

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

FOR THE YEAR ENDED 31 MARCH 2007

(CIVIL)

GOVERNMENT OF RAJASTHAN

Table of Contents

	Reference to	
	Paragraph	Page
Preface	-	(ix)
Overview	1 to 5	(xi)
CHAPTER-I FINANCES OF THE STATE GOVERNMENT		
Introduction	1.1	1
Methodology adopted for assessment of Fiscal position	1.2	3
Trends and Composition of Aggregate Receipts	1.3	6
Application of Resources	1.4	9
Expenditure by Allocative Priorities	1.5	14
Misappropriation and defalcation of Government funds	1.6	19
Assets and Liabilities	1.7	20
Undischarged Liabilities	1.8	25
Debt Sustainability	1.9	27
Management of deficits	1.10	30
Fiscal Ratios	1.11	32
Conclusion	1.12	33
CHAPTER-II ALLOCATIVE PRIORITIES AND APPROPRIATION		
Introduction	2.1	35
Summary of Appropriation Accounts	2.2	35
Fulfillment of Allocative Priorities	2.3	36
Rush of expenditure	2.4	40
Budget Formulation and Budgetary Control	2.5	41

	Reference to	
	Paragraph	Page
Irregular drawal of funds to avoid lapse of budget grant	2.6	42
Loss of interest due to non-keeping funds in interest bearing account	2.7	43
CHAPTER-III		
PERFORMANCE AUDIT		
PUBLIC HEALTH ENGINEERING DEPARTMENT		
Accelerated Rural Water Supply Programme	3.1	45
HOME DEPARTMENT		
Modernisation of Police Force	3.2	63
WATER RESOURCES, GROUND WATER AND AGRICULTURE DEPARTMENTS		
Rajasthan Water Sector Restructuring Project	3.3	77
URBAN GOVERNANCE DEPARTMENT		
Rajasthan Urban Infrastructure Development Project	3.4	93
FINANCE DEPARTMENT		
Computerisation of Treasuries	3.5	107
CHAPTER-IV		
AUDIT OF TRANSACTIONS		
Fraudulent drawal/misappropriation/ embezzlement/losses	4.1	
HIGHER EDUCATION DEPARTMENT		
Short realisation and suspected misappropriation of sale proceeds of examination forms	4.1.1	117
PUBLIC HEALTH ENGINEERING DEPARTMENT		
Loss due to non-availing of the benefit of exemption of Excise Duty	4.1.2	118

	Reference to	
	Paragraph	Page
Infructuous/wasteful expenditure and overpayment	4.2	
MEDICAL EDUCATION DEPARTMENT		
Excess payment of electricity charges due to non-claiming of rebate	4.2.1	119
TECHNICAL EDUCATION AND PUBLIC WORKS DEPARTMENTS		
Wasteful expenditure due to defective construction of building	4.2.2	120
WATER RESOURCES DEPARTMENT		
Wasteful expenditure on dam constructed at unsuitable site	4.2.3	121
Avoidable/excess/unfruitful expenditure	4.3	
EDUCATION DEPARTMENT		
Unfruitful expenditure on computer education programme	4.3.1	122
INDIRA GANDHI NAHAR DEPARTMENT		
Unfruitful expenditure on construction of distributaries and its minors	4.3.2	123
MEDICAL AND HEALTH DEPARTMENT		
Unfruitful expenditure on pay and allowances of idle staff	4.3.3	125
DEPARTMENT OF PERSONNEL (LOKAYUKTA SACHIVALAYA)		
Unfruitful expenditure on pay and allowances of staff	4.3.4	125
PUBLIC HEALTH ENGINEERING DEPARTMENT		
Avoidable extra expenditure on purchase of pipes at higher rates	4.3.5	126
PUBLIC WORKS DEPARTMENT		
Unfruitful expenditure on road lying incomplete due to land dispute	4.3.6	128
Avoidable extra expenditure due to imprudent action of the Department	4.3.7	129
Unfruitful expenditure on incomplete roads	4.3.8	130
Avoidable extra expenditure due to re-tendering of work at higher rates	4.3.9	131
Extra expenditure due to non-finalisation of tender within the validity period	4.3.10	132

	Reference to	
	Paragraph	Page
WATER RESOURCES DEPARTMENT		
Avoidable extra expenditure due to delay in finalisation of tender	4.3.11	133
Avoidable extra expenditure	4.3.12	135
Avoidable extra expenditure on account of re-tendering	4.3.13	136
Avoidable extra expenditure due to awarding work at higher tender premium by splitting of work	4.3.14	137
Idle investment/idle establishment/blocking of funds	4.4	
ELEMENTARY EDUCATION DEPARTMENT		
Blocking of funds on school buildings	4.4.1	138
WATER RESOURCES DEPARTMENT		
Unproductive expenditure on Minor Irrigation Projects	4.4.2	139
SANSKRIT SHIKSHA VIBHAG		
Blocking of borrowed funds and loss of interest	4.4.3	140
Regulatory issues and other points	4.5	
AYURVED DEPARTMENT		
Stores and Stock Accounts	4.5.1	141
CO-OPERATIVE DEPARTMENT		
Avoidable interest liability	4.5.2	144
DISASTER MANAGEMENT AND RELIEF DEPARTMENT		
Loss of interest on Calamity Relief Funds	4.5.3	144
Irregular utilisation of Calamity Relief Funds	4.5.4	145
ELEMENTARY EDUCATION DEPARTMENT		
Non-utilisation of funds	4.5.5	146
ELEMENTARY, SECONDARY AND HIGHER EDUCATION DEPARTMENTS		
Delay in assessment of grant-in-aid	4.5.6	147
FINANCE DEPARTMENT		
Excess payment of pension	4.5.7	148

	Reference to	
	Paragraph	Page
HIGHER EDUCATION DEPARTMENT		
Irregular payment of salary to the teaching staff for strike period	4.5.8	149
Government receipts remaining out of Government account	4.5.9	150
Irregular expenditure on educational tour subsidy to the staff	4.5.10	151
MEDICAL EDUCATION DEPARTMENT		
Unauthorised retention of funds	4.5.11	152
GENERAL		
Lack of response to Audit	4.5.12	153
CHAPTER-V INTERNAL CONTROL MECHANISM IN GOVERNMENT DEPARTMENTS		
ANIMAL HUSBANDRY DEPARTMENT		
Internal Control Mechanism in Animal Husbandry Department	5.1	155

APPENDICES		
		Page
APPENDIX-1.1	Part-A: Structure and Form of Government Accounts	167
	Part-B: Layout of Finance Accounts	168
	Part-C: List of terms used in the Chapter I and basis of their calculation	169
APPENDIX-1.2	Outcome Indicators of the States' Own Fiscal Correction Path	170
APPENDIX-1.3	Summarised Financial position of the Government of Rajasthan	171
APPENDIX-1.4	Abstract of Receipts and Disbursements for the year 2006-07	172
APPENDIX-1.5	Sources and Application of Funds	175
APPENDIX-1.6	Time Series Data on State Government finances	176
APPENDIX-1.7	Statement showing pending Utilisation Certificates as on 31 March 2007	177
APPENDIX-1.8	Statement showing the position of financial accounts of the State undertakings	178
APPENDIX-2.1	Statement showing areas in which major savings occurred	179
APPENDIX-2.2	Grants/appropriations where the savings exceeded more than Rs 1 crore in each case and also 10 <i>per cent</i> of the total grant/appropriation	182
APPENDIX-2.3	Persistent savings more than Rs 1 crore in each case and in excess of 10 <i>per cent</i> of the total grant	183
APPENDIX-2.4	Cases of unnecessary supplementary grants/appropriations (Savings in excess of Rs 1 crore in each case)	184
APPENDIX-2.5	Excessive supplementary grants/appropriations (Savings of Rs 1 crore and above in each case)	185
APPENDIX-2.6	Cases involving substantial excesses under the scheme (Rs 5 crore and above)	186
APPENDIX-2.7	Significant cases of major re-appropriation which were injudicious on account of non-utilisation	187
APPENDIX-2.8	Cases of re-appropriation under which the expenditure finally showed excess over the balance provision	189
APPENDIX-2.9	Cases of re-appropriation under which the expenditure finally showed excess over the increased provision	190
APPENDIX-2.10	Cases of less re-appropriation of funds	192

		Page
APPENDIX-2.11	Anticipated savings not surrendered (Rupees 1 crore and above)	194
APPENDIX-2.12	Amount surrendered on the last day of March 2007 (Rs 20 crore and above)	195
APPENDIX-2.13	Statement showing the cases of defective and inaccurate budgeting	196
APPENDIX-2.14	Statement showing flow of expenditure during the four quarters of 2006-07	197
APPENDIX-2.15	Details of items on which whole amount provided in budget has been surrendered/ re-appropriated	199
APPENDIX-2.16	Statement showing flow of expenditure during 2004-07	200
APPENDIX-3.1	Blocking of funds on incomplete schemes	202
APPENDIX-3.2	Details of delay in utilisation of Forensic Science Laboratories equipments due to non-installation, delay in installation, needed accessories etc. during 2002-03 to 2006-07	206
APPENDIX-3.3	Statement of acceptance of tenders ignoring qualifying criteria	210
APPENDIX-3.4	Statement showing the position of works	211
APPENDIX-3.5	Position of various Modules in test checked treasuries	212
APPENDIX-4.1	Statement showing avoidable extra expenditure due to the cost escalation in land	213
APPENDIX-5.1	Statement showing the cadre-wise position of officials as on 1 April 2007	214

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 2007.
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 Water Resources Departments, audit of Autonomous Bodies and also Evaluation of Internal Control Mechanism in Animal Husbandry 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 2006-07 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 2006-07 have also been included wherever necessary.

OVERVIEW

OVERVIEW

OVERVIEW

This Report contains two Chapters on the observations of Audit on the State's Finance and Appropriation Accounts for the year 2006-07 and three other Chapters comprising six reviews and 34 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. 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 2006-07, revenue receipts (Rs 25,592 crore) and revenue expenditure (Rs 24,954 crore) increased at a growth rate of 23 *per cent* and 16 *per cent* respectively over the previous year. As a result Government succeeded in generating revenue surplus (Rs 638 crore) and also containing fiscal deficit (Rs 3,970 crore) to three *per cent* before the targeted year 2009, as stipulated in Rajasthan Fiscal Responsibility and Budgetary Management Act, 2005. The State's own resources, comprising tax and non-tax revenue contributed 59 *per cent* of the revenue receipts. Non-Plan revenue expenditure increased to Rs 21,154 crore in 2006-07, up by 15 *per cent* over the previous year and exceeding normative assessment made by Twelfth Finance Commission by Rs 3,614 crore. The developmental expenditure constituted 64 *per cent* of total expenditure. Fiscal liabilities (Rs 71,146 crore) increased by seven *per cent* over the previous year. The percentage of total expenditure to revenue receipts was 118 indicating that about 85 *per cent* of the State's total expenditure was met from its current revenues, leaving the balance to be financed by borrowings. The negligible return on Government investments (less than one *per cent*) especially in the power sector and inadequate recovery of interest receipts on loans and advances vis-à-vis the higher cost of the borrowed funds put the strain on the fiscal budget of the State. An amount of Rs 14,709 crore was outstanding as of March 2007, guaranteed by the Government on behalf of Statutory Corporations, Government Companies etc.

2. Allocative Priorities and Appropriation

During 2006-07, the overall savings of Rs 4,827.37 crore was the net result of saving of Rs 4,827.79 crore offset by excess of Rs 0.42 crore. The excess expenditure requires regularisation under Article 205 of the Constitution of India. Rupees 4,730.36 crore were surrendered on the last working day of the

financial year. While in 16 cases savings of Rs 157.23 crore were not surrendered, in six cases, Rs 62.40 crore were surrendered in excess of savings. The review of Budget Formulation and Budgetary Control under Grant No. 27 relating to Public Health Engineering Department revealed lapsing of budget provision (Rs 61.46 crore) surrender/re-appropriation of entire budget provision (Rs 243.46 crore) and irregular re-appropriation of Plan provision to Non-Plan heads (Rs 11.62 crore).

3. Performance Audit

Accelerated Rural Water Supply Programme

The Accelerated Rural Water Supply Programme (ARWSP) aims at providing safe and adequate drinking water facilities to the rural population. The Annual Action Plans did not focus on coverage of non-covered habitations, targeted population and water source sustainability. Government was deprived of Central assistance of Rs 188.59 crore due to slow spending. Its contribution towards matching share in Minimum Needs Programme was less by Rs 174.95 crore. Expenditure of Rs 140.05 crore was charged to ARWSP in violation of programme guidelines. More than 65,000 habitations in the State did not have adequate drinking water as against about 38,000 in April 2002. Six fluoride control projects planned in 1994 were not completed. More than 8,000 rural schools were yet to be provided with drinking water under ARWSP. The Field Testing Kits for water quality monitoring were not procured despite availability of funds. Water supplied in 49 habitations contained Total Dissolved Solid much above the permissible limit of 1500 Parts per Million. Sixty water supply schemes were lying incomplete after spending Rs 78.48 crore. Pipes valued Rs 3.46 crore were not used and water supply schemes under Sector Reform (Rs 5.67 crore) were lying incomplete. Expenditure of Rs 4.62 crore was incurred on poor performance of pipeline and extra liability of Rs 8.70 crore was committed due to delays in issue of technical sanctions and finalising the tenders for the works. No Vigilance and Monitoring Committees were set up at State, district and village levels. The Research and Development Cell for investigation works was not established and Management Information System was inadequate.

(Paragraph 3.1)

Modernisation of Police Force

Government of India launched the Scheme of Modernisation of Police Forces in the States to enable the police to face the emerging challenges to internal security effectively. State Government did not contribute its matching share during 2002-07. Even the available funds were not utilised to the extent of 24 to 40 per cent. Due to slow utilisation of funds, State was deprived of Central grant of Rs 154.22 crore. Forty three forensic equipment worth Rs 8.52 crore remained unutilised for five to 49 months. Automated Finger Print Identification System procured at a cost of Rs 1.82 crore for modernisation of Finger Print Bureau was not functioning. There was no improvement in mobility as the vehicles purchased were mainly used to replace the

unserviceable ones. No standards have been fixed for police response time to reach the crime site. Information and Technology equipment worth Rs 72.15 lakh remained idle for 16 to 21 months in three training institutes. Three simulators were lying idle or out of order for 16 to 36 months for want of maintenance and manpower. No monthly monitoring was done by the State Level Empowered Committee.

(Paragraph 3.2)

Rajasthan Water Sector Restructuring Project (RWSRP)

To fulfill the objective of strengthening the capacity for planning, development and management of surface and ground water resources, the Rajasthan Water Sector Restructuring Project was launched in March 2002 to be completed in March 2008 with World Bank loan assistance of Rs 645.16 crore against Project cost of Rs 830.41 crore. Only 52 *per cent* funds for the Project was utilised in five years. Neither rates of irrigation water charges were revised nor staff was down sized so as to reduce the operation and maintenance cost as envisaged in the Project. Liquidated damages of Rs 4.38 crore imposed for five works were not recovered from a contractor due to arbitrations. Besides, in nine works, not completed within the stipulated period, liquidated damage was not levied. Delayed acceptance of tenders for two works resulted in extra expenditure of Rs 2.49 crore towards price escalation. Excise duty exemption certificates issued contrary to the provisions of agreements resulted in undue financial benefit of Rs 4.76 crore to contractors. Fifteen works were allotted beyond qualifying criteria to four contractors. Three works were not started, three were delayed and four were left incomplete by them. The report of the consultant for independent monitoring and evaluation, likely to be received in February 2008, would not serve any purpose as the project was due for completion in March 2008.

(Paragraph 3.3)

Rajasthan Urban Infrastructure Development Project

Rajasthan Urban Infrastructure Development Project (RUIDP) was started in January 2000 covering six divisional headquarters of Rajasthan with total outlay of Rs 1,529 crore. The project was substantially financed by Asian Development Bank. The project aimed at social and economic development of six major cities which was to be completed by December 2004 was extended to March 2009. Due to delayed preparation of base maps (cost: Rs 3.69 crore) the consultants could not use those in designing. Short drawal of loans in the initial years resulted in extra liability of Rs 31.46 crore towards commitment charges. Delay in project implementation led to extra expenditure of Rs 13.93 crore on consultancy services. Contribution of Rs 38.36 crore from Urban Local Bodies were not received and recovery of loan amount of Rs 122.06 crore and interest thereon from Local Bodies was not initiated. Project Management Unit extended undue benefit of Rs 13.75 crore to contractors by issue of irregular certificates for excise duty, payment of advances and irregular concessions in violation of agreements.

(Paragraph 3.4)

Computerisation of Treasuries

Rajasthan State Government implemented the Treasury Computerisation System (TCS) in 1996-97 to overcome the weakness of the manual system and for providing financial information from treasuries to the Finance Department. Absence of any policy towards deployment in treasuries and inadequate training to the treasury personnel led to uncontrolled operations in the TCS. Implementation of untested software, lack of change management and version controls, poor documentation led to unsynchronized operations. Lack of appropriate input controls and non-mapping of business rules led to presence of inaccurate and incomplete data in the system making the data unreliable. Due to absence of the internal control, check on the inaccuracies and incompleteness in the data could not be ensured. The Department did not have any backup policy to ensure the continuity of the operations and could not derive full benefits from the application as it failed to utilise the available features in the application and continued with manual operation. Lack of the Wide Area Network restricted the utility of the system in centralised compilation of data and use of the system for any financial management. In the Data Depository System (DDS), lack of input and validation checks made the data unreliable for meeting the objectives of personnel management and budgetary control through the DDS. Thus, the systems of TCS and DDS could not be used gainfully.

(Paragraph 3.5)

4. Audit of Transactions

Besides the above, audit of financial transactions test checked in various Departments of the Government and their field functionaries showed instances of loss to Government and other irregularities involving Rs 140.41 crore as mentioned below:

Instances of losses of Rs 2.31 crore were noticed in Higher Education Department (Rs 1.02 crore) and Public Health Engineering Department (Rs 1.29 crore).

Infructuous/wasteful expenditure and overpayment of Rs 1.75 crore noticed in Medical Education Department (Rs 62.19 lakh), Technical Education and Public Works Departments (Rs 66.24 lakh) and Water Resources Department (Rs 46.40 lakh).

