovery of Urban Development Tax

As per Rule 4(1) of Rajasthan Municipality (Urban Development Tax) Rules 2007, a ward/circle/area wise assessment list of Urban Development (UD) tax should be prepared and a public notice is to be issued by M Corp. Further, self-assessment return of UD tax is required to be submitted by the assessee.

UD tax is being assessed and demanded from the owner on the basis of survey of 2007. The outstanding UD tax of ₹ 5.61 crore as on March 2008 had increased to ₹ 50.58 crore (902 per cent) at the end of March 2020.

Out of ₹ 50.58 crore, ₹ 10.83 crore (21.41 per cent) UD tax was outstanding against only 10 major assesseees¹⁵. Further, M Corp, Udaipur did not conduct

13 10 per cent of remaining work of ₹ 1.44 crore.

14 An amount of ₹ 6 lakh was paid to contractor for O&M work.

15 The Grand Laxmi Vilas Palace: ₹ 279.86 lakh, Krishan Chand Pandey: ₹ 139.26 lakh, Adhikshak Kendairy Karagrah: ₹ 42.65 lakh, Jagdish Nagda: ₹ 42.16 lakh, Om Bansal: ₹ 42.02 lakh, Dinesh Kothari: ₹ 39.58 lakh, St. Paul School: ₹ 33.70 lakh, Shanti Devi: ₹ 29.27 lakh, Nav Nirman Sangh office: ₹ 32.93 lakh, Mahant Murli Manohar Shastri: ₹ 27.45 lakh.

any survey of property after 2007 for identification of payee of UD tax even after formation of the M Corp in 2013.

(ii) Short Assessment of Urban Development Tax

Audit scrutinized 150 cases of UD tax and in six cases the following irregularities were noticed:

Incorrect calculation of area of marriage places: As per notification issued (August 2016) by LSGD, the owner of the land has to self-assess the tax and deposit the amount and relevant records would be deposited in the local body and if self-assessed tax was found short, the entire tax amount including penalties under Section 115 of the RMA Act would be recoverable.

In six cases the M Corp levied UD tax on lesser area of the marriage places than mentioned in site map produced at the time of registration of the concerned marriage place. This resulted in loss of revenue of ₹ 38.50 lakh.

4.1.3.2 Non-tax Revenue

(i) Outstanding lease money: As per Rule 7(1) of Rajasthan Municipality (Disposal of Urban land) Rules, 1974, urban assessment (lease money) was to be determined at 2.50 *per cent* of reserve price for residential plot and five *per cent* for commercial and other purposes.

It was observed that for the period 2006-19, outstanding lease money was ₹ 3.74 crore. Audit further observed that out of ₹ 3.74 crore, ₹ 1.14 crore, ₹ 0.68 crore and ₹ 1.92 crore were outstanding since 2006-10, 2010-15 and 2015-19 respectively. Audit also observed that outstanding lease money increased from ₹ 0.46 crore (2006-07) to ₹ 3.74 crore (2018-19) (713.04 *per cent* increase) due to lack of efforts for recovery. Details/data of realization and outstanding lease money for the period 2019-20 were not available with MCorp. The State Government stated (February 2019) that notices were being issued for recovery of pending lease money.

(ii) Non-recovery of lease money for change of land use: As per circular issued (June 2015) by Urban Development and Housing Department, GoR, every applicant after receiving demand note, should deposit all dues regarding land use conversion charges and the applicant has to deposit the lease amount from the date of conversion of land use at the rate of five *per cent* of regularization/conversion amount in case of conversion of land use from residential to commercial purposes.

It was observed that M Corp Udaipur changed land use from residential to commercial purpose in 11 cases during 2012-15. However, no revised lease deeds were issued to the applicants which resulted in loss of revenue of ₹ 1.47 crore (***Appendix-XXII***). GoR stated (February 2019) that notices have been issued for deposit of lease money. However, no recovery was made till date (January 2021).

(iii) Non recovery of sewerages charges from PHED: Sewerage charges are being collected by Public Health Engineering Department (PHED) on behalf of municipality through water bill. PHED Udaipur collected sewerage charges of ₹ 1.66 crore in Udaipur city during 2007-20. Out of these, PHED transferred only ₹ 0.19 crore to the M Corp (March 2008). Thereafter neither PHED transferred such funds nor any concrete action was taken by the M Corp. Thus, ₹ 1.47 crore, on account of sewerage charges were lying with PHED.

The State Government stated (February 2019) that the M Corp has continuously written letters to PHED to transfer the sewerage charges collected by them. Executive Engineer, PHED, City Division, Udaipur stated (January 2021) that the amount is to be transferred at State Government level.

(iv) Non-recovery of registration and permission fee for mobile towers: As per Mobile Tower Bye laws 2012, one-time registration fee of ₹ 30,000 and annual permission fee of ₹ 10,000 was fixed. Further, Urban Development and Housing Department, GoR, clarified (February 2017) that mobile towers that were not regulated prior to 6 February 2017 were to be regulated as per provisions of Mobile Tower Bye laws 2012.

It was observed that 151 mobile towers of telecom companies were found installed in Udaipur city (February 2012) but the M Corp neither regularized these mobile towers nor recovered one-time registration fee of ₹ 0.45 crore at the rate ₹ 30,000 per mobile tower and annual permission fee of ₹ 1.81 crore at the rate ₹ 10,000 per year per mobile tower for the period from 2011-12 to 2019-20.

Further, it was observed that the M Corp issued notices (August 2018, December 2018 and April 2019) to Telecom Corporation Pvt. Ltd, BSNL, Vodafone, Digilink Ltd and Tata Tel Service Ltd for registration of their Mobile towers. However, they did not register their towers. M Corp did not do any survey to find out number of towers of these companies for registration.

The M Corp suffered loss of revenue of ₹ 1.81 crore due to non-registration and renewal of mobile towers.

The State Government while accepting the facts stated (February 2019) that Hon'ble High Court of Rajasthan directed (December 2010) that existing towers would be allowed to continue at the present locations and erection of any further or new towers would have to abide by the conditions laid down in impugned byelaws. The reply is not tenable because as per clarification issued by Urban Development and Housing Department in February 2017 these 151 mobile towers were to be regulated by 'Mobile Tower Bye laws 2012' as these towers were installed prior to 2012.

(v) Non-recovery of license fee from hotels, bakery, sweet shops etc.: As per Municipal Corporation Udaipur (Hotel, Restaurant, Bakery, shop for sale of sweet etc. Control and Regulations) Bye-laws 2015 (adopted in July 2015), no one can run any hotel, restaurants, bakery, etc., without obtaining annual license from the M Corp. The annual license was to be obtained on deposit of

license fee as prescribed in the bye-laws and it would be renewed every year. Further, higher license fee was chargeable in case of four/five star hotels.

It was observed that there were 51 hotels (41 five stars and 10 four stars category hotels) running in Udaipur city. Out of 51 hotels, M Corp, Udaipur renewed license of 12 hotels of five/four stars category as ordinary category hotels resulting in loss of revenue ₹ 61.86 lakh and remaining 39 hotels were running without license, resulting in non-recovery of license fee for the year 2015 to 2020 amounting to ₹ 2.22 crore¹⁶ and thereby total loss of revenue of ₹ 2.84 crore (*Appendix-XXIII*).

The M Corp did not conduct any survey for identification of number of hotels running in Udaipur city failing which audit could not work out actual amount of non-recovery of licence fee. GoR while accepting the facts stated (February 2019) that a survey is proposed to be conducted in which such hotels will be identified which have not applied for the license and action will be taken to recover the amount according to survey reports.

Further, M Corp did not provide any database in respect of other hotels, restaurants, bakery, sweet shops, etc. However, the M Corp provided 30 files of license issued to hotels/restaurants to audit. In these cases, licenses were not renewed after issuance of license due to which the M Corp was deprived of revenue of ₹ 13.77 lakh.

(vi) Loss of revenue due to non-establishment of bus shelter and traffic booth (kiosk): M Corp sanctioned (May 2011) construction of bus-shelters at 31 places to “firm A” on “Build, Operate and Transfer” (BOT) basis at the rate of ₹ 12.50 lakh per annum. The rate was to be increased at 10 per cent per annum. M Corp provided only eight sites to the contractor and the remaining sites for setting up bus shelters were not provided to the contractor even after repeated requests. Further construction and display of advertisement work for 33 “traffic booths” was sanctioned (May 2011) to firm ‘B’ at the rate of ₹ 10.22 lakh per annum, which was to be increased by 10 per cent per annum.

It was observed in audit that neither bus-shelter sites (except eight) nor traffic booth sites were provided to the contractors and this resulted into loss of revenue amounting to ₹ 2.38 crore (*Appendix-XXIV*).

The State Government stated (February 2019) that the main condition of the tender was “a bidder shall be deemed to have the full knowledge of the site, whether he inspects it or not”. Hence, it was the responsibility of the firms to establish the traffic booths and bus shelters. The reply is not tenable because as per agreement, providing of final pin point locations after verifying the title of the land, practical utility and objections, if any was the responsibility of M Corp Udaipur. This indicates that the M Corp has not given the clear site to the contractor in spite of repeated request, as a result traffic booths and bus shelters could not be established.

16 31 five star hotel x ₹ 1,00,000 per year x 6 years = ₹ 1,86,00,000 and 8 four star hotel x ₹ 75,000 per year x 6 years = ₹ 36,00,000 (Total = ₹ 2,22,00,000).

(vii) Revenue loss from road furniture advertisement license fees: M Corp, Udaipur awarded (January 2008) the work for establishment, maintenance and advertisement on road furniture to a firm on BOT basis for 15 years. The firm was to establish the road furniture within a period of six months (i.e. July 2008) from the date of award of work. As per tender documents 14 gantries, 11 signages, five baklite towers, three public utility, one high mast and one traffic booth were to be established.

It was, however, observed in audit that there were delays of around five years in establishing these road furniture (established upto March 2013) due to non-availability of clear sites. Further two baklite towers were not established at all. The M Corp received ₹ 3.64 crore, against total revenue to be realised of ₹ 4.66 crore for the period 2007-20. Thus, revenue loss of ₹ 1.02 crore was suffered due to not providing sites to the contractor

The State Government accepted (February 2019) the facts.

(viii) Short recovery of betterment levy: Municipal Corporation Udaipur Building Regulation 2013, for construction of flat admeasuring areas between 1000 square meter and 5000 square meter, standard Floor Area Ratio (FAR) was 1.20 and maximum permissible FAR was 2.00 after payment of betterment levy of ₹ 100 per square feet or 25 per cent of residential price whichever is higher on the excess of FAR area. Further, FAR upto 2.25 could be permitted on payment of ₹ 300 per square feet or 25 per cent of residential revenue price, whichever is higher. In case of commercial building the rate was 30 per cent of commercial reserve price or ₹ 200 and ₹ 300 per square feet for 30 meter and above 30 meter respectively, whichever is more.

It was observed that five residential buildings and three commercial buildings were constructed beyond the permitted FAR of 1.20 and 1.33 respectively. Due to incorrect calculation of area or rate M Corp recovered less betterment levy amounting to ₹ 3.38 crore (*Appendix-XXV*).

The State Government stated (February 2019) that (i) in respect of serial number 1, permission was given for construction of residential building but applicant constructed commercial building and a petition in this regard is pending before the High Court of Rajasthan, (ii) in respect of serial number 2, the applicant had got stay from court of law and action would be taken as per decision of court, (iii) in respect of serial numbers 3 to 8, UDH revised (July 2013) standard FAR of 1.33 in place of 1.20 and maximum permissible FAR of 2.25 in place of 2 in model Rajasthan Building Bye laws, 2013. Hence, no amount was recoverable.

The reply is not tenable as in respect of serial number 1 and 2, the M Corp should have taken appropriate action against the contractor at the time of construction of building. However, the M Corp only issued notice to the builder for revised site plan but no action thereafter was taken and in respect of serial number 3 to 8, M Corp Udaipur adopted Rajasthan Building Byelaws 2013 on 15 June 2015 in which standard FAR is prescribed as 1.20 and maximum permissible FAR prescribed is 2.

(ix) Non-recovery of land use change charges: As per circular issued (June 2015) by the UDH, GoR, for conversion of land use from residential to commercial purposes, conversion charges at the rate of 40 per cent of residential reserve price should be recovered. It was observed that in one case builder¹⁷ applied for land conversion in January 2014 and after that, the builder constructed a G+4 commercial complex on 6,088.50 square feet area without paying conversion charges of ₹ 19 lakh¹⁸. Thus, M Corp failed to recover land use change charges upto December 2020.

(x) Non recovery of rent from shops and kiosks: Audit observed that there were 72 shops and 99 kiosks in the the possession of the M Corp during 2013-20 and the rent of ₹ 5.81 lakh (₹ 3.65 lakh from six shops and ₹ 2.16 lakh from eight kiosks) was outstanding for 9 to 205 months as of March 2020.

4.1.4 Other Irregularities

4.1.4.1 Non-achievement of Individual Household Latrines (IHHL) Targets

The State Government declared M Corp, Udaipur open defecation free in April 2018, however, there are 393 households left without latrines. For this, technical sanctions were issued for ₹ 60.00 lakh (April 2018) and NIT issued in May 2018, September 2018 and December 2018 and work order was issued in February 2019 for ₹ 71.96 lakh. Work was not executed by the contractor till December 2020 and 393 households are still without latrines.

The State Government stated (February 2019) that as per SBM guidelines there must be community/public toilets within 500 meters of the households who do not have latrine facility. These 393 households did not have any space in their plots for constructing latrine and the M Corp constructed 56 community toilets/public toilets for those households who do not have space in his house.

The reply is not tenable as scrutiny of records of M Corp, Udaipur in May 2019 revealed that for construction of latrine for 393 households' M Corp conducted tender and work order was issued in February 2019. Further M Corp accepted (January 21) that in six wards (ward number 5, 12, 31 to 33 and 47) no community and public toilets were available where 50 households were identified without IHHLs. This indicated that these 393 Latrines were required and Udaipur city was declared open defecation free without ensuring availability of latrine facilities to all households.

4.1.4.2 Defective planning for construction of community bio-digester tanks

As per SBM guidelines, if a sewerage system is not available within 30 meters from any household toilet/community toilet, in addition to the construction of

17 Kamal Complex.

18 Area 6,088.50 square feet x ₹780 x 40/100 = ₹18,99,612

the toilet superstructure, on-site treatment system should also be constructed for the collection and disposal of sewage at or near the point of generation.

It was observed that M Corp, Udaipur issued (March 2016) work order to a contractor for construction of 13 community bio-digesters toilets at the cost of ₹ 1.18 crore with stipulated date of completion as 6 April 2017. The contractor constructed only two tanks and requested to provide the layout of another 11 locations. On being enquired the M Corp stated (January 2021) that only two bio-digesters were constructed as per requirement and there was no need for the remaining. Audit is of the view that the reply indicates planning failure as initially M Corp had analysed the requirement of 13 community bio-digesters and work order was issued accordingly. However, after issue of work order, 11 works were cancelled considering the non-requirement of bio-digesters and up to cancellation of these 11 works, M Corp incurred an expenditure of ₹ 13.84 lakh. Thus, the sewage is being disposed in the earthen pits.

4.1.5 Financial Management

The financial resources of the M Corp, Udaipur mainly included grant-in-aid received from Central/State Governments under Central Finance Commission (CFC)/State Finance Commission (SFC) and various schemes and collection from tax and non-tax revenue.

4.1.5.1 Preparation of Budget

As per RMA 2009, The Chief Municipal Officer shall prepare, a budget estimate on the basis of actual income and expenditure of the municipality for the ensuing financial year. It shall be passed by the municipality prior to 15th February and forwarded to DLB/State Government by 28th February of each year. It was observed that:

(i) Budget estimates for the years 2013-14, 2015-16 to 2019-20 were submitted to DLB for forwarding to the State Government with a delay of four to 87 days.

The position of realization of own revenue against the budget estimates of the M Corp during 2013-20 is given in Table 4.6 below:

Table 4.6: Position of realization of own revenue against Budget Estimates

S.No.	Year	Own revenue				Percentage of revenue increased/decreased w.r.t. previous year
		Target	Achievement	Excess (+)/ Shortfall (-)	Percentage of Excess/short fall	
1.	2013-14	22.99	28.46	(+)5.47	(+)23.79	-
2.	2014-15	28.42	27.33	(-)1.09	(-) 3.84	(-) 3.37
3.	2015-16	29.81	25.39	(-)4.42	(-) 14.83	(-) 7.10
4.	2016-17	43.32	33.85	(-)9.47	(-) 21.86	(+) 33.32
5.	2017-18	40.77	35.02	(-)5.75	(-) 14.10	(+) 3.46
6.	2018-19	41.83	34.41	(-)7.42	(-) 17.74	(-) 1.74
7.	2019-20	42.82	27.50 (upto12/19)	(-)15.32		

It can be seen from the above table that M Corp could not achieve targets of own revenue in all the years except 2013-14 and there was shortfall in achievement of own revenue ranging from 3.84 per cent to 21.86 per cent during the period 2014-19. Further, the targets for realisation of own revenue were not fixed realistically after proper assessment in respect of each revenue items as there was revenue realization of two to 20 times more than the targets from building permits, road cutting, license for mobile tower, marriage garden license fees, lease heads etc. and no/less revenue was realized from regularization of land, advertisement fees, building permits, sale of assets/land, sewerage tax, income from parking fees, Nav (boat), receipt from UIT/housing board, etc.

