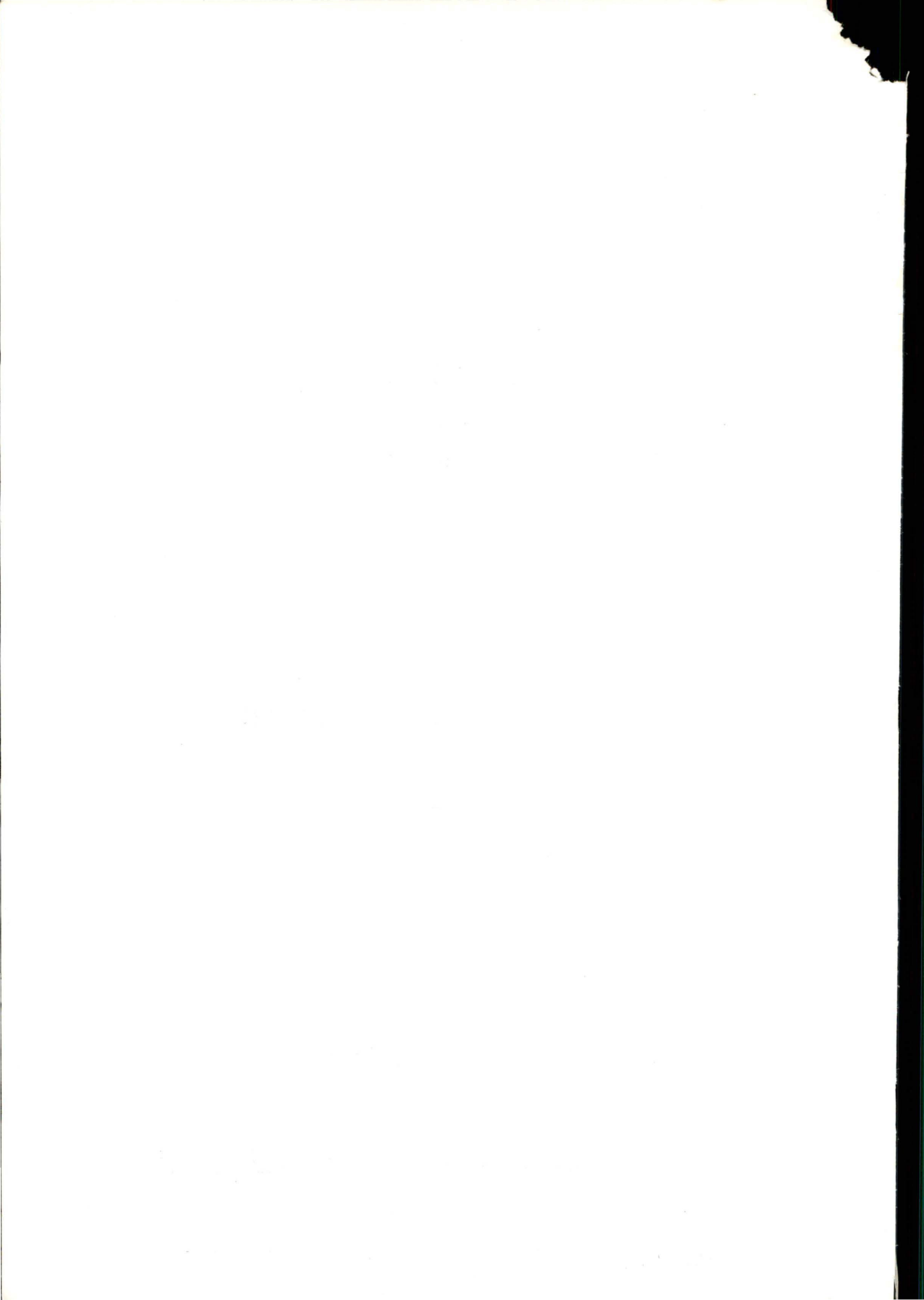


**REPORT OF THE  
COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 2005**

**(CIVIL)**

**GOVERNMENT OF RAJASTHAN**



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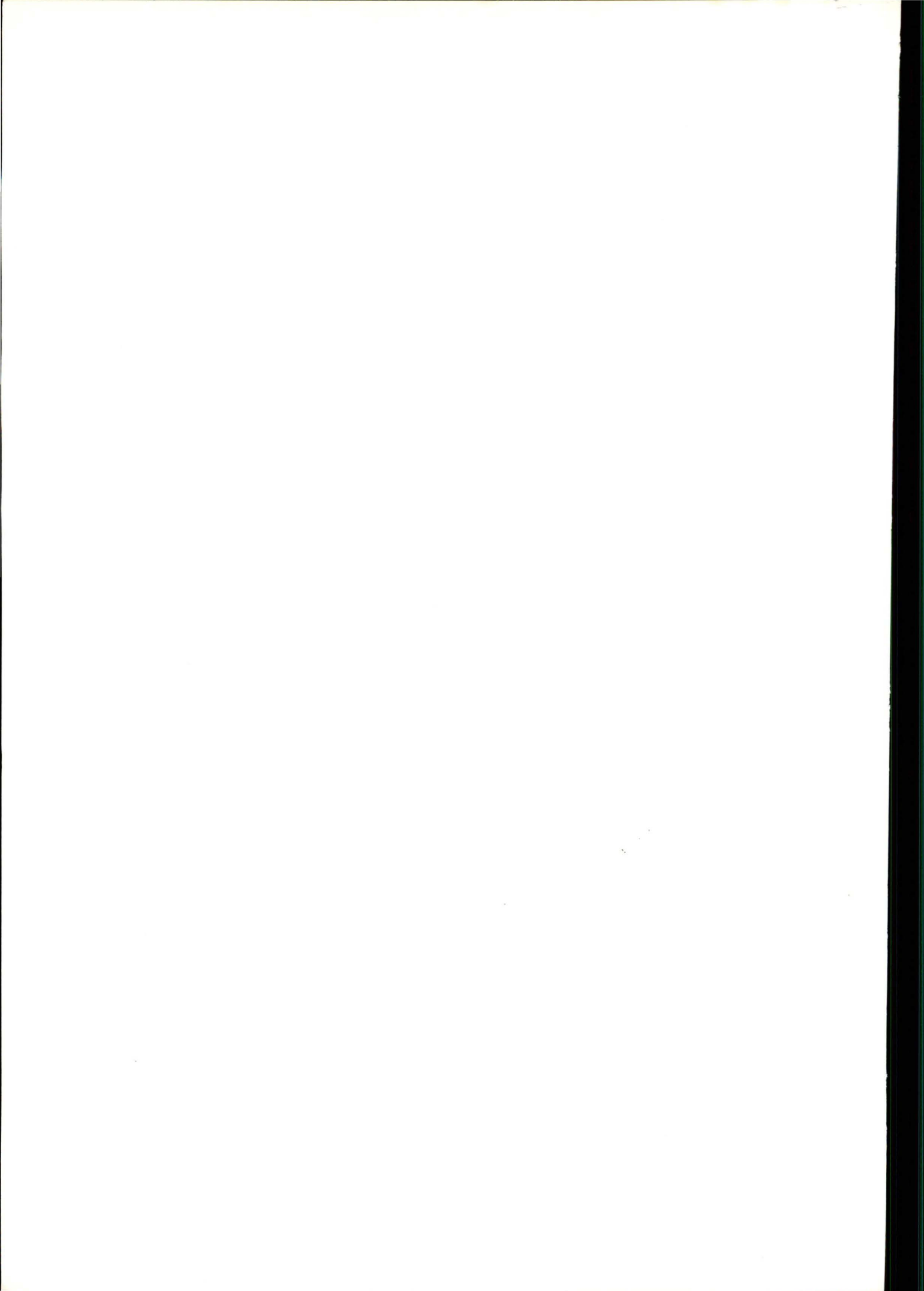
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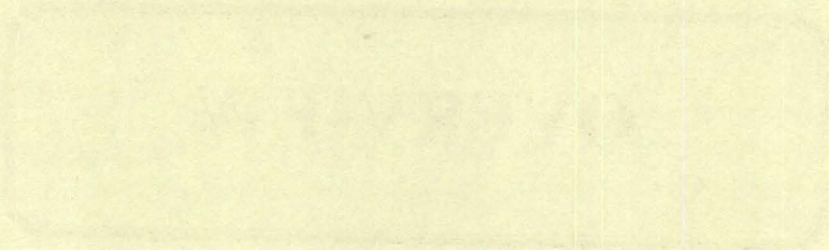


## Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2005.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works, Public Health Engineering and Irrigation Department, audit of Autonomous Bodies and also Evaluation of Internal Control System in Cooperative Department.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2004-05 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2004-05 have also been included wherever necessary.



# OVERVIEW



## OVERVIEW

*This Report contains two Chapters on the observations of Audit on the State's Finance and Appropriation Accounts for the year 2004-05 and three other Chapters comprising four reviews and 21 paragraphs (including one general paragraph) based on the audit of certain selected programmes and activities and financial transactions of the Government.*

*The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgment basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and the recommendations made taking into consideration the views of the Government.*

*A summary of the financial position of the State and the audit findings is given below:*

### 1. Financial Position of the State Government

During the year, revenue receipts were Rs 17,763 crore constituting only 25 per cent of total receipts. Salaries, Interest Payments and Pensions alone consumed 72 per cent of total revenue receipts. The direct fiscal liabilities of the State have grown much faster as compared to its rate of growth of Gross State Domestic Product (GSDP). The weighted interest rate is higher than the rate of growth of GSDP indicating unsustainability of the State's fiscal liability.

After providing for the interest and repayment of Public Debt only nine per cent funds were available during the year.

Return on the Government's investment in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies, Partnership Concerns and Cooperative Banks/Societies was only 0.91 per cent.

As of 31 March 2005, Rs 2,877 crore were blocked in 373 incomplete projects.

Against the total budget provision of Rs 38,931.46 crore, the expenditure was Rs 31,639.12 crore. The overall savings were Rs 7,292.34 crore. Rupees 7,369.92 crore were surrendered on the last working day of the financial year.

### 2. Performance Audit Reviews

#### Implementation of Acts and Rules for Consumer Protection

The implementation of Consumer Protection Act in the State was not effective. Mechanism for enforcement of Consumer Protection Act and other

Acts was not adequate. Incomplete construction of building resulted in blocking of funds of Rs 13.33 lakh and there was also avoidable expenditure of Rs 10.06 lakh on rent of buildings, District Consumer Information Centres were not set up in the State and State Commission and District Forums in the State suffered owing to vacancies of Presidents and Members, inadequate staff, funds and infrastructure.

### **Performance Audit of Jail Department**

During performance audit of Jail Department it was noticed that only Rs 9.92 crore (28 *per cent*) out of Rs 35.83 crore transferred by State Government for modernisation of Jail administration were utilised. There was shortage of 660 to 868 personnel during 2000-05. While capacity of imparting training to 120 jail personnel per day in Jail Training Institute, Ajmer remained under-utilised, Head Warder was imparting training in squad drill, musketry, firing as the post of Instructor was lying vacant. Fifty five valuable and important medical equipment were lying idle.

### **Integrated Water Supply, Sanitation and Health Education Programme- Aapni Yojna and Churu Bissau Project**

The Projects of *Aapni Yojna* and Churu Bissau to be completed by 1999 and 2001 respectively were still incomplete (March 2005). There was no co-ordination between authorities of Project Management Cell and Community Participation Unit which led to reluctance in availment of water that was made available from the project by several villages and ultimately resulted in unfruitful expenditure of Rs 4.75 crore. Occurring of abnormal bursts and leakages in Asbestos Cement pipeline laid in rising main of cluster 33A indicated execution of sub-standard work amounting to Rs 36.12 lakh.

### **Internal Control System in Cooperative Department**

A built in Internal Control System and proper adherence to Statutes, Codes and manuals minimises the risk of errors and irregularities and helps to protect resources against loss due to waste abuse and mismanagement etc. Study of the Cooperative Department revealed that Internal Control System in the Department was weak and the in built controls were inadequate when compared to the range of activities of the Department. There were persistent savings ranging from 8.48 to 16.14 *per cent* (Non-plan) and 8.14 to 38.41 *per cent* (Plan and Centrally Sponsored Schemes) which is indicative of lack of budgetary control. There was no effective monitoring of expenditure leading to surrender of savings. Loans totalling Rs 2.26 crore advanced to societies were pending adjustment for period upto ten years. Four thousand nine hundred nine cases of theft, embezzlement, misappropriation of Societies funds amounting to Rs 16.88 crore were pending for finalisation. Liquidation proceedings of 531 Societies were pending for periods from one year to 50 years. Elections of the Working Committees of the Societies were not held in any of the Societies since 1993 which weakened the control environment in the Societies. Chief Auditor responsible for conducting audit

of societies works under the administrative control of Registrar as such the impartiality and independence of audit could not be ensured.

### 3. Audit of Transactions

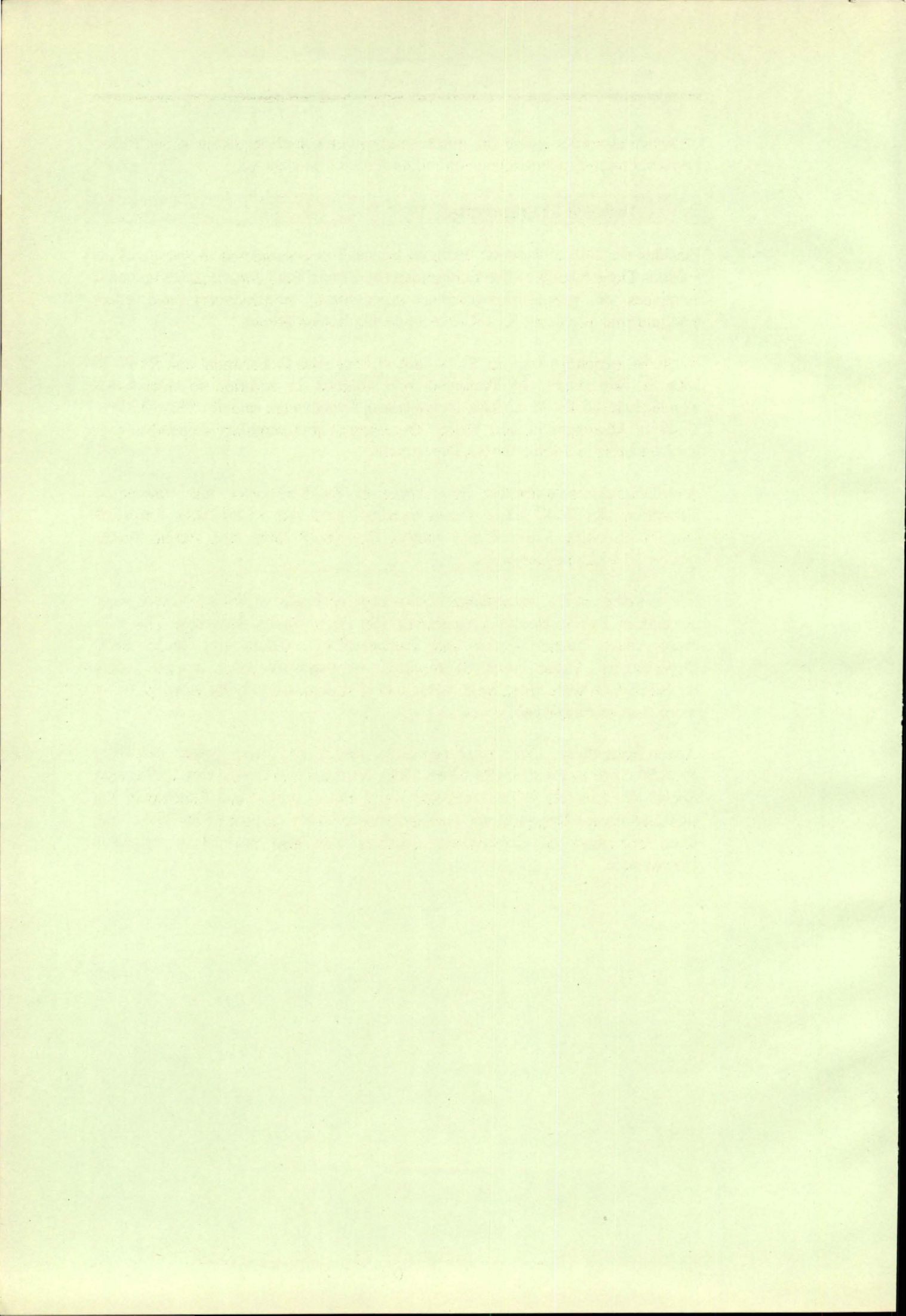
Besides the above, audit of financial transactions, subjected to test-check in various Departments of the Government and their field functionaries revealed instances of wasteful/infructuous expenditure, non-recovery and other irregularities involving Rs 18.12 crore as mentioned below:

Wasteful expenditure of Rs 81.10 lakh in Irrigation Department and Rs 40.78 lakh in Department of Personnel was noticed in addition to infructuous expenditure of Rs 38.62 lakh in Irrigation Department and Rs 98.46 lakh in Disaster Management and Relief Department and nugatory expenditure of Rs 3.11 crore in Public Works Department.

Avoidable/excess/unfruitful expenditure of Rs 3.62 crore was noticed in Education (Rs 79.47 lakh), Indira Gandhi Nahar (Rs 85.59 lakh), Irrigation (Rs 71.92 lakh), Medical and Health (Rs 58.28 lakh) and Public Works (Rs 66.26 lakh) Departments.

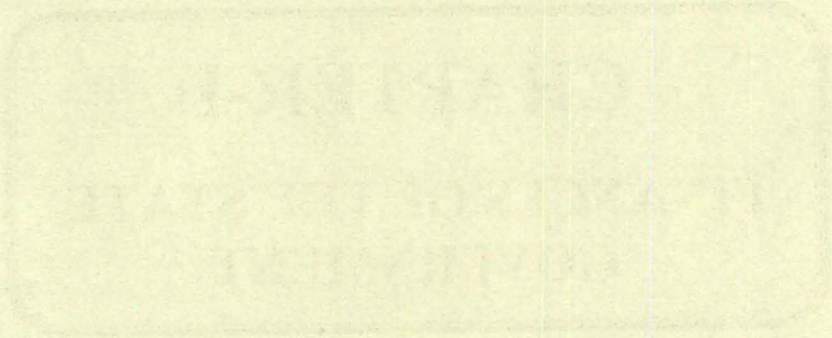
Idle investment/idle establishment/blockage of funds of Rs 2.30 crore were noticed in Public Health Engineering (Rs 35.91 lakh), Irrigation (Rs 1.28 crore), and Public Works and Parliamentary Affairs (Rs 66.55 lakh) Departments. These cases of blockage of funds included a case where Rs 66.55 lakh were spent on construction of staff quarters lying incomplete for more than three and half years.

Apart from these, there were regularity issues and other points involving Rs 6.50 crore in Finance (Rs 62.66 lakh), Medical and Health (Rs 1.95 crore), Social Welfare (Rs 99.08 lakh) and Rural Development and Panchayati Raj (Rs 2.68 crore) Departments. Further, non-recovery of rent of Rs 25.12 lakh from occupants of Government quarters was also noticed in Irrigation Department.





**CHAPTER-I**  
**FINANCES OF THE STATE**  
**GOVERNMENT**



## CHAPTER-I FINANCES OF THE STATE GOVERNMENT

### Summary

Large Revenue and Fiscal Deficit year after year indicate continued macro level imbalances in the State. In Rajasthan while the revenue deficit remained more than Rs 2,000 crore during the last five years the Fiscal Deficit increased by 43 *per cent* from Rs 4,312 crore in 2000-01 to Rs 6,146 crore in 2004-05. The ratio of revenue receipts to total expenditure stood at 74 *per cent* in 2004-05. Revenue of the State consisted mainly of its own tax and non-tax revenue, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts increased by 43 *per cent* from Rs 12,402 crore in 2000-01 to Rs 17,763 crore in 2004-05. There were significant inter year variations in the growth rates. During the current year revenue receipts grew by 15 *per cent*. This was due to 16 *per cent* increase in tax revenue and four *per cent* increase in non-tax revenue. Arrears of revenue were high at Rs 2,978 crore and represented 28 *per cent* of tax and non-tax revenue receipts. Around 59 *per cent* of the revenue during the year 2004-05 came from the State's own resources.

Overall expenditure of the State increased by 43 *per cent* from Rs 16,838 crore in 2000-01 to Rs 24,034 crore in 2004-05. The total expenditure during the year increased by Rs 1,079 crore in comparison to previous year. This was due to increase in expenditure on other rural development programmes, interest payments, general education and power etc. Revenue expenditure constituted 83 *per cent* of total expenditure during the year. The rate of growth in Revenue expenditure decreased from 11 *per cent* in 2003-04 to 6 *per cent* in 2004-05. Interest payments increased by 55 *per cent* from Rs 3,339 crore in 2000-01 to Rs 5,172 crore in 2004-05 primarily due to continued reliance on borrowings for financing the fiscal deficit.

Though the revenue deficit, fiscal deficit, primary deficit and ratio of revenue deficit to fiscal deficit decreased and percentage of Plan, Capital and Developmental expenditure to total expenditure increased during the year in comparison to previous year, indicating a favourable trend for the State finances, other factors such as increased interest payments, outstanding fiscal liabilities, ratio of fiscal liabilities to State's Gross Domestic Product (GSDP), ratio of total expenditure to GSDP, decreased rate of growth of GSDP, weighted interest rate being higher than the rate of growth of GSDP, besides bulk of the borrowings (91 *per cent*) being spent on repayment of old borrowing etc. were indicative of deterioration in state's fiscal situation.

## 1.1 Introduction

The Finance Accounts of the Government of Rajasthan are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.

### Box 1 Lay out of Finance Accounts

Statement No. 1 presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and Public Account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of 2004-05.

Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2005.

Statement No. 9 shows the revenue and expenditure under different heads for the year 2004-05 as a percentage of total revenue/expenditure.

Statement No. 10 indicates the distribution between the charged and voted expenditure incurred during the year.

Statement No. 11 indicates the detailed account of revenue receipts by minor heads.

Statement No. 12 provides accounts of revenue expenditure by minor heads under non-plan, State plan and Centrally sponsored schemes separately and capital expenditure major head-wise.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of 2004-05.

Statement No. 14 shows the details of investment of the State Government in statutory corporations, government companies, other joint stock companies, cooperative banks and societies etc. up to the end of 2004-05.

Statement No. 15 depicts the capital and other expenditure to the end of 2004-05 and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.

Statement No. 17 presents detailed account of debt and other interest bearing obligations of the Government of Rajasthan.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Rajasthan, the amount of loan repaid during the year, the balance as on 31 March 2005, and the amount of interest received during the year.

Statement No. 19 gives the details of earmarked balances of reserved funds.

## 1.2 Trend of Finances with reference to previous year

Finances of the State Government during the current year compared to previous year were as under:

(Rupees in crore)

2003-04	S. No.	Major Aggregates	2004-05
15,424	1.	<b>Revenue Receipts (2+3+4)</b>	17,763
7,246	2.	Tax Revenue	8,415
2,072	3.	Non-Tax Revenue	2,146
6,106	4.	Other Receipts	7,202
164	5.	<b>Non-Debt Capital Receipts (6+7)</b>	125
5	6.	Miscellaneous Capital Receipts	-
159	7.	Recovery of Loans	125
15,588	8.	<b>Total Receipts (1+5)</b>	17,888
16,743	9.	<b>Non-Plan Expenditure (10+12+13)</b>	17,271
16,617	10.	On Revenue Account	17,164
4,777	11.	Of which, Interest Payments	5,172
64	12.	On Capital Account	68
62	13.	On Loans disbursed	39
6,212	14.	<b>Plan Expenditure (15+16+17)</b>	6,763
2,231	15.	On Revenue Account	2,742
3,117	16.	On Capital Account	3,420
864	17.	On Loans disbursed	601
22,955	18.	<b>Total Expenditure (9+14)</b>	24,034
7,367	19.	<b>Fiscal Deficit (18-1-5)</b>	6,146
3,424	20.	<b>Revenue Deficit (10+15-1)</b>	2,143
2,590	21.	<b>Primary Deficit (19-11)</b>	974

## 1.3 Summary of Receipts and Disbursements for the year

Table-1 as given below summarises the finances of the State Government of Rajasthan for the year 2004-05 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public accounts receipts and disbursements made during the year as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table 1: SUMMARY OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-05

(Rupees in crore)

2003-04	Receipts	2004-05	2003-04	Disbursements	2004-05		
Section-A: Revenue							
					Non-Plan	Plan	Total
15,423.85	<b>I. Revenue receipts</b>	17,763.59	18,848.29	<b>I. Revenue expenditure</b>	17,164.22	2,741.97	19,906.19
7,246.19	Tax revenue	8,414.82	8,443.63	General Services	8,615.36	36.86	8,652.22
2,071.64	Non-tax revenue	2,146.15	7,142.19	Social Services	6,005.74	1,142.00	7,147.74
3,602.21	Share of Union Taxes/Duties	4,305.61	3,257.38	Economic Services	2,541.85	1,563.11	4,104.96
2,503.81	Grants from Government of India	2,897.01	5.09	Grants-in-aid / Contributions	1.27	-	1.27

(Rupees in crore)

2003-04	Receipts	2004-05	2003-04	Disbursements	2004-05		
<b>Section-B: Capital</b>							
4.68	II. Miscellaneous Capital Receipts	-	3,180.98	II. Capital Outlay	67.79	3,420.50	3,488.29
158.98	III. Recoveries of Loans and Advances	124.63	925.37	III. Loans and Advances disbursed	39.17	600.55	639.72
9,025.20	IV. Public Debt receipts*	9,982.44	3,150.11	IV. Repayment of Public Debt*	#	#	4,872.59
39,458.77	V. Public Account receipts	44,156.09	37,843.98	V. Public Account disbursements	#	#	42,494.11
(-) 285.43	Opening Cash Balance	(-) 162.68	(-) 162.68	Closing Cash Balance	#	#	463.17
63,786.05	<b>Total</b>	<b>71,864.07</b>	<b>63,786.05</b>	<b>Total</b>			<b>71,864.07</b>

\* Includes net ways and means advances and overdraft also.

# Bifurcation of plan and non- plan not available.

## 1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statements of the Finance Accounts for the year 2004-05. Wherever necessary the observations show these trends in the light of time series data and periodic comparisons. Major fiscal aggregates such as tax and non-tax revenue, revenue and capital expenditure, internal debt and loans and advances etc. have been presented as percentages to the Gross State Domestic Product (GSDP) at current market prices. For tax revenues, non-tax revenues, revenue expenditure etc., buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP. The key indicators adopted for the purpose are (i) resources by volumes and sources, (ii) application of resources, (iii) assets and liabilities and (iv) management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

In addition, the section also contains a paragraph (Fiscal ratios) on indicators of financial performance of the Government. Some of the terms used in the chapter are explained in *Appendix-I*.

## State Finances by Key Indicators

### 1.5 Resources by volumes and sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's

share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources viz. market loans, borrowings from financial institutions/commercial banks etc. and loans and advances from the Government of India as well as accruals from Public Accounts.

Table-2 would show that the total receipts of the State Government for the year 2004-05 were Rs 72,026 crore, while the revenue receipts were Rs 17,763 crore constituting only 25 per cent of total receipts. The balance of receipts came from Capital receipts and Public Account receipts.

**Table 2 – Resources of Rajasthan**

	(Rupees in crore)
<b>I. Revenue Receipts</b>	<b>17,763</b>
<b>II. Capital Receipts</b>	<b>10,107</b>
a. Miscellaneous Receipts	-
b. Recovery of Loans and Advances	125
c. Public Debt Receipts	9,982
<b>III. Public Account Receipts</b>	<b>44,156</b>
a. Small Savings, Provident Fund, etc.	2,177
b. Reserve Fund	830
c. Deposits and Advances	38,533
d. Suspense and Miscellaneous	38
e. Remittances	2,578
<b>Total Receipts</b>	<b>72,026</b>

### 1.5.1 Revenue receipts

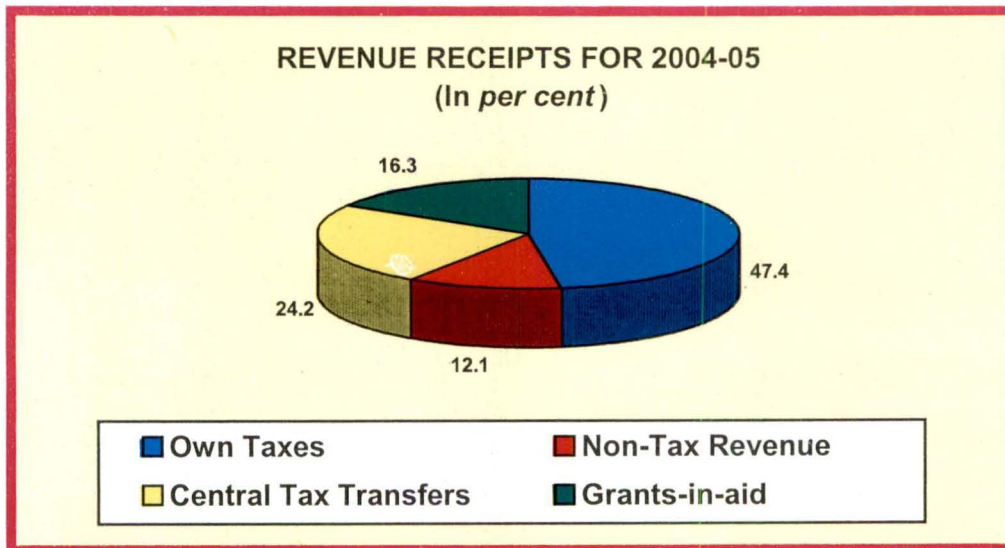
The Revenue Receipts of the State consist mainly of its own tax and non-tax revenues, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts, their annual rate of growth, ratio of these receipts to the GSDP and their buoyancy are indicated in Table-3.

**Table-3: Revenue Receipts – Basic Parameters (Value: Rupees in crore and others in per cent)**

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Receipts	12,402	12,153	13,082	15,424	17,763
Own Taxes	42.7	46.7	47.8	47.0	47.4
Non-Tax Revenue	13.6	12.4	12.0	13.4	12.1
Central Tax Transfers	22.9	23.7	23.4	23.4	24.2
Grants-in-aid	20.8	17.2	16.8	16.2	16.3
Rate of Growth	26.7	(-) 2.0	7.6	17.9	15.2
Own Taxes Growth	17.0	7.0	10.3	15.9	16.1
Revenue Receipts/GSDP	15.6	13.8	15.3	14.8	16.3
Revenue Buoyancy	26.7	*	*	0.8	3.7
Own Taxes Buoyancy	17.0	0.6	*	0.7	3.9
GSDP Growth	1.0	11.1	(-)3.0	22.3	4.1

\* Rate of growth of Revenue Receipts and GSDP was negative.

Revenue receipts of the State increased by 43 *per cent* from Rs 12,402 crore in 2000-01 to Rs 17,763 crore in 2004-05. There were significant inter year variations in the growth rate. The increase in revenue receipts during the year 2004-05 over 2003-04 was mainly on Taxes on Sales, Trade etc. (Rs 812 crore), Corporation Tax (Rs 248 crore), Share of the State in Union Taxes and Duties (Rs 703 crore), Stamps and Registration Fees (Rs 206 crore), Taxes and Duties on Electricity (Rs 162 crore), Non-Ferrous Mining and Metallurgical Industries (Rs 132 crore), State Excise (Rs 113 crore) and Grants-in-aid from the Central Government (Rs 393 crore).



While on an average nearly 59 *per cent* of the revenue came from the State's own resources, central tax transfers and grants-in-aid together continued to contribute around 41 *per cent* of the total revenue. Sales tax was the major source of State's own tax revenue having contributed 57 *per cent* of the tax revenue followed by State Excise (15 *per cent*), Taxes on Vehicles (10 *per cent*) etc. Of non-tax revenue sources, Interest Receipts (35 *per cent*), Non-Ferrous Mining and Metallurgical Industries (30 *per cent*) and Water Supply and Sanitation (8 *per cent*) were the principal contributors. The increase under Interest Receipts (Rs 70 crore), however, was neutralised by higher Interest Payments (Rs 395 crore) during the year mainly due to more interest payments on Loans and Advances from the Central Government (Rs 216 crore), Interest on Small Savings, Provident Funds etc. (Rs 102 crore) and Interest on Internal Debt (Rs 64 crore) in comparison to previous year.

The arrears of revenues increased by 123 *per cent* from Rs 1,333 crore in 2000-01 to Rs 2,978 crore at the end of 2004-05. Of these, Rs 540 crore were outstanding for a period of more than five years. Arrears were mainly in respect of Taxes on Sales, Trade, etc. (Rs 2,249 crore), State Excise (Rs 213 crore), Miscellaneous General Services- Sale of Land (Rs 127 crore), Non-Ferrous Mining and Metallurgical Industries (Rs 67 crore), Land Revenue (Rs 68 crore), Major and Medium Irrigation (Rs 64 crore) and Taxes on Immovable property other than Agricultural land (Rs 59 crore). The



increase in arrears of revenue indicated slackness in the revenue realising efforts of the State Government.

The source of total receipts under different heads and GSDP during 2000-05 is indicated in Table-4.

Table-4 – Sources of Receipts: Trends

Year	Revenue Receipts	Capital Receipts			Total Receipts	Gross State Domestic Product
		Non-Debt Receipts	Debt Receipts	Accruals in Public Account		
2000-01	12,402	124	4,204	25,677	42,407	79,295
2001-02	12,153	69	5,979	27,771	45,972	88,077
2002-03	13,082	125	7,686	34,592	55,485	85,464
2003-04	15,424	164	9,025	39,459	64,072	1,04,483
2004-05	17,763	125	9,982	44,156	72,026	1,08,734

## 1.6 Application of resources

### 1.6.1 Trend of Growth

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure major head wise. The total expenditure of the State increased by 43 per cent from Rs 16,838 crore in 2000-01 to Rs 24,034 crore in 2004-05. Revenue receipts could cover only 74 per cent of total expenditure in 2004-05 leaving the balance to be financed from borrowings.

Total expenditure of the State, its rate of growth, ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts is indicated in Table-5 below:

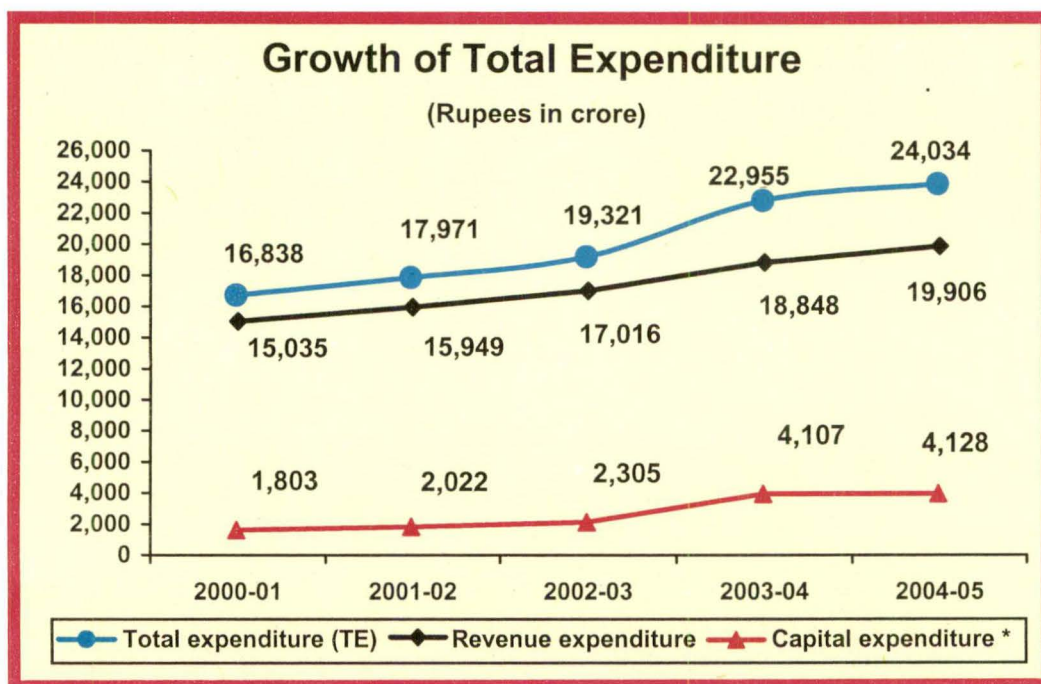
Table-5: Total Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Total Expenditure	16,838	17,971	19,321	22,955	24,034
Rate of Growth	10.3	6.7	7.5	18.8	4.7
TE/GSDP	21.2	20.4	22.6	22.0	22.1
Revenue Receipts/TE	73.7	67.6	67.7	67.2	73.9
<b>Buoyancy of Total Expenditure with</b>					
GSDP	10.3	0.6	*	0.8	1.1
Revenue Receipts	0.4	*	1.0	1.1	0.3

\* Rate of growth of Revenue Receipts and GSDP was negative.

The total expenditure during the year increased by Rs 1,079 crore in comparison to previous year. Revenue expenditure increased by Rs 1,058 crore (mainly due to more expenditure on Other Rural Development Programmes: Rs 462 crore, Interest Payments: Rs 395 crore, General Education: Rs 305 crore and Power: Rs 242 crore, offsetted by less expenditure on Relief on account of Natural Calamities: Rs 484 crore). Capital expenditure increased by Rs 307 crore (mainly due to more expenditure on Urban Development: Rs 181 crore, Power: Rs 67 crore and Water Supply and

Sanitation: Rs 52 crore) offsetted by decrease of Rs 286 crore in loans and advances. The ratio of revenue receipts to total expenditure indicated that approximately only 74 per cent of the State's total expenditure was met from its current revenue, leaving the balance to be financed from borrowings.



\* Including Loans and Advances given by the State Government.

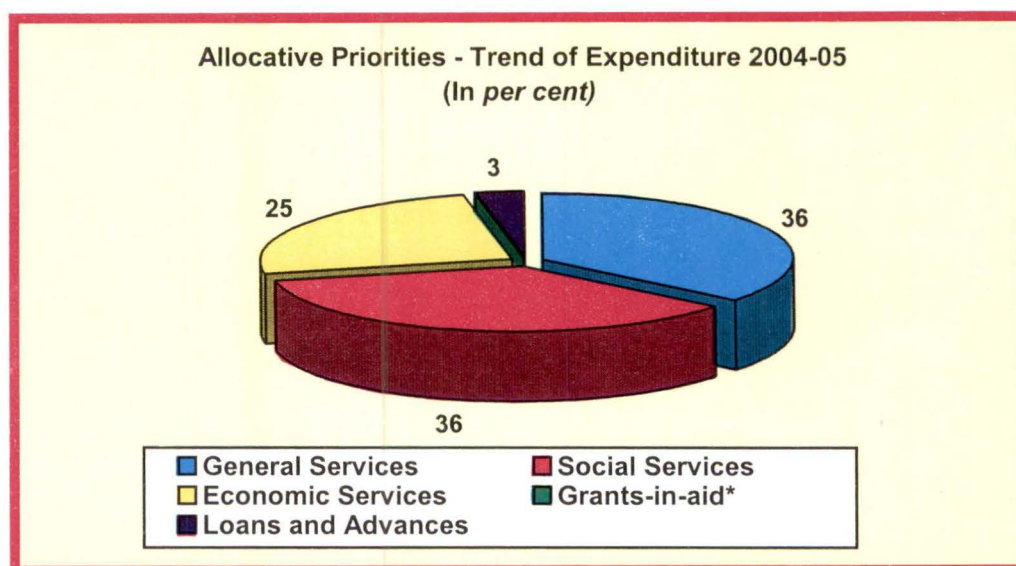
In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services and loans and advances. The relative share of these components in the total expenditure is indicated in Table-6.

**Table-6: Components of expenditure – Relative Share (in per cent)**

	2000-01	2001-02	2002-03	2003-04	2004-05
General Services	39.2	40.1	39.8	37.0	36.3
Social Services	39.9	39.4	38.0	37.0	36.2
Economic Services	18.3	19.3	20.8	22.0	24.8
Grants-in-aid	0.1	0.1	*	*	*
Loans and advances	2.5	1.1	1.4	4.0	2.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* In 2002-03, 2003-04 and 2004-05 only 0.0006, 0.022 and 0.004 per cent respectively.

The movement of relative share of these components of expenditure indicated that while the share of general services and social services in total expenditure declined from 39 per cent and 40 per cent in 2000-01 to 36 per cent each during 2004-05, the relative share of economic services increased from 18 per cent in 2000-01 to around 25 per cent in 2004-05.



\* 0.004 per cent only.

### 1.6.2 Incidence of Revenue expenditure

Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services. Overall revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP, total expenditure and revenue receipts and its buoyancy with GSDP and revenue receipts is indicated in Table-7 below:

**Table-7: Revenue Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)**

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Expenditure	15,035	15,949	17,016	18,848	19,906
Rate of Growth	12.0	6.1	6.7	10.8	5.6
RE/GSDP	19.0	18.1	19.9	18.0	18.3
RE as per cent of TE	89.3	88.7	88.1	82.1	82.8
RE as per cent to Revenue Receipts	121.2	131.2	130.1	122.2	112.1
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP	12.0	0.5	*	0.5	1.4
Revenue Receipts	0.4	*	0.9	0.6	0.4

\* Rate of growth of Revenue Receipts and GSDP was negative.

Revenue expenditure of the State increased by 32 per cent from Rs 15,035 crore in 2000-01 to Rs 19,906 crore in 2004-05. This was higher than the share of revenue receipts (72 per cent of total receipts) of the State Government, which led to revenue deficit. Though the ratio of revenue expenditure to revenue receipts declined from 121 per cent in 2000-01 to 112 per cent in 2004-05, dependency of the State on borrowings, for meeting its current expenditure continued primarily due to the fact that salaries (Rs 5,910 crore), interest payments (Rs 5,172 crore) and pensions (Rs 1,626 crore) alone consumed 72 per cent of total revenue receipts of the State.

### 1.6.3 Expenditure on Salary and Pension Payments

The expenditure on salaries increased from Rs 4,908 crore in 2000-01 to Rs 5,910 crore in 2004-05. While expenditure on salaries and pension

payments during 2004-05 accounted for 33 and nine *per cent* of the revenue receipts, it was 30 and eight *per cent* of revenue expenditure respectively. Expenditure on salary increased by six *per cent* during the year in comparison to previous year. A new defined fully contribution funded pension scheme has been introduced according to which both the State Government as well as the employees recruited on or after 1 January 2004 shall contribute 10 *per cent* of basic pay and dearness allowance to this pension fund.

Table-8: Expenditure on Salary and Pension Payments (Value: Rupees in crore and others in *per cent*)

	2000-01	2001-02	2002-03	2003-04	2004-05
Expenditure on Salary Payment	4,908	5,116	5,099	5,563	5,910
Salary as <i>per cent</i> of Revenue Receipts	39.6	42.1	39.0	36.1	33.3
Salary as <i>per cent</i> of Revenue Expenditure	32.6	32.1	30.0	29.5	29.7
Expenditure on Pension Payment	1,693	1,685	1,683	1,842	1,626
Pension as <i>per cent</i> of Revenue Receipts	13.7	13.9	12.9	11.9	9.2
Pension as <i>per cent</i> of Revenue Expenditure	11.3	10.6	9.9	9.8	8.2

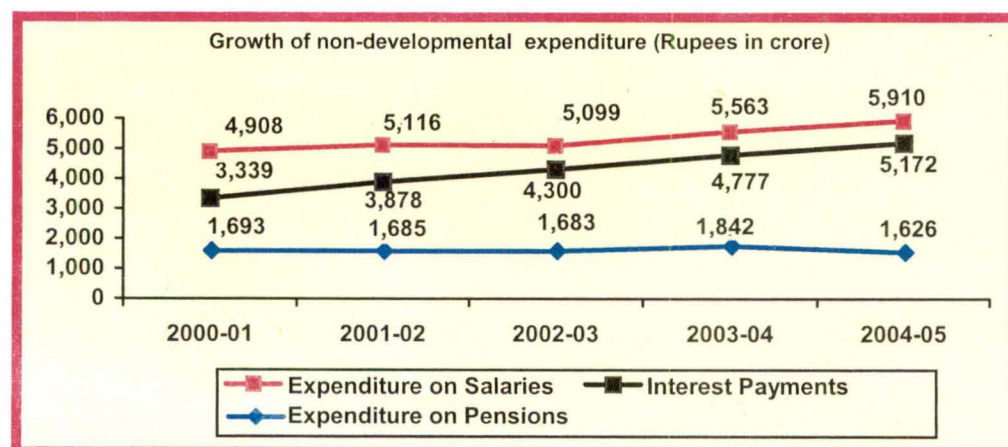
#### 1.6.4 Interest payments

The Eleventh Finance Commission recommended (July 2000) that as a medium term objective, states should endeavour to limit interest payments as a ratio to revenue receipts to 18 to 20 *per cent*. It was, however, observed that interest payments as percentage of revenue receipts ranged between 27 and 33 during the period 2000-05.

Table-9

Year	Interest Payments	Percentage of interest payment with reference to	
	(Rupees in crore)	Revenue Receipts	Revenue Expenditure
2000-01	3,339	26.9	22.2
2001-02	3,878	31.9	24.3
2002-03	4,300	32.9	25.3
2003-04	4,777	31.0	25.3
2004-05	5,172	29.1	26.0

In absolute terms, interest payments increased steadily by 55 *per cent* from Rs 3,339 crore in 2000-01 to Rs 5,172 crore in 2004-05 primarily due to continued reliance on borrowings for financing the fiscal deficit. Higher interest payments, increasing year after year, left less funds for expenditure on Public Works, Relief on account of Natural Calamities, Family Welfare, Command Area Development, Road Transport etc.