Avoidable/ excess/ unfruitful expenditure of Rs 46.25 crore were noticed in Education Department (Rs 12.27 crore), Indira Gandhi Nahar Department (Rs 6.66 crore), Medical and Health Department (Rs 6.99 crore), Department of Personnel (Rs 1.21 crore), Public Health Engineering Department (Rs 3.14 crore), Public Works Department (Rs 13.47 crore) and Water Resources Department (Rs 2.51 crore).

Idle investment/blocking of funds of Rs 11.60 crore were noticed in Elementary Education Department (Rs 4.63 crore), Water Resources Department (Rs 2.11 crore) and Sanskrit Shiksha Vibhag (Rs 4.86 crore).

Apart from these, there were instances of irregular expenditure and other points involving Rs 78.50 crore in Ayurved Department (Rs 11.89 crore), Co-operative Department (Rs 75.34 lakh), Disaster Management and Relief Department (Rs 48.72 crore), Elementary, Secondary and Higher Education Departments (Rs 15.31 crore), Finance Department (Rs 53.76 lakh) and Medical Education Department (Rs 1.29 crore).

Some of the important findings are as follows:

- Failure of the Chief Engineer, Public Health Engineering Department in inserting the specific clause regarding refund of Excise duty in the rate contract resulted in loss of Rs 1.29 crore to Government for 94,204 metre pipes supplied by a private firm during February to April 2006.

(Paragraph 4.1.2)

- Due to slackness of the Education Department in planning and implementation the objective of the scheme of providing computer education to students remained unachieved rendering the expenditure of Rs 12.27 crore largely unfruitful. Besides, 805 computers costing Rs 3.20 crore were purchased in excess of requirement.

(Paragraph 4.3.1)

- Lack of planning of the Indira Gandhi Nahar Department in considering construction of syphon aqueduct/Cross Drainage work on Rajiv Gandhi Lift Canal led to non-utilisation of distributaries system rendering the expenditure of Rs 6.66 crore unfruitful.

(Paragraph 4.3.2)

- Staff of 25 District Tuberculosis Centres under Medical and Health Department remained idle after introduction of Directly Observed Treatment with Short Course for Tuberculosis patients and expenditure of Rs 6.99 crore incurred on their pay and allowances proved unfruitful.

(Paragraph 4.3.3).

- Non-ensuring availability of teachers for new schools by the District Project Coordinator, Bikaner before construction of school buildings in Kolayat and Nokha blocks in Bikaner District led to blocking of Rs 4.63 crore on building lying unutilised.

(Paragraph 4.4.1)

- Failure of the Jagadguru Ramanandacharya Sanskrit University, Jaipur to establish research centre not only led to blocking of loan assistance of Rs 4.30 crore for more than three years but it delayed research activities also. Besides, keeping loan assistance idle instead of investing in interest bearing Fixed Deposits resulted in loss of interest of Rs 55.78 lakh.

(Paragraph 4.4.3)

5. Internal Control Mechanism in Animal Husbandry Department

Internal Control Mechanism is meant to ensure that departmental operations are carried out according to the applicable rules and regulations in an effective manner. In Animal Husbandry Department the departmental manual published in 1965 has not been revised/modified since then despite significant changes in the organisational set up, instructions, orders etc. Expenditure in the Directorate was not incurred evenly throughout the year. Department had to refund Rs 72.20 lakh of Centrally sponsored scheme to Government of India due to non-utilisation and Rs 1.87 crore released for live stock census remained unspent. Remittances worth Rs 1.40 crore made by challans into treasuries were not reconciled. Artificial insemination fee of Rs 2.68 crore was shown outstanding as on 31 March 2007 as there was lack of reconciliation of receipt and remittance of artificial insemination fees at various level. Shortfall in departmental inspections ranged from 38 to 44 *per cent*. Internal audit function was deficient and vigilance cell was not operative. Huge vacancies in key post, non-maintenance of asset register and improper monitoring of farms led to ineffective supervision and inventory management.

(Paragraph 5.1)

CHAPTER-I
FINANCES OF THE
STATE GOVERNMENT

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account (*Appendix 1.1- Part A*). 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 of Rajasthan. The lay out of the Finance Accounts is depicted in *Appendix 1.1-Part B*.

1.1.1 Summary of Receipts and Disbursements

Table-1 summarises the finances of the Government of Rajasthan for the year 2006-07 covering revenue receipts and expenditure, capital receipts and expenditure and public accounts receipts/disbursements as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table-1: Summary of receipts and disbursements for the year 2006-07

(Rupees in crore)							
2005-06	Receipts	2006-07	2005-06	Disbursements	2006-07		
Section-A: Revenue							
					Non Plan	Plan	Total
20,839.19	Revenue receipts	25,592.18	21,499.20	Revenue expenditure	21,153.68	3,800.12	24,953.80
9,880.23	Tax revenue	11,608.24	8,820.32	General services	10,267.69	81.09	10,348.78
2,737.67	Non-tax revenue	3,430.61	7,994.39	Social services	7,333.53	1,601.00	8,934.53
5,300.08	Share of Union Taxes/Duties	6,760.37	4,682.92	Economic services	3,544.90	2,118.03	5,662.93
2,921.21	Grants from Government of India	3,792.96	1.57	Grants-in-aid and Contributions	7.56	-	7.56
Section-B: Capital							
0.81	Miscellaneous Capital Receipts	-	4,294.49	Capital Outlay	141.79	4,667.58	4,809.37
237.60	Recoveries of Loans and Advances	513.90	434.18	Loans and Advances disbursed	14.98	297.66	312.64
5,495.29	Public debt receipts*	4,222.14	992.48	Repayment of Public Debt*	-	-	1,780.42
-	Contingency Fund	-	-	Contingency Fund	-	-	-
49,189.20	Public Account receipts	58,456.69	47,452.15	Public Account disbursements	-	-	55,859.08
463.17	Opening Cash Balance	1,552.76	1,552.76	Closing Cash Balance	-	-	2,622.36
76,225.26	Total	90,337.67	76,225.26	Total			90,337.67

* Includes net Ways and Means Advances and Overdraft

Following are the significant changes during 2006-07 over the previous year:

- Revenue receipts grew by Rs 4,753 crore over the previous year. The increase was mainly contributed by tax revenue (Rs 1,728 crore), Non-tax revenue (Rs 693 crore), State's share of Union Taxes and Duties

(Rs 1,460 crore) and Grants-in-aid from Government of India (Rs 872 crore).

- Revenue expenditure and capital expenditure increased by Rs 3,455 crore and Rs 514 crore respectively over the previous year.
- Sharp increase in recovery of loans and advances were reported during current year (Rs 514 crore) compared to the previous year (Rs 238 crore). This was mainly due to recovery of Rs 288 crore from loan to Government servants partly offset by fall in recovery of loans (Rs 21 crore) from Water Supply, Sanitation, Housing and Urban Development.
- Public Debt receipts decreased by Rs 1,273 crore over the previous year.
- Public Account receipts and disbursements increased by Rs 9,267 crore and Rs 8,407 crore respectively over the previous year.
- Cash balance of the State increased by Rs 1,070 crore over the previous year.

1.1.2 State Fiscal Position by Key Indicators

The fiscal position of the State Government as reflected by the key fiscal indicators during the current year as compared to the previous year is given in Table-2.

Table-2

(Rupees in crore)

2005-06	S. No.	Major Aggregates	2006-07
20,839	1.	Revenue Receipts (2+3+4)	25,592
9,880	2.	Tax Revenue (Net)	11,608
2,738	3.	Non-Tax Revenue	3,431
8,221	4.	Other Receipts	10,553
239	5.	Non-Debt Capital Receipts	514
238	6.	Of which Recovery of Loans	514
21,078	7.	Total Receipts (1+5)	26,106
18,461	8.	Non-Plan Expenditure	21,311
18,368	9.	On Revenue Account	21,154
5,210	10.	Of which Interest Payments	5,702
62	11.	On Capital Account	142
31	12.	On Loans disbursed	15
7,767	13.	Plan Expenditure	8,765
3,131	14.	On Revenue Account	3,800
4,233	15.	On Capital Account	4,667
403	16.	On Loans disbursed	298
26,228	17.	Total Expenditure (13+8)	30,076
(-) 660	18.	Revenue Surplus (+)/Deficit (-) [(1)-(9+14)]	(+) 638
(-) 5,150	19.	Fiscal Surplus (+)/Deficit (-) [(1+5)-(17)]	(-) 3,970
(+) 60	20.	Primary Surplus (+)/Deficit (-) [(1+5)-(17-10)]	(+) 1,732

During the current year revenue receipts increased by 23 per cent (Rs 4,753 crore) while revenue expenditure increased by 16 per cent (Rs 3,455 crore) over the previous year resulting a surplus of Rs 1,298 crore in Revenue Account during 2006-07. Given the Revenue deficit Rs 660 crore in 2005-06,

a Revenue surplus of Rs 638 crore was noticed during 2006-07. Given the surplus in revenue account and the increase of Rs 275 crore in non-debt capital receipts and the net increase of Rs 393 crore in capital expenditure and loan and advances disbursed during 2006-07 over the previous year resulted into a decline of Rs 1,180 crore in fiscal deficit during the current year. The decline in fiscal deficit accompanied with an increase of Rs 492 crore in interest payments during 2006-07 over the previous year led to a primary surplus of Rs 1,732 crore during the year.

1.2 Methodology adopted for assessment of Fiscal position

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analysed wherever necessary over the period 2001-07 and observations have been made on their behavior. In its Restructuring Plan of State finances, Twelfth Finance Commission (TFC) recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, TFC also recommended that all States are required to enact the Fiscal Responsibility (FR) Act and draw their fiscal correction path accordingly for the five year period (2005-06 to 2009-10) so that fiscal position of the State could be improved as committed in their respective FR Acts/Rules during medium to long run. The norms/ceilings prescribed by the TFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Government in their FR Acts and in other Statements required to be laid in the legislature under the Act were used to make qualitative assessment of the trends and pattern of major aggregates during the current year. Assuming that Gross State Domestic Product (GSDP)¹ is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for tax revenue, non-tax revenue, revenue expenditure etc, with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates have also been affected by factors other than GSDP. The trends in the growth of GSDP as provided by Directorate of Economic and Statistics, Government of Rajasthan are given in Table-3.

Table-3: Trends in Growth and Composition of GSDP

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
GSDP (Rs in crore)	90,045	86,293	1,08,322	1,13,403	1,24,199	1,39,928
Rate of Growth of GSDP (in per cent)	11.2	4.2	25.5	4.7	9.5	12.7

Source: Directorate of Economic and Statistics, Government of Rajasthan.

1. GSDP is defined as the total income of the State or the market value of goods and services produced using labor and all other factors of production.

The key fiscal aggregates for the purpose have been grouped under four major heads: (i) Trends and Composition of Aggregate Receipts, (ii) Application of Resources, (iii) Assets and Liabilities and (iv) Management of Deficits (*Appendix-1.3 to 1.6*). The 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. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given in *Appendix 1.1- Part C*.

1.2.1 The Rajasthan Fiscal Responsibility and Budget Management (FRBM) Act, 2005

The State Government has enacted the Rajasthan Fiscal Responsibility and Budget Management (FRBM) Act, 2005 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure fiscal prudence the Act also provides for greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and matters connected therewith or thereto. To give effect to the fiscal management principles as laid down in the Act, and/or the rules framed thereunder prescribed the following fiscal targets for the State Government:

- reduce revenue deficit to zero within a period of four financial years beginning from 1st day of April 2005 and ending on the 31st day of March 2009 by following a path of average annual reduction of three *per cent* in the ratio of revenue deficit to revenue receipts;
- reduce fiscal deficit to three *per cent* of the estimated GSDP by following a path of minimum average annual reduction of 0.4 *per cent* in the ratio of fiscal deficit to GSDP;
- ensure that total outstanding debt, excluding public account and risk weighted outstanding guarantees in a year shall not exceed twice of the estimated receipts in the Consolidated Fund of the State at the close of the financial year;
- ensure to bring out annual statement giving prospects for the State economy and related fiscal strategy.

1.2.1.1 Roadmap to achieve the Fiscal Targets as laid down in FRBM Act/Rules

The State Government has developed its Own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2004-05 to 2009-10 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made there under (*Appendix-1.2*).

1.2.1.2 Fiscal Policy Statement(s) 2006-07

As prescribed in the Act, the State Government laid a Medium Term Fiscal Policy Statement (MTFPS) and a Fiscal Policy Strategy Statement along with the budget before the legislature during 2006-07.

1.2.1.3 Mid Term Review of Fiscal Situation

In compliance with Section 9(2) of FRBM Act, 2005, the State Government undertook the mid term review of the fiscal performance in November 2006 and observed that achievements with regard to all the major fiscal variables including receipts and expenditure were as per the budget targets and therefore no remedial measures were required to be taken by the State Government.

The performance of the State during 2006-07 in terms of key fiscal targets laid down in FRBM Act, 2005 is given in Table-4.

Table-4: Trends in Major Fiscal Parameters/Variables vis-à-vis projection for 2006-07

Fiscal variables	(Rupees in crore and others in per cent)			
	2006-07			
	TFC/FRBM Act	FCP	MTFPS	Actuals
Revenue deficit (-)/Surplus (+) (Rs in crore)	0.0 (31.03.2009)	(-) 1,035	(-) 43	(+) 638
Revenue deficit /Revenue Receipts (in per cent)	0.0 (31.03.2009)	4.51	0.18	*
Fiscal deficit (FD) (Rs in crore)	-	(-) 6,146	(-) 5,141	(-) 3,970
FD/GSDP ratio	3.0 or below	4.4	3.82	2.8
Ratio of Outstanding Debt liabilities to total receipts of CFS (per cent)	Not to exceed 200 per cent	-	-	197

* State achieved revenue surplus during 2006-07.

The comparative position presented in the Table above reveals that the State has achieved the targets for revenue and fiscal deficits as laid down the FRBM Act, 2005 as well as in MTFPS and FCP for the year 2006-07. The State has achieved fiscal targets as laid down in the FRBM Act much before the timeline indicated therein with the current year ending in revenue surplus of Rs 638 crore and fiscal deficit of Rs 3,970 crore which was 2.8 per cent of GSDP. The ratio of outstanding debt liabilities (excluding public account and risk weighted outstanding guarantees in a year) during 2006-07 was also within the ceiling limit prescribed under the FRBM Act. As a result, the State Government received a debt and interest relief of Rs 617.40 crore from Government of India under Debt Consolidation and Relief Facility² for the years 2005-06 and 2006-07.

2. In pursuance of the recommendations of the Twelfth Finance Commission (TFC) for fiscal consolidation and elimination of revenue deficit of the State, Government of India formulated a scheme "The States' Debt Consolidation and Relief Facility (DCRF) (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling at substantially reduced rate of interest the Central loans granted to States on enacting the FRBM Act and debt waiver is granted based on fiscal performance, linked to the reduction of revenue deficits of State.

1.3 Trends and Composition of Aggregate Receipts

The aggregate receipts of State Government consist of revenue receipts and capital receipts, revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. Table-5 shows that the total receipts of the State Government for the year 2006-07 were Rs 88,785 crore. Of these, the revenue receipts were Rs 25,592 crore, constituting 29 *per cent* of the total receipts. The balance came from capital receipts, borrowings and Public Account receipts.

Table-5: Trends in growth and composition of Aggregate Receipts

(Rupees in crore)						
Sources of State's receipts	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
I Revenue Receipts	12,153	13,082	15,424	17,763	20,839	25,592
II Capital Receipts	6,048	7,811	9,189	10,107	5,734	4,736
Recovery of Loans and Advances	69	125	159	125	238	514
Public Debt Receipts	5,979	7,686	9,025	9,982	5,495	4,222
Miscellaneous Capital Receipts	-	-	5	-	1	-
III Contingency Fund	-	-	-	-	-	-
IV Public Account Receipts	27,771	34,592	39,459	44,156	49,189	58,457
a. Small Savings, Provident Fund etc	1,916	1,918	2,160	2,177	2,471	2,611
b. Reserve Fund	334	837	1,037	830	589	1,446
c. Deposits and Advances	23,738	29,787	33,741	38,533	42,951	50,587
d. Suspense and Miscellaneous	59	19	67	38	38	74
e. Remittances	1,724	2,031	2,454	2,578	3,140	3,739
Total Receipts	45,972	55,485	64,072	72,026	75,762	88,785

The revenue and capital (including Public Account receipts) receipts constituted 29 and 71 *per cent* of total receipts respectively. The total receipts of the State increased from Rs 45,972 crore in 2001-02 to Rs 88,785 crore in 2006-07. The Debt capital receipts which create future repayment obligation decreased from Rs 5,979 crore in 2001-02 to Rs 4,222 crore in 2006-07. The recovery of loans and advances has improved by Rs 276 crore over the previous year.

Deposits and Advances constitute about 87 *per cent* of the total receipts under Public Account. While 82 *per cent* (Rs 41,244 crore) of the Deposits and Advances have come from State Electricity Boards Working Funds, Personal Deposits constituted seven *per cent* (Rs 3,701 crore), 94 *per cent* (Rs 3,531 crore) of the remittances have come from Public Works Remittances.

1.3.1 Revenue Receipts

Statement-II of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of tax and non-tax revenue, Central tax transfers and grants-in-aid from GOI. Overall revenue receipts, their annual rate of growth, ratio of these receipts to the GSDP and its buoyancies are indicated in Table-6.