Further, 13th/14th CFC and 4th/5th SFC recommended increase of revenue every year by at least 10 per cent. However, the M Corp did not achieve 10 per cent increase in own revenue in any of the years except 2016-17.

(ii) The position of budget estimates of the M Corp for expenditure during 2013-20 (upto December 2019) is given in Table 4.7 below:

Table 4.7: Expenditure of M Corp during 2013-20

(₹ in crore)

S.No.	Year	Total Expenditure				Capital Expenditure			
		Target expenditure	Actual expenditure	Short-fall	Percentage of short fall	Target expenditure	Actual expenditure	Short-fall	Percentage of short- fall
1.	2013-14	170.69	116.94	53.75	31.48	87.42	53.39	34.03	38.93
2.	2014-15	197.05	149.01	48.04	24.38	102.96	70.55	32.41	31.48
3.	2015-16	222.61	117.68	104.93	47.14	126.03	42.16	83.87	66.55
4.	2016-17	297.16	155.41	141.75	47.70	181.60	73.74	107.86	59.39
5.	2017-18	282.73	135.29	147.44	52.15	152.65	44.51	108.14	70.84
6.	2018-19	291.05	249.10	41.95	14.41	155.55	120.58	34.97	22.48
7.	2019-20	308.11	166.79*			165.73	74.71*		
*(Upto December 2019)									

It can be seen from the above table that during the period 2013-19, M Corp could not achieve targeted expenditure as the shortfall in expenditure ranged between 14.41 per cent and 52.15 per cent of the target. The M Corp fixed the targets of expenditure of a particular year by increasing a certain percentage of expenditure incurred in the corresponding previous year. Audit noticed main reasons for short fall in expenditure during the years 2013-19 was over estimation of the expenditure.

The State Government while accepting the facts stated (February 2019) that Board meeting of the M Corp was held late due to which budget estimates were sent with delay to the DLB. In future budget would be sent in time.

4.1.5.2 Non-preparation of Annual Account on Accrual Basis

As per Rajasthan Municipal Account Manual, 2010 and the recommendations of 13th/14th CFC, municipalities are required to prepare accounts on accrual

basis. Secretary, LSGD also instructed (December 2009) all ULBs to maintain the accounts on accrual basis and double entry system from 1 April 2010.

It was however, observed that M Corp Udaipur did not maintain its annual accounts on accrual basis for the year from 2013-14 to 2017-18. The Annual Account for the year 2018-20 were under preparation as of January 2021.

4.1.5.3 Annual Accounts were not prepared within Scheduled Time

Section 92 (1), 93 and 94 of the RMA, 2009 provides that financial statement comprising an income & expenditure account, receipts & payments account and balance sheet for the preceding financial year should be prepared upto 30 June of the current year. Financial statements shall be placed before the Finance Committee for examination and shall be examined and audited (including certification of accounts) by Auditors of Local Fund Audit.

It was observed that annual financial statement of M Corp, Udaipur for the years 2013-14 to 2017-18 were prepared with a delay ranging between three months to 27 months and annual accounts for the year 2018-20 were not prepared as on December 2020.

Further, financial statements were not placed before Finance Committee and also not audited and certified by Rajasthan Local Fund Audit Department (except Receipts and payment account up to 2018-19) as required. Due to non-certification of financial statement, it could not be ensured, whether financial statements depict a true and fair position of the affairs of M Corp.

The State Government accepted the facts (February 2019).

4.1.5.4 Submission of Excess Utilisation Certificates

M Corp, Udaipur received an amount of ₹ 23.61 crore for Backward Region Grant Fund (BRGF) from Zila Parishad (ZP), Udaipur during 2007-15. The M Corp sent UCs for ₹ 24.76 crore to the ZP but as per records the M Corp incurred actual expenditure of ₹ 17.54 crore only on BRGF. Thus, UCs had inflated expenditure to the tune of ₹ 7.22 crore and UCs wrongly issued for ₹ 1.15 crore more than grant receipt.

4.1.6 Internal Control and Monitoring

4.1.6.1 Non-maintenance of Records

For effective internal control of the activities, M Corp was required to maintain certain registers and submit these to higher authorities. It was observed that following registers were either not being maintained or maintained incompletely without submission to higher authority.

(i) **Asset register:** As per Rule 46(KH) of Rajasthan Municipal Accounts Rule 1963 though it was required to enter created assets in fixed assets register, all the assets created as on March 2020 were not entered in the fixed asset register as total fixed assets of only ₹ 235.22 crore were entered in the register,

whereas as per annual accounts of the year 2017-18 the value of fixed assets was ₹ 627.43 crore. Physical verification of the assets was not done yet.

(ii) Inventory of immovable property: In spite of having a provision in Section 74(1) of RMA 2009, the M Corp did not prepare any inventory or map of immovable properties.

(iii) Birth & death and Marriage certificate issue registers were not being signed by the issuing authority though it was required to sign as per Rule 12 of Rajasthan Registration of Birth & Death Rules 2000 and section 13 of Rajasthan Compulsory Registration of Marriages Act, 2009.

(iv) In spite of having a provision in Rule 84 of Rajasthan Municipal Accounts Rule 1963, no separate scheme or grant registers were being maintained apart from bank account and ledger.

(v) Budget control register was not being maintained though it was required to be maintained as per Rule 19(19) of Annexure-K of Rajasthan Municipal (Budget) Rule 1966.

(vi) Stock register was required to be maintained as per Rule 46(KA) Rajasthan Municipal Accounts Rule 1963. The same was not being submitted to higher authorities and physical verification of stock was not done.

(vii) No mechanism existed to assess and review the progress of works under various schemes.

The State Government stated (February 2019) that assets register of the forthcoming years would be maintained on regular basis. However, Audit observed that upto 15 January 2021, assets register was not being maintained as per rules and all assets were not entered in the register. Further, registers for Inventory of immovable property, Birth & death and marriage certificate, Budget control, stock were either not maintained or maintained but not properly as described in the para.

4.1.6.2 Non-recovery of Outstanding Temporary Advances

The temporary advances amounting to ₹ 14.68 crore (against employees: ₹ 0.60 lakh and other department/firms: ₹ 14.67 crore) were pending for recovery/adjustment for 1 to 13 years as of August 2019.

The State Government while accepting the facts stated (February 2019) that the amount has been given to the different departments/firms for developments works and they were directed to submit the utilization certificate of the amount after which adjustment of amount would be done. The Government added that concerned employees have also been directed to adjust the advance. Audit observed that the temporary advances were not adjusted from the different department/firms and the amount increased to ₹ 14.68 crore as on August 2019.

4.1.6.3 Lack of Disposal of complaints

The GoR created Rajasthan Sampark portal for redressal of complaints of public. Apart from this portal, M Corp Udaipur also created its own portal for redressal of complaints.

The number of complaints received from Sampark portal from January 2014 to 8 January 2021 and from Help line from January 2014 to 31 March 2020 are given in Table 4.8 below:

Table 4.8: Status of complaints received from Sampark Portal

Year	Sampark portal	Pending			Year	Own portal/ Help line	Pending
		0-30 days	1-6 month	6 month - 1 year			
January 2014 to 8 January 2021	7362	287			Up to 2018	11,330	4,037
					18-19	3,110	1,333
		204	79	4	19-20	1,999	1,033
Total		287				16,439	6,403

It was observed that 287 out of 7,362 complaints received on Sampark Portal during January 2014 to 8 January 2021 were pending disposal for periods ranging from one month to one year as on January 2021. Similarly, 6,403 out of 16,439 complaints received as on 31 March 2020 on the M Corp Portal/help line were also pending as of December 2020. This indicates that complaints of the public were not being settled in a timely manner.

4.1.6.4 Shortfall in conducting meeting by Committees

As per RMA, 2009, General meetings of various committees constituted in the municipality were to be held at an interval of every two months.

It was observed that LSGD constituted (April and August 2015) 21 committees in M Corp, Udaipur. There was a shortfall in conducting three to 18 meetings against the prescribed 18 meetings to be held by 14 committees. Similarly, in respect of the remaining 7 committees, there was shortfall of four to 11 meetings against the prescribed 16 meetings to be held upto 2018. There was a shortfall in conducting seven to 12 meetings against the prescribed 12 meetings to be held by 21 committees during the period 2018-20 and only the Cultural and Sports Committee held all its prescribed meetings.

4.1.6.5 Irregularities in New Pension Scheme

The GoR introduced (January 2004) a New Pension Scheme (NPS) for State Government employees appointed on or after 1 January 2004. Further, pension contribution towards the pension fund was to be deposited in the interest bearing Personal Deposit (PD) Account. The accumulation at the credit of subscribers to the NPS shall carry interest at the rate of 8 per cent per annum with effect from April 2004 and onwards till it remains in the interest bearing PD account.

It was observed that in M Corp, Udaipur contribution of 786 employees for the period 2005-06 to 2019-20 under the NPS were kept in current account of a nationalized bank instead of PD account. This resulted in a loss of interest amounting to ₹ 1.05 crore to the beneficiaries. It was also observed that ₹ 10.18 crore was not deposited with NSDL due to which beneficiaries have also incurred a loss of ₹ 0.38 crore units¹⁹ amounting to ₹ 11.22 crore as on March 2020 on account of not depositing the contribution in their respective NPS Account between 2005-20.

The State Government (February 2019) while accepting the facts stated that NPS contribution could not be credited in beneficiaries' accounts due to non-allotment of Permanent Retirement Account Number (PRAN) in NSDL. Further, the NPS amount lying in the bank account will be transferred in the interest bearing account for which bank account has been opened.

4.1.6.6 Administrative Report

As per RMA, 2009 the Chief Municipal Officer shall prepare administrative report upto 30th June for the previous year which will be placed before the Board and would be forwarded to the State Government.

It was observed that M Corp, Udaipur did not prepare any administrative report during the period 2013-14 to 2019-20. This indicates that the M Corp failed to give its administrative information to stakeholders.

4.1.6.7 Manpower

It was observed that during the period 2013-20, there was huge shortage of staff ranging between 26.04 *per cent* and 50 *per cent*, which included key post in revenue/accounts/engineering sections, causing adverse impact on the working of the M Corp.

4.1.7 Conclusion

The planning mechanism of M Corp, Udaipur was weak as neither detailed survey was conducted nor statutory plans were prepared for systematic development of Udaipur city.

There were inadequacies in the services that were required to be provided by M Corp Udaipur. Segregation and disposal of municipal solid waste was not being managed effectively. Further, 45.27 *per cent* of the sewage was disposed untreated. M Corp did not have any database of buildings for which fire NOC was required and systems for fire prevention, fire safety and checking of fire hazard were weak.

The M Corp Udaipur also did not provide timely services to citizens that were guaranteed under the RGDPS Act. Disposal of complaints was also inordinately slow.

¹⁹ 37,70,232 Units = ₹ 11,22,22,451/29.7654 (NAV of SBI scheme on March 2020).

The contract management was not appropriate as instances like non-adherence to general conditions of the contracts, excess payments, irregular time extension, delay in completion of works, non-recovery of liquidated damages etc. were noticed.

Own revenue of M Corp was low and it did not increase by 10 *per cent* every year as recommended by 13th/14th CFC and 4th/5th SFC. Instances of accumulation of outstanding UD tax and lease money, non-recovery of lease money for change of land use, sewage charges, registration and permission fee from mobile towers, license fee from hotels, bakery, sweet shops etc., and short recovery of betterment levy were noticed. Further, the Financial Management was inefficient as M Corp did not prepare its annual accounts in a timely manner and on accrual basis.

The internal control system was not robust, as cases of non-maintenance of records, lack of disposal of complaints, irregularities in New Pension Scheme, shortage of manpower etc., were noticed.

M Corp Udaipur had not executed its core functions i.e. public health, sanitation, solid waste management, firefighting, collection of own revenue etc. in a reasonable and proper manner.

4.1.8 Recommendations

1. *M Corp, Udaipur should prepare five-year execution plans and annual municipal plans on regular basis. It should make better efforts to manage municipal solid waste, drainage, fire safety systems and remove encroachments so that the living conditions in the city are improved.*
2. *M Corp, Udaipur should create a centralized system to receive, acknowledge and monitor the delivery of services in a timely manner as provided for in the Rajasthan Guaranteed Delivery of Public Services Act, 2011. Feasibility of establishing an online/electronic system can also be explored.*
3. *M Corp, Udaipur should strengthen its system to ensure better contract management by timely execution of contracts, preparing realistic detailed estimates and maintenance of hindrance register for all works.*
4. *M Corp should ensure an effective mechanism to assess, demand and collect tax and non-tax revenue so that they are able to be less dependent on Government Grants in the future.*
5. *M Corp should improve the maintenance of records, streamline the process of disposal of complaints of public and ensure timely meetings of various committees.*

4.2 Unfruitful expenditure on construction of dwelling units

Unfruitful expenditure of ₹ 37.01 crore on construction of dwelling units in Rajiv Awas Yojana for rehabilitation of Sanjay Nagar Bhatta Basti under sub-mission of Jawaharlal Nehru National Urban Renewal Mission.

The Ministry of Housing and Urban Poverty Alleviation (HUPA), Government of India (GoI) introduced Basic Services to Urban Poor (BSUP), as a sub mission under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005-06. The mission aimed at integrating development of basic services to urban poor, including improved housing at affordable prices in the cities covered under the mission. GoI was to provide 50 per cent of the cost of the projects and the remaining was to be provided by Government of Rajasthan (GoR), Municipal Corporation and beneficiary as 30,10, and 10 per cent of the cost respectively.

The HUPA, GoI approved (January 2013), the Detailed Project Report for Sanjay Nagar Bhatta Basti (Phase-I), Jaipur under Rajiv Awas Yojna for ₹ 96.61 crore.

Accordingly, Local Self Government Department (LSGD), GoR issued administrative sanction (March 2013) of ₹ 96.61 crore for construction of 2,332 dwelling units (2,212 duplex and 120 rental units).

- LSGD issued (April 2013) technical sanction of ₹ 58.92 crore²⁰ for construction of 2,332 dwelling units in three packages.
- LSGD revised the administrative and financial sanction as ₹ 67.99 crore²¹.
- The work orders²² for construction of dwelling units in three packages were issued (Package-I: June 2013 and Package-II and III: October 2013) to a firm with stipulated date of commencement and completion between 25 June 2013 and 17 April 2015 respectively.

Test check of records and information collected (September 2020) from Municipal Corporation, Jaipur, revealed that the contractor was given layout plan of only 1380 dwelling units (1,260 Duplex units and 120 Rental units) out

20 Package-I (684 Duplex units and 120 Rental units): ₹ 19.88 crore, Package-II (792 Duplex units) : ₹ 19.70 crore and Package-III (736 Duplex units) : ₹ 19.34 crore.

21 Package-I (May 2013): ₹ 22.94 crore, Package-II (October 2013): ₹ 22.74 crore and Package-III (October 2013): ₹ 22.31 crore

22 Package-I (Commencement 25.06.2013 and completion 24.12.2014): ₹ 22.94 crore, Package-II (Commencement 18.10.2013 and completion 17.04.2015): ₹ 22.74 crore Package-III (Commencement 18.10.2013 and completion 17.04.2015): ₹ 22.31 crore. (Total ₹ 67.99 crore).

of 2,332 dwelling units that were to be constructed due to sand dunes and encroachment on land. The contractor executed the work amounting to ₹ 37.01 crore²³ upto September 2015 under three packages and stopped the work (November 2015) due to non-payment of running bills amounting to ₹ 9.44 crore²⁴ (September 2015), payment of which was made during March, 2020 to August, 2020. However, the work has not been resumed so far (December 2021). During this period, M Corp failed to take decision on continuation of this work and delayed the payment of bills to contractor as BUSP scheme was discontinued in 2015. Thus, the project was to be funded by ULB itself from its own resources. The Department could not take a decision on whether to resume the work with the earlier contractor or to invite a fresh tender since November 2015.