### 1.6.5 Subsidies by the Government

Though the finances of the State are under strain, State Government has been paying subsidies to the various *Nigams*, Corporations etc. During the last five years, State Government paid subsidies under various schemes as under:

**Table-10** (Rupees in crore)

S. No.	Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Power Sector	2.25	-	422.64	980.16	1,178.46
2.	Others	10.26	7.58	9.82	20.10	20.79
	<b>Total</b>	<b>12.51</b>	<b>7.58</b>	<b>432.46</b>	<b>1,000.26</b>	<b>1,199.25</b>
	Percentage Increases (+)/ Decreases (-) over previous years	(-) 97	(-) 39	5605	131	20
	Subsidy as percentage of total expenditure*	**	**	2.3	4.5	5.1

\* Total Expenditure excludes Loans and Advances.

\*\* In 2000-01 and 2001-02 only 0.08 and 0.04 *per cent* respectively.

During the current year, subsidies constituted five *per cent* of the total expenditure out of which 98 *per cent* was paid to Power Sector alone.

### 1.7 Expenditure by Allocative Priorities

The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statement 12 of Finance Accounts reflect the allocative priorities of the State. Higher the ratio of these components to total expenditure, better is deemed to be the quality of expenditure. Table-11 below gives the percentage share of these components of expenditure in the State's total expenditure\*.

**Table 11: Quality of expenditure (per cent to total expenditure\*)**

	2000-01	2001-02	2002-03	2003-04	2004-05
Plan Expenditure	19.5	22.1	22.2	24.2	26.3
Capital Expenditure	8.4	10.2	10.6	14.4	14.9
Developmental Expenditure	59.7	59.4	59.6	61.4	62.7

\* Total expenditure excludes expenditure on loans and advances.

All the three components of expenditure show a relative increase during 2000-05. Plan expenditure increased from 20 *per cent* of total expenditure in 2000-01 to 26 *per cent* in 2004-05. Similarly, capital expenditure also increased from eight *per cent* in 2000-01 to 15 *per cent* in 2004-05. There was also increase in the share of developmental expenditure from 60 *per cent* in 2000-01 to 63 *per cent* in 2004-05.

Out of the developmental expenditure (Rs 14,659 crore), social services (Rs 8,696 crore) accounted for 59 *per cent* of the developmental expenditure during the year. Education, Sports, Art and Culture (Rs 3,975 crore), Health and Family Welfare (Rs 1,078 crore), Water Supply, Sanitation, Housing and Urban Development (Rs 2,462 crore) and Social Welfare and Nutrition

(Rs 890 crore) consumed nearly whole (97 per cent) of the expenditure on Social sector.

Similarly, the expenditure on Economic Services (Rs 5,963 crore) accounted for 41 per cent of the developmental expenditure. Of which, Agriculture and Allied Activities (Rs 712 crore), Rural Development (Rs 1,141 crore), Irrigation and Flood Control (Rs 1,721 crore), Energy (Rs 1,536 crore) and Transport (Rs 543 crore) accounted for 95 per cent of the expenditure on Economic sector.

### 1.7.1 Financial Assistance to Local Bodies and Others

Autonomous bodies and authorities including local bodies and other institutions registered under the State Co-operative Societies Act, Companies Act, 1956 etc. are granted substantial financial assistance by the Government to implement various programmes.

The quantum of assistance provided to various bodies during 2000-05 was as follows:

(Rupees in crore)

S. No.	Bodies/authorities etc.	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Universities and Educational Institutions	148.10	247.53	182.96	196.48	201.14
2.	Municipal Corporations and Municipalities	416.42	460.91	460.56	501.39	615.20
3.	Zila Parishads and Panchayati Raj Institutions	1,082.48	1,413.71	1,167.76	1,172.21	1,885.82
4.	Development Agencies	3.13	39.35	247.88	275.13	68.82
5.	Hospitals and other Charitable Institutions	30.16	14.04	7.22	31.07	34.05
6.	Other Institutions*	596.70	415.65	797.69	1,191.98	1,522.30
	<b>Total</b>	<b>2,276.99</b>	<b>2,591.19</b>	<b>2,864.07</b>	<b>3,368.26</b>	<b>4,327.33</b>
	Percentage increase (+)/ decrease (-) over previous year	12	14	11	18	28
	Assistance as a percentage of revenue receipts	18	21	22	22	24
	Percentage of assistance to revenue expenditure	15	16	17	18	22

\* Aggregate amount of assistance given to institutions for various purposes.

### 1.7.2 Delay in furnishing of utilisation certificates

Out of 12,603 utilisation certificates (UCs) due in respect of grants aggregating Rs 2,716.17 crore paid during the years 1993-2004, 11,778 UCs for Rs 2,680.91 crore had been furnished by 31 March 2005 and 825 certificates for Rs 35.26 crore were in arrears which represents increase in the number of pending UCs over the previous year as further UCs became due on release of grants during the year 2003-04. Department-wise break-up of outstanding UCs is given in *Appendix-II*.

In the absence of the certificates it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given.

### 1.7.3 Misappropriation, Embezzlement/Defalcation and Theft of Government funds

Rule 20 of General Financial and Accounts Rules Part-I provides that any loss of public money, departmental revenue or receipts, stamps, stores or other property held by or on behalf of Government caused by misappropriation fraudulent drawal/payment or otherwise which is discovered in a treasury, any other office/department shall be immediately reported by the officer concerned to the next higher authority as well as to the Accountant General. At the end of August 2005 there were 1,114 cases amounting to Rs 22.53 crore<sup>1</sup> regarding misappropriation, embezzlement and theft etc. of the Government money or property reported (upto March 2005) to or detected by Audit were pending for want of required action as under:

Particulars	Number of cases	Amount (Rupees in crore)
Cases reported upto March 2003 and outstanding at the end of September 2003	1,344	19.80
Cases reported during 2003-04 and 2004-05	279	47.40
Cases disposed of between October 2003 and August 2005	509	44.67
Cases reported upto March 2005 and outstanding at the end of August 2005	1,114	22.53

Analysis of the pending embezzlement and defalcation cases revealed that the cases were mainly related to forgery in cash books, bungling in stocks kept in stores, improper maintenance of cash books and non-depositing of Government money in Treasury/Bank and theft cases were related to theft of stores/stocks, vehicles, cash, machinery and equipment etc.

The extent of delay in finalisation of 1,114 cases pending with 65 offices as on August 2005 was as under:

S. No.	Particulars	Number of cases	Amount (Rupees in crore)
1.	Cases more than 10 years old	394	4.30
2.	Cases between 7 and 10 years old	192	4.42
3.	Cases between 5 and 7 years old	120	1.89
4.	Cases between 3 and 5 years old	134	6.16
5.	Cases upto 3 years old	274	5.76
	<b>Total</b>	<b>1,114</b>	<b>22.53</b>

1. Excluding amount of 86 cases for which no detail was made available.

The reasons for pendency were as under:

S. No.	Reasons	Number of cases	Amount (Rupees in crore)
1.	For want of investigation at departmental level	222	3.45
2.	For want of recovery	626	14.30
3.	For want of decision of Court	100	3.49
4.	For want of sanction of competent authority for write-off	166	1.29
	<b>Total</b>	<b>1,114</b>	<b>22.53</b>

Keeping in view the measures suggested by the Public Accounts Committee (1986-87), the Government issued instructions to the Heads of Department concerned in December 1986 and reiterated in August 1995 to initiate action on the pending embezzlement and defalcation cases and intimate progress to the Principal Accountant General.

As the oldest case pertains to the year 1965-66, the Government needs to take suitable steps to finalise the cases in a time bound manner.

#### 1.7.4 Delay in submission of accounts

Government/Heads of Departments were required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the actual expenditure incurred there against by the institution. Information for the years 1999-2005 called for during May 2004 to April 2005 was awaited (May 2005) from Heads of the Departments/offices as detailed in *Appendix-III*.

### 1.8 Assets and Liabilities

The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings etc., owned by the Government. The Government accounts do capture the financial liabilities of the Government and the assets created out of expenditure. Statement 16 read with details in Statement 17 of Finance Accounts show the year-end balances under the Debt, Deposits and Remittances heads from which the liabilities and assets are worked out. **Exhibit-I** presents an abstract of such liabilities and the assets as on 31 March 2005, compared with the corresponding position on 31 March 2004. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Fund, the assets comprise mainly the capital expenditure and loans and advances given by the State Government. The liabilities of the Government of Rajasthan depicted in the Finance Accounts, however, do not include pension, other retirement benefits payable to serving/retired State employees, guarantees/ letters of comforts issued by the State Government.



**Exhibit-IV** depicts the Time Series Data on State Government Finances for the period 2000-05.

### 1.8.1 Financial results of irrigation works

The financial results of five major and 12 medium irrigation projects with a capital outlay of Rs 3507 crore at the end of March 2005 showed that revenue realised (Rs 76 crore) from these projects during 2004-05 was only two *per cent* of the capital outlay which was not sufficient to cover even the direct working expenses. After meeting the working and maintenance expenditure (Rs 82 crore) and interest charges (Rs 337 crore), the schemes suffered a net loss of Rs 343 crore.

### 1.8.2 Incomplete projects

As per information received from the State Government, as of 31 March 2005, there were 373 incomplete projects in which Rs 2,877 crore were blocked. Of these, 210 projects involving an amount of Rs 521 crore remained incomplete for less than five years, 163 projects involving an amount of Rs 2,356 crore remained incomplete for periods ranging from five to 43 years. This showed that the Government was spreading its resources thinly, which failed to yield any return.

### 1.8.3 Investments and returns

As on 31 March 2005, Government had invested Rs 4,092.60 crore in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies, Partnership Concerns and Cooperative Banks/Societies. Government's return on this investment was less than one *per cent* during the last five years as indicated in Table-12 below. Of these, two statutory corporations, nine rural banks, 10 government companies and seven joint stock companies with an aggregate investment of Rs 300.43 crore upto 2004-05 were incurring losses and their accumulated losses amounted to Rs 1,938.16 crore as per the accounts furnished by these companies upto 2004-05 (*Appendix-IV*). The negligible returns on investment as compared to high cost of borrowing with average interest upto 10.5 *per cent* led to implicit subsidy.

Table-12: Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on Government borrowing ( <i>per cent</i> )	Difference between interest rate and return ( <i>per cent</i> )
	(Rupees in crore)				
2000-01	2,596.35	5.57	0.2	10.5	10.3
2001-02	2,936.76	4.78	0.2	10.5	10.3
2002-03	3,268.03	8.26	0.3	10.0	9.7
2003-04	3,700.96	2.44	0.1	9.6	9.5
2004-05	4,092.60	37.19	0.9	9.1	8.2

### 1.8.4 Loans and advances by State Government

In addition to its investment, Government has also been providing loans and advances to many of these bodies. Total outstanding balance of the loans advanced was Rs 4,236 crore as on 31 March 2005 (Table-13). Overall, interest received against these advances declined from four *per cent* in 2000-01 to three *per cent* in 2004-05. Further, in most cases, Government orders sanctioning the loans did not specify the terms and conditions for these loans.

Table-13: Average Interest Received on Loans Advanced by the State Government (Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Opening Balance	2,369	2,664	2,801 <sup>2</sup>	2,954	3,721
Amount advanced during the year	419	204	278	926	640
Amount repaid during the year	124	69	125	159	125
<b>Closing Balance</b>	<b>2,664</b>	<b>2,799</b>	<b>2,954</b>	<b>3,721</b>	<b>4,236</b>
Net Addition (+) / Reduction (-)	295	135	153	767	515
Interest received	108	83	85	115	114
Interest received as <i>per cent</i> to outstanding Loans and advances	4.3	3.0	3.0	3.4	2.9
Average rate of interest paid by the State	10.5	10.5	10.0	9.6	9.1
Difference between interest paid and received	(-) 6.2	(-) 7.5	(-) 7.0	(-) 6.2	(-) 6.2

### 1.8.5 Management of cash balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mis-matches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from Reserve Bank of India has been put in place. During the year, the State used this mechanism for 89 days as against 213 days last year although it raised borrowings of Rs 2,391 crore from the market on six occasions. Resort to overdraft, which is over and above the WMA limits, is all the more undesirable. Overdraft facilities were not used by the State any single day during the year as against 93 days last year.

Table-14: Ways and Means and Overdraft of the State and Interest paid thereon

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Ways and Means Advances</b>					
Taken in the Year	3,445.78	2,635.01	4,893.81	5,870.88	1,808.96
Outstanding	374.67	446.24	235.70	-	-
Interest Paid	22.75	20.67	23.68	24.59	1.45
<b>Overdraft</b>					
Taken in the Year	2,684.96	5,370.54	4,656.06	3,708.40	-
Outstanding	-	625.09	-	-	-
Interest Paid	4.74	4.28	6.19	6.33	-
Number of Days State was in Overdraft	103	168	150	93	-

2. *Pro forma* correction regarding prior period adjustments due to conversion of investment into loans amounting to Rs 2.45 crore.

### 1.8.6 Undischarged Liabilities

#### *Fiscal liabilities – public debt and guarantees*

The Constitution of India provides that the State may borrow within the territory of India, upon the security of its Consolidated Fund, within such limits as may, from time to time, be fixed by an act of Legislature. No such law was passed by the State to lay down any such limit. The State Government through a resolution had decided (May 1999) that its total debt (excluding other liabilities) and outstanding amount of guarantees as on the last day of any financial year will not be more than double the estimated receipts in its consolidated fund.

It was observed that the overall fiscal liabilities of the State increased by 78 *per cent* from Rs 33,874 crore in 2000-01 to Rs 60,134 crore in 2004-05. These liabilities as ratio to GSDP increased from 43 *per cent* in 2000-01 to 55 *per cent* in 2004-05 and stood at 3.39 times of its revenue receipts and 5.69 times of its own resources comprising its own tax and non-tax revenue. Table-15 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

Table-15: Fiscal Imbalances–Basic Parameters (Rupees in crore and Ratios in *per cent*)

	2000-01	2001-02	2002-03	2003-04	2004-05
Fiscal Liabilities	33,874	39,970	45,871	53,361	60,134
Rate of growth	12.9	18.0	14.8	16.3	12.7
<b>Ratio of Fiscal Liabilities to</b>					
GSDP	42.7	45.4	53.7	51.1	55.3
Revenue Receipts	273.1	328.9	350.6	346.0	338.5
Own Resources	484.7	556.8	586.4	572.7	569.4
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP	12.9	1.6	*	0.7	3.1
Revenue Receipts	0.5	*	1.9	0.9	0.8
Own Resources	0.9	6.7	1.6	0.9	1.0

\* Rate of Growth of Revenue Receipts and GSDP was negative.

In addition to these liabilities, Government had guaranteed loans of its various Corporations and others, which in 2004-05 stood at Rs 12,703 crore. The guarantees are in the nature of contingent liabilities of the State and in the event of non-payment of loans, there may be an obligation on the State to honour these commitments. Currently, the fiscal liabilities including the contingent liabilities exceed four times the revenue receipts of the State. The direct fiscal liabilities of the State have grown much faster as compared to its rate of growth of GSDP.

Increasing liabilities had raised the issue of sustainability of the State Government finances. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP.

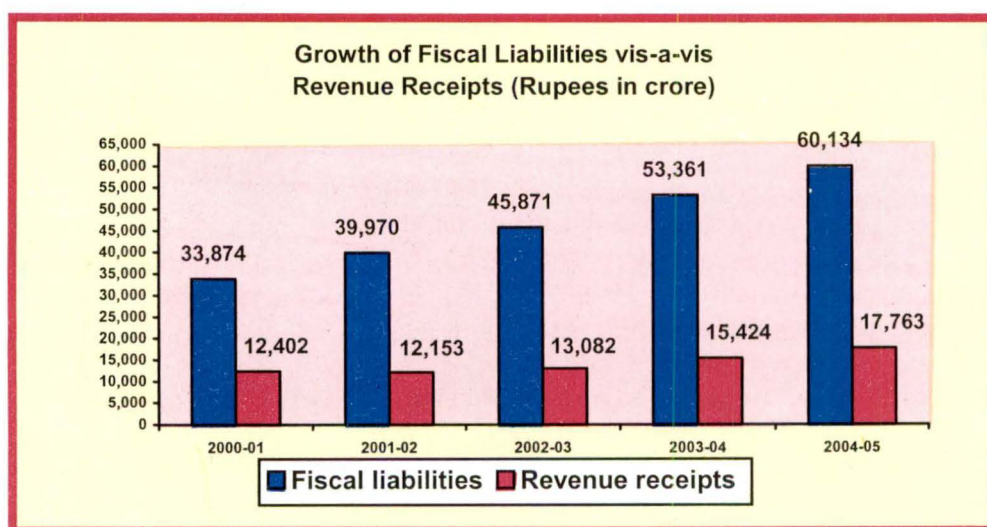
Debt sustainability with reference to weighted interest rate, GSDP growth rate and interest spread is indicated in Table-16.

**Table-16: Debt Sustainability – Interest Rate and GSDP Growth (in per cent)**

	2000-01	2001-02	2002-03	2003-04	2004-05
Weighted Interest Rate	10.5	10.5	10.0	9.6	9.1
GSDP Growth	1.0	11.1	- 3.0	22.3	4.1
Interest spread*	- 9.5	0.6	- 13.0	12.7	- 5.0

\* Interest spread = GSDP Growth – Weighted Interest Rate.

In the case of Rajasthan during the year 2004-05 the weighted interest rate was higher than the rate of GSDP growth indicating that fiscal liabilities were increasingly becoming unsustainable.



Another important indication of debt sustainability is net availability of funds after payment of the principal on account of the earlier contracted liabilities and interest. Table-17 below gives the position of the receipts and repayments of internal debt and loans and advances from the Government of India over the last five years. The net funds available on account of the internal debt and loans and advances from the Government of India after providing for the interest and repayments declined from 27 per cent in 2000-01 to nine per cent in 2004-05 indicating only one-ten funds were available in the current year.

**Table-17: Net Availability of Borrowed Funds (Rupees in crore)**

<b>Internal Debt*</b>	2000-01	2001-02	2002-03	2003-04	2004-05
Receipts	1,510	1,609	2,701	3,263	3,460
Repayments (Principal + Interest)	1,084	1,322	1,436	1,789	2,817
Net Funds Available	426	287	1,265	1,474	643
Net Funds Available (per cent)	28.2	17.8	46.8	45.2	18.6
<b>Loans and Advances from the Government of India*</b>					
Receipts	2,644	3,673	4,787	5,762	6,522
Repayments (Principal + Interest)	1,957	2,334	3,757	4,994	6,234
Net Funds Available	687	1,339	1,030	768	288
Net Funds Available (per cent)	26.0	36.5	21.5	13.3	4.4
<b>Total Public Debt*</b>					
Receipts	4,154	5,282	7,488	9,025	9,982
Repayments (Principal + Interest)	3,041	3,656	5,193	6,783	9,051
Net Funds Available	1,113	1,626	2,295	2,242	931
Net Funds Available (per cent)	26.8	30.8	30.6	24.8	9.3

\* Excluding ways and means advances and overdrafts from RBI/GOI.

The State Government raised market loans of Rs 2,391 crore during the year. The average rate of interest of market borrowings during the year was seven *per cent*. As on 31 March 2005, 43 *per cent* of the existing market loans of the State Government carried interest rate exceeding 10 *per cent*. Thus, the effective cost of borrowings on their past loans is much higher than the rate at which they are able to raise resources at present from the market. The maturity profile of the State Government market loans indicate that nearly 29 *per cent* of the total market loans are repayable within the next five years while the remaining 71 *per cent* loans are required to be repaid in more than five years.

## 1.9 Recommendations of Eleventh Finance Commission

### 1.9.1 Medium Term Fiscal Reforms Programme

Eleventh Finance Commission (EFC) in its report laid down broad parameters of fiscal correction in the State Sector. Each State was required to draw up the Medium Term Fiscal Reforms Programme (MTFRP) to achieve the objective of zero revenue deficit. The MTFRP was to form the basis of a Memorandum of Understandings (MOU) entered into between the State and Ministry of Finance. Further, the EFC recommended an Incentive Fund from which grants were to be released to States based on their fiscal performance. On the basis of the recommendations of the EFC, the Government of India (GOI) created Fiscal Reforms Facility (2000-01 to 2004-05) to motivate the States to undertake MTFRP. Release from the Incentive Fund was to be based on achieving a minimum improvement of five percentage points in the revenue deficit as proportion of its revenue receipts each year till 2004-05 over the base year 1999-2000.

Government of India released Rs 120.38 crore during 2004-05 towards incentive funds pertaining to their share for the year 2003-04 (Rs 59.77 crore) and 2004-05 (Rs 60.61 crore).

State Government formulated its MTFRP in March 2003 and an MOU had been signed by the Rajasthan Government with GOI in March 2003. According to MOU (25 March 2003), the revenue deficit as a proportion of Revenue Receipts was to be reduced by five *per cent* each year from 1999-2000 (base year). Accordingly, the revenue deficit of 37 *per cent* during 1999-2000 was to be restricted to 12 *per cent* of revenue receipts during the year 2004-05. The revenue deficit was 12 *per cent* during the year, but it was due to incorrect classification of expenditure of Rs 696 crore on account of Grant-in-aid to local bodies, which was classified by the State Government as capital expenditure instead of revenue expenditure, resulting in understatement of revenue expenditure and revenue deficit. The correct classification of the amount would result in percentage of the revenue deficit to the revenue receipts increase to 16 *per cent*.

## 1.10 Management of deficits

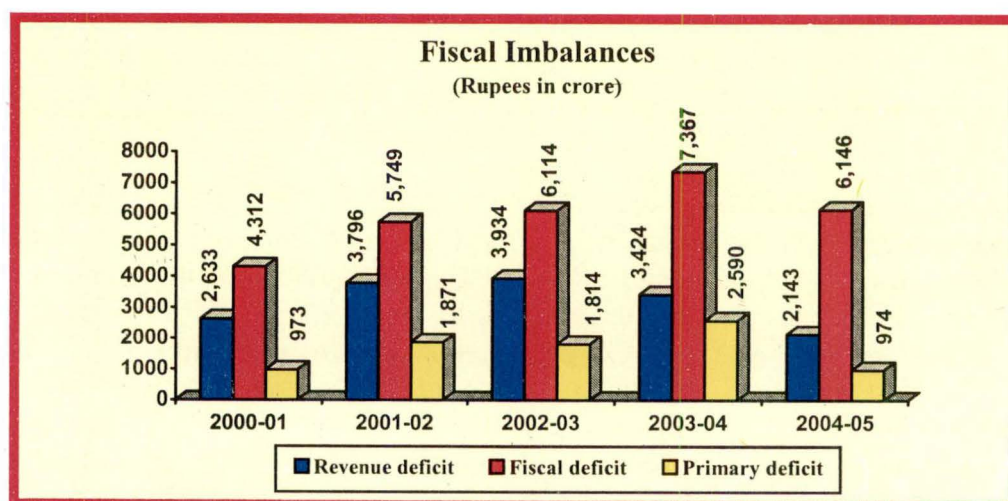
### 1.10.1 Fiscal imbalances

The deficits in the Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to the fiscal health.

The revenue deficit (Statement 1 of Finance Accounts) of the State, which is the excess of its revenue expenditure over revenue receipts, however, declined from Rs 2,633 crore in 2000-01 to Rs 2,143 crore in 2004-05. This decrease, however, was due to wrong classification of Rs 696 crore by the State Government as explained in para 1.9.1. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, increased from Rs 4,312 crore in 2000-01 to Rs 6,146 crore in 2004-05. The primary deficit slightly increased from Rs 973 crore in 2000-01 to Rs 974 crore in 2004-05 as indicated in Table-18.

Table-18: Fiscal Imbalances – Basic Parameters (Value: Rupees in crore and Ratios in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue deficit	2,633	3,796	3,934	3,424	2,143
Fiscal deficit	4,312	5,749	6,114	7,367	6,146
Primary deficit	973	1,871	1,814	2,590	974
RD/GSDP	3.3	4.3	4.6	3.3	2.0
FD/GSDP	5.4	6.5	7.2	7.1	5.7
PD/GSDP	1.2	2.1	2.1	2.5	0.9
RD/FD	61.1	66.0	64.3	46.5	34.9



The ratio of revenue deficit to fiscal deficit has declined from 61 per cent in 2000-01 to 35 per cent in 2004-05. Persistent revenue deficit, however, indicated that the revenue receipts of the State were not able to meet its revenue expenditure and Government had to borrow to meet its current obligations. As a proportion of GSDP, revenue deficit declined from three per cent in 2000-01 to two per cent in 2004-05 whereas fiscal deficit moved between five and seven per cent during 2000-05.

## 1.11 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table-19 below presents a summarized position of Government Finances over 2000-05, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP. Revenue receipts comprise not only the tax and non-tax resources of the State but also the transfers from Union Government. There were significant inter year variations in these ratios.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resources mobilisation. The ratio of revenue expenditure to total expenditure has declined while its capital expenditure and developmental expenditure as percentage to total expenditure has increased in 2004-05 in comparison to 2000-01.

**Table-19: Ratios of Fiscal Efficiency (in per cent)**

<b>Fiscal Ratios</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
<b>Resources Mobilisation</b>					
Revenue Receipts/GSDP	15.6	13.8	15.3	14.8	16.3
Revenue Buoyancy	26.7	- 0.2*	- 2.5*	0.8	3.7
Own Tax/GSDP	6.7	6.4	7.3	6.9	7.7
<b>Expenditure Management</b>					
Total Expenditure/GSDP	21.2	20.4	22.6	22.0	22.1
Revenue Receipts/ Total Expenditure	73.7	67.6	67.7	67.2	73.9
Revenue Expenditure/Total Expenditure	89.3	88.7	88.1	82.1	82.8
Capital Expenditure/Total Expenditure**	8.4	10.2	10.6	14.4	14.9
Developmental Expenditure/Total Expenditure (RE+CE)**	59.7	59.4	59.6	61.4	62.7
Buoyancy of TE with RR	0.4	- 3.4*	1.0	1.1	0.3
Buoyancy of RE with RR	0.4	- 3.1*	0.9	0.6	0.4
<b>Management of Fiscal Imbalances</b>					
Revenue deficit (Rs in crore)	2,633	3,796	3,934	3,424	2,143 <sup>3</sup>
Fiscal deficit (Rs in crore)	4,312	5,749	6,114	7,367	6,146
Primary deficit (Rs in crore)	973	1,871	1,814	2,590	974
Revenue deficit/Fiscal deficit	61.1	66.0	64.3	46.5	34.9
<b>Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	42.7	45.4	53.7	51.1	55.3
Fiscal Liabilities/RR	273.1	328.9	350.6	346.0	338.5
Buoyancy of FL with RR	0.5	- 9.0*	1.9	0.9	0.8
Buoyancy of FL with OR	0.9	6.7	1.6	0.9	1.0
Interest Spread	- 9.5	0.6	- 13.0	12.7	- 5.0
Net Fund Available	26.8	30.8	30.6	24.8	9.3
<b>Other Fiscal Health Indicators</b>					
Return on Investment	0.21	0.16	0.25	0.07	0.91
BCR (Rs in crore)	- 1,998	- 2,692	- 3,045	- 2,948	- 1,368
Financial Assets/Liabilities (Ratio)	0.63	0.59	0.56	0.56	0.57

\* Rate of growth of Revenue Receipts and GSDP was negative.

\*\* Total expenditure excludes expenditure on loans and advances.

- Rs 696 crore paid as Grants-in-aid to local bodies has been misclassified by the State Government as Capital expenditure instead of Revenue expenditure as a result of which revenue deficit has been understated to that extent.

## 1.12 Conclusion

Government did well in reducing the revenue deficit, fiscal deficit, primary deficit by 37 *per cent*, 17 *per cent* and 62 *per cent* respectively, and decreased percentage of expenditure on salary to revenue receipts and increase in percentage of Plan, Capital and Developmental expenditure to total expenditure during the year in comparison to previous year. This shows a favourable trend for the State finances. This decrease in deficits and increase in Plan, Capital and Developmental expenditure was, however, due to wrong classification of Rs 696 crore by the State Government as capital expenditure instead of revenue expenditure. The GSDP growth of the State decrease from 22 *per cent* in 2003-04 to four *per cent* in 2004-05 and weighted interest rate was higher than the rate of growth of GSDP during the year indicating deterioration in fiscal position of the State. Revenue receipts could cover only 74 *per cent* of total expenditure during the year, leaving the balance to be financed from borrowings. Salaries, interest payments and pensions alone consumed 72 *per cent* of total revenue receipts of the State. Interest payments increased steadily (55 *per cent*) during last five years primarily due to continued reliance on borrowings for financing the fiscal deficit. Fiscal liabilities of the State increased by 78 *per cent* from Rs 33,874 crore in 2000-01 to Rs 60,134 crore in 2004-05. The ratio of fiscal liabilities to GSDP increased from 43 *per cent* to 55 *per cent* during the period. Most of the borrowings (91 *per cent*) were spent on interest and repayment of old borrowings during the year 2004-05. This is bound to push up in future the already high interest burden, leaving very little for developmental expenditure. The State's low return (less than one *per cent*) on investment, huge amount lying blocked in incomplete projects, continued negative Balance from Current Revenues (BCR), low ratio of assets to its liabilities and increasing arrears of revenues showed the weaknesses of State Government finances. Nearly 43 *per cent* of the liabilities of the State also had no assets back-up. All these indicated deterioration of the State's fiscal situation.



**EXHIBIT-I**  
**SUMMARISED FINANCIAL POSITION OF THE**  
**GOVERNMENT OF RAJASTHAN**

(Rupees in crore)

As on 31 March 2004	Liabilities		As on 31 March 2005
14,496.95		<b>Internal Debt</b>	16,615.35
	12,281.54	Market Loans bearing interest	14,358.48
	5.70	Market Loans not bearing interest	4.91
	103.18	Loans from Life Insurance Corporation of India	990.56
	94.94	Loans from the General Insurance Corporation of India	89.99
	953.77	Loans from the National Bank for Agriculture and Rural Development	286.72
	35.03	Loans from the National Cooperative Development Corporation	28.51
	1,022.79	Loans from other Institutions, etc.	856.18
	-	Ways and Means Advances from RBI	-
-		<b>Overdrafts from Reserve Bank of India</b>	-
23,952.13		<b>Loans and Advances from Central Government</b>	26,943.58
	458.19	Pre 1984-85 Loans	409.22
	16,001.45	Non-Plan Loans	19,851.69
	7,329.03	Loans for State Plan Schemes	6,505.26
	0.91	Loans for Central Plan Schemes	0.87
	162.55	Loans for Centrally Sponsored Plan Schemes	176.54
	-	Ways and Means Advances from GOI	-
35.00		<b>Contingency Fund</b>	35.00
10,515.65		<b>Small Savings, Provident Funds, etc.</b>	11,681.44
3,815.69		<b>Deposits</b>	3,978.23
580.79		<b>Reserve Funds</b>	915.80
344.30		<b>Deposits with Reserve Bank<sup>4</sup></b>	467.43
53,740.51		<b>Total</b>	60,636.83
As on 31 March 2004	Assets		As on 31 March 2005
26,004.54		<b>Gross Capital Expenditure</b>	29,492.83
	3,700.96	Investments in shares of Companies, Corporations, etc.	4,092.60
	22,303.58	Other Capital Expenditure	25,400.23
3,720.55		<b>Loans and Advances</b>	4,235.64
	2,870.89	Loans for Power Projects	3,389.95 <sup>5</sup>
	531.97	Other Development Loans	538.37
	317.69	Loans to Government Servants and Miscellaneous loans	307.32
-		<b>Reserve Fund Investments</b>	-
1.56		<b>Advances</b>	1.41
23.89		<b>Remittance Balances</b>	13.76
42.38		<b>Suspense and Miscellaneous Balances</b>	54.02
181.62		<b>Cash</b>	930.60
	1.08	Cash in Treasuries and Local Remittances	(-) 0.72
	0.91	Departmental Cash Balance	0.94
	0.58	Permanent Advances	0.58
	179.05	Cash Balance Investments	929.80
23,765.97		<b>Deficit on Government Accounts</b>	25,908.57
	3,424.44	(i) Revenue Deficit of the Current Year	2,142.60
	20,346.08	(ii) Accumulated deficit upto preceding year	23,765.97
	0.13	(iii) Write off from Heads of Accounts closing to balance	-
	(-) 4.68	Less : Capital Receipts of current year	-
53,740.51		<b>Total</b>	60,636.83

4. Included on liabilities side as the balances were in negative.

5. Includes Rs 0.04 crore booked under major head 6853 (Industry and Minerals Sector).

**EXHIBIT-II**  
**ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-05**  
(Rupees in crore)

2003-04	Receipts		2004-05	2003-04	Disbursements		2004-05		
							Non-Plan	Plan	Total
15,423.85	<b>I. Section-A: Revenue</b>				<b>I. Revenue Expenditure</b>				
7,246.19	<b>Revenue receipts</b>		17,763.59	8,443.63	<b>General Services</b>		8,615.36	36.86	8,652.22
	Tax revenue	8,414.82		7,142.19	<b>Social Services</b>		6,005.74	1,142.00	7,147.74
2,071.64	Non-tax revenue	2,146.15		3,634.88	Education, Sports, Art and Culture		3,558.32	391.77	3,950.09
				1,013.89	Health and Family Welfare		810.36	238.59	1,048.95
3,602.21	State's share of Union Taxes and Duties	4,305.61		951.89	Water Supply, Sanitation, Housing and Urban Development		922.32	100.72	1,023.04
				10.95	Information and Broadcasting		10.09	0.17	10.26
748.95	Non-Plan grants	930.00		138.69	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		33.95	142.08	176.03
				39.82	Labour and Labour Welfare		40.80	2.53	43.33
924.21	Grants for State Plan Schemes	1,018.88		1,341.20	Social Welfare and Nutrition		618.10	266.14	884.24
				10.87	Others		11.80	-	11.80
830.65	Grants for Central, Centrally Sponsored Plan Schemes and Special Plan Schemes	948.13		3,257.38	<b>Economic Services</b>		2,541.85	1,563.11	4,104.96
				555.81	Agriculture and Allied Activities		460.54	161.67	622.21
				455.60	Rural Development		416.41	495.31	911.72
				(-) 0.09	Special Areas Programmes		-	(-) 0.04 <sup>6</sup>	(-) 0.04
				823.75	Irrigation and Flood Control		872.49	18.91	891.40
				943.60	Energy		480.30	705.28	1,185.58
				76.99	Industry and Minerals		55.28	4.85	60.13
				273.48	Transport		210.88	67.87	278.75
				3.22	Science, Technology and Environment		2.32	2.30	4.62
				125.02	General Economic Services		43.63	106.96	150.59
				5.09	<b>Grants-in-aid and Contributions</b>		1.27	-	1.27
3,424.44	<b>II. Revenue deficit carried over to Section-B</b>		2,142.60		<b>Total</b>		17,164.22	2,741.97	19,906.19
18,848.29	<b>Total</b>		19,906.19	18,848.29	<b>Total</b>		17,164.22	2,741.97	19,906.19
(-) 285.43	<b>III. Section-B – Others</b>			3,180.98	<b>II. Capital Expenditure</b>		67.79	3,420.50	3,488.29
	Opening Cash balance including Permanent Advances and Cash Balance Investments		(-) 162.68	49.76	<b>General Services</b>		25.77	55.96	81.73
				1,337.20	<b>Social Services</b>		41.95	1,506.37	1,548.32
				20.20	Education, Sports, Art and Culture		-	24.64	24.64
4.68	<b>IV. Miscellaneous Capital Receipts</b>			19.20	Health and Family Welfare		-	29.60	29.60
				1,236.22	Water Supply, Sanitation, Housing and Urban Development		41.95	1,397.05	1,439.00
				0.39	Information and Broadcasting		-	0.21	0.21
				55.01	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		-	48.85	48.85
				5.64	Social Welfare and Nutrition		-	5.39	5.39
				0.54	Others		-	0.63	0.63
				1,794.02	<b>Economic Services</b>		0.07	1,858.17	1,858.24
				48.22	Agriculture and Allied Activities		-	90.21	90.21
				226.70	Rural Development		-	229.05	229.05
				38.32	Special Areas Programmes		-	45.97	45.97
				891.53	Irrigation and Flood Control		-	829.68	829.68
				282.76	Energy		-	350.00	350.00
				23.08	Industry and Minerals		-	21.08	21.08
				253.13	Transport		-	264.46	264.46
				0.20	Science, Technology and Environment		-	0.51	0.51
				30.08	General Economic Services		0.07	27.21	27.28

6. Minus expenditure is due to deposit of unspent balance of previous years.

(Rupees in crore)

2003-04	Receipts		2004-05	2003-04	Disbursements		2004-05
158.98	V.	<b>Recoveries of Loans and Advances</b>	124.63	925.37	III.	<b>Loans and Advances disbursed</b>	639.72
2.66		From Power Projects 19.93		834.56		For Power Projects 538.99	
47.95		From Government Servants 10.44		48.72		To Government Servants 0.07	
108.37		From Others 94.26		42.09		To Others 100.66	
9,025.20	VI.	<b>Public Debt Receipts</b>	9,982.44	3,424.44	IV.	<b>Revenue deficit brought down</b>	2,142.60
				3,150.11	V.	<b>Repayment of Public Debt</b>	4,872.59
3,263.20		Internal debt other than Ways and Means Advances and Overdraft 3,460.48		407.68		Internal debt other than Ways and Means Advances and Overdraft 1,342.08	
-		Net transactions under Ways and Means Advances including Overdraft -		235.70		Net transactions under Ways and Means Advances including Overdraft - <sup>7</sup>	
5,762.00		Loans and Advances from Central Government 6,521.96		2,506.73		Repayment of Loans and Advances to Central Government 3,530.51	
39,458.77	VII.	<b>Public Account Receipts</b>	44,156.09	37,843.98	VI.	<b>Public Account disbursements</b>	42,494.11
2,160.09		Small Savings, Provident Funds, etc. 2,177.01		1,212.88		Small Savings, Provident Funds, etc. 1,011.22	
1,036.78		Reserve Funds 829.86		872.83		Reserve Funds 494.85	
67.45		Suspense and Miscellaneous 37.75		74.08		Suspense and Miscellaneous 49.39	
2,453.71		Remittances 2,578.38		2,447.40		Remittances 2,568.25	
33,740.74		Deposits and Advances 38,533.09		33,236.79		Deposits and Advances 38,370.40	
				(-) 162.68	VII.	<b>Cash Balance at end</b>	463.17
				1.08		Cash in Treasuries and Local Remittances (-) 0.72	
				(-) 344.30		Deposits with Reserve Bank (-) 467.43	
				1.49		Departmental Cash Balance including permanent Advances 1.52	
				179.05		Cash Balance Investment 929.80	
48,362.20	<b>Total</b>		54,100.48	48,362.20	<b>Total</b>		54,100.48

7. Represents receipts: Rs 1,808.96 crore and disbursements: Rs 1,808.96 crore.

**EXHIBIT-III**  
**SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

2003-04	Sources	2004-05
15,423.85	Revenue receipts	17,763.59
4.68	Miscellaneous Capital Receipts	-
158.98	Recoveries of Loans and Advances	124.63
5,875.09	Increase in Public Debt	5,109.85
1,614.79	Net receipts from Public Account	1,661.98
	947.21 Increase in Small Savings, Provident Funds, etc.	1,165.79
	503.95 Net effect in Deposits and Advances	162.69
	163.95 Net effect in Reserve Funds	335.01
	(-) 6.63 Net effect of Suspense and Miscellaneous transactions	(-) 11.64
	6.31 Net effect of Remittance transactions	10.13
23,077.39	<b>Total</b>	<b>24,660.05</b>
2003-04	Application	2004-05
18,848.29	Revenue expenditure	19,906.19
925.37	Lending for development and other purposes	639.72
3,180.98	Capital expenditure	3,488.29
122.75	Increase in closing cash balance	625.85
23,077.39	<b>Total</b>	<b>24,660.05</b>

**Explanatory Notes for Exhibits -I, II and III:**

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Exhibit-I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs 2.08 crore (net Credit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". Following reconciliation and subsequent adjustments, a difference of Rs 0.19 crore (net Credit) remained to be reconciled as of May 2005.