Table-6: Revenue Receipts - Basic Parameters

(Value: Rupees in crore and others in per cent)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenue Receipts (RR)	12,153	13,082	15,424	17,763	20,839	25,592
Own Taxes (per cent)	5,671 (46.7)	6,253 (47.8)	7,246 (47.0)	8,415 (47.4)	9,880 (47.4)	11,608 (45.4)
Non-Tax Revenue (per cent)	1,508 (12.4)	1,569 (12.0)	2,072 (13.4)	2,146 (12.1)	2,738 (13.2)	3,431 (13.4)
Central Tax Transfers (per cent)	2,883 (23.7)	3,063 (23.4)	3,602 (23.4)	4,305 (24.2)	5,300 (25.4)	6,760 (26.4)
Grants-in-aid (per cent)	2,091 (17.2)	2,197 (16.8)	2,504 (16.2)	2,897 (16.3)	2,921 (14.0)	3,793 (14.8)
Rate of growth of RR (per cent)	(-) 2.0	7.6	17.9	15.2	17.3	22.8
Rate of growth of State's own taxes	7.0	10.3	15.9	16.1	17.4	17.5
RR/GSDP (per cent)	13.5	15.2	14.2	15.7	16.8	18.3
Revenue Buoyancy (ratio)	(-) 0.2*	(-) 1.8*	0.7	3.2	1.8	1.8
State's own taxes Buoyancy (ratio)	0.6	(-) 2.5*	0.6	3.4	1.8	1.4
Revenue Buoyancy with reference to State's own taxes (ratio)	(-) 0.3*	0.7	1.1	0.9	1.0	1.3
GSDP Growth (per cent)	11.1	(-) 4.2	25.5	4.7	9.5	12.7

* Either rate of growth of Revenue Receipts or GSDP was negative.

General Trends:

The revenue receipts have shown a progressive increase over the period 2001-07 with only marginal changes in its composition i.e. the share of Own taxes, non-tax revenue and Central transfers almost remained same. The sharp increase of 23 per cent in Revenue Receipts during 2006-07 was on account of increase in State's own taxes (17.5 per cent), non-tax revenue (25.3 per cent), Central tax transfers (27.5 per cent) and Grant-in-aid (29.9 per cent).

Tax Revenue:

The tax revenue was increased by 17.5 per cent during the current year (Rs 11,608 crore) over previous year (Rs 9,880 crore). The revenue from Taxes on Sales not only contributed major share of tax revenue (58 per cent) but also increased by 20 per cent over the previous year. The Finance Accounts of the State reveal that the sharp increase in sales tax revenue during the year was mainly due to the effective enforcement of collection of taxes by the State. State Excise, Stamps and Registration fees and taxes on vehicles remained other major contributors in the State's tax revenue. Table-7 below shows the trends and composition of tax revenue during 2001-07.

Table-7: Tax Revenue

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Taxes on Sales, Trade etc.	3,069	3,438	3,986	4,798	5,594	6,721
State Excise	1,110	1,142	1,163	1,276	1,522	1,591
Taxes on Vehicles	566	646	904	817	908	1,024
Other Taxes	926	1,027	1,193	1,524	1,856	2,272*
Total	5,671	6,253	7,246	8,415	9,880	11,608

* It includes Stamps and Registration Fees: Rs 1,294 crore, Taxes and Duties on Electricity: Rs 516 crore and Taxes on Goods and Passengers: Rs 247 crore.

Non-Tax Revenue:

The non-tax revenue which constituted 13.4 *per cent* of total revenue receipts increased by Rs 693 crore during 2006-07 recording a growth rate of 25 *per cent* over previous year. The booking of debt and interest relief (Rs 617.40 crore) given by GOI under DCRF for the years 2005-06 and 2006-07 under the head 'Miscellaneous General Services' led to a sharp increase in non-tax revenue of the State. Another major contributor to the increase in non-tax revenue during the years was an increase of Rs 382 crore in receipts from Non-Ferrous Mining and Metallurgical Industries. However, on account of transfer of housing advance portfolio of State Government employees to State Bank of Bikaner and Jaipur, Government has transferred Rs 289 crore from the head 'Miscellaneous General Services' and shown as receipts under the head 'Loans to Government Servants etc.' as a balancing entry. Further, the amount of Rs 737.47 crore shown as realised towards interest from Departmental Commercial Undertaking included Rs 730.29 crore arising out of book adjustments, which was notional in nature

The actual receipts under State's tax and non-tax revenue vis-à-vis assessment made by TFC and the State Government in FCP and MTFP are given below:

(Rupees in crore)				
	Assessments made by TFC	Assessments made by State Government in FCP	Budget Estimates	Actual
State's Tax Revenue	10,987	10,923	10,932	11,608
State's Own Non-Tax Revenue	1,887	2,609	2,702	3,431

The tax revenue as well as the non-tax revenue receipts in 2006-07 exceeded normative assessments made by TFC by 5.7 *per cent* and by 81.8 *per cent* respectively. Actual realisation also exceeded the assessments made by the State Government in its FCP as well as Budget Estimates for 2006-07.

Central Tax Transfers:

The Central tax transfers increased by Rs 1,460 crore over the previous year and constituted 26 *per cent* of revenue receipts. The increase was mainly under Corporation Tax (Rs 647 crore), Customs duties (Rs 285 crore), Service Tax (Rs 258 crore) and Taxes on Income other than Corporation Tax (Rs 250 crore).

Grants-in-aid:

The Grants-in-aid from GOI increased (Rs 872 crore) from Rs 2,921 crore in 2005-06 to Rs 3,793 crore in 2006-07. The increase was under Non-Plan Grants (Rs 354 crore), Grants for Centrally Sponsored Plan schemes (Rs 278 crore) and Grants for State/Union Territory Plan schemes (Rs 252 crore) partly offset by decrease in Central Plan scheme (Rs 6 crore) and Special Plan schemes (Rs 6 crore). As per the recommendations of TFC, the GOI released Rs 355.10 crore during the current year under Non-Plan for

specific purposes viz. roads and bridges (Rs 158.33 crore), maintenance of buildings (Rs 53.27 crore), education (Rs 20 crore), historical monuments maintenance (Rs 12.50 crore), maintenance of Forests (Rs 5 crore), Indira Gandhi Nahar Project (Rs 88.50 crore) and drinking water scarcity in border and desert districts (Rs 17.50 crore). Details of Grants-in-aid from GOI are given in Table-8.

Table-8: Grants-in-aid from GOI

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Grants for State Plan schemes	342	617	924	1,019	877	1,128
Non-Plan Grants	1,008	814	749	930	855	1,209
Grants for Central, Centrally Sponsored Plan schemes and Special Plan schemes	741	766	831	948	1,189	1,456
Total	2,091	2,197	2,504	2,897	2,921	3,793
Percentage of increases/decrease over previous year	(-) 18.6	5.1	14.0	15.7	0.8	29.9

Revenue Arrears

The arrears of revenue were increased by 117 *per cent* from Rs 1,532 crore in 2001-02 to Rs 3,323 crore at the end of 2006-07. Of these, Rs 898 crore was outstanding for a period of more than five years. The arrears of revenue were increased by Rs 338 crore during 2006-07 over the previous year. Arrears were mainly in respect of Taxes on Sales, Trade, etc. (Rs 2,634 crore), State Excise (Rs 224 crore), Miscellaneous General Services- Sale of Land (Rs 140 crore) and Stamp Duty and Registration Fee (Rs 101 crore). Out of Rs 3,323 crore, demand for only Rs 404 crore was stayed by the High court/Judicial authorities/Government.

1.4 Application of Resources

1.4.1 Growth of Expenditure

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs 17,971 crore in 2001-02 to Rs 30,076 crore in 2006-07. Total expenditure, its annual growth rate and ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in Table-9.

Table-9: Total Expenditure – Basic Parameters

(Value: Rupees in crore and others in per cent)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Total expenditure (TE)*	17,971	19,321	22,955	24,034	26,228	30,076
of which						
Revenue Expenditure	15,949	17,016	18,848	19,906	21,499	24,954
Capital Expenditure	1,818	2,027	3,181	3,488	4,295	4,809
Loans and Advances	204	278	926	640	434	313
Rate of Growth of TE	6.7	7.5	18.8	4.7	9.1	14.7
TE/GSDP (Ratio)	20.0	22.4	21.2	21.2	21.1	21.5
RR /TE (Ratio)	67.6	67.7	67.2	73.9	79.5	85.1
Buoyancy of Total Expenditure with reference to:						
GSDP (ratio)	0.6	(-) 1.8**	0.7	1.0	1.0	1.2
RR (ratio)	(-) 3.4**	1.0	1.1	0.3	0.5	0.6

* Total expenditure includes revenue expenditure, capital expenditure and loans and advances.

** Either rate of growth of Revenue Receipts or GSDP was negative.

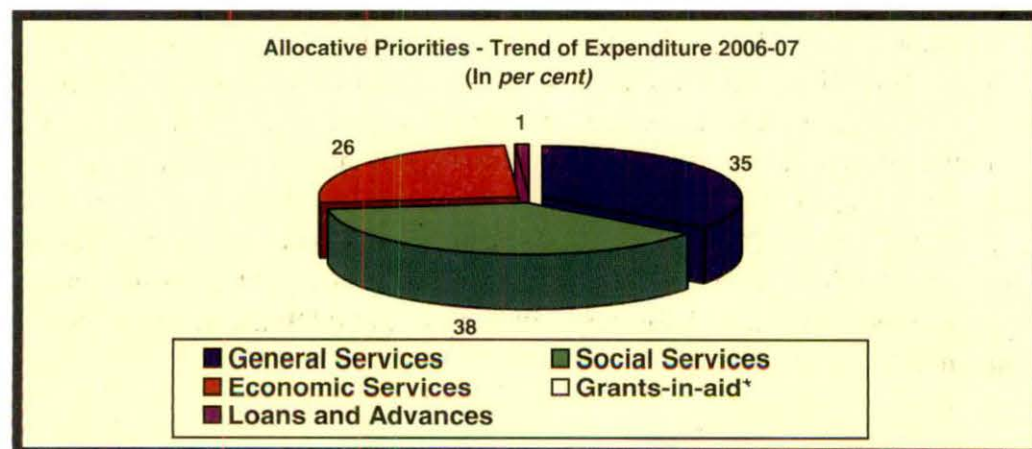
The total expenditure during the current year increased by Rs 3,848 crore over the previous year of which revenue expenditure shared Rs 3,455 crore and capital expenditure contributed Rs 514 crore (mainly on account of Rs 434 crore under Plan head), partly offset by decrease in repayment of loans and advance Rs 121 crore. During the current year, 85 per cent of total expenditure was met from revenue receipts and the remaining from capital receipts and borrowed funds. The buoyancy of total expenditure to GSDP stood at 1.2 in 2006-07 indicating tendency to spend more than the increase in income and higher elasticity of total expenditure with respect to GSDP.

Trends in Total Expenditure by Activities: 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, grants-in-aid and loans and advances. Relative share of these components in total expenditure is indicated in Table-10.

Table-10: Components of Expenditure – Relative Share

(in per cent)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
General Services	40.1	39.8	37.0	36.3	34.1	35.0
Of which, Interest payments	21.6	22.3	20.8	21.5	19.9	19.0
Social Services	39.4	38.0	37.0	36.2	37.1	37.6
Economic Services	19.3	20.8	22.0	24.8	27.2	26.3
Grants-in-aid	0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1
Loans and Advances	1.1	1.4	4.0	2.7	1.6	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0



*0.025 per cent only.

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 40 *per cent* and 39 *per cent* in 2001-02 to 35 *per cent* and 38 *per cent* in 2006-07 respectively, the relative share of economic service increased from 19 *per cent* in 2001-02 to 26 *per cent* in 2006-07. The share of interest payments was lowest at 19 *per cent* in 2006-07. Expenditure considered as non-developmental on general services, alone accounted for 35 *per cent* in 2006-07 as against 34.1 *per cent* in 2005-06. On the other hand, developmental expenditure i.e., expenditure on social and economic services together accounted for 63.9 *per cent* in 2006-07 as against 64.3 *per cent* in 2005-06. This indicates increase in non-developmental expenditure and decrease in developmental expenditure in comparison to the previous year.

1.4.2 Incidence of Revenue Expenditure

Revenue expenditure had the predominant share in the total expenditure. Revenue expenditure is incurred to maintain the current level of services and payments, for the past obligations and as such does not result in any addition to the States infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table-11.

Table-11: Revenue Expenditure: Basic Parameters

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenue Expenditure (RE)	15,949	17,016	18,848	19,906	21,499	24,954
Of which						
Non-Plan Revenue Expenditure (NPRE)	13,763	14,744	16,617	17,164	18,368	21,154
Plan Revenue Expenditure (PRE)	2,186	2,272	2,231	2,742	3,131	3,800
Rate of Growth and Ratios (<i>per cent</i>)						
Rate of Growth of RE	6.1	6.7	10.8	5.6	8.0	16.1
Rate of Growth of NPRE	4.7	7.1	12.7	3.3	7.0	15.2
Rate of Growth of PRE	16.0	3.9	(-) 1.8	22.9	14.2	21.4
NPRE/GSDP (<i>per cent</i>)	15.3	17.1	15.3	15.1	14.8	15.1
NPRE as <i>per cent</i> of TE	76.6	76.3	72.4	71.4	70.0	70.3
NPRE as <i>per cent</i> of RR	113.2	112.7	107.7	96.6	88.1	82.7
NPRE as <i>per cent</i> of RE	86.3	86.6	88.2	86.2	85.4	84.8
Buoyancy of Revenue Expenditure with						
GSDP (ratio)	0.5	(-) 1.6*	0.4	1.2	0.8	1.3
Revenue Receipts (ratio)	(-) 3.1*	0.9	0.6	0.4	0.5	0.7

* Either rate of growth of Revenue Receipts or GSDP was negative.

The revenue expenditure increased by 56 *per cent* from Rs 15,949 crore in 2001-02 to Rs 24,954 crore in 2006-07. The NPRE has shown consistent increase at an average rate of eight *per cent* over the period and continued to share the dominant proportion varying in the narrow range of 85 to 88 *per cent* of the revenue expenditure. The rate of growth in Plan expenditure which showed wide fluctuation during the period 2001-07 increased by 21 *per cent* (Rs 669 crore) in 2006-07 as compared to previous year.

The increase in NPRE during the current year was mainly due to increase in expenditure on interest payment and servicing of debt (Rs 842 crore), pensions and other retirement benefits (Rs 466 crore), power (Rs 401 crore), general

education (Rs 330 crore), relief on account of natural calamities (Rs 307 crore) and roads and bridges (Rs 128 crore). The increase in PRE by Rs 669 crore over previous year was mainly due to increase in Energy (Rs 141 crore), Rural Development (Rs 56 crore), Urban Development (Rs 43 crore), welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Rs 68 crore), Social Security and Welfare (Rs 94 crore), Medical and Public Health (Rs 51 crore), Transport (Rs 55 crore) and Nutrition (Rs 44 crore).

The actual Non-Plan revenue expenditure vis-à-vis assessments made by TFC and State Government are given below:

(Rupees in crore)

	Assessments made by TFC	Assessments made by State Government in FCP	MTFPS	Actuals
Non-Plan revenue expenditure	17,540	19,925	20,295	21,154

The actual NPRE exceeded the normative assessment made by TFC by Rs 3,614 crore and the assessment made by the State Government both in its FCP and MTFPS for the year 2006-07 by Rs 1,229 crore and Rs 889 crore respectively.

1.4.3 Committed Expenditure

1.4.3.1 Expenditure on Salaries and Wages

The trends in expenditure on salaries both under Plan and Non-Plan heads are presented in Table-12.

Table-12: Expenditure on Salaries

(Rupees in crore)

Heads	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Expenditure on Salaries & Wages	5,349	5,311	5,791	6,150	6,892	7,374 ^b
Of which						
Non-Plan Head	4,667	5,006	5,442	5,767	6,398	6,863
Plan Head*	682	305	349	383	494	511
RE net of Interest Payments and Pensions	10,386	11,033	12,229	13,108	14,638	17,136
As per cent of RE, net of Interest Payments and Pensions	51.5	48.1	47.4	46.9	47.1	43.0
As per cent of GSDP	5.9	6.2	5.3	5.4	5.5	5.3
As per cent of RR	44.0	40.6	37.5	34.6	33.1	28.8

\$ Salaries: Rs 7,113 crore (Finance Accounts) + Wages: Rs 261 crore (VLC data of AG-A&E)

* Plan Head also includes the salaries and wages paid under Centrally sponsored schemes.

Expenditure on salaries under Non-Plan and Plan during the current year is Rs 6,863 crore and Rs 511 crore respectively recording a growth rate of seven per cent and three per cent respectively. The expenditure on salary and wages at 43 per cent of revenue expenditure net of interest and pension payments is marginally higher than the norm of 35 per cent recommended by the TFC. The salary expenditure at Rs 7,113 crore is however marginally less than the assessment made by the State Government in its FCP (Rs 7,311 crore) for the year 2006-07.

1.4.3.2 Pension Payments

The year-wise break up of expenditure incurred on pension payments during 2001-07 is indicated in Table-13.

Table-13: Expenditure on Pensions

(Rupees in crore)						
Heads	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Expenditure on Pensions	1,685	1,683	1,842	1,626	1,651	2,116
Rate of Growth	(-) 0.5	(-) 0.1	9.4	(-) 11.7	1.5	28.2
As per cent of GSDP	1.9	2.0	1.7	1.4	1.3	1.5
As per cent of RR	13.9	12.9	11.9	9.2	7.9	8.3
As per cent of RE	10.6	9.9	9.8	8.2	7.7	8.5

The pension payments during current year have increased by Rs 465 crore recording a growth rate of 28 *per cent* over the previous year. The increase in expenditure under pension was due to increase in number of pensioners by 8,678 over previous year. The comparative analysis of actual pension payments and the assessment/projection made by TFC and the State Government (Table-14) reveals that actual pension payment during the current year was almost within the limits as assessed by State Government, however it exceeded the projections made by TFC by Rs 482 crore.

Table-14: Pension Payments vis-à-vis assessment made by TFC, FCP and MTFPS

(Rs in crore)				
	Assessments made by TFC	Assessments made by State Government in FCP	MTFPS	Actuals
Pension Payments	1,634	2,325	2,328	2,116

To meet the increasing pension liabilities, the Government has introduced a new contribution funded pension scheme under which the State Government employees recruited on or after 1 January 2004 contribute 10 *per cent* of basic pay and dearness allowance to the pension fund.

1.4.3.3 Interest Payments

Interest payments and their ratio to revenue receipts and revenue expenditure during 2001-07 are detailed in Table-15.