Thus, despite an expenditure of ₹ 37.01 crore on 1,380 dwelling units', these structures are lying unused since 2015, due to absence of the infrastructure facilities like roads, sewerage, electricity-drinking water lines etc, as depicted in images below:



Thus, the expenditure of ₹ 37.01 crore incurred under the scheme remained unfruitful and possibilities of damages cannot be ruled out. Further, the purpose of providing facilities to the urban poor citizens with shelter and basic amenities under BSUP scheme was also defeated.

23 Package-I (upto 12th Running Bill – 7 March 2020): ₹ 19.41 crore, Package-II (upto 7th Running Bill – 18 August 2020): ₹ 8.59 crore and Package-III (upto 9th Running Bill – 7 August 2020): ₹ 9.01 crore.

24 Package-I: ₹ 1.76 crore, Package-II: ₹ 3.80 crore and Package-III: ₹ 3.88 crore (Total ₹ 9.44 crore).

The matter was referred to State Government in May 2021; reply is awaited (August 2021).

4.3 Short recovery of betterment levy

Short recovery of betterment levy of ₹ 7.46 crore from the applicants on granting permission for construction of buildings.

Rajasthan Building Bye-laws, 2013 prescribed that Standard Floor Area Ratio²⁵ (FAR) for construction of residential buildings should be 1.33. If FAR exceed 1.33, a betterment levy was to be charged before granting permission for the excess FAR. Government of Rajasthan (GoR) amended (September 2013) rates of betterment levy. According to GoR order (February 2018), the applicant can deposit betterment levy in four equal installments through post-dated cheques.

(i) Test check (October-November 2019) of records of Municipal Corporation (M Corp), Kota revealed that in three cases, applicants applied for permission to construct building for residential purposes. The M Corp did not follow amended provisions (September 2013) while calculating amount of betterment levy and recovered ₹ 2.19 crore instead of ₹ 7.91 crore, leaving ₹ 5.72 crore as short recovered.

Further, one of these applicants²⁶ deposited ₹ 0.75 crore (November 2018) as a first installment and applied for payment of balance amount of betterment levy in installments and the same was accepted through three advance cheques. These cheques were dishonored. The applicant furnished fresh cheques which also dishonored but M Corp did not take any action under Negotiable Instrument Act.

The matter was referred (December 2020) to State Government, their reply was awaited (July 2021).

(ii) Similarly, scrutiny of record of M Corp, Jodhpur revealed that four applicants applied for permission to construct building for residential and commercial purposes which had FAR in excess of the standard rate. The M Corp, Jodhpur had not recovered the betterment levy as prescribed in the amended bye-laws resulting in short recovery of betterment levy amounting to ₹ 1.90 crore.

The State Government accepted (June 2021) the facts and stated that the short recovery of ₹ 0.16 crore as pointed out by audit has now been recovered in one case in March 2021 and in remaining three cases, action is being taken for recovery of the balance amount. The fact remains that due to weakness in the internal control system, compliance with the rules regarding levy of

25 Floor Area Ratio is the ratio of a building's total floor area to the size of the land upon which it is built.

26 Mukesh Hiranandani (Neo Dream Homez Private Limited), Civil Lines, Station Road, Kota.

betterment levy was not made. Even after being pointed out by audit in September 2020, an amount of ₹ 1.74 crore is yet to be recovered in three cases.

Thus, in six cases betterment levy amounting to ₹ 7.46 crore was short recovered.

4.4 Non /short recovery of Labour Cess

Municipal Corporation, Ajmer, Bikaner and Kota failed to recover the Labour Cess amounting ₹ 1.31 crore.

With a view to provide safety, health and welfare measures to building and other construction workers, Government of India (GoI) enacted Building and Other Construction workers' Welfare Cess Act, 1996 (Act). Section 3 to 5 of the Act prescribe for (i) levy and collection of cess (ii) furnishing of returns and (iii) assessment of cess. The cess was to be levied at rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by an employer. Every employer has to furnish a return of the cess and the officer or authority shall, by order assess the cess payable by the employer even in the case of non-furnishing of return. Rule 4 of Building and Other Construction Workers' Welfare Cess Rules 1998 prescribed the time and manner of collection of the cess. Rule 4(4) provided that in cases where the approval of a construction work by a local authority is required, every application for such approval shall be accompanied by a crossed demand draft in favour of the Building and Other Construction Workers' Welfare Board for an amount of cess payable. However, if the duration of the project is likely to exceed one year, the demand draft may be for the amount of the cess payable on cost of the construction estimated to be incurred during one year from the date of commencement of work and further payments of cess due shall be made within 30 days on the cost of construction to be incurred during the relevant period.

A circular was issued (June 2010) by the Labour and Employment Department, Government of Rajasthan (GoR) for collection of cess at the rate of one *per cent* of construction cost. A circular was also issued (July 2010) subsequently by this department for collection of cess in accordance with the above rules. The Urban Development, Housing and Local Self Government Department had also issued instructions (September 2013 and July 2017) in this regard.

Scrutiny (November 2019 and October 2020) of the records of Municipal Corporations, Ajmer, Bikaner and Kota, revealed that eight builders were given permission to construct building projects during May 2015 to June 2018, costing ₹ 171.25 crore but the cess was not recovered/under recovered, resulting in non-recovery of cess amounting to ₹ 1.31 crore.

The State Government, in case of MCorp, Bikaner stated (March 2021) that final notice has been issued to the builder for depositing the amount of Cess. The reply of the State Government in case of Ajmer and Kota is awaited.

Thus, M Corps failed to adhere to the provisions of the Act and safe guard the interest of labours, which resulted in non/short recovery of labour cess amounting to ₹ 1.31 crore.

4.5 Loss of revenue

Resultant loss of revenue of ₹ 41.04 lakh due to delay in tendering process and low department collections during the delay period.

Section 104 of the Rajasthan Municipalities Act (Act), 2009 provides power to the municipality to levy user charges for parking of different types of vehicles in different areas and for different periods. Further, section 105(C) (VI) of the Act empowers the municipality to levy fees for licensing of such activities and issue of license or permission under the provisions of the Act.

Rule 40 of Rajasthan Transparency in Public Procurement Rules (RTPP Rules), 2013 prescribes an outer time frame of 84 days for a one stage bidding bid cycle procurement process.

Test check (April 2018) of records of Municipal Corporation (M Corp), Jaipur revealed that M Corp awarded 'paid parking' contract for one year from 16 May 2015 to 15 May 2016 for an amount of ₹ 66 lakh to a contractor and issued license for operation of contract (May 2015). As the RTPP Rules provided for a period of 84 days for finalizing a one stage bidding process, the bidding process for 2016-17 should have been initiated in the month of February 2016 as the revised contract was to be effective from 16 May 2016. However, it was observed in Audit that the procedure for re-auction was initiated only in April 2016. This resulted in the entire process getting delayed and the contract not getting finalized for the period 16 May 2016 to March 2017.

In the meantime, extension of two months (till 15 July 2016) was granted to the previous contractor at 10 per cent increased rates. Thereafter M Corp had to run the parking site departmentally from 16 July 2016 to 31 March 2017. During this period of eight and half month, M Corp realized revenue of only ₹ 7.13 lakh. The M Corp could have collected an amount of ₹ 51.43 lakh²⁷, had the contract with the earlier contractor had been extended. M Corp also did not investigate as to the reasons for the low revenue collections during the period when the parking site was run departmentally. Finally, M Corp finalized the tender for the year 2017-18 and issued work order (18 April 2017) to parking contractor for an amount of ₹ 68.01 lakh.

27 Expected revenue for one month = ₹ 72,60,000 (10 per cent increase from previous year rate i.e. ₹ 66,00,000)/12 = ₹ 6,05,000.
Expected revenue from 16.07.2016 to 31.03.2017 (8.5 months) = ₹ 6,05,000 x 8.5 = ₹ 51,42,500 (say ₹ 51.43 lakh).

Thus, failure of M Corp to complete the tendering process in time and very low collection during the period when the parking site was run departmentally, resulted in loss of revenue of ₹ 41.04 lakh (₹ 48.17 lakh²⁸ - ₹ 7.13 lakh).


The matter was referred to the State Government in January 2021; their reply is still awaited (August 2021).

JAIPUR,
The 04 April, 2022

Anadi Misra
(ANADI MISRA)
Accountant General
(Audit-I), Rajasthan

Countersigned

NEW DELHI,
The 05 April, 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

28 ₹ 68.01 lakh/12 X 8.5 Months.

APPENDICES

Appendix I

(Refer Paragraph 1.3.1)

Details of devolution of 29 Subjects listed in the Constitution to PRIs.

S. No.	Subjects	Status of devolution to PRIs		
		Funds	Functions	Functionaries
1	Agriculture including agricultural extension	Yes	Yes	Yes
2	Land improvement, implementation of land reforms, land consolidation and soil conservation	Yes	Yes	Yes
3	Minor irrigation, water management and watershed development	Yes	Yes	Yes
4	Animal husbandry, dairy and poultry	No	No	No
5	Fisheries	Yes	Yes	Yes
6	Social forestry and farm forestry	Yes	Yes	Yes
7	Minor forest Produce	Yes	Yes	Yes
8	Small scale industries including food-processing industries	No	Yes	No
9	Khadi, village and cottage industries	No	Yes	No
10	Rural housing	Yes	Yes	Yes
11	Drinking water	Yes*	Yes*	Yes*
12	Fuel and fodder	Yes*	Yes*	Yes*
13	Roads, culverts, bridges, ferries, waterways and other means of communication	Yes*	Yes*	Yes*
14	Rural electrification including distribution of electricity	No	Yes	No
15	Non-conventional energy sources	No	Yes	No
16	Poverty alleviation programmes	Yes	Yes	Yes
17	Education including primary and secondary schools	Yes	Yes	Yes
18	Technical training and vocational education	No	Yes	No
19	Adult and non-formal education	No	Yes	No
20	Libraries	No	Yes	No
21	Cultural activities	No	Yes	No
22	Markets and fairs	Yes	Yes	Yes
23	Health and sanitation including hospitals, primary health centers and dispensaries	Yes	Yes	Yes
24	Family welfare	Yes	Yes	Yes
25	Women and child development	Yes	Yes	Yes
26	Social welfare including welfare of the handicapped and mentally retarded	Yes	Yes	Yes
27	Welfare of the weaker sections and in particular of the SCs and STs	Yes	Yes	Yes
28	Public distribution system	Yes*	Yes*	Yes*
29	Maintenance of community assets	Yes*	Yes*	Yes*

Source: Information provided by RD&PRD (Status as on December 2020)

** Devolved but withdrawn temporarily*

Appendix II

(Refer Paragraph 1.5.2.1)

Statement showing 13 parameters adopted by State Government regarding Technical guidance & Supervision provided by the Accountant General.

- The nature, extent and scope of audit including form and contents of the report of the Director, Local Fund Audit Department shall be as per the guidelines issued by the Accountant General regarding already existing formats prescribed by Director, Local Fund Audit Department.
- Staff of Director, Local Fund Audit Department would continue to work under the administrative control of the State Government and State Government will pay their salaries.
- Accountant General would monitor quality and timeliness in preparation of accounts and their audit.
- Director, Local Fund Audit Department would prepare audit plan under intimation to Accountant General indicating the particulars of Panchayati Raj Institutions and Urban Local Bodies that will be audited during the year. The units to be test checked by Accountant General shall be selected by Accountant General.
- The reports of test check conducted by Accountant General would be sent to Head of the concerned Local Body and to the Director, Local Fund Audit Department for follow up on action taken with the Local Bodies. The Director, Local Fund Audit Department would pursue settlement/action taken on the audit paras raised by Accountant General in the same manner as he would pursue his own reports.
- The composition of audit parties of Director, Local Fund Audit Department would be in accordance with guidelines as mutually decided by Accountant General & Director, Local Fund Audit Department.
- Officials of the Accountant General shall provide technical guidance in conduct of audit by the Director, Local Fund Audit Department, as decided by the Accountant General.
- The Director, Local Fund Audit Department shall submit such returns/reports in such form as mutually agreed by Accountant General & Director, Local Fund Audit Department so as to have an effective checked monitoring of the audit functions.
- Irrespective of money value or any other criteria, serious irregularities noticed during audit, particularly those related to system defects serious violation/deviation from rules, embezzlement, frauds etc. shall be intimated to the Accountant General demi- officially by the Director, Local Fund Audit Department alongwith necessary supporting documents as and when they come to notice.
- Audit methodology and procedure for audit of Panchayati Raj Institutions and Urban Local Bodies by Director, Local Fund Audit Department shall be as per guidelines/ standards prescribed by Comptroller and Auditor General of India.
- Training programme for staff of Panchayati Raj Institutions and Urban Local Bodies & Local Bodies & Local Fund Audit Department at all level shall be imparted by an agency approved by Comptroller and Auditor General of India. The course contents i.e. audit procedures, certification of accounts, audit standards etc. shall be as prescribed by Comptroller and Auditor General of India in consultation with Director, Local Fund Audit Department.
- Director, Local Fund Audit Department shall develop a system of internal control in Local Fund Audit Department in consultation with Accountant General.
- Accountant General will issue guidelines regarding preparation of inspection reports, their vetting and issuance and follow up action by Director, Local Fund Audit Department.

Appendix III

(Refer Paragraph 2.1.1)

Statement showing selection of units for test check

S. No.	Year	Zila Parishad	Panchayat Samiti	Gram Panchayat
1	2015-18	Alwar	Ramgarh	Chauma, Hazipur, Kesroli, Lalawandi, Mubarikpur, Milakpur, Nikach, Piproli, Pata and Teekri.
			Laxmangarh	Berla, Bhaisdawat, Chidwai, Chimrawali, Deenar, Malpur, Maujpur, Naswari, Saidampur and Saurai.
			Kishangarhbas	Baghora, Brisangpur, Dhaungra, Kolgoan, Langadwas, Machha, Mothuka, Raibaka, Sirmoli and Tarwala.
			Tijara	Hamiraka, Jojaka, Kamalpur, Khaleelpur, MaliyarJatta, Maseet, Mithiyawas, Mundana, Phullawas and Sarheta.
		Bharatpur	Karna	Bilond, Jurhara, Levda, Luhesar, Naugawan, Nandera, Pai, Satwas, Sonokhar and Uncheda.
			Nagar	Bhutpura, Dabak, Jalalpura, Jhanjhar, Khesti, Mundiya, Palka, Sikri, Sinhawali and Teski.
2	2018-20	Alwar	Kishangarhbas	Brisangpur, Langadwas, Machha, Mothuka and Raibaka.
			Ramgarh	Hazipur, Milakpur, Nikach, Piproli and Pata.
		Bharatpur	Kaman	Bilond, Levda, Luhesar, Satwas and Sonokhar.
			Nagar	Dabak, Jhanjhar, Sikri, Sinhawali and Teski.

Note: Five selected GPs (Bhaisdawat, Chidwai, Malpur, Naswari and Saidampur) of PS Laxmangarh and one selected GPs (Raibaka) of PS Kishangarhbas (ZP Alwar) are included in new PS Govindgarh and Umren (ZP Alwar) w.e.f November 2019.