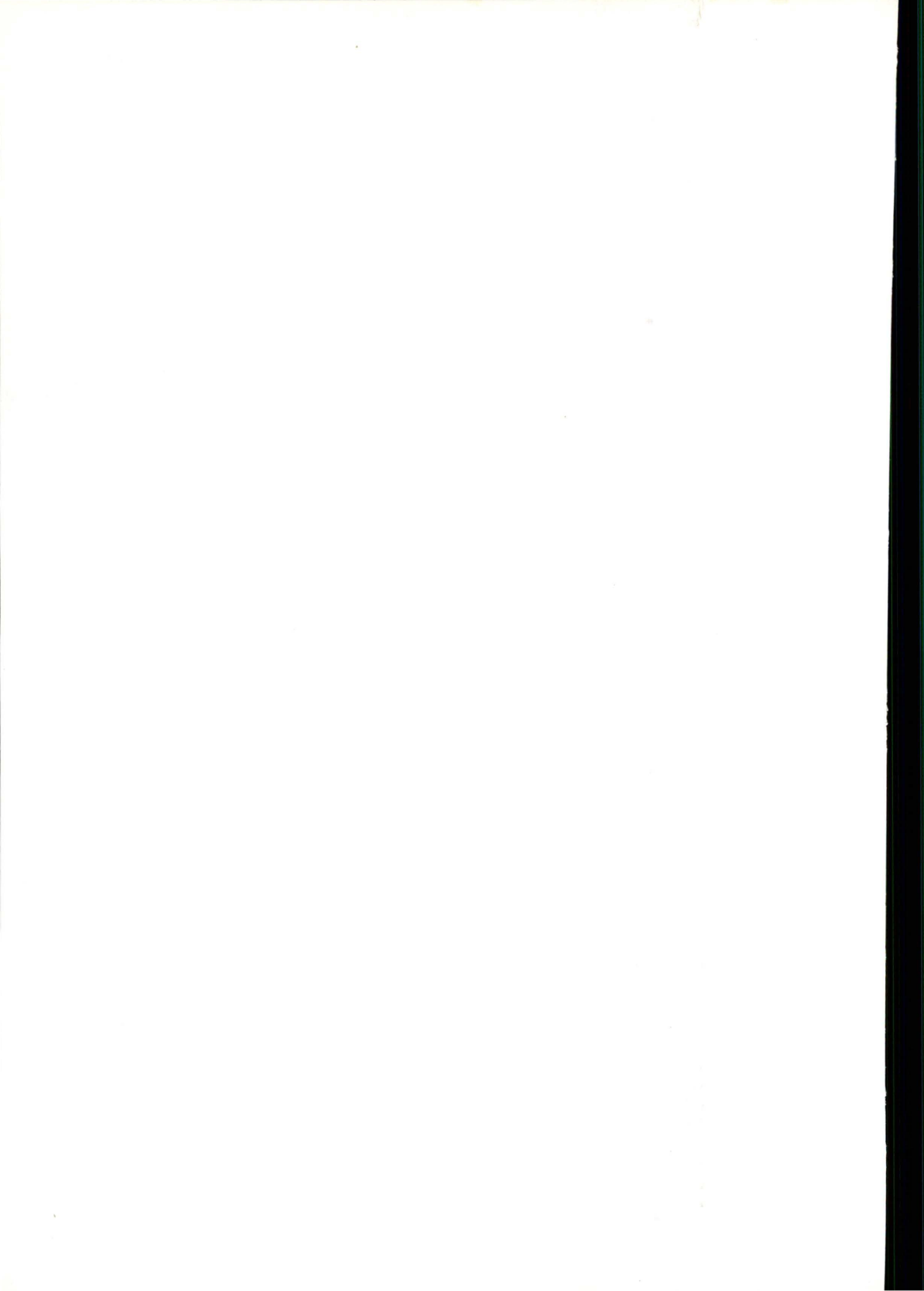
## EXHIBIT-IV

TIME SERIES DATA ON STATE GOVERNMENT FINANCES  
(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>12,402</b>	<b>12,153</b>	<b>13,082</b>	<b>15,424</b>	<b>17,763</b>
(i) Tax Revenue	5,300 (43)	5,671(47)	6,253(48)	7,246(47)	8,415(47)
Taxes on Sales, Trade, etc.	2,821(53)	3,069(54)	3,438(55)	3,986(55)	4,798(57)
State Excise	1,119(21)	1,110(20)	1,142(18)	1,163(16)	1,276(15)
Taxes on Vehicles	511(10)	566(10)	646(10)	904(13)	817(10)
Other Taxes	849(16)	926(16)	1,027(17)	1,193(16)	1,524(18)
(ii) Non-Tax Revenue	1,688(14)	1,508(12)	1,569(12)	2,072(13)	2,146(12)
(iii) State's share of Union taxes and duties	2,837(23)	2,883(24)	3,063(23)	3,602(24)	4,305(24)
(iv) Grants-in-aid from GOI	2,577(20)	2,091(17)	2,197(17)	2,504(16)	2,897(17)
<b>2. Miscellaneous Capital Receipts</b>	-	-	-	5	-
<b>3. Total revenue and Non-debt Capital Receipts<sup>8</sup> (1+2)</b>	<b>12,402</b>	<b>12,153</b>	<b>13,082</b>	<b>15,429</b>	<b>17,763</b>
<b>4. Recoveries of Loans and Advances</b>	<b>124</b>	<b>69</b>	<b>125</b>	<b>159</b>	<b>125</b>
<b>5. Public Debt Receipts</b>	<b>4,204</b>	<b>5,979</b>	<b>7,686</b>	<b>9,025</b>	<b>9,982</b>
Internal Debt (excluding Ways and Means Advances and Overdraft)	1,510(36)	1,609(27)	2,701(35)	3,263(36)	3,460(35)
Net transactions under Ways and Means Advances and Overdraft	-	697(12)	-	-	-
Loans and Advances from Government of India <sup>9</sup>	2,694(64)	3,673(61)	4,985(65)	5,762(64)	6,522(65)
<b>6. Total receipts in the Consolidated Fund (3+4+5)</b>	<b>16,730</b>	<b>18,201</b>	<b>20,893</b>	<b>24,613</b>	<b>27,870</b>
<b>7. Contingency Fund Receipts</b>	-	-	-	-	-
<b>8. Public Account Receipts</b>	<b>25,677</b>	<b>27,771</b>	<b>34,592</b>	<b>39,459</b>	<b>44,156</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>42,407</b>	<b>45,972</b>	<b>55,485</b>	<b>64,072</b>	<b>72,026</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>15,035</b>	<b>15,949</b>	<b>17,016</b>	<b>18,848</b>	<b>19,906</b>
Plan	1,885(13)	2,186(14)	2,272(13)	2,231(12)	2,742(14)
Non-Plan	13,150(87)	13,763(86)	14,744(87)	16,617(88)	17,164(86)
General Services (excluding Interest payments)	3,239(22)	3,299(21)	3,345(20)	3,667(20)	3,480(17)
Interest Payments	3,339(22)	3,878(24)	4,300(25)	4,777(25)	5,172(26)
Social Services	6,128(41)	6,405(40)	6,586(39)	7,142(38)	7,148(36)
Economic Services	2,312(15)	2,349(15)	2,785(16)	3,257(17)	4,105(21)
Grants-in-aid and Contributions	17(-)	18(-)	<sup>10</sup>	5(-)	1(-)
<b>11. Capital Expenditure</b>	<b>1,384</b>	<b>1,818</b>	<b>2,027</b>	<b>3,181</b>	<b>3,488</b>
Plan	1,322(98)	1,745(96)	1,956(96)	3,117(98)	3,420(98)
Non-Plan	62(2)	73(4)	71(4)	64(2)	68(2)
General Services	21(1)	27(1)	41(2)	50(2)	82(2)
Social Services	593(43)	665(37)	751(37)	1,337(42)	1,548(45)
Economic Services	770(56)	1,126(62)	1,235(61)	1,794(56)	1,858(53)
<b>12. Disbursement of Loans and Advances</b>	<b>419</b>	<b>204</b>	<b>278</b>	<b>926</b>	<b>640</b>
<b>13. Total (10+11+12)</b>	<b>16,838</b>	<b>17,971</b>	<b>19,321</b>	<b>22,955</b>	<b>24,034</b>
<b>14. Repayments of Public Debt</b>	<b>1,211</b>	<b>1,024</b>	<b>3,056</b>	<b>3,150</b>	<b>4,873</b>
Internal Debt (excluding Ways and Means Advances and Overdraft)	186(15)	297(29)	281(9)	407(13)	1,342(28)
Net transactions under Ways and Means Advances and Overdraft	556(46)	-	836(27)	236(7)	-
Loans and Advances from Government of India <sup>9</sup>	469(39)	727(71)	1,939(64)	2,507(80)	3,531(72)
<b>15. Appropriation to Contingency Fund</b>	-	-	-	-	-
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>18,049</b>	<b>18,995</b>	<b>22,377</b>	<b>26,105</b>	<b>28,907</b>
<b>17. Contingency Fund disbursements</b>	-	-	-	-	-
<b>18. Public Account disbursements</b>	<b>24,530</b>	<b>26,893</b>	<b>33,315</b>	<b>37,844</b>	<b>42,494</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>42,579</b>	<b>45,888</b>	<b>55,692</b>	<b>63,949</b>	<b>71,401</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit (1-10)</b>	<b>2,633</b>	<b>3,796</b>	<b>3,934</b>	<b>3,424</b>	<b>2,143</b>
<b>21. Fiscal Deficit (3+4-13)</b>	<b>4,312</b>	<b>5,749</b>	<b>6,114</b>	<b>7,367</b>	<b>6,146</b>
<b>22. Primary Deficit (21-Interest Payments)</b>	<b>973</b>	<b>1,871</b>	<b>1,814</b>	<b>2,590</b>	<b>974</b>
<b>Part D. Other data</b>					
<b>23. Balance from Current Revenues (BCR)</b>	<b>(-)1,998</b>	<b>(-)2,692</b>	<b>(-)3,045</b>	<b>(-)2,948</b>	<b>(-)1,368</b>
<b>24. Arrears of Revenue</b>	<b>1,333(19)</b>	<b>1,532( 21)</b>	<b>2,249(29)</b>	<b>2,409(26)</b>	<b>2,978(28)</b>
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	<b>349</b>	<b>309</b>	<b>356</b>	<b>306</b>	<b>89</b>
<b>26. Interest on Ways and Means Advances/Overdraft</b>	<b>27</b>	<b>25</b>	<b>30</b>	<b>31</b>	<b>1</b>
<b>27. Gross State Domestic Product (GSDP)<sup>11</sup></b>	<b>79,295</b>	<b>88,077</b>	<b>85,464</b>	<b>1,04,483</b>	<b>1,08,734</b>
<b>28. Outstanding Debt (year end)</b>	<b>33,874</b>	<b>39,970</b>	<b>45,871</b>	<b>53,361</b>	<b>60,134</b>
<b>29. Outstanding guarantees including interest (year end)</b>	<b>11,954</b>	<b>12,912</b>	<b>14,968</b>	<b>17,239</b>	<b>12,703</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>16,746</b>	<b>19,117</b>	<b>21,887</b>	<b>24,585</b>	<b>20,457</b>
<b>31. Number of incomplete projects</b>	<b>423</b>	<b>300</b>	<b>531</b>	<b>374</b>	<b>373</b>
<b>32. Capital blocked in incomplete projects</b>	<b>2,670</b>	<b>1,760</b>	<b>2,277</b>	<b>2,559</b>	<b>2,877</b>

Note: Figures in brackets represent percentages (rounded) to total of each sub-heading.

8. Excluding recoveries of loans and advances.  
9. Includes Ways and Means Advance from GOI.  
10. Only Rs 11,85,105.  
11. Source: Economic Review- 2004-05. Changes due to adoption of revised GSDP figures.



## **CHAPTER-II**

### **ALLOCATIVE PRIORITIES AND APPROPRIATION**

CHAPTER II  
THEORY OF THE PROBLEM  
AND SOLUTION



## CHAPTER-II ALLOCATIVE PRIORITIES AND APPROPRIATION

### 2.1 Introduction

The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services vis-a-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget.

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2004-05 against grants/appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I. Revenue	14,991.97	916.01	15,907.98	15,222.03	(-) 685.95
	II. Capital	4,618.24	183.75	4,801.99	3,892.95	(-) 909.04
	III. Loans and Advances	489.44	115.85	605.29	639.72	(+) 34.43
<b>Total Voted</b>		<b>20,099.65</b>	<b>1,215.61</b>	<b>21,315.26</b>	<b>19,754.70</b>	<b>(-) 1,560.56</b>
Charged	IV. Revenue	5,196.78	18.78	5,215.56	5,202.70	(-) 12.86
	V. Capital	0.02	0.16	0.18	0.17	(-) 0.01
	VI. Public Debt	12,400.46	-	12,400.46	6,681.55	(-) 5,718.91
<b>Total Charged</b>		<b>17,597.26</b>	<b>18.94</b>	<b>17,616.20</b>	<b>11,884.42</b>	<b>(-) 5,731.78</b>
<b>Grand Total</b>		<b>37,696.91</b>	<b>1,234.55</b>	<b>38,931.46</b>	<b>31,639.12<sup>1</sup></b>	<b>(-) 7,292.34</b>

*Note: The figures of actual expenditure are gross figures and include the recoveries adjusted as reduction of expenditure under revenue expenditure: Rs 518.54 crore and capital expenditure: Rs 404.83 crore.*

1. Rupees 2,118.01 crore drawn through NIL payment vouchers were transferred to 8443- Civil Deposits. Besides, Rs 3,821.63 crore were also drawn through NIL payment vouchers and transferred to other Deposit heads like 8448, 8338, 8342, etc.

The table presents unsatisfactory picture of budget and financial operations of the State Government. The overall savings of Rs 7,292.34 crore as mentioned above was the net result of savings of Rs 7,343.02 crore in 54 grants and appropriations offset by excess of Rs 50.68 crore in 16 cases of grants and appropriations. The savings/excesses (Detailed Appropriation Accounts) were sent to the Controlling Officers requiring them to explain the significant variations, which were not received.

## 2.3 Fulfilment of Allocative Priorities

### 2.3.1 Appropriation by Allocative Priorities

- Analysis of savings (exceeding Rs 25 crore in each case and also by more than 10 per cent of total grant/appropriation) with reference to allocative priorities in respect of seven grants/appropriation brought out that there were heavy savings in "Public Debt, Secretariat, Drinking Water Scheme and Industries" as shown below:

#### Public Debt

(Rupees in crore)

Capital (Charged)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	12,400.46	12,400.46	6,681.55	5,718.91	46.1
Supplementary:	-				

Savings occurred mainly under 6003-Internal Debt of the State Government-Loans from other Institutions-Debenture through State Enterprises (Rs 26.64 crore) and Ways and Means Advances from the Reserve Bank of India (Rs 5,691.04 crore) were due to repayment of loans made by RIICO from the amount deposited in their PD account and actual repayment of Ways and Means Advances from the Reserve Bank of India being less than the estimated respectively.

#### Grant No. 3 – Secretariat

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	184.11	208.49	139.14	69.35	33.3
Supplementary:	24.38				

Savings occurred mainly under 3451-Secretariat-Economic Services-District Planning Machinery-Expenditure for District Poverty Eradication Project under World Bank Assistance (Rs 66.90 crore). Reasons for savings were not intimated.

**Grant No. 21 – Roads and Bridges**

(Rupees in crore)

Capital (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	292.68	386.18	335.56	50.62	13.1
Supplementary:	93.50				

Savings occurred mainly under 5054-Capital Outlay on Roads and Bridges-State Highways-Road Works-Roads financed by Central Road Fund (Rs 15.88 crore), District and Other Roads-Other expenditure-Roads of RIDF financed by NABARD-Missing Link Project (Rs 36.92 crore). Out of the savings of Rs 36.92 crore, funds of Rs 20.49 crore were surrendered in March 2005, due to non-completion of road works in time because of unexpected rain in the months of January 2005 and February 2005 and Rs 16.43 crore re-appropriated to other heads due to lesser execution of works.

**Grant No. 27 – Drinking Water Scheme**

(Rupees in crore)

Capital (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	1,255.40	1,255.40	802.59	452.81	36.1
Supplementary:	Refer footnote 2				

Savings occurred mainly under 4215-Capital Outlay on Water Supply and Sanitation-Water Supply-Urban Water Supply-General Urban Water Supply Schemes-Water Supply to Jaipur from Bisalpur Project (Rs 52.93 crore), Rural Water Supply-Accelerated Rural Water Supply Scheme-General (Rs 67.77 crore), Chambal Project, Bharatpur (Rs 65.55 crore), Fluoride Control Project Chambal-Baler-Sawaimadhopur (Rs 42.67 crore) and Maintenance Percentage charges (O&M) for the Rural Water Supply Schemes (Rs 41.61 crore). Out of total saving of Rs 452.81 crore, Rs 405.90 crore were surrendered in March 2005 due to less expenditure because of late receipt of clearance from Asian Development Bank, non-release/late receipt of sanction for works, non- starting or slow progress of works/projects, non-supply of material for works etc.

**Grant No. 29 – Urban Plan and Regional Development**

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	115.35	146.70	120.89	25.81	17.6
Supplementary:	31.35				

Savings occurred mainly under 2217-Urban Development-General-Assistance to Municipal Corporations-Urban Improvement Incentive Fund (Rs 5.06 crore), Assistance to Municipalities/Municipal Councils-Grants under

---

2. Rs 2,000

development scheme of Minor and Medium Towns (Rs 4.20 crore) and Urban Improvement Incentive Fund (Rs 12.31 crore) were due to receipt of less funds from Government of India.

**Grant No. 33 – Social Security and Welfare**

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	513.34	513.34	461.42	51.92	10.1
Supplementary:	Refer footnote 3				

Savings occurred mainly under 2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-Welfare of Scheduled Castes-Special Central Assistance for Scheduled Castes Component Plan-Scheduled Castes sub plan (Rs 18.30 crore), 2235-Social Security and Welfare-Other Social Security and Welfare Programmes-Pensions under Social Security Schemes-Through the Social Welfare Department-Pensions to old aged persons (Rs 20.76 crore) and 2236-Nutrition-Distribution of Nutritious Food and Beverages-Special Nutrition Programmes-Through the Woman and Child Development Department-Integrated Child Development Scheme (Rs 10.79 crore) due to non-release of funds by the Government of India/State Government.

**Grant No. 42 – Industries**

(Rupees in crore)

Revenue (Voted)		Total grant	Actual expenditure	Saving	Percentage of saving
Original:	54.64	54.64	28.44	26.20	47.9
Supplementary:	Refer footnote 4				

Savings occurred mainly under 2852-Industries-General-Industrial Productivity-Rajasthan State Industrial Development and Investment Corporation Limited-For Rajasthan State Industrial Development and Investment Corporation (Rs 10.85 crore) due to non-receipt of funds from Government of India. Further, Rs 14 crore of the above saving was actually the receipts from unspent amount lying in PD account since 1995-96.

- In 26 cases involving 24 grants and one appropriation there were savings of Rs 6,579.16 crore which exceeded Rs one crore in each case and also by more than 10 per cent of total provision as indicated in *Appendix-V*.

**2.3.2 Persistent savings**

In 14 cases, during the last three years there were persistent savings of more than rupees one crore in each case and also 10 per cent or more of the provision as indicated in *Appendix-VI*.

3. Rs 1,000  
4. Rs 3,000

**2.3.3 Excess requiring regularisation****Excess over provision relating to previous years requiring regularisation**

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs 1,333.40 crore for the years 2000-01 to 2003-04 had not been regularised so far (August 2005). This was breach of Legislative control over appropriations.

Year	Number of Grants/Appropriations	Grant/Appropriation No.(s)	Amount of excess (Rs in crore)
2000-01	4/6	15,16,17,21,25,32, 40,46	55.53
2001-02	5/7	1,15,16,17,21,23,24,43,46,49 Public Debt	97.59
2002-03	3/4	15,21,32,34,46,51, Public Debt	856.28
2003-04	2/10	14,15,16,19,24,26,27,34,36,46, 48, Public Debt	324.00
<b>Total</b>	<b>41</b>		<b>1,333.40</b>

**Excess over provision during 2004-05 requiring regularisation**

The excess of Rs 50.68 crore in 16 cases under 15 grants/appropriations during the year requires regularisation under Article 205 of the Constitution. The excess was mainly under Revenue (Voted) Section amounting to Rs 50.51 crore (99.7 per cent) as indicated below:

(Rupees in thousand)

S. No.	Number and name of the Grant/Appropriation	Provision (Original + Supplementary)	Expenditure	Excess
<b>Voted: Revenue Section</b>				
1.	15-Pensions and Other Retirement Benefits	16,08,68,61	16,25,71,18	17,02,57
2.	21-Roads and Bridges	2,76,07,51	2,82,32,56	6,25,05
3.	27-Drinking Water Scheme	9,06,66,22	9,26,51,88	19,85,66
4.	34-Relief from Natural Calamities	6,53,80,33	6,61,18,07	7,37,74
<b>Voted: Capital Section</b>				
5.	45-Loans to Government Servants	6,21	6,77	56
<b>Charged: Revenue Section</b>				
6.	4-District Administration	15,56	16,27	71
7.	5-Administrative Services	2,12	2,51	39
8.	9-Forest	40,00	40,01	1
9.	13-Excise	9,75	9,75	Refer footnote 5
10.	16-Police	20,09	20,25	16
11.	17-Jails	2	2	Refer footnote 6

5. Rs 259

6. Rs 100

(Rupees in thousand)

S. No.	Number and name of the Grant/Appropriation	Provision (Original + Supplementary)	Expenditure	Excess
12.	26-Medical, Public Health and Sanitation	29,60	31,45	1,85
13.	34-Relief from Natural Calamities	2,17	2,17	Refer footnote 7
14.	35-Miscellaneous Community and Economic Services	1	1	Refer footnote 8
15.	46-Irrigation	54,66	67,58	12,92
<b>Charged: Capital Section</b>				
16.	46-Irrigation	8,38	8,91	53
	<b>Total</b>	<b>34,47,11,24</b>	<b>34,97,79,39</b>	<b>50,68,15</b>

The main reasons for the excess expenditure during 2004-05 were:

- Increase in the number of pensioners and enhancement of payment of pension and commuted value of pension following State Government decision of merging of 50 per cent of dearness allowance in basic pay (Grant No. 15), and
- Increase in the electricity and water tariff (Grant No. 27).

#### 2.3.4 Original budget and supplementary provisions

Supplementary provisions (Rs 1,234.55 crore) made during the year constituted three per cent of the original provision (Rs 37,696.91 crore). The supplementary provision was lesser by Rs 6,787.36 crore than the previous year (Rs 8,021.91 crore).

#### 2.3.5 Unnecessary/excessive/inadequate supplementary provisions

- Supplementary provisions of Rs 98.11 crore made in 10 cases during the year proved unnecessary in view of aggregate saving of Rs 211.22 crore as detailed in *Appendix-VII*.
- In 19 cases, against additional requirement of only Rs 433.43 crore, supplementary grants of Rs 637.99 crore were obtained, resulting in savings in each case exceeding Rs one crore, aggregating Rs 204.56 crore. Details of these cases are given in *Appendix-VIII*.
- In four cases, supplementary provision of Rs 441.10 crore proved short of requirement by more than rupees one crore in each case leaving an uncovered excess expenditure of Rs 50.51 crore as per details given in *Appendix-IX*.

7. Rs 170

8. Rs 58

### 2.3.6 Persistent/substantial excesses

- Significant excesses were persistent in four cases involving three grants as detailed in *Appendix-X*. Persistent excess requires investigation by the Government.
- In 10 cases involving six grants and one appropriation expenditure exceeded the approved provision by Rs 5 crore or more and also five *per cent* or more of the total provision aggregating to Rs 207.93 crore as detailed in *Appendix-XI*.

### 2.3.7 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases where re-appropriations proved injudicious in view of final savings/excess in each case being more than rupees one crore are detailed as under:

- In nine cases, additional funds of Rs 706.65 crore provided through re-appropriation proved unnecessary in view of final savings of Rs 36.63 crore as indicated in *Appendix-XII*.
- In six cases, the withdrawal of Rs 1,990.19 crore through re-appropriation was excess against necessity as the final expenditure still exceeded the modified grant by Rs 102.49 crore as indicated in *Appendix-XIII*.
- In six cases, additional funds of Rs 149.60 crore provided through re-appropriation proved insufficient as the final expenditure exceeded the grant by Rs 55.95 crore as indicated in *Appendix-XIV*.
- In 15 cases, the savings were not properly assessed as even after the withdrawal of Rs 347.44 crore through re-appropriation there was a final saving of Rs 47.28 crore as indicated in *Appendix-XV*.

### 2.3.8 Anticipated savings not surrendered

- According to rules, the spending Departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2004-05, there were 11 cases in which after partial surrender, savings of Rs one crore and above in each case aggregating Rs 122.26 crore (16 *per cent* of savings) remained un-surrendered. This included un-surrendered savings of Rs 31.04 crore (16 *per cent* of savings under Grant No. 24 – Education, Art and Culture), Rs 46.91 crore (10 *per cent* of savings under Grant No. 27 – Drinking Water Scheme), Rs 14.78 crore (56 *per cent* of savings under Grant No. 42 - Industries) and Rs 10.76 crore (49 *per cent* of savings under Grant No. 46–Irrigation). Details are given in *Appendix-XVI*.

• Besides, in nine cases, Rs 36.70 crore (14 per cent of savings) were surrendered in excess (more than five per cent), which includes excess surrender of savings of Rs 5.93 crore (eight per cent under Grant No. 26 – Medical, Public Health and Sanitation), Rs 17.36 crore (34 per cent under Grant No. 21 – Roads and Bridges-Capital Voted) and Rs 6.80 crore (seven per cent under Grant No. 46 – Irrigation-Capital voted). It indicates inadequate financial control over expenditure. Details are given in *Appendix-XVII*.

• However, in all Rs 7,369.92 crore were surrendered on the last working day of the financial year. In 13 cases, involving nine grants and one appropriation surrender exceeding Rs 20 crore in each case amounted to Rs 7,026 crore (95 per cent of total surrender). Details are given in *Appendix- XVIII*.

### 2.3.9 Defective/inaccurate budgeting

Full or substantial portions of the supplementary provisions obtained under the following heads of account on 29 March 2005 were surrendered/re-appropriated (more than 50 per cent of total provision) on 31 March 2005, thus indicating defective/inaccurate budgeting:

(Rupees in crore)

S. No.	Grant No.	Head of Account	Original provision	Supplementary provision	Total provision	Surrender/Re-appropriation to other heads
1.	14	2040-101(04)	Refer footnote 9	1.00	1.00	0.70
2.	16	2055-115(05)	1.16	1.84	3.00	1.91
3.	19	4202-01-201(01)[90]	2.65	0.58	3.23	2.35
4.	19	4210-.03-101(01)[90]	0.10	1.33	1.43	1.33
5.	22	4705-102(01)[01]	6.20	4.87	11.07	7.18
6.	22	4705-105(04)	1.00	0.05	1.05	1.03
7.	29	2217-80-191(19)	0.01	6.40	6.41	5.06
8.	29	2217-80-192(19)	0.01	13.73	13.74	12.31
9.	34	6245-01-800(07)	Refer footnote 10	10.00	10.00	7.07
10.	35	5475-800(03)	4.55	3.69	8.24	6.63
11.	50	4515-101(17)[01]	-	1.50	1.50	1.50

In one head of account of Grant No. 50 entire provision was re-appropriated/surrendered. In two cases (Grant Nos. 14 and 34) only token provisions of Rs 0.01 lakh was taken and supplementary provision was obtained, which were not fully utilised and surrendered/re-appropriated to other head on the last working day of the financial year.

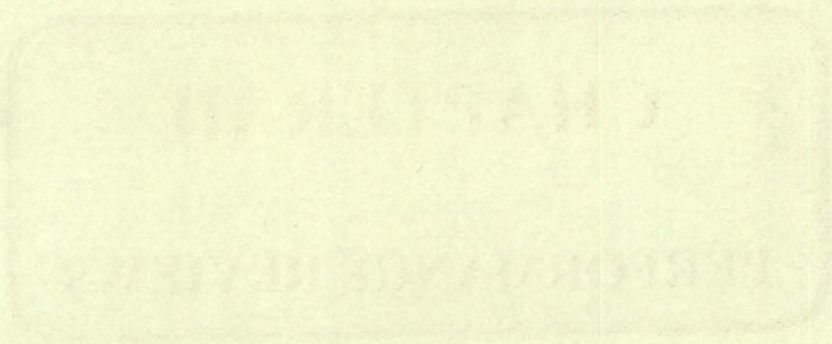
9. Rs 1,000

10. Rs 1,000



# **CHAPTER-III**

## **PERFORMANCE REVIEWS**



## CHAPTER-III PERFORMANCE REVIEWS

This Chapter presents three performance reviews, covering the Implementation of Acts and Rules for Consumer Protection, Performance Audit of Jail Department and review of *Aapni Yojna* and Churu Bissau Project covering the Integrated Water Supply, Sanitation and Health Education Programme.

### FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

#### 3.1 Implementation of Acts and Rules for Consumer Protection

##### *Highlights*

*The Consumer Protection Act, 1986 (CP Act) was enacted by the Parliament in 1986 to provide simple, speedy and inexpensive redressal to the consumers' grievances. Implementation of the Acts and Rules framed for the protection of the consumers' interest for the period 2000-05 revealed that while State Commission started functioning 17 months after enactment of the Act the District Forums became functional after a delay of upto 57 months after their formation. It was also noticed that only one Circuit Bench was set up against five that too with a delay of more than two years, adequate supporting infrastructure facilities were not available in District Forums. The consumers were ignorant about available legal remedies and expenditure on consumer awareness was negligible as compared to the expenditure on salary. The Acts and the Rules pertaining to consumer protection were not implemented effectively in the State.*

Vacancies upto 32 months in the posts of Presidents/Members in State Commission/District Forums resulted in accumulation of 3,455 consumer cases.

*(Paragraph 3.1.9)*

Negligible expenditure was incurred on Consumer Awareness Programmes and funds provided for Consumer Courts for meeting normal expenditure was inadequate.

*(Paragraphs 3.1.9 and 3.1.16)*

Regular meetings of State Council and District Consumer Councils were not held. Shortfall in holding meetings ranged between 42 and 100 per cent. Objectives of Councils to promote and protect the rights of consumers not fulfilled.

*(Paragraph 3.1.13)*

**Government of India assistance for *Jagruti Shivir Yojana* was not utilised in full. Opportunity of setting up of District Consumer Information Centres, with Government of India assistance was not availed.**

*(Paragraphs 3.1.14 and 3.1.15)*

**Enforcement Mechanism for implementation of Consumer Protection Act and other Acts was inadequate.**

*(Paragraphs 3.1.10 to 3.1.12)*

### **3.1.1 Introduction**

The Consumer Protection Act, 1986 (CP Act) was enacted by the Parliament in 1986 to provide simple, speedy and inexpensive redressal for the consumers' grievances. The provisions of this CP Act give the consumer an additional remedy besides those that may be available under other existing laws. The CP Act came into effect from 1987 after the Government of India (GOI) had framed the Consumer Protection Rules, 1987. The Consumer Protection Rules in the State of Rajasthan came into force on 23 July 1988. The CP Act, applicable to all goods and services, covers all sectors – whether private, public and cooperative provides for establishment of three-tier quasi-judicial consumer dispute redressal machinery at National, State and District levels called the Consumer Disputes Redressal Agencies (CDRAs). These agencies are empowered to give relief of specific nature and to award compensation to the consumers. They are commonly known as Consumer Courts and at the District level as District Forums. The CP Act was amended in 2002 to discourage adjournments, making provision for the senior most member to preside over the CDRAs in case of absence/vacancy of the President, empowering courts to punish those not obeying orders of the courts in order to facilitate quicker disposal of complaints.

The implementation of the Standards of Weights and Measures Act, 1976 (W&M Act) and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977, both of which were enacted in the interest of consumer protection, are monitored by the Controller, Legal Metrology, Department of Industries. The major tasks of the Department are annual verification and sampling of weights, measures, weighing and measuring instruments used in any transaction, industrial production or any other trade, periodical and surprise inspection of trade premises, standardisation of the weights, measures and measuring instruments in the State and detection of malpractices in trading institutions and taking appropriate legal/remedial action against the offenders.

Besides, these Acts and Rules, the Prevention of Food Adulteration Act, 1954 (PFA Act) which deals with prevention of adulteration of food stuff intended for human consumption during the stage of manufacture, storage and sale, is aimed at safeguarding the interest of the consumers.

### 3.1.2 Organisational set up

The Department of Food, Civil Supplies and Consumer Affairs headed by the Secretary is the nodal Department for implementation of the CP Act. At State level there is a State Consumer Protection Council under the Chairmanship of Minister of Food and Civil Supplies with the Secretary, Food as Member Secretary. At districts level, District Consumer Councils in all districts under the Chairmanship of respective Zonal Commissioners<sup>1</sup>/Collectors with the District Supply Officers (DSOs) as Member Secretaries are functioning. For redressal of the consumer's disputes there is a State Commission at State level and District Forums in all districts. The Director (Public Health), Medical and Health Services (DMHS) working under the administrative control of the Principal Secretary, Medical and Health Department and assisted by one Additional Director (Rural Health) and 34 Chief Medical and Health Officers (CMHOs) is the regulatory authority of Prevention of Food Adulteration Act. The Controller, Legal Metrology (CLM) working under Principal Secretary, Industries Department and assisted by a Deputy Controller and 43 General Manager-cum-Assistant Controllers were responsible for implementation of the Weights and Measures Act.

### 3.1.3 Audit objectives

Main objectives of the review were to assess whether:

- the adjudication mechanism had been created as prescribed,
- documented policy for achieving the intended objectives and strengthening of infrastructure exist,
- rules governing issues of implementation of the CP Act had been formulated and notified particularly with respect to staffing, governance by State Commission and District Forums and setting out of uniform procedure,
- the infrastructure created for disposal of the complaints met the expectation of the consumers and fulfilled the purpose of the enactment of the CP Act,
- there was adequate mechanism for administering various Acts for the protection of the consumers,
- various steps and initiatives including schemes by GOI and State Government had succeeded in creating awareness amongst the populace, and
- adequate system of monitoring of the grievances made by the consumers had been created with a view to ensuring their timely disposal.

1. Zonal Commissioners were also appointed as Chairman of District Consumer Protection Councils in Rajasthan State.

### 3.1.4 Audit coverage

Implementation of the Acts and the Rules framed thereunder for the protection of the consumers for the period 2000-05 was reviewed in audit (March – June 2005) in the offices of Secretary, Food, Government of Rajasthan, State Commission, 12 (out of 32) District Consumer Councils<sup>2</sup> and 13 (out of 33) District Forums<sup>3</sup>, Director, Medical and Health Services (DMHS) and Controller, Legal Metrology, Department of Industries. ORG-MARG, an independent agency was also engaged for a nation wide survey and study on the subject to assess the level of awareness and impact of CP Act on consumers, manufacturers/service providers, Non-Governmental Organisations (NGOs) and appropriate laboratories. The engagement of ORG-MARG for survey was intimated to the State Government in June 2005. ORG-MARG conducted the survey among the consumers at large (2000 consumers), complainants (508) of eight districts (Nagaur, Pali, Hanumangarh, Jaipur, Jhunjhunu, Bharatpur, Banswara and Bundi), manufacturers/service providers (10), NGOs (2) and Laboratories (2) during July to August 2005. Their findings are incorporated in this review at appropriate places. Executive Summary of the findings is given as annexure to this review.

### 3.1.5 Audit Criteria and Methodology

Audit was conducted with reference to the records maintained for implementation of CP Act, 1986, Standards of Weights and Measures Act, 1976 and PFA Act, 1954. The compliance to the Consumer Protection Rules, 1987, Standards of Weights and Measures (Packaged Commodities) Rules, 1977 and other instructions, guidelines and orders issued by GOI and State Government was also checked during the review of these Acts relating to the protection of interest of consumers.

To understand the detailed organisational network and the related operations connected with the implementation of the Act and the relevant activities a meeting with State Officers at the level of Secretary, Food, Civil Supplies and Consumer Affairs Department was held on 26 April 2005. Various documents at the Government level as well as State Commission and its lower formations relating to the implementation of the CP Act and Rules were studied. Financial information and expenditure incurred was also examined. Physical targets and achievements of the State Council, State Commission, District Councils and 13 District Forums selected on random basis were also examined. Meetings with the prominent NGOs and the Chairman, State Commission were also organised. Besides, records relating to the implementation of PFA Act and Standards of Weights and Measures Act and Standards of Weights and Measures (Packaged Commodities) Rules in Medical and Health and Industries Departments respectively were also examined.

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2. Ajmer, Alwar, Bharatpur, Bikaner, Bhilwara, Dholpur, Dungarpur, Jaipur, Jodhpur, Kota, Sawaimadhopur and Udaipur.
  3. Ajmer, Alwar, Bharatpur, Bikaner, Bhilwara, Dholpur, Dungarpur, Jaipur-I and II, Jodhpur, Kota, Sawaimadhopur and Udaipur.

### 3.1.6 *Inadequacies in creation of adjudication mechanism*

State Commission started functioning 17 months after enactment of the Act and District Forums 57 months after their formation.

The State Commission was created by a notification (26 May 1988) and started functioning (14 December 1988) after a lapse of 17 months from the date of enactment of the CP Act. The State Government attributed the delay to managing space, staff and other infrastructure.

Creation of District Forums in 23 districts was notified (November 1990) with sitting District and Session Judge of the concerned District heading the forums. In remaining nine districts<sup>4</sup>, District Forums were set up during April 1991 to August 1997. Thus, District Forums were created with a delay upto 45 months from the date of the enactment of the CP Act. It was also observed that the District Forums started functioning on full time basis with a delay upto 57 months from the date of their creation due to delayed posting of Presidents in the respective District Forums. On being pointed out in audit, the State Government stated that with the creation of Districts Forums at Zone level the consumers of all districts were provided facility for institution of their complaints with effect from September 1988. The reply was not tenable because as per Section 9 (a) of the CP Act, District Forum in each district was to be established and there was no provision in the CP Act to restrict establishment of District Forums at Zonal levels only.

Against five only one Circuit Bench was set up with a delay of more than two years.

In order to cover the vast geographical territory and to reach out to the consumers, mechanism of Circuit Bench was introduced vide Section 17B of the CP Act with effect from 15 March 2003. Because of heavy pendency before the State Commission, the GOI had also proposed (May 2004) to set up five Circuit Benches in the State. Only one Circuit Bench was set up (June 2005) after lapse of more than two years instead of five proposed by the GOI. It was intimated (August 2005) by the State Government that constitution of Circuit Bench was not mandatory for the State Government and keeping in view of the expenditure to be incurred on Circuit Bench from State funds one Circuit Bench was set up. The Legislative intent of providing speedy redressal for consumers' grievances was not fulfilled, as Circuit Benches were not set up despite heavy pendencies.

How the consumers perceive Government's inaction to increase the capacity of the State Commission and the district forums to deal with more cases came out in the survey conducted by the ORG-MARG. They reported that 80 per cent of the consumers were keen to learn more about their rights. Seventy per cent responded either that the Government was not doing enough to safeguard the interest of the consumers' rights or they were not aware of such efforts made by the Government despite the fact that large number of the consumers felt that there exist a need for knowing their rights as consumers.

### 3.1.7 *Policy formulation and Notification of Rules*

The State Government had not framed any documented policy with which various consumer welfare objectives could be achieved.

4. Barmer, Baran, Dausa, Chittorgarh, Hanumangarh, Jaisalmer, Karauli, Nagaur and Rajsamand.

Sub-Section (2) of Section 30 empowers the State Government to make rules for carrying out the provisions of the Act. The Rajasthan Consumer Protection Rules, 1987 were formulated and notified (July 1988) after lapse of one year. The Act was amended in 2002, but the State Government had not initiated action for amending the Rules even after lapse of more than two years.

As per resolution adopted in the meeting convened (October 1999) by the President of the National Commission a uniform procedure for processing of complaints from the date of receipt till their final decision was to be drawn up by the State Commission. No such uniform procedure was found drawn. Test-check of the records of District Forums<sup>5</sup> revealed that to watch the receipt and disposal of consumers' complaints one set of control register was being maintained by one District Forum (Dholpur) whereas in twelve District Forums two set of control registers (one for receipt and other for disposal of complaints) were being maintained. From the two sets of control registers it was not possible to obtain particulars of a consumer case. In absence of uniform procedure, divergent practices were followed in filing of complaints and their processing.

Consumers were ignorant about available legal remedies.

Results of survey disclosed that the Act provides for simple registration process where application can be filed on plain papers, but nearly 30 per cent of complainants used stamp paper to file the cases and in 54 per cent cases the lawyers/agents advised them to do so. Twenty nine per cent of the consumers surveyed reported that lawyers are required by both the parties, which was not necessary as per the provision of the Act. Further, around 33 per cent of complainants who registered their complaints prior to March 2003 have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003. Such lack of awareness can be attributed to the failure to prescribe and disseminate clear rules and guidelines to the public.

### 3.1.8 Adequacy of infrastructure

Non-completion of buildings resulted in blocking of funds of Rs 13.33 lakh and avoidable rental expenditure of Rs 10.06 lakh.

With the objective to strengthen the infrastructure of State Commission and 30 District Forums<sup>6</sup>, the GOI provided one time grant of Rs 350 lakh to the State Government during 1995-97 for construction of buildings (Rs 302.83 lakh) and purchase of furniture/equipment (Rs 47.17 lakh). Upto March 2005, expenditure of Rs 349.48 lakh was made on buildings (33 Nos.<sup>7</sup>) and furniture. As of July 2005 the buildings of three District Forums (Bikaner, Jhalawar and Rajsamand) were lying incomplete. The buildings for two District Forums (Dholpur and Sikar) were completed with a delay of six to 10 years. The reasons for late/non-completion of buildings were attributed to late allotment of land (Bikaner) and diversion of the GOI grant (Rs 17.50 lakh) for construction of those Forum's buildings (Hanumangarh and Jaipur-II) for which no grant was sanctioned by the GOI. Thus, Rs 13.33 lakh incurred on

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5. Ajmer, Alwar, Bharatpur, Bikaner, Bhilwara, Dholpur, Dungarpur, Jaipur-I, Jaipur-II, Jodhpur, Kota, Sawaimadhopur, and Udaipur.
  6. State Commission and all District Forums except Karauli, Hanumangarh and Jaipur-II.
  7. State Commission and all District Forums except Karauli.



incomplete buildings (Jhalawar Rs 8 lakh-1999-2000, Rajsamand Rs 5.33 lakh 1998-2000) remained blocked upto five years. Besides, avoidable expenditure of Rs 10.06 lakh was also made (2000-05) on rent for three District Forums buildings (Bikaner, Dholpur and Sikar) which could have been avoided had these buildings been completed in time.

One time assistance to the State Government was considered by the GOI with the clear understanding that the State Government would ensure that pendency of cases in Consumer Courts would not increase in future. With the GOI assistance the infrastructure for State Commission and most of District Forums (buildings for State Commission and 29 District Forums and furniture for State Commission and 32 District Forums) were created but pendency of consumer cases was still existed (23,034 cases as of March 2005). Thus, infrastructure created for disposal of the complaints had not met the expectation of all complainants.

Adequate supporting infrastructure facilities were not available in District Forums.

Supporting infrastructure facilities such as Xerox (six districts<sup>8</sup>), Fax (six districts<sup>9</sup>) machines were either not made available to Forums or these were out of order due to their non-maintenance. Facilities of Record Room (10 districts<sup>10</sup>) and Library (10 districts<sup>11</sup>) were not available in the Forums test-checked except in Bikaner. Computer hardware was not available in any District Forum. Inadequacy of these facilities affected the disposal of complaints of consumers. The rate of disposal ranged from 32 to 50 *per cent* of the complaints filed during the year in these test-checked District Forums.

### 3.1.9 Adequacy of staffing and funding

Posts of Presidents/ Members of State Commission / District Forums remained vacant upto 32 months.

As of March 2005, seven posts of Presidents in District Forums,<sup>12</sup> one post of member in State Commission (September 2004) and eight posts of members in District Forums<sup>13</sup> were vacant for a period upto 24 months. Besides, 14 posts of Presidents in 14 Forums<sup>14</sup>, seven posts of Members in six Forums<sup>15</sup> were

8. Bharatpur, Bhilwara, Dholpur, Dungarpur, Sawaimadhapur and Jaipur.
9. Alwar, Bharatpur, Bhilwara, Dholpur, Dungarpur and Sawaimadhapur.
10. Jaipur, Udaipur, Alwar, Bharatpur, Bhilwara, Dholpur, Dungarpur, Jodhpur, Kota and Sawaimadhapur.
11. Jaipur, Udaipur, Alwar, Bharatpur, Bhilwara, Dholpur, Dungarpur, Jodhpur, Kota and Sawaimadhapur.
12. Bharatpur: June 2004; Baran: July 2004; Jodhpur: October 2004; Pali: March 2004; Bhilwara: December 2004; Sirohi: December 2004 and Karauli: December 2004.
13. Rajsamand: March 2003; Udaipur: October 2003; Jaipur I: August 2004; Banswara: September 2004; Bundi: September 2004; Jalore: September 2004 and Karauli: September 2004.
14. Alwar: November 2004 to January 2005, Sawaimadhapur: December 2004 – January 2005, Ajmer: February 2003 – October 2003, Banswara: March 2001 – October 2003, Bundi: March 2002-November 2003, Churu: May 2001 – August 2001, Dholpur: April 2001 – August 2002, Dungarpur: May 2000 to September 2002, Sriganganagar: March 2001 – August 2002, Jaipur-I: July 2000 to November 2000, Jaipur-II: December 2002 to October 2003, Jhunjhunu: April 2003 to October 2003, Nagaur: March 2001 to October 2002 and Rajsamand: April 2003 to October 2003.
15. Alwar: April 2003 to October 2003, Bikaner: August 2002-October 2003, Dausa: January 2001-December 2001(F), and February 2002-March 2003 (M), Dungarpur: September 2001-December 2001, Jaisalmer: April 2003-October 2003 and Sikar: July 2003 – October 2003.

also remained vacant upto 32 months on various occasions during 2000-05. As per resolution adopted in the meeting convened by the National Commission on 17 August 2004, the process of selection of President/Member should have been started at least six months in advance when a vacancy was likely to occur. It was, however, observed that timely action to fill the vacancies of Presidents/Members was not taken. In most of cases (27 out of 37) the recruitment process was initiated after occurrence of vacancy and upto 17 months were taken to complete the process. This resulted in accumulation of 3,455 pending cases during above vacancy period.

As of March 2005, posts of one Office Superintendent (59 months), one Private Secretary (56 months), one Steno (56 months), one Office Assistant (52 months) and two UDCs (15 months) were vacant in State Commission. Similarly, in District Forums test-checked, nineteen posts (OA-7, UDC-3, LDC-4, Steno-1 and Peon-4) of the staff were vacant for eleven months to twelve years. The State Commission attributed (August 2005) the delay in filling up vacancies to non-existence of prescribed service rules for Ministerial staff in the Consumer Courts.

Savings ranging from Rs 19 lakh to Rs 79 lakh were noticed during 2000-01 to 2003-04<sup>16</sup> due to non-filling of vacant posts. The amount of savings was surrendered each year.

Proposals were submitted each year during 2000-05 to Budget Finalisation Committee by the State Commission for requirement of funds under the head "Office expenses" but the State Government sanctioned during 2000-05 funds only 42 to 61 per cent of funds demanded, resultantly adequate funds for meeting normal expenditure heads such as Postage, Stationery, Fax and telephone charges, Courier fees were not made available to District Forums and the State Commission which caused inconvenience and delay in disposal of consumers complaints.

Adequate funds for meeting normal expenditure was not made available to Consumer Courts.

### **Enforcement Mechanism in Acts relating to consumers**

#### **3.1.10 Consumer Protection Act**

Test-check of records made available by District Forums<sup>17</sup> revealed that on non-getting the decretal amount from the party responsible the consumers lodged their applications again in the Consumer Courts under Section 25 (2003-05) and 27 (2000-05) of the Act. As of March 2005 applications under Section 25 (50 Nos.) and Section 27 (125 Nos.) having decretal amount Rs 17.20 lakh and Rs 61.88 lakh respectively were pending from one to five years in five Consumer Courts due to these being in hearing process, non-delivery of warrants/summons, stay granted by State Commission etc. It was also revealed that certificates for affecting the recoveries from the responsible parties were issued to Collectors, but these recoveries of Rs 23.32 lakh were pending for one to two years. Thus, consumers were deprived of the benefit of

Consumers were deprived of the benefit of decretal amount of Rs 1.02 crore.

16. 2000-01: Rs 78.58 lakh, 2001-02: Rs 75.45 lakh, 2002-03: Rs 71.45 lakh and 2003-04: Rs 19.25 lakh.

17. Ajmer, Bikaner, Dholpur, Dungarpur, Udaipur.

decretal amount (Rs 1.02 crore). Results of the survey also revealed that 21 respondents out of 222 stated that they have yet to receive compensation although the decrees have been passed in their favour. On an average, the compensation was due for approximately 17 months. The non-recovery of decretal amount reflected that the enforcement mechanism of Forum's order was not adequate.

### 3.1.11 Prevention of Food Adulteration Act

Section 10 (2) of the Act envisage that Food Inspector has to inspect all establishments licensed for manufacture, storage or sale of an article of food within the area assigned to him. In the State, Food Inspectors under Medical and Health Department were responsible for implementation of the Act. There were 34 sanctioned posts of full time Food Inspectors, which were vacant as of March 2005 against which 32 notified Health Inspectors were working to whom powers of taking samples from vendors were delegated.

During the year 2004 inspectors in three districts (Baran, Jhalawar and Karauli) were not posted and as such no samples of food stuff were drawn. Thus, due to non-availability of enforcement mechanism availability of unadulterated food and beverages to consumers (34.09 lakh) of these districts could not be ensured.

#### Shortfall in drawal of samples.

To implement the provision of PFA Act the target for inspection of vendors by inspectors were not fixed. However, targets of drawing 100 samples per inspector annually were fixed. Position of achievement of targets was as under:

Year	Samples to be drawn as per norms	Samples actually drawn and sent to laboratory	Shortfall (per cent)	Adulterated samples	
				Number	Percentage
2001	3,200	2,660	17	591	22
2002	3,200	2,923	9	698	24
2003	3,200	2,177	32	463	21
2004	3,200	1,825	43	408	22
2005 (June 2005)	1,600	1,024	36	138	13

The shortfall in drawal of samples ranged from nine *per cent* to 43 *per cent* (2001-05). Additional Director, Medical and Health Services attributed (July 2005) the non-fulfillment of targets by the Inspectors to their deployment in Pulse Polio Campaign, prevention of epidemics, water purification work, VIP visits, launching of prosecutions for adulterated samples, attending Courts etc. The reply shows inability of the Department to comply with the spirit of the Act and betrays lack of sensitivity to consumer's rights to get wholesome, unadulterated and infection-free foodstuff.