Table-15: Interest payments

Year	Total Revenue Receipts	Total Revenue Expenditure	Interest payments	Percentage of Interest payments with reference to	
	(Rupees in crore)			Revenue Receipts	Revenue Expenditure
2001-02	12,153	15,949	3,878	31.9	24.3
2002-03	13,082	17,016	4,300	32.9	25.3
2003-04	15,424	18,848	4,777	31.0	25.3
2004-05	17,763	19,906	5,172	29.1	26.0
2005-06	20,839	21,499	5,210	25.0	24.2
2006-07	25,592	24,954	5,702	22.3	22.9

The major source of borrowings is market loans at the interest rate varying from six *per cent* to 14 *per cent*. The increase in interest payment was mainly due to payment of interest on special securities issued to National Small Savings Fund of the Central Government by State Government (Rs 335 crore),

interest on small savings, provident funds etc. (Rs 117 crore). The interest payments during the year is almost at par with the assessment made by State Government in FCP (Rs 5,654 crore), however it remained lower than the projections made in TFC (Rs 6,075 crore) and MTFPS (Rs 5,802 crore) for the year 2006-07.

1.4.3.4 Subsidies

The State Government has been giving general subsidies as well as the subsidies to various *Nigams*, Corporations, etc. The Finance Accounts do not indicate the expenditure incurred exclusively on giving general subsidies to various target groups. However, the trends in the subsidies given to various commercial organisations, as revealed by the Commercial Audit are given in Table-16.

Table-16: Subsidies

		(Rupees in crore)					
S. No.	Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	Power Sector	-	422.64	980.16	1,178.46	1,129.22	1,233.68
2	Others	7.58	9.82	20.10	20.79	25.81	20.21
	Total	7.58	432.46	1,000.26	1,199.25	1,155.03	1,253.89
	Percentage of Subsidy in total expenditure	*	2.2	4.4	5.0	4.4	4.2

* In 2001-02 only 0.04 per cent.

Out of total subsidies of Rs 1,253.89 crore, the subsidy of Rs 1,233.68 crore (98.4 per cent) alone was paid to the power sector³. The subsidy of power sector during the year 2006-07 was Rs 256 crore higher than the assessment of the State Government in FCP for 2006-07 (Rs 978 crore).

1.5 Expenditure by Allocative Priorities

1.5.1 Quality of Expenditure

The availability of better social and physical infrastructure in the State reflects its quality of expenditure. Therefore ratio of capital expenditure to total expenditure as well as to GSDP and proportion of revenue expenditure being spent on running efficiently and effectively the existing social and economic services would determine the quality of expenditure. Higher the ratio of these components to total expenditure and GSDP better the quality of expenditure. Table-17 gives these ratios during 2001-07.

3 Rajasthan Renewable Energy Corporation Limited: Rs 1.00 crore, Rajasthan *Rajya Vidyut Utpadan Nigam* Limited: Rs 0.05 crore, Rajasthan *Rajya Vidyut Prasaran Nigam* Limited: Rs 3.36 crore, Jaipur *Vidyut Vitran Nigam* Limited: Rs 358.02 crore, Jodhpur *Vidyut Vitran Nigam* Limited: Rs 353.99 crore and Ajmer *Vidyut Vitran Nigam* Limited: Rs 517.26 crore

Table-17: Indicators of Quality of Expenditure

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Capital Expenditure	1,818	2,027	3,181	3,488	4,295	4,809
Revenue Expenditure	15,949	17,016	18,848	19,906	21,499	24,954
<i>Of which</i>						
Social and Economic Services with	8,754	9,371	10,399	11,253	12,677	14,597
(i) Salary & Wage Component	4,055 (46.3)	3,988 (42.6)	4,347 (41.8)	4,569 (40.6)	5,176 (40.8)	5,536 (37.9)
(ii) Non-Salary & Wage Component	4,699 (53.7)	5,383 (57.4)	6,052 (58.2)	6,684 (59.4)	7,501 (59.2)	9,061 (62.1)
As per cent of Total Expenditure						
Capital Expenditure	10.1	10.5	13.9	14.5	16.4	16.0
Revenue Expenditure	88.7	88.1	82.1	82.8	82.0	83.0
As per cent of GSDP						
Capital Expenditure	2.0	2.3	2.9	3.1	3.5	3.4
Revenue Expenditure	17.7	19.7	17.4	17.6	17.3	17.8

The capital and revenue expenditure of the State for the year 2006-07 were Rs 4,809 crore and Rs 24,954 crore respectively constituting 16 *per cent* and 83 *per cent* of the total expenditure. The capital expenditure showed an increasing trend during the period 2001-07 and during 2006-07 it was Rs 4,809 crore as against Rs 4,811 crore assessed by the State Government in FCP and Rs 5,024 crore in MTFPS for 2006-07. However, within the revenue expenditure incurred on social and economic services, the share of salary and wage component declined from 46 *per cent* in 2001-02 to 38 *per cent* in 2006-07 while the share of non-salary components has exhibited the increasing trend during the period. These trends indicate that the State was gradually picking up momentum in creating productive assets and developing social and economic infrastructure.

1.5.2 Expenditure on Social Services

Given the fact that the human development indicators such as access to basic education, health services and drinking water and sanitation facilities etc. have a strong linkage with eradication of poverty and economic progress, it would be prudent to make an assessment with regard to the expansion and efficient provision of these services in the State. Table-18 summarises the expenditure incurred by the State Government in expanding and strengthening of social services in the State during 2001-07.

Table-18: Expenditure on Social Services

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
General Education						
Revenue Expenditure	3,359	3,242	3,565	3,870	4,565	4,828
<i>Of which</i>						
(a) Salary & Wage Component	2,183	2,125	2,328	2,454	2,867	3,068
(b) Non-Salary & Wage Component	1,176	1,117	1,237	1,416	1,698	1,760
Capital Expenditure	24	19	16	11	23	26
Total	3,383	3,261	3,581	3,881	4,588	4,854

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Health and Family Welfare						
Revenue Expenditure	973	899	1,014	1,049	1,137	1,246
Of which						
(a) Salary & Wage Component	736	720	780	839	921	984
(b) Non-Salary & Wage Component	237	179	234	210	216	262
Capital Expenditure	24	14	19	29	66	67
Total	997	913	1,033	1,078	1,203	1,313
Water Supply, Sanitation, Housing and Urban Development						
Revenue Expenditure	1,233	1,399	952	1,023	1,071	1,096
Of which						
(a) Salary & Wage Component	328	323	357	383	422	456
(b) Non-Salary & Wage Component	905	1,076	595	640	649	640
Capital Expenditure	519	652	1,236	1,439	1,552	2,110
Total	1,752	2,051	2,188	2,462	2,623	3,206
Other Social Services						
Revenue Expenditure	840	1,046	1,611	1,206	1,221	1,764
Of which						
(a) Salary & Wage Component	165	205	223	235	252	269
(b) Non-Salary & Wage Component	675	841	1,388	971	969	1,495
Capital Expenditure	98	66	66	69	98	176
Total	938	1,112	1,677	1,275	1,319	1,940
Total (Social Services)						
Revenue Expenditure	6,405	6,586	7,142	7,148	7,994	8,934
Of which						
(a) Salary & Wage Component	3,412	3,373	3,688	3,911	4,462	4,777
(b) Non-Salary & Wage Component	2,993	3,213	3,454	3,237	3,532	4,157
Capital Expenditure	665	751	1,337	1,548	1,739	2,379
Grand Total	7,070	7,337	8,479	8,696	9,733	11,313

The allocation to social sector increased from Rs 7,070 crore in 2001-02 to Rs 11,313 crore in 2006-07 indicating the Government commitment to improve social well being of the society. Expenditure on Social Sector during current year (Rs 11,313 crore) accounted for 38 *per cent* of total expenditure and 59 *per cent* of developmental expenditure⁴. Expenditure on General Education increased by Rs 266 crore over the previous year mainly due to increased expenditure in Non-Formal Education and Government Secondary School while the expenditure on Health and Family Welfare has shown an increase of Rs 110 crore over the previous year. Recognising the need to improve the quality of education and health services, TFC recommended that the Non-Plan salary expenditure under education and health and family welfare should increase by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period. However, trends in expenditure (taking under both the Plan and Non-Plan heads) revealed that the salary and wage component and non-salary component under education increased by seven *per cent* and four *per cent* respectively over 2005-06. Similarly, under Health and Family Welfare sector, the salary and wage component increased by seven *per cent* while non-salary and wage component increased by 21 *per cent*. The expenditure pattern both in education and health services needs correction in the ensuing years, if the norms of the TFC are to be achieved.

4. Development expenditure is defined as the total expenditure made on social and economic services.

1.5.3 Expenditure on Economic Services

The expenditure on economic services includes all such expenditures as to promote directly or indirectly, productive capacity within the States' economy. The expenditure on Economic Services (Rs 7,907 crore) accounted for 27 *per cent* of the total expenditure and 41 *per cent* of developmental expenditure (Table-19). Of this, Irrigation and Flood Control and Power and Energy consumed nearly 53 *per cent* of the expenditure under economic sector.

Table-19: Expenditure on Economic Sector

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Agriculture, Allied Activities.						
Revenue Expenditure	524	507	556	622	851	883
Of which						
(a) Salary & Wage Component	343	342	366	353	408	434
(b) Non-Salary & Wage Component	181	165	190	269	443	449
Capital Expenditure	21	12	48	90	113	102
Total	545	519	604	712	964	985
Irrigation and Flood Control						
Revenue Expenditure	777	750	824	891	928	994
Of which						
(a) Salary & Wage Component	178	155	165	166	156	167
(b) Non-Salary & Wage Component	599	595	659	725	772	827
Capital Expenditure	404	380	891	830	991	756
Total	1,181	1,130	1,715	1,721	1,919	1,750
Power & Energy						
Revenue Expenditure	319	663	943	1,186	1,200	1,743
Of which						
(a) Salary & Wage Component	5	5	5	5	5	5
(b) Non-Salary & Wage Component	319	663	943	1,186	1,200	1,743
Capital Expenditure	333	333	283	350	631	699
Total	652	996	1,226	1,536	1,831	2,442
Transport						
Revenue Expenditure	191	257	273	279	507	689
Of which						
(a) Salary & Wage Component	42	40	45	50	51	53
(b) Non-Salary & Wage Component	149	217	228	229	456	636
Capital Expenditure	150	291	253	264	300	281
Total	341	548	526	543	807	970
Other Economic Services						
Revenue Expenditure	538	608	661	1,127	1,197	1,354
Of which						
(a) Salary & Wage Component	80	78	83	89	99	105
(b) Non-Salary & Wage Component	458	530	578	1,038	1,098	1,249
Capital Expenditure	218	219	319	324	406	406
Total	756	827	980	1,451	1,603	1,760
Total (Economic Services)						
Revenue Expenditure	2,349	2,785	3,257	4,105	4,683	5,663
Of which						
(a) Salary & Wage Component	643	615	659	658	714	759
(b) Non-Salary & Wage Component	1,706	2,170	2,598	3,447	3,969	4,904
Capital Expenditure	1,126	1,235	1,794	1,858	2,441	2,244
Grand Total	3,475	4,020	5,051	5,963	7,124	7,907

Out of total expenditure on Economic Services during 2006-07, 31 *per cent* on Power and Energy, 22 *per cent* on Irrigation and Flood Control and 12 *per cent* each on Transport and Agriculture and allied activities was

5. 2001-02: Rs 0.20 crore, 2002-03: Rs 0.20 crore, 2003-04: Rs 0.20 crore, 2004-05: Rs 0.22 crore, 2005-06: Rs 0.26 crore and 2006-07: Rs 0.28 crore.

incurred. As compared to 2001-02, significant increases in 2006-07 were observed in Power and Energy (275 per cent), Transport services (184 per cent), Agriculture and allied activities (81 per cent) and Irrigation and Flood Control (48 per cent). The salary component in total expenditure on Economic Services ranged between 19 and 10 per cent during the period. The non-salary component consistently increased from Rs 1,706 crore in 2001-02 to Rs 4,904 crore in 2006-07 at an average rate of growth of 31 per cent per annum.

The trends in revenue and capital expenditure on Economic Services indicate that the capital expenditure has increased from Rs 1,126 crore (32 per cent) in 2001-02 to Rs 2,244 crore (28 per cent) in 2006-07, while the revenue expenditure increased from Rs 2,349 crore (68 per cent) in 2001-02 to Rs 5,663 crore (72 per cent) in 2006-07. An increase of Rs 980 crore (21 per cent) in revenue expenditure during 2006-07 over the previous year was mainly due to increase in Power and Energy (Rs 543 crore), Transport (Rs 182 crore) and Irrigation and Flood Control (Rs 66 crore). Of the revenue expenditure, salary component increased from Rs 643 crore (27 per cent) in 2001-02 to Rs 759 crore (13 per cent) in 2006-07 whereas non-salary component increased from Rs 1,706 crore (73 per cent) to Rs 4,904 crore (87 per cent) indicating allocative priorities probably towards their maintenance and the better quality of services.

1.5.4 Financial Assistance by the State Government 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 2002-07 was as follows:

(Rupees in crore)						
S. No.	Bodies/authorities etc.	2002-03	2003-04	2004-05	2005-06	2006-07
1.	Universities and Educational Institutions	182.96	196.48	201.14	214.26	209.23
2.	Municipal Corporations and Municipalities	460.56	501.39	615.20	678.20	720.21
3.	Zila Parishads and Panchayati Raj Institutions	1,167.76	1,172.21	1,885.82	2,112.38	2,050.78*
4.	Development Agencies	247.88	275.13	68.82	4.88	48.41
5.	Hospitals and other Charitable Institutions	7.22	31.07	34.05	193.97	86.50
6.	Other Institutions	797.69	1,191.98	1,522.30	1,806.80	2,738.66**
	Total	2,864.07	3,368.26	4,327.33	5,010.49	5,853.79
	Percentage increase (+)/ decrease (-) over previous year	11	18	28	16	17
	Assistance as a percentage of revenue receipts	22	22	24	24	23
	Percentage of assistance to revenue expenditure	17	18	22	23	23

* Includes General Education: Rs 1,047.97 crore and 'Other Rural Development Programmes': Rs 848.09 crore.

**Includes Power: Rs 1,742.20 crore, Crop Husbandry: Rs 234.03 crore, Relief on account of Natural Calamities: Rs 219.29 crore and General Education: Rs 135.61 crore.

1.5.5 Delay in furnishing of Utilisation Certificates

Out of 14,493 utilisation certificates (UCs) due in respect of grants aggregating Rs 2,805.66 crore paid during April 1994 to March 2006, 12,954 UCs for Rs 2,755.34 crore had been furnished by 31 March 2007. Thus, 1,539 UCs for Rs 50.32 crore were in arrears indicating increase (603) in the number of pending UCs (936) over 31 March 2006 as further UCs became due on release of grants during the year 2005-06. Department-wise break-up of outstanding UCs is given in *Appendix-1.7*.

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.

1.6 Misappropriation and defalcation of Government money

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 discovered in a treasury, any other office/Department shall be reported immediately by the officer concerned to the next higher authority as well as to the Principal Accountant General. As of June 2007, 1057 cases of various Departments⁶ amounting to Rs 32.08 crore regarding embezzlement (353) and theft/loss (704) of the Government money have been reported (March 2007) and were pending for corrective action as under:

Particulars	Number of cases	Amount (Rupees in crore)
Cases reported upto March 2005 and outstanding at the end of August 2005	1,114	22.53
Cases reported during 2005-06 and 2006-07	209	11.62
Cases disposed off between September 2005 and June 2007	266	2.07
Total cases reported upto March 2007 and outstanding as of June 2007.	1,057	32.08

Analysis of the pending embezzlement cases revealed that the cases were related mainly 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. Theft/loss cases were related to theft of cash, stores/stock, vehicles and parts of vehicles, machinery and equipment etc. Out of 1,057 cases pending as on June 2007, 706 cases (Rs 16.77 crore) were more than five years old and 169 cases (Rs 4.58 crore) were three to five years old. In 625 cases Rs 14.30 crore were pending recovery and other cases were pending for want of departmental investigation, decision of court and write-off sanction. In 42 cases out of the total cases reported, the amount of theft and embezzlement was not informed by the Department concerned despite regular

6. Revenue: 71 cases- Rs 2.66 crore; Education: 177 cases- Rs 2.45 crore; Works: 551 cases- Rs 15.47 crore; Medical: 72 cases- Rs 2.16 crore and Others: 186 cases-Rs 9.34 crore.

pursuance and position appraising from time to time to the Department and the Government.

Keeping in view of the measures suggested by 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 cases and intimate progress to the Principal Accountant General. As 706 cases were more than five years old, Government needs to take suitable steps to finalise the cases in a time bound manner. The matter was reported to the Government in May 2007; reply has not been received (September 2007).

1.7 Assets and Liabilities

In the Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix-1.3* gives an abstract of such liabilities and the assets as on 31 March 2007, compared with the corresponding position on 31 March 2006. While the liabilities consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances. In real terms the assets grew by Rs 5,364 crore (13 *per cent*) and liabilities grew by Rs 4,726 crore (seven *per cent*) over the previous year. High priority on capital outlay and increased expenditure on developmental activities have very good impact on asset formation. Though during the current year the assets have increased substantially, the ratio of liabilities to assets remained at 0.64. Thus 36 *per cent* liabilities did not have asset back up. *Appendix-1.6* depicts the time series data on State Government finances for the period 2001-07.

1.7.1 Lack of accountability of departmental commercial undertakings

Activities of quasi-commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit. As of March 2007, there were 12 such undertakings⁷, out of which only Patta Tendu Scheme of Forest Department had not prepared accounts from 2005-06. An amount of Rs 5,552.55 crore had been invested by the State Government in these 12 undertakings at the end of financial year

7. This does not include: Scheme for purchase and sale of pumping sets and Rajasthan Ground Water Department, Jodhpur which were declared non-commercial with effect from December 1987. However, the *pro forma* accounts of these departmental undertakings from 1975-76 to 1987-88 and 1974-75 to 1987-88 respectively, were pending.

upto which their accounts were finalised as detailed in *Appendix-1.8*. Points of interest noticed during the course of audit were as under:

- Of the 12 undertakings, seven undertakings⁸ were incurring losses continuously for more than five years. The accumulated losses of these seven departmental undertakings were Rs 4,430.88 crore as against the total investment of Rs 5,552.55 crore.
- In *pro forma* accounts of *Patta Tendu* Scheme for the year 2004-05, a sum of Rs 30.53 lakh was outstanding against debtors of which Rs 26.60 lakh related to the period from 1974-75 to 1998-99, the recovery of which was doubtful.
- Despite being pointed out in the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2002, Rajasthan Water Supply and Sewerage Management Board, Jaipur did not maintain essential Ledgers/Reports⁹. The age-wise break-up of Sundry debtors of Rs 144.95 crore was also not available. In absence of Fixed Assets Registers and their physical verification, the existence of Fixed Assets (Rs 1,090.03 crore) could not be verified in audit.