Appendix IV

(Refer paragraph 2.1.3.4(i))

Details of works where expenditure incurred remained Unfruitful

(₹ in lakh)

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
Alwar				
PS-Kishangarhbas				
1	Hand pump nirman karya Muhar Khan ke makan ke pas Nyana GP-Daungada	19.03.17/ 0.60	15.05.17/ 0.58	Handset was not found at the site. Bore was packed and not being used. Hence, expenditure incurred remained unfruitful.
2	Hand pump nirman karya Hasina ke makan ke pas Maidavash GP- Brasangpur	17.07.18/ 0.70	31.07.18/ 0.68	The Hand pump has been installed within the perimeter of Hasina's house, animal were tied with it and it was not functional.
PS-Laxmangarh				
3	Single phase boring mai Tanki Nirman Kasturba Gandhi Awasiya Vidhyalaya me GP-Maujpur	27.05.17/ 2.90	15.01.18/ 1.15	Bore was dry and expenditure remained unfruitful.
PS-Ramgarh				
4	Nallah Nirman Rajput Shiv Mandir se Bhag Chand ki Johdi ki aur. GP-Chauma	21.3.16/ 5.00	30.06.16/ 4.43	At the starting point of Nallah there was a pond of dirty water/mud. Nallah was blocked and was without Ferro cover. Nallah was broken at various places. Hence, expenditure incurred remained unfruitful.
5	Hand Pump Nirman near Mandir, Saiyad Colony GP- Kesroli	21.04.16/ 0.97	10.06.16/ 0.95	Hand Pump was installed but water was not coming.
6	Nallah nirman karya wal me gram kotkala GP- Nikach	24.8.18/ 5.00	30.11.18/ 5.00	The basement and side wall of the nallah was broken which was constructed for the drainage of rain water and the nallah was blocked with stone and sand in the middle and at the last point.
7	Nallah nirman karya asru se johad ki aur GP- Piproli	01.08.18/ 5.00	15.6.19/ 5.00	The nallah was blocked from stone, sand and sludge and it was encroached at one place. The construction of the nallah was unfruitful as it was not connected to the pond.
8	Char diwari evam gate nirman karya rajkiya prathmik vidyalay johad ka bash GP- Piproli	01.08.18/ 5.00	27.3.19/ 5.00	Construction of boundary wall and installation of gate were done but the gate was not being used due to over growth up of shrubs inside and near by area of the gate. A small old gate was being used for entrance.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
9	Rajkiya vidhyalaya me kamra nirman karya nangliwal GP- Hazipur	01.08.18/ 5.00	15.1.19/ 4.91	The room was constructed but it was not being used till now as it was locked and veranda was dirty with garbage. The expenditure incurred was unfruitful.
Bharatpur				
PS-Kaman				
10	Kabristan ki char diwari lalpur GP- Luhesar	20.9.18/ 5.00	09.01.19/ 5.00	A small and old boundary wall was seen constructed on the both side of graveyard without any wall/gate at the entrance side and it was inconvenient for use due to heap of harvested crops in the way.
PS-Nagar				
11	Deep Bore Nirmana Gurudware ke pas Gadhteski, GP-Teski	21.12.18/ 3.00	15.12.19/ 3.00	The work of deep bore was done without installation of electric motor and connection of electricity and it was not in use.
12	<i>Pokhar Khudai</i> Karya, Boodly. GP- Jhanjhar	23.03.17/ 4.49	10.03.17/ 4.41	There was no catchment area for incoming water and <i>Pokhar</i> was dry.
13	<i>Pokhar Khudai</i> Karya, Jhanjhar GP- Jhanjhar	23.03.17/ 3.00	28.06.17/ 2.94	There was no catchment area for incoming water and <i>Pokhar</i> was dry.
Grand Total		45.66	43.05	

Appendix V

(Refer paragraph 2.1.3.4(ii)(a))

Statement showing the details of works where provisions were made for construction of drains but same were not constructed

(₹ in lakh)

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
Alwar				
PS-Kishangarhbas				
1	CC Sadak mai Nali Nirman Bishan Singh ke Makan se Darshan Singh ke Makan ki aur GP- Kolgoan	21.03.16/ 12.00	11.08.16/ 11.49	As per sanction Nali was to be constructed but Nali was not constructed
2	Ingterlocking Sadak mai Nai Nirman Karya Munshi Gurjar ke Ghar se School ki aur Gram Chanduki GP- Raibaka	21.03.16/ 4.00	14.02.16/ 3.96	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
3	C.C.Sadak mai Nali Nirman Ummardeen ke Ghar se Rati Ram ke aur GP- Tarwala	21.03.16/ 12.00	15.04.16/ 11.65	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
4	C.C.Sadak mai Nali Nirman Uchha Prathmik Vidhyalaya se Banwari ki Dhani. GP- Tarwala	21.03.16/ 10.00	13.04.16/ 9.04	Drain was not constructed, road was completely damaged
5	C.C.Sadak mai Nali Krishna ke Ghar se Ratan ke Ghar hote hue Vidhayalya tak Kankra ki Dhani. GP- Tarwala	21.03.16/ 12.00	13.04.16/ 11.65	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
6	C.C.sadak mai Nali Ummardeen ki Dukan se Mishra ki Dhani GP- Daungda	21.03.16/ 3.00	30.06.16/ 2.90	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
7	C.C.Road mai Nali Nirman Aasu Khan ke Ghar se Sher Khan wala kuwan ke aur GP- Machha	21.03.16/ 3.49	30.04.16/ 3.21	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
8	C.C.Road mai Nali Nirman Haneef ke Ghar se Indu ke Banglow tak GP- Machha	19.03.17/ 3.00	15.06.17/ 2.87	Drain was not constructed, dirty water/mud was logged on the road and road was damaged.
9	CC sadak mai nali nirman kalu kha ke makan se masjid ki or titarka GP- Langadbas	19.07.18/ 5.00	15.08.18/ 4.83	Drain was not constructed. Road was damaged and it was inconvenient for traffic flow
10	CC sadak mai nali nirman karya kabristan se pullu ke makan ki aur GP- Macha	17.07.18/ 5.00	30.08.18/ 4.84	The road was damaged due to sludge and water as drain was not constructed along with it and it was inconvenient for traffic flow.
11	CC sadak mai nali nirman karya rajjak ki tanki se mamchand ki or padasala GP- Brasangpur	17.07.18/ 10.00	10.09.18/ 9.87	The road was damaged due to sludge and water as drain and pavement were not constructed along with it and it was inconvenient for traffic flow
PS-Laxmangarh				
12	Interlocking Cement Bent Kharanja mai Nali Nirman Main Road se School ki aur GP- Bhainsdawat	19.03.17/ 8.00	15.05.17/ 7.97	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
13	Cement Eent Kharanja mai Nali Nirman Dholi Kothi mein Goli ke Makan se Masjid ki aur Gram Maujpur GP- Maujpur	27.03.17/ 8.00	30.04.17/ 8.00	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
14	C.C.Road mai Nai Nirman Samsu ke Ghar se Chhote Khan ke Nohre tak GP- Dinar	29.03.16/ 5.00	30.09.16/ 4.84	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
15	Interlocking Cement Bent Kharanja mai Nali Nirman Chhutan Saini ke Ghar se Bhoorji Saini ke Ghar tak. GP- Bhainsdawat	19.03.17/ 5.00	15.05.17/ 4.99	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
PS-Ramgarh				
16	C.C.Road may Nali from Kishors house to Sammi khans house GP- Chauma	21.03.16/ 5.00	31.05.16/ 4.51	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
17	Interlocking Cement Bent Kharanja mai Nali Gyarsis house towards Nagla Chiravada GP- Pata	21.03.16/ 4.00	15.09.16/ 3.43	As per sanction Nali was to be constructed but Nali was not constructed.
18	Cement Interlocking Sadak mai Nali Nirman from Amar Singh's house to Budhram's house GP- Mubarikpur	28.03.16/ 1.92	30.04.16/ 1.56	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
19	Cement Interlocking Sadak mai Nali Nirman from Main Road to Preetam's house GP- Mubarikpur	28.03.16/ 1.58	15.05.16/ 1.58	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
20	Cement Interlocking Sadak may Nali Nirman from Patta Road to Harnek Singh's house GP- Mubarikpur	28.03.16/ 3.00	15.05.16/ 2.96	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
21	Cement Interlocking Sadak may Nali Nirman from Kaddar Bas to Shamshan Ghat GP- Hazipur	21.03.16/ 10.00	30.04.16/ 10.00	As per sanction Nali was to be constructed but Nali was not constructed.
22	C.C.Road mai Nali Nirman Karya from Ram Chandra Rajput towards Andhu ke Bas GP- Hazipur	21.03.16/ 10.00	30.04.16/ 9.96	As per sanction Nali was to be constructed but Nali was not constructed.
23	C.C.Cement Tiles Interlocking mai Nali Nirman Vishram ke Ghar se Rattiram ke Ghar Tak, GP- Tikri	21.03.16/ 3.00	30.04.16/ 2.76	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
24	Cement Interlocking Sadak mai Nali Nirman Mukhya Sadak se Gulshan ke Ghar tak mai Amar ke Ghar tak GP- Milakpur	31.03.16/ 2.40	20.07.16/ 2.40	Drain was constructed only on one side, blocked with dirty water and road was damaged.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
25	C.C.Sadak mai Nali Nirman Main Road se Dharami ke Ghar tak Jalabas GP- Neekach	21.03.16/ 5.00	30.04.16/ 5.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
26	C.C.Road mai Nali Nirman Jhria ka Bas Gram Neekach GP- Neekach	21.03.16/ 5.00	30.04.16/ 5.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
27	C.C.Road mai Nali Nirman Main Road se Islam ke Ghar Makota Kalan GP- Neekach	21.03.16/ 4.00	30.04.16/ 3.79	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
28	C.C.Interocking Sadak mai Nali Nirman Main Road to Roodar ke Ghar tak GP- Teekri	21.03.16/ 2.00	13.06.16/ 2.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
29	C.C.Interlocking Sadak mai Nali Nirman Sohan ke Kamra se Johad tak GP- Teekri	21.03.16/ 3.00	30.05.16/ 2.79	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
30	C.C.Road mai Nali Nirman Karya from Minder's house to Ramu's house. GP- Hazipur	21.03.16/ 5.00	31.08.16/ 4.97	Work was sanctioned with Nali but the same was not constructed and there was a deep pit of 2.5 feet on the road. Hence, transportation was not possible.
PS-Tijara				
31	Interlocking Tiles Kharanja mai Nali Nirman Mahendra ke Ghar se Balbadi hote hue Amar Singh ke Ghar ki aur GP- Mithiyawas	21.03.16/ 5.00	15.04.16/ 4.86	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
32	Interlocking Tiles Kharanja mai Nali Nirman Kehar Singh ke Ghar se Surjecto ke Ghar ki aur GP- Mithiyawas	21.03.16/ 5.00	15.04.16/ 4.94	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
33	Interlocking Tiles Kharanja mai Nali Nirman Gurudayal ke Makan se School ki aur GP- Mithiyawas	21.03.16/ 4.98	15.04.16/ 4.82	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
34	Interlocking Tiles Kharanja mai Nali Nirman Laxman Singh ke Ghar se Chhuni ke Plot ki aur GP- Mithiyawas	21.03.16/ 5.00	15.04.16/ 4.56	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
35	Interlocking Tiles Kharanja mai Nali Nirman Panch Sardar Banta Singh ke Ghar se Chopad ki aur GP- Maseet	21.03.16/ 3.60	30.04.16/ 3.51	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.
36	Interlocking Tiles Kharanja mai Nali Nirman Sheela ke Ghar se Ratan Mahashya ke Ghar ki aur Jalalpur GP- Mundana	02.02.18/ 5.00	NA/ 4.90	As per sanction Nali was to be constructed but neither Nali was taken in estimates nor constructed.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
Bharatpur				
PS-Kaman				
37	C.C. Road mai Nali Nirman Tahir ke kamra se Nasroo ke bangle ki aur, Paldi GP- Satwas	02.12.16/ 4.08	29.03.17/ 4.08	Road was damaged due to non construction of drain along with road.
38	C.C.Road mai Nali Nirman Mamrej ke Ghar se Sahbu ke Ghar ke aur GP- Satwas	24.09.15/ 4.70	31.01.16/ 4.70	Due to non construction of drain, dirty water/mud was lying on the road and interlocking Kharanja was damaged.
39	C.C.Road Nirman Shamshan Bhoomi se Nizamuddin ke aur GP- Pai	23.11.16/ 7.70	22.02.17/ 7.70	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
40	C.C.Road Nai Masjid se Hanif ke Ghar. GP- Bilond	24.09.15/ 2.83	26.01.16/ 2.83	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
41	C.C.Road Bhagmal ke Ghar se Ramlal ki aur. GP- Ucheda	29.09.15/ 1.65	19.02.16/ 1.65	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
42	Interlocking Nasroo ke Kamara se Barouli ki aur GP- Bilond	24.09.15/ 4.82	27.01.16/ 4.82	Due to non construction of drain, interlocking road was damaged.
43	C.C.Road Samsu ke Ghar se Roojdar ke Ghar ki aur GP- Sonokhar	29.09.15/ 1.65	30.01.16/ 1.65	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
44	C.C.Road Parsadi Gujar ke Ghar se Lachhi Gujar ki aur. GP- Pai	29.09.15/ 4.12	24.11.15/ 4.12	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
45	Interlocking Tiles Illiyas ke Ghar se Islam ke Ghar ki aur GP- Levda	24.09.15/ 1.93	30.12.15/ 1.92	Due to non construction of drain, dirty water/mud was lying on the interlocking tiles, hence tiles were dislodged and broken at various places.
46	C.C.Road Chhirmauli ke Ghar se Hargyan ke Ghar ki aur GP- Sonokhar	29.09.15/ 1.65	11.06.16/ 1.21	Due to non construction of drain, dirty water/mud was lying on the road and road was damaged.
47	CC road nirman ishak ke ghar se school tak GP- Bilond	27.11.19/ 6.00	13.12.19/ 5.99	Drain was not constructed along with road and there was sludge and pits at some places of the road due to flowing dirty water from houses and lack of cleaning.
PS-Nagar				
48	C.C.Road Nirman mai Nali Jatav Mohallah towards Bhullus baur ki aur GP- Bhattपुरा	25.10.16/ 4.33	17.02.17/ 4.33	As per sanction Nali was to be constructed but Nali was not constructed.
49	Interlocking Tiles Nirman mai Nali from School towards Rahmat's Masjid GP-Dabak	24.09.15/ 3.00	16.12.15/ 2.92	As per sanction Nali was to be constructed but Nali was not constructed.
50	Interlocking Tiles Nirman mai Nali Habibs house towards Pokhar GP-Singhawali	24.09.15/ 7.50	12.12.15/ 7.50	As per sanction Nali was to be constructed but Nali was not constructed.
51	C.C.Road Nirman mai Nali from Noorus Chakki towards adhure Interlocking Road Chhajju Khedal GP- Singhawali	25.10.16/ 5.58	05.03.17/ 5.58	As per sanction Nali was to be constructed but Nali was not constructed.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
52	Interlocking Tiles road mai Nali Nirman Nichli Masjid se Samsu Khan ke Ghar ki aur GP- Palka	07.12.15/ 5.00	29.02.16/ 5.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
53	C.C.Road mai Nali Nirman Sagru ke Ghar se Isra ki Dukan ke aur Domarki GP- Khesti	07.12.15/ 5.00	11.02.16/ 5.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged. It is not possible to cross the road.
54	Interlocking Tiles mai Nali Nirman Husain ke Ghar se School ki aur, Domraki, GP- Khesti	04.01.16/ 7.00	31.03.16/ 7.00	Drain was not constructed, dirty water/mud was logged on the road. Hence, road was damaged. Commutation was not easy.
55	Interlocking Tiles mai Nali Nirman Ramesh ki Dukan se Akbar ke Ghar ki taraf, Raipur Suketi GP- Palka	24.09.15/ 3.00	25.03.16/ 3.00	Drain was not constructed, dirty water/mud was logged on the road and road was damaged
56	CC road nirman mai nali kaithwada road se sammi gurjar ke ghar tak dabak GP- Dabak	11.09.18/ 2.29	14.03.19/ 2.29	CC road was constructed without drain and it was broken at some places.
57	C.C.Road/Kharanja Nirman Jamshed ke Ghar se Asgar ki aur GP- Jalalpur	07.12.15/ 8.00	30.01.16/ 8.00	Due to non construction of drain, dirty water/mud was lying on the road and CC road/kharanja was damaged.
58	Interlocking Eent Kharanja Nirman Rasheed ke Ghar se Asu ke Ghar tak Isanka bas GP- Mundiya	07.12.15/ 5.00	15.02.16/ 5.00	Due to non construction of drain, dirty water/mud was lying on the road and Eent kharanja was damaged.
59	Interlocking Eent Kharanja Nirman Jakkar ke Ghar se Jhuhroo ke Ghar tak Isanka bas GP- Mundiya	07.12.15/ 5.00	15.02.16/ 5.00	Due to non construction of drain, dirty water/mud was lying on the road and Eent kharanja was damaged.
60	C.C.Road Nirman Islam ke Ghar se Kammaldeen ke Ghar ki aur Bhuapurgadi GP- Dabak	30.12.16/ 4.00	16.02.17/ 4.00	Due to non construction of drain road was damaged.
61	Interlocking Tiles mai Nali Nirman Noori ke Ghar se Sukkhi ke Ghar ki taraf, Bas Savat GP- Palka	04.11.15/ 2.88	30.03.16/ 2.88	Interlocking tiles were dislodged and broken at various places.
62	Mitti Bharat va C.C. Kharanja Nirman, Mahjat se Shiya Moahallah ki Taraf GP- Jalalpur	07.12.15/ 10.00	30.06.16/ 10.00	Road was found damaged in 80 feet length and water was found logged on the road.
63	Interlocking tiles nirman chaupal se santosh ke ghar ki taraf kishanpura jhanjhar GP- Jhanjhar	25.7.18/ 4.20	29.11.18/ 4.20	Interlocking tiles were damaged at the edge of the road and sludge and water was there on the road. The road was completely blocked at some places.
Total	321.88	314.78		

Appendix VI

(Refer paragraph 2.1.3.4(ii)(b))

Statement showing the works in which roads were damaged due to blockage of drains