The adulteration in food and beverage ranged from 13 to 24 *per cent* (2001-05). Of 2,298 cases of adulteration detected, prosecutions for 357 cases were not launched in courts due to pending investigation as of August 2005 though cases had been detected two to 54 months earlier. The status of 1,941 cases for which prosecutions had been launched was also not available in DMHS.

It would thus be evident from the above facts that the enforcement mechanism for regulation of the PFA Act was not adequate.

### 3.1.12 Standards of Weights and Measures (Enforcement) Act, 1985 and related Rules

In the State, Department of Industries was responsible for implementation of the Act. Section 27 of this Act envisage that Inspector, Legal Metrology has to inspect and test all weights and measures, within the area assigned to him, which are being or are intended to be used in transactions and also to verify that they conform to the Standards established by law. In 27 District Industries Centres (DICs), 35 Inspectors were posted. Posts of Inspectors in seven centres<sup>18</sup> were vacant and the charge of which was being held by Inspectors of other centres.

Weights and measures were not verified.

Rule 14(1) of Rajasthan Standards of Weights and Measures (Enforcement) Rules, 1997 provides that weights and measures should be verified/reverified at least once in a year. Test-check revealed that these were not verified each year in DICs<sup>19</sup>. The Department attributed the non-verification of weights and measures to shortage of manpower, non-cooperation of traders, excess work load on Inspectors etc. Unverified weights and measures can affect consumer's rights adversely.

It would thus be evident from the above facts that the enforcement mechanism for regulation of the Standards of Weights and Measures (Enforcement) Act was not adequate.

### 3.1.13 Functioning of Consumer Protection Councils

Guidelines for functioning of State and District Consumer Councils had not been prescribed.

As per Section 7 (4) and 8A (4) of the CP Act, procedure in regard to the transaction of its business by the State Council and District Consumer Councils was to be prescribed by the State Government. It was observed that no procedure with respect to transact business by State Councils and District Consumer Councils was prescribed by the State Government even after lapse of 17 years.

As per Rajasthan Gazette notifications (7 August 1987 and 25 August 2004) meetings of State Council (minimum two each year) and of District Consumer Councils (four meetings upto August 2004 and onwards two meetings each year) were to be held. It was observed that prescribed numbers of meetings of State Council and District Consumer Councils were not held. The shortfall (2000-05) in holding the meetings was between 42 and 100 per cent (State Council: 50 to 100 per cent and District Consumer Councils: 42 to 72 per cent). With a view to protect and promote the six rights of consumer (clause (a) to (f) of Section 6 of the CP Act) it was decided in the 13th meeting (March 2003) of State Council to set up three sub committees of the members of State Council which would submit their meaningful suggestions to State Council so that it could work more effectively. It was, however, observed that

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18. Baran, Barmer, Dholpur, Dungarpur, Karauli, Rajsamand and Bhiwadi.

19. Bharatpur, Bikaner, Jaipur City and Kota.

though sub committees were constituted (July 2003) by the State Government yet the object of formation of sub committees and procedure to be followed for working of these committees were not prescribed. The sub committees had not met since their constitution.

### **Awareness and empowerment of consumer**

#### **3.1.14 Jagriti Shivar Yojana**

The GOI assistance for *Jagriti Shivar Yojana* was not utilised in full.

With a view to generate awareness amongst consumers about the various programmes of the Government, including consumer rights the *Jagriti Shivar Yojana* was launched in 2001 by the GOI and 20 per cent districts of the State were to be covered in the scheme. Proposals of seven districts<sup>20</sup> were forwarded by the State Government to the GOI (June 2001). The GOI sanctioned (December 2001) one time grant of Rs 3.50 lakh for the above seven Districts at Rs 50,000 per District. It was observed that out of the GOI grant only Rs 2.57 lakh (73 per cent) was utilised and balance returned to the GOI (December 2004). GOI assistance was not utilised in full due to non-holding of public meeting (Dholpur), less publicity (Dholpur, Bhilwara and Churu), less attendance of participants in public meetings. The prescribed utilisation certificate was sent to the GOI after a delay of more than three years.

#### **3.1.15 Setting up of District Consumer Information Centres (DCICs)**

District Consumer Information Centres were not set up depriving consumers of this benefit.

The GOI circulated (2000-01) a scheme of financial assistance for setting up the District Consumer Information Centres (DCICs) on a continuous basis by *Zila Parishads* or Voluntary Consumer Organisations (VCOs) of repute. Assistance of Rs 5 lakh was to be given for each DCIC. Twenty per cent of districts were to be covered each year and by the end of March 2005 whole of the State was to be covered. The proposals of 16 districts were forwarded to the GOI between May 2001 and January 2004 enclosing the applications of only three *Zila Parishads* on the prescribed format, the other *Zila Parishads* were instructed to forward applications direct to the GOI which were not done. GOI sanctioned (2002-03) three DCICs and released the first instalment of Rs 2.50 lakh each to the three *Zila Parishads* (Chittorgarh, Dausa and Ajmer) that applied. Test-check revealed that these *Zila Parishads* had not set up the DCICs (March 2005) but had utilised Rs 1.33 lakh out of the Rs 7.50 lakh sanctioned to be utilised within a year and the balance was not refunded to GOI (August 2005). Thus, due to delay in forwarding the proposals and ineffective monitoring the State Government had not availed the opportunity of setting up the DCICs in the State. Consumers were, therefore, deprived of the benefit of the GOI scheme relating to consumer awareness.

#### **3.1.16 Promotion of awareness**

No media policy was formulated for dissemination of information pertaining to awareness.

The State Government had not formulated any media policy for dissemination of information pertaining to awareness about the Act, mechanism for filing of complaints and procedure of adjudication including location of District

20. Bikaner, Churu, Jalore, Dholpur, Karauli, Banswara and Dungarpur.

Forums, State Commission. A quarterly magazine "Upbhokta Mangal" was published at Government level. During 2000-01 to 2004-05, only four editions were published and circulated to officers of the State, District and Sub division level. Information disseminated through the magazines were out of reach of general consumers of urban as well as rural areas. Thus, dissemination of information pertaining to awareness about the Act was not adequate. It was observed in test-checked districts that during 2000-01 to 2004-05 average two programmes for consumer awareness such as observance of the World Consumers' Day and the National Consumers' Day were organised per year by the State Government in urban area only.

**Low consumer protection awareness in rural, illiterate and poor consumers.**

The Consumer Protection Councils were meant for promoting and protecting the rights of consumers by dissemination of information and through consumer education. Ineffective working of councils has direct linkage to lack of awareness with regard to consumer protection as also skewed profile of complainants with majority belonging to urban area and well earning groups. Results of the survey revealed that out of those aware about CP Act have come to know about the same from electronic media (83 *per cent*), Print media (57 *per cent*) and NGOs (0.5 *per cent*). The profile of the complainants who were surveyed revealed that 90 *per cent* resided in urban areas and 97 *per cent* were educated lot and earned average monthly household income of Rs 10,358. This implied that the facilities provided by redressal agencies were availed of mostly by the urban middle/upper middle strata of the community. Thus, the basic purpose of legislative enactment was not really addressed through the CP Act.

**Involvement of NGOs in schemes formulated was negligible.**

State Government had not formulated any scheme for furthering the objectives of the Act including generation of awareness which involved NGOs. The nominations of the NGOs as members in the State Council and District Consumer Councils were cancelled by the State Government (December 2003) as such the NGOs had not participated in the meetings of councils after December 2003. It would thus be evident that involvement of the NGOs was not adequate.

Results of the survey revealed that 58 *per cent* of the consumers were not aware of their rights as consumers and 71 *per cent* belonging to various categories were still unaware of the CP Act. The Act is envisaged to benefit all the consumers in urban and rural areas, but 24 *per cent* of the rural population had heard about it. The analysis further showed that the distribution of those aware of the Act were as follows:

- educated (43 *per cent*),
- self employed (53 *per cent*),
- employed with government (72 *per cent*),
- unemployed (37 *per cent*),
- students (72 *per cent*); and
- retired (31 *per cent*).

This was despite the fact that results of the survey revealed that 80 *per cent* of the consumers at large believed that it is important for every consumer to know about the CP Act. They opined that knowledge of consumer rights will help the consumers in getting good quality products/services (76 *per cent*) and consumer will not be cheated on price (78 *per cent*). The opinion is similar across urban and rural respondents.

No scheme was introduced for free legal aid to consumers.

The State Government had not introduced any scheme for free legal aid to consumers. They stated that the appointment of Advocate for pleading the consumer case was not necessary and consumer could himself plead his cases before the Consumer Court. As per survey results, about 82 *per cent* complainants hired Advocates and on an average the complainants had to spent Rs 2,014 to resolve the case of which a large portion (average amount of Rs 1,546) comprised Advocate's fee. Thirty eight *per cent* of complainants also perceived that cost incurred in the process was high or very high. This showed that consumers could not get inexpensive redressal.

Expenditure on consumer awareness was negligible as compared to salary expenditure.

During 2000-05, expenditure of Rs 20.05 crore was incurred against the budget provision of Rs 20.05 crore for activities of implementation of the CP Act. Of this, major expenditure (92 *per cent*) was on pay and allowances and only 0.65 *per cent* was the expenditure on publication and remaining (7.35 *per cent*) was on infrastructure, maintenance of vehicles and office expenses. Thus, negligible expenditure was incurred on consumer awareness.

### 3.1.17 Disposal of cases in State Commission and District Forums

At the end of March 2005 the disposal of 15,922 cases was pending in Consumer Courts.

In the State Commission and test-checked District Forums the disposal of 15,922 complaint cases was pending (March 2005) of which 587 cases were ten years old, 5,179 cases above five years, 5,595 cases above two years and 4,561 cases above six months. During audit it was observed that the delayed disposal and pendency of cases was mostly due to incomplete quorum, non-appointment of Presidents/Members, inadequate staffing, inadequate funding and inadequate supporting infrastructure, etc. in District Forums. The reasons for delay in disposal and pendency of cases in the State Commission was attributed to excess workload and also to non-setting up of requisite numbers of Circuit Benches.

Objective of speedy redressal of consumers' grievances was only partly achieved.

Prolonging of the cases works against the basic objectives of the Act and increase the cost of litigation, which also is against the basic tenet of the Act. An analysis of the time taken at various stages of the cases during the survey of ORG-MARG showed that on an average 2.4 days were spent for registering a case and 16.5 days were taken for serving the notice, the first hearing was held after 23 days. On an average six hearings were required to resolve the case. Around 27 *per cent* of cases were still unresolved even after 10 hearings. Further, analysis of the data reveals that to resolve a case on an average 9.2 months were spent. Unresolved cases were kept pending on an average 31 months. The objective of speedy redressal of consumer grievance was, thus, only partly achieved. To ensure speedy redressal, there exists a need to augment the adjudication mechanism by setting up of service specific redressal machinery and providing of additional infrastructure. Results of the survey further revealed that the majority of the complaints were against

services (70 per cent) such as Insurance (23 per cent), communication (19 per cent) and banking (17 per cent). This may imply that competition in the product market does take care of the consumer problems but in case of monopolistic situation the consumer has to approach consumer redressal agencies to seek relief against the Government owned service providers, agencies, public utility concerns, boards and organisations.

### **3.1.18 Conclusion**

The legislative intent of Parliament to empower the consumer and to provide him quick redressal had only been partly achieved in the State. This was mainly due to administrative deficiencies. Inadequate functioning of consumer protection councils hampered the activities of empowerment and awareness generation among the consumers. Delay in filling up of vacancies of the Presidents and the Members in the State Commission/District Forums and non-providing adequate funds, staff and infrastructure facilities was noticed. Enforcement mechanism for implementation of PFA Act and Weights and Measures Act were found to be deficient.

The ORG-MARG survey result revealed that on the whole the stakeholders and complainants perceive the redressal as simple but not very speedy and economical.

### **3.1.19 Recommendations**

- Consumer Councils should be made more effective through prescribing of procedure for transaction of their business and by nomination of NGOs also as members in the Councils.
- State Government should provide sufficient funds, staff and infrastructure to Consumer Courts for ensuring dispensing of speedier relief by them.
- Vacancies of Presidents and Members of Consumer Courts should be filled up immediately.
- To cope with the increasing consumer complaints in the State Commission, adequate number of Circuit Benches should be set up.
- Efforts towards generation of awareness and empowerment of consumers should also be focused on rural areas so that the consumers of all categories are aware about their rights.

The matter was referred to the Government in September 2005; reply had not been received (October 2005).



## Annexure

### Executive Summary of ORG-MARG findings

In order to gain an understanding of the functional status of the Consumer Protection Act, Consumers at large, Complainants, manufacturers/service providers, NGOs and appropriate laboratories were covered under the survey. In State of Rajasthan a total of 2000 consumers spread across urban and rural areas were contacted. Besides, 508 complainants, 10 manufacturers/service providers, two NGOs and two laboratories were interviewed. The survey was conducted during second week of July to end of August 2005.

#### *Findings of the Survey*

- Overall 80 *per cent* of the consumers at large gave importance to knowing the Consumer Protection Act (CP Act) but 57 *per cent* not aware of consumer rights and 71 *per cent* still unaware of CP Act.
- The act is envisaged to benefit all the consumers in urban and rural areas but only 24 *per cent* of the rural population has heard about it.
- In response to, whether the government is making any effort in safeguarding the consumer rights, only 30 *per cent* replied positively remaining either carrying negative or have no idea of the same.
- Formal source of awareness - electronic and print media stand at 83 and 57 *per cent* respectively and only 0.5 *per cent* learnt about CP Act from the NGOs.
- Nearly 47 *per cent* of the aware consumers at large have come to know about the Act only in the last four years whereas the Act has been in existence for past 19 years.
- Overall, only 28 *per cent* reported to be aware of the existence of any redressal agency. Awareness on this among those aware of rights and CP Act was higher.
- Around 10 *per cent* aware any redressal agency did not know the location of the District Forum in their respective districts.
- About 90 *per cent* of complainants resided in urban areas and 97 *per cent* were the educated lot and earned a monthly household income of Rs 10,358. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle/upper middle strata of the community.
- Majority of the complaints were against services (70 *per cent*) such as insurance services (23 *per cent*), communication (19 *per cent*), banking services (17 *per cent*) and electricity (17 *per cent*). This may imply that competition in the product market take care of the consumer problems but

in case of monopolistic situation the consumer has to approach consumer redressal agencies.

- Majority of complainants came to know about the redressal agencies through press media (70 *per cent*) and others i.e., friends/relatives (8 *per cent*). NGOs not a popular source of awareness (less than one *per cent*).
- Nearly 30 *per cent* of the complainants used stamp paper to file the case and in majority of cases (54 *per cent*) the lawyers/agents advised them to do so.
- Around 33 *per cent* of complainants who registered their complaints prior to March 2003 reported to have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003.
- An analysis of time taken at various stages of the cases show that on an average 2.4 days were spent for registering a case and 16.5 days were taken for serving the notice, first hearing was held after 23 days.
- On an average six hearings were required to resolve the case. Around 27 *per cent* of cases were still unresolved even after 10 hearings and most of these cases were against consumer durables (17 *per cent*).
- To resolve a case on an average 9.2 months were spent. In case of unresolved cases the same were pending for past 31 average months.
- There were 21 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for 17 months. For those received compensation the same was received within an average period of 1.6 months.
- On an average the complainant had to spent Rs 2,014 to resolve the case of which a large proportion (average Rs 1,546) comprised Advocate's fee.
- The manufacturers and service providers were well aware of CP Act and only two of them had formal mechanism to deal with cases in Consumer Court on the contrary not many consumers at large were aware of Act or the redressal system.
- The NGOs are involved in spite of activities such as consumer education, advocacy, organising seminars/camps etc. They are also facilitating the consumers in filing cases and act as agents.
- Overall all the stakeholders and the complainants perceive the redressal as simple but not very speedy and economical.

## Home (Jail) Department

### 3.2 Performance Audit of Jail Department

#### *Highlights*

*The main functions of the Jail Department are admission and safe custody of prisoners; monitor their movement and release, besides taking action for reform and rehabilitation of inmates. The prisoners are to be reformed so that they can be mainstreamed as useful and good citizens. During review various defects and deficiencies in security in Jails, health and sanitation conditions, manpower and training requirements and operation of Jail industries were noticed. Some of the significant points noticed are as under:*

Out of Rs 35.83 crore drawn and deposited by the Director General, Jails in the Personal Deposit account of Rajasthan State Road Development and Construction Corporation Limited for modernisation of Jail administration, only Rs 9.92 crore (28 per cent) were utilised.

(Paragraph 3.2.6)

Installed capacity for imparting training to 120 trainees per day was available in Jail Training Institute (JTI), Ajmer which remained under-utilised for 52 months during last five years with number of trainees ranging between one to 46 only.

(Paragraph 3.2.8)

Due to post of Instructor Grade II lying vacant since March 2000 in the JTI, Ajmer a Head Warder performed duties of imparting military training in squad drill, musketry and firing to Jail personnel of the rank of Warders to the level of Deputy Superintendent of Jail.

(Paragraph 3.2.8)

Twenty one door/hand metal detectors, 138 close circuit television cameras, two electric sirens and two power generators costing Rs 18.15 lakh were lying out of order for one to 15 years in 12 test-checked Jail units. Shortage of 80 arms was noticed in five Jail units as against requirement of 130 arms as per norms of the State Government.

(Paragraph 3.2.10)

There was increase from seven escaping from prison in the year 2000 to 26 in 2004 indicating an increasing trend of prison breaks in the State.

(Paragraph 3.2.11)

Thirty seven semi automatic handloom machines, *niwar* looms, etc. costing Rs 9.72 lakh lying in Jail industries could not be commissioned

due to technical defects, non-creation of posts of instructors, etc. Finished goods like furniture, coolers etc. worth Rs 73.84 lakh were lying unsold in four test-checked Central Jails.

(Paragraph 3.2.12)

Fifty five valuable and important medical equipment like X-ray machines, cardiac monitors, semi auto analysers, ultra sound machines etc. costing Rs 23.97 lakh were lying unutilised since date of purchase for want of required staff, reagents, intensive care unit, pathology laboratory, etc.

(Paragraph 3.2.16)

Huge variations in rates of diet per prisoner per day provided in different Jails in the State led to excess expenditure of Rs 7.74 crore during 2000-05.

(Paragraph 3.2.17)

### 3.2.1 Introduction

Jail Department is functioning to keep the prisoners in safe custody, organise activities to improve and change their living style and habits so that they may come into the mainstream of society as useful and good citizens. The State Government framed the Rajasthan Prisons Rules in 1951, for implementing the provisions of the Central Prisons Act, 1894 (the Rules).

The overall administrative control of the Department rests with the Principal Secretary in the Home Department. The Director General (DG), Jails is head of the Department with Headquarters at Jaipur. The Department is divided in seven circles with eight Central Jails, three 'A' category and 22 'B' category District Jails and 59 Sub Jails, one Women Reformatory, one Juvenile Reformatory, 10 Open Camp Jails and one Jail Training Institute (JTI). The Central Jails are managed by the Superintendents while other Jails at the District and Sub Jail levels are managed by Deputy Superintendents, Jailors or Assistant Jailors.

### 3.2.2 Scope of Audit

Out of 106 Jail units functioning in Rajasthan, the records relating to the DG, Jails, four Central Jails<sup>21</sup> and 16 other Jails and sub units<sup>22</sup> were test-checked (February-June 2005) covering an expenditure of Rs 116.57 crore - 58 per cent of total expenditure of Rs 202.57 crore incurred during the period 2000-01 to 2004-05. The important points noticed by Audit are discussed in the succeeding paragraphs.

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21. Central Jail, Ajmer, Jaipur, Jodhpur and Udaipur.

22. District Jail, Dausa, Jhalawar, Sirohi and Tonk, Sub Jail, Abu Road, Beawar, Behror, Kotputli, Malpura and Sambhar Lake, Jail Training Institute, Ajmer, Juvenile Reformatory, Ajmer, Women Reformatory, Jaipur, Open Camp Jail, Sanganer, Mandore and Udaipur.

### 3.2.3 Audit objectives

The broad audit objectives were to critically examine the overall Jail administration and functioning of correctional homes so as to assess whether:

- financial resources were adequate and human resource management including training to staff were effective,
- safe custody of prisoners, reformatory and rehabilitation support to convert prisoners as good and useful citizens of the society was ensured,
- there existed a proper system for transportation of prisoners, health cover, sanitation facilities and
- internal control system, inspections and monitoring was effective.

### 3.2.4 Audit Methodology and criteria

In order to know the detailed organisational set up and functioning of the Department, an entry conference was organised with the Principal Home Secretary (PHS), study of annual administrative reports, Central Prison Act, 1894 and various Rules framed thereunder by the State Government was done and meetings were also held with different high level officers in the Department, from time to time, during audit and exit conference was held to discuss the findings with the PHS.

### 3.2.5 Audit findings

#### **Financial management**

The funds are provided by the State Government to the DG, Jails for the Jail administration. The budget provisions and the expenditure incurred thereagainst during the years 2000-05 was as under:

(Rupees in crore)

Year	Budget provisions				Expenditure			
	Non-plan	Plan	Centrally sponsored scheme	Total	Non-plan	Plan	Centrally sponsored scheme	Total
2000-01	28.60	0.78	0.07	29.45	29.20	0.78	0.07	30.05
2001-02	31.46	1.81	0.92	34.19	31.69	1.82	0.92	34.43
2002-03	31.34	1.72	-	33.06	30.98	1.72	-	32.70
2003-04	33.21	3.95	9.77	46.93	32.74	3.95	9.77	46.46
2004-05	35.29	3.80	19.71	58.80	35.42	3.80	19.71	58.93
<b>Total</b>	<b>159.90</b>	<b>12.06</b>	<b>30.47</b>	<b>202.43</b>	<b>160.03</b>	<b>12.07</b>	<b>30.47</b>	<b>202.57</b>

### 3.2.6 Deficiencies

Out of Rs 35.83 crore meant for modernisation of Jail administration, only Rs 9.92 crore (28 per cent) were utilised.

- Government of India (GOI) sanctioned (November 2002) a non-plan scheme<sup>23</sup> of prison reform for implementation over a period of five years (2002-07) on cost sharing<sup>24</sup> basis with allocation of Rs 65.15 crore (GOI share: Rs 48.86 crore and State share: Rs 16.29 crore). Accordingly, the GOI released (March 2003 to September 2004) Rs 29.32 crore in three installments. The State Government sanctioned (February 2004 to November 2004) Rs 9.80 crore with the condition that the DG would withdraw Rs 6.51 crore only. Reasons for not releasing balance amount Rs 3.29 crore were still awaited from the State Government. The DG deposited (March 2004 to March 2005) Rs 35.83 crore including the GOI share (Rs 29.32 crore) in the Personal Deposit (PD) account of Rajasthan State Road Development and Construction Corporation Limited (RSRDCC) for implementation of the scheme, of which only Rs 9.92 crore (28 per cent) were utilised as of March 2005.
- Besides, the State Government took nine to 10 months in issuing sanctions for transfer of funds to the executing agency for modernisation of Jail administration.
- The electricity load sanctioned to the Central Jail, Jaipur is 100 KW. The consumption in the Jail was, however, more than the sanctioned load. Scrutiny of vouchers and registers revealed that Rs 6.83 lakh were paid (June 2000 to January 2005) to the Jaipur Vidyut Vitran Nigam Limited for consumption of electricity in excess of sanctioned load. The matter was not resolved as of March 2005.
- As per Notification issued (May 1998) by the Public Health Engineering Department (PHED) for the purpose of water charges, the Jails were categorised as domestic consumers. Scrutiny of bills and registers, however, revealed that Rs 16.88 lakh were paid (March 1999 to April 2005) irregularly to the PHED by the Central Jail, Jodhpur (Rs 12.63 lakh) and Udaipur (Rs 4.25 lakh) towards water supply charges at the rates applicable to non-domestic consumers. The interest of the Jail Department was thus, not taken care of.

### 3.2.7 Inadequacy of human resource management

The sanctioned strength vis-a-vis men-in-position in the Jail Department in the State as a whole and average prisoner's population during the period covered by audit was as under:

Year	Sanctioned strength	Men-in-position	Shortage	Average prisoners population
2000-01	2935	2226	709	11944
2001-02	2945	2226	719	12364
2002-03	2937	2121	816	12143
2003-04	2932	2064	868	12613
2004-05	2932	2272	660	13195

23. Modernisation of Jail Administration Scheme.

24. 75 per cent Government of India, 25 per cent Government of Rajasthan.

- The above data shows shortage of 660 to 868 men in position as against sanctioned strength of 2932 to 2945 during 2000-05 whereas prisoners population increased by 10 *per cent* from 11944 in 2000-01 to 13195 in 2004-05.
- It was observed in audit that one Deputy Superintendent and one Warder trained between April 2000 to June 2002 for Jail security were sent on deputation with effect from 31 May 2003 and 3 January 2004 to Transport and Social Welfare Department respectively in the same pay scale, despite the fact that posts of 10 Deputy Superintendents and 540 Warders were already lying vacant (as of 2003-04) in the Jail Department.
- For qualitative improvement of Jail administration, the National Human Rights Commission (NHRC), New Delhi, recommended (September 1996) to the State Government that selection of officers to head the Jail administration should be done carefully and posted for about three years, with a view to imparting continuity and dynamism and help in improving Jail administration in the State. Contrary to these recommendations, six officers of Indian Police Service cadre were posted as the DG, Jails of whom two officers headed the Department only for two to seven months till their transfer and four officers for 17 to 28 months till their retirement during the period from April 1999 to September 2005. None of the six officers could continue for three years. Thus, recommendations of the NHRC were not adhered to.
- As of 2004-05, there were 10 Open Camp Jails<sup>25</sup> in the State. No norms for deployment of security staff per Open Camp Jail were fixed. Scrutiny of information obtained from the DG revealed that while five posts<sup>26</sup> were sanctioned for Open Camp Jail, Jaitsar (Sriganganagar) having sanctioned capacity of 61 prisoners, no posts were regularly sanctioned for other nine Jails. Four security persons were provided for 119 to 138 prisoners during 2000-05 in Sanganer Open Camp Jail whereas two to three personnel were in position for security of 20 to 24 prisoners and two to seven prisoners in Mandore (Jodhpur) and Udaipur Open Camp Jail respectively. The deployment of security staff was, thus, irrational.
- During examination of complaints register in the DG office, it was observed that out of 611 complaints received during 2000-05 against the Government servants involved in allegations like bribery, corruption, helping prisoners to take inside restricted items like mobile phone, drugs, etc., 137 (22 *per cent*) were pending (4 March 2005) for period ranging from six months to five years though required to be disposed off within one month. No disciplinary action was initiated as per Rules against 19 Jail employees against whom complaints had been examined and found guilty during 2002-04. Though inquiries were initiated (2001-05) in respect of other 12 cases, reports were, however, not received (March 2005) from the Inquiry Officers. No serious follow up action to obtain these reports had been taken.

25. Sanganer, Durgapura, Mandore, Bharatpur, Alwar, Udaipur, Jaitsar, Beechwal, Hanumangarh and Kota.

26. One Deputy Jailor, one Head Warder and three Warders.

### 3.2.8 Under-utilisation of capacity of Training Institute and non-filling up of the post of trainer

The Jail Training Institute (JTI), Ajmer was established in 1976 to provide basic initial training, in-service induction training and refresher training to Jail staff. However, trainees ranging from one to 46 only were imparted training in 52 months during 2000-05 resulting in under-utilisation of the sanctioned capacity of 120 trainees per day. The Principal, JTI attributed (May 2005) the reason for non-participation to non-sparing of the officials despite nomination.

Due to post of Instructor Grade-II lying vacant since March 2000 in the JTI, a Head Warder performed duties of imparting military training in squad drill, musketry and firing.

- The duties of imparting military training in squad drill, musketry and firing was to be performed by the Instructor Grade-II. However, the sanctioned post of Instructor was lying vacant since March 2000 in the JTI. In his absence such training to Jail personnel of the rank of Warders to the level of Deputy Superintendents of Jail, was being imparted by the Head Warder during 2000-05. The Principal, JTI also pointed out (January 2005) to the DG that training being given by a Head Warder was against the prescribed norms. However, the post of Instructor Grade-II continued to remain vacant (May 2005).

### 3.2.9 Non-finalisation of Departmental enquiries

Out of 130 suspension cases (123 non-gazetted and seven gazetted officials) for reasons like trap cases, concealment of female prisoners during imprisonment, taking alcohol on duty, provoking female prisoners, involvement in escaping, mis-behaviour with the seniors and prisoners, absence from training, etc. during the period 2000-05, the Departmental enquiries were pending in 35 cases (July 2005) despite lapse of period ranging between two and 20 months over and above the prescribed period of 25 months for finalisation of enquires.

In 16 cases, Departmental enquiries were finalised with delay ranging from three to 20 months over the prescribed period. The reason given (July 2005) by the DG that the work assigned to the Departmental officers was additional to their normal duties, was not tenable in view of period prescribed by the Government for completing the enquires.

## Custody, reforms and rehabilitation of prisoners

### 3.2.10 Inadequate security system in Jails

Examination of permanent stock registers and files in test-checked units revealed that 21 door/hand metal detectors, 138 close circuit television (CCTV) cameras, two electric sirens and two power generators costing Rs 18.15 lakh<sup>27</sup> supplied by the DG for Jail security were lying out of order in 12 units<sup>28</sup> for the period ranging from one to 15 years. These were neither

27. Hand metal detectors (Rs 0.14 lakh), CCTV cameras (Rs 17.92 lakh) and Electric Sirens (Rs 0.09 lakh).
28. Central Jail, Jaipur, Jodhpur, Ajmer and Udaipur, District Jail, Tonk, Jhalawar, Sirohi and Dausa, Juvenile Reformatory, Ajmer, Women Reformatory, Jaipur and Sub Jail, Abu Road and Kotputli.

Critical security equipment costing Rs 18.15 lakh were lying out of order for one to 15 years.



repaired nor replaced (July 2005) with new equipment despite the fact of their malfunctioning had been brought to notice of the DG by the Superintendent, Central Jail, Ajmer, Udaipur and Jaipur.

- No security equipment was provided in three Sub-Jails<sup>29</sup> as of March 2005.

Shortage of arms in five Jail units was 60 per cent.

- Though the scale of arms to be provided for security personnel from the officer of or above the rank of Assistant Jailor and the Warder fixed (May 1952) by the Ministry of Home Affairs, GOI, was adopted (October 1988 and October 1997) by the State Government on a reduced scale yet shortage of 80 arms, such as muskets 0.410", out of a requirement of 130 arms was noticed in five Jail units<sup>30</sup>. When pointed out in audit (March 2005) the DG, Jails while admitting the shortage, stated (June 2005) that indent has now been sent (June 2005) to police headquarter for supply of arms.

- While in Central Jail, Jaipur, Ajmer and Udaipur, firing training to 50 per cent of Warders and Head Warders required annually, was not imparted during the period under review, in Central Jail, Jodhpur the firing training was not arranged in 2000-01 and 2003-04 reportedly due to non-availability of firing range in Central Jail Campus, shortage of Warders and Head Warders and ban imposed (December 2004) by the DG, Jails for want of bullets. These deficiencies needed speedy remedial action.

### 3.2.11 *Escape from Jails*

Increasing trend of prison breaks.

Audit scrutiny of files relating to escaping revealed that there were 35 cases involving escaping of 89 inmates in the State during 2000-05 out of which 29 inmates could not be traced and re-captured as of March 2005. The year-wise data of escaping showed increasing trend from seven in 2000 to 26 in 2004 due to inadequate security arrangements and negligence on the part of the Jail security personnel. In test-checked units 14 cases involving escaping of 28 inmates was noticed. Some of the shortcomings noticed in test-checked units were as under:

- In District Jail, Sirohi, five prisoners escaped on 4 July 2004 (two) and 3 October 2004 (three) by crossing over 24 feet high Jail circumvallation wall having live electric wire. Scrutiny of files revealed that:

- There were inadequate security arrangements because of shortage of staff (seven Warders in position against 13 sanctioned posts) and also there was negligence of concerned staff for which disciplinary action was completed in December 2004 in respect of one Warder and in respect of remaining five security personnel the same was in process.

- The Department was aware (November 2004) that there was wide gap in live wiring at the circumvallation wall.

29. Sambhar Lake, Malpura and Behror.

30. Central Jail, Ajmer (30), Sriganganagar (35), District Jail, Karauli (5), Rajsamand (5) and Chittorgarh (5).

- There was single phase electric current in live wires. The DG instructed (November 2003) to convert the same into three phase. But action was initiated only in August 2004 after first occasion of escaping occurred in July 2004. Though three phase connection was arranged in October 2004, the work of reducing gap in live wiring was still in progress (June 2005).
- In Sub Jail, Behror, eight prisoners escaped (August 2003) because of location of Jail kitchen in between two entry doors which was unsafe, non-providing of siren, double lock system and live electric wire system, low height of Jail circumvallation wall (eight feet only), vacant post of Assistant Jailor. These deficiencies had not been removed as of June 2005.
- Non-availability of power generator set to maintain uninterrupted power supply in the event of load shedding in Sub Jail, Kotputli led to escaping of three prisoners on 7 January 2003.
- Two Departmental enquiries of 2001, three of 2002, five of 2003 and seven of 2004 were pending (July 2005) for one to four years in 15 Jail units<sup>31</sup>.

### 3.2.12 Inefficient working of Jail industries

Jail industries were functioning in eight Central Jails<sup>32</sup> and one District Jail, Alwar in the State, of which the records of four Jails industries (Jaipur, Ajmer, Jodhpur and Udaipur) was test-checked. During scrutiny of various material registers and information obtained from Jail units following deficiencies were observed:

- Thirty seven semi automatic handloom machines, *Niwar* looms/warping machines, Bobbin machines, etc. costing Rs 9.72 lakh purchased during 2002-03 by the DG, Jails were lying idle reportedly for want of commissioning by the firms, because of technical defects in machines from the date of installation and non-creation of post of Instructors, etc.
- Work in lieu of rigorous imprisonment to inmates equal to 22,82,234 mandays (72 per cent) against 31,86,400 mandays required to be given during period under review in compliance of courts decisions was not assigned in four test-checked units<sup>33</sup> for want of supply of raw material from the DG office, because of scarcity of space and non-sanctioning of posts of technical instructors, etc.
- Every prisoner sentenced with rigorous imprisonment is categorised in the Jail as skilled and unskilled worker, to whom payment of remuneration at the rate of Rs 11 and Rs 9 per day respectively is made. Out of this remuneration, 75 per cent amount is payable to the prisoner and 25 per cent to the grieved family. Scrutiny of the records revealed that against overall

31. Central Jail, Bharatpur (1), Udaipur (1), Sriganganagar (1), District Jail, Dholpur (2), Nagaur (1), Alwar(1), Sirohi (2), Barmer (1), Banswara (1), Sub Jail, Sangod (1), Behror (1), Deeg (1), Nimbahera (1), Open Camp Jail, Jaitsar (1) and Sanganer (1).
32. Jaipur, Jodhpur, Ajmer, Udaipur, Kota, Bharatpur, Sriganganagar and Bikaner.
33. Central Jail, Jaipur (8,35,973), Udaipur (4,36,894), Ajmer (4,38,342) and Jodhpur (5,71,025).

Looms costing Rs 9.72 lakh were lying idle in Jail industries due to technical defects/non-commissioning of machines, etc.

amount of Rs 86.19 lakh due for payment to skilled and unskilled prisoners during 2000-05 in Central Jail, Jaipur, Ajmer, Jodhpur and Udaipur, remuneration of Rs 80.01 lakh could be paid (March 2005) to the prisoners and the balance amount of Rs 6.18 lakh was not paid for paucity of funds.

- In the absence of details, payment of Rs 20 lakh representing 25 per cent of remuneration payable to the grieved families could not be verified in audit. This limited the scope of audit. Reasons for not maintenance of details were not intimated (September 2005).

Finished goods like furniture, coolers etc. worth Rs 73.84 lakh were lying unsold in four test-checked Central Jails.

- Huge quantity of finished goods like wooden furniture, niwar, coolers, etc. costing Rs 73.84 lakh was lying unsold in Jail industries of four test-checked units<sup>34</sup> reportedly for want of proper advertisement and awareness to general masses and an inadequate sale counter in the district. Higher selling price of Jail products because of levying of Rajasthan Sales Tax alongwith surcharge on value of finished goods was also the main reason as attributed (May 2005) by the DG, Jails.

- Five posts of Instructors out of sanctioned strength of 26 posts in the State were lying vacant for period ranging between 14 and 44 months. The vacancies resulted in deterioration in quality of finished goods and training to prisoners as accepted (May 2005) by the DG, Jails.

- *Pro forma* accounts of Jail industry are required to be prepared and submitted by the Superintendents of Central Jails to the Accountant General (Commercial and Receipt Audit) within six months of the closure of financial year. While *pro forma* accounts for the years 2000-04 were submitted late by period ranging from two to 16 months by four units,<sup>35</sup> Central Jail, Bikaner had not prepared accounts for the year 2003-04. Reasons for delay in submission of *pro forma* accounts were not intimated to audit (September 2005).

- Seven Jail units were incurring losses continuously for more than five years. The accumulated losses of these units were Rs 4.44 crore, as per their latest accounts finalised, against the total investment of Rs 5.82 crore (*Appendix-XIX*) by the State Government.

- Fixed Assets registers were not maintained in District Jail, Alwar and not maintained properly in Central Jail, Kota, Bikaner, Jodhpur and Udaipur.

### 3.2.13 Partial utilisation of Prisoners Welfare Fund

Rajasthan Prisoners Welfare Fund Rules, 1964 provide for utilising the amount accumulated in the Fund towards scholarship, examination fee, books, stationery to the children of the prisoners, and entertainment of prisoners. During examination of cash book, PD account and vouchers Audit noted that

34. Central Jail, Jaipur (Rs 26.93 lakh), Jodhpur (Rs 15.06 lakh), Ajmer (Rs 10.75 lakh) and Udaipur (Rs 21.10 lakh).

35. Central Jail, Ajmer (2000-04), Jaipur (2002-04), Jodhpur (2000-04) and Udaipur (2001-04).

in eight units<sup>36</sup> out of total receipts of Rs 20.41 lakh, Rs 5.13 lakh (25 per cent) only (one per cent in District Jail, Jhalawar and 18 per cent in Juvenile Reformatory, Ajmer) were utilised for the purpose during five years.

### 3.2.14 Rajasthan Jail Personnel Welfare Fund

Scrutiny of ledgers of the Rajasthan Jail Personnel Welfare Fund created in the Office of the DG, Jails in 1995 revealed that as against total receipts of Rs 40.10 lakh<sup>37</sup> the expenditure worked out to Rs 107.04 lakh<sup>38</sup> leading to difference of Rs 66.94 lakh due to incomplete postings under various receipt heads in the ledger. It was further noticed in audit from cash books that Rs 30 lakh and Rs 22.12 lakh sanctioned in March 1998 and March 2000 by the State Government under Modernisation of Jails and Tenth Finance Commission respectively were deposited in the welfare fund though the amounts were not related to welfare activities for Jail personnel. Annual accounts of the fund for the years 1995-96 to 2003-04 were not prepared as of July 2005.

### System of sanitation, health, diet, transportation, infrastructure and housing in prisons

#### 3.2.15 Inadequate sanitation facilities

- There was an overall shortage of 367 latrine seats (50 per cent) in 12 Jail units<sup>39</sup> out of 19 test-checked units against requirement of 734 seats as per norms of one latrine seat per five prisoners, the percentage shortfall ranged between 79 in District Jail, Jhalawar and 30 in Sub Jail, Malpura.
- Toilet facilities were not available at all for Jail staff in District Jail, Tonk and Central Jail, Ajmer while the conveniences provided in Sub Jail, Behror and Central Jail, Jodhpur and Udaipur were unhygienic.
- Expenditure of Rs 28.96 lakh including subsidy of Rs 13.80 lakh from the GOI incurred on installation of three night soil biogas plants (NBPs) (one in Central Jail, Udaipur and two in Jaipur) between September 1999 and October 2001 with the objective to create alternative sources of energy and cooking gas for Jail kitchens, proved unfruitful, as the plant at Udaipur became non-functional after two to three days of its installation while both the plants at Jaipur were lying unutilised for no connectivity of NBPs with the toilets/sewerage line (April 2005).

36. Central Jail, Jodhpur, Jaipur, Udaipur, Ajmer, District Jail, Tonk, Jhalawar, Sirohi and Juvenile Reformatory, Ajmer.

37. August 1995 to 8 February 2005 (Subscription from members – Rs 38.88 lakh and Interest –Rs 1.22 lakh).

38. Miscellaneous expenditure: Rs 72.78 lakh, Financial assistance: Rs 0.11 lakh and Bank and Cash Balances: Rs 34.15 lakh.

39. Central Jail, Jodhpur (41 per cent), Udaipur (40), District Jail, Dausa (33), Jhalawar (79), Sirohi (37), Tonk (65), Sub Jail, Abu Road (50), Beawar (70), Behror (40), Malpura (30), Sambhar Lake (62) and Women Reformatory, Jaipur (67).

### 3.2.16 Inadequacy of health cover to prisoners

The health cover available for prisoners in 19 test-checked units was highly inadequate. Scrutiny of permanent stock registers, medicine stock registers, prescription slips revealed that:

- One post of Lab Technician for Central Jail, Jodhpur and two posts each of Junior Specialists (Radio diagnosis) and Assistant Radiographers sanctioned (July 2001) by the State Government for operating X-ray machine, Ultrasound, Cardiac Monitor, ECG machine etc. for Central Jail, Jaipur and Jodhpur were lying vacant (March 2005). Health cover to prisoners in four District Jails, six Sub Jails and one Juvenile Reformatory was being managed with the help of part time Medical Officer who paid only one to four visits a month due to low level of honorarium of Rs 100 per month fixed in seventies. No steps were taken to increase the honorarium (September 2005).
- Fifty five valuable medical equipment (*Appendix-XX*) costing Rs 23.97 lakh purchased for five test-checked units<sup>40</sup> out of Xth Finance Commission funds in March 2000, were lying unutilised since date of their purchases for want of required staff, reagents, intensive care unit and pathology laboratory despite repeated requests by officers in charge of concerned Jail units to the DG for providing these facilities. Pathological laboratory alongwith cooling system constructed at a cost of Rs 9.05 lakh in November 2002 in Central Jail, Jaipur out of XIth Finance Commission funds was lying unutilised (March 2005) for want of a Pathologist.
- While 17 seriously ill prisoners referred to Jawahar Lal Nehru Hospital, Ajmer by the Senior Medical Officer of Central Jail, Ajmer in February 2005 for specialist consultation were taken to the hospital with delay of four to 22 days and six such other prisoners could not, however, be taken to the hospital for want of police guard due to lack of proper coordination between Jail and Police Departments.
- In two test-checked Jail units<sup>41</sup>, medicines prescribed by the specialists were provided with delay of five to 28 days to 19 seriously ill prisoners during August 2003 to July 2004 for want of sufficient funds.
- Despite the recommendations of the NHRC (11 February 1999) to the State Government for medical examination of prison inmates at the time of their admission to Jails and to afford immediate and effective treatment in cases of detection of Tuberculosis (TB), no such medical examination was carried out in any of the 19 test-checked units while 55 prisoners (21 per cent) died of TB out of 257 deaths in Jails during 2000-05. Heavy load of work with the Medical Officer, being on part time basis at a nominal payment of Rs 100 per month and non-availability of adequate medical equipment like X-ray and ECG machines, were cited as the main reason.

Important medical equipment costing Rs 23.97 lakh were lying unutilised since their procurement.

40. Central Jail, Jaipur (Rs 13.64 lakh), Jodhpur (Rs 8.65 lakh), Ajmer (Rs 0.22 lakh), Udaipur (Rs 0.84 lakh) and Juvenile Reformatory, Ajmer (Rs 0.62 lakh).

41. Central Jail, Ajmer (6) and Jodhpur (13).

- No practice was followed in any of the 19 test-checked units to take weighment of the prison inmates fortnightly as per Rules to ensure maintenance of their good health and to record the same in their history sheet. The Superintendent, Central Jail, Ajmer attributed scarcity of medical staff as main reason for this lapse.

- While communicating to the State Government the results of its study in some Jails, the NHRC recommended (February 1999) that overcrowding in Jails should be avoided as it was an aggravating factor in the spread of contagious diseases. Examination of statistical data and average prisoners population as per monthly progress reports (MPRs) of the Jail units revealed excess average population of 1222 prisoners as against sanctioned average population of 4822 prisoners during 2000-05 in 30 out of 104 Jails which required shifting to 57 Jails having less average population of 3843 prisoners against sanctioned average population of 10295 (March 2005). The DG while accepting the facts stated (May 2005) that additional barracks were under construction.

This showed inadequacy of health cover to the prisoners in Jails.

### **3.2.17 Procurement of Ration for prisoners**

During examination of Jail unit-wise rate finalisation files and registers following deficiencies were noticed:

- Analysis of diet expenditure statements for the years 2000-05 revealed huge variations in rates of diet per prisoner per day led to expenditure of Rs 33.67 crore against requirement of Rs 25.93 crore taking into account inmates lodged in these Jails. This resulted into excess avoidable expenditure of Rs 7.74 crore. The DG accepted the facts and stated (July 2005) that tenders for supply of ration had been floated for all Jail units at head quarters level from 2004-05 with a view to remove variation in rates of diet and raw material at unit level.