In view of the heavy losses of some of the undertakings, Government should review their working so as to make them self supporting.

1.7.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2007 is given in the Table-20.

Table-20: Department-wise Profile of Incomplete Projects

(Rupees in crore)						
Department	Number of Incomplete Projects	Initial Budgeted Cost	No. of Projects where cost revised	Revised Total Cost of Projects	Cost over-runs	Actual Expenditure Upto 31.03.2007
Irrigation Works/Projects	152	1,249	28	2,418	1,169	1,563
Public Works Department/ Project	207	449	9	451	2	203
Bisalpur Drinking Water Cum Irrigation Project	6	44	2	45	1	21
Public Health Engineering Department	80	2,401	6	2,418	17	990
Total	445	4,143	45	5,332	1,189	2,777

As per information received from the State Government, as of 31 March 2007, there were 445 incomplete projects (total cost more than Rs 1 crore of each project) in which Rs 2,777 crore were blocked. Of these, 340 projects

8. Jail Manufacture, Ajmer (Rs 1.01 crore), Alwar (Rs 0.35 crore), Bikaner (Rs 0.72 crore), Jaipur (Rs 1.45 crore), Jodhpur (Rs 1.12 crore), Kota (Rs 0.25 crore) and Rajasthan Water Supply and Sewerage Management Board, Jaipur (Rs 4,425.98).
9. Material-at-Site account, Completion Reports, Works Abstract, Journal, Journal Vouchers, General Ledgers, Subsidiary Ledgers, Bills Receivable Registers and Fixed Assets Registers.

involving Rs 652 crore remained incomplete for less than five years, 105 projects involving an amount of Rs 2,125 crore remained incomplete for periods ranging from five to 15 years. The cost of incomplete projects increased by 29 *per cent* from Rs 4,143 crore (initial budgeted cost) to Rs 5,332 crore (total revised cost) on account of revision in costs for 45 projects only. Out of the total cost overrun of Rs 1,189 crore, Rs 1,169 crore pertain to Irrigation Works/Projects which was 94 *per cent* of initial budgeted cost. The revised cost overrun is mainly under Narmada Jalore Project Rs 979 crore (82 *per cent* of total cost overrun).

1.7.3 Financial Results of Irrigation Works

The financial results of five major and 12 medium irrigation projects with a capital outlay of Rs 3,861 crore at the end of March 2007 showed that revenue realised (Rs 54 crore) from these projects during 2006-07 was only 1.4 *per cent* of the capital expenditure which was not sufficient to cover the direct working expenses. After meeting the working and maintenance expenditure (Rs 94 crore) and interest charges (Rs 378 crore), the schemes suffered a net loss of Rs 418 crore. State Government was required to increase water charges from Rs 191 per hectare (ha) in 1999-2000 to Rs 550 per ha by 2005-06. No such revision was made after 1999.

Indira Gandhi Nahar Project (IGNP) is the largest irrigation project under execution in Rajasthan and various stages of it have been completed over the years. At the end of March 2007 the capital expenditure on IGNP was Rs 3,061.60 crore. During 2006-07 the revenue realised from IGNP was Rs 14.87 crore comprising just 0.5 *per cent* of the capital expenditure. This revenue was negligible (4.2 *per cent*) even with reference to total working and maintenance expenditure (Rs 50.09 crore) incurred and the interest charges of (Rs 300.48 crore) relating to 2006-07.

1.7.4 Unproductive expenditure on construction of Minor Irrigation Projects

Water Resource Department spent Rs 6.35 crore on construction of two Minor Irrigation Projects (MIPs) viz. Pipla Minor Irrigation Project (Rs 2.45 crore) and Jawanpura Dhabai Minor Irrigation Project, District Jaipur (Rs 3.90 crore) to provide irrigation in 765 acre and 540 hectare respectively. The projects have been completed in March 1998 and August 2000.

There was nil inflow in the dam since their completion as against anticipated inflow in Pipla MIP¹⁰ and Jawanpura Dhabai¹¹ despite rainfall ranging between 11.71 to 22 inch (Pipla MIP) and 10 to 38 inch (Jawanpura Dhabai MIP). Nil inflow in the dam of MIPs constructed at a cost of Rs 6.35 crore indicated wrong projection of the catchment area/selection of wrong site for dam.

10. 1998: 73.42 mcft; 1999: 38.30 mcft; 2003: 82.06 mcft; 2004: 14.23 mcft; 2005: 27.66 mcft.

11. 2001: 177 mcft; 2002: 20 mcft; 2003: 625 mcft; 2004: 93 mcft; 2005: 396 mcft.

The Government stated (March and July 2007) that inflow in dam depends upon the pattern of rainfall and there was no heavy down pour in the catchment area. The reply was not tenable as intensity of rainfall was not taken into consideration while proposing the projects and nil inflow in the dam despite substantial rainfall indicated inadequate hydrological study of the area.

1.7.5 Government investments and returns

As of 31 March 2007, Government invested Rs 5,485 crore in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies and Co-operatives Bank/Societies (Table-21). The return on this investment was 0.1 to 0.9 *per cent* during 2001-07 while Government paid interest at the average rate of 8.2 *per cent* to 10.5 *per cent* on its borrowings.

Table-21: Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on Government borrowing	Difference between interest rate and return
	(Rupees in crore)			(per cent)	
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
2005-06	4,770.43	22.57	0.5	8.2	7.7
2006-07	5,485.26	9.62	0.2	8.3	8.1

The investment of State Government included Rs 4,791 crore in 32 Government Companies, of which only five companies declared dividend aggregating to Rs 8 crore. During 2006-07, the State Government has invested Rs 714.83 crore in Government Companies and Co-operative Banks and Societies. The sectors/companies where major investments were made during 2006-07 were (i) Co-operative Banks and Societies (Rs 14.61 crore), (ii) Rajasthan *Rajya Vidyut Utpadan Nigam* Limited (Rs 352 crore), (iii) Rajasthan *Rajya Vidyut Prasaran Nigam* Limited (Rs 90 crore) (iv) Jaipur *Vidyut Vitran Nigam* Limited (Rs 88 crore), (v) Jodhpur *Vidyut Vitran Nigam* Limited (Rs 81 crore) and (vi) Ajmer *Vidyut Vitran Nigam* Limited (Rs 83 crore). As on 31 March 2007, five power companies in which Government had invested Rs 4,424.09 crore (81 per cent of total investment) showed nil Profit/Loss in their accounts and no dividend paid to Government.

1.7.6 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organizations. Total outstanding loans and advances as on 31 March 2007, were Rs 4,231 crore (Table-22), out of which Rs 1,666 crore was outstanding against erstwhile Rajasthan State Electricity Board. Although the Rajasthan State Electricity Board was unbundled on 19 July 2000 into five successor Power Companies, the aforesaid loan has still not been distributed amongst the successor companies by the Government (March 2007) despite

lapse of more than six years. Interest received against these loans advanced was three *per cent* during 2006-07 as against 2.7 *per cent* in previous year.

Table-22: Average Interest Received on Loans Advanced by the State Government

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Opening Balance	2,664	2,801 ¹²	2,954	3,721	4,236	4,432
Amount advanced during the year	204	278	926	640	434	313
Amount repaid during the year	69	125	159	125	238	514
Closing Balance	2,799	2,954	3,721	4,236	4,432	4,231
Net addition	135	153	767	515	196	(-) 201
Interest Received	83	85	115	114	119	128
Interest received as <i>per cent</i> to outstanding Loans and advances	3.0	3.0	3.4	2.9	2.7	3.0
Average interest rate (in <i>per cent</i>) paid on borrowings by State Government.	10.5	10.0	9.6	9.1	8.2	8.3
Difference between average interest paid and received (<i>per cent</i>)	(-) 7.5	(-) 7.0	(-) 6.2	(-) 6.2	(-) 5.5	(-) 5.3

During the current year major portion of loan was advanced to Rajasthan *Rajya Vidyut Utpadan Nigam Limited* (Rs 15 crore), Jaipur *Vidyut Vitran Nigam Limited* (Rs 102.50 crore), Jodhpur *Vidyut Vitran Nigam Limited* (Rs 75.75 crore), Ajmer *Vidyut Vitran Nigam Limited* (Rs 81.75 crore), Rajasthan Pensioner Medical Fund (Rs 10 crore) for Indoor Medical facility Scheme to Pensioners and Food Storage and Warehousing (Rs 10.50 crore) for godown construction in rural areas.

During 2006-07, the recovery of Loans and Advances increased by Rs 276 crore mainly on account of book adjustment of Rs 289 crore by the State Government from the head 'Miscellaneous General Services' to the head 'Loans to Government Servants etc'.

1.7.7 Management of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) - ordinary and special - from Reserve Bank of India has been put in place. The operative limit for Normal Ways and Means Advances is reckoned on the three year average of revenue receipts and the operative limit for Special Ways and Means Advances is fixed by Reserve Bank of India from time to time depending on the holding of Government securities.

The limit of the State Government was fixed at Rs 505 crore for Normal Ways and Means advances and Special Ways and Means advances revised by the Bank from time to time during 2006-07.

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

The State Government's cash balances at the end of current year amounted to Rs 2,622 crore. The major portion of which (Rs 2,350 crore) is invested in Government of India Securities and earned an interest of Rs 163 crore during the year. Further an amount of Rs 249.72 crore is invested in earmarked funds, i.e. Other Funds (Rs 172.08 crore) and Other Funds-Investment Accounts (Rs 77.64 crore).

Ways and Means Advances and Overdrafts availed, the number of occasions it was availed and interest paid by the State during 2001-07 is detailed in Table-23.

Table-23: Ways and Means and Overdrafts of the State

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Ways and Means Advances						
Availed in the Year	2,635.01	4,893.81	5,870.88	1,808.96	-	59.21
Outstanding WMAs, if any	446.24	235.70	-	-	-	59.21
Interest Paid	20.67	23.68	24.59	1.45	-	-
Number of Day(s)	141	206	213	89	-	1
Overdraft						
Availed in the year	5,370.54	4,656.06	3,708.40	-	-	-
Outstanding	625.09	-	-	-	-	-
Interest Paid	4.28	6.19	6.33	-	-	-
Number of Day(s)	168	150	93	-	-	-

1.8 Undischarged Liabilities

According to Rajasthan Fiscal Responsibility and Budget Management Act, 2005, the total liability means the explicit liabilities under Consolidated Fund of the State and the Public Account of the State including General Provident Fund.

1.8.1 Fiscal Liabilities – Public Debt and Guarantees

There are two sets of liabilities namely, public debt and other liabilities. Public debt consists of internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund-Capital Accounts. It includes market loans, special securities issued by RBI and loans and advances from the Central Government. The Constitution of India provides that a 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 the Act of its Legislature and give guarantees within such limits as may be fixed. However, no law has been passed in the State to lay down any such limit for Fiscal Liabilities. Other liabilities, which are a part of public account, include deposits under small savings scheme, provident funds and other deposits.

Table-24 gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, to revenue receipts and to own resources as also the buoyancy of fiscal liabilities with respect to these parameters.

Table-24: Fiscal Liabilities – Basic Parameters

(Value: Rupees in crore and ratio in per cent)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Fiscal Liabilities ¹³	39,970	45,871	53,361	60,134	66,407	71,146
Rate of Growth	18.0	14.8	16.3	12.7	10.4	7.1
Ratio of Fiscal Liabilities to						
GSDP	44.4	53.2	49.3	53.0	53.5	50.8
Revenue Receipts	328.9	350.6	346.0	338.5	318.7	278.0
Own Resources	556.8	586.4	572.7	569.4	526.3	473.1
Buoyancy of Fiscal Liabilities to						
GSDP (ratio)	1.6	(-) 3.5*	0.6	2.7	1.1	0.6
Revenue Receipts (ratio)	(-) 9.0*	1.9	0.9	0.8	0.6	0.3
Own Resources (ratio)	6.7	1.6	0.9	1.0	0.5	0.4

* Either rate of growth of Revenue Receipts or GSDP was negative.

Overall fiscal liabilities of the State have increased by 78 per cent from Rs 39,970 crore in 2001-02 to Rs 71,146 crore in 2006-07. Fiscal Liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund Liability (Rs 50,504 crore) comprised of market loan (Rs 16,071 crore), loans from Government of India (Rs 7,637 crore) and other loans (Rs 26,796 crore). The Public Account liabilities (Rs 20,642 crore) comprise of Small Saving, Provident Fund (Rs 14,303 crore), interest bearing obligations (Rs 2,271 crore) and non-interest bearing obligations like deposits and other earmarked funds (Rs 4,068 crore). The growth rate of fiscal liability was 7.1 per cent during 2006-07 over previous year. The ratio of fiscal liabilities to GSDP increased from 44 per cent in 2001-02 to 51 per cent in 2006-07. These liabilities stood at 2.78 times of revenue receipts and 4.73 times of the States own resources as at the end of 2006-07. The State's GSDP had grown faster than the fiscal liabilities. The buoyancy of these liabilities with respect to GSDP during the year was 0.6. The State Government has set up the Consolidated Sinking Fund in pursuance to TFC recommendation and Rs 350 crore has been transferred in the Fund during 2006-07.

1.8.2 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of year since 2001-02 is given in Table 25.

Table-25: Guarantees given by the Government of Rajasthan

(Rupees in crore)

Year	Maximum amount guaranteed	Outstanding amount of guarantees	Revenue receipts	Percentage of Maximum amount guaranteed to revenue receipt
2001-02	19,117	12,912	12,153	157.3
2002-03	21,887	14,968	13,082	167.3
2003-04	24,585	17,239	15,424	159.4
2004-05	20,457	12,703	17,763	115.2
2005-06	21,342	13,171	20,839	102.4
2006-07	27,402	14,709	25,592	107.1

13. Includes in Fiscal Liabilities all internal debt, loans and advances from GOI, small savings, provident funds etc., interest bearing obligations such as depreciation reserve fund of commercial undertakings, deposits and non-interest bearing obligations such as deposits of local fund, civil deposit and other earmarked fund.

The Government set up a Guarantee Redemption Fund in 1999-2000 and as on 31 march 2007, there were Rs 106.57 crore under this Fund. In the current year the Government received Rs 15.42 crore as guarantee commission.

1.8.3 Off-Budget Borrowings

The borrowings of a State are governed under Article 293(1) of the Constitution of India. In addition to the liabilities shown in Table-25, the State guaranteed loans availed of by Government companies/corporations. These companies/corporations borrowed funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the estimates of the plan programmes of the State Government project that funds for these programmes would be met out of the resources of the companies/corporations outside the State budget, however, in reality the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Though off-budget borrowings are not permissible under Article 293 (3), the State continues to undertake such off-budget borrowings as per the data furnished by the Finance Department (August 2007). Table-26 captures the trends in the off-budget borrowings by the State during 2001-07.

Table-26: Borrowings by the Public Sector Undertakings for Fulfillment of State Plans

	(Rupees in crore)						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Power Utilities	737.91	476.79	359.69	337.12	605.12	877.26	3,393.89
Rajasthan State Road Transport Corporation	36.32	51.46	62.29	74.31	95.43	68.98	388.79
Rajasthan State Road Development and Construction Corporation Limited	27.76	20.39	1.93	31.75	15.80	6.67	104.30
Public Health Engineering Department	16.61	18.21	-	-	-	-	34.82
Rajasthan State Mines and Minerals Limited	20.00	29.86	-	-	-	-	49.86
Rajasthan Housing Board	9.75	18.19	8.57	9.31	0.40	-	46.22
Total	848.35	614.90	432.48	452.49	716.75	952.91	4,017.88

1.9 Debt Sustainability

The debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt. A prior condition for debt sustainability is the debt stabilization in terms of debt/GSDP ratio.

1.9.1 Debt Stabilisation

A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate - interest rate) and quantum spread (Debt* rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling. Trends in fiscal variables indicating the progress towards the debt stabilization are indicated in Table-27.

Table-27: Debt Sustainability–Interest Rate and GSDP Growth

	(in per cent)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average Interest Rate	10.5	10.0	9.6	9.1	8.2	8.3
GSDP Growth	11.1	(-) 4.2	25.5	4.7	9.5	12.7
Interest spread	0.6	(-) 14.2	15.9	(-) 4.4	1.3	4.4
Outstanding Debt (Rs in crore)	33,874	39,970	45,871	53,361	60,134	66,407
Quantum Spread (Rs in crore)	203	(-) 5,676	7,293	(-) 2,348	782	2,922
Primary Surplus (+)/ Deficit (-) (Rs in crore)	(-) 1,871	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+) 1,732

The sum of Quantum spread and Primary deficit was negative during the period 2001-05 except in the year 2003-04 in which debt-GSDP ratio marginally declined. This sum was however positive during the last two years (2005-06 and 2006-07) indicating declining trend in debt-GSDP ratio. These trends indicate that the State is moving towards the debt stabilization which in turn might improve the debt sustainability position of the State.

1.9.2 Sufficiency of Non-debt Receipts

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Table-28 indicates the resource gap as defined for the period 2001-07.

Table-28: Incremental revenue receipts and revenue expenditure

Period	Incremental				Resource Gap
	Non-debt Receipts	Primary Expenditure	Interest Payments	Total Expenditure	
1	2	3	4	5 (3+4)	6 (2-5)
2001-02	(-) 304	594	539	1,133	(-) 1,437
2002-03	985	928	422	1,350	(-) 365
2003-04	2,381	3,157	477	3,634	(-) 1,253
2004-05	2,300	684	395	1,079	1,221
2005-06	3,190	2,156	38	2,194	996
2006-07	5,028	3,356	492	3,848	1,180

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. While 2001-04 reflects the negative gap, 2004-07 reflects the positive gap indicating the increasing capacity of the State to sustain the debt in the medium to long run.