(₹ in lakh)				
S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification
Alwar				
PS-Laxmangarh				
1	C.C.Sadak mai Nali Puliya Main Road se Rajkiya Uchha Prathmik Vidhyalaya Pangsedi GP- Saidampur	21.03.16/ 8.00	30.05.16/ 6.84	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
PS-Ramgarh				
2	Nali Nirman from Mavasi's house to Swachtasi Mandir GP- Tikri	21.03.16/ 3.00	14.08.16/ 2.98	Nali was blocked at the starting point. Hence, dirty water/mud was logged on the road.
3	C.C.Road mai Nali Nirman Karya Mukhya Sadak se Ved Prakash's house mai SathWali Gali GP- Lallawandi	21.03.16/ 3.00	10.06.16/ 2.35	Road was incomplete due to dispute (App. 25 feet road) and onwards road was damaged due to water/mud logging.
Bharatpur				
PS-Kaman				
4	C.C.Road mai Nali Nirman Kunji ke Ghar se Hakkimuddin ke Ghar ke aur GP- Satwas	24.09.15/ 4.70	31.01.16/ 4.70	Due to blockage of drains, dirty water/mud was lying on the road and road was damaged.
5	C.C. Road with Nali Nirman Ratti ki Dukan se Illiyas ke Gharki aur GP- Bilond	23.11.16/ 6.47	29.01.17/ 6.47	Road was damaged due to water/mud logging.
PS-Nagar				
6	Interlocking Tiles mai Nali Nirman Usman ke Ghar se Mamroo ke Dukan ki aur. GP- Palka	04.01.16/ 4.00	30.03.16/ 4.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
7	Interlocking Tiles mai Nali Nirman Islam ke Ghar se Kabristan ke aur GP- Dabak	04.01.16/ 5.00	31.01.16/ 5.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
8	Interlocking Tiles mai Nali Nirman Mandir se Nadi ki aur GP- Jalalpur	24.09.15/ 3.75	15.12.15/ 3.75	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
9	Interlocking Tiles mai Nali Nirman Nawal ke Ghar se Illi ke Ghar tak GP- Mundia	24.09.15/ 7.50	23.01.16/ 7.50	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
10	Interlocking Tiles mai Nali Nirman Firoja ke Ghar se Fateh Singh ke Ghar tak Bhootka GP- Mundia	24.09.15/ 7.50	14.02.17/ 7.50	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification
11	C.C. Road mai Nali Nirman Jogi Mohallah se Issars ke Ghar ki aur GP- Mundia	26.10.16/ 6.85	21.04.17/ 6.85	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
12	Interlocking Tiles mai Nali Nirman Deenu Nai ke Ghar se Shadi ke Kamre ki aur Raipur Suketi GP- Palka	24.09.15/ 3.00	11.11.15/ 3.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
13	C.C.Road mai Nali Nirman Haneef ke Ghar se Ayub ke Ghar tak Dowarki GP- Khesti	07.12.15/ 5.00	11.02.16/ 5.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
14	C.C.Road mai Nali Nirman Master ki Dukan se Lahku ke Ghar tak Alghani GP- Khesti	07.12.15/ 5.00	11.02.16/ 5.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
15	C.C.Road mai Nali Nirman Noorla ke Ghar se Bhutta ke Ghar ki aur Domarki GP- Khesti	07.12.15/ 5.00	11.02.16/ 5.00	Nali was blocked and dirty water/mud was logged on the road
16	Interlocking Tiles mai Nali Nirman Girraj Gurjar ke Ghar se Mandir ki aur GP- Mundiya	24.09.15/ 3.75	23.11.15/ 3.75	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
17	Interlocking Tiles mai Nali Nirman Mandir se Laxman ke Ghar se hote hue Bypass Tak GP- Mundiya	24.09.15/ 7.50	13.01.16/ 7.50	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
18	Interlocking Tiles mai Nali Nirman Aasar ke Ghar se Hameed ke Ghar ki aur. GP- Jhanjhar	24.09.15/ 2.25	05.02.16/ 2.25	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
19	C.C.road mai Nali Nirman Saboo ke Ghar se Pokhar ki aur Budli GP- Jhanjhar	25.10.16/ 5.58	26.03.17/ 5.58	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
20	Interlocking Tiles mai Nali Nirman Masjid se Fatehpuriya Bas GP- Jhanjhar	04.01.16/ 3.00	15.02.16/ 3.00	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
21	Interlocking Tiles mai Nali Nirman Mehmood ke Ghar se Chaurahe ki aur GP- Jalalpur	24.09.15/ 3.75	20.11.15/ 3.75	Nali was blocked and dirty water/mud was logged on the road. Hence, road was damaged.
22	C.C.Road mai Nali Nirman Gurudware se Uchha Prathamik Vidhyalaya Niham ki aur Niham GP- Jalalpur	25.10.16/ 4.37	10.02.17/ 4.37	Road was totally damaged, gitti had came out.
23	Interlocking Tiles mai Nali Nirman Kewal Krishan ki Dukan se Nale ki aur GP- Sikri	04.01.16/ 6.00	31.03.16/ 6.00	Tiles were displaced and half of the road was damaged.
Total		113.97	112.14	

Appendix VII

(Refer paragraph 2.1.3.4(iii))

List of Inadmissible works

S.No.	Name of work	Name of ZP/PS/GP	Expenditure (₹ in lakh)	Position of works
1	Jatav Shamshan Ghat ki char diwari nirman karyagram Kaduki me	Kasbadehra/Umrain/ Alwar	4.00	In progress
2	Shamshan Ghat ki char diwari ka adoora karya S.C.Mohallah	Palkhadi/Umrain/ Alwar	3.73	Completed
3	Jatav Shamshan Ghat Ki char diwari nirman Gram Bhatkol	Bhatkol /Umrain/ Alwar	3.00	Completed
4	Kabristan ki char diwari nirman karya	Reta/Kathoomar/ Alwar	10.00	Completed
5	Shamshan ghat ki char diwari nirman karya	Tahnoli/KishangarhBas/ Alwar	3.54	Completed
6	Shamshan Ghat ki char diwari nirman karya Manki	Chauma/Ramgarh/ Alwar	4.80	Completed
7	Shamshan Ghat ki char diwari nirman karya Gurjarpur Khurd	Chauma/ Ramgarh/ Alwar	4.25	Completed
8	Shamshan Ghat ki char diwari nirman karya Gram Kota Kalan	Neekach/Ramgarh/ Alwar	4.00	Completed
9	Kabristan ki char diwari nirman karya Karoli Khalas	Beejwa/ Ramgarh/ Alwar	6.90	In progress
10	Kabristan ki char diwari nirman karya Rasgan	Rasgan/ Ramgarh/ Alwar	4.25	Completed
11	Kabristan Ki char diwari nirman karya pahali Char Deewari ke pas Kabristan per	Hazipur/Ramgarh/ Alwar	4.80	In progress
12	Shamshan Ghat ki char diwari nirman karya	Hazipur/Ramgarh/ Alwar	6.72	Completed
13	Kabristan ki char diwari nirman karya pahali Char Deewari ke pas Kabristan ki Bhoomi per	Hazipur/Ramgarh Alwar	3.90	Completed
14	Shamshan Ghat ki char diwari nirman karya Gram Thumrela me	Berla/ Laxmangarh/ Alwar	4.00	Completed
15	Kabristan Ki char diwari nirman karya Gram Nangali Zeeda	Raybaka/Kishangarh Bas/Alwar	4.99	Completed
16	Shamshan Ghat ki char diwari nirman karya, teenshed nirman karya	Belaka /Umrain/ Alwar	3.00	Completed
17	Shamshan Ghat ki Char Deewari, Teenshed Nirman karya Gram Pathroda	Kairwall/Umrain/ Alwar	4.50	In progress
18	Shamshan ghat Ki char diwari nirman karya, teen shed nirman karya Gram Harsoli	Naswari/Laxmangarh/ Alwar	3.34	Completed
19	Shamshan Ghat Ki Char diwari, teen shed nirman karya	Sirmoli/Kishangarh Bas/Alwar	4.90	In progress
20	Shamshan Ghat ki char diwari , interlocking Sadak mai Nali Nirman Karya Gram Kemala me	Ghegholi/Ramgarh/ Alwar	5.00	Completed
Total			93.62	

Appendix VIII

(Refer paragraph 2.1.3.4 (iv))

Statement showing the details of unfruitful expenditure on single phase boring and hand pump

(₹ in lakh)				
S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification (May-October 2018 and November-December 2020)
Alwar				
PS-Kishangarh bas				
1	Single phase Boring mai Tanki Nirman S.C. Mohalla Gram, Nangal Jheed GP- Raibaka	12.04.16/ 3.50	10.06.16/ 3.12	Tanki was without water as tap was broken. Hence, intended purpose of construction was not fulfilled.
PS-Tijara				
2	Single phase Boring mai Tanki Nirman Azad Mistri ki Dhani mein GP- Kamalpur	21.04.16/ 2.20	15.08.16/ 2.19	Tanki was not connected with boring. Hence, intended purpose of construction of Tanki was not fulfilled.
3	Single phase motor mai Tanki Nirman Karya Rajputo ki Dhani main GP- Kamalpur	09.05.17/ 2.50	09.11.17/ 2.42	
4	Single phase Boring mai Tanki Nirman Karya Deena Mutta ke Ghar ke Pas Aaseen ki Dhani GP- Kamalpur	09.05.17/ 2.20	09.11.17/ 2.20	
5	Single phase boring mai tanki Nirman Karya Udal putra Bakhal ke Ghar ke Pas GP- Phullawas	21.04.16/ 2.50	15.06.16/ 2.50	Tanki was broken and not useable.
6	Single phase Motor Boring mai Tanki Nirman Karya Jagat Patel putra Shri Birju ke Ghar ke Pas GP- Phullawas	09.05.17/ 2.50	10.06.17/ 2.40	Tanki was broken and not connected with boring. Hence, intended purpose of construction of Tanki was not fulfilled.
7	Hand Pump Nirman Kalu ke Ghar ke pas GP- Khaleelpur	21.04.16/ 0.50	06.07.16/ 0.50	Hand pump was not in use and platform was broken. Hence, intended purpose of construction of hand pump was not fulfilled.
Total		15.90	15.33	

Appendix IX

(Refer paragraph 2.1.3.4 (v))

Details of works in which funds were utilised on non-permissible works

(₹ in lakh)

S. No.	Name of work	Date of sanction/ Sanctioned Amount	Date of completion/ Expenditure	Findings of joint physical verification
Alwar				
PS-Kishangarh bas				
1	Single Phase Boring and Tanki Nirman Nat Bas GP- Sirmoli	12.04.16/ 2.48	12.11.16/ 2.43	Public electricity connection was not provided, only bores were installed. The bores were personally utilized by the individuals through their private electricity connection, which was irregular.
2	Single Phase Boring and Tanki Nirman near house of Nabba, Banshi Ka Bas GP- Sirmoli	19.05.17/ 3.00	25.10.17/ 2.36	
3	Single Phase Boring and Tanki Nirman near house of Noor Mohd. Urf Khoonta, Samneer Ka Bas GP- Sirmoli	19.05.17/ 3.00	26.10.17/ 2.40	
4	Single Phase near house of Ayub, Gajanand Ka Bas GP- Sirmoli	19.05.17/ 3.00	21.10.17/ 2.36	
5	Single Phase Boring nearby Bissawali Masjid Pahadi Bas GP- Sirmoli	19.05.17/ 3.00	22.10.17/ 2.56	
6	Single-phase Boring and Tanki Nirman near house of Asu Khan s/o Bhure Khan GP- Sirmoli	19.05.17/ 3.00	23.10.17/ 2.36	
7	Single-phase Boring and Tanki Nirman near Hameed Miyan's house GP- Machha	19.05.17/ 3.00	14.8.17/ 3.00	
8	Hand Pump Nirman near house of Mangtu Gurjar Padasalan GP- Brisangpur	19.3.17/ 0.60	1.4.17/ 0.57	Hand Pump was installed in the house of a villager and was used personally. Hence, expenditure incurred was irregular.
9	Hand Pump Nirman near house of Rehman Chaudawat GP- Baghoda	19.3.17/ 0.60	11.5.17/ 0.58	Hand Pump was installed in the house of a villager and was used personally. Hence, expenditure incurred was irregular.
10	Hand Pump Nirman Karya Imran Khan ke Makan ke Pas Majariya Dhani Gram Chor Basai GP- Daungada	19.03.17/ 0.60	15.05.17/ 0.58	Hand Pump was installed in the house of a villager. Hence, work was executed for individual benefit.
PS-Tijara				
11	Hand Pump Nirman Karya Pooran Harijan ke Ghar ke pas GP- Hamiraka	19.03.17/ 0.50	28.06.17/ 0.50	Hand pump was installed inside the boundary of a villager house which is for personal benefit.
12	Hand Pump Nirman Karya Desha ke Ghar ke Pas. GP- Hamiraka	19.03.17/ 0.50	20.06.17/ 0.50	Hand Pump was installed inside the boundary of a villager house which was for personal benefit.
13	Bolder Hand Pump Nirman Karya Lal Bhagat ke Gharke Pass evam Babbita Bewa ke Ghar ke Pas. GP- Khaleelpur	19.03.17/ 0.90	30.05.17/ 0.90	Hand Pump was installed inside the House of a villager which is for personal use.
Total		24.18	21.10	

Appendix X

(Refer paragraph 2.2.1)

Statement showing list of selected ZPs, PSs and GPs

S. No.	Name of ZPs	Name of PSs	Name of GPs
1	Alwar	Kathumer	Behrampur, Dantia, Daronda, Garu, Jahadu, Khokhar, Mathuraheda, Salwadi, Samuchi and Tikari
		Tijara	Mayapur, Milkpurturk, Mundana, Roopwas and Sahwad
2	Banswara	Ghadi	Chhoti, Karanpur, Rathiapada, Sagwadia, Saredi Badi, Loharia, Metwala, Saredi Rohida, Sundani and Umbada
		Ghatol	Badi Padal, Bichawada, Boprikhant, Chirawalagadha, Chhoti Padal, Dagal, Kalimagri, Kandhawa, Roop ji Kheda and Sawania
3	Chhitorgarh	Chhitorgarh	Amarpur, Anwalheda, Dhanetakalan, Jalampura, Kashmor, Nagari, Palaka, Rolaheda, Sawa and Semalia
		Nimbahera	Badoli Madho Singh, Badoli Ghata, Fachar Ahiran, Karunda, Gadola, Keli, Lasdavan, Marjivi, Ranikheda and Satkhanda
4	Jaipur	Govindgarh	Aashtikalan, Dola ka Bas, Fatehpura, Hadota, Hasteda, Jatawali, Khejroli, Kishanpura, Maharkalan and Nangal Bherda
		Sambharlake	Baberwalon ki Dhani, Basdi Khurd, Bhadwa, Dungrikalan, Dyodhi, Harsoli, Itawa, Luniawas, Mandabhimsingh, and Tejya ka Bas
5	Jhunjhunu	Jhunjhunu	Abusar, Ajadi Kalan, Bhaduna Khurd, Bhimsar, Mehradasi, Chaterpura, Chudi Derwalan, Kulodkalan. Purohiton ki Dhani and Udawas
		Udaipurwati	Badagaon, Bajawa, Bamlas, Bhatiwada, Chawsari, Dhani Bhodo ki, Dudia, Natasa, Sinthal and Titanwada
6	Udaipur	Jhadol	Goran, Goran Netaji ka Bara, Jhadol, Manas, Peelak and Selana
		Salumber	Bamniya, Broda, Dagar, Idana, Kravli, Saradi, Seriya, Sti ki Chori, Kant and Toda

Appendix XI

(Refer paragraph 2.2.3.2)

Statement showing details of splitting of works

S. No.	GP/ PS/ ZP Name	Name of work	Financial Sanction No./Date	FS Amount	Expenditure
1	Pulasar/ Sardarshahar/ Churu	Construction of boundary wall of crematorium from North to West in 329 meters at Pulasar	6830-60/ 30.11.2017	10.00	09.58
2	Pulasar/ Sardarshahar/ Churu	Construction of boundary wall of crematorium from East to South at Pulasar	6830-60/ 30.11.2017	15.00	14.96
3	Salasar/ Sujangarh/ Churu	Construction of CC Road from Sanskrit School to towards house of Bhagwanaram Dhaka in 450 Square Meter (Sqm) at Salasar	6830-60/ 30.11.2017	03.95	03.94
4	Salasar/ Sujangarh/ Churu	Construction of CC Road chauk from house of Bhagwanaram Dhaka to towards house of Hadmanaram Dhaka in 450 Sqm. at Salasar	6830-60/ 30.11.2017	03.95	03.93
5	Salasar/ Sujangarh/ Churu	Construction of CC Road chauk from house of Hadmanaram Dhaka to towards shop of Boduram in 450 Sqm at Salasar	6830-60/ 30.11.2017	03.95	03.93
6	Salasar/ Sujangarh/ Churu	Construction of CC Road from shop of Boduram to towards Sandshala in 450 Sqm at Salasar	6830-60/ 30.11.2017	03.95	03.93
7	Salasar/ Sujangarh/ Churu	Construction of CC Road from Sandshala to towards Baadi Chauk in 400 Sqm at Salasar	6830-60/ 30.11.2017	03.53	03.51
8	Santra/ Gida/ Barmer	Construction of three classroom with Verandah in Government Senior Secondary School, Santra-II	1195-1202/ 11-09-2017	15.00	15.00
9	Santra/ Gida/ Barmer	Construction of three classroom with Verandah in Govt. Senior Secondary School , Santra-I	1195-1202/ 11-09-2017	15.00	15.00
10	Kalyanpur/ Kalyanpur/ Barmer	Construction of three classroom in Government Adarsh Senior Secondary School , Kalyanpur	2058/ 12-03-2018	15.00	14.84
11	Kalyanpur/ Kalyanpur/ Barmer	Construction of three classroom in Government Adarsh Senior Secondary School , Kalyanpur	2075/ 23-03-2018	15.00	12.00
Total				104.33	100.62