- In Central Jail, Jaipur groundnut oil of rate contracted firm 'A' was found adulterated (11 October 2001), resultantly ban was imposed (2 January 2002) by the DG on purchase of edible oil from this firm. Still not only 4365 kilogram of oil worth Rs 1.88 lakh was purchased (25 October 2001 to March 2002) but rate contract for supply of food material for subsequent three years was awarded to firm 'B' with the same address and telephone number as of firm 'A' and food material costing Rs 1.23 crore was purchased from firm 'B' without evolving any system for periodical sample testing of food material. Similarly, in Central Jail, Ajmer 15990 kilogram of edible oil costing Rs 7.78 lakh was purchased (January 2001 to 2004-05) from firm 'A' whose edible oil sample was found adulterated (18 January 2001) which changed its name as firm 'B'.

There was excess expenditure of Rs 7.74 crore during 2000-05 due to variations in adopting different diet rates.

### 3.2.18 Inadequacy of transportation system

Examination of information obtained from the DG Jails, permanent stock registers, log books, statements of sanctioned manpower, driving licenses revealed the following shortcomings:

- Against availability of 68 vehicles in the Jail Department, the number of vehicles remaining out of order alongwith its periodicity and the number of vehicles lying idle for want of drivers was not known to the DG, which indicated lack of proper monitoring of available transport infrastructure with them. As of March 2005, 19 drivers were in position against sanctioned post of 23 drivers.
- It was seen in audit that out of 21 vehicles available, in six out of 21 test-checked units, six vehicles were lying out of order in four Jail units<sup>42</sup> for one to five years for paucity of funds for their repair as stated by the Superintendents, Central Jail, Ajmer and the District Jail, Tonk.
- Six vehicles costing Rs 15.84 lakh including five ambulances costing Rs 11.50 lakh were lying unutilised in five Jail units<sup>43</sup> supplied by the DG, Jails during the years 2000-04 for want of sanctioned post of drivers.
- This was indicative of mismanagement on the part of Jail administration, as due to non-utilisation of the vehicle, the transportation of Jail officials including sick prisoners and material would have been adversely affected.

### 3.2.19 Utilisation of housing facilities

Scrutiny of quarter's allotment registers, files and pay posting registers revealed as under:

- Out of 318 staff quarters available in 18 units, 58 quarters in 13 units<sup>44</sup> were lying vacant for one to 14 years for want of funds for their repairs and maintenance as stated by officers in charge of the Jails.
- While recovery of penal rent worth Rs 6.64 lakh from 33 employees of five Jail units<sup>45</sup> on account of their overstay in the Government quarters after having been transferred to other units was pending as on June 2005, Rs 3.59 lakh were recoverable from 29 employees in four units<sup>46</sup> towards

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42. Central Jail, Ajmer (1), Jaipur (3), Jodhpur (1), and District Jail, Tonk (1).  
 43. District Jail, Bhilwara (2), Chittorgarh (1), Nagaur (1), Pratapgarh (1) and Rajsamand (1).  
 44. Central Jail, Ajmer (6), Jaipur (1), Jodhpur (3), Udaipur (5), and District Jail, Jhalawar (3), Sirohi (1), Tonk (5), Sub Jail, Beawar (2), Behror (2), Kotputli (1), Sambhar Lake (1), Juvenile Reformatory, Ajmer (23) and JTI, Ajmer (5).  
 45. DG, Jails, Jaipur (Rs 1.86 lakh), Central Jail, Ajmer (Rs 0.17 lakh), Jaipur (Rs 4.31 lakh), Jodhpur (Rs 0.27 lakh) and JTI, Ajmer (Rs 0.03 lakh).  
 46. Central Jail, Jaipur (Rs 0.85 lakh), Sub Jail, Beawar (Rs 0.48 lakh), Kotputli (Rs 0.43 lakh) and Juvenile Reformatory, Ajmer (Rs 0.05 lakh).

electricity charges (Rs 1.81 lakh) and from 111 employees in four Jail units<sup>47</sup> towards water charges (Rs 1.78 lakh) for the period under review.

- As per Rules, one Deputy Superintendent, five Medical Officers, five Jailors/Assistant Jailors and two nursing staff were required to reside in staff quarters in Jail premises. Audit noticed that they did not reside as such in Jail campus of Central Jail, Jaipur and Udaipur during 2000-05.

### **3.2.20 Civil works pertaining to Jail and other buildings**

- Out of the funds meant for 'Modernisation of Jail Administration, Rs 9.21 crore sanctioned for 82 works and allotted during 2003-05 to Public Works Department for execution of these works, Rs 2.01 crore were utilised and 18 works were completed and handed over as of March 2005; 25 works though completed (March 2005) were not handed over (June 2005), 31 works were in progress and eight works were not yet started (work-wise detail not made available). Out of Rs 29.61 crore sanctioned to RSRDCC for nine works only Rs 7.91 crore were utilised (March 2005) and only five works were in progress and four works (estimated cost : Rs 3.60 crore) were not yet started. No utilisation was done by the Ground Water Department and the PHED out of sanctioned amount of Rs 0.30 crore for 12 works relating to water supply and sanitation.

- While circumvallation walls round Sub Jail, Abu Road and Behror were only 10 feet and eight feet high against the norm of minimum height of 15 feet, there was no circumvallation wall round Sub Jail, Sambhar Lake.

- Borstal school building including barracks, industry sheds, dispensary blocks, etc. constructed (December 1990) at Ajmer (cost: Rs 63.13 lakh) out of Central assistance under Eighth Finance Commission to accommodate 301 young offenders was reported by the State Government (37th Action Taken Report of Public Accounts Committee - 12th Vidhan Sabha) to be in utilisation of JTI (December 1990 to July 1996) and Juvenile Reformatory since 29 November 1997. Analysis of data<sup>48</sup> revealed that due to average prisoners population between 28 and 44 only during November 1997 to 2004-05, the Borstal school building remained underutilised as confirmed (May 2005) by the Assistant Jailer, Juvenile Reformatory, Ajmer because building for the Reformatory was constructed (March 1983) at a cost of Rs 17.15 lakh by the State Government in the same campus.

## **System of Internal control, monitoring and inspection**

### **3.2.21 Non-compliance of the directions of Human Rights Commissions**

Scrutiny of Reports relating to inspections done by the NHRC and the State Human Rights Commission (SHRC) revealed that:

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47. Central Jail, Jaipur (Rs 1.49 lakh), Jodhpur (Rs 0.12 lakh), Sub Jail, Beawar (Rs 0.09 lakh) and Kotputli (Rs 0.08 lakh).

48. 33 in 1997-98, 30 in 1998-99, 28 in 1999-2000, 30 in 2000-01, 31 in 2001-02, 34 in 2002-03, 44 in 2003-04 and 38 in 2004-05.



- Seventy one visits were undertaken by the NHRC and the SHRC during 2000-05. Compliance to their 57 reports (80 *per cent*) was made by the units with delay ranging between two and 30 months against prescribed period of six weeks for sending final reply to the Commissions. However, compliance reports had not been sent to the Commissions in respect of remaining 14 visits even after lapse of period ranging from five months to three years as of March 2005.
- Serious observations regarding non-utilisation of four watch towers constructed during 2001, non-repair of sewerage system, non-utilisation of valuable medical equipment, inadequacy of staff, etc. made (February 2004) by the NHRC in Central Jail, Jaipur had not been remedied (June 2005).
- The recommendation made (April 2003) by the SHRC for ensuring uninterrupted electric supply to Sub Jail, Beawar from urban grid in place of power supply for six to eight hours a day from rural grid to avoid any possible incidence of escaping was not complied with (May 2005) for want of sanction of funds from the DG. Lack of proper action on the recommendations of the NHRC and the SHRC on the part of the Jail administration renders their visits meaningless.
- No vehicle was available in eight<sup>49</sup> out of 21 test-checked units for transportation of prisoners from Jail to courts and hospitals despite having been pointed out by the SHRC during its visit to the Sub Jail, Malpura as this Jail was situated at a distance of about two to six kms from the court/hospital.

### ***3.2.22 Delay in trial of prisoners and non-establishment of Video conferencing system for remand prisoners***

Right to speedy trial is a facet of fair procedure guaranteed in Article 21 of the Constitution of India. Analysis of statistical data maintained by the DG, Jails revealed that there were 7609 prisoners (7360 male and 249 female) under trial in the State as on 30 June 2004 out of which 378 cases<sup>50</sup> were pending for period ranging between two and more than five years.

- Video conferencing system intended for remand prisoners between Central Jail and District Courts of Jaipur and Jodhpur had not been established (April-May 2005) due to non-installation of equipment at Central Jail, Jodhpur and Jaipur despite sanction of funds of Rs 28 lakh in November 2004 and supply of required equipment by National Informatics Centre, New Delhi.

### ***3.2.23 Deficiency in holding meetings of District Parole Committees***

Out of 80 quarterly meetings required to be held as per the Government orders, only 56 such meetings (70 *per cent*) were held by the four District

49. District Jail, Sirohi and Sub Jail, Abu Road, Behror, Beawar, Kotputli, Malpura, Sambhar Lake and Juvenile Reformatory, Ajmer.

50. 277 for two to three years, 82 for three to five years and 19 for more than five years.

Parole Committees<sup>51</sup> during 2000-05 despite reiteration (31 October 2002) by the State Government to hold the meetings regularly.

### **3.2.24 Ineffective Internal Audit System**

Internal audit system in Jail Department was not strong and effective. Well-planned strategy to ensure periodical audit coverage of each unit on annual, biennial or triennial basis was not adopted. Only two internal audit parties each comprising one Assistant Accounts Officer and one Junior Accountant were sanctioned to cover 95 Jail units (10 Open Camp Jails which are audited alongwith attached Central Jails and the DG Jails which is audited by the Director, Inspection, Rajasthan). Internal audit of 30 units was pending for five to 24 years. While 8306 audit objections in 750 inspection reports were outstanding as on March 2005, first compliance reports were yet to be received in respect of 115 inspection reports. There was no system of imparting training to staff deployed in internal audit parties, while standard of manpower per party were also not fixed at any level. The DG accepted (March 2005) the facts and stated that audit programming was chalked out depending upon availability of staff, which had to attend other assignments too, like departmental enquiries, election duties etc. Audit observed that internal audit should be conducted in time and invariably of all the units.

### **3.2.25 Inspections**

Scrutiny of files relating to inspections conducted by the departmental officers revealed that only 27 inspections (36 *per cent*) were undertaken during five years by the Inspector General (IG) against 74 required to be done six monthly in respect of eight Central Jails. Similarly against norms of one inspection of each District Jail per year, the IG conducted only 61 inspections (48 *per cent*) against 127 required to be undertaken during five years in respect of 25 District Jails. The Superintendents (Circle Officers) of four Central Jails<sup>52</sup> carried out 168 inspections (57 *per cent*) only in respect of subordinate district and sub jails against requirement of 295 as per prescribed norms of annual inspection.

### **3.2.26 Nomination of Non-Government visitors for Jails**

Scrutiny of nomination sanctions and visitors books in the Jail units revealed that although 86 Non-Government visitors were nominated by the State Government for 14 test-checked units<sup>53</sup> to visit the Jails and to hear the complaints of the prisoners and to guide the Jail administration by recording his comments in the visitor books. Yet except two visits to District Jail, Sirohi by one visitor on 1st and 27th August 2000, no visits were made to any of the remaining 13 Jail units during the period under review. This not only limited the scope of ventilating their grievances by the prisoners to Non-Government visitors but also rendered the rule of nominating these visitors redundant.

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51. Jaipur (18), Ajmer (14), Udaipur (15) and Jodhpur (9).

52. Jaipur, Jodhpur, Ajmer and Udaipur.

53. Central Jail, Ajmer, Jaipur, Jodhpur, Udaipur, District Jail, Dausa, Jhalawar, Sirohi, Tonk, Sub Jail, Abu Road, Beawer, Behror, Kotputli, Malpura and Sambhar Lake.

### 3.2.27 *Monitoring and evaluation*

In order to ensure effective functioning of Jail administration, no State Level Monitoring Committee or Board was constituted. This was also admitted (July 2005) by the DG, Jails. The stipulated 240 MPRs were not submitted by four Jail units<sup>54</sup> pertaining to the period 2000-05. Similarly, 11 out of 50 half yearly returns were also not submitted by these Jail units, six such returns were submitted with delay ranging between 10 and 123 days by these units. Additionally, 28 annual returns (37 *per cent*) out of 75 were not submitted to the Headquarters by five Jail units<sup>55</sup> while 20 returns (27 *per cent*) were dispatched to the Headquarters with delay of six to 101 days.

### 3.2.28 *Conclusion*

Only Rs 9.92 crore (28 *per cent*) out of Rs 35.83 crore transferred by the State Government for modernisation of Jail administration were utilised. There was shortage of 660 to 868 personnel during 2000-05. While capacity of imparting training to 120 Jail personnel per day in JTI, Ajmer remained under-utilised, Head Warden was imparting training in squad drill, musketry and firing as the post of Instructor was lying vacant. Security equipment costing Rs 18.15 lakh were lying out of order in 12 units. Shortage of 80 arms against requirement of 130 in five Jails was also noticed. Thirty seven machines costing Rs 9.72 lakh supplied in four Jail industries were lying idle for technical defects and non-creation of posts of Instructors. Borstal school building (cost: Rs 63.13 lakh) constructed at Ajmer to accommodate 301 young offenders was lying unutilised since August 1996. Thus, Jail administration in Rajasthan, even though an important limb of the criminal justice system was not functioning to the expectations and requirement.

### 3.2.29 *Recommendations*

- Generators should be provided to all Jail units to maintain uninterrupted power supply for ensuring security.
- Rate of payment of Rs 100 per month to the Medical Officers engaged in Jail on part time basis is nominal and requires to be reviewed.
- Rule 3(a) of part 23 relating to nominating Non-Government visitors for Jails needs revision.
- Photo identity cards should be issued to each prisoner.

During discussion in Exit Conference (7 October 2005), the Principal Home Secretary accepted the last three recommendations for early implementation.

These points were referred to the Government in August 2005; reply had not been received (September 2005).

54 Central Jail, Ajmer, Jaipur, Jodhpur and Sub Jail, Beawar.

55 Central Jail, Ajmer, Jaipur, Jodhpur, JTI, Ajmer and Sub Jail, Beawar.

**Public Health Engineering Department**

**3.3 Integrated Water Supply, Sanitation and Health Education Programme - Aapni Yojna and Churu Bissau Project**

*Highlights*

*Aapni Yojna and Churu Bissau Project were sanctioned in June 1994 and May 1998 in three districts of Rajasthan for a total cost of Rs 542.64 crore, to cater to drinking water, sanitation and health needs of the people. Against an implementation schedule of 1995-99 for Aapni Yojna and 1998-2001 for Churu Bissau Project (CBP), both the projects were delayed and were yet to be completed. After incurring an expenditure of Rs 501.32 crore while 327 villages and one town was covered against target of 376 villages and two towns under Aapni Yojna, the coverage under CBP was only 10 villages against a proposed coverage of 168 villages and three towns. Various deficiencies in community participation, sanitation and health education were also noticed.*

*Significant points noticed during review are as under:*

The projects of Aapni Yojna and Churu Bissau to be completed by 1999 and 2001 respectively were still incomplete (March 2005) with a cost overrun of Rs 146.22 crore in Aapni Yojna.

*(Paragraph 3.3.11)*

Only 327 villages and one town against a target of 376 villages and two towns under Aapni Yojna and only 10 villages against 168 villages and three towns under Churu Bissau Project were covered as of March 2005.

*(Paragraph 3.3.11)*

Delayed implementation of technical activities resulted in increased outgo of Rs 21 crore towards remuneration to the consultant.

*(Paragraph 3.3.11)*

Lack of coordination between Departmental and Community Participation authorities led to reluctance and bycotting of project by several villages which ultimately resulted in unfruitful expenditure of Rs 4.75 crore.

*(Paragraph 3.3.14)*

Occurring of abnormal bursts and leakages in Asbestos Cement pipes laid in rising main of cluster 33A indicated execution of sub-standard work.

*(Paragraph 3.3.16)*

**Irregular payment of Rs 38.75 lakh was made to contractors on account of operation and maintenance charges during defect liability period.**

*(Paragraph 3.3.12)*

**Untreated water was supplied to clusters of Dhannasar during the year 2004-05.**

*(Paragraph 3.3.15)*

### **3.3.1 Introduction**

To solve the problem of drinking water, sanitation and improvement of health status of habitants, a Global project covering 956 villages and 11 towns of Hanumangarh, Churu and Jhunjhunu districts was covered on the basis of feasibility study conducted by M/s IK Consortium (Indo-German Consultants) between June 1991 and January 1993. Initially Global Project was to be implemented in Phase-I (covering 727 villages and six towns) and Phase-II (remaining areas). The Phase-I was further bifurcated in two batches (A and B). The Phase-I A has renamed as *Aapni Yojna*.

#### ***Aapni Yojna***

To cover 325 villages and two towns (revised to 376 villages due to inclusion of new revenue villages and two towns) Phase-IA named as *Aapni Yojna* sanctioned (June 1994) for Rs 253.02 crore was subsequently revised (January 2005) to Rs 423.60 crore by Government of Rajasthan (GOR) to be completed by 1999 (extended upto December 2005) with the assistance of Kreditanstalt Für Weideraufbau (KfW<sup>56</sup>).

The activities relating to community participation (CP), sanitation and health education were implemented through a consortium of five Non-Government Organisations (NGOs) called Community Participation Unit (CPU) for which 100 *per cent* funding (in the form of grant) KfW grant was agreed (August 1994).

M/s IK Consortium was appointed (June 1994) as consultants (with *cent per cent* KfW grant) for Project Management Cell (PMC) and CPU.

#### ***Churu Bissau Project***

Without completing the Phase-IA- another project named as Churu Bissau Project (CBP) covering 168 villages and three towns (Churu, Ratan Nagar and Bissau) was sanctioned (May 1998) for Rs 119.04 crore with the financial assistance of Government of India (GOI) for completion by May 2001 (extended upto March 2005).

The CP activities (excluding sanitation) were sanctioned (July 2004) by GOR from state fund during the year 2004-05 through an NGO.<sup>57</sup>

56. A Government of Germany funding agency.

57. Nav Yuvak Mandal Santhan, Churu.

Both the projects were implemented through the Secretary, Public Health Engineering Department (PHED) and Chief Engineer (CE), PMC, Churu, assisted by the three Superintending Engineers (SE), nine Executive Engineers (EE) and consortium of five NGOs under the charge of Programme Director (PD), CPU, Churu.

### **3.3.2 Objectives of the Project**

The main objectives of the project were to:

- provide drinking water in deficient areas and to reduce water wastages.
- create awareness of the Programme among the beneficiaries regarding their rights and duties for drinking water supply system and to make the community liable to pay contribution towards recovery of Operation and Maintenance (O&M) charges.

### **3.3.3 Scope of Audit**

Records of all the nine divisions,<sup>58</sup> CE, PMC, Churu and PD, CPU, Churu for the period 2000-01 to 2004-05 were test-checked during February 2005 to May 2005.

### **3.3.4 Audit Objectives**

The main objectives of the review were to:

- assess whether the objectives of the programme to supply safe drinking water with community participation were achieved.
- ascertain whether the scheme framed for solving the problem of water scarcity had been carried out economically and efficiently.

### **3.3.5 Audit Methodology**

The records such as feasibility reports, detailed engineering reports, financial agreements of funding agency, tender documents, expenditure statements, vouchers, technical measures and conclusion of annual meetings held by the Head of Department with the Secretary to Government and funding agency (KfW) were examined and evidences were collected from these documents. Moreover, inspection notes after joint visits (Audit team and representative of entity viz. Assistant Engineers (AENs) PMC, Division I and VII and PD, CPU) of sites were prepared and kept as evidences for verification of supply position of water in the villages and towns. Entry and Exit conferences were also held with various project authorities including Secretary, PHED, Government of Rajasthan.

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58. PMC, Division-I, Churu, PMC, Division-II, Churu (defunct), PMC Division-III, Taranagar, PMC Division-IV, Dhannasar, PMC Division-V, Nohar, PMC Division-VI, Churu, PMC Division-VII, Sardarshahar, PMC Division-VIII, Nohar and CBP Division, Churu.

## Audit findings

### 3.3.6 Source of funding

The project of *Aapni Yojna* was sanctioned (June 1994) for Rs 253.02 crore equivalent to 140.6 Million Deutsche Mark<sup>59</sup> (DM). Of which, 25.45 per cent share (Rs 64.40 crore) was to be contributed by GOR and remaining 74.55 per cent share (Rs 188.62 crore<sup>60</sup>) by KfW. The approved cost of the project was subsequently revised (January 2005) to Rs 423.60 crore with pattern of funding as previously agreed. The Churu Bissau Project was sanctioned (May 1998) for Rs 119.04 crore under Centrally sponsored scheme (CSS) with GOI and GOR shares in the ratio of 75:25 and an Additional Central Assistance (ACA) of Rs 20 crore for development of Urban infrastructure.

### 3.3.7 Financial outlay and expenditure

#### *Aapni Yojna*

The grant and loan from KfW was routed through GOI in the form of allotment which was released to the State Government through budget Head '8235-General and Other Reserve Funds'. The State further made the provision from the Reserve Fund to the regular budget Head '4215 - Capital Outlay on Water Supply and Sanitation'. The expenditure was to be incurred through the agency of Project Management Cell (PMC) and Community Participation Unit (CPU). Year-wise details of grant/loan sanctioned and expenditure incurred in respect of PMC and CPU upto March 2005 had been given in *Appendix-XXI* and in brief in the table below.

#### *Churu Bissau Project*

The details of amount received for rural water supply component under CSS and State Plan through the Capital Head '4215 - Capital outlay for CBP' and expenditure incurred thereagainst (upto March 2005) had been given in *Appendix-XXII* and in brief in the table below:

(Rupees in crore)

Year	<i>Aapni Yojna</i> (PMC and CPU)		CBP	
	Budget allotted	Expenditure incurred	Budget allotted	Expenditure incurred
Upto 1999-2000	241.81 <b>5.08</b>	188.92 <b>4.60</b>	2.77	2.44
2000-01	5.99 <b>2.00</b>	53.08 <b>2.32</b>	1.32	1.32
2001-02	30.70 <b>2.24</b>	28.29 <b>2.25</b>	5.05	2.01
2002-03	34.45 <b>2.39</b>	36.49 <b>2.13</b>	41.76	41.76
2003-04	32.61 <b>2.89</b>	23.25 <b>3.07</b>	30.80	30.83

59. Prevalent exchange rate Rs 18 per DM as of 17 June 1994.

60. Technical measures (70 per cent) : Rs 150.26 crore, Non-technical measures (100 per cent) : Rs 19.05 crore, Consultancy : Rs 13.52 crore (PMC), Rs 5.79 crore (CPU).

(Rupees in crore)

Year	Aapni Yojna (PMC and CPU)		CBP	
	Budget allotted	Expenditure incurred	Budget allotted	Expenditure incurred
2004-05	6.82 <i>2.92</i>	11.84 <i>2.69</i>	7.12	7.12
<b>Total</b>	<b>352.38</b> <i>17.52</i>	<b>341.87</b> <i>17.06</i>	<b>88.82</b>	<b>85.48</b> -
Consultancy charges	-	40.31*	-	-
<b>Grand Total</b>	<b>369.90</b>	<b>399.24</b>	<b>88.82</b>	<b>85.48</b>

Figures in italics bold pertains to CPU.

\* Paid directly to consultant by KfW.

Note: Further in CBP Rs 20 crore was released as ACA in 1999-2000 against which aggregate expenditure of Rs 16.60 crore had been incurred upto March 2005 and balance amount of Rs 3.40 crore was lying in '8443 - Civil Deposits'.

State share of Rs 7.09 crore was not released during 1997-2005.

As per funding pattern of CBP, funds were to be released in the ratio of 75:25 by the GOI and GOR. Scrutiny revealed (*Appendix-XXII*) that GOI released Rs 72.60 crore during 1997-2005 as Central share against which State had released for allotment Rs 71.71 crore and kept balance of Rs 89 lakh in the Reserve Fund. Against the budget allotment of Rs 71.71 crore of Central share, Rs 68.29 crore was spent. Thus, Central share of Rs 4.31 crore remained unutilised as of March 2005. Rupees 17.11 crore was released against required State share of Rs 24.20 crore resulting in short release of State share by Rs 7.09 crore as of March 2005.

### 3.3.8 Non-regularisation of payment as per agreement

An agreement was entered with consortium of five NGOs in August 1994 towards works to be rendered by them for community participation activities. Article 5.2 of agreement stipulated that the payment to the staff of NGOs would be regulated on the basis of rates as prescribed in the annexure to the agreement. While Rs 7.68 crore was shown to be disbursed during August 1994 to March 2005 towards pay and allowances to staff of NGOs, records pertaining to regularisation of payment as per annexure were not available with the CPU. In absence of which the payment had not been properly regulated as per terms of agreement and the same remained unverified in audit. The PD, CPU in his reply stated (June 2005) that presently CPU was keeping record of remuneration paid to consortium members. CPU would request member NGOs for providing acknowledgement of payments made in future to individual staff. The fact remains that proper regularisation of terms of agreement was not ensured although the agreement was in operation for the last 11 years.

## Implementation of the Project

### 3.3.9 Shortage of manpower for execution

To implement the project of *Aapni Yojna*, 245 posts in various cadres were sanctioned, of which 76 to 117 (31 to 48 per cent) posts (including 12 to 44

Project activities were adversely affected due to non-filling of posts of AENs during 1997-2005.



posts of engineering staff) remained vacant between 1997-98 and 2003-04, inspite of repeated request of various authorities to fill up the vacant posts. Non-filling of two to 16 posts of AENs during the period 1997-2005 adversely affected the activities like preparation of detailed engineering reports, approval of drawing and designs and supervision in execution of technical measures which ultimately hampered the progress of works at the initial stage.

### 3.3.10 Divisions with insufficient work load

Continuation of five divisions without sufficient work load during the years 2003-05 led to unnecessary financial burden of Rs 1.52 crore.

As per State Finance Department order dated 23 July 1985 annual work load of Rs 2 crore per annum per division was required for continuation of a division. It was observed in audit that in disregard to the above stipulation five divisions of *Aapni Yojna* remained in existence involving an establishment expenditure of Rs 1.52 crore<sup>61</sup> although these divisions did not execute minimum work as had been mentioned in the Government order. In July 2005, the Government decided to continue only three<sup>62</sup> out of seven divisions.

### 3.3.11 Time overrun and cost overrun

The projects of *Aapni Yojna* and Churu Bissau were still incomplete with the cost overrun of Rs 146.22 crore in *Aapni Yojna*.

Project activities of Phase-IA (*Aapni Yojna*) initially scheduled to be completed by 1999 covering 325 villages and two towns at a cost of Rs 253.02<sup>63</sup> crore was subsequently revised (November 1998, June 1999 and January 2005) to Rs 423.60 crore with coverage of 376 villages and two towns. After incurring an expenditure of Rs 399.24 crore (March 2005) 327 villages and one town were actually covered against reported 339 villages and one town as 12 villages were disconnected (December 2004) due to non-paying of water charges. Thus, the project was delayed by more than five years with cost overrun of Rs 146.22 crore and the project was still incomplete. The scrutiny revealed that most of the works were delayed at initial stage of project (*Appendix-XXIII*) mainly due to belated action for acquisition of land, approval of drawings and designs, providing layout. Audit scrutiny revealed that execution of various packages of works was also delayed due to delay in procurement of material (*Appendix-XXIV*).

Delayed implementation of technical activities also resulted in increased outgo towards remuneration to the consultant (Rs 21.01 crore).

Similarly, CBP was to be completed by 2001 covering 168 villages and three towns at an estimated cost of Rs 119.04 crore against which an expenditure of Rs 102.08 crore was incurred upto March 2005. Villages covered as of March

61 Division-II, Churu (2003-04 : Work load Rs 17.84 lakh, Expenditure Rs 12.96 lakh, 2004-05 : Work load Rs 3.36 lakh, Expenditure Rs 7.71 lakh); Division-IV, Dhannasar (2004-05 : Work load Rs 118.93 lakh, Expenditure Rs 13.99 lakh); Division-V, Nohar (2003-04 : Work load Rs 133.99 lakh, Expenditure Rs 15.58 lakh, 2004-05 : Work load Rs 158.19 lakh, Expenditure Rs 16.95 lakh); Division-VI, Churu (2003-04 : Work load Rs 49.61 lakh, Expenditure Rs 34.18 lakh, 2004-05 : Work load Rs 73.11 lakh, Expenditure Rs 29.87 lakh) and Division-VIII, Nohar (2004-05 : Work load Rs 102.54 lakh, Expenditure Rs 20.55 lakh).

62 PMC Division-III, Taranagar, PMC Division-VI, Churu and PMC Division-VII, Sardarshahar

63. Technical measures : Rs 214.66 crore + CPU : Rs 19.06 crore + Consultancy : Rs 19.30 crore = Rs 253.02 crore

2005 were only 10 against the reported 25 as water supply system of 15 villages was not handed over to Water Health Committee (WHC) of respective villages. Major works of Pumping Stations (PSs) and cluster distribution system were still lying incomplete and the project was delayed by four years mainly due to :

**Project delayed due to defective NIT.**

Notice Inviting Tender (NIT) issued (July 2000) for supplying, laying, jointing and commissioning of Pre-Stressed Cement Concrete (PSCC) pipelines (trunk main) from PS Sahwa to PS Bhaleri (CBPL-I) and PS Bhaleri to PS Churu (CBPL-2) was not finalised as provision for deposition of earnest money in the NIT was not according to the tender documents. On retendering (August 2001) the works of CBPL-1 and CBPL-2 allotted (January 2002) to contractor 'A' and 'B' for Rs 26.13 crore and Rs 18.40 crore were completed in November 2003 and August 2003 at a cost of Rs 25.36 crore and Rs 18.45 crore respectively.

Scrutiny revealed that due to floating of the defective NIT both the works were delayed by one year and led to increase in the cost (Rs 4.12 crore)<sup>64</sup> due to increase in wholesale price indices for material and labour.

### **3.3.12 Payment on account of operation and maintenance during defect liability period**

As per contract for construction of PSs at various places, the conditions for making the contractors responsible for operation, maintenance and repair during defect liability period were inserted in the tender documents which became a part of the agreement. In disregard to this it was observed in audit that a separate provision for Operation and Maintenance (O&M) for a minimum period of 12 months was also made in Schedule 'G'/Bill of Quantity. Accordingly, separate payment of Rs 38.75 lakh (*Appendix-XXV*) made for O&M was irregular and avoidable since the contractors were liable for operation, maintenance and repairs as per condition laid down in the tender documents. The Government accepted (August 2005) the facts and assured to take necessary remedial action in future contracts.

### **3.3.13 Avoidable payment of electricity charges**

The electric connection at office of the EE, PMC, Sardarshahar was upgraded to 63 KVA capacity in February 2003 for use of office building and to operate temporarily the cluster pumps and PS located at Sardarshahar. It was noticed that another connection of 1500 KVA from Grid Sub Station of Sardarshahar was obtained in April 2003 for power supply to three PSs of Palloo, Sadasar and Sardarshahar and for office building at Sardarshahar. Despite obtaining the new connection, the old connection was continued till August 2004 and an amount of Rs 18.93 lakh paid to Jodhpur Vidyut Vitran Nigam Limited for the

**Continuance of new and old power connection led to avoidable payment of Rs 18.93 lakh towards minimum/contract charges.**

64.	Total value of work done and payment made till date	: Rs 43.81 crore
	Minus : Value of work if the works had been allotted on the basis of price indices of 2000	<u>Rs 39.69 crore</u> <u>Rs 4.12 crore</u>

period<sup>65</sup> April 2003 to August 2004 towards minimum/contract charges. This could have been avoided had EE, PMC, Sardarshahar taken corrective action in April 2003 for disconnection of the old connection.

### **Project performance**

#### **3.3.14 Unfruitful expenditure due to unwillingness of villagers to obtain water from Aapni Yojna**

Non-coordination between PMC and CPU resulted in unfruitful expenditure of Rs 4.75 crore and reluctance of the villagers to be associated with the scheme.

As per feasibility report (January 1993) all the existing individual water supply schemes were to be replaced and merged in integrated scheme *Aapni Yojna*. Besides providing safe drinking water, involvement of villagers in Rural Water Distribution Management and their awareness towards the value of safe drinking water was essential. The beneficiaries were required to pay for the cost of water consumed by them. Scrutiny revealed that beneficiaries of 12 commissioned villages covered under *Aapni Yojna* project had not been paying the water charges since September 2004 as they were getting water free of cost from the existing schemes. Resultantly, these villages were disconnected by the Department (December 2004). This resulted in wasteful expenditure of Rs 94.96 lakh incurred on construction of distribution lines, Public Stand Posts (PSPs)<sup>66</sup> and Cattle Water Troughs (CWTs)<sup>67</sup> in those villages.

Of the 32 uncommissioned villages, 10 (Cluster 4, 4A and 4F) villages were reluctant to be associated with the project, accordingly distributary pipe line and PSPs/CWTs were not laid/constructed due to these villages. It was, however, observed in audit that the construction work of ESR, installation of pumps and motors, rising main etc. was carried out after computing the supply required for these 10 villages also. As such, the infrastructure was far in excess of the requirement and keeping in view that supply is not to be made to these 10 villages, the expenditure on these infrastructure works, which could have been avoided was Rs 3.80 crore.

The CE, PMC stated (August 2005) that unwilling villagers would be motivated or responsibility to maintain the Traditional Source Schemes (TSS) be transferred to them. The reply was not acceptable as efforts to obtain willingness of these villagers should have been made before commencement of the construction work.

#### **3.3.15 Supply of untreated water**

As per norms prescribed by World Health Organisation/GOI, to make the water potable, allum mixing, chlorination in raw water in required quantity was necessary to avoid water borne diseases but scrutiny of test reports and stock registers of chemical mixing unit of treatment plant revealed that allum (111 days) and chlorine (18 days) were not mixed during April 2004 to March

65. Expenditure from April 2003 to June 2003 not intimated by EE, PMC, Division-IV, Dhannasar.

66. The common water tap through which the villagers get water.

67. It is an open water tank to provide water to animals.

2005 which clearly indicated that untreated water was supplied to clusters of Dhannasar area and intermediate Pumping Stations of Palloo, Sadasar and Sardarshahar. During site inspection (6 May 2005) by joint team (Auditors, PMC and CPU authorities) villagers of Sajansar (cluster no. 4) Tehsil Sardarshahar stated that the water supplied to them was untreated. Department admitted (August 2005) that non-chlorinated water was supplied for few days and stated that no report about spreading of water borne diseases was noticed in the benefitted villages. The reply was not tenable as Department failed to fulfill the commitment of providing safe drinking water.

### **3.3.16 Frequent pipe bursting and leakages in a section**

Frequent pipe bursts and leakages (94 occasions) interrupted water supply.

Rising main of 12.700 km long 200 mm AC pressure pipe of class-15 from PS Bhaleri was laid in December 2003 at a cost of Rs 36.12 lakh. As the Department did not have its own quality control set up, the pipes were procured on the basis of third party inspection and accepted during sectional testing. These pipes could not sustain the required pressure and on 94 occasions pipe leakages and bursts took place since the commissioning (October 2004) of the pipeline uptill January 2005. Rupees 1.02 lakh was also incurred on repairs and restoration of pipe lines. As a result of these sub-standard pipes the very purpose of regular supply of water to 12 villages in cluster 33-A under CBP at required pressure and quantity was not fulfilled.

Department while admitting the facts stated (August 2005) that the matter was under technical examination.

### **3.3.17 Loss due to excessive water losses in transmission**

There was excessive water losses against permissible limits in three divisions under Aapni Yojna.

During scrutiny of records of three divisions<sup>68</sup> under *Aapni Yojna* it was noticed that actual loss in water transmission from cluster pumps to PSP against permissible losses (15 per cent), ranged between 28.83 to 47.65 per cent which worked out to excess annual water loss of 4,59,696 Kilo Litres (KL) worth Rs 18.39 lakh (at the rate of Rs 4 per KL) during the period March 2003 to March 2005.

The Department while accepting the facts stated (August 2005) that this was due to shortage of staff and further the reply stated that tenders for operation and maintenance had now been floated.

### **3.3.18 Loss of revenue due to non-revision of water tariff**

One of the main objectives of CP activities was to collect the cost of water from water users. The tariff was to be revised within five years as per recommendations (June 2000) of KfW Review Mission to recover full O&M cost. Further, Review Mission in March 2003 strongly recommended to

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68. 1. PMC, Division-VIII, Nohar - March 2003 to March 2005 – 185, 114 KL : Rs 7.40 lakh (average).  
2. PMC, Division-IV, Dhannasar – April 2004 to March 2005 – 2,55,307.78 KL : Rs 10.21 lakh.  
3. PMC, Division-III, Taranagar – February 2004 to February 2005 : 19,275 KL : Rs 0.77 lakh (average).

increase urgently the water tariff by 25 per cent keeping in view the severe and long lasting drought in Rajasthan.

Scrutiny revealed that water charges recovered from the beneficiaries (of 339 villages commissioned so far) during the year 2004 worked out to Rs 1.89 crore at water tariff of May 1998. Whereas cost of O&M during the year 2004 and 2005 was estimated to Rs 17.81 crore and Rs 19.37 crore respectively as assessed by the consultant appointed by the Department. The percentage of water charges of the project area (for 370 villages) to O&M cost was 11.60 per cent<sup>69</sup> against the original projection of 30 per cent. Department stated (August 2005) that matter regarding revision of tariff was pending with the Government.

### 3.3.19 Inadequate operation and maintenance of project

Scrutiny of the records of CE, PMC, Churu, revealed that no effective measures were taken for O&M for sustaining the project as no permanent set up for O&M was evolved. Rising main had bursted and air valve chamber was damaged (December 2004) due to operation of the pumping house at Lalaniya by untrained PHED staff. Water billing was being made on average consumption basis due to non-repairing of bulk water meters, due to improper sectional and final pressure testing of pipes, leakages had occurred in AC pipe lines. No systematic handover process/ procedure was adopted to transfer the assets to regular PHED divisions. Patrolling of pipelines was irregular or neglected and leakages in cluster distribution system, air valve chambers and pipes were not attended and repaired properly. Illegal water supply was being made by Water Health Committees (WHCs) to hotels and penalties levied by WHCs were not deposited to PMC. Cost of water sold to hotels and *dhabas* was recovered unsystematically by WHCs besides allowing unauthorised water connections from PSPs to villagers. Thus, it would be seen that effective measures were not taken for effective O&M for sustaining the project. The scrutiny of the records of the CE, PMC revealed that the project activities were being monitored at implementation stage only. The O&M of completed portion of project was not properly monitored and no system was evolved to assess the water losses.

### 3.3.20 Conclusion

The *Aapni Yojna* launched (1995) to solve the drinking water supply problem of three districts was delayed by five years with cost overrun of Rs 146.22 crore. Forty three villages alongwith one town were not benefitted upto March 2005. Delay in technical activities such as construction of pumping stations, over head tanks, laying and jointing of pipelines, etc. adversely affected the project completion and community participation. Cases of leakages, interruption in supply, improper water treatment, improper operation and maintenance measures were noticed. The revision of water tariff as well as effective system of O&M was not in operation so the sustainability of project remains a matter of concern. Of the 168 villages and three towns only 10

69. O&M cost assessed was Rs 17.81 crore, Water charges for 370 villages : Rs 2.07 crore -  $2.07/17.81 \times 100 = 11.60$  per cent.

villages could be benefited by CBP sanctioned (May 1998) with central assistance due to improper planning.

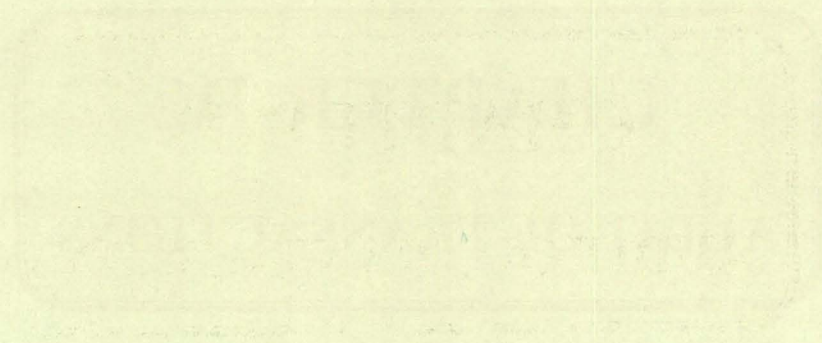
### **3.3.21 Recommendations**

In view of the above conclusions based on the audit findings, the following recommendations are made:

- A permanent set up should be created so as to ensure effective operation and maintenance.
- Efforts should be made to minimise the cost of O&M which should be met by timely revision of water tariff.
- Water losses should be minimised with the active participation of the beneficiaries.
- A proper supervision system should be developed to ensure effective control on working of WHCs.
- Regular testing/sampling of water at various pumping stations as well as cluster pumps should be done so as to ensure the supply of safe drinking water.
- A proper monitoring set up should be evolved to safeguard the running and maintenance of pumping stations, trunk mains as well as cluster pumps.

The matter was reported to the Government in September 2005; reply has not been received.

**CHAPTER-IV**  
**AUDIT OF TRANSACTIONS**





## CHAPTER-IV AUDIT OF TRANSACTIONS

### 4.1 Wasteful/infructuous expenditure and overpayment

#### IRRIGATION DEPARTMENT

##### 4.1.1 Wasteful expenditure on unwarranted raising of Mansarovar dam

**Unwarranted raising of dam on the basis of incorrect computation of yield of water and failure of the Department to obtain clearance for dereservation of forest land before awarding work to the contractor led to wasteful expenditure of Rs 81.10 lakh.**

To solve the problem of shortage of water in Mansarovar dam<sup>1</sup> and to cover additional area available for irrigation, the Additional Secretary-cum-Chief Engineer, Irrigation Department, Rajasthan, Jaipur accorded administrative approval and financial sanction for Rs 1.61 crore for a minor irrigation scheme in November 2001. The Superintending Engineer, Irrigation Circle, Jaipur accorded (May 2002) technical sanction for Rs 1.47 crore for the same. The scheme included construction of feeder channel with diversion weir on Kaushalipura *nallah* passing through forest area and raising of Mansarovar dam by two feet upto RL<sup>2</sup> 236' (FTL<sup>3</sup>) i.e. for a gross storage capacity of 617.70<sup>4</sup> mcft<sup>5</sup>, taking 652.52 mcft total yield of water. The Executive Engineer (EE), Irrigation Division, Sawaimadhopur allotted (July 2002) the work to M/s Krishna Enterprises, Jaipur at 19.51 *per cent* above Schedule 'G' (Rs 1.43 crore) aggregating to Rs 1.71 crore with 17 May 2003 as the stipulated date of completion. The work of raising of dam was completed (May 2003) at a cost of Rs 81.10 lakh, but the work of construction of feeder channel with diversion weir on Kaushalipura *nallah* was not started due to non-clearance for dereservation of forest land from the Government of India (September 2004) as the land in question was falling in Sawai Man Singh Sanctuary.

Test-check (September 2004) of the records of the EE, Irrigation Division, Sawaimadhopur revealed the following:

- The dam could get average 355.85 mcft water only during 1985-2002. Considering proposed diversion of 74.19 mcft water from Kaushalipura *nallah* the maximum availability of water was 430.04 mcft, for which earlier designed gross storage capacity of 540.70 mcft water was enough. Hence,

1. Khandar Tehsil of Sawaimadhopur District.
2. Reduced Level.
3. Full Tank Level.
4. Original capacity of 540.70 mcft + 77 mcft from *nallah* (which actually worked out to only 74.19 mcft).
5. Million Cubic Feet.

raising of dam for gross storage capacity of 617.70 mcft (RL 236') was unwarranted.

- The height of the dam proposed for raising was based on higher estimation (652.52 mcft) of yield of water from total catchment area of 41.26 square miles (Kaushalipura *nallah*: 6.26 square miles and dam portion: 35 square miles) by applying incorrect factor of 15.815 mcft per square mile instead of 14.385<sup>6</sup> mcft (run off 593.52 mcft) resulting in excess run off of 59 mcft. The estimated run off would further be reduced as six anicuts had been constructed which were to intercept 25 *per cent* of the run off of the catchment area reducing this to 445 mcft only.

- Though the Department was well aware of passing the feeder channel and construction of weir through forest area, the case for obtaining clearance for dereservation of forest land from the Government of India through Forest Department was taken up in November 2002, four months after awarding (July 2002) of work to the contractor.

Thus, unwarranted raising of dam on the basis of incorrect computation of yield of water and failure of the Department to obtain clearance for dereservation of forest land before awarding work to the contractor led to wasteful expenditure of Rs 81.10 lakh.

On being pointed out in audit, the EE, Irrigation Division, Sawaimadhapur intimated (September 2004) that assuming 652.52 mcft as gross yield of water from its catchment area, the dam was raised for gross storage capacity of 617.70 mcft. Reply was not tenable as 652.52 mcft yield was calculated with an incorrect factor of 15.815 mcft (instead of 14.385 mcft) per square mile and without giving due cognizance to construction of six anicuts which intercepted 25 *per cent* runoff of the catchment area reducing run off of the water to reach the dam. The purpose of covering additional area under irrigation was also defeated due to non-construction of feeder channel with diversion weir on Kaushalipura *nallah*. Moreover, as per directions (13 November 2000) of the Supreme Court regarding construction of dam; in a Sanctuary or National Park, the possibility for obtaining permission from the Ministry of Environment and Forests, Government of India is remote.