1.9.3 Net availability of Borrowed Funds

The debt sustainability of the State also depends on (i) the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and (ii) application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. The solution to the Government debt problem lies in application of borrowed funds, i.e. they are (a) not being used for financing revenue expenditure; and (b) being used efficiently and productively for capital expenditure which either provides returns directly or results in increased productivity of the economy in general which may result in increase in Government revenue.

Table-29 gives the position of the receipts and repayment of internal debt and other fiscal liabilities of the State as well as the net availability of the borrowed funds over the last five years.

Table-29: Net Availability of Borrowed Funds

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Internal Debt*						
Receipt	1,609	2,701	3,263	3,460	24,144	3,822
Repayment (Principal + Interest)	1,322	1,436	1,789	2,817	4,137	5,019
Net Fund Available	287	1,265	1,474	643	20,007	(-) 1,197
Net Fund Available (per cent)	17.8	46.8	45.2	18.6	82.9	-
Loans and Advances from GOI*						
Receipt	3,673	4,787	5,762	6,522	(-) 18,649	341
Repayment (Principal + Interest)	2,334	3,757	4,994	6,234	989	1,267
Net Fund Available	1,339	1,030	768	288	(-) 19,638	(-) 926
Net Fund Available (per cent)	36.5	21.5	13.3	4.4	-	-
Other obligations						
Receipt	25,957	32,519	36,888	41,481	45,974	54,611
Repayment (Principal + Interest)	25,717	32,158	36,151	40,810	45,281	53,510
Net Fund Available	240	361	737	671	693	1,101
Net Fund Available (per cent)	0.9	1.1	2.0	1.6	1.5	2.0
Total liabilities*						
Receipt	31,239	40,007	45,913	51,463	51,469	58,774
Repayment (Principal + Interest)	29,373	37,351	42,934	49,861	50,407	59,796
Net Fund Available	1,866	2,656	2,979	1,602	1,062	(-) 1,022
Net Fund Available (per cent)	6.0	6.6	6.5	3.1	2.1	-

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

The net funds available on account of the internal debt and loans and advances from Government of India and other obligations after providing for the interest and repayment varied turned into negative during 2006-07 from 2 per cent in 2005-06. During the current year the Government repaid internal debt of Rs 1,144 crore; Government of India loans of Rs 636 crore and also discharged other obligations of Rs 52,314 crore along with interest of Rs 5,702 crore as a result of which no borrowed funds were available. During the year, in view of the large cash balances, the focus of the Government seems to be on

discharging the past debt obligations both on account of principal and interest payments on loans raised from the market as well as from the Government of India.

1.10 Management of Deficits

The deficit in the Government accounts represents 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 raised and applied are important pointers to its fiscal health.

1.10.1 Trends in Deficits

The trends in fiscal parameters depicting the position of fiscal equilibrium in the State are presented in Table-30.

Table-30: Fiscal Imbalances: Basic Parameters

(Rupees in crore)						
Parameters	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenue Surplus (+)/Deficit (-)	(-)3,796	(-)3,934	(-)3,424	(-)2,143	(-)660	(+) 638
Fiscal Surplus (+)/Deficit (-)	(-)5,749	(-)6,114	(-)7,367	(-)6,146	(-)5,150	(-)3,970
Primary Surplus (+)/Deficit (-)	(-)1,871	(-)1,814	(-)2,590	(-)974	(+)60	(+)1,732
RD/GSDP (per cent)	(-) 4.2	(-) 4.6	(-) 3.2	(-) 1.9	(-) 0.5	-
FD/GSDP (per cent)	(-) 6.4	(-) 7.1	(-) 6.8	(-) 5.4	(-) 4.1	(-) 2.8
PD/GSDP (per cent)	(-) 2.1	(-) 2.1	(-) 2.4	(-) 0.9	-	-
RD/FD (per cent)	66.0	64.3	46.5	34.9	12.8	-

Table-30 reveals that the revenue account experienced a situation of huge deficit during the period 2001-05 which hovered around an average of Rs 3,324 crore during these years. The deficit was reduced sharply to Rs 660 crore during 2005-06 and revenue account turned into a surplus of Rs 638 crore during the current year. The turnaround situation in revenue account during the current year was mainly on account of an increase of Rs 4,753 crore in revenue receipts (23 per cent) against the increase of Rs 3,455 crore in revenue expenditure (16 per cent). The increase in revenue receipts may however be seen in view of the booking of debt and interest relief (Rs 617.40 crore) given by GOI under DCRF for the years 2005-06 and 2006-07 under the head 'Miscellaneous General Services' and transfer of Rs 289 crore from 'Miscellaneous General Services' to non-debt capital receipts under the head 'Loans to Government Servants, etc'.

The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, decreased from Rs 5,749 crore in 2001-02 to Rs 3,970 crore in 2006-07. Despite an increase of Rs 514 crore in capital expenditure and decrease of Rs 121 crore in loans and advance disbursed during the current year over the previous year, fiscal deficit was reduced by Rs 1,180 crore on account of surplus of Rs 1,298 crore in revenue account and increase of Rs 275 crore in non-debt capital receipts during 2006-07 over the previous year. FD-GSDP ratio decreased from 4.1 per cent in 2005-06 to 2.8 per cent in

2006-07 which is within the target of three *per cent* as prescribed by FRBM Act for 2008-09.

The primary deficit¹⁴ which persisted in the State budget till 2004-05 also took a turnaround and resulted into a primary surplus during last two years. The primary surplus increased from Rs 60 crore in 2005-06 to Rs 1,732 crore in 2006-07.

1.10.2 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of Primary deficit into primary revenue deficit¹⁵ and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. The ratio of RD to FD which moderately declined during 2002-05 was reduced very steeply during 2005-06 and RD was wiped out and turned into surplus during the current year. This trajectory shows a consistent improvement in the quality of the deficit and during 2006-07 all borrowings (fiscal liabilities) were used in activities resulting in expansion in the asset backup of the State.

The bifurcation of the factors resulting into primary deficit or surplus of the State during the period 2001-07 reveals (Table-31) that throughout this period, the primary deficit was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were enough to meet the primary expenditure¹⁶ requirements in the revenue account, rather left some receipts to meet the expenditure under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirement under capital account resulting in primary deficit. This indicates the extent to which the primary deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table-31: Primary deficit/Surplus – Bifurcation of factors.

(Rupees in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and Advances	Primary Expenditure	Primary Revenue deficit(-)/surplus(+)	Primary deficit(-)/surplus(+)
1	2	3	4	5	6(3+4+5)	7(2-3)	8(2-6)
2001-02	12,222	12,071	1,818	204	14,093	(+) 151	(-) 1,871
2002-03	13,207	12,716	2,027	278	15,021	(+) 491	(-) 1,814
2003-04	15,588	14,071	3,181	926	18,178	(+) 1,517	(-) 2,590
2004-05	17,888	14,734	3,488	640	18,862	(+) 3,154	(-) 974
2005-06	21,078	16,289	4,295	434	21,018	(+) 4,789	(+) 60
2006-07	26,106	19,252	4,809	313	24,374	(+) 6,854	(+) 1,732

14. Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the State during the course of the year.

15. Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.

16. Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

1.11 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table-32 below presents a summarised position of Government finances over 2001-07, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and captures its important facts.

Table-32: Indicators of Fiscal Health

(in per cent)

Fiscal Indicators	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
I Resource Mobilization						
Revenue Receipt/GSDP	13.5	15.2	14.2	15.7	16.8	18.3
Revenue Buoyancy	- 0.2*	- 1.8*	0.7	3.2	1.8	1.8
Own Tax/GSDP	6.3	7.2	6.7	7.4	8.0	8.3
Own Taxes Buoyancy	0.6	(-) 2.5	0.6	3.4	1.8	1.4
II Expenditure Management						
Total Expenditure/GSDP	20.0	22.4	21.2	21.2	21.1	21.5
Revenue Receipts/Total Expenditure	67.6	67.7	67.2	73.9	79.5	85.1
Revenue Expenditure/Total Expenditure	88.7	88.1	82.1	82.8	82.0	83.0
Capital Expenditure/Total Expenditure	10.1	10.5	13.9	14.5	16.4	16.0
Development Expenditure/Total Expenditure	58.7	58.8	58.9	61.0	64.3	63.9
Buoyancy of TE with RR	- 3.4*	1.0	1.1	.0.3	0.5	0.6
Buoyancy of RE with RR	- 3.1*	0.9	0.6	0.4	0.5	0.7
III Management of Fiscal Imbalances						
Revenue surplus (+)/deficit (-) (Rs in crore)	(-) 3,796	(-) 3,934	(-) 3,424	(-) 2,143	(-) 660	(+) 638
Fiscal surplus (+)/deficit (-) (Rs in crore)	(-) 5,749	(-) 6,114	(-) 7,367	(-) 6,146	(-) 5,150	(-) 3,970
Primary surplus (+)/deficit (-) (Rs in crore)	(-) 1,871	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+) 1,732
Revenue Deficit/Fiscal Deficit	66.0	64.3	46.5	34.9	12.8	**
IV Management of Fiscal Liabilities						
Fiscal Liabilities/GSDP	44.4	53.2	49.3	53.0	53.5	50.8
Fiscal Liabilities/RR	328.9	350.6	346.0	338.5	318.7	278.0
Buoyancy of FL with RR	- 9.0*	1.9	0.9	0.8	0.6	0.3
Buoyancy of FL with Own Receipts	6.7	1.6	0.9	1.0	0.5	0.4
Interest spread	0.6	(-) 14.2	15.9	(-) 4.4	1.3	4.4
Net Funds Available	6.0	6.6	6.5	3.1	2.1	#
V Other Fiscal Health Indicators						
Return on Investment	0.2	0.3	0.1	0.9	0.5	0.2
Balance from Current Revenue (Rs in crore)	- 2,692	- 3,045	- 2,948	- 1,368	405	2,204
Financial Assets/Liabilities	0.59	0.56	0.56	0.57	0.60	0.64

* Either rate of growth of Revenue Receipts or GSDP was negative.

** Revenue surplus.

Net funds available are negative.

The ratio of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources. Revenue receipts are comprised not only of the tax and non-tax resources of

the State but also the transfers from Union Government. The ratio of revenue receipts to GSDP during the current year was 18 *per cent*, an increase of one percentage points over the previous year. During 2001-07, the ratio of own taxes to GSDP showed continued improvement except in 2003-04 when it declined marginally.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilization efforts. The ratio of revenue expenditure to total expenditure during the current year was 83 *per cent*, an increase of one percentage points over the previous year. Increasing reliance on revenue receipts to finance the total expenditure which was 85 *per cent* during 2006-07 indicated decreasing dependence on borrowed funds, as also reflected by the decreasing ratio of financial liabilities to revenue receipts.

Revenue surplus and significant decline in fiscal deficit during 2006-07 indicated an improvement in fiscal position of the State. The Balance from Current Revenue which became positive during 2005-06 was Rs 2,204 crore during 2006-07 as compared to Rs 405 crore in 2005-06 indicating ample funds were available for creation of assets and to meet State plan schemes.

1.12 Conclusion

During 2006-07, Government succeeded in taking appropriate measures to eliminate revenue deficit and build up revenue surplus and also contain fiscal deficit to three *per cent* ahead of two years than stipulated in FRBM Act, 2005. The revenue surplus of Rs 638 crore during current year was due to increase in revenue receipts by 23 *per cent* against 16 *per cent* increased in revenue expenditure over the previous year. The increase in revenue receipts may however be seen in view of the booking of debt and interest relief (Rs 617.40 crore) given by GOI under DCRF for the years 2005-06 and 2006-07 under the head 'Miscellaneous General Services' and transfer of Rs 289 crore from 'Miscellaneous General Services' to non-debt capital receipts under the head 'Loans to Government Servants, etc'. The negligible return on government investments (less than one per cent) especially in the power sector and inadequate recovery of interest receipts on loans and advances vis-à-vis the higher cost of the borrowed funds, directly or indirectly put the strain on the fiscal budget of the state and therefore continued to be a cause of concern.

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

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. It also ascertains whether the expenditure 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 2006-07 against 51 grants and four appropriations was as follows:

(Rupees in crore)

	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Saving (-)/Excess (+)
Voted	I. Revenue	19,041.53	2,340.60	21,382.13	20,198.12	(-) 1,184.01
	II. Capital	5,724.39	703.62	6,428.01	5,520.39	(-) 907.62
	III. Loans and Advances	181.34	164.76	346.10	312.64	(-) 33.46
Total Voted		24,947.26	3,208.98	28,156.24	26,031.15	(-) 2,125.09
Charged	IV. Revenue	5,831.25	5.99	5,837.24	5,735.84	(-) 101.40
	V. Capital	0.03	*	0.03	0.28	(+) 0.25
	VI. Public Debt-Repayment	4,380.65	0.90	4,381.55	1,780.42	(-) 2,601.13
Total Charged		10,211.93	6.89	10,218.82	7,516.54	(-) 2,702.28
Grand Total		35,159.19	3,215.87	38,375.06	33,547.69¹	(-) 4,827.37

* Only Rs 7000.

Note: The figures of actual expenditure are gross figures and exclude the recoveries adjusted as reduction of expenditure under revenue (Rs 980.16 crore) and capital (Rs 711.30 crore).

The overall savings of Rs 4,827.37 crore as mentioned above was the net result of savings of Rs 4,827.79 crore in 54 grants and appropriations offset by

1. The total actual expenditure stands inflated to the extent of Rs 7,642.60 crore transferred to 8443-Civil Deposits and other Deposit heads.

excess of Rs 0.42 crore in six cases of grants and appropriations. The savings/excesses (Detailed Appropriation Accounts) were intimated to the Controlling Officers requesting them to explain the significant variations. Explanations for savings/excesses in respect of 157 sub-heads out of 471 sub-heads commented upon in Appropriation Accounts (33.3 per cent) were not received (September 2007).

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Against the total savings of Rs 4,827.79 crore, savings of Rs 4,323.97 crore (89.6 per cent)² occurred in 12 cases relating to nine grants and two appropriations as indicated below:

(Rupees in crore)						
S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	15-Pensions and Other Retirement Benefits	2,327.99	-	2,327.99	2,116.13	211.86
2.	21-Roads and Bridges	707.67	122.72	830.39	698.14	132.25
3.	26-Medical and Public Health and Sanitation	1,257.14	A	1,257.14	1,200.13	57.01
4.	29-Urban Plan and Regional Development	223.94	-	223.94	156.97	66.97
5.	30-Tribal Area Development	601.35	B	601.35	528.60	72.75
6.	34-Relief from Natural Calamities	875.15	593.39	1,468.54	1,327.91	140.63
7.	41-Community Development	1,045.81	C	1,045.81	840.86	204.95
Capital-Voted						
8.	27-Drinking Water Scheme	1,579.62	132.09	1,711.71	1,512.14	199.57
9.	29-Urban Plan and Regional Development	1,137.82	D	1,137.82	849.74	288.08
10.	46-Irrigation	954.57	E	954.57	705.33	249.24
Revenue-Charged						
11.	Interest Payments	5,802.25	F	5,802.25	5,701.82	100.43
Capital-Charged						
12.	Public Debt	4,380.66	G	4,380.66	1,780.43	2,600.23
TOTAL		20,893.97	848.20	21,742.17	17,418.20	4,323.97

A: Rs 13,000; B: Rs 3,000; C: Rs 9,000; D: Rs 1,000; E: Rs 33,000; F: Rs 3,000 and G: Rs 7,000.

The heads of account under which huge savings occurred in the above 12 cases are given in **Appendix-2.1**.

The savings under "Pensions and Other Retirement Benefits" was mainly due to less voluntary retirement cases received resulting less payment of Gratuity, leave encashment and commutation of Pensions during the year.

² Exceeding Rs 50 crore in each case.

The savings under Roads and Bridges, Drinking Water Scheme, Urban Plan and Regional Development and Irrigation was mainly due to less execution of works. The savings under "Relief from Natural Calamities" was mainly due to fewer relief works on drought and release of less assistance for repairs/reconstruction works. The savings under "Community Development" was mainly due to reduction in plan ceiling and less assistance to *Panchayats/Gram Panchayats*. The savings under "Public Debt" was mainly due to non-requirement of ways and means advances during the year.

In 21 cases involving 18 grants and one appropriation there were savings of Rs 4,038.51 crore which exceeded Rs 1 crore in each case and also by more than 10 *per cent* of total provision as indicated in *Appendix-2.2*.

2.3.2 Persistent savings

In seven cases, during the last three years there were persistent savings of more than Rs 1 crore in each case and also 10 *per cent* or more of the total grant as indicated in *Appendix-2.3*.

Besides, in five cases there were persistent savings from 2002-03 to 2006-07 as indicated below:

(Rupees in crore)						
S. No.	No. and Name of the grant	Amount of savings				
		2002-03	2003-04	2004-05	2005-06	2006-07
Revenue-Voted						
1.	14-Sales Tax	7.33	4.93	7.19	34.34	9.76
Capital-Voted						
2.	19-Public Works	18.62	24.15	9.59	61.71	31.96
3.	20-Housing	11.88	9.03	8.36	10.25	4.23
4.	24-Education, Art and Culture	12.45	16.99	13.35	10.27	19.97
5.	27-Drinking Water Scheme	36.24	253.31	452.81	308.47	199.57

The main reasons of persistent savings during 2002-07 were posts remained vacant in various cadres (Grant No. 14), reduced budgetary allocation in the Revised estimates and reduction in Annual Plan outlay (Grant No. 20 and 24) and economy measures and execution of less works (Grant No. 19 and 27).

2.3.3 Excess 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 424.01 crore for the years 2003-04 to 2005-06 as detailed below had not been regularised so far (September 2007).