Appendix XII

(Refer paragraph 2.2.3.5)

Statement showing details of works where less public contribution was received

S. No.	Work Id	Panchayat Name	Name of PS	Work Name	Total Population of village	SC/ST Population	SC/ST Population in percentage	FS number/ Date	Total			Total (₹ in lakh)	Expenditure as on date	Contribution to be received	Less contribution received	Work status
									Contribution	Mnrega	State Govt.					
1	2014-15/18615	Toda	Salumber	Construction of rest house Tad Hariyawat Nohra, Toda	2032	667	32.82	23/19-03-2015	1.00	0.00	4.00	5.00	5.00	1.50	0.50	Completed
2	2015-16/14362	Bhabrana	Jhallata	Constructuin of community hall, Prajapat Basti, behind Mahadev Temple, Bhabrana	5311	1688	31.78	30/1-2-2016	1.00	0.00	4.00	5.00	5.00	1.50	0.50	Completed
3	2015-16/17219	Dhamaniya	Lasadiya	Construction of CC road main road to mahuda fala side , Ghata, Dhamaniya	1753	209	11.92	605/13.0 1.2016	2.00	1.64	6.36	10.00	6.35	3.00	1.00	Completed
4	2015-16/17223	Dhavadi	Lasadiya	Construction of CC road Anganwari to house of Takhat Singh, Mod ji ka Khera, Dhawadi	1211	430	35.51	604/13.0 1.2016	1.00	1.36	2.64	5.00	3.6	1.50	0.50	In progress
5	2015-16/17227	Dhavadi	Lasadiya	Construction of CC road Rajput Basti, Rathodo ka Gudh , Dhawad	1211	430	35.51	604/13.0 1.2016	1.00	1.36	2.64	5.00	2.75	1.50	0.50	Completed
6	2015-16/20979	Dhavadi	Lasadiya	Constructuin of community hall Devisthan ke pas , Narji ka Gudha, Dhawadi	1211	430	35.51	37/08-03-2016	1.00	0	4.00	5.00	3.98	1.50	0.50	Completed
7	2015-16/22990	Dagaar	Salumber	Constructuin of community hall, near Gatod ji Temple, Dagar	1769	178	10.06	34/19.02 .2016	1.00	0.00	4.00	5.00	5.00	1.50	0.50	Completed
8	2015-16/2853	Toda	Salumber	Construction of rest house Khakaldev chauraha, Toda	2032	667	32.82	10/15-09-2015	1.00	0.00	4.00	5.00	5.00	1.50	0.50	Completed
9	2015-16/6684	Idana	Salumber	Construction of fodder house, Gaushala, Idana	1560	609	39.03	8/14-09-2015	2.00	0.00	7.99	9.99	7.34	3.00	1.00	In progress
10	2015-16/6687	Baroda	Salumber	Constructuin of community hall Barola ji, Baroda	1238	314	25.36	21/14-01-2016	1.62	0.00	6.52	8.14	6.52	2.44	0.82	Completed
11	2018-19/36463	Baghpura	Jhadol	Constructuin of community hall near Dadmiya Bao ji , Baghpura	2576	979	38	68/06-03-2019	2.00	0.00	8.00	10.00	7.00	3.00	1.00	In progress
12	2018-19/36464	Ogana	Jhadol	Constructuin of community hall near kalal Vatika , Ogna	3012	900	29.88	65/03-03-2019	2.50	0.00	10.00	12.50	10.00	3.75	1.25	Completed
13	2018-19/2169	Kherad	Salumber	Constructuin of community rest house near Sejnath Tmple,Kherad	1956	464	23.72	57/10-04-2018	2.00	0.00	7.99	9.99	8.50	3.00	1.00	Completed
Total									19.12	4.36	72.14	95.62	76.04	28.69	9.57	

APPENDIX-XIII

(Refer paragraph 2.2.4.1)

Statement showing works of construction of CC Roads with less thickness in PS Gadi, ZP Banswara.

(₹ in lakh)

S. No.	Name of Work sanctioned amount/ expenditure incurred	Findings of Joint physical verification	Departmental authority participated in physical verification	Amount paid for work not executed
1.	Construction of CC road from Main road to House of Gattu Yadav, village Karanpur in GP Karanpur. ₹ 15 lakh / ₹ 15 lakh	Thickness of first and second layer was found as 7.5 cm and 5 cm during physical verification instead of 11.6 cm and 8.3 cm respectively as recorded in measurement book.	Junior Engineer of PS and Executive Engineer of ZP.	12.03*
2.	Construction work of CC road (length 331 meter and width 4 meter) from Chunni Lal Bhoi ka Khet to Kanela in GP Metwala. ₹ 10 lakh/ ₹ 9.99 lakh	Thickness of first and second layer was found as 7.5 cm and 5 cm during physical verification instead of 15 cm and 10 cm respectively as recorded in measurement book.	Junior Technical Assistant/Assistant Engineer of PS.	4.95
3.	Construction work of CC road from Dokipada school to house of Narayan Haqru, Dokipada in GP Umbada. ₹ 10 lakh/ ₹ 9.97 lakh	Thickness of first and second layer was found as 7.5 cm and 6.3 cm during physical verification instead of 14 cm and 10 cm respectively as recorded in measurement book.	Junior Engineer/ Assistant Engineer of PS.	3.74
4.	Construction work of CC road from house of Gaju Nanu via house of Vala Lala Gautam to house of Keru in GP Saredi Badi. ₹ 10 lakh / ₹ 9.79 lakh	Thickness of first and second layer was found as 7.5 cm during physical verification instead of 11.2 cm and 10 cm respectively as recorded in measurement book.	Assistant Engineer of PS.	2.76
5.	Construction work of CC road from house of Puja Adiwasi to house of Kalayan Singh village Jantora in GP Sundani. ₹ 10 lakh / ₹ 9.92 lakh	Thickness of first and second layer was found as 7.5 cm during physical verification instead of 10 cm as recorded in measurement book.	Assistant Engineer of PS.	2.36
6.	Construction of CC road at Adiwasi Mohalla, village Malpur in GP Karanpur. ₹ 5 lakh / ₹ 5 lakh	Thickness of first and second layer was found as 7.5 cm and 5 cm during physical verification instead of 13.5 cm and 10 cm respectively as recorded in measurement book.	Junior Engineer and Assistant Engineer of PS.	2.22
7.	Construction work of CC road from Anganbari to house of Laxman Rebari in GP Umbada. ₹ 9 lakh/ ₹ 9 lakh	Thickness of first and second layer was found as 10 cm and 7.5 cm during physical verification instead of 12.5 cm and 10 cm respectively as recorded in measurement book.	Junior Engineer/Assistant Engineer of PS.	1.92
8.	Construction work of CC road from Government Secondary School to Patidar Mohalla village Jantora in GP Sundani. ₹ 10 lakh / ₹ 9.73 lakh	Thickness of second layer was found as 7.5 cm during physical verification instead of 9.5 cm as recorded in measurement book.	Assistant Engineer/Junior Engineer of PS.	0.91
Total ₹ 78.40 lakh				30.89

*Payment made for unexecuted work in each case has been calculated as under :

As per MB, payment was made for work executed 495.14 cum (First layer: 288.13 cum, Second layer: 207.01 cum) whereas actual work was executed 79.75 cum (First layer: 47.85 cum, Second layer: 31.90cum).

Value of work not executed:(i) First layer : (288.13 cum - 47.85 cum) = 240.28 cum x ₹ 2,417.80 per cum = ₹ 5,80,949;
(ii) Second layer (207.01 cum-31.90 cum) = 175.11 cum x ₹ 3,549.70 per cum = ₹ 6,21,588;
Total = 415.39 cum Amount = ₹ 12,02,537

Appendix XIV

(Refer paragraph 2.2.4.2)

Statement showing details of damaged CC Roads due to non-construction of drains and expansion joint

			(₹ in lakh)
S.No.	Name of GP/PS/ZP	Name of Work	Expenditure
(A) CC Roads sanctioned with drains but drains not constructed and found damaged			
1	GP-Jhadol, PS-Jhadol ZP-Udaipur	CC Road with Nali Nirman house of Padmaji Jani to house of Sharsing and Street	5.40
2	GP-Jhadol, PS-Jhadol ZP-Udaipur	CC Road with Nali Nirman house of Amritjipuri to house of Bhawarji Thakur	7.00
3	GP-Jhadol, PS-Jhadol ZP-Udaipur	CC Road with Nali Nirman house of Girdari Ustad to PHED Kuwa ki or	9.85
4	GP-Jhadol, PS-Jhadol ZP-Udaipur	CC Road with Nali Nirman Krishi Upaja Mandi to shamsan Ghat ki or	9.49
5	GP- Neta ji ka Bara, PS-Jhadol, ZP-Udaipur	CC Road with Nali Nirman Main Road to near house of Dayala Bhima	5.00
6	GP-Luniwas, PS-Sambharlake, ZP-Jaipur	Construction of CC road Kharanja including drain from Bhomiya Ji temple to Swamiyon ki dhani	10.00
Total			46.74
(B) CC Roads found damaged due to non-construction of drains and expansion joint			
1	GP-Neta Ji ka Bara, PS-Jhadol, ZP-Udaipur	Construction of CC road from Main Road to Hanuman Ji, Undara Netaji ka Bara	10.0
2	GP-Jhadol, PS-Jhadol, ZP-Udaipur	Construction of CC road from home of Sohani Bai to Main road, Jhadol	10.00
3	GP-Jhadol, PS-Jhadol, ZP-Udaipur	Construction of CC road near house of Chhagan Kumhar to Heera Patel in street, Jhadol	9.99
4	GP-Peelak, PS-Jhadol, ZP-Udaipur	Construction of CC Road from Main Road to Near house of Kalu Bhera, Sarka khera	10.00
5	GP-Peelak, PS-Jhadol, ZP-Udaipur	Construction of CC Road from Main Road to Near Anganwari Bhawan, Kundal	10.00
6	GP-Karanpur PS-Garhi, ZP-Banswara	Construction work of CC road from main road to Lalsingh Banjara house via Hukumchand house	14.75
7	GP-Seethal, PS- Udaipurwati, ZP- Jhunjhunu	Construction of CC road from house of Mam Raj to Samdar, Seethal	2.43
8	GP-Seethal, PS- Udaipurwati, ZP- Jhunjhunu	Construction of CC road from house of Data Ram to Ami Lal, Seethal	3.70
9	GP-Seethal, PS- Udaipurwati, ZP- Jhunjhunu	Construction of CC road from Bodala Well to Meena Mohalla, Seethal	2.96
10	GP-Seethal, PS- Udaipurwati, ZP- Jhunjhunu	Construction of CC road from house of Sheesh Ram Gora to Crematorium road, Seethal	4.40
Total			78.23
Grand Total (A+B)			124.97

APPENDIX-XV

(Refer paragraph 2.2.4.4)

Statement showing details of improper execution of works (works executed in shorter length or not done)

S. No.	Name of Work (GP/PS/ZP)	Expenditure (₹ in lakh)	Findings of Joint physical verification	Payment made without execution of work (₹ in lakh)
1.	CC road from Anganwadi to Maida Pada. (Chirawala Gadha/Ghatol/Banswara)	9.94	CC road was constructed in 500 meter length, however it was recorded 542 meter in MB and payment made accordingly.	0.77
2.	Construction of incomplete boundary wall of crematorium in village Itawa. (Tejya ka Bas/Sambharlake/Jaipur)	4.59	Only 416 feet boundary wall of crematorium was constructed, however it was recorded 576 feet in MB and payment made accordingly.	1.27
3.	Construction of boundary wall, roof on pillars in Birwali graveyard (Manda Bhim Singh/Sambharlake/Jaipur)	9.54	The plaster on roof and chabutra was not done but payment was made for this item.	0.16
4.	Construction work of boundary wall and Tin shed of graveyard (Kuhadu/Jhunjhunu/Jhunjhunu)	10.28	The boundary wall measuring 24.38 meter in length was constructed in front of graveyard instead of 252 meter as per estimates. However payment for complete work was made by including already constructed old boundary wall of 227.62 meter.	8.70
5.	Construction work of boundary wall of graveyard. (Dungari Kalan/Sambharlake/Jaipur)	4.21	The white-wash of boundary wall of graveyard was not done but payment was made for this item.	0.09
6.	Construction work of crematorium alongwith boundary wall and cc work at Ahado ki Padar. (Rathia Pada/Ghadi/Banswara)	11.94	The main gate at the crematorium was not installed but payment was made for this item.	0.30
7.	Construction work of boundary wall and leveling of sports ground. (Saredi Badi/Ghadi/Banswara)	14.96	The main gate on the boundary wall of Sports ground was not installed but payment was made for this item.	0.24
8.	Construction work of boundary wall of Jain-Gurjar Community crematorium land. (Luniyawas/Sambhar Lake/Jaipur)	05.90	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.37
9.	Construction of boundary wall of public crematorium land, Gadri (Luniyawas/Sambhar Lake/Jaipur)	4.32	(i) The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB.	0.26
			(ii) Coping of boundary wall in the ratio of 1:2:4 CC with 12 mm grit was not done	0.13
			(iii) Foundation masonry work entered in MB was (2x2) and (1.5x1), whereas it was found to be 1x1 feet during physical verification. Thus, measurement of 2x2 was shown excess	1.21
10.	Construction of boundary wall of Rajpoot crematorium land, Gadri. (Luniyawas/Sambhar Lake/Jaipur)	04.38	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.23

S. No.	Name of Work (GP/PS/ZP)	Expenditure (₹ in lakh)	Findings of Joint physical verification	Payment made without execution of work (₹ in lakh)
11.	Construction of CC road kharanja including construction of drain from Bhomiya ji temple to Swamiyon ki dhani, Gadri. (Luniyawas/Sambhar Lake/Jaipur)	10.00	The item of work of cutting of construction joint longitudinal joint 4 to 6 mm wide using mechanical concrete cutter including cost of diamond cutting wheel and filling of bitumen sealing compound in groove including cost of sealing compound wash shown executed in MB. However, it was observed that cutting work on CC road was not executed and there were cracks on the road.	0.05
12.	Construction of boundary wall, tin shed, chair, ground level tank and leveling of Joshi crematorium. (Itawa/Sambhar Lake/Jaipur)	14.98	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.64
13.	Construction of boundary wall of Rajpoot crematorium. (Dyodhi/Sambhar Lake/Jaipur)	4.89	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.27
14.	Construction of boundary wall of graveyard. (Dyodhi/Sambhar Lake/Jaipur)	5.00	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.45
15.	Construction of boundary wall of public crematorium land, Kothi (Kodi). (Dyodhi/Sambhar Lake/Jaipur)	11.85	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.60
16.	Construction of boundary wall of crematorium Bawariyo ki dhani. (Manda Bhim Singh/Sambhar Lake/Jaipur)	10.00	Foundation masonry work for 554.5 ft boundary wall was executed (105.91 cum). Whereas in MB 147.22 cum was measured as executed. Therefore, 41.31 cum was excess measured in MB	1.10
17.	Construction of boundary wall of crematorium ghat, Goriya tibba Nathi ka baas. (Basdi Khurd/Sambhar Lake/Jaipur)	8.52	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.34
18.	Construction of boundary wall with gate of graveyard, vill.Godara ka baas. (Dhaniyan Bhaudaki/Udaipurwati /Jhunjhunu)	05.00	(i) The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.47
			(ii) Foundation masonry work 1.5 ft(Width) x 2.00 ft (height) was found in first layer in place of 2.00x 1.00 ft and second layer 1.50 ft.(width)) x 1.00 ft. (height) in 537 ft. boundary, therefore, excess measured in MB	0.18
19.	Construction of boundary wall of crematorium including shade and water, vill. Dholamagra. (Kant/Salumber/Udaipur)	7.59	(i) The boundary wall was constructed on rocky site and foundation was not constructed. However, digging of foundation (2.00 ft.(width) x 2.00 ft. (height) x 397.5 (length) = total 45.10 cum) was measured in MB	0.05
			(ii) Foundation was not found constructed, whereas, masonry work in foundation (2.00 ft.(width) x 2.00 ft. (height) x 397.5 ft (length) = total 45.10 cum) was measured in MB and paid accordingly.	0.88
			(iii) Levelling work was not found in crematorium, whereas, 262 cum work was measured in MB	0.36