Government accepted (August 2005) that in the Project Report average annual rainfall of 744.37 mm was incorrectly taken as against 794.48 mm and justified raising of dam on the grounds of expected run off 669.26 mcft even if the diversion channel is not constructed. Reply was not acceptable as the Project Report had clearly mentioned that to augment inflow into the dam, proposed diversion from Kaushalipura *nallah* would be necessary.

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6. Per square mile quantity of run off of water for average rainfall of 27 inches as per WL Strange's table.

#### 4.1.2 Infructuous expenditure on unnecessary raising of height of Mora Sagar dam

##### Raising of height of the dam on the basis of exaggerated yield resulted in infructuous expenditure of Rs 38.62 lakh.

With a view to store and utilise the surplus water of catchment area of Mora Sagar dam<sup>7</sup>, the Executive Engineer (EE), Irrigation Division, Sawaimadhopur planned (September 2001) a project to enhance the gross storage capacity of Mora Sagar dam from 485 to 550 mcft<sup>8</sup> by increasing the height of the dam from Full Tank Level (FTL) of 117.50 feet to 118.50 feet. It was also envisaged to increase culturable command area by 2000 acre. The Superintending Engineer, Irrigation Circle, Jaipur accorded (March 2002) technical sanction for Rs 54.24 lakh. The work was allotted (April 2002) by the EE, Irrigation Division, Sawaimadhopur to contractor 'A' at 7.91 per cent below Schedule 'G' (Rs 44.29 lakh) aggregating to Rs 40.79 lakh with stipulated date of completion as 14 October 2002. An expenditure of Rs 38.62 lakh was incurred as of August 2004.

Test-check (September-October 2004) of the records of the EE, Irrigation Division, Sawaimadhopur revealed that:

- While calculating the total yield of water, the Department adopted 10.53 mcft as against 9.04 mcft per square mile based on which run off was worked out to 560.91 mcft which resulted in unnecessary raising of height of dam. However, it was observed that the average monsoon rainfall during 1976 to 2000 was 564 mm<sup>9</sup> (22.20 inches) for which as per WL Strange's table<sup>10</sup> the quantity of run off of water per square mile works out to 9.04 mcft and total run off for whole of the catchment area (53.268 square miles) comes to 481.54 mcft against which dam had already been constructed for storage capacity of 485 mcft.
- As per Project Report, the live storage capacity of dam was 482.80 mcft, which was proposed to be increased to 547.80 mcft. Considering live storage capacity of 482.80 mcft was indicative of actual capacity available after consideration of silting if any.
- There was no proposal for increasing the length of distributaries/ construction of water courses in the project as such providing irrigation to additional 2000 acre area as mentioned as the reason for increasing the capacity was neither planned nor executed.
- Thus, the existing gross storage capacity (485 mcft) of the dam was sufficient to accommodate total run off of 481.54 mcft and expenditure of

7. Bamanwas Tehsil of Sawaimadhopur District.

8. Million Cubic Feet.

9. Source: Project Report.

10. Standard table to find out estimated run off of yield per square mile from the catchment area.

Rs 38.62 lakh incurred on unnecessary raising of height of the dam proved infructuous.

On being pointed out in audit, the EE, Irrigation Division, Sawaimadhopur stated (September 2004) that the dam constructed in the year 1887 is silted with sand upto RL 107, due to which live storage capacity of the dam had reduced by 43 mcft. As such the height of the dam was raised by one foot to increase its gross storage capacity by 65 mcft. The reply was not tenable as mention of desilting was not made in the Project Report. Instead the reason of raising of height of the dam as mentioned in Project Report was to store more water to provide irrigation in additional culturable command area of 2000 acre. Further, as per the Project Report, the live capacity for storage available after reckoning silting was 482.80 mcft.

Thus, raising of height of the dam on the basis of excessive yield resulted into infructuous expenditure of Rs 38.62 lakh. This would increase further after making final payment.

On referring the matter, the State Government justified (April 2005) raising the height of the dam on the basis of different average rainfall data of 626.40 mm instead of 564 mm. Again the State Government furnished (August 2005) a different average rainfall data of 649.87 mm and stated that for 649.87 mm rainfall the anticipated run off works out to 675.44 mcft. The reply was not tenable as the rainfall data furnished in replies in April 2005 (626.40 mm) and August 2005 (649.87 mm) were in variance with the data taken in the Project Report, on the basis of which the height of dam was proposed to be raised.

## DEPARTMENT OF PERSONNEL

### 4.1.3 Wasteful expenditure on pay and allowances of officers kept idle under Awaiting Posting Orders

**Failure of the Department to follow the provisions of Rajasthan Service Rules resulted in wasteful expenditure of Rs 40.78 lakh on pay and allowances of officers kept under Awaiting Posting Orders for long periods without performing any work.**

Explanation under Rule 7(8) (B) (iii) of the Rajasthan Service Rules read with Paragraph 8 of the Government decisions and Finance Department order dated 17 September 1984 under Rule 25 A *ibid* provided that employees should not be kept awaiting posting orders (APOs) and in unavoidable situation the period of APO shall be kept at the minimum. Further, cases where such period exceed 30 days are required to be informed to the Chief Secretary through Administrative Secretaries concerned and were to be regularised by the Finance Department keeping in view reasonability and justifiability of each case so as to avoid unnecessary/wasteful expenditure and hindrance to the Government work.

Audit scrutiny (February 2005) of Department of Personnel revealed that during the years 2000-04, in contravention to above rules, 84 officers<sup>11</sup> were kept under APO for period ranging between 31 and 201 days. This resulted in wasteful expenditure of Rs 40.78 lakh incurred on their pay and allowances as the officers kept idle during the period of APOs. No evidence in respect of sending of required information by the Administrative Secretaries concerned to the Chief Secretary and the Finance Department for the regularisation of these cases of APO exceeding 30 days was on record.

Thus, failure of the Department to follow the provisions of the Rajasthan Service Rules resulted in wasteful expenditure of Rs 40.78 lakh on pay and allowances of officers kept under APOs for long periods without performing any work.

Government in their reply stated (September 2005) that 24 officers (out of 84) were kept under APO due to administrative reasons but the details of actual regularisation of APO periods were furnished only in two cases. The reply was not tenable as the administrative reasons were not elaborated and details of regularisation in all the cases by the Finance Department was not furnished.

## **PUBLIC WORKS DEPARTMENT**

### **4.1.4 Nugatory expenditure on pay and allowances of workshop staff**

#### **Inaction of the Department resulted in nugatory expenditure of Rs 3.11 crore on pay and allowances of workshop staff.**

In Mechanical Wing of Public Works Department (PWD) six Regional Workshops, including one at Bikaner, were created (September 1977) to carry out major overhauling and repairs to machines of Civil Divisions falling under their respective zones, where expenditure of repairs of a machine is estimated more than Rs 5000. Regional Workshops were also required to lend machines to Civil Divisions and realise their hire charges.

Test-check (June 2004) of the records of Regional Workshop, Bikaner running under the administrative control of the Executive Engineer, PWD, Mechanical Division, Bikaner revealed that:

- No repairs of machines were carried out in the workshop during 2000-04, although an expenditure of Rs 1.20 crore was incurred on pay and allowances of the technical staff of the workshop ranging between 45 and 31 during the period.

11. Indian Administrative Services Officers: 14 and Rajasthan Administrative Services Officers: 70.

- Three machines/vehicles received (March 2002) for repairs were also got repaired (March 2002) from open market at a cost of Rs 0.70 lakh.
- Of 69 machines available in the workshop 39 worked during 2000-01. The number of working machines declined to 27, 7 and 8 during 2001-02, 2002-03 and 2003-04 respectively but the strength of technical staff was not reduced accordingly and remained 45, 33, 32 and 31 respectively.
- The power connection of workshop was also lying disconnected from February 2002.

All this shows that there was no demand for services of the workshop which was being run uneconomically and no efforts were made to transfer the technical staff of the workshop in other divisions for utilisation of their services gainfully. Thus, inaction of the Department resulted in nugatory expenditure of Rs 1.20 crore on pay and allowances of workshop staff.

Similarly, in Regional Workshop, Jaipur (Division-I) under the administrative control of the Executive Engineer, PWD, Mechanical Division-I, Jaipur, no repairs of machines were carried out in the workshop during 2000-05 though an expenditure of Rs 1.91 crore was incurred on pay and allowances of the workshop staff. All the machines were got repaired from open market at a cost of Rs 10.18 lakh. Thus, expenditure of Rs 1.91 crore incurred on pay and allowances also proved nugatory.

Government, while accepting the facts, stated (February 2005) that the machines were not utilised fully during last few years due to invitation of tenders for execution of works including tools and plants to be provided by the contractors and the workshop staff was utilised to approve survey reports of machines/vehicles and check the unserviceable and unusable vehicles of all the Departments/offices under Bikaner Zone. As such, expenditure incurred on their pay and allowances cannot be treated as unfruitful. Government further stated (June 2005) that in Bikaner workshop repair of machines was done in open market due to non-availability of advanced machines in workshop and for want of trained staff to repair such machines. The reply was not tenable as the original purpose of the workshop was to carry out in-house repairs of machines which was not done by the staff and the work of preparing survey reports of vehicles/checking unserviceable/unusable vehicles of other Departments/offices could have been done by the staff attached with respective Departments/offices. Further, in the light of fact that invitation of tenders were being issued with the stipulation that contractors have to bring their own tools and plants, the Department should have accordingly also rationalise the staff located at these workshops as original purpose of maintenance of tools and plants is no longer being carried out in these workshops. No reply on unfruitful expenditure on pay and allowances of workshop staff at Jaipur was furnished (October 2005) by the Government.

## DISASTER MANAGEMENT AND RELIEF DEPARTMENT

### 4.1.5 Infructuous/unproductive expenditure on construction of incomplete airstrips

**Failure of the Department to provide sufficient funds and suitable required land for construction of airstrips led to infructuous/unproductive expenditure of Rs 98.46 lakh. Besides, the objective of promoting tourism and develop speedier transportation was also not achieved.**

The Relief Department in furtherance to its previous decision (October 1999) issued orders (April 2003) to 11 District Collectors<sup>12</sup> to identify a plain land measuring 5000x400 feet (20,00,000 square feet) for construction of an airstrip (4000x100 feet) in each of the districts with a view to promoting tourism and to develop speedier transportation in the State. For construction of airstrips a standard estimate amounting to Rs 28 lakh was prepared by the Chief Engineer, Public Works Department (PWD) and circulated (April 2003) to the District Collectors with the instruction to get the work sanctioned upto gravel level and executed under Famine Relief Works of *Samvat* 2059. Only the Government land was to be selected by the Collectors with the technical approval of the Chief Pilot Officer of the Civil Aviation Department so that acquisition of private/forest land was not made.

Test-check (November 2004) of the records of the District Collector, Karauli and the information collected from other districts concerned revealed that:

- The District Collector, Karauli after carrying out survey with Wing Commander, Aerodrome, Jaipur, allotted (1 April 2003) 74 *bighas* of land for construction of the airstrip. In April 2003, after issuing of the administrative sanction for Rs 26.31 lakh by the Collector, Karauli the construction work was taken up by the Executive Engineer (EE), PWD Division, Karauli. While submitting (April 2003) the revised estimate of Rs 41.27 lakh for the construction of the airstrip, the EE, PWD Division, Karauli apprised the Collector that against the required length of 5000 feet only 2600 feet land was available and the balance was forest land on which the works could not be carried out without its acquisition. Pending submission of the proposal to the Government for the acquisition of forest land, the work continued on the available land (2600 feet length) on the direction (May 2003) of the Collector. Civil Aviation Department on being further informed (June 2004) by the Chief Engineer, PWD that Rs 5.74 crore alone would be needed to fill up the pot holes and levelling of the above land, instructed (July 2004) the Collector to abandon the work and identify another suitable land for the airstrip to complete the work in 2004-05. The work was, thus, abandoned (July 2004) rendering expenditure of Rs 32.66 lakh infructuous.

12. Alwar, Baran, Bharatpur, Bundi, Chittorgarh, Churu, Dholpur, Hanumangarh, Jhalawar, Karauli and Pali.

- Against the other airstrips in remaining ten districts, in four districts<sup>13</sup> the works of construction of airstrips were also lying incomplete after execution of some *kucha* work (site clearance and earth work, etc.) at a cost of Rs 24.02 lakh. In Bundi and Pali districts, the airstrips were completed (July 2003) upto gravel level at a cost of Rs 41.78 lakh but could not be utilised for want of its bituminisation for which proposals submitted (April 2004) to the Government were yet to be sanctioned. The airstrips constructed upto *kucha* or gravel level without bituminisation would lead to damages due to passage of time. The expenditure of Rs 65.80 lakh incurred on the six airstrips, was thus, rendered unproductive.

- While in three districts of Alwar, Churu and Hanumangarh, the works of airstrips were not started at all due to non-allotment of land by the District Collectors concerned. In District Jhalawar, the work was started in March 2003 and Rs 77.99 lakh were spent on completed gravel work and bituminisation was in progress. However, the work remained incomplete as of March 2005.

- Besides, infructuous/unproductive expenditure of Rs 98.46 lakh<sup>14</sup>, non-providing of sufficient funds and suitable land betrayed complete apathy of the Government to complete the airstrips in 11 districts in right earnest. Further, the decision of the Government to carry out construction of technical nature of works like airstrips through Famine Relief Department without involving the Civil Aviation Department appeared to be imprudent especially in view of the incomplete status of all the 11 airstrips over the past two years.

Government in their reply (November 2005) stated that while airstrip at Jhalawar was completed and test landed (April 2005) expenditure incurred on incomplete works provided employment to famine affected people, and therefore, was not infructuous. The fact, however, remains that purpose for which the funds were sanctioned was not served in view of non-completion of the projects. While construction of airstrips in 10 districts was hanging fire, the twin objectives of promoting tourism and speedier transport did not materialise despite huge amount of expenditure from the exchequer.

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13. Baran, Bharatpur, Chittorgarh and Dholpur.

14. *Kucha* work- Karauli (Rs 32.66 lakh) + Baran, Bharatpur, Chittorgarh and Dholpur (Rs 24.02 lakh), Gravel work- Bundi and Pali (Rs 41.78 lakh).



**4.2 Excess/avoidable/unfruitful expenditure****EDUCATION DEPARTMENT****4.2.1 Excess payment of grant-in-aid to Non-Government Educational Institution**

**Non-review of the sanctioned posts and posting of teachers in excess of prescribed norms resulted in excess payment of grant-in-aid of Rs 79.47 lakh.**

In March 2000, the Education Department issued amended guidelines for the review and release of grant-in-aid to the aided Non-Government Educational Institutions of the State. Guidelines provided that the posts of teachers sanctioned to each aided Non-Government Educational Institution should be reviewed every year and rationalised by taking average number of students enrolled or number of students remained after drop out/appeared in the examination, whichever is less, during the last three years. If position of sanctioned posts remains the same, grant may be sanctioned as before, and in case there is reduction/addition in the sanctioned posts, provisional grants may be sanctioned to such institutions with the condition that grant will be finalised by the State Government in accordance with the posts sanctioned after review. It was to be watched that prescribed norms of student-teacher ratio were being followed strictly by the Institutions.

Test-check (January 2005) of the records of one of the grantee institutions<sup>15</sup> (Institution) revealed that the Director, Secondary Education, Rajasthan, Bikaner released (June 2001) provisional grant-in-aid for 2000-01 on the basis of an affidavit given by the Institution that efforts would be made to increase the number of the students to maintain the student-teacher ratio as per sanctioned posts of the teachers. But the Institution did not maintain students ratio as per sanctioned strength of the teachers which resulted in excess teachers and the grant released provisionally during 2000-01 was not adjusted in 2001-02 taking into account the strength of the teachers admissible according to the norms. Payment of grant-in-aid on provisional basis also continued during 2001-04 at the rates prescribed considering as per the prescribed student-teacher ratio posts which though were not being maintained despite assurance. Non-maintenance of posts on the basis of students strength during 2000-01 and non-review of posts of teachers in subsequent years led to excess payment of grant of Rs 79.47 lakh to the Institution during 2000-04 for teachers posted in excess of norms as detailed below:

Year	Working strength of teachers on which provisional grant-in-aid was released	Admissible strength of teachers taking number of students into consideration	Excess posting of teachers	Grant paid in excess (Rupees in lakh)
2000-01	36	13	23	18.27
2001-02	41	17	24	20.79
2002-03	39	14	25	20.79
2003-04	35	13	22	19.62
<b>Total</b>				<b>79.47</b>

15. Nav Bharat Senior Secondary School, Udaipur.

Government stated (July 2005) that a review of the staff position had been carried out by the District Education Officer in September 2003 and accordingly the grant had been released considering 41 (26 of teaching and 15 of non-teaching staff) sanctioned posts. The reply did not answer the basic issue that the review exercise should have linked the student-teacher ratio for computation of the sanctioned strength. If prescribed student-teacher ratio is taken as the number of posts of teachers works out to 13, 17 and 14 during the years 2000-01, 2001-02 and 2002-03 respectively.

## INDIRA GANDHI NAHAR DEPARTMENT

### 4.2.2 Avoidable extra expenditure due to inordinate delay in allotment of work

**Departmental failure to acquire land before the allotment of work and further inordinate delay in allotting work to second contractor resulted in avoidable extra expenditure of Rs 85.59 lakh. Besides, beneficiaries were deprived of the irrigation facilities for more than five years.**

Public Works Financial and Accounts Rules (PWF & AR) provide that land should be acquired well in advance and no work should commence on land which has not been duly made over by the responsible Civil Officer.

The estimate of Rs 1.82 crore for 'Earth work and cement concrete lining of Pokaran Lift Canal km 13 to 14.250 km' was sanctioned (November 1998) by the Additional Chief Engineer, Indira Gandhi Nahar Project (IGNP), Bikaner. After having sanctioned (December 1998) the work by the Chief Engineer, IGNP, the Executive Engineer 28<sup>th</sup> Division, IGNP, Phalodi issued (December 1998) work order in favour of lowest tender of contractor 'A' at 28.65 *per cent* below Schedule 'G' (Rs 1.60 crore) for Rs 1.14 crore with stipulated date of completion as 16 September 1999.

During execution of work, the land owners created hindrances as pointed out by the contractor on several occasions and by the Assistant Engineer in September 1999. Consequently, the contractor left the work incomplete in September 2000 after executing upto 24.80 *per cent* work for which a payment of Rs 28.36 lakh was made (March 2001) to him. Belated (June 2002) action against the contractor under clauses 2 and 3 (c) of the agreement for levying compensation and getting the work completed at his risk and cost was taken and Rs 7.33 lakh were adjusted (September 2002) as penalty by forfeiting the Performance Guarantee and Security Deposits. However, the contractor represented (September-October 2002) against this action of the Department.

Tenders for the balance work were invited in July 2002 and in October 2002 work was allotted to the contractor 'B' at 49.91 *per cent* above Schedule 'G' (Rs 1.18 crore) for Rs 1.77 crore for completion upto October 2003. The work was completed (December 2003) by the contractor 'B' for which Rs 1.69 crore (excluding pending amount Rs 8.47 lakh) was paid. Revised estimates of Rs 2.23 crore based on actual cost had been approved (April

2005) by the Chief Engineer, IGNP, Bikaner. Had the work been got completed by the contractor 'A' at a cost of Rs 84.30 lakh an expenditure of Rs 85.59<sup>16</sup> lakh could have been avoided.

Audit observed (September 2004) that:

- awarding (December 1998) of the work to the contractor 'A' without acquiring the required land led to creation of hindrances by the land owners and delay in completion of work, and though the project estimates (1993) of the IGNP provided for acquisition of required land, the Executive Engineer, IGNP, Phalodi sent the proposal only in October 2002,
- although the contractor 'A' failed to start the work till 27 February 1999, yet possibilities of awarding work to second lowest tenderer at 28.01 *per cent* below Schedule 'G' as provided in Schedule of Powers prevalent in the IGNP were not explored. After a lapse of three years in June 2002, other contractors were issued offers to work on four years old unworkable rates. Belated issuing of this offer indicate that the problem of land owners was not solved upto June 2002,
- the contractor 'A' had stopped the work in September 2000, the action against the contractor under clauses 2 and 3 (c) of the agreement was taken in June 2002 i.e. after expiry of 20 months and consequently, the work had to be allotted to the contractor 'B' after a delay of two years and at higher rates.

Thus, the Departmental failure to acquire the land before the allotment of work to the contractor 'A' and further inordinate delay in allotting work to second contractor resulted into avoidable extra expenditure of Rs 85.59 lakh. Besides, beneficiaries were deprived of the irrigation facilities for more than five years.

Government stated (March 2005) that the contractor 'A' stopped the work due to his unworkable tendered rates and other tenderers were also offered for the execution of leftover work at original sanctioned rates but nobody came forward to accept the offer. Reply was not tenable as the report (September 1999) of the Assistant Engineer of the Division clearly stated that hindrances were being created by land owners. The rates quoted by other tenderers did not indicate significant variation and as such the rates of contractor 'A' cannot be termed as unworkable. Further, belated offer given to other tenderers in July 2002 to work at four years old rates was imprudent and, therefore, failed to serve any purpose also.

		(Rupees in lakh)
16.		
	Amount paid to contractor 'B'	168.75
	Amount to be paid to contractor 'B'	8.47
	<b>Total</b>	<b>177.22</b>
	Had the work been got completed by the contractor 'A'	(-) 84.30
	Amount recovered from contractor 'A'	(-) 7.33
	Net extra expenditure	<b>85.59</b>

## IRRIGATION DEPARTMENT

### 4.2.3 Unfruitful expenditure on procurement of extra pump sets and equipment

**Failure of the Department in assessing correct discharge to be pumped out, led to unfruitful expenditure of Rs 19.27 lakh on procurement of extra pump sets. Besides, Rs 6 lakh incurred on other equipment also proved unfruitful.**

In March 2000, the Government of India (GOI) sanctioned Rs 4.61 crore for the implementation of a pilot project of reclamation of wasteland of waterlogged area in Rawatsar (Hanumangarh District). The project provided development of 5633 hectare area of waterlogged wasteland through dewatering by constructing drains (105.500 RD of Indira Gandhi Main Canal). The GOI was to share Rs 3.05 crore and the State Government and beneficiaries Rs 1.56 crore in the ratio of 66:34. The implementation of the project was to be made through the Executive Engineer (EE), Irrigation Division, Rawatsar and completed by March 2003. The project proposal included (i) purchase/installation of pump sets for dewatering, (ii) construction of drains, (iii) reclamation of saline and alkaline land and (iv) establishment of hydraulic monitoring laboratory. Against Rs 3.33 crore<sup>17</sup> provided, an expenditure of Rs 3.05 crore was incurred as of March 2004, leaving unutilised (November 2004) Rs 27.59 lakh with the Irrigation Division, Rawatsar.

Taking maximum rainfall of five inches in 48 hours once in 15 years, volume of 536 acre feet of water was calculated to be pumped out to prevent flooding and for the discharge of 135.35 cusecs<sup>18</sup>, requirement of nine diesel engine pump sets each with 15 cusecs per second discharge was proposed. After obtaining the approval (August 2000) from the Chief Engineer, Irrigation, Hanumangarh, the EE, Irrigation Division, Rawatsar procured (January 2001) nine diesel engine pump sets each of 150 BHP for Rs 34.44 lakh for installation at pump house at RD 96.300 of Indira Gandhi Main Canal. On erection, installation, loading and unloading, etc. of pump sets Rs 4.50 lakh were also spent.

Test-check (May 2004) of the records of the EE, Irrigation Division, Rawatsar revealed the following:

- Out of nine diesel pump sets procured for Rs 34.44 lakh, only four pump sets were installed. As per logbooks only two pump sets were used at a time during May 2001 to February 2004 and remaining two pump sets were used for three months and 41 hours respectively. As such, expenditure of Rs 19.27 lakh<sup>19</sup> incurred on procurement of remaining five pump sets was

17. GOI: Rs 2.33 crore; State Government and beneficiaries: Rs 1 crore.

18.  $536 \div (48 \times 1.98/24)$ .

19. Including Rs 0.14 lakh incurred on loading and unloading.

rendered unfruitful as these were neither installed nor utilised since their procurement. The possibility of their use in future was also remote as 64 per cent (3600 hectare) waterlogged wasteland had already been developed by using four pump sets.

- The requirement of nine pump sets was worked out presuming maximum rainfall of five inches in 48 hours. On the contrary, rainfall data<sup>20</sup> shows that maximum rainfall had never reached to five inches in 48 hours in the last five years (1995-1999) and had ranged between 3.7 and 1.4 inches. Had the Department considered average actual rainfall data the expenditure of Rs 19.27 lakh on pump sets lying unutilised could have been avoided.
- For the testing of salinity a hydraulic monitoring laboratory was to be established and for this purpose equipment costing Rs 6 lakh were also made available by the Chief Engineer (Investigation, Design and Research), Irrigation, Jaipur in May 2001. These were lying unutilised for want of trained staff. Moreover, testing facilities were already in existence at Agriculture Research Centre, Hanumangarh.

Thus, failure of the Department in assessing correct discharge to be pumped out, led to unfruitful expenditure of Rs 19.27 lakh on procurement of extra pump sets. Besides, Rs 6 lakh incurred on equipment proved unfruitful.

Government stated (May 2005) that the nine diesel engine pump sets were procured assuming the worst climatic conditions (i.e. five inches rainfall in 48 hours) at the time of preparation of project report whereas the situation was different in the last few years. The reply was not tenable as the rainfall data for 1995-1999 shows that the contingency of rainfall of five inches in 48 hours had never occurred indicating that project report was prepared on incorrect assumptions.

#### **4.2.4 Avoidable extra expenditure due to failure of the Department in timely measuring of executed works and delay in making payment to the contractors**

**Due to non-measuring of the work immediately after its execution and further avoidable delay of 13 months in making payments after Court decisions, led to avoidable payment of Rs 46.65 lakh as interest and Court expenses.**

The work orders for earthwork excavation for re-sectioning of Lalgarh Non-Perennial (LNP) canal were issued to various contractors between 26 March 1996 to 5 April 1996 at a cost of Rs 78.17 lakh for completion within 15 days from the 1<sup>st</sup> closure (1 April 1996) of canal.

The work was executed during April 1996 as claimed by the contractors. On the contrary, the Department issued (August 1996) notices to the contractors

20. Rainfall observed at Lakhuwali Head- as furnished by the Department.

for completion of the work upto 30 September 1996. Subsequently, as the water in LNP was released after closure period, the pits earlier dug by the contractors for earthwork were levelled by farmers and the executed works could not be measured. A retired Chief Engineer of the Irrigation Department appointed (July 1996) by the Government to investigate the matter, reported (March 1997) that earth works were executed by the contractors but compaction and ramming works were not found executed. Consequently, the Government decided (January 1999) to make payments of earthworks by adopting pits as well as stack measurement. As no pits were available for measurements by that time due to levelling of land by farmers and also running of canal, the work executed could not be measured. On filing the cases (August 1997 to October 1999) in the Court of District and Session Judge, Sriganaganagar for payment against the works by the contractor, the Court ordered (November 2002) to pay Rs 38.07 lakh for work executed<sup>21</sup> as per work orders alongwith interest upto the date of filing of cases and further interest from the date of filing of cases to the date of actual payment alongwith Court expenses. The State Government accorded (February- March 2004) financial sanctions for above payments with a delay of 13 months and the Department paid (February- March 2004) Rs 58.21 lakh<sup>22</sup> to the contractors through Court leaving a pending liability of interest Rs 12.71 lakh.

During test-check (November- December 2004) of the records of the Executive Engineer, Gang Canal, South Division, Sriganaganagar it was observed that:

- Contrary to provisions of Public Works Financial and Accounts Rules, the measurement of works were not taken and got recorded in the measurement books immediately after execution of works. In the absence of which, possibilities of excess payment on account of any item of work or part thereof remained unexecuted cannot be ruled out.
- As the measurement of works executed by contractors was not taken, on the basis of investigation report submitted in March 1997, the Government decided in January 1999 to make payment of earthwork by adopting pits as well as stack measurement. Government took one and half years in issuing instructions and by that time pits were not available due to levelling of field by farmers and running of canal.
- Though Court passed awards (November 2002) for payment to contractors Rs 38.07 lakh with interest upto the date of filing of cases, the Department issued financial sanctions only in February - March 2004 after a delay of 13 months which led to further payment of interest.

Thus, due to non-measuring of the work immediately after its execution and further avoidable delay of 13 months in making payments after Court decisions, the Department had to pay Rs 46.65 lakh (including pending liability of Rs 12.71 lakh) as avoidable payment of interest and Court expenses.

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21. Work order amount Rs 24.27 lakh and Interest Rs 13.80 lakh.

22. Work order amount Rs 24.27 lakh; Interest and Court expenses Rs 33.94 lakh.

Government intimated (July 2005) that levels of earth work were taken but entries not made in measurement book and payment had been made to contractors in view of Court decisions. The reply was not tenable because the Departmental failures in timely recording of measurement in measurement books, delay in deciding mode of measurement for payment of works not measured and further delay in sanctioning of payment to the contractors with interest upto the date of filing of cases as per Court's decisions led to avoidable extra expenditure of Rs 46.65 lakh.

## MEDICAL AND HEALTH DEPARTMENT

### 4.2.5 Avoidable expenditure on account of power factor surcharge

**Failure of the Department to take corrective measures for maintaining required average power factor resulted in avoidable expenditure of Rs 58.28 lakh.**

Tariff for Supply of Electricity-2001 of Jaipur Vidyut Vitran Nigam Limited (JVVNL) provides that a consumer of bulk supply for mixed load (under Schedule ML/LT-7) shall maintain an average power factor of not less than 0.90 (90 per cent). A surcharge at one per cent of energy charges for every 0.01 (one per cent) fall in average power factor (0.90) is chargeable. To improve the monthly average power factor to 0.90 the consumer is required to get the shunt capacitor installed.

During test-check (November 2002 and July-November 2004) of the records of the Superintendent, Sawai Man Singh Hospital, Jaipur (Hospital) revealed that the Hospital having bulk supply connection for mixed load maintained the average power factor between 0.75 and 0.84 during August 2001 to September 2004, due to which the Hospital had to incur avoidable expenditure of Rs 58.28 lakh towards power factor surcharge.

Even after avoidable expenditure was pointed out in audit (November 2002) the charges (Rs 25 lakh) for installation of shunt capacitor were deposited with the Electrical Division, Public Works Department, Jaipur in February 2004 (i.e. after lapse of 14 months). However, the shunt capacitor could not be installed upto August 2004 due to time taken by the Public Works Department in inviting tenders and getting the work completed. Had timely action been taken even after pointing out by Audit in November 2002, extra expenditure of Rs 34.91 lakh from January 2003 to September 2004 could have been avoided.

Thus, failure of the Department to take corrective measures for maintaining required average power factor resulted in avoidable expenditure of Rs 58.28 lakh on power factor surcharge.

While accepting the facts, the State Government stated (May 2005) that though the Audit pointed out the matter in November 2002 but collection of technical know-how standards was necessary to install shunt capacitor. When

these were called for from the JVVNL, they in turn requested to collect the same at the Hospital level. Therefore, delay was due to time taken in collection of these standards. The reply was not tenable in view of the fact that proposal for installation of shunt capacitor at a cost of Rs 25 lakh, approved by Budget Finalisation Committee in January 2003, was prepared after getting necessary technical information and the Government unreasonably took one year to issue administrative and financial sanction.

## PUBLIC WORKS DEPARTMENT

### 4.2.6 Unfruitful expenditure on incomplete road in submergence area of Bisalpur Dam

**Failure of the Department in conducting proper survey, preparing defective estimates and commencing work without proper design led to frequent changes in the specifications of the bridge on Khari river resulting in unfruitful expenditure of Rs 28.07 lakh.**

In September 2003, the Additional Secretary, Public Works Department (PWD), issued administrative approval of Rs 81 lakh for the construction and upgradation of missing link of road between Ramthala and Bajta villages in km 3.750 (11/0 to 14/750 km). Technical sanction was accorded (November 2003) by the Superintending Engineer (SE), PWD Circle-I, Ajmer. The work included construction of missing link of road between Ramthala and Bajta villages in addition to construction of RCC submersible bridges across *Khari* river (12 spans of 5 metre each) and Ramthala *Nallah* (4 spans of 5 metre each). The deck top level of bridge and foundation depth was to be 314.50 metre<sup>23</sup> and 2.70 metre respectively. The work was awarded (December 2003) to contractor 'A'<sup>24</sup> at 3.62 per cent below Schedule 'G' (Rs 73.59 lakh) for Rs 70.92 lakh with the stipulated date of completion as 13 June 2004. The contractor had been paid Rs 19.50 lakh upto V<sup>th</sup> running bill till July 2004. The work was lying incomplete (June 2004) after spending Rs 28.07 lakh<sup>25</sup>. Executive Engineer (EE), PWD Division, Beawar recommended (December 2004), the SE, PWD Circle-I, Ajmer for the withdrawal of work from the contractor under clause 3c of the agreement as completion of work was impossible under the sanction and the site of dam was submerged (August 2004).

During test-check (December 2004) of the records of the EE, PWD Division, Beawar it was observed that:

- During execution of work, the drawing and design of the bridge on *Khari* river was frequently modified and revised estimates for Rs 1.41 crore,<sup>26</sup>

23. From above Mean Sea Level.

24. M/s Ratan Lal Ramesh Chandra, Kekri

25. Including Rs 8.57 lakh incurred on earth work under famine relief works.

26. Bridge of 15 spans of 5 metre with foundation depth 8.01 metre.



Rs 92.64 lakh<sup>27</sup> and Rs 1.20 crore<sup>28</sup> were submitted in March 2004, May 2004 and July 2004 respectively.

- Although the Department was well aware that Bisalpur dam has been notified (March 1998) as submergence area upto RL 315.5 metre, it unjustifiably proposed deck top level of bridge at RL 314.50 metre. The site of dam submerged in August 2004 and work was lying stand still (July 2005). This indicated defective planning.

Thus, failure of the Department in conducting proper survey, preparing realistic estimates and commencing work without proper design led to frequent changes in the specifications of the bridge on *Khari* river resulting in unfruitful expenditure of Rs 28.07 lakh.

Government stated (July 2005) that although the FTL of the Bisalpur dam is 315.5 metre, the deck top level was proposed at 314.5 metre keeping in view of economy and lowering of level of dam from 315.5 metre in one month due to percolation, evaporation and water supply. The reply further stated that the road constructed in km 2.17 is being utilised by public with intervening part (km 1.580) under submergence is crossed using boats. The reply was not tenable as in absence of construction of bridge the very objective has remained unachieved mainly on account of defects in survey and commencement of work without proper design.

#### 4.2.7 Avoidable expenditure on unnecessary acquisition of land

##### Acquisition of land without any proposal and approval for construction of bypass resulted in avoidable expenditure of Rs 38.19 lakh.

Rule 286 (i) of Public Works Financial and Accounts Rules stipulate that it is necessary to obtain the concurrence of the competent authority of the Administrative Department which has sought the work and Departmental officers should obtain administrative approval of it in the first instance.

In August 1996, the Chief Engineer, Public Works Department (PWD), Jaipur sanctioned Rs 1.00 lakh for land acquisition for construction of bypass on Chandwaji-Chomu-Renwal road. Accordingly, the Executive Engineer (EE), PWD, Buildings and Roads (B&R), District Division (South), Jaipur requested (September 1996) the Land Acquisition Officer (LAO), PWD Circle-III, Jaipur for acquiring land with 45 metre width in four revenue villages<sup>29</sup>. The Notifications for acquisition of 122 bigha and 8 biswa land were published in the gazette on 7 February 1997 and 27 February 1998 respectively. On

27. Vented causeway with foundation depth of wall in upstream and downstream as 1.50 metre and 1.80 metre and apron of 2.25 metre and 3 metre instead of bridge.  
28. Modified vented causeway with foundation depth and size of apron in upstream and downstream as 3 metre and 6 metre.  
29. Renwal, Nathi ka Bas, Mundia Garh and Samdari.

19 June 2000 an award of Rs 50.46 lakh<sup>30</sup> for acquisition of land was passed by the LAO. Against the administrative and financial sanction of Rs 50.46 lakh issued by the Government in October 2004 for payment of land compensation, Rs 38.19 lakh were paid as of March 2005<sup>31</sup>.

Test-check (January-February 2005) of the records of the EE, PWD (B&R), District Division-I, Jaipur revealed that though the land had been acquired (June 2000) for construction of bypass, neither any proposal was mooted nor sanction issued for construction of bypass during the last eight years. Consequently, the EE, PWD (B&R), District Division-I, Jaipur while sending estimate of Rs 14 lakh requested (December 2004) the Superintending Engineer, PWD, Rural Circle-I, Jaipur to get the administrative and financial sanction issued so that action for demarcation of land, construction of boundary pillars and execution of earth and gravel work of road may be initiated. Thus, there was no justification for acquisition of land and compensation paid for land for bypass which was neither proposed nor sanctioned by the Government.

Thus, acquiring of land without any proposal and approval for construction of bypass resulted in avoidable expenditure of Rs 38.19 lakh as of March 2005.

Government, while accepting the facts, stated (July 2005) that sanction to estimate for construction of gravel road on land acquired for bypass was under consideration. However, the fact remains that the land was acquired without any proposal and approval for construction of bypass.

### **4.3 Idle investment/idle establishment/blockage of funds**

## **IRRIGATION AND PUBLIC HEALTH ENGINEERING DEPARTMENTS**

### **4.3.1 Idle investment on Regional Water Supply Schemes**

**Non-coordination of the two Departments and indecisiveness to arrange water led to idle investment of Rs 35.91 lakh on Regional Water Supply Schemes lying unimplemented for four to six years defeating the very purpose of providing safe and potable drinking water to villages.**

With the object of providing potable, safe and sufficient drinking water to the villages of 19-20 GB<sup>32</sup> and 17-18 GB of Sri Vijaynagar town (Sriganganagar District), the Government accorded administrative and financial sanctions for Rs 11.81 lakh and Rs 23.95 lakh in February 1997 and March 1999

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30. Land Compensation: Rs 24.84 lakh; Surcharge for 30 months: Rs 7.45 lakh; 30 per cent compulsory acquisition amount: Rs 7.45 lakh and compensation of structures: Rs 10.72 lakh.

31. Balance of Rs 12.27 lakh was yet to be paid.

32. Name of Villages

respectively for two Regional Water Supply Schemes (RWSS). Raw water was to be made available by the Irrigation Department by reducing the rotational (*Bari*) time period of supply of water to the cultivators for irrigation from Gang Canal System. The Executive Engineer (EE), PHED Division, Suratgarh issued (19 May 1997 and 4 June 1999) work orders in respect of RWSS 19-20 GB and 17-18 GB for Rs 9.68 lakh and Rs 15.75 lakh and the works were completed in June 1998 and March 2001 at a cost of Rs 12.18 lakh and Rs 23.73 lakh<sup>33</sup> respectively. Meanwhile, the cultivators of 19-20 GB and 17-18 GB filed (October 2000 and January 2001) cases in Civil Court against the proposed reduction in their timing of supply of water for irrigation. Though the stay given (October 2000 and January 2001) by the Court was vacated in March 2003 (17-18 GB) and August 2004 (19-20 GB), the Department, however, could not obtain raw water from the Irrigation Department and the scheme remained untested/uncommissioned as of March 2005.

During test-check (December 2004) of the records of the EE, PHED, Division Suratgarh for the period July 2003 to November 2004, it was observed that the work of construction of RWSS for 19-20 GB was completed in June 1998 at a cost of Rs 12.18 lakh, the weekly *Bari* of two hours and eight minutes was made applicable only on 5 October 2000 i.e. after more than two years. In respect of RWSS 17-18 GB though the Court had vacated the stay in March 2003, the Irrigation Department could not made applicable the *Bari* system despite several requests from the PHED to provide water. Adequate efforts were also not made to convince the cultivators about nominal reduction of time for irrigation as the scheme was for their own benefits.

This aspect should have been resolved and cultivators should have been taken into confidence before preparing the scheme. The water supply scheme was for the benefit of villagers and both the Departments were required to coordinate for proper implementation. The Department failed in commissioning the 19-20 GB scheme during 30 June 1998 to 3 October 2000 when there was no stay. Further, even after Court's decision in Government's favour the 17-18 GB scheme was lying untested. Both the schemes were lying uncommissioned/untested owing to non-settlement of dispute amongst cultivators and Irrigation/Public Health Engineering Department on the prevailing *Bari* system thus defeating the very purpose of providing safe and potable drinking water to villages.

Government stated (August 2005) that the *Bari* system could not be implemented due to filing suits by the cultivators in the Court. The reply was not tenable as the 19-20 GB RWSS was completed on 30 June 1998 and cultivators approached the Court on 3 October 2000 but the Department failed to test the scheme and provide water during these two years. Further, even after Court's decision in May 2003 in the Government's favour the 17-18 GB scheme was lying untested.

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33. The difference between actual expenditure of Rs 12.18 lakh and Rs 23.73 lakh and amount of work orders to contractors for Rs 9.68 lakh and Rs 15.75 lakh represents *pro rata* charges and cost of material supplied by the Department.

## IRRIGATION DEPARTMENT

### 4.3.2 Unproductive expenditure on rehabilitation works of canal and minors of Chhitoli dam

**Wrong selection of rehabilitation works of canal and minors of Chhitoli dam resulted in unproductive expenditure of Rs 1.28 crore as of March 2005, which would further increase on completion of its on going works.**

State Government accorded administrative sanction of Rs 562 crore in October 2002 for the Rajasthan Water Sector Restructuring Project (Project). The main objective of the Project was to improve productivity of irrigated agriculture land and efficient use of water in 91 surface irrigation schemes, covering 6.19 lakh hectares. The Project included rehabilitation of main canal and minors of Chhitoli Dam (constructed in 1950) (having live storage capacity of 22.33 M.cum<sup>34</sup>) in Virat Nagar Tehsil<sup>35</sup> to utilise maximum inflow of 14.35 M.cum water in the reservoir (against 4.76 M.cum being utilised) so as to provide additional irrigation in 1356.95 hectares. The works included re-sectioning of the existing canal from 6.6 km, restructuring of main canal and construction of three new minors and remodelling of cross drainage works. For this, technical sanction of Rs 1.79 crore was issued by the Additional Chief Engineer, Irrigation Zone, Jaipur in April 2003. Rehabilitation work started in August 2003 was in progress and an expenditure of Rs 1.28 crore had been incurred upto March 2005.

During test-check (September 2004) of the records of the Executive Engineer (EE), Irrigation Division, Jaipur it was observed that the rehabilitation of main canal and minors of Chhitoli dam was proposed merely on the basis of storage capacity of the dam without considering the actual inflow of water received in the dam in previous years. The record shows that from 1983 to 2004 the water in the dam had never reached upto its FTL<sup>36</sup> (22'-6") and the gauge of the dam ranged between 13'-11" to nil (except 17'-8" in 1996). Further, minimum 3.029 M. cum (water gauge level of 6 feet) water in the dam was necessary for flow in canal upto tail. It was observed that during the last five years (1999-2004) despite heavy rainfall (average rainfall ranging between 197 mm to 978 mm) the level of water in the dam never went beyond 5'-3". As a result, no irrigation activities could be carried out during these years. In spite of that the Department had unnecessarily selected canal and minors of the dam for restructuring to generate additional irrigation potential. Thus, in the absence of sufficient inflow of water in the dam for irrigation during the years 1983-2004 the possibility of utilisation of newly constructed works under the Project would be remote.

Wrong selection of rehabilitation works of canal and construction of minors of Chhitoli dam thus, resulted in unproductive expenditure of Rs 1.28 crore as of

34. Million Cubic Metre.

35. In Jaipur District.

36. Full Tank Level.

March 2005, which would further increase on completion of its on going works.

Government stated (May 2005) that inflow in dam is not directly proportionate to quantity of rainfall but accepted that inflow in Chhitoli dam was always lower than expected. The fact remains that the requisite water for feeding the canals upto tail end was never available during the last five years and, therefore, the work of rehabilitation of canals was commenced without ensuring requisite availability of water in the dam.

## PUBLIC WORKS AND PARLIAMENTARY AFFAIRS DEPARTMENTS

### 4.3.3 Blockage of funds owing to works lying incomplete

**Failure of the Department to provide adequate funds led to non-completion of work of staff quarters for more than three and half years resulting in blockage of funds of Rs 66.55 lakh.**

For the construction of Rajasthan Vidhan Sabha building at Jaipur, Department of Parliamentary Affairs, Government of Rajasthan accorded (May 1996) administrative and financial sanction for Rs 77.02 crore. The sanction was revised (January 2001) to Rs 95 crore. The Project, *inter alia*, included a provision of Rs 1.37 crore for the construction of 31 staff quarters<sup>37</sup>.

Test-check (February 2005) of the records of the Executive Engineer (EE), City Division-I, Public Works Department (PWD), Jaipur revealed that after incurring an expenditure of Rs 66.55 lakh, the work of construction of staff quarters (taken up in 2000-2001) was lying incomplete since closing of the Project in September 2001. The construction work in respect of 11 quarters upto plinth level and of 20 quarters upto framework only was done during August 2000 to June 2001. The quarters were lying incomplete as of July 2005. No provision was made for completion of quarters during 2001-05,<sup>38</sup> except in 2002-03 in which funds of Rs 1.13 crore although provided, were not released due to famine works. No reasons were advanced by the Department for non-providing of funds in other years, although the EE, City Division-I, PWD, Jaipur requested the authorities concerned for the same time

37. Type-I: 2, type-II: 3, type-III: 6, type-IV: 10 and type V: 10.

38. A meagre amount of Rs 10 lakh provided for 2005-06.

and again, during April 2002 to June 2004.