Year	Number of Grants/Appropriations	Grant/Appropriation No.(s)	Amount of excess (Rs in crore)
2003-04	2/10	14,15,16,19,24,26,27,34,36,46, 48, Public Debt	324.00
2004-05	5/10	4, 5, 9, 13, 15, 16, 17, 21, 26, 27, 34, 35, 45, 46	50.68
2005-06	5/6	8, 15, 18, 21, 24, 27, 42, 43, 45	49.33
Total	12/26		424.01

Excess over provision during 2006-07 requiring regularisation

The excess of Rs 0.42 crore in three grants and three appropriations during the year requires regularisation under Article 205 of the Constitution of India. The excess was mainly under Revenue (Voted) Section amounting to Rs 0.39 crore (92.9 per cent) as indicated below:

(Rupees in thousand)				
S. No.	Number and name of the Grant/Appropriation	Provision (Original + Supplementary)	Expenditure	Excess
Voted: Revenue Section				
1.	17-Jails	38,21,10	38,60,27	39,17
2.	31-Rehabilitation and Relief	13,96	14,08	12
Voted: Capital Section				
3.	45-Loans to Government Servants	79	81	2
Charged: Revenue Section				
4.	4-District Administration	7,60	7,83	23
5.	13-Excise	2,90	4,42	1,52
6.	43-Minerals	1,15	2,47	1,32
	Total	38,47,50	38,89,88	42,38

Government did not furnish any reasons for the excess expenditure (September 2007).

2.3.4 Original budget and supplementary provisions

Supplementary provisions (Rs 3,215.87 crore) made during the year constituted nine per cent of the original provision (Rs 35,159.19 crore) as against two per cent in the previous year. Supplementary provisions of Rs 2,340.60 crore was obtained to augment revenue expenditure under 41 grants and Rs 868.39 crore to augment capital expenditure under 24 grants. To augment revenue expenditure under 30 charged appropriations Rs 5.99 crore were obtained and Rs 0.89 crore were obtained to augment capital expenditure under four charged appropriations.

2.3.5 Unnecessary/excessive supplementary provisions

Supplementary provisions of Rs 311.92 crore made in nine cases (each exceeding Rs 1 crore) during the year proved unnecessary as the expenditure did not come up to the level of original provisions in view of saving of Rs 442.47 crore as detailed in *Appendix-2.4*.

In 22 cases, supplementary grants of Rs 2,452.49 crore were obtained against additional requirement of Rs 2,086.11 crore, resulting in savings in each case exceeding Rs 1 crore, aggregating Rs 366.38 crore. Details of these cases are given in *Appendix-2.5*.

2.3.6 Persistent/substantial excesses

- Significant excesses were persistent in two grants as detailed below:

(Rupees in crore)				
S. No.	Grant No., name and Head of account	Amount of excess (percentage of excess in parenthesis)		
		2004-05	2005-06	2006-07
21-Roads and Bridges (Capital-Voted)				
1.	5054-02-337(03)	17.37 (144.8)	7.08 (59.0)	10.22 (85.2)
27-Drinking Water Scheme (Revenue-Voted)				
2.	2215-01-102(01)	15.46 (5.0)	18.42 (5.6)	2.08 (0.6)

- In five cases involving four grants expenditure in each case exceeded by Rs 5 crore or more of the total provision aggregating to Rs 65.34 crore. Excess indicate poor budgeting and weak expenditure control. Details are given in *Appendix-2.6*.

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 of Rs 1 crore or more which proved injudicious are detailed as under:

- In 13 cases, additional funds of Rs 330.83 crore provided through re-appropriation proved unnecessary in view of final savings of Rs 126.63 crore as indicated in *Appendix-2.7*.
- In two cases, withdrawal of Rs 21.45 crore through re-appropriation proved excessive as the final expenditure exceeded the reduced Head by Rs 12.30 crore as indicated in *Appendix-2.8*.
- In nine cases, additional funds of Rs 111.88 crore provided through re-appropriation proved insufficient as the final expenditure exceeded the augmented Head by Rs 53.66 crore as indicated in *Appendix-2.9*.
- In 10 cases, the savings were not properly assessed as even after the withdrawal of Rs 279.89 crore through re-appropriation there was a final saving of Rs 42.49 crore as indicated in *Appendix-2.10*.

2.3.8 Expenditure without provision

As envisaged in the State Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs 31.92 lakh in the Revenue Section under Grant No. 41 and Rs 63.79 lakh in the Capital Section under Grant No. 46, was incurred without making provisions in the original estimates/supplementary demand or through re-appropriation.

2.3.9 Anticipated savings not surrendered

As per the State Budget Manual, all anticipated savings should be surrendered to the Government, immediately the moment they are foreseen, without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were 16 cases in which after partial surrenders, savings of Rs 1 crore and above in each case aggregating Rs 157.23 crore (18.5 per cent of savings) remained un-surrendered. Details are given in *Appendix-2.11*.

Besides, in 19 cases of 15 grants and two appropriations, Rs 4,488.58 crore (94.9 per cent) were surrendered (exceeding Rs 20 crore in each case) on the last working day of March 2007, out of total surrender of Rs 4,730.36 crore, indicating inadequate financial control over expenditure. Details are given in *Appendix- 2.12*.

2.3.10 Injudicious surrender of funds

In six cases, the amount surrendered (atleast Rs 1 crore) was in excess, which indicated inefficient budgetary control. It was noticed that as against the total available savings of Rs 741.63 crore, the amount surrendered was Rs 804.03 crore, resulting in excess surrender of Rs 62.40 crore as detailed below:

(Rupees in crore)				
S. No.	Number and name of the grant	Savings	Amount surrendered	Excess surrendered
Revenue-Voted				
1.	24-Education, Art and Culture	37.32	70.84	33.52
2.	26-Medical and Public Health and Sanitation	57.01	60.78	3.77
3.	30-Tribal Area Development	72.75	80.81	8.06
Capital-Voted				
4.	21-Roads and Bridges	37.23	47.36	10.13
5.	29-Urban Plan and Regional Development	288.08	289.51	1.43
6.	46-Irrigation	249.24	254.73	5.49
	TOTAL	741.63	804.03	62.40

2.3.11 Defective/inaccurate budgeting

Full or substantial portions (more than 50 per cent of total provision) of the supplementary provisions obtained under the various Heads of Account on 23 March 2007 were surrendered/re-appropriated on 31 March 2007 indicating inaccurate budgeting as shown in *Appendix-2.13*. In three Grants (Nos. 22, 27 and 36) entire provisions were re-appropriated/ surrendered.

2.4 Rush of expenditure

State Budget Manual envisages that Government expenditure should be evenly distributed throughout the year. Rush of expenditure particularly in the closing month of a financial year shall be regarded as breach of financial regularity

and should be avoided. Contrary to this, in respect of 15 Heads of Account, expenditure exceeding Rs 417 crore ranging between 51.1 and 100 per cent of the total expenditure for the year was incurred in March 2007. This includes six cases where entire expenditure was incurred during March 2007. Details are given in *Appendix-2.14*.

2.5 Budget Formulation and Budgetary Control

Public Health Engineering Department

A review of budget formulation and budgetary control in respect of Grant No. 27-Drinking Water Scheme of Public Health Engineering Department, Government of Rajasthan showed significant irregularities as under:

2.5.1 Position of Budget

The position of original Budget Estimates approved by the BFC, supplementary provision, final allotment and actual expenditure thereagainst for the year 2004-07 was as under:

(Rupees in crore)						
Year	Original Estimate	Supplementary Provision	Total Provision	Expenditure	Excess(+)/ Savings(-)	Amount Surrendered
Head 2215						
2004-05	889.90	16.84	906.74	926.58	(+) 19.84	1.94
2005-06	938.84	44.34	983.18	1,009.23	(+) 26.05	0.26
2006-07	994.52	79.78	1,074.30	1,062.94	(-) 11.36	7.64
Head 4215						
2004-05	1,255.40	*	1,255.40	802.59	(-) 452.81	405.90
2005-06	1,374.93	**	1,374.93	1,066.47	(-) 308.46	272.99
2006-07	1,579.62	132.09	1,711.71	1,512.14	(-) 199.57	176.12
Total	7,033.21	273.05	7,306.26	6,379.95	(-) 926.31	864.85

* Rs 2,000

** Rs 1,000

During 2004-07, as against total provision of Rs 7,306.26 crore, Rs 6,379.95 crore has been spent, indicating excess estimation by Rs 926.31 crore. While Rs 864.85 crore were surrendered, savings of Rs 61.46 crore lapsed.

2.5.2 Delay in submission of final statement of excesses and savings

Paragraph 185(a) of the State Budget Manual prescribes that the controlling officers should submit the final statement of excesses and savings (in Form GA-26) to the Finance Department through the Administrative Department of the Government latest by February 1st each year. The controlling officers had submitted the final statement of excesses and savings to the Finance Department on last day of the financial years 2004-05, 2005-06 and 2006-07. Delay in submission of final statements led to non-utilisation of savings remaining unsurrendered with the Department.

2.5.3 Non-utilisation of allotted funds under the schemes

The grants passed by the legislature had to be applied in the manner and to the purpose for which these are intended according to law/rules and regulations. It was noticed that during the financial years 2004-07, in 23 schemes (**Appendix-2.15**) entire budget provisions of Rs 243.46 crore had been surrendered/re-appropriated without incurring any expenditure.

2.5.4 Irregular flow of expenditure

Regular flow of expenditure is the primary requirement of budgetary control. Expenditure should be evenly distributed throughout the year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity. It was noticed that during March 2005 the expenditure in five schemes ranged from 28.6 to 100 per cent, during March 2006 in three schemes it ranged between 39.2 to 100 per cent and during March 2007 in four schemes it was 34.7 to 69.7 per cent as detailed in **Appendix-2.16**. It indicates that expenditure was not evenly distributed throughout the year and there was rush of expenditure at the fag end of the financial year.

2.5.5 Plan provisions of some detailed heads continuously diverted to Non-Plan

Paragraph 192(xv) of the State Budget Manual prohibits Re-appropriation of funds provided for Plan and Centrally Sponsored Schemes to Non-Plan without the approval of Finance Department. It was noticed that during the financial years 2004-07, Rs 11.62 crore was irregularly diverted/re-appropriated from Plan to Non-Plan resultantly the developmental schemes/works suffered to that extent.

The matter was reported to the Government in September 2007; their reply has not been received (September 2007).

2.6 Irregular drawal of funds to avoid lapse of budget grant

General Financial and Accounts Rules provide that funds shall be drawn only if required for immediate disbursement. Drawal of funds with a view to avoid lapse of budget grant is strictly forbidden.

In violation of above rules Executive Engineer, Water Resources Division-II, Baran had drawn Rs 56.94 lakh on 31 March 2006 for payment of land compensation to the land owners for additional land coming under the submergence of Benthali Irrigation Project and construction of Minors and Distributory number 1 and 2 of Left Main Canal of the Project before getting the award of land to be acquired sanctioned. The amount was lying in the Bank account with Land Acquisition Officer (LAO), Chhabara as of February 2007 due to non-issue of awards for land compensation. Thus, funds were drawn without immediate requirement to avoid lapse of budget grant.

Government stated (July 2007) that Rs 56.94 lakh was paid to LAO, Chhabara in March 2006 for early payment of compensation as proceedings for issuing awards were in progress and Rs 50.13 lakh has been paid to the farmers in March-May 2007. Reply was not acceptable as there was no immediate requirement for drawal of funds.

2.7 Loss of interest due to non-keeping funds in interest bearing account

Rajasthan Mukhya Mantri Jeevan Raksha Kosh Society (Raksha Kosh) was established in March 1999 for providing financial assistance to the poor persons living Below Poverty Line (BPL) for getting specialised treatment for life threatening illnesses (i.e. cancer, kidney and urinary, heart disease and surgery etc.). The funds mobilised for the *Raksha Kosh* were to be placed in separate Bank Account.

Government released Rs 33.01 crore during March 2000 to March 2006 by depositing in non-interest bearing Personal Deposit Account of the Medical and Health Department. The amount was transferred to Bank Account in piecemeal after delays ranging from one to 13 months. This led to loss of Rs 77.63 lakh towards interest calculated at 3.5 *per cent* per annum payable by bank during March 2000 to March 2006. Besides, Government also irregularly transferred Rs 24.11 crore from the fund to *Mukhya Mantri Sahayata Kosh (Sahayata Kosh)* to extend facilities to non-BPL persons without the approval of GOI.

Government stated (July 2007) that delay in transfer of funds did not affect the implementation of the scheme and the funds from *Raksha Kosh* have been transferred to provide social security to non-BPL persons whose income does not exceed Rs 24,000 per year. Reply was not tenable as the action of the Department was contrary to GOI guidelines which led to loss of Rs 77.63 lakh.

CHAPTER-III

PERFORMANCE AUDIT

3.1	Accelerated Rural Water Supply Programme
3.2	Modernisation of Police Force
3.3	Rajasthan Water Sector Restructuring Project
3.4	Rajasthan Urban Infrastructure Development Project
3.5	Computerisation of Treasuries

CHAPTER-III PERFORMANCE AUDIT

This Chapter presents performance audit of the Accelerated Rural Water Supply Programme, Modernisation of Police Force, Rajasthan Water Sector Restructuring Project, Rajasthan Urban Infrastructure Development Project and Computerisation of Treasuries.

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.1 Accelerated Rural Water Supply Programme

Highlights

The Accelerated Rural Water Supply Programme (ARWSP) aims at providing safe and adequate drinking water facilities to the rural population. More than 65,000 habitations in the State did not have adequate drinking water mainly due to mismanagement of scheme funds and slow execution of works taken up under the programme. Monitoring of the programme implementation was inadequate and quality of water supplied was poor. There was no plan for water source sustainability. The programmes for community participation in the water supply schemes and Communication and Capacity Development were not successful in the State.

The Annual Action Plans were not complete as per scheme guidelines, as these did not focus on the coverage of non-covered habitations, targeted population and water source sustainability, etc.

(Paragraph 3.1.6)

Government was deprived of Central assistance of Rs 188.59 crore due to slow spending. The State contribution towards matching share in Minimum Needs Programme was less by Rs 174.95 crore.

(Paragraph 3.1.8)

More than 65,000 habitations did not have adequate drinking water as against about 38,000 in April 2002. More than 8,000 rural schools were yet to be provided with drinking water under the programme. Out of eight fluoride control projects planned in 1994 to cover 692 villages only two were completed covering the habitations already covered earlier

(Paragraphs 3.1.9 and 3.1.12.1)

Inadmissible expenditure of Rs 140.05 crore was charged to the ARWSP fund in violation of the programme guidelines.

(Paragraph 3.1.11)

The Field Testing Kits for water quality monitoring were not procured despite availability of funds. Water supplied in 49 habitations contained Total Dissolved Solid much above the permissible limit of 1500 Parts per Million.

(Paragraph 3.1.12.2)

Expenditure of Rs 4.62 crore was incurred on poor performance of pipeline and extra liability of Rs 8.70 crore was committed due to delays in issue of technical sanctions and finalising the tenders for the works. Sixty water supply schemes were lying incomplete after spending Rs 78.48 crore. Pipes valued Rs 3.46 crore were not used and 101 water supply schemes under Sector Reform were lying incomplete after spending Rs 5.67 crore.

(Paragraphs 3.1.10, 3.1.13 and 3.1.14)

No Vigilance and Monitoring Committee was set up at State, district and village levels and Research and Development Cell was not set up for investigation works. Management Information System was inadequate.

(Paragraph 3.1.16)

3.1.1 Introduction

The Accelerated Rural Water Supply Programme (ARWSP), a Centrally sponsored scheme, was revamped (April 1999) to provide safe and adequate drinking water facilities to the rural population by supplementing the efforts of the State Government under Minimum Needs Programme (MNP). The main objectives of ARWSP were:

- to ensure coverage of all rural habitations;
- to ensure sustainability of the systems and sources; and
- to preserve quality of water by institutionalising water quality monitoring and surveillance through a catchments area approach.

Rajasthan covers about 10 *per cent* of total area of the country whereas availability of water is less than one *per cent*. Ground water is the main source of water in the State. In many places water is not potable due to excess contents of Chloride, Fluoride, Nitrate and Arsenic, etc.

3.1.2 Organisational set up

In the State the programme is being implemented by Public Health Engineering Department (PHED). Principal Secretary is the administrative head of PHED. The Chief Engineer (CE), Rural is the overall in-charge of the ARWSP assisted by six Additional Chief Engineers (ACEs) at Zonal level, 28 Superintending Engineers (SEs) at circle level and by Executive Engineers (EEs) of 98 Divisions. The Rajasthan Water Supply and Sewerage

Management Board (Board) headed by Minister, PHED is an agency for policy formulation, technical advice, consolidation and control of expenditure.

3.1.3 Audit objectives

The audit objectives were to assess whether:

- the process of planning for ARWSP was effective;
- the survey of habitations conducted effectively and planning was based on authentic and reliable data;
- the financial management was efficient;
- the schemes were executed economically and efficiently; and
- the mechanism for monitoring of water quality was adequate and effective.

3.1.4 Audit criteria

Performance audit was conducted with reference to:

- ARWSP guidelines for planning and implementation of the projects;
- guidelines for National Rural Drinking Water Quality Monitoring and Surveillance Programme;
- National Water Policy;
- Project Implementation Plan for individual schemes and
- instructions issued by the Central and the State Governments.

3.1.5 Audit coverage and methodology

The performance audit was conducted (February to May 2007) to examine the implementation of the ARWSP covering the period 2002-03 to 2006-07 by test check of records of the CE (Headquarters), CE (Special Projects), CE (Rural) at Jaipur and of 19 Divisions¹ in seven Districts² (out of 32) having 49 blocks (out of 237) and 8,130 villages (out of 39,753). A meeting was held in January 2007 with the Principal Secretary, PHED to discuss the subject of the performance audit, the audit objectives and the criteria.

1. Bagheri ka Naka Project, Nathdwara; Balotra (Barmer); Banswara; Beawar; Bisalpur-I, Kekri (Ajmer); Bisalpur-II, Ajmer; Bisalpur-III, Bhinay (Ajmer); City Barmer; Dausa; District (Rural), Ajmer; District Rural-I, Bikaner; District Rural-II, Bikaner; Kishangarh (Ajmer); Neem ka Thana (Sikar); North Barmer; RIGEP, Barmer; South Barmer; Rajsamand and Sikar.

2. Ajmer, Banswara, Barmer, Bikaner, Dausa, Rajsamand and Sikar.

Audit findings

3.1.6 Planning

Annual Action Plans were not prepared adequately.