S. No.	Name of Work (GP/PS/ZP)	Expenditure (₹ in lakh)	Findings of Joint physical verification	Payment made without execution of work (₹ in lakh)
20.	Construction of boundary wall of crematorium including shade and water, vill.Katiya. (Kant/Salumber/Udaipur)	7.29	(i) The boundary wall was constructed on rocky site and foundation was not constructed. However, digging of foundation (2.00 ft.(width) x 2.00 ft. (height) x 425 ft (length) = total 43.92 cum) was measured in MB	0.05
			(ii) Foundation was not found constructed, whereas, masonry work in foundation (2.00 ft.(width) x 2.00 ft. (height) x 425 (length) = total 43.92 cum) was measured in MB	0.86
21.	Construction of Crematorium Pawatiya	9.46	Masonry work in verandah measuring 76x11.75x2.5 cft was found to be 76x11.75x2 cft.	0.12
22.	Construction of boundary wall of Adarsh Secondary School Rolaheda (Rolaheda/Chittorgarh/Chittorgarh)	4.83	(i) The work 'coping of boundary wall in the ratio of 1:2:4 CC with 12 mm grit' was entered in MB as executed. However, coping of boundary wall was not found executed.	0.13
			(ii)It was observed that boundary wall was constructed on already constructed boundary wall of school, whereas, Earthwork, PCC and masonry work in foundation were measured in MB	01.07
23.	Open verandah and boundary wall, Rawat ka talab (Amarpura/Chittorgarh/Chittorgarh)	11.57	(i) The work 'coping of boundary wall in the ratio of 1:2:4 CC with 12 mm grit' was entered in MB as executed. However, coping of boundary wall was not found executed.	0.20
			(ii) The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.40
24.	Construction of Open verandah near house of Kewal Ram ji village- Rampuriya. (Nagri/Chittoregarh/Chittorgarh)	6.84	It was observed that Back side and both side walls of verandah were measured as executed in MB for excavation, PCC and masonry work in foundation. However, these walls had already been constructed by villagers. Therefore work, 10.53 cum, 2.04 cum and 25.13 cum was shown excess as executed in MB for excavation, PCC and masonry work in foundation respectively.	0.66
25.	Construction of interlocking tiles at prayer area at Govt Adarsh Senior Secondary School (Keli/Nimbahera/Chittorgarh)	3.00	PCC work in interlocking tiles was measured 4.5 inch in 70x60 ft area as executed in MB. However, PCC work in interlocking tiles was found to be 2 inch.	0.57
26.	Construction of community hall Payari, (Karunda/Nimbahera/Chittorgarh)	15.00	The item of work of 'Providing and laying cement concrete (1:4:8) in nominal 40 MM stone grit well mixing compaction and curing all respect (PCC)' was not executed. However, it was recorded as executed in MB	0.26
27.	Construction of Shamsan shed, wooden house, community shed and boundary wall, Fatcher (Ahiran/Nimbahera/Chittorgarh)	9.92	(i) The boundary was constructed from ground level on rocky land and masonry work in foundation was not found. Whereas 571x2x2 ft= 2284 cft (64.64 cum) masonry work was valued in MB	1.37
			(ii) Stone lintel (Dasa) was not found in wooden house	0.16
28.	Construction of boundary wall of crematorium, Tin Shed and water facility, wooden house at Bora Khedi (Badoli Madho Singh/Nimbahera/Chittorgarh)	9.47	(i) Copping on boundary was not found(50 mm)	0.32
			(ii) The foundation of wall was 1.25 ft. Accordingly calculation of area was 59.93 cum (847x2x1.25 ft =2117.5 cft) However, payment of foundation masonry work was measured as executed 114.52 cum in MB.	1.36
29.	Construction of crematorium including pipe culvert, Karanpur (Karanpur/Garhi/Banswara)	9.82	Iron gate of crematorium was not found affixed	0.20
Total		245.09		26.85

Appendix XVI

(Refer paragraph 2.3.1)

Statement showing main features of Fifth SFC (recommendations given in interim and final reports)

1. Recommendations given by the Commission in its interim report for the year 2015-16:

- 7.182 per cent of net own tax receipts of the State which works out to ₹ 3,271.81 crore was to be devolved during the period 2015-16 to the local bodies (divided in a ratio of 75.1:24.9 i.e. ₹ 2,457.13 crore and ₹ 814.68 crore to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively).
- The devolution of funds was further categorized into three components: 85 per cent of the recommended amount for basic and development functions, 10 per cent for improvement in standards of administration, maintenance of database, implementation of national priority schemes, etc. and 5 per cent was recommended for incentivizing keeping of accounts, records, asset register, efforts of raising additional revenues and completion of enrolment and distribution of *Bhamashah* Card.
- The commission also recommended release of 5 per cent funds for Zila Parishads (ZPs), 15 per cent for Panchayat Samitis (PSs) and rest 80 per cent was earmarked for the Gram Panchayats (GPs).
- The guidelines regarding the utilisation of grants were issued by the Panchayati Raj Department (PRD) in December 2015.

2. Recommendations given by the Commission in its interim report for the year 2016-17:

- The commission retained the ratio of devolution of 7.182 per cent of net own tax receipts of the State amounting to ₹ 3,689.66 crore to be devolved to local bodies (divided in the ratio of 75.1: 24.9 i.e. ₹ 2,770.93 crore and ₹ 918.73 crore to the PRIs and ULBs respectively) as recommended in its earlier report.
- The commission revised the formula for purpose-wise distribution of earmarked funds and recommended 55 per cent of the recommended amount for basic and development functions including maintenance of rural water tanks, 40 per cent for National/State priority schemes and 5 per cent as incentive grant for the performance of specified tasks.
- The formula for tier-wise allocation of funds among PRIs was revised to 5 per cent funds for ZPs, 20 per cent for PSs and 75 per cent for GPs.
- The guidelines regarding the utilization of grants were issued by the PRD in November 2016.

The recommendations of the Commission were accepted (September 2015 and September 2016) by the Government of Rajasthan (GoR). It was also provisioned that till the application of final report of the Commission, the funds would continue to be transferred to the PRIs & ULBs on the basis of recommendations made in the interim report for the year 2016-17.

3. Recommendations given by the Commission in its final report:

- In the final report, the Commission recommended devolution of 8.5 per cent of net own tax receipts of the State to the PRIs and ULBs, however, the State accepted (July 2019) the devolution as 7.182 per cent (divided in the ratio of 75.1:24.9 to the PRIs and ULBs respectively). The Commission retained the formula for purpose-wise distribution of earmarked funds and for tier-wise allocation of funds among PRIs as recommended in its earlier report (2016-17). The guidelines regarding the utilization of grants were issued (September 2019) by the PRD.

Appendix-XVII

(Refer paragraph: 2.3.1)

Statement showing names of selected Zone, District, Panchayat Samiti & Gram Panchayat for Thematic Audit on fifth SFC

S. No.	Zone	Distict	Panchayat Samiti	Gram Panchayat
1	Ajmer	Tonk	Tonk	Kureda, Arniyakedar, Peeploo, Ghas, Arniyamal, Kashipura, Sankhana, Soran, Loharwara & Hathauna
2	Jaipur	Sikar	Dhod	Badalwas, Badhadar, Nagwa, Sewad Bari, Puranpura, Dhod, Anokhoo, Khakholi & Mundwara
3	Jodhpur	Jodhpur	Luni	Khudala, Palasani, Satlana, Dai Pada Khichiyar, Lunawas Khara, Doli, Mogra Kalan, Phitkasni & Barla Nagar
			Shergarh	Gaje Singh Nagar, Suwaliya, Devigarh, Bhandu Jati, Khirja Tibna, Himmatpura & Bapu Nagar
4	Udaipur	Udaipur	Gogunda	Madra, Obra kalan, Rawliya Kalan, Gogunda & Rawliya khurd
			Kherwara	Patiya, Larathi, Katarwas Kala, Jayra, Dabaycha, Karawada, Bawalwara, Kanbai & Kanpur
Total	4	4	6	49

Appendix XVIII

(Refer Paragraph No. 2.3.3.3)

Statement showing the details of roads sanctioned beyond prescribed limit of percentage of funds in selected units

(₹ in lakh)

S.No.	Name of ZP/PS	Amount transferred /Alloted	Funds earmarked for basic and development functions	Funds earmarked for Construction of Cement Concrete Roads (60 per cent of column-4)	Cost of sanctioned Roads works (percentage of funds earmarked for basic and development functions)	Excess amount sanctioned
1	2	3	4	5	6	7
1	ZP Udaipur	2,775.79	1,690.29	1,014.18	1,349.16 (79.82)	334.98
2	ZP Tonk	1,348.15	820.94	492.56	846.57 (103.12)	354.01
3	ZP Sikar	1,830.35	1,109.27	665.56	1,013.77 (91.39)	348.21
	Total (ZP)	5,954.29	3,620.50	2,172.3	3,209.5	1,037.2
4	PS Luni	1,290.69	764.10	458.46	717.25 (93.87)	258.79
5	PS Dhod	750.24	447.24	268.34	598.54 (133.83)	330.20
6	PS Tonk	1,087.67	648.83	389.3	873.5 (134.63)	484.2
7	PS Kherwara	847.09	505.24	303.14	428.14 (84.74)	125
	Total (PS)	3,975.69	2,365.41	1,419.24	2,617.43	1,198.19
8	GPs (10) of PS Tonk	687.9	424.31	254.58	718.86 (105.65 to 250.47)	464.28
9	GPs (8) of PS Kherwara	523.79	322.61	193.57	367.44 (66.88 to 167.87)	173.87
10	GPs (2) of PS Gogunda	170.7	105.12	63.07	117.37 (101.55 to 115.81)	54.3
11	GPs (8) of PS Luni	596.51	368.51	221.09	477.78 (71.34 to 177.70)	256.69
12	GPs (9) of PS Dhod	584.74	344.85	206.9	480.05 (66.97 to 231.81)	273.15
13	GPs (1) of PS Shergarh	74.91	46.57	27.94	40.20 (86.32)	12.26
	Total (GP)	2,638.55	1,611.97	967.15	2,201.70	1,234.55
	Grand Total	12,568.53	7,597.88	4,558.69	8,028.63	3,469.94

Appendix XIX

(Refer paragraph No.: 2.3.3.4)

Statement showing the details of funds utilised through convergence during 2015-16 to 2019-20

(₹ in lakh)							
S. No.	Distict	Panchayat Samiti	Gram Panchayat	Allotment	Funds to be Sanctioned through convergence	Funds actually Sanctioned through convergence	Short Sanctioned of funds through convergence
Zila Parishad							
1	Jodhpur			2,522.29	504.46	0.00	504.46
2	Sikar			1,830.35	366.07	66.46	299.61
3	Tonk			1,348.15	269.63	226.12	43.51
4	Udaipur			2,775.79	555.16	0.00	555.16
Total				8,476.58	1,695.32	292.58	1,402.74
Panchayat Samiti							
1	Jodhpur	Luni		1,290.69	258.14	0.00	258.14
2	Jodhpur	Shergarh		558.59	112.80	0.00	112.80
3	Sikar	Dhod		750.24	150.05	0.00	150.05
4	Tonk	Tonk		1,087.67	217.53	25.50	192.03
5	Udaipur	Gogunda		448.26	89.65	11.88	77.77
6	Udaipur	Kherwara		847.09	169.42	0.00	169.42
Total				4,982.54	997.59	37.38	960.21
Gram Panchayat							
1	Jodhpur	Luni	Khudala	64.69	12.94	0.00	12.94
2	Jodhpur	Luni	Palasani	88.95	17.79	0.00	17.79
3	Jodhpur	Luni	Satlana	96.01	19.20	0.00	19.20
4	Jodhpur	Luni	Dai Pada Khichiyani	40.57	8.11	0.00	8.11
5	Jodhpur	Luni	Lunawas Khara	78.54	15.71	0.00	15.71
6	Jodhpur	Luni	Doli	88.34	17.67	0.00	17.67
7	Jodhpur	Luni	Mogra Kalan	63.39	12.68	0.00	12.68
8	Jodhpur	Luni	Phitkasni	64.95	12.99	0.00	12.99
9	Jodhpur	Luni	Barla Nagar	51.67	10.33	0.00	10.33
10	Jodhpur	Shergarh	Gaje Singh Nagar	45.60	9.12	0.00	9.12
11	Jodhpur	Shergarh	Suwaliya	74.91	14.98	0.00	14.98
12	Jodhpur	Shergarh	Devigarh	51.13	10.23	0.00	10.23
13	Jodhpur	Shergarh	Bhandu Jati	67.73	13.55	0.00	13.55
14	Jodhpur	Shergarh	Khirja Tibna	72.79	14.56	0.00	14.56
15	Jodhpur	Shergarh	Himmatpura	65.54	13.11	0.00	13.11
16	Jodhpur	Shergarh	Bapu Nagar	41.99	8.40	0.00	8.40
17	Sikar	Dhod	Badalwas	85.10	17.02	0.00	17.02
18	Sikar	Dhod	Badhadar	45.86	9.17	0.00	9.17
19	Sikar	Dhod	Nagwa	76.16	15.23	0.00	15.23
20	Sikar	Dhod	Sewad Bari	74.73	14.95	0.00	14.95
21	Sikar	Dhod	Puranpura	52.90	10.58	0.00	10.58
22	Sikar	Dhod	Dhod	85.56	17.11	1.78	15.33
23	Sikar	Dhod	Anokhoo	44.69	8.94	0.00	8.94
24	Sikar	Dhod	Khakholi	51.95	10.39	0.00	10.39
25	Sikar	Dhod	Mundwara	67.79	13.56	0.00	13.56

S. No.	Distict	Panchayat Samiti	Gram Panchayat	Allotment	Funds to be Sanctioned through convergence	Funds actually Sanctioned through convergence	Short Sanctioned of funds through convergence
26	Udaipur	Kherwara	Patiya	71.14	14.22	0.00	14.22
27	Udaipur	Kherwara	Larathi	60.46	12.09	0.00	12.09
28	Udaipur	Kherwara	Katarwas Kala	56.26	11.25	0.00	11.25
29	Udaipur	Kherwara	Jayra	61.92	12.38	0.00	12.38
30	Udaipur	Kherwara	Dabaycha	59.53	11.90	0.00	11.90
31	Udaipur	Kherwara	Karawada	71.76	14.35	0.00	14.35
32	Udaipur	Kherwara	Bawalwara	52.35	10.47	0.00	10.47
33	Udaipur	Kherwara	Kanbai	77.57	15.51	0.00	15.51
34	Udaipur	Kherwara	Kanpur	65.15	13.03	0.00	13.03
35	Udaipur	Gogunda	Madra	50.15	10.03	6.96	3.07
36	Udaipur	Gogunda	Rawliya Kalan	35.54	7.11	0.00	7.11
37	Udaipur	Gogunda	Rawliya Khurd	62.35	12.47	0.00	12.47
38	Udaipur	Gogunda	Obra Kalan	49.73	9.95	5.22	4.73
39	Udaipur	Gogunda	Gogunda	120.97	24.19	0.00	24.19
40	Tonk	Tonk	Araniyamal	60.70	12.14	6.25	5.89
41	Tonk	Tonk	Araniyakedar	55.99	11.20	12.00	-0.80
42	Tonk	Tonk	Ghas	90.08	18.02	21.70	-3.68
43	Tonk	Tonk	Hathauna	59.84	11.97	0.00	11.97
44	Tonk	Tonk	Kashipura	57.49	11.49	6.20	5.29
45	Tonk	Tonk	Kureda	58.71	11.74	0.00	11.74
46	Tonk	Tonk	Loharwara	69.05	13.81	0.00	13.81
47	Tonk	Tonk	Peeploo	114.98	23.00	0.00	23.00
48	Tonk	Tonk	Soran	61.39	12.18	5.00	7.18
49	Tonk	Tonk	Sankhana	59.67	11.93	0	11.93
Total				3,224.32	644.75	65.11	579.64
Grand Total				16,683.44	3,337.66	395.07	2,942.59

Appendix XX

(Refer Paragraph 2.4)

Details of outstanding rent in respect of shops leased out.