A view of incomplete staff quarters

Thus, failure of the Department to provide adequate funds led to non-completion of work of staff quarters for more than three and half years resulting in blockage of funds of Rs 66.55 lakh. Besides, the inordinate delay has resulted in avoidable expenditure of Rs 11.79 lakh<sup>39</sup> towards payment of House Rent Allowance to the staff during the period of three and half years. The construction cost of the quarters will also increase by the passage of time.

Government in Public Works Department while accepting the facts, stated (July 2005) that the quarters would be completed on availability of funds. No reply was received from Parliamentary Affairs Department (November 2005).

#### 4.4 Regulatory issues and other points

### FINANCE DEPARTMENT

#### 4.4.1 Excess/irregular payment of pension

**Failure of the Treasury Officers to exercise prescribed checks led to excess/irregular payments of pension/family pension aggregating Rs 62.66 lakh.**

Government of Rajasthan (Government) makes payment of pension to the State pensioners through Public Sector Banks (Banks)<sup>40</sup>. Government had instructed (June 1977) that the Treasury Officers (TOs) would be responsible

39. Calculated at the minimum of the scale of employees/officers

40. State Bank of India, State Bank of Bikaner and Jaipur, Bank of Baroda, Central Bank of India, Punjab National Bank, UCO Bank and Union Bank of India.

for checking the correctness of pension payments, made by the Banks, with reference to the records maintained by them, before incorporating the transactions in their accounts. Mention had also been made in previous Audit Reports<sup>41</sup> (Civil) about the excess payments made to the State pensioners by the Banks. The Public Accounts Committee, 2001-02 in their Reports had also recommended that recoveries of excess payment be made, responsibilities against defaulting officers be fixed, Administrative Inspection of Treasuries be strengthened and arrangements be made to avoid recurrence of such irregularities in future.

In compliance thereof, the Government intimated (July 2003) that necessary instructions had been issued to TOs for verification of pension payments by visiting the Banks.

Test-check (April 2004 to March 2005) of the records relating to pension payments made by the Banks, however, revealed excess/irregular payments of superannuation/family pensions of Rs 62.66 lakh to 223 pensioners as detailed below:

S. No.	Particulars	Number of cases	Exces/irregular payment (Rupees in lakh)
1.	Non-reduction of family pension after expiry of the prescribed period	150	28.57
2.	Pension and dearness relief paid at higher rate than admissible	41	12.90
3.	Amount of pension not reduced after commutation	19	7.29
4.	Payment of dearness relief to the pensioners during the period of their re-employment	5	1.69
5.	Payment of pension without Pension Payment Order	6	9.24
6.	Pension payment of other States wrongly debited	2	2.97
	<b>Total</b>	<b>223</b>	<b>62.66</b>

It was also observed that Rs 9.97 lakh on account of pension were credited to the savings bank account of 28 pensioners from April 1980 to December 2004 without obtaining required life certificate from them. As such, possibilities of crediting pension in case of deceased pensioners cannot be ruled out.

All this shows that the irregularities had, thus, not only persisted but continued and enhanced due to failure in exercising prescribed checks by the TOs. Evidently, the recommendations of the Public Accounts Committee regarding

41. Para 3.9 of Audit Report for 1984-85, Para 3.1 of Audit Report for 1990-91, Para 3.4 of Audit Report for 1993-94, Para 3.2 of Audit Report for 1997-98, Para 3.7 of Audit Report for 1999-2000, Para 4.4.1 of Audit Report for 2002-03 and Para 4.2.5 of Audit Report for 2003-04.

avoiding recurrence of such irregularities in future were also not followed scrupulously.

Government in their reply accepted (September 2005) facts and figures of the para and recovered Rs 20.09 lakh in 89 cases at the instance of audit.

## MEDICAL AND HEALTH DEPARTMENT

### 4.4.2 Irregular release of grant to a Non-Government Organisation

**Lack of monitoring and release of further grant without ensuring proper utilisation of previous sanctioned grant by the Department resulted in irregular release of grant of Rs 1.25 crore. Besides, inadmissible expenditure of Rs 70.15 lakh was also not objected.**

Medical and Health Department (Department) provided grants-in-aid (GIA) of Rs 1.25 crore<sup>42</sup> during 1999-2004 to a Non-Government Organisation<sup>43</sup> (NGO) for maintenance of the Government reserve beds for providing treatment to Tuberculosis (TB) patients. The NGO was required to meet all cost of treatment i.e. medicines, diet, etc. without charging any fees from the nominated patients. For admissions, the patients were to be nominated by the Government on the recommendation of the Chief Medical and Health Officer (CM&HO), Sikar, who was assisted by a Committee for the purpose. For ensuring proper utilisation of GIA in addition to condition of recommendation and nomination of patients other checks were: internal audit of the accounts and records of the NGO by the Directorate, prescribing of a form at the Directorate level for obtaining statement of accounts of the NGO duly audited by the Chartered Accountant to the Government/inspection of the NGO by the authorities of the Medical and Health Department as well as of the State for satisfying themselves that the beds were maintained according to prescribed standard and/countersigning of GIA bill by the CM&HO, Sikar.

Scrutiny (December 2004-February 2005) of the records of the Director, Medical and Health Services, Rajasthan, Jaipur revealed that although the Committee was constituted in September 1998, yet no patients were recommended by the CM&HO to the Government and nominated by the Government to the NGO for the treatment of TB during 1999-2004. Even then, the Department provided grant year after year without ensuring its proper utilisation. In absence of any nomination, the NGO utilised the grant for the patients admitted by it on its own and obtained the utilisation certificate for all the years (except for 2003-04) duly countersigned by the CM&HO. District TB Officer while admitting the fact (July 2005) also opined that the NGO was not entitled for receiving GIA for the patients admitted by it without their nomination by the Government. Further, the accounts of the NGO duly

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42. 1999-2000: Rs 18 lakh for 100 beds and Rs 27 lakh for 150 beds; 2000-01: Rs 30 lakh for 100 beds; 2001-02: Rs 20 lakh for 67 beds; 2002-03: Rs 15 lakh for 50 beds and 2003-04: Rs 15 lakh for 50 beds.

43. Shree Kalyan Arogya Sadan, Sanwali (District Sikar).



certified by the Chartered Accountants and countersigned by the CM&HO were accepted by the Directorate without prescribing any format for accounts and carrying out inspection about satisfactory maintenance of required number of beds according to prescribed standard. Internal audit was done only during 2004-05. Utilisation certificates received duly countersigned by the CM&HO were being simply forwarded by the Directorate to the State Government and Accountant General without ensuring that the power vested in the CM&HO regarding recommendations of the patients was being exercised.

Further, against GIA expenditure of Rs 70.15 lakh of inadmissible items,<sup>44</sup> not qualifying for the cost of treatment was also included in the accounts for the years 1999-2004 of the NGO. Their admissibility was never objected.

Thus, lack of monitoring and release of further grant without ensuring proper utilisation of previous sanctioned grant by the Department resulted in irregular release of grant of Rs 1.25 crore. Besides, inadmissible expenditure of Rs 70.15 lakh was also not objected.

The matter was referred to the Government in April 2005; reply had not been received (July 2005).

## SOCIAL WELFARE DEPARTMENT

### 4.4.3 Non-recovery of unspent balance from Avas Vikas Sansthan

**Non-obtaining of required bank guarantee from Avas Vikas Sansthan, led to non-recovery of unutilised Government funds of Rs 72.85 lakh since April 1999. Besides, the Government suffered loss of interest of Rs 26.23 lakh.**

In December 1997 and January 1998, the Social Welfare Department (Department) sanctioned Rs 23.99 lakh and Rs 93.63 lakh respectively under Integrated Package Programme for repairs and maintenance, additions and alterations of 57 Government buildings in which boys or girls hostels and other institutions were being run departmentally. As per terms and conditions of the administrative and financial sanctions funds were to be made available to the Avas Vikas Sansthan (AVS)<sup>45</sup> through whom works were to be executed during 1997-98, but before release of funds required bank guarantee was to be obtained from the AVS to safeguard the interest of the Government.

During test-check (November-December 2003) of the records of the Director, Social Welfare Department, Rajasthan, Jaipur it was observed that the funds of Rs 117.62 lakh were made available to the AVS in February 1998 without

44. Pay and allowances of NGO staff, contribution to staff Provident Fund (PF), establishment expenditure, electricity and water charges, repairs to building of NGO, equipments, furniture, PF administrative charges, staff link insurance deposit, Gratuity.

45. A registered society of Rajasthan Housing Board, liquidated in March 1999.

obtaining required bank guarantee. Out of 57 works, while 20 were completed at an expenditure of Rs 38.96 lakh, five were left incomplete after incurring Rs 5.81 lakh and the remaining 32 were not taken up by the AVS which went into liquidation in March 1999. The left over works (except one) were being got completed (April 2005) through the agency of Avas Vikas Limited. The balance amount of Rs 72.85 lakh remained with the AVS which was yet to be recovered (August 2005). In November 2002, the Chairman, Liquidation Committee of the AVS intimated that the balance amount would be refunded on receipt of the AVS's dues of Rs 90.58 lakh from Nagar Nigam, Jaipur. Further developments were awaited (August 2005).

Meanwhile, the Government, while accepting the facts, stated (August 2005) that the Department made persistent efforts to recover the unspent balance from the AVS before and after its liquidation. It was further stated that no separate bank guarantee for Rs 117.62 lakh as advanced to the AVS by the Department was obtained and hence the unutilised funds remained unrecovered. The fact remains that the liability of the AVS are far in excess of available assets and, therefore, even after disposal of assets, keeping in view other creditors, the chances of effecting recovery are remote.

Thus, non-obtaining of required bank guarantee from the AVS, led to non-recovery of unutilised Government funds of Rs 72.85 lakh since April 1999. Besides, the Government suffered loss of interest<sup>46</sup> of Rs 26.23 lakh.

## WATERSHED DEVELOPMENT AND SOIL CONSERVATION DEPARTMENT

### 4.4.4 Irregular diversion of funds from Centrally sponsored scheme

**Funds of Rs 2.68 crore meant for salaries of Watershed Development Team members and transport TA for visit of subject matter specialists were irregularly diverted to meet the establishment expenditure of regular unit offices of the Department.**

The revised guidelines for National Watershed Development Project for Rainfed Areas (NWDPR) issued (October 2000) by the Government of India (GOI) stipulate that 10 *per cent* of the total funds allocated for Watershed Development would be for administration cost. Of which, four *per cent* was to be released to the watershed committee towards honorarium for Watershed Secretary and volunteers, hire charges for watershed office and office contingency; five *per cent* to the Project Implementing Agency (PIA) towards salary of Watershed Development Team (WDT)<sup>47</sup> to be engaged on a purely

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46. At six *per cent* per annum for the period April 1999 to March 2005.

47. Consisting of one Sociologist and other three members who should be at least graduate in Civil/Agriculture Engineering, Agriculture, Forestry, Animal Science or related basic sciences.

temporary or contractual basis to work on a full time basis for the project period at one of the watershed villages to enable them to work closely with the watershed community, etc. and one *per cent* was to be retained with District/State Nodal Agency for utilisation towards transport TA for visit of subject matter specialists to watershed and short-term consultants for supporting watershed programme. Subsequently, the GOI clarified (April and May 2005) that the line departments of the State Government are eligible to become PIAs subject to the condition that they provide four members WDT having the required qualification, for the project period with headquarters at the watershed site, on a full time basis.

Scrutiny (September 2004) of the records of the Director, Watershed Development and Soil Conservation Department revealed that during 2003-04 instead of engaging full time WDT members for each Watershed, the Department engaged its 24 unit offices (sanctioned posts: 192; men-in-position as of March 2004: 178<sup>48</sup>) consisting officers of Women and Child Development, Agriculture and Animal Husbandry Departments who had otherwise their own duties and irregularly charged their establishment expenditure of Rs 2.68 crore against six *per cent* administrative cost which was to be provided to PIAs and District/State Nodal agency. Further, due to non-deployment of full time WDT members work in the area, non-land based activities for which Rs 2.37 crore were available affected badly and only two *per cent* of the financial targets could be achieved during 2003-04.

Thus, funds of Rs 2.68 crore meant for salaries of the WDT members and transport TA for visit of subject matter specialists were irregularly diverted to meet out the establishment expenditure of regular unit offices of the Department.

Government stated (July 2005) that utilisation of NWDPRAs funds for the reimbursement of expenditure on regular staff performing the functions of the PIAs under administrative cost was allowed and thus expenditure incurred on establishment of 24 unit offices was not irregular in view of the GOI clarification. The reply was not correct because admissibility was based on the fulfillment of the condition regarding providing of the four members WDT having required qualification with headquarters at the Watershed site on a full time basis which was not ensured in the instant case as staff with regular duties was also additionally assigned this work.

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48. Assistant Agriculture Engineer: 24, Assistant Agriculture Officer: 26, Junior Engineer: 86, Lower Division Clerk: 21 and Peon: 21.

## IRRIGATION DEPARTMENT

### 4.4.5 Non-recovery of rent from occupants of the Government quarters

#### Non-recovery of rent from defaulting occupants of Government quarters resulted in loss to the Government.

Rajasthan Civil Services (Project Allowances and Concessions in Project Areas) Rules, 1975 provide that the Government servants, who are engaged in project activities, posted and actually residing in the project area other than District Headquarters, be entitled for rent free accommodation facility.

During test-check (April 2004) of the records of the Executive Engineer (EE), Irrigation, Anoopgarh Shakha Division-I, Sri Bijaynagar, it was noticed that since November 1990 (and even prior to that in 14 cases which were of departments other than Irrigation) no rent was being recovered from 228 occupants residing in the Government quarters at canal colonies of Sri Bijaynagar and Anoopgarh. Rent of Rs 25.12 lakh<sup>49</sup> was outstanding in respect of Anoopgarh Colony (upto June 2002)<sup>50</sup> and Sri Bijaynagar Colony (upto March 2004)<sup>50</sup>. Scrutiny further revealed that:

- The rent of the Government quarters outstanding since November 1990 was mainly recoverable from the employees of offices coming under the control of the Superintending Engineer, Irrigation Circle, Sri Bijaynagar, which were previously assigned with project activities under the control of Command Area Development Organisation and enjoying facility of rent free accommodation, subsequently placed under the control of the Irrigation Department and formed part of the Chief Engineer, Irrigation (North) Zone, Hanumangarh Junction with effect from November 1990. Since these employees were not associated with project activities any more and thus were not entitled for rent free accommodation facility from November 1990.
- Of Rs 25.12 lakh, Rs 4.46 lakh related to 40 occupants who had since superannuated (37: Rs 4.15 lakh) or died (3: Rs 0.31 lakh) and thus, recovery was doubtful.

Rule 160 of General Financial and Accounts Rules provides effecting recovery of rent from the salary bill of allottees by the concerned drawing and disbursing officers. It was noticed that the rule was not adhered to by the Divisional Officers and recovery of rent of quarters was allowed to accumulate. Besides, neither proper records were maintained nor timely action (except in March-April 2002 only) was taken against the defaulters.

Thus, failure of the EE, Irrigation, Anoopgarh Shakha Division-I, Sri Bijaynagar in recovering outstanding rent from defaulting occupants of the

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49. Anoopgarh Colony: Rs 17.27 lakh and Sri Bijaynagar Colony: Rs 7.85 lakh .

50. Details of outstanding rent from July 2002 to September 2005 and April 2004 to September 2005 in respect of Anoopgarh and Sri Bijaynagar Colony were not made available by the Department.

Government quarters resulted in non-recovery of Rs 25.12 lakh and loss to the Government.

Government, while accepting the facts, stated (May 2005) that Rs 0.72 lakh had been recovered and efforts were being undertaken for the recovery of remaining outstanding dues. The fact remains that outstanding rent of Rs 24.40 lakh was still to be recovered. The amount would increase further after the assessment of rent for the period from July 2002 to date is undertaken.

## General

### 4.4.6 Lack of responsiveness to audit findings and observations resulting in erosion of accountability

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

As of 30 June 2005, there were 7227 IRs containing 26262 paragraphs issued during the period 1982-83 to 2004-05 (reports issued upto December 2004) pertaining to Civil and Works Departments were pending for settlement as under:

Year	Total	
	IRs	Paragraphs
Upto 1998-99	1368	2846
1999-2000	602	1891
2000-01	652	2435
2001-02	733	2838
2002-03	1025	4132
2003-04	1467	5973
2004-05 (upto December .2004)	1380	6147
<b>Total</b>	<b>7227</b>	<b>26262</b>

A detailed analysis of IRs relating to Primary Education and Public Works Departments revealed that 1017 IRs (364 and 653) containing 4262 paragraphs (1228 and 3034) were outstanding as of December 2004. It was further noticed that first reply to 126 IRs containing 600 paragraphs had not been replied to by the Primary Education Department and were pending for one to seven years.

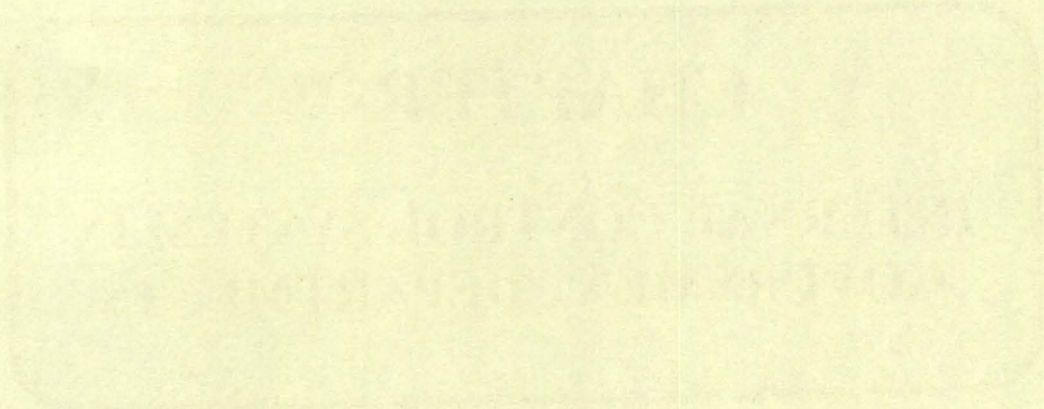
As a result, serious irregularities (detailed in *Appendix- XXVI*) commented in these IRs had not been settled as of June 2005.

According to Rule 327(1) of General Financial and Accounts Rules, the retention period for various accounting records ranged between one and three years after audit. Failure of Departmental officers to comply with the observations in IRs within the prescribed retention period of records, the possibility of their settlement in future appeared to be bleak due to non-availability of records.

Government should look into the matter and ensure that procedures exist for (a) action against the officials who failed to send replies to IRs/paras within the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system to ensure prompt and proper response to the audit observations.

# **CHAPTER-V**

## **INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENTS**





## CHAPTER-V INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENTS

### COOPERATIVE DEPARTMENT

#### 5.1 Internal Control System in Cooperative Department

##### *Highlights*

*The main functions of the Cooperative Department are to promote cooperative sector and exercise control over the working of the Cooperative Societies in the State. In order to perform these functions effectively State Government has prescribed various internal control measures. However, there were instances of inadequacy, deficiency in the controls as well as non-compliance at different levels. The review revealed laxity in budgetary, expenditure and operational controls. Some of the significant points noticed are as under:*

There were savings to the tune of Rs 12.60 crore under establishment head, on account of non-plan budget being based on sanctioned strength instead of working strength.

*(Paragraph 5.1.5)*

Due to improper scrutiny of proposals for demand from lower formations Rs 26.45 crore could not be disbursed to the Societies.

*(Paragraph 5.1.5)*

While in 11 Offices, the head of offices did not carry out physical verification and surprise check of cash balances, in four offices the postage stamps was not physically verified during 2000-05.

*(Paragraph 5.1.7)*

There were 4909 cases of theft, losses, embezzlement and misappropriation of funds amounting to Rs 16.88 crore in Societies, which were pending finalisation.

*(Paragraph 5.1.8)*

Liquidation proceedings of 531 Societies were pending as on 31 March 2005 for period ranging from one year to 50 years.

*(Paragraph 5.1.9)*

**Elections of Societies were not held since 1993.**

*(Paragraph 5.1.12)*

**The Chief Auditor responsible for conducting audit of Societies works under the control of Registrar. As such the impartiality and independence of audit could not be ensured.**

*(Paragraph 5.1.13)*

### **5.1.1 Introduction**

Cooperative Department plays a pivotal role in implementation of cooperative movement in the State. An effective and efficient internal control mechanism, leads to a streamlined administrative organisational set up. Strict adherence to statutes, codes and manuals prescribed by the Government minimise the risk of errors and irregularities, besides helping in protecting resources against loss, wastages, abuse and mismanagement. The Internal Auditors, examine and evaluate the level of compliance of the rules and bring to notice of the Head of Department any irregularities for the corrective action. The Internal Audit System in Cooperative Department was evaluated with regard to its effectiveness and efficiency.

### **5.1.2 Audit objectives**

The internal control system in vogue in the Cooperative Department was reviewed with the aim to assess the adequacies and effectiveness of:

- Budgetary controls
- Expenditure and Cash controls
- Operational controls
- Internal Audit System

### **5.1.3 Organisational set up**

While administrative control of Cooperative Department vests with the Secretary to the Government and the executive functions are performed by the Registrar, Cooperative Societies who is assisted by nine Additional Registrars, 37 Joint Registrars (JR), 121 Deputy Registrars (DR) and 224 Assistant Registrars (AR). Chief Auditor and Director of Inspection, who report their findings to the Registrar and Finance Department respectively, conduct audit and inspection of the Cooperative Societies and the Department. As of March 2005 there were 16080 auditable societies in the State of Rajasthan.

### **5.1.4 Audit coverage**

Audit scrutiny (March to June 2005) of the internal control system of Cooperative Department for the period 1999-2005 was carried out in the

offices of Registrar, Chief Auditor, Jaipur, six<sup>1</sup> JRs and Regional Audit Offices (RAOs) and five<sup>2</sup> ARs.

### Financial Controls

#### 5.1.5 Budgetary controls

The Rajasthan Budget Manual envisaged effective adherence to budgetary control, which among other things requires the administrative Departments to prepare budget estimates based on inputs from lower formations, and to ensure that the budget allocation is not exceeded and the anticipated savings are surrendered in time. In respect of establishment the manual provides that, although the whole sanctioned strength should be shown together with the total cost thereof, but savings that may result from some posts remaining unfilled should be deducted. The position of budget allocation including loans and share capital contribution to Societies and expenditure for the years 2002-05 was as under:

Year	Budget estimates		Actual expenditure		Savings	
	Non-plan	CSS and Plan	Non-plan	CSS and Plan	Non-plan	CSS and Plan
2002-03	26.29	60.00	24.06	47.62	2.23	12.38
2003-04	26.71	19.45	22.40	11.98	4.31	7.47
2004-05	39.56	81.06	33.50	74.46	6.06	6.60
<b>Total</b>	<b>92.56</b>	<b>160.51</b>	<b>79.96</b>	<b>134.06</b>	<b>12.60</b>	<b>26.45</b>

There were savings to the tune of Rs 12.60 crore under non-plan head due to defective budgeting.

Non-plan expenditure was mainly on establishment under various sub-heads such as direction, supervision, audit, training, cooperative tribunal, information and publicity. There were savings to the tune of Rs 12.60 crore under this head which were due to allocation of budget as per sanctioned strength, while actual working strength was less than sanctioned strength. This indicated that the control system in place to prepare the budget was defective as the probable savings on account of posts remaining vacant were not deducted before finalisation of budget estimates by the Registrar.

Under centrally sponsored and plan schemes major expenditure incurred was in the form of share capital contribution to the Societies, grants- in- aid, loans and advances for implementation of special cooperative schemes. Disbursement of funds was subject to certain mandatory conditions given in the sanctions, but the Societies failed to comply with them, which resulted in short disbursement or savings of Rs 26.45 crore. The Department had not ensured that the viability of the Societies was checked before sanction of grants, resultantly the budgetary exercise ignored the possibility that funds requisitioned, may not get actually disbursed due to non-fulfillment of mandatory condition of sanctions.

1. Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.
2. Anoopgarh, Banswara, Sikar, Suratgarh and Sawaimadhopur.

### 5.1.6 Expenditure controls

Every Drawing and Disbursing Officer (DDO) is responsible for seeing that the rules regarding incurring of expenditure from the Government exchequer are followed strictly. Scrutiny of the records revealed as follows:

As per Rule 119 of the General Financial and Accounts Rules (GF&AR) all paid vouchers shall be stamped 'paid' or shown 'cancelled' by the DDO so that they cannot be used second time. Scrutiny in audit revealed that in eight offices<sup>3</sup> test-checked the paid sub vouchers pertaining to the months of December 2003 and March 2005 were not stamped 'paid' and 'cancelled'.

For integrated development of women through Self-help-group schemes, the Government constituted (October 2001) Women Cooperative Societies through Government support. The sanctions for release of share capital and grants-in-aid stipulated that, the Societies should be profit making, and further the Societies should have arrangement for periodic and regular audit of their accounts. Besides, share certificates were to be issued in favour of the Governor. However, it was noticed that Rs 40 lakh (Share capital: Rs 29 lakh and Grants-in-aid: Rs 11 lakh) was sanctioned during 2001-05 to 384 Societies without fulfillment of conditions of sanction.

As per provisions of Rule 150 (5) of GF&AR a Pay Bill Register shall be maintained by each DDO so as to avoid double payments of salary and allowances to the staff. During test-check (March 2005) it was, however, noticed that in the Office of Joint Registrar, Jaipur no such register was maintained.

### 5.1.7 Cash controls

Test-check in audit revealed that in 11 Offices<sup>4</sup> out of 12 test-checked, the DDOs did not verify the cash balance at the end of each month and failed to carry out surprise check of cash during the month, besides recording a signed and dated certificate to this effect as required under rule 51(1) (i) and (ii) of GF&AR.

Test-check revealed that 11<sup>5</sup> out of 12 DDOs had not conducted prescribed monthly reconciliation of remittances made into the treasury with the schedule of remittances maintained at the treasury, in absence of which there was no check on non-accountal of remittances into the treasury.

In four<sup>6</sup> offices test-checked, the stock of service postage stamps was not verified personally by the DDOs during 2000-05 as envisaged in GF&AR.

3. Registrar, Jaipur; JRs-Ajmer, Bikaner and Udaipur; ARs-Banswara, Sikar, Suratgarh and Sawaimadhopur.
4. Registrar, Jaipur; JRs-Ajmer, Bikaner, Jaipur, Kota and Udaipur; ARs-Anoopgarh, Banswara, Sikar, Suratgarh and Sawai Madhopur.
5. Registrar, Jaipur; JRs-Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur; ARs-Banswara, Sikar, Suratgarh and Sawaimadhopur.
6. Registrar, Jaipur; JR- Jodhpur, ARs-Anoopgarh and Sikar.

Rupees 40 lakh were sanctioned to 384 Societies without fulfillment of conditions of sanction.

DDOs did not verify the cash balance at the end of each month in 11 offices out of 12 test-checked.

**Operational controls**

Cooperative Department arranges financial assistance for Cooperative Societies in the form of loans, grants, etc. through National Bank for Agriculture and Rural Development and National Cooperative Development Corporation. To safeguard the State Government's investment in Societies, departmental officers are nominated under Section 29 of the Rajasthan Cooperative Societies Act, 2001 (hereinafter referred as the Act) for financial management and control of day to day affairs of the Societies. The departmental control is also exercised through audit of the Societies by the Chief Auditor. Besides, Registrar is also responsible under the Act for exercising overall control of the working of all the Societies registered with the Department. The control activities included range of activities as diverse as approvals, authorisation, verifications, reconciliation, review of operating performance and obtaining security of assets. Despite these measures and controls prescribed, audit noticed a number of financial irregularities as given below, which indicated that above control measures had not been properly applied.

**5.1.8 Mounting cases of misappropriation, embezzlement, fraud and losses**

The position of cases of misappropriation, embezzlement, fraud and losses noticed in audit of Societies by the Chief Auditor during five years ending 31 March 2005 was as under:

(Rupees in crore)

Year	Position of cases at year end	
	Number	Amount
2000-01	4784	9.17
2001-02	5342	12.38
2002-03	5138	13.06
2003-04	4560	14.88
2004-05 (upto November 2004)	4909	16.88

Amount of misappropriation, embezzlement, fraud and losses' cases increased from Rs 9.17 crore in 2000-01 to Rs 16.88 crore in 2004-05 due to ineffective control.

The above table indicated that amount involved in misappropriation, embezzlement, fraud and losses' cases increased from Rs 9.17 crore to Rs 16.88 crore due to ineffective control over the Societies by the departmental officers. The nominated officers should ensure greater vigil over the affairs of the Society so that this increasing trend in cases of fraud and misappropriations, etc., is arrested.

Under Sections 55 to 57 of the Act, though the departmental officers were entrusted with adjudication of cases of frauds, misappropriation and embezzlement but no time frame for finalisation of individual cases was prescribed. As a result, 328 cases (involving Rs 8.57 crore) were pending finalisation for the periods ranging from one year to 20 years, in offices

test- checked. Delay in finalisation of cases may result in (i) non-recovery of dues of the Societies and (ii) loss of shareholders' faith and money.

Departmental officers (Joint Registrars and Assistant Registrars) while adjudicating the cases of theft, embezzlement and misappropriation under Section 57(2) are required to collect processing fee from defaulters. In six offices<sup>7</sup> test-checked it was observed that processing fee amounting to Rs 1.41 lakh though levied (August 1997- March 2005) had not been recovered as of April 2005.

Cases of theft, embezzlement and misappropriation decided under Section 57(2) are sent for recovery to District Cooperative Banks concerned. During test-check of two offices of the Assistant Registrar, Sikar and Sawaimadhopur, it was observed that the Department had not monitored recovery of Rs 6.98 lakh as of April 2005 in 23 decided cases though intimation for recovery had been made during the period between August 1984 to February 2005. Absence of any mechanism to watch recovery indicated operational failure at the level of adjudicating officers.

#### **5.1.9 Delays in liquidation proceedings**

**The Government suffered a loss of Rs 3.50 crore due to delay in winding up of liquidation proceedings.**

Under Sections 61 to 66 of the Act (Liquidation of Cooperative Societies) winding up of closed and defunct Societies is one of the important duties of the Department. Departmental officers were appointed as liquidators of such Societies. It was noticed that no time period for completion of liquidation proceedings was prescribed under the Act, which resulted in non-finalisation (March 2005) of liquidation proceedings of 531 Societies as intimated by the Department. A test-check of records in Joint Registrar Office, Udaipur, Assistant Registrar Offices, Rajsamand and Banswara revealed that finalisation of liquidation proceedings of Societies was pending for period ranging from one to 50 years. Undue delay in finalising the liquidation proceedings resulted in unnecessary wastages of assets and continuation of recurring liabilities (pay and allowances of staff and watch and ward of assets etc.). In two<sup>8</sup> major Cooperative Societies under liquidation from March 1995 and August 2001, the Government suffered loss of Rs 3.50 crore towards pay and allowances for the period August 2001 to December 2004 due to delay in winding up of liquidation proceedings. Under Section 64 (1) of the Act, the liquidator of a Society should take possession of the assets of the Society under liquidation. M/s Jawahar Servicemen Collective Agriculture Cooperative Society Limited under the jurisdiction of Assistant Registrar, Suratgarh, was brought under liquidation on 18 September 1981 but the liquidator had not taken possession (June 2005) of 120 acre (300 bigha) land of the Society as required under the Act despite lapse of more than 24 years. This indicated failure of operational control at the level of liquidator as assigned to him under the Act.

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7. JRs-Ajmer (Rs 0.35 lakh), Bikaner (Rs 0.18 lakh), Kota (Rs 0.65 lakh) and Udaipur (Rs 0.13 lakh), ARs-Suratgarh (Rs 0.08 lakh) and Sawaimadhopur (Rs 0.02 lakh).

8. M/s Keshoraipatan Sahakari Sugar Mill and M/s Shri Ganganagar Cooperative Oil Seed Processing Mill.

### **5.1.10 Non-verification of entries by Drawing and Disbursing Officer**

In the office of Assistant Registrar, Sawaimadhapur, the entries in the register relating to recovery of loans and interest were not found attested by the Drawing and Disbursing Officer in token of their correctness in absence of which authenticity of figure of outstanding towards loans and interest could not be ensured.

### **5.1.11 Non-recovery of loans under financial assistance**

Government created (1994) "State Cooperative Renovation Fund" of Rs 5 crore and "State Cooperative Revitalisation Fund" of Rs 10 crore for providing financial help to Societies intending to prune their establishment cost and implement schemes for financially weak Societies requiring working capital for business respectively. Loans were sanctioned by the Government on the recommendations of departmental committees. The Departmental officers were responsible for monitoring and control of schemes (including recovery of loans). Rupees 1.22 crore were sanctioned to 12 Societies during March 1995 to January 2001 from State Cooperative Renovation Fund and Rs 1.04 crore were sanctioned to 16 Societies during July 1997 to March 2001 from State Cooperative Revitalisation Fund. Though the instalments had become due, the recovery alongwith interest had not been made and it was observed that an amount of Rs 1.47 crore was outstanding to State Cooperative Renovation Fund and similarly an amount of Rs 1.41 crore was outstanding to State Cooperative Revitalisation Fund as at the end of March 2005. Above position indicates that departmental officers did not conduct proper scrutiny of proposals of financial assistance, before sanctioning of the loans to the Societies.

### **5.1.12 Control through elected committees**

Election of the "Working Committees of the Societies" was not held since 1993 in any of the Societies as of March 2005. Nominated members, paid employees and administrators, were managing the working of Societies. Therefore, the control mechanism through elected committees was not being followed. Thus, the Government failed to implement provisions of the Act to hold the regular elections for the working committees of the Societies, which weakened the mandated control environment in functions of the Societies.

### **5.1.13 Lack of staff for audit of Cooperative Societies**

The Staff of the Chief Auditor i.e. Regional Audit Officers, Special Auditors and Inspectors can be posted as executive officers/administrators of Societies or entrusted with the task of adjudication of cases of theft, embezzlement and misappropriation etc. detected during audit of Societies. Further, the audit staff is also not free from subordination of executive head of auditee Societies, as they can be transferred under their control. Thus, the audit impartiality and independence could not be ensured.

Nominated members, paid employees and administrators were managing the working of the Societies rather than elected committees.

#### 5.1.14 Internal Audit of administrative functions

The Internal audit of administrative functions of the Head Office of the Department is conducted by the Director of Inspection, through a team of Accounts Officer(s) and that of subordinate offices of the Department is conducted by departmental internal audit parties in accordance with Rules 12 and 41 of GF&AR. Periodicity of internal audit was three years. Though the Department informed that period laid down for compliance of inspection reports was one month from date of issue, but inspection reports, prior to 1999-2000, were still pending settlement for want of proper compliance as mentioned below:

Year	Inspection Reports	Paragraphs
Upto 1999-2000	155	265
2000-01	14	52
2001-02	24	112
2002-03	31	168
2003-04	11	92
<b>Total</b>	<b>235</b>	<b>689</b>

There were 689 paragraphs pending for want of compliance, which showed poor response of audited offices to Internal Audit findings and poor persuasion for compliance by Internal Audit.

No separate internal audit standards, guidelines and manuals for conduct of internal audit existed in the Department.

#### 5.1.15 Lack of response to C&AG's audit

Principal Accountant General (Civil Audit), Rajasthan arranges to conduct periodical inspection of Government transactions and communicates the audit findings through Inspection Reports to the Heads of the Offices/Department. The Department is required to comply with the audit observations and rectify the defects and promptly report the compliance to the Principal Accountant General. A half yearly report on the pending Inspection Report is also sent to the Department to facilitate monitoring and compliance of audit observations.

As of 31 July 2005, 158 paragraphs relating to 61 Inspection Reports issued up to February, 2005 pertaining to periods from 1993 to 2004-05 were still pending settlement. Failure to comply with the objections raised by Audit facilitated the continuation of financial irregularities and loss to the Government.

#### 5.1.16 Conclusion

Chief Auditor works under administrative control of the Registrar of Cooperative Societies, which is not conducive for an impartial and independent audit. Though large number of cases of theft, embezzlement, misappropriations etc. were pending settlement for long periods, basic



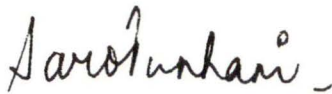
principles of democratic working of Societies was not adhered to by non-holding of elections of Societies in time. No time frame for completion of liquidation proceedings of the Societies has been laid down in the Act. Stamping of Paid vouchers by DDOs as 'paid' and 'cancelled' was not done thus leaving scope for misuse of such vouchers. Prescribed reconciliation of remittances made into the treasury had also not been conducted by DDOs.

**5.1.17 Recommendations**

- Scrutiny of budget proposals received from lower formations and demands received from Societies should be properly examined to avoid excessive savings.
- The Departmental officers should scrupulously follow the provisions of the Budget Manual, GF&AR and various instructions issued by the Finance Department from time to time.
- Time frame for adjudication of theft, embezzlement, and misappropriation cases should be laid down in the Act and adhered to.
- Timely holding of elections of Societies should be ensured.


The matter was referred to the Government in August 2005; reply had not been received (November 2005).

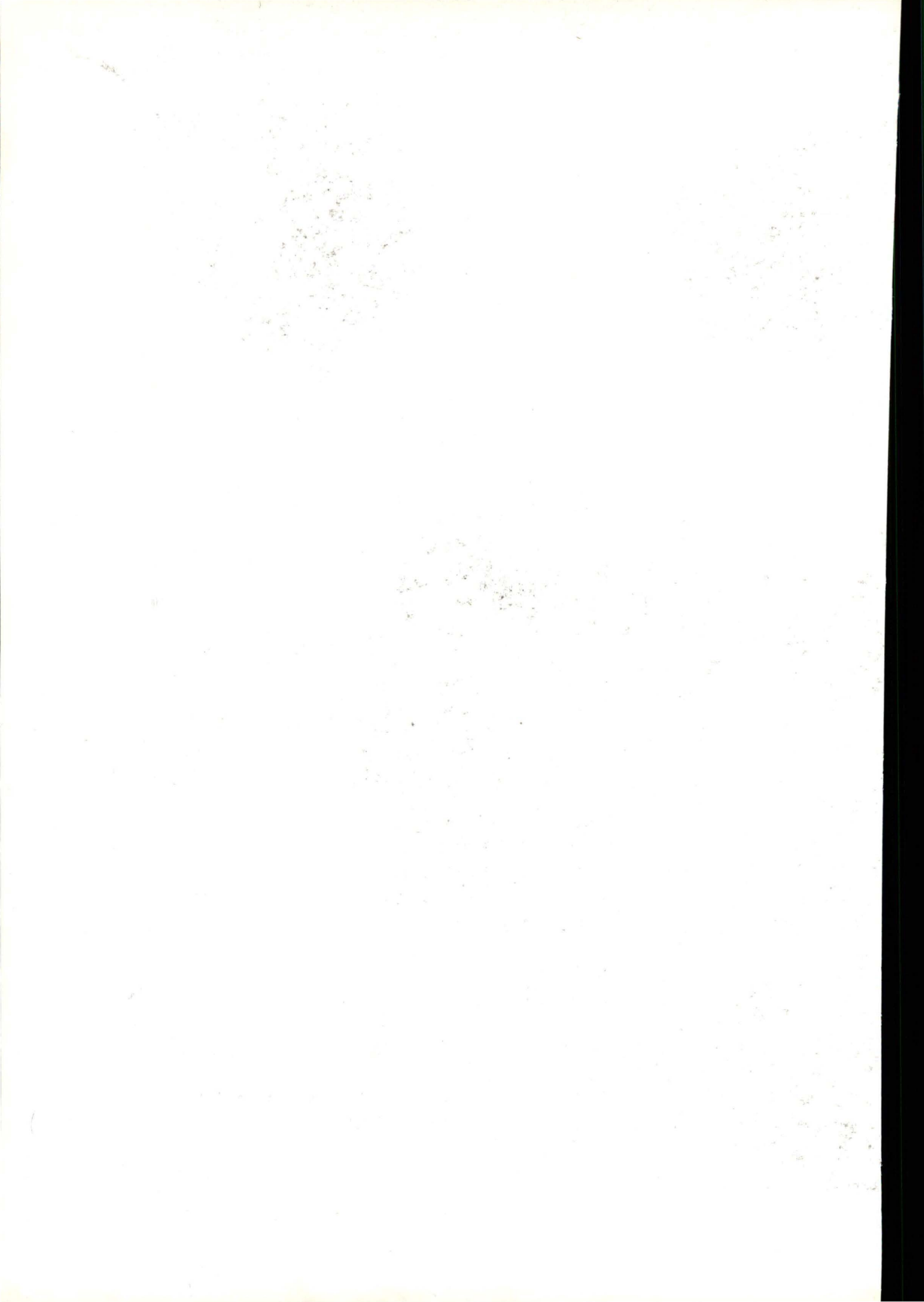
JAIPUR,  
The **20 FEB 2006**

  
(SAROJ PUNHANI)  
Accountant General (Civil Audit), Rajasthan

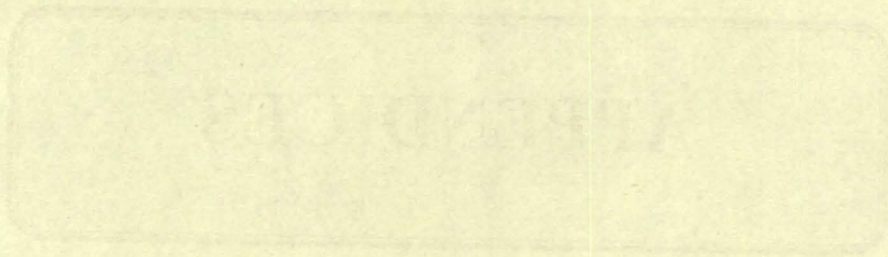
Countersigned

NEW DELHI,  
The **24 FEB 2006**

  
(VIJAYENDRA N. KAUL)  
Comptroller and Auditor General of India



# APPENDICES



## APPENDIX-I

(Refer paragraph 1.4; page 4)

### Part A- Government Accounts

#### I. *Structure:*

The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.

#### *Part I: Consolidated Fund*

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

#### *Part II: Contingency Fund*

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs 35 crore.

#### *Part III: Public Account*

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

#### II. *Form of Annual Accounts*

The accounts of the State Government are prepared in two volumes *viz.*, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

**Part B- List of terms used in the Chapter-I and basis for their calculation**

<b>Term</b>	<b>Basis for calculation</b>
Buoyancy of a parameter	$\frac{\text{Rate of Growth of the parameter}}{\text{GSDP Growth}}$
Buoyancy of a parameter (X) with respect to another parameter (Y)	$\frac{\text{Rate of Growth of the parameter (X)}}{\text{Rate of Growth of the parameter (Y)}}$
Rate of Growth (ROG)	$[(\text{Current year's Amount}/\text{Previous year's Amount})-1] * 100$
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest Payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest received as <i>per cent</i> to Loans Advanced	$\text{Interest received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Balance from Current Revenues (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-Plan Revenue Expenditure excluding debits under "2048 – Appropriation for Reduction or Avoidance of Debt"

## APPENDIX-II

(Refer Paragraph 1.7.2; page 12)

### Statement showing pending Utilisation Certificates as on 31 March 2005

Department	Period	Outstanding utilisation certificates	
		Number	Amount (Rupees in crore)
Environment	1996-99 and 2003-04	10	0.15
Science and Technology	1997-99 and 2000-04	117	0.38
Social Welfare	1995-2004	566	6.94
Women and Child Development	2002-04	9	0.75
Tourism	1999-2001 and 2003-04	18	0.67
Animal Husbandry	1994-95, 1996-97 and 2002-04	7	1.37
Industries	1998-2002 and 2003-04	21	21.55
Cooperative	2001-04	9	0.81
Public Health Engineering	2003-04	10	0.01
Fisheries	2001-04	56	0.75
Medical and Health	2003-04	2	1.88
<b>Total</b>		<b>825</b>	<b>35.26</b>

**APPENDIX-III**

(Refer Paragraph 1.7.4; page 14)

**List of departments/offices from whom information regarding financial assistance given to various institutions was awaited**

S.No.	Name of Controlling Officer/ Department	Year (s) for which information had not been furnished
1.	Secretary, Education (Group-2) Department, Jaipur	2004-05
2.	Secretary, Medical and Health Department, Jaipur	2004-05
3.	Secretary, Youth Affairs and Sports Department, Jaipur	2004-05
4.	Secretary, Planning (Group-I) Department, Jaipur	2004-05
5.	Secretary, Devasthan, Waqf and Soldier Welfare Board, Jaipur	2004-05
6.	Secretary, Agriculture (Group-2) Department, Jaipur	2004-05
7.	Secretary, Rural Development and Panchayati Raj Department, Jaipur	2004-05
8.	Director, Social Welfare Department, Jaipur	2004-05
9.	Deputy Director (Secondary Education), Jodhpur	2004-05
10.	Deputy Director (Secondary Education), Churu	2004-05
11.	Deputy Director (Elementary Education), Kota	2002-03 to 2004-05



## APPENDIX-IV

(Refer Paragraph 1.8.3; page 15)

### List of Government Enterprises running in loss

(Rupees in crore)

S. No.	Name of the enterprises	Government investment upto 31 March 2005	Financial results received	Accumulated loss
<b>I- Statutory Corporations</b>				
1/1	Rajasthan Financial Corporation, Jaipur	58.71	2003-04	71.51
2/3	Rajasthan State Road Transport Corporation, Jaipur	193.24	2003-04	340.86
<b>II- Rural Banks</b>				
3/10	Marudhar Kshetriya Gramin Bank, Churu	2.09	2004-05	59.17
4/12	Arawali Kshetriya Gramin Bank, Sawaimadhopur	1.67	2002-03	33.97
5/13	Thar Anchalik Gramin Bank, Jodhpur	2.27	2004-05	14.19
6/14	Hadoti Kshetriya Gramin Bank, Kota	1.05	2004-05	20.07
7/15	Sriganganagar Kshetriya Gramin Bank, Sriganganagar	1.67	2004-05	0.99
8/16	Dungarpur Banswara Kshetriya Gramin Bank, Dungarpur	1.54	2004-05	10.08
9/18	Mewar Anchalik Gramin Bank, Udaipur	2.03	2004-05	12.84
10/19	Bundi-Chittor Kshetriya Gramin Bank, Bundi	2.88	2003-04	13.32
11/20	Bikaner Kshetriya Gramin Bank, Bikaner	0.93	2004-05	6.93
<b>III- Government Companies</b>				
12/23	Hi-Tech Precision Glass Limited, Jaipur	0.08	2003-04	0.19
13/24	Rajasthan State Hotels Corporation Limited, Jaipur	1.36	2003-04	2.01
14/26	Rajasthan State Agro Industries Corporation Limited, Jaipur	4.13	2002-03	38.07
15/28	Rajasthan State Dairy Development Corporation Limited, Jaipur	0.16	2003-04	0.19

(Rupees in crore)

S. No.	Name of the enterprises	Government investment upto 31 March 2005	Financial results received	Accumulated loss
16/31	Rajasthan Paryatan Vikas Nigam Limited, Jaipur	18.44	2003-04	3.50
17/33	Rashtriya Pariyojana Nirman Nigam Limited, New Delhi (The National Projects Construction Corporation Limited, New Delhi)	0.10	2003-04	616.32
18/34	Sambhar Salts Limited, Jaipur	0.40	2003-04	15.17
19/36	National Textiles Corporation, New Delhi	0.46	2002-03	572.40
20/38	Rajasthan State Handloom Development Corporation Limited, Jaipur	5.60	2003-04	38.58
21/39	Rajasthan State Electricity Corporation, Jaipur	0.05	2002-03	*
<b>IV-Joint Stock Companies</b>				
22/47	Jaipur Udyog Limited, Sawaimadhopur	0.75	30.6.85	24.64
23/48	Man Industrial Corporation Limited, Jaipur	0.15	2003-04	3.60
24/49	News Paper Limited, Allahabad	**	1986-87	0.24
25/51	Rampur Industries Limited, Rampur	***	1995-96	0.19
26/53	Aditya Mills Limited, Kishangarh Ajmer	0.16	2003-04	17.07
27/55	Associated Iron and Steel Industries Limited, Ram Ganj Mandi, Kota	0.01	31.12.84	0.17
28/57	Mewar Textiles Mills Limited, Bhilwara	0.50	2003-04	21.89
	<b>Total</b>	<b>300.43</b>		<b>1,938.16</b>

Denominator represents the Serial Number of Statement No. 14 of the Finance Accounts.