(Amount in ₹)

(A) Statement of short recovery/non-recovery in respect of PS Talwara				
Shop Number	Period of tenancy	Total rent accrued	Rent paid	Outstanding rent
1	01.04.2002 to 31.07.2021	8,34,972	1,66,900	6,68,072
2	01.04.2002 to 31.07.2021	8,34,972	1,66,900	6,68,072
3	01.04.2002 to 31.07.2021	8,34,972	1,34,400	7,00,572
4	01.04.2002 to 31.07.2021	8,34,972	1,61,900	6,73,072
5	01.04.2002 to 31.07.2021	8,34,972	1,74,400	6,60,572
6	01.04.2002 to 31.07.2021	8,34,972	1,59,400	6,75,572
7	01.04.2002 to 31.07.2021	8,34,972	1,85,400	6,49,572
8	01.04.2002 to 31.07.2021	8,34,972	1,82,400	6,52,572
9	01.04.2002 to 31.07.2021	8,34,972	1,66,900	6,68,072
10	01.04.2002 to 31.07.2021	8,34,972	1,66,900	6,68,072
11	01.11.2004 to 31.07.2021	5,12,061	1,18,900	3,93,161
12	01.04.2002 to 31.07.2021	8,34,972	1,66,900	6,68,072
13	01.04.2002 to 31.07.2021	8,34,972	1,83,400	6,51,572
14	01.04.2002 to 31.07.2021	8,34,972	1,49,000	6,85,972
15	01.04.2002 to 31.07.2021	8,34,972	1,49,400	6,85,572
16	01.04.2002 to 31.07.2021	8,34,972	1,49,400	6,85,572
17	01.04.2002 to 31.07.2021	8,34,972	1,49,400	6,85,572
18	01.04.2002 to 31.07.2021	8,34,972	1,49,400	6,85,572
19	01.04.2002 to 31.07.2021	8,34,972	1,61,900	6,73,072
20	01.04.2002 to 31.07.2021	8,34,972	1,34,400	7,00,572
21	01.06.2007 to 31.07.2021	9,94,401	2,76,000	7,18,401
22	01.06.2007 to 31.07.2021	9,78,816	2,75,250	7,03,566
23	01.06.2007 to 31.07.2021	10,72,479	2,97,750	7,74,729
24	01.06.2007 to 31.07.2021	10,87,826	2,86,500	8,01,326
25	01.06.2007 to 31.07.2021	12,42,936	2,82,000	9,60,936
26	01.06.2007 to 31.07.2021	9,94,401	2,58,000	7,36,401
27	01.06.2007 to 31.07.2021	12,42,936	3,12,000	9,30,936
28	01.06.2007 to 31.07.2021	12,42,936	2,72,000	9,70,936
29	01.06.2007 to 31.07.2021	13,05,203	3,33,000	9,72,203
30	01.06.2007 to 31.07.2021	7,77,250	2,26,500	5,50,750
31	01.06.2007 to 31.07.2021	12,12,348	3,31,500	8,80,848
32	01.06.2007 to 31.07.2021	13,51,957	3,65,850	9,86,107
Total		2,98,80,018	66,93,950	2,31,86,068
(B) Statement of short recovery/non-recovery in respect of PS Dug				
Shop Number	Period of tenancy	Total rent accrued	Rent paid	Outstanding rent
1	01.05.2006 to 31.12.2018	4,86,353	1,96,270	2,90,083
2	01.05.2006 to 31.03.2018	3,38,287	2,24,623	1,13,664
3	01.05.2006 to 31.07.2021	8,09,822	2,17,842	5,91,980
4	01.05.2006 to 31.07.2021	6,40,501	1,76,527	4,63,974
5	01.05.2006 to 31.01.2020	8,12,724	79,838	7,32,886
6	01.05.2006 to 31.10.2016	2,40,451	4,800	2,35,651
7	01.05.2006 to 31.07.2021	7,96,503	1,23,500	6,73,003
8	01.05.2006 to 31.07.2021	8,09,822	2,45,180	5,64,642
9 & 10	01.12.2006 to 31.07.2021	13,33,723	4,39,236	8,94,487
11	01.05.2006 to 31.07.2021	11,34,266	5,30,670	6,03,596
12	01.06.2007 to 31.07.2021	13,24,525	3,75,000	9,49,525
13	01.05.2007 to 31.07.2021	10,40,799	2,28,000	8,12,799
14	01.04.2007 to 31.07.2021	9,78,029	1,42,050	8,35,979
15	01.05.2006 to 31.07.2021	15,45,902	4,58,212	10,87,690
16	01.05.2006 to 31.07.2021	14,17,791	4,68,000	9,49,791
Total		1,37,09,498	39,09,748	97,99,750
G. Total (A) + (B)		4,35,89,516	1,06,03,698	3,29,85,818

Appendix XXI

(Refer paragraph 4.1.2.8 (i))

Name of cases which closed without issuing of fire NOC and non/delayed issue of fire NOC

S. No.	(i) Detail of cases which closed without issue of fire NOC		(ii) Detail of cases in which fire NOC was renewed with delay		(iii) Details of non issue of renewal fire NOC cases				
	Name of firm	Date of applying for fire NOC	Name of firm	Period of delay (in Months)	Name of applicants	Area (in sq feet)	Date of issue of fire NOC	Year for which renewal of fire NOC pending	Amount recoverable (in ₹)
1	Combay Spa & Resort	09.09.2014	Lake Pichola Hotel	7	Dhamendra Developers	57,600	9.12.15	2017-20	1,15,200
2	Shourya Garh Resort & Spa Kaldwas	01.01.2015	PVR Cinema	35	Hitawala Construction Company	90,166	22.1.16	2016-20	1,80,332
3	Sarasvati Hospital	27.03.2017	Inox Cinema Lack City Mall Udaipur	7	Ashiyana Build Prop	91,516	30.8.16	2017-20	1,37,274
4	S.S. Homeopathy medical College & Hospitals	16.10.2017	Rediton Hotel Lake City Mall	8	Vallabh Buildmet	1,14,368	10.12.15	2019-20	1,06,290
5	Arogya Hospital	23.09.2017	Shiv Nivas Palace	4	Tirupati Balaji Education Trust	11,10,089	18.02.17	2017-20	25,82,238
6	Uday Sagar Hospitality Resort Pvt. Ltd.	09.09.2014	Hotel Mahendra Holidays & Resort India Ltd.	2	Arwana Complex	59,849	-	2016-20	3,59,094*
7	S.S Ayurved Medical college & Hospital S.S. Hills, Jhamarkotda Road Umarda Udaipur	16.10.2017	American Hospital	35	Total				34,80,428
8	Hill Garden Retreat	07.10.2014	Plus Medicare Hospitals	4	-	-	-	-	-
9	Surbhi Cinema hall	19.06.2015	Mewar Hospital Pvt. Ltd.	65	-	-	-	-	-
10	-	-	Sunrise Hospital Shanti Nagar HiranMagri Sector	34	-	-	-	-	-
11	-	-	Prabhu Shree Apartment	11	-	-	-	-	-
12	-	-	Anil Clinic Madhuban Udaipur	6	-	-	-	-	-

* The Shopping Complex has already constructed and running without obtaining Fire NOC for the period 2016-18.

Appendix XXII

(Refer Paragraph 4.1.3.2 (ii))

Non recovery of lease amount for change of land use from residential to commercial purpose

S. No.	Name of applicant	Area (in Sq feet)	Residential Reserve Price (RRP) of area (in ₹)	5 per cent of RRP (in ₹)	Date of order of conversion	Period in years	Due amount of lease money (in ₹)
1	Ashapura Real Estate	4500	390	19.50	11.10.2013	7	6,14,250
2	Chander Kumar Moradiya	7700	390	19.50	30.08.2013	7	10,51,050
3	Hitawala Cons. Co, MB college	5600	295	14.75	25.11.2014	6	4,95,600
4	Manoj Srimali	3407	235	11.75	20.01.2014	6	2,40,194
5	Nafisa Bai	3200	390	19.50	07.01.2015	5	3,12,000
6	Nand Lal Vyas	23004	390	19.50	22.01.2013	7	31,40,046
7	Om Prakash Solanki	4410	390	19.50	16.04.2013	7	6,01,965
8	Puneet Mehta	17431	390	19.50	18.10.2012	8	27,19,236
9	Rishi Gupta and Others	12,582.70	919.20	45.96	25.03.2013	7	40,48,106
10	Sanjay Singhal	7890.40	295	14.75	29.08.2013	7	8,14,684
11	Sankheshwar Developers	7350	295	14.75	14.11.2014	6	6,50,475
Total							1,46,87,606

Appendix XXIII

(Refer Paragraph 4.1.3.2 (v))

A. List of five star and four star hotels which are not registered

S. No.	Name of Hotel	Category	Registration fee to be recovered upto 2019-20	Short fee recovery
1	Amantra Hotel	5 star	6,00,000	6,00,000
2	BhairavGarh Palace	5 star	6,00,000	6,00,000
3	Club Mahindra	5 star	6,00,000	6,00,000
4	FatehGarh	5 star	6,00,000	6,00,000
5	Heritage Resort	5 star	6,00,000	6,00,000
6	Hill Lake Hotel	5 star	6,00,000	6,00,000
7	Hotel Empire Palace	5 star	6,00,000	6,00,000
8	Hotel Dream Palace	4 star	4,50,000	4,50,000
9	Hotel Radisson Udaipur	4 star	4,50,000	4,50,000
10	Hotel Shree Narayana	4 star	4,50,000	4,50,000
11	Indra Prakash Hotel	5 star	6,00,000	6,00,000
12	Taj Lake palace	5 star	6,00,000	6,00,000
13	The Royal Retreat	5 star	6,00,000	6,00,000
14	Lake Pichola Hotel	5 star	6,00,000	6,00,000
15	Vishnupriya Hotel	5 star	6,00,000	6,00,000
16	Raj Darshan	5 star	6,00,000	6,00,000
17	Q Hotel	5 star	6,00,000	6,00,000
18	Royal Palm Hotel	5 star	6,00,000	6,00,000
19	Just Rajputana	4 star	4,50,000	4,50,000
20	V Resorts Lavitra	4 star	4,50,000	4,50,000
21	Chunda Palace Hotel	5 star	6,00,000	6,00,000
22	Hilltop Hotel Palace	5 star	6,00,000	6,00,000
23	Hotel Raasleela	5 star	6,00,000	6,00,000
24	Radisson Blu Udaipur Palace Resort and Spa	5 star	6,00,000	6,00,000
25	Ambavgarh Retreat	5 star	6,00,000	6,00,000
26	Rupi Hotel	5 star	6,00,000	6,00,000
27	Hotel Flora	5 star	6,00,000	6,00,000
28	Araliayas Resorts	4 star	4,50,000	4,50,000
29	Lotus Lake View Resort	5 star	6,00,000	6,00,000
30	Ramada Udaipur Resort	5 star	6,00,000	6,00,000
31	Hotel Lakend	5 star	6,00,000	6,00,000
32	Swaroop Villas	5 star	6,00,000	6,00,000
33	Raghu Mahal Hotel	5 star	6,00,000	6,00,000
34	Shree Vilas Orchid	5 star	6,00,000	6,00,000
35	Hotel JaisinghGarh	5 star	6,00,000	6,00,000
36	Amar Kothi Hotel	5 star	6,00,000	6,00,000
37	Zostel Udaipur	4 star	4,50,000	4,50,000
38	Hotel AtualyaNiwas	4 star	4,50,000	4,50,000
39	The leela	5 star	6,00,000	6,00,000
Total			2,22,00,000	2,22,00,000

B. List of five star and four star hotels which are renewed in lower category

S. No.	Name of Hotel	Category	Renewal in 2018-19	Renewal in 2019-20	To be recovered upto 2019-20	Short fee recovery
1	Golden Tulip	5 star	NA	23,100	6,00,000	5,76,900
2	Hotel MotiMahal	5 star	NA	9,940	6,00,000	5,90,060
3	Jagmandir Island Palace	5 star	NA	21,100	6,00,000	5,78,900
4	Paras Mahal	5 star	NA	23,320	6,00,000	5,76,680
5	Shalimar Palace	5 star	NA	9,600	6,00,000	5,90,400
6	Hotel Narayans Leela in	4 star	NA	18,100	4,50,000	4,31,900
7	Hotel Akshay Niwas	4 star	NA	1,110	4,50,000	4,48,890
8	The Lalit Laxmi Vilas Palace	5 star	NA	23,100	6,00,000	5,76,900
9	The Tiger	5 star	NA	18,100	6,00,000	5,81,900
10	Fateh Prakash Palace	5 star	NA	23,100	6,00,000	5,76,900
11	Shiv Niwas Palace	5 star	NA	23,100	6,00,000	5,76,900
12	Trident Hotel	5 star	NA	1,20,000	2,00,000	80,000
Total				3,13,670	65,00,000	61,86,330

Appendix XXIV

(Refer Paragraph 4.1.3.2 (vi))

Details of total payment and due amount of bus shelter and traffic booth

S. No.	Particular	Name of Firm	Period	Receivable amount to Nigam Udaipur (in ₹)	Receipt amount (in ₹)	Difference amount (in ₹)
1	Establishment of 33 Bus Shelter	NS Publicity	01.12.2011 to 31.03.2012 (Ten months)	10,41,667	41,02,315	1,12,34,212
			2012-13	12,50,000		
			2013-14	13,75,000		
			2014-15	15,12,500		
			2015-16	16,63,750		
			2016-17	18,30,125		
			2017-18	20,13,138		
			2018-19	22,14,451		
			2019-20	24,35,896		
			Total	1,42,94,860		
	Grand Total of Bus Shelter		1,53,36,527	41,02,315	1,12,34,212	
2	Establishment of 31 Traffic Booth	M/S Bits	01.12.2011 to 31.03.2012 (Ten months)	8,51,667	Nil	1,25,39,143
			2012-13	10,22,000		
			2013-14	11,24,200		
			2014-15	12,36,620		
			2015-16	13,60,282		
			2016-17	14,96,310		
			2017-18	16,45,941		
			2018-19	18,10,535		
			2019-20	19,91,588		
			Total	1,16,87,476		
Grand Total of Traffic Booth				1,25,39,143	Nil	1,25,39,143
Grand Total of Bus Shelter and Traffic Booth				2,78,75,670	41,02,315	2,37,73,355

APPENDIX XXV

(Refer Paragraph 4.1.3.2 (viii))

Short/non recovery of betterment levy									
S. No.	Name of builders	Area of plot (in sq feet)	Permissible FAR (1.33/1.20)	FAR actually used (in sq feet)	Excess FAR (in sq feet)	Rate* of betterment levy (₹ per sq feet)	Amount actually recovered (in ₹)	Amount recoverable (in ₹)	Short/non recovery of betterment levy (in ₹)
For commercial building (Permissible FAR 1.33)									
1	Karnal Complex	6,088.50	8,097.70	20,193	12,095.30	390	-	47,17,167	47,17,167
2	Shabbir Hussain	23,580	31,361.40	56,482	25,120.60	243.75	19,07,247	61,23,146	42,15,899
3	Vinay Bafna & others (more than 30 mt high)	14,652.75	19,488.16	51,099	31,521	300	81,06,936	94,56,300	13,49,364
For residential flats (permissible FAR 1.20)									
1	Udai Sagar Hospitality	18,300	21,960	38,832.60	16,872.60	160	23,19,040	26,99,616	3,80,576
2	Udai City Developers	19,875	23,850	44,558	20,708	122.50	22,20,220	25,36,730	3,16,510
3	Vinayak Build Tech (permissible FAR 1.80)	32,403.58	58,326.44	20,2191.85	1,43,865.41	210	1,11,88,097	3,02,11,736.10	1,90,23,639.10
4	Chandra Prabha Mardiya	22,443.74	269,32.49	82,430.10	55,497.61	160, 192, 224**	67,82,257	1,00,40,433.13	3258176
5	Dilip Amin & Others	24,710	29,652	55,253	25,601	160	35,82,034	40,96,160	5,14,126
Total									3,37,75,457
<p>* Betterment levy in case of residential flats at the rate of 25 per cent of residential price or ₹100 per sq feet for flats up to 30 meter high and ₹ 300 per sq feet for more than 30 meter high, whichever is more was to be recovered. In case of commercial building, at the rate of 30 per cent of commercial reserve price or 200 per sq feet for 30 meter high building and 300 per sq feet for more than 30 meter high, whichever is more.</p> <p>** For FAR 1.20-2.25 = 25% of ₹ 640 (Reserve Price)= ₹ 160 For FAR 2.25-3.25= 30% of ₹ 640 (Reserve Price)= ₹ 192 For FAR 3.25-3.64= 35% of ₹ 640 (Reserve Price)= ₹ 224</p>									

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