- \* Rs 0.36 lakh only.
- \*\* Rs 0.10 lakh only.
- \*\*\* Rs 0.07 lakh only.

## APPENDIX-V

(Refer paragraph 2.3.1; page 32)

**Grants/appropriations where the savings (more than Rs one crore in each case) exceeded by 10 per cent of the total grant/appropriation**

(Rupees in crore)

Sl. No.	Number and Name of the grant	Total grant	Expenditure	Savings	Percentage of savings
<b>Revenue-Voted</b>					
1.	3-Secretariat	208.49	139.14	69.35	33.3
2.	5-Administrative Services	60.36	41.79	18.57	30.8
3.	14-Sales Tax	67.89	60.70	7.19	10.6
4.	29-Urban Plan and Regional Development	146.70	120.89	25.81	17.6
5.	33-Social Security and Welfare	513.34	461.42	51.92	10.1
6.	36-Co-operation	30.84	24.75	6.09	19.7
7.	42-Industries	54.64	28.44	26.20	48.0
8.	47-Tourism	15.70	13.03	2.67	17.0
9.	51-Special Organisational Scheme for Welfare of Scheduled Castes	106.88	94.41	12.47	11.7
<b>Capital- Voted</b>					
10.	9-Forest	53.29	46.37	6.92	13.0
11.	16-Police	24.00	19.02	4.98	20.8
12.	19-Public Works	92.38	82.79	9.59	10.4
13.	20-Housing	25.45	17.09	8.36	32.8
14.	21-Roads and Bridges	386.18	335.56	50.62	13.1
15.	22-Area Development	131.33	113.08	18.25	13.9
16.	24-Education, Art and Culture	36.84	23.49	13.35	36.2
17.	26-Medical, Public Health and Sanitation	23.11	16.78	6.33	27.4
18.	27-Drinking Water Scheme	1,255.40	802.59	452.81	36.1
19.	28-Special Programmes for Rural Development	165.25	141.06	24.19	14.6
20.	30-Tribal Area Development	148.19	132.74	15.45	10.4
21.	34-Relief from Natural Calamities	10.00	2.95	7.05	70.5
22.	35-Miscellaneous Community and Economic Services	28.56	15.81	12.75	44.6
23.	38-Minor Irrigation and Soil Conservation	17.93	13.98	3.95	22.0
24.	47-Tourism	11.79	9.33	2.46	20.9
<b>Revenue-Charged</b>					
25.	32-Civil Supplies	2.95	0.03	2.92	99
<b>Capital-Charged</b>					
26.	Public Debt	12,400.46	6,681.55	5,718.91	46.1
	<b>TOTAL</b>	<b>16,017.95</b>	<b>9,438.79</b>	<b>6,579.16</b>	

**APPENDIX-VI**

(Refer paragraph 2.3.2; page 32)

**Persistent savings more than Rs one crore in each case and in excess of 10 per cent of the total grant/appropriation**

(Rupees in crore)

Sl. No.	Number and name of the grant	Amount of savings (Percentage)		
		2002-03	2003-04	2004-05
<b>Revenue-Voted</b>				
1.	29-Urban Plan and Regional Development	100.86 (14)	462.62 (81)	25.81 (18)
2.	33-Social Security and Welfare	127.23 (25)	74.65 (15)	51.92 (10)
3.	36-Co-operation	6.21 (22)	5.05 (17)	6.08 (20)
4.	42-Industries	28.48 (44)	11.30 (19)	26.20 (48)
5.	47-Tourism	5.03 (33)	2.57 (22)	2.67 (17)
<b>Capital-Voted</b>				
6.	9-Forest	95.24 (98)	28.49 (55)	6.92 (13)
7.	19-Public Works	18.62 (22)	24.15 (27)	9.59 (10)
8.	20-Housing	11.88 (19)	9.03 (16)	8.36 (33)
9.	21-Roads and Bridges	118.80 (24)	214.15 (53)	50.62 (13)
10.	24-Education, Art and Culture	12.45 (45)	16.99 (47)	13.35 (36)
11.	26-Medical, Public Health and Sanitation	8.35 (63)	6.37 (37)	6.33 (27)
12.	30-Tribal Area Development	49.47 (32)	38.50 (26)	15.45 (10)
13.	38- Minor Irrigation and Soil Conservation	3.80 (26)	2.06 (14)	3.95 (22)
14.	47-Tourism	4.63 (63)	2.28 (24)	2.46 (21)

## APPENDIX-VII

(Refer paragraph 2.3.5; page 34)

### Cases of unnecessary supplementary grants/appropriations (Savings in excess of Rs one crore in each case)

(Rupees in crore)

Sl. No.	Number and name of the grant	Amount of grant/appropriation			
		Original	Supplementary	Actual expenditure	Savings
<b>Revenue-Voted</b>					
1.	3- Secretariat	184.11	24.38	139.14	69.35
2.	4- District Administration	118.27	0.55	115.36	3.46
3.	7- Elections	60.07	2.45	57.71	4.81
4.	14-Sales Tax	61.58	6.31	60.70	7.19
5.	23-Labour and Employment	47.49	0.17	43.15	4.51
6.	32-Civil Supplies	29.96	0.40	27.89	2.47
7.	37-Agriculture	201.46	2.55	196.18	7.83
8.	46-Irrigation	879.66	20.65	878.41	21.90
<b>Capital-Voted</b>					
9.	35-Miscellaneous Community and Economic Services	24.85	3.71	15.81	12.75
10.	48-Power	929.00	36.94	888.99	76.95
	<b>TOTAL</b>	<b>2,536.45</b>	<b>98.11</b>	<b>2,423.34</b>	<b>211.22</b>

**APPENDIX-VIII**

(Refer paragraph 2.3.5; page 34)

**Excessive supplementary grants/appropriations (Savings of Rs one crore and above in each case)**

(Rupees in crore)

Sl. No.	Number and name of the grant	Amount of grant/appropriation				
		Original	Supple-mentary	Total	Actual expenditure	Savings
<b>Revenue-Voted</b>						
1.	6- Administration of Justice	135.31	3.60	138.91	135.48	3.43
2.	12-Other Taxes	46.22	12.64	58.86	56.04	2.82
3.	16-Police	860.32	9.93	870.25	862.55	7.70
4.	19-Public works	153.40	24.93	178.33	163.57	14.76
5.	20-Housing	36.12	17.16	53.28	49.86	3.42
6.	29-Urban Plan and Regional Development	115.35	31.35	146.70	120.89	25.81
7.	30-Tribal Area Development	346.15	24.15	370.30	354.55	15.75
8.	35-Miscellaneous Community and Economic Services	117.51	6.56	124.07	122.32	1.75
9.	41-Community Development	577.15	233.74	810.89	802.24	8.65
10.	47-Tourism	12.94	2.76	15.70	13.03	2.67
11.	51-Special Organisational Scheme for Welfare of Scheduled Castes	89.46	17.42	106.88	94.41	12.47
<b>Revenue-Charged</b>						
12.	Interest Payments	5,166.42	14.58	5,181.00	5,172.00	9.00
<b>Capital-Voted</b>						
13.	19-Public Works	68.61	23.77	92.38	82.79	9.59
14.	21-Roads and Bridges	292.68	93.50	386.18	335.56	50.62
15.	22-Area Development	113.02	18.31	131.33	113.08	18.25
16.	26-Medical, Public Health and Sanitation	11.96	11.15	23.11	16.78	6.33
17.	36-Co-operation	13.83	76.93	90.76	83.05	7.71
18.	42-Industries	14.58	6.87	21.45	20.00	1.45
19.	50-Rural Employment	31.49	8.64	40.13	37.75	2.38
	<b>TOTAL</b>	<b>8,202.52</b>	<b>637.99</b>	<b>8,840.51</b>	<b>8,635.95</b>	<b>204.56</b>

**APPENDIX-IX**

(Refer paragraph 2.3.5; page 34)

**Grants/appropriations where supplementary provisions were insufficient by more than Rs one crore**

(Rupees in crore)

Sl. No.	Number and name of the grant	Amount of grant/appropriation				
		Original	Supplementary	Total	Actual expenditure	Excess
<b>Revenue-Voted</b>						
1.	15-Pensions and Other Retirement Benefits	1,350.05	258.64	1,608.69	1,625.71	17.02
2.	21-Roads and Bridges	258.51	17.57	276.08	282.33	6.25
3.	27-Drinking Water Scheme	889.86	16.80	906.66	926.52	19.86
4.	34-Relief from Natural Calamities	505.71	148.09	653.80	661.18	7.38
	<b>TOTAL</b>	<b>3,004.13</b>	<b>441.10</b>	<b>3,445.23</b>	<b>3,495.74</b>	<b>50.51</b>

## APPENDIX-X

(Refer paragraph 2.3.6; page 35)

### Statement of Head and Sub Head-wise cases of significant and persistent excess over grants/appropriations

(Rupees in crore)

Sl. No.	Grant No., Name and Head of Account	Amount of excess (Percentage of excess in parenthesis)								
		2002-03			2003-04			2004-05		
		Provision	Expenditure	Excess	Provision	Expenditure	Excess	Provision	Expenditure	Excess
<b>21-Roads and Bridges (Revenue-Voted)</b>										
1.	3054-02-337(01)[01]	15.00	24.77	9.77 (65.13)	21.00	23.67	2.67 (12.71)	21.00	39.66	18.66 (88.86)
<b>21 Roads and Bridges (Capital-Voted)</b>										
2.	5054-02-337(03)	12.00	15.50	3.50 (29.17)	12.00	13.85	1.85 (15.42)	12.00	29.37	17.37 (144.75)
<b>26-Medical, Public Health and Sanitation (Revenue-Voted)</b>										
3.	2210-06-101(01)	24.28	28.05	3.77 (15.53)	26.61	27.97	1.36 (5.11)	27.09	29.09	2.00 (7.38)
<b>30-Tribal Area Development (Revenue-Voted)</b>										
4.	2210-06-796(03)	2.32	2.84	0.52 (22.41)	2.76	5.74	2.98 (107.97)	2.57	5.62	3.05 (118.68)
<b>Total</b>		<b>53.60</b>	<b>71.16</b>	<b>17.56</b>	<b>62.37</b>	<b>71.23</b>	<b>8.86</b>	<b>62.66</b>	<b>103.74</b>	<b>41.08</b>



## APPENDIX-XI

(Refer paragraph 2.3.6; page 35)

Cases involving substantial excesses under the scheme (Rs five crore and above)

(Rupees in crore)

Sl. No.	Grant No. and Name	Head of Account	Total Provision	Actual Expenditure	Amount of excess	Percentage of excess
<b>Revenue-Voted</b>						
1.	15- Pensions and Other Retirement Benefits	2071-Pensions and Other Retirement Benefits 01-Civil	72.00	82.30	10.30	14.3
2.	-do-	102-Commutated value of Pensions 2071-Pensions and Other Retirement Benefits 01-Civil 105-Family Pensions	235.00	247.49	12.49	5.3
3.	21-Roads and Bridges	3054-Roads and Bridges 02-Strategic and Border Roads 337-Road Works 01-Through the Border Road Development Board 01-Maintenance and Restoration	21.00	39.66	18.66	88.9
4.	-do-	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Proportionate expenditure exhibited under Major head 2059-Public Works 01-Establishment	47.14	66.74	19.60	41.6
5.	26-Medical, Public Health and Sanitation	2211-Family Welfare 200-Other Services and Supplies 01-Conventional Contraceptives	2.45	12.51	10.06	410.6
6.	27-Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 12-Other Urban Water Supply Schemes	166.32	175.64	9.32	5.6

(Rupees in crore)

Sl. No.	Grant No. and Name	Head of Account	Total Provision	Actual Expenditure	Amount of excess	Percentage of excess
7.	27-Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	306.58	322.04	15.46	5.0
8.	46-Irrigation	2701-Major and Medium Irrigation 01-Major Irrigation-Commercial 105-Indira Gandhi Nahar Feeder (Punjab Portion) (through the Chief Engineer, Irrigation Department (Canals) Punjab/Chief Engineer (North) Department) 01-Maintenance Charges 01-Indira Gandhi Nahar Feeder	5.20	14.60	9.40	180.8
<b>Capital-Voted</b>						
9.	21-Roads and Bridges	5054-Capital Outlay on Roads and Bridges 02-Strategic and Border Roads 337-Road Works 03-Through the Border Road Development Board	12.00	29.37	17.37	144.8
<b>Capital-Charged</b>						
10.	Public Debt	6004-Loans and Advances from the Central Government 01-Non-plan Loans 102-Share of Small Savings Collections	1,101.35	1,186.62	85.27	7.7
<b>Total</b>			<b>1,969.04</b>	<b>2,176.97</b>	<b>207.93</b>	

## APPENDIX-XII

(Refer paragraph 2.3.7; page 35)

## Significant cases of major re-appropriation which were injudicious on account of non-utilisation

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of final savings
1.	15	2071-Pensions and Other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances 01-Pensions to State Employees	1,075.00	(+) 21.00	1,096.00	1,092.68	(-) 3.32
2.	24	2202-General Education 01-Elementary Education 101-Government Primary Schools 01-Upper Primary Schools for Boys	188.89	(+) 566.28	755.17	740.92	(-) 14.25
3.	24	2202-General Education 01-Elementary Education 101-Government Primary Schools 03-Primary Schools for Boys	84.36	(+) 15.56	99.92	91.74	(-) 8.18
4.	24	2202-General Education 01-Elementary Education 101-Government Primary Schools 04-Primary Schools for Girls	25.29	(+) 6.04	31.33	28.23	(-) 3.10
5.	24	2202-General Education 01-Elementary Education 104-Inspection 01-General Expenditure	4.79	(+) 25.64	30.43	28.38	(-) 2.05
6.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 08-Summer Contingencies	29.70	(+) 13.55	43.25	41.81	(-) 1.44
7.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 23-Prime Minister Declaration 01-Handpump in the areas of water scarcity	20.00	(+) 7.00	27.00	25.63	(-) 1.37
8.	30	2202-General Education 01-Elementary Education 796-Tribal Area Sub-plan 04-Upper Primary boys school	2.05	(+) 50.39	52.44	51.16	(-) 1.28
9.	30	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 796-Tribal Area Sub-plan 09-Miscellaneous construction work in sub-plan area for irrigation facility (SCA)	6.37	(+) 1.19	7.56	5.92	(-) 1.64
		<b>Total</b>	<b>1,436.45</b>	<b>(+) 706.65</b>	<b>2,143.10</b>	<b>2,106.47</b>	<b>(-) 36.63</b>

**APPENDIX-XIII**

(Refer paragraph 2.3.7; page 35)

**Cases of re-appropriation under which the expenditure finally showed excess over the balance provision**

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	Public Debt	6004-Loans and Advances from the Central Government 01-Non-Plan Loans 102-Share of Small Savings Collections	3,049.02	(-) 1,947.67	1,101.35	1,186.62	(+) 85.27
2.	15	2071-Pensions and Other Retirement Benefits 01-Civil 110-Pensions to employees of Local Bodies 01-Pensions to employees of Zila Parishads and Panchayat Samitis	43.00	(-) 27.00	16.00	17.26	(+) 1.26
3.	19	4210-Capital Outlay on Medical and Public Health 01-Urban Health Services 110-Hospital and Dispensaries 01-Ayurvedic (including pharmacy) 90-Works	1.46	(-) 1.38	0.08	1.75	(+) 1.67
4.	26	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of Diseases 01-National Malaria Eradication Programme	32.60	(-) 5.51	27.09	29.09	(+) 2.00
5.	26	2211-Family Welfare 200-Other Services and Supplies 01-Conventional Contraceptives	10.00	(-) 7.55	2.45	12.51	(+) 10.06

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
6.	46	2702-Minor Irrigation 01-Surface Water 800-Other expenditure 01-Other Irrigation Construction Work 02-Prorata charges transferred from head 2701-80-General	5.36	(-) 1.08	4.28	6.51	(+) 2.23
		<b>Total</b>	<b>3,141.44</b>	<b>(-) 1,990.19</b>	<b>1,151.25</b>	<b>1,253.74</b>	<b>(+) 102.49</b>

**APPENDIX-XIV**

(Refer paragraph 2.3.7; page 35)

**Cases of re-appropriation under which the expenditure finally showed excess over the increased provision**

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	15	2071-Pensions and Other Retirement Benefits 01-Civil 105-Family Pensions	227.94	(+) 7.06	235.00	247.49	(+) 12.49
2.	27	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 12-Other Urban Water Supply Schemes	162.14	(+) 4.18	166.32	175.64	(+) 9.32
3.	27	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	296.24	(+) 10.34	306.58	322.04	(+) 15.46
4.	33	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 277-Education 01-Scholarships and Stipends 01-Through the Director, Social Welfare Department	17.18	(+) 7.74	24.92	27.91	(+) 2.99
5.	34	2245-Relief on account of Natural Calamities 05-Calamity Relief Fund 101-Transfer to Reserve Funds and Deposits Accounts-Calamity Relief Fund	359.61	(+) 94.91	454.52	468.40	(+) 13.88

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
6.	46	4701-Capital Outlay on Major and Medium Irrigation 01-Major Irrigation-Commercial 104-Indira Gandhi Nahar Project 03-Stage II 13-Suspense	54.92	(+) 25.37	80.29	82.10	(+) 1.81
		<b>Total</b>	<b>1,118.03</b>	<b>(+) 149.60</b>	<b>1,267.63</b>	<b>1,323.58</b>	<b>(+) 55.95</b>

**APPENDIX-XV**

(Refer paragraph 2.3.7; page 35)

**Cases of less re-appropriation of funds**

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
1.	15	2071-Pensions and Other Retirement Benefits 01-Civil 104-Gratuities 01- Gratuity to State employees	143.00	(-) 3.00	140.00	135.20	(-) 4.80
2.	27	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 001-Direction and Administration 04-Shilp Shala	32.83	(-) 3.26	29.57	25.86	(-) 3.71
3.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 01-General	130.49	(-) 65.49	65.00	62.72	(-) 2.28
4.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 25-Maintenance Percentage charges (O & M) for Rural Water Supply Schemes transferred from Major head 2215-Water Supply and Sanitation 01-102	73.49	(-) 38.92	34.57	31.88	(-) 2.69
5.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 01- Other Rural Water Supply Schemes	114.57	(-) 19.57	95.00	87.48	(-) 7.52
6.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 05- Maintenance Percentage charges (O & M) for Rural Schemes transferred from Major head 2215-Water Supply and Sanitation 01-102	18.40	(-) 2.13	16.27	14.98	(-) 1.29



(Rupees in crore)							
Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
7.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 04-Water Supply Schemes with the assistance from KfW, Germany (through Chief Engineer, Project Management Cell, Churu) 01-Reserve Funds of Chief Engineer, Project Management Cell, Churu under Head "8235"	13.78	(-) 1.94	11.84	8.71	(-) 3.13
8.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 05-Water Supply Schemes with the assistance from KfW, Germany (through Chief Engineer, Project Management Cell, Churu) 01-Construction Works	19.65	(-) 5.18	14.47	11.84	(-) 2.63
9.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 22-Water Supply in rural areas due to drought	17.50	(-) 5.75	11.75	10.38	(-) 1.37
10.	30	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 796-Tribal Area Sub-plan 01-Rural Water Supply Schemes	6.75	(-) 2.75	4.00	2.90	(-) 1.10
11.	33	2235-Social Security and Welfare 60-Other Social Security and Welfare Programmes 102-Pensions under Social Security Schemes 01-Through the Social Welfare Department 01-Pensions to old aged persons	75.00	(-) 19.60	55.40	54.24	(-) 1.16
12.	34	2245-Relief on account of Natural Calamities 01-Drought 800-Other expenditure 01-Expenditure on relief works 08-Other Special Relief Works	231.48	(-) 156.11	75.37	70.96	(-) 4.41

(Rupees in crore)

Sl. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
13.	34	2245-Relief on account of Natural Calamities 02-Floods, cyclones etc. 114-Assistance to Farmers for purchase of Agricultural inputs 01-Repairs, Renewals etc. of Fisheries Farms of Small and Marginal Farmers 02-Agriculture import Grant to Small Marginal Farmers on agriculture loss	40.00	(-) 18.13	21.87	20.87	(-) 1.00
14.	46	2701-Major and Medium Irrigation 01-Major Irrigation-Commercial 207-Mahi Project 01-Other Charges	61.10	(-) 2.72	58.38	56.43	(-) 1.95
15.	46	2701-Major and Medium Irrigation 80-General 799-Suspense 01-Through the Chief Engineer, Irrigation Department	13.30	(-) 2.89	10.41	2.17	(-) 8.24
		<b>Total</b>	<b>991.34</b>	<b>(-) 347.44</b>	<b>643.90</b>	<b>596.62</b>	<b>(-) 47.28</b>

**APPENDIX-XVI**

(Refer paragraph 2.3.8; page 35)

**Anticipated savings not surrendered (Rupees one crore and above)**

(Rupees in crore)

Sl. No.	Number and name of the grant	Savings	Amount surrendered	Amount not surrendered	Percentage not surrendered
<b>Revenue- Voted</b>					
1.	6-Administration of Justice	3.43	2.30	1.13	32.9
2.	9-Forest	11.17	9.83	1.34	12.0
3.	20-Housing	3.42	-	3.42	100.0
4.	24-Education, Art and Culture	196.11	165.07	31.04	15.8
5.	41-Community Development	8.65	5.61	3.04	35.1
6.	42-Industries	26.20	11.42	14.78	56.4
7.	46-Irrigation	21.90	11.14	10.76	49.1
8.	51-Special Organisational Scheme for Welfare of Scheduled Castes	12.47	10.15	2.32	18.6
<b>Capital- Voted</b>					
9.	26-Medical, Public Health and Sanitation	6.33	2.07	4.26	67.3
10.	27-Drinking Water Scheme	452.81	405.90	46.91	10.4
11.	30-Tribal Area Development	15.45	12.19	3.26	21.1
	<b>TOTAL</b>	<b>757.94</b>	<b>635.68</b>	<b>122.26</b>	<b>16.1</b>

**APPENDIX-XVII**

(Refer paragraph 2.3.8; page 36)

**Anticipated savings surrendered in excess (more than five per cent)**

(Rupees in crore)

Sl. No.	Number and name of the grant	Savings	Amount surrendered	Excess surrendered	Percentage excess surrendered
<b>Revenue-Voted</b>					
1.	16-Police	7.70	10.82	3.12	40.5
2.	17-Jails	0.44	0.60	0.16	36.4
3.	19-Public Works	14.76	15.58	0.82	5.6
4.	26-Medical, Public Health and Sanitation	78.46	84.39	5.93	7.6
5.	43-Minerals	1.19	1.26	0.07	5.9
<b>Capital-Voted</b>					
6.	19-Public Works	9.59	11.15	1.56	16.3
7.	21-Roads and Bridges	50.62	67.98	17.36	34.3
8.	46-Irrigation	92.62	99.42	6.80	7.3
9.	51-Special Organisational Scheme for Welfare of Scheduled Castes	3.54	4.42	0.88	24.9
	<b>TOTAL</b>	<b>258.92</b>	<b>295.62</b>	<b>36.70</b>	<b>14.2</b>

## APPENDIX-XVIII

(Refer paragraph 2.3.8; page 36)

**Amount surrendered on the last day of March 2005 (Rs 20 crore and above)**

(Rupees in crore)

Sl. No.	Number and name of the grant	Grant/ Appropriation	Amount surrendered
1.	Public Debt	Capital-Charged	5,803.81
2.	3-Secretariat	Revenue-Voted	69.37
3.	21-Roads and Bridges	Revenue-Voted	32.84
4.	21-Roads and Bridges	Capital-Voted	67.98
5.	24-Education, Art and Culture	Revenue-Voted	165.07
6.	26-Medical, Public Health and Sanitation	Revenue-Voted	84.39
7.	27-Drinking Water Scheme	Capital-Voted	405.90
8.	29-Urban Plan and Regional Development	Revenue-Voted	25.76
9.	29-Urban Plan and Regional Development	Capital-Voted	51.23
10.	33-Social Security and Welfare	Revenue-Voted	52.83
11.	46-Irrigation	Capital-Voted	99.42
12.	48-Power	Revenue-Voted	90.45
13.	48-Power	Capital-Voted	76.95
	<b>TOTAL</b>		<b>7,026.00</b>

**APPENDIX-XIX**

(Refer paragraph 3.2.12; page 61)

**Statement showing position of accumulated loss against the investment by State Government in Jail industries as of March 2005**

(Rupees in crore)

Sl. No.	Jail units	Investment as per last audited accounts*	Accumulated loss in Jail industries
1.	Central Jail, Ajmer*	0.90	0.76
2.	Central Jail, Bikaner	0.70	0.58
3.	Central Jail, Jaipur	1.58	1.09
4.	Central Jail, Jodhpur	1.24	0.94
5.	Central Jail, Kota	0.26	0.21
6.	Central Jail, Udaipur	0.82	0.56
7.	District Jail, Alwar*	0.32	0.30
	<b>Total</b>	<b>5.82</b>	<b>4.44</b>

✚ Investment represents the balance of fixed capital account and current account of the State Government on the last day of the financial year upto which accounts had been finalised.

\* Accounts for the year 2003-04 have been received and audit is being provided.

## APPENDIX - XX

(Refer paragraph 3.2.16; page 63)

### Position of medical machinery and equipment lying idle or unused in the Jail dispensaries

S.No.	Name of Jail unit	Particulars of equipment	No. of items	Costing (Rs)	From when
1.	Central Jail, Jaipur	Ultra sound system	1	4,99,000	4/2000
		X-Ray Machine	1	5,75,000	2/2000
		Cardiac Monitor	1	25,945	5/2000
		D.C. Shock Meter	1	84,240	5/2000
		Semi Auto Analyser	1	1,80,180	-
2.	Central Jail, Jodhpur	X-Ray Machine	1	5,75,000	7/2004
		Cardiac Monitor	1	25,945	7/2002
		D.C. Shock Meter	1	84,240	7/2002
		Semi Auto Analyser	1	1,80,180	7/2002
3.	Central Jail, Ajmer	Cardiogram Machine, ENT set, Microscope	18	21,551	4/2000
4.	Central Jail, Udaipur	D.C. Shock Meter	1	84,240	3/2000
5.	Juvenile Reformatory, Ajmer	Microscope, Electronic BP instruments, Refrigerators etc.	27	61,306	7/2000
<b>Total</b>			<b>55</b>	<b>23,96,827</b>	

**APPENDIX-XXI**

(Refer paragraph 3.3.7; page 73)

**Financial Outlay and Expenditure of Aapni Yojna (PMC and CPU)**

(Rupees in lakh)

Year		Balance brought forward	Allotment during the year			Total balance available during the year	Expenditure during the year	Unspent balance	
			KfW assistance		State share				
			Loan	Grant					
1993-94 to 1999-2000	PMC	-	8,643.38	9,328.60	6,209.37	24,181.35	24,181.35	18,891.96	5,289.39
	CPU	-	-	507.79	-	507.79	507.79	460.08	47.71
2000-01	PMC	5,289.39	297.12	302.15	-	599.27	5,888.66	5,307.81	580.85
	CPU	47.71	-	199.95	-	199.95	247.66	231.59	16.07
2001-02	PMC	580.85	-	2,152.58	917.20	3,069.78	3,650.63	2,828.65	821.98
	CPU	16.07	-	224.45	-	224.45	240.52	225.07	15.45
2002-03	PMC	821.98	-	3,444.54	-	3,444.54	4,266.52	3,649.65	616.87
	CPU	15.45	-	239.42	-	239.42	254.87	213.50	41.37
2003-04	PMC	616.87	-	3,261.07	-	3,261.07	3,877.94	2,324.91	1,553.03
	CPU	41.37	-	288.72	-	288.72	330.09	307.11	22.98
2004-05	PMC	1,553.03	-	546.04	136.43	682.47	2,235.50	1,183.88	1,051.62
	CPU	22.98	-	291.45	-	291.45	314.43	268.70	45.73
<b>Total</b>	<b>PMC</b>	<b>-</b>	<b>8,940.50</b>	<b>19,034.98</b>	<b>7,263.00</b>	<b>35,238.48</b>	<b>-</b>	<b>34,186.86</b>	<b>-</b>
	<b>CPU</b>	<b>-</b>	<b>-</b>	<b>1,751.78</b>	<b>-</b>	<b>1,751.78</b>	<b>-</b>	<b>1,706.05</b>	<b>-</b>

1. KfW loan was to be paid in 80 six monthly instalments with the annual interest of 0.75 per cent alongwith commitment charges at ¼ per cent per annum with commitment of payment of first instalment from 30 December 2004.
2. Unspent balance of PMC at the end of year was kept in the Reserve Fund of CE, PMC, Churu.



S. No.	Name of work	Work order No. and Date	Tendered Amount (Rupees in lakh)	Stipulated date of completion	Actual date of completion	Delay on the part of Department	
						Period	Reasons
9.	Laying and Jointing of UPVC pipelines and construction of PSPs and CWTs in different villages of Ratusar VD-01 Division-IV, Dhannasar	14307/ 14-2-01	31.37	23-2-02	19-10-03	603 days	Delay for want of layout and dispute in PSPs of various villages. Delay in trench excavation for laying and jointing of pipeline by villagers. Delay in supply of pump fittings like ferrule, HDPE pipe and their fittings.
10.	Cluster Pumping Station at Palloo under package CPP-1, Division-IV, Dhannasar	19883/ 25-2-02	28.04	6-9-02	6-5-04	266 days	Delay in approval of drawing and design.
11.	Laying and Jointing of rising and distribution main CDI/UPVC pipeline for cluster no. 1B under package CLDL-4B, Division-IV, Dhannasar	3948/ 6-7-99	35.73	20-11-99	30-11-02	493 days	Dispute in land. Delay in supply of material.
12.	Construction of RCC Elevated Service Reservoir of capacity 500 cum and 20 m staging in village Mankeria (for cluster no. 1A), 750 cum and 20m staging at Ram Ka and 500 cum and 20 m staging at Dhannasar HW for cluster no. 1A, 1B and 1 under package CR-04, Division-IV, Dhannasar	2950/ 19-6-99	74.75	3-5-2000	13-3-2002	619 days	Delay in finalisation of drawing and design. Delay in supply of material.
13.	Cluster Pumping Station at Sardarshahar Package CPS-1 Division-IV, Dhannasar	11909/ 25-2-02	29.80	6-9-02	24-9-03	188 days	Delay in approval of drawing/ data-sheet.
14.	Rehabilitation of pipeline between Lalaniya – Sahwa under package RPL-01 Division-VIII, Nohar	2315/ 28-5-99	94.62	11-12-99	27-7-04	743 days	Delay in approval of drawing/ design. Delay in production and laying and jointing of PSCC Pipe. Non-availability of material.
15.	Rehabilitation of PHED canal from Gandheli to Karamsana under package RHC-01, Division-V, Nohar	4877/ 13-7-2000	50.87	22-1-01	25-7-02	16 months 15 days	Delay in approval of design and drawing etc.
16.	Extension of Staff Colony, Churu under package 4A, Division-VI, Churu	3793/ 18-7-98	31.02	1-4-99	20-11-99	93 days	Delay in providing layout.

**APPENDIX-XXIV**

(Refer paragraph 3.3.11; page 75)

**Statement showing delay due to non-availability of materials**

S. No.	Name of work	Estimated cost (Rs in lakh)	Stipulated date of completion	Physical status	Total delay
1.	Laying and Jointing (L/J) of Ultra Poly Vinyl Chloride (UPVC) pipeline for cluster 17,18,18A and 19 (Package CL-02)	163.85	25.1.1999	Complete	515 Days
2.	Balance work of L/J of rising and distribution mains for cluster No. 17B (Package CLDL 2A)	14.57	18.9.2000	Complete	144 Days
3.	L/J of DI/UPVC pipelines for cluster 20 (Package CLDL 6B)	40.23	18.9.2000	Complete	483 Days
4.	L/J of Cluster distribution pipeline A/C, UPVC for cluster 21 C (Package 21 C)	24.73	14.11.1999	Complete	113 Days
5.	L/J of UPVC/DI rising and distribution main for cluster 21 (Package CLDL 7B)	20.39	24.4.2000	Complete	558 Days
6.	L/J of UPVC/DI rising and distribution main for cluster 21A (Package CLDL 7C)	11.09	26.8.2000	Complete	427 Days
7.	L/J of UPVC/DI rising and distribution main for cluster 21B (Package CLDL 7D)	11.07	24.4.2000	Complete	666 Days
8.	L/J of UPVC/DI rising and distribution main for cluster 21C (Package CLDL 12)	10.56	7.11.2000	Complete	159 Days
9.	L/J of Cluster distribution pipeline A/C, UPVC for cluster 21 C(Package 21 C)	13.70	25.9.2000	Complete	499 Days
10.	L/J of UPVC pipeline for cluster 22, 23 and 24 (Package CL 03)	182.02	21.6.1999	Complete	390 Days
11.	L/J of UPVC/DI pipeline for cluster No. 45 Zone I (Package CLDL 13A)	25.62	9.9.2002	Complete	596 Days
12.	L/J of UPVC/DI pipeline for cluster No. 45 Zone II (Package CLDL 13B)	24.66	10.9.2002	Complete	595 Days
13.	L/J of UPVC pipeline for Sanitation measures at Tara Nagar (Package CLS 1)	4.4	22.11.2002	Complete	81 Days
14.	L/J of Rising and Distribution pipeline for cluster 31 A and 31 B of CBP (package CLDL 31)	81.09	3.5.2003	Complete	119 Days
15.	L/J of AC pipeline and allied work cluster 33B of CBP (Package CLDL 33B)	10.99	22.9.2001	Complete	3 years 6 months 8 days
16.	L/J of AC pipeline and allied work in village of cluster 33A and 33B of CBP(Package CBVD-01)	20.12	16.5.2004	Complete	10 months 15 days
17.	L/J of rising and distribution mains for cluster 11, 11A, 11B and 11C under CBP (Package 6. CLDL -09)	98.28	19.5.2001	Complete	15 months 3 days
18.	L/J of UPVC pipeline (63 mm to 315 mm) for cluster 13,15 and 15A	167.32	12.1.1999	Complete	5 months 16 days
19.	Construction of RCC ESRs in village Mankeria (for cluster 1A) in village Ram Ka, Dhannasar (for cluster 1A, 1B and 1) (Package CR-04)	74.75	3.5.2000	Complete	128 Days
20.	Rehabilitation of pipeline between Lalaria Sahwa under package RPL-01	94.62	11.12.1999	Complete	94 Days

## APPENDIX-XXII

(Refer paragraph 3.3.7; page 73 and 74)

### Financial Outlay and Expenditure of Churu Bissau Project

(Rupees in lakh)

Year	Final budget allotment			Expenditure		
	State share Plan	CSS	Total	Plan	CSS	Total
Since 1997-98 to 1999-2000	26.50	250.00	276.50	26.54	217.26	243.80
2000-01	99.11	33.24	132.35	99.11	33.24	132.35
2001-02	46.69	458.28	504.97	49.81	151.41	201.22
2002-03	897.08	3,279.29	4,176.37	896.96	3,279.29	4,176.25
2003-04	391.07	2,688.93	3,080.00	391.04	2,691.83	3,082.87
2004-05	250.59	461.70	712.29	255.28	456.54	711.82
<b>Total</b>	<b>1,711.04</b>	<b>7,171.44</b>	<b>8,882.48</b>	<b>1,718.74</b>	<b>6,829.57</b>	<b>8,548.31</b>

GOI released central share of Rs 72.60 crore

(1997-98 : Rs 2.50 crore, 2000-01 : Rs 20 crore, 2002-03 : Rs 20 crore, 2003-04 : Rs 30.10 crore = Rs 72.60 crore)

**APPENDIX-XXIII**

(Refer paragraph 3.3.11; page 75)

**Statement showing details of delay in execution of works due to departmental reasons**

S. No.	Name of work	Work order No. and Date	Tendered Amount (Rupees in lakh)	Stipulated date of completion	Actual date of completion	Delay on the part of Department	
						Period	Reasons
1.	Construction of ESR Package CR-01 for cluster 13, 15 and 15A (Division-I, Churu)	10849/ 29-3-97	128.03	12-2-98	4-10-2000	6 months 27 days	Delay in providing layout and approval of drawing and design.
2.	Construction of rising main of cluster 13, 15 and 15A (Division-I, Churu)	9521/ 20-2-98	91.55	6-9-98	19-6-2000	1 year 6 months 8 days	Delay in providing layout and approval of drawing and design. Delay in land acquisition. Delay in removal of old pipeline.
3.	Laying and Jointing of UPVC (63 mm to 315 mm) for main cluster 13, 15 and 15A (Division-I, Churu)	9595/ 26-2-98	167.32	12-1-99	5-8-2000	1 year 6 months 25 days	Delay in finalisation of location of PSP/CWT. Delay in procurement of pipes/ specials.
4.	Balance work of construction of PSPs/CWTs and village distribution in package CL-1, CL-2 and CL-3 Division-I, Churu	5180/ 21-7-2000	5.18	31-1-2001	11-10-2001	255 days	Delay due to dispute in location of PSPs and CWTs. Voluntary labour of trench excavation for village distribution.
5.	Construction of RCC ESR of 500 cum capacity for Zone-I of Sardarshahar Town (Division-VII)	9907/ 17-12-03	16.45	26-6-04	Under progress	9 months upto 3/05	Delay in approval of drawing and design.
6.	Pumping station at Palloo (PSA-02) Division-IV, Dhannasar	11686/ 25-3-2000	350.83	8-7-01	6-5-04	558 days	Delay in approval of drawing and design.
7.	Pumping station at Sadasar PSA-3 Division-IV, Dhannasar	11839-47/ 29-3-2000	349.75	12-7-01	14-11-03	432 days	Delay in approval of drawing and design/ data sheet.
8.	Building infrastructure at Dhannasar under Package TP-03 Division-IV, Dhannasar	2972-80/ 23-12-95	119.58	6-3-97	31-1-98	10 months 25 days	Due to land dispute.

## APPENDIX-XXV

(Refer paragraph 3.3.12; page 76)

## Details of O&amp;M charges paid to contractor during Defect Liability Period (DLP)

(Rupees in lakh)

S. No.	Name of work	Firm	Work order date	Awarded amount	Stipulated date of completion	Actual date of completion	O&M charges paid for period		DLP
							Amount	Period	
1.	RPSD	M/s Dynamic Engineer, Bhilwara	05.11.1998	59.86	20.05.1999	30.04.2000	1.20	01.05.2000 to 30.04.2001	01.05.2000 to 30.04.2001
2.	RSSA	-do-	15.10.1998	47.63	01.03.1999	29.02.2000	0.96	01.03.2000 to 28.02.2001	01.03.2000 to 28.02.2001
3.	RPSB	-do-	15.10.1998	99.40	29.04.1999	30.04.2000	1.40	01.05.2000 to 30.04.2001	01.05.2000 to 30.04.2001
4.	CPT	-do-	08.09.1999	178.03	23.06.2000	10.11.2001	1.68	11.11.2001 to 10.03.2002 and 11.07.2002 to 10.02.2003	11.11.2001 to 10.11.2002
5.	CPK	M/s Noble Engineering, Jaipur	03.02.1999	70.65	17.08.1999	30.06.2000	1.23	01.07.2000 to 30.06.2001	01.07.2000 to 30.06.2001
6.	CPPA	-do-	14.01.2000	71.45	13.07.2000	12.04.2002	1.20	13.04.2002 to 12.04.2003	13.04.2002 to 12.04.2003
7.	RPSL	M/s IPPL, New Delhi	13.04.1999	82.60	29.10.1999	18.11.2000	0.60	19.02.2000 to 18.01.2001	19.11.2000 to 18.01.2001
8.	TP-1	M/s NPL, New Delhi	17.07.1996	685.14	31.07.1999	23.02.2004	13.20	24.02.2004 to 23.02.2005	24.02.2004 to 23.02.2005
9.	PSA-01	M/s SPML, New Delhi	14.12.1996	810.70	28.06.1998	31.07.2004	10.34	01.08.2004 to 28.02.2005	01.08.2004 to 31.07.2005
10.	PSA-02	M/s Voltas Ltd., New Delhi	25.03.2000	350.83	08.07.2001	07.05.2004	1.35	08.05.2004 to 06.02.2005	08.05.2004 to 06.05.2005
11.	PSA-03	M/s L & T Ltd., New Delhi	29.03.2000	349.75	12.07.2001	23.11.2003	3.60	24.11.2003 to 23.11.2004	24.11.2003 to 23.11.2004
12.	CPP	M/s Voltas Ltd., New Delhi	25.02.2002	28.04	06.09.2002	06.05.2004	0.31	07.05.2004 to 06.05.2005	07.05.2004 to 06.05.2005
13.	CPSD	M/s Dynamic	08.09.1999	24.83	22.01.2000	10.03.2003	1.20	11.03.2003 to 10.03.2004	11.03.2003 to 10.03.2004
14.	CPS-1	M/s Dynamic	25.02.2002	29.80	06.09.2002	23.09.2003	0.48	24.09.2003 to 23.09.2004	24.09.2003 to 23.09.2004
	<b>TOTAL</b>						<b>38.75</b>		

**APPENDIX-XXVI**

(Refer paragraph 4.4.6; page 109)

**Statement showing the details of serious irregularities commented in Inspection Reports pending as of June 2005**

S. No.	Nature of irregularities	Public Works Department		Primary Education Department	
		Number of paras	Amount (Rs in crore)	Number of paras	Amount (Rs in crore)
1.	Fraud/misappropriation/ embezzlement/losses/ theft of stores and cash	60	5.90	36	0.21
2.	Recoveries pointed out by Audit	228	24.76	-	-
3.	Overpayments	90	3.97	-	-
4.	Violation of contractual obligations/undue favour to contractors	467	36.67	-	-
5.	Avoidable/excess/irregular expenditure	414	86.20	77	19.25
6.	Wasteful/infructuous expenditure	471	196.70	20	4.75
7.	Irregular/non-obtaining of sanctions	356	124.20	-	-
8.	Idle investment/establishment/ stores equipment/blocking of funds	78	60.73	38	1.46
9.	Delay in commissioning of the equipment	8	0.32	-	-
10.	Non-achievement of objectives	15	1.47	-	-
11.	Non-recovery of loans/taxes/ advances from employees	-	-	20	0.28
12.	Irregular/excess payment of pay and allowances	-	-	251	1.30
13.	Diversion of funds	-	-	11	9.74
14.	Non-submission of utilisation certificates	-	-	58	11.02
15.	Reconciliation/verification from treasury note done	-	-	83	11.86
16.	Non-disposal of unserviceable goods	-	-	26	5.51
17.	Non-production of records	-	-	55	3.99
18.	Other irregularities	847	140.90	553	265.49
	<b>Total</b>	<b>3,034</b>	<b>681.82</b>	<b>1,228</b>	<b>334.86</b>