Annual Action Plans (AAPs) were to be prepared by the CE with all necessary details indicated in the programme guidelines and submitted to the Government of India (GOI) (Rajiv Gandhi National Drinking Water Mission). Action Plans submitted to the GOI did not focus on priority for coverage of Not Covered (NC) habitations, steps proposed to be taken to function in mission-mode, in house plan for Human Resource Development, activities to be taken up under sub-mission to tackle the problems of the targeted population including the Scheduled Castes (SCs) and Scheduled Tribes (STs). Thus, the AAPs were not complete as per provisions of guidelines. There was no plan for water source sustainability. In order to have a complete understanding on the villages to be surveyed, maps were to be prepared before and just after the survey. However, such maps were not prepared by PHED. The impact of the shortcomings in planning on programme implementation has been commented at the appropriate places.

3.1.7 Survey of habitations

To ascertain reliable information on the status of drinking water supply in rural habitations, rural schools and the water source tested for quality problem with details of existing safe drinking water supply system in such quality affected habitations, GOI issued instructions (February 2003) to conduct a survey in accordance with the guidelines and submit the results by September 2003. Government submitted the survey results in October 2003.

Based on the survey, Government reported the status of 1,21,133 habitations in the State to GOI including 40,342 as fully covered (FC), 61,995 as partially covered (PC) and 18,796 as not covered (NC). However, GOI considered 1,07,768 habitations (NC: 55,934; PC: 17,168 and FC: 34,666) as per the ARWSP norms (population less than 100 were not considered for a habitation). State Government, however, planned for 1,22,250 habitations (NC: 65,213; PC: 17,159 and FC: 39,878). Thus, there was deviation from the ARWSP guidelines for deciding the number of habitations and the AAPs were not based on correct data of habitation and the category of habitation.

3.1.8 Financial management

The programme was funded by the GOI with 50 *per cent* matching share by the State under ARWSP-normal. Matching share was 25 *per cent* under projects for sub-mission. The schemes under Desert Development Programme (DDP) and other monitoring activities³ were entirely funded by GOI. Year-wise details of GOI releases, budget and expenditure under ARWSP

3. Management Information System, Human Resource Development, Information, Education and Communication, Monitoring and Evaluation, Institutionalising Water Quality Monitoring and Surveillance System and Research and Development Project.

(excluding Churu Bissau Project) and MNP during 2002-07 was as under:

(Rupees in crore)

Year	Opening balance of funds received from GOI	Funds received from GOI	Total funds available from GOI	Budget provision made by State Government		Expenditure		Balance	
				Against receipt from GOI	Under MNP as State share	Against GOI share	Against State share	Against receipt from GOI and carried forward	Against State share under MNP
2002-03	86.69	236.63	323.32	290.11	133.04	295.64	124.70	27.68	8.34
2003-04	27.68	256.96	284.64	276.62	182.32	269.57	149.89	15.07	32.43
2004-05	15.07	337.81	352.88	276.87	269.21	264.58	190.11	88.30	79.10
2005-06	88.30	495.08	583.38	358.42	283.14	361.64	238.57	221.74	44.57
2006-07	221.74	524.85	746.59	745.15	288.37	726.05	273.10	20.54	15.27
TOTAL		1,851.33				1,917.48			

Central assistance of Rs 20.54 crore remained unutilised as of March 2007.

It would be seen that Government could not spend GOI funds of Rs 20.54 crore as of March 2007. The unspent balances during 2004-05 and 2005-06 were much more. This was partly because State Government released Rs 195.27 crore (between Rs 6.71 crore and Rs 108.25 crore) to the executing agencies in the month of March of years 2002-07. The State funds were also not utilised and lapsed every year.

3.1.8.1 Reduction in GOI assistance

State Government was deprived of the benefit of Central assistance of Rs 188.59 crore due to slow spending.

The State Government did not fully utilise Central assistance. The unutilised Central assistance was carried forward as opening balance every year. As a result, GOI made mandatory cuts under ARWSP-normal and DDP while releasing the subsequent instalments to the State. During 2002-07, GOI released Rs 1,267.42 crore under ARWSP and Rs 431.82 crore under DDP against the allocation of Rs 1,400.83 crore and Rs 487 crore respectively. Thus, the State Government was deprived of the benefit of Central assistance of Rs 188.59 crore.

3.1.8.2 Short release by the State Government

State Government contributed Rs 174.95 crore less matching share.

Under the MNP the State Government was to release its matching share during 2002-07 equal to expenditure incurred under ARWSP-normal and 25 per cent of expenditure under sub-mission projects. Against the total expenditure of Rs 1,151.32 crore under ARWSP-normal (Rs 1,043.15 crore) and sub-mission projects (Rs 108.17 crore) the release was Rs 976.37 crore i.e. its matching share of Rs 174.95 crore during 2002-07 was short released. Reasons for short release though called for (May 2007) were not intimated (August 2007) by the Department.

3.1.8.3 Unutilised advances shown as expenditure

Expenditure reported to GOI was inflated by Rs 42.85 crore.

The guidelines stipulate that unutilised advances should not be treated as final expenditure. The EEs of six divisions⁴ however, treated the advances of Rs 42.85 crore paid (2002-07) to Ajmer *Vidyut Vitran Nigam* Limited (Rs 4.57 crore⁵), Water Resources Department (WRD) (Rs 19.75 crore⁶) and four firms (Rs 18.53 crore⁷) as final expenditure under ARWSP. Of this, Rs 22.56 crore remained unadjusted as of March 2007 in five divisions⁸. Thus, expenditure was inflated by Rs 42.85 crore as reported to GOI.

3.1.8.4 Inflated booking of GOI grants

There was inflated booking of GOI grants of Rs 40.83 lakh.

In Sikar Division during 2003-04 to 2005-06, Rs 40.83 lakh⁹ was booked for material on the last day of the financial year and written back in the next year. This resulted in inflated booking of GOI grants.

3.1.8.5 Diversion of funds

Scheme funds of Rs 37.05 lakh were diverted.

EE, Sikar Division transferred (2002-03) Rs 2.31 crore for the revival of 617 traditional water supply (TWS) schemes to *Zila Parishad*. Of this, Rs 37.05 lakh was returned (January 2005) to the Division. The Division credited (January 2005) this amount to Civil Deposits instead of ARWSP. Thus, Rs 37.05 lakh was kept out of ARWSP funds for 27 months. This resulted in diversion of funds of Rs 37.05 lakh.

3.1.9 Physical performance

The targets fixed by GOI and the achievement made by PHED were as under:

Year	Habitations at the beginning of year				PC habitations covered during the year			NC habitations covered during the year		
	Total	Fully covered (FC)	Partially covered (PC)	Not covered (NC)	Target	Achievement	Percentage achieved	Target	Achievement	Percentage achieved
2002-03	93,946	55,787	32,043*	6,116	9,105	10,098	111	1,895	1,156	61
2003-04	93,946	67,041	21,945	4,960	-	9,434	-	4,960	1,986	40
2004-05	93,946	77,637	13,335*	2,974	8,000	10,559	132	1,000	674	67
2005-06	1,22,250**	39,878	17,159	65,213^	2,263	11,904	526	9,089	1,442	16
2006-07	1,22,250	51,251	7,228*	63,771	8,437	6,125	73	2,502	1,865	75
Balance as on 31 March, 2007	1,22,250	56,921	3,423*	61,906^^						

* Increase due to slipped back (2002-03: 13,498; 2004-05: 824; 2006-07: 1,973 and on 31 March 2007: 2,320).

** Increase as per survey 2003.

^ CAP-1999 : 2,300, Slipped back : 31,030, Quality affected : 31,883

^^ CAP-1999: 1,512, Slipped back : 30,306, Quality affected: 30,088

4. Bagheri ka Naka; Bisalpur-II, Ajmer; Jhalawar; Kishangarh; Production and Distribution (P&D) (South), Jaipur and Rajsamand.
5. March 2006: Rs 4.57 crore.
6. 2002-03: Rs 17 crore, 2005-06: Rs 1.75 crore and 2006-07: Rs 1 crore.
7. 2003-04: Rs 1.69 crore (RajCOMP), 2004-05: Rs 0.73 crore (NICSI), 2005-06: Rs 0.99 crore (NICSI) and 2006-07: Rs 15.12 crore (Indian Institute of Health Management and Research, Jaipur and M/s Nagarjuna Limited).
8. Bisalpur-II, Ajmer; Jhalawar; Kishangarh; P&D (South), Jaipur and Rajsamand.
9. 2003-04: Rs 16.53 lakh, 2004-05: Rs 8.50 lakh and 2005-06: Rs 15.80 lakh.

• As a result of survey (2003) the total habitations were increased from 93,946 to 1,22,250 as of March 2005. The FC habitations decreased from 77,637 to 39,878 due to considering quality effected and slipped back habitations in NC habitations. During the period 2002-07, 18,615 habitations were slipped back from FC to PC habitations due to depletion in production capacity of sources/drying of hand pumps/deterioration of quality of water. This could have been avoided had the activities for source sustainability been undertaken by the Department.

Goals of tenth plan regarding coverage of habitations were not fully achieved.

• As per the goals provided in the Tenth Five Year Plan (2002-07) all habitations of Comprehensive Action Plan (CAP-1999) were to be covered by March 2004. Against the targets of 6,116 NC habitations and 12,098 PC habitations of CAP-1999 to be covered as of 1 April 2002, 3,142 NC and 12,098 PC habitations were covered upto March 2004. Similarly, consolidation of coverage was to be undertaken by attending to coverage of newly emerged and slipped back habitations by March 2007. It was, however, observed that 65,329 habitations (CAP-1999: 1,512; slipped back: 30,306; quality affected: 30,088 and PC: 3,423) out of total 1,22,250 habitations were without adequate drinking water facility as of March 2007.

3.1.9.1 Prioritisation of works

Priority for coverage of NC habitations was ignored.

Guidelines stipulate priority for coverage of NC habitations. During 2002-07, there was shortfall in coverage of NC habitations, while PC habitations were covered in excess of the targets. Reasons for short coverage of NC habitations though called for (March 2007) were not intimated to Audit. It was observed that on the basis of the concept note of the CE (Rural), GOI permitted (June 2006), as a special case, to cover 648 hardcore NC habitations of four districts¹⁰ by constructing 'tankas' by March 2007; but these were not covered. The administrative and financial sanction of 'tankas' only for Barmer District was issued in October 2006 and no sanctions were issued for other districts as of March 2007. Thus, Government failed to supply water to the hardcore NC habitations despite having permission of the GOI.

3.1.9.2 Extraction of ground water

The State suffers from scanty rainfall, inadequate surface water and depends mostly on ground water. There was over extraction of ground water in 140 blocks (out of 237 blocks). The GOI fixed (2000-01) five *per cent* of funds released under ARWSP for exclusive use on projects relating to sustainability of water resources. Accordingly, State was to spend Rs 63.37 crore on source sustainability. As the PHED had not formulated any plan for water source sustainability, no sum could be spent on this component despite the fact that there was indiscriminate and disproportionate level of ground water extraction. This resulted in non-protection of precious natural resources.

10. Barmer: 348, Bikaner: 50, Jaipur: 50 and Jodhpur: 200.

3.1.9.3 Supply of drinking water in rural schools

Under the ARWSP, drinking water facility was to be provided to all rural schools by the end of Tenth Plan. The targets of 2005-06 and 2006-07 for coverage of rural schools were not achieved and shortfall was 64 and 57 per cent respectively. As of March 2007, 8,195 schools were not covered.

3.1.10 Execution of works

Guidelines stipulate that utmost economy should be observed while spending the ARWSP funds. Test check of execution of 132 works and 448 hand pumps costing Rs 328.51 crore revealed cases of unfruitful and avoidable expenditure, blocking of funds, cost overrun, etc. as discussed below:

3.1.10.1 Unfruitful expenditure

Poor performance of pipeline resulted in unfruitful expenditure of Rs 4.62 crore.

Technical Committee of the Board accorded (May 2000) technical sanction (TS) for the work of providing, laying and jointing of 600 millimetre (mm) dia Asbestos Cement (AC) pipeline from Bhinay to Bijay Nagar for Rs 6.74 crore to meet the water requirement of 18.31 Million litres per day (MLD) (urban: 15.5 MLD and rural: 2.81 MLD) for the projected year 2027. The water demand for the year 2001 was 7.66 MLD and the pipeline was laid in August 2002 at a cost of Rs 6.90 crore. Against the desired capacity of 18.31 MLD the working capacity of pipeline laid was only six MLD as of March 2006. The performance of pipeline was 33 per cent of projected demand after four years of its installation and even present demand was not being fulfilled. Thus, due to poor performance of the pipeline expenditure of Rs 4.62 crore was rendered largely unfruitful.

Expenditure of Rs 83.99 lakh was incurred on hand pumps that failed.

• To provide potable water to rural habitations, hand pumps were to be set up. In three test checked divisions¹¹ it was observed that 1,733 hand pumps were taken up (2002-07) of which 250 hand pumps failed and Rs 83.99 lakh was spent on drilling/digging bore holes of these failed hand pumps. EE, Kishangarh Division attributed (April 2007) the failure to construction without obtaining the report from Hydro geologist.

Non-completion of road resulted in unfruitful expenditure of Rs 16.71 lakh.

• A Fluoride Control Project (FCP) at Ajmer included provision for construction of Bituminous (BT) approach road from village Dewalia to Junia. The SE, Circle Ajmer awarded (November 2000) the work to contractor 'A' for Rs 32.39 lakh for completion by May 2001. After executing the work upto Water Bound Macadam level (valued Rs 16.71 lakh), the contractor left the work in August 2002 resulting in unfruitful expenditure of Rs 16.71 lakh. Neither any action was taken against the contractor, nor the work was completed.

11. Banswara Division: 127 hand pumps (Rs 32.83 lakh), Beawar Division: 120 hand pumps (Rs 50.09 lakh) and Kishangarh (Ajmer) Division: three hand pumps (Rs 1.07 lakh).

3.1.10.2 Avoidable expenditure

Avoidable/extra expenditure of Rs 1.30 crore was incurred on execution of four ARWSP works as discussed below:

Excess payment of Rs 17.63 lakh was made to the contractor.	Name of work	Audit observations
	Construction of transmission main for Bagheri ka Naka (Rajsamand) on turn key basis (Excess payment : Rs 17.63 lakh)	The work allotted (April 2003) to contractor 'B' for Rs 26.89 crore for completion by October 2004 was actually completed in December 2006 with delay of more than 25 months. Of which 23 months delay was attributed to the Department. Total price escalation of Rs 118.22 lakh was paid to the contractor (upto November 2005) against admissible Rs 100.59 lakh. Thus, excess payment of Rs 17.63 lakh was made to the contractor.
Service Reservoirs constructed at a cost of Rs 34.78 lakh for the villages already covered.	Construction of Additional Over Head Service Reservoirs (OHSRs)/Clear Water Reservoir (CWR) (Avoidable expenditure : Rs 34.78 lakh)	The Policy Planning Committee (PPC) of Board accorded (July 2004) administrative sanction for Rs 47.95 crore for coverage of 115 villages of Bhinay – Masuda Sector. This included three Regional Water Supply Scheme (RWSS) originating from various head-works. Under these schemes, six OHSRs ¹² for 46 villages were sanctioned (July 2004) considering designed half-day demand of estimated population of year 2027 and distribution upto tail end villages. Additional OHSRs/CWR were also sanctioned (May and August 2005) by PPC to provide house connections and to feed tail end villages. Accordingly, seven additional OHSRs and one CWR were constructed at a cost of Rs 34.78 lakh for 18 villages, which were included in 46 villages already covered. This resulted in avoidable expenditure of Rs 34.78 lakh.
Execution of different rate contracts with the same contractor led to extra expenditure of Rs 14.14 lakh.	Rate contracts for supply of pipes (Extra expenditure: Rs 14.14 lakh)	Two rate contracts (RCs) were executed (July and August 2006) with contractor 'C' for supply of Ductile Iron (DI) Pipes of 200 mm and 150 mm dia at Rs 944 and Rs 729 per metre (without excise duty) and Rs 1,063 and Rs 822 per metre (with excise duty) respectively. In both the RCs the specifications of the pipes and price elements (basic cost, taxes and transportation) except Central excise duty (at 16.32 per cent) should be same. The basic cost of DI pipes was higher in RC entered in July 2006 than in RC of August 2006. Though the rates quoted (April and June 2006) by supplier were available with the sanctioning authority (CE, Headquarters, Jaipur), the RCs were entered (July-August 2006) at different rates which resulted in extra expenditure of Rs 14.14 lakh ¹³ upto January 2007 on supply of DI pipes. The comments of CE though called for (March 2007) were not received (August 2007).
Old pipelines not delaid and cost afforded to the schemes.	De-laying of existing pipeline (Extra liability : Rs 63.36 lakh)	The technical sanctions of water supply schemes ¹⁴ (June 2003 to May 2004) envisaged removal of old pipelines and affording credit to the respective schemes with the cost of delaid pipes. In District Division-II (Rural), Bikaner pipelines were either not delaid or delaid less till the completion of the work of schemes and the required credit of Rs 63.36 lakh to the schemes was not afforded.

3.1.10.3 Blocking of funds

Rs 78.48 crore were blocked due to non-completion of schemes.

Water supply schemes were targeted for completion within a period of two to four years. It was observed that 60 schemes/works in 18 districts sanctioned during 1997-2004 were lying incomplete as of March 2007 after incurring expenditure of Rs 78.48 crore mainly due to delay in issuing TS (Rs 7.75 crore: five works), land disputes (Rs 5.30 crore: 11 works), works left incomplete by the contractors (Rs 0.83 crore: two works), non-testing of

12. OHSRs at Deoliya Kalan, Heerapura, Karanti, Padnga, Satawadiya and Tantoti.

13. Pipe 150mm 81,360 metres x (Basic rate as per RC 3001: Rs 649.60 - Basic rate as per RC 3036: Rs 638.41) = Rs 9.10 lakh.

Pipe 200mm 33,184 metres x (Basic rate as per RC 3001: Rs 837.42 - Basic rate as per RC 3036: Rs 822.23) = Rs 5.04 lakh.

14. Augmentation of Regional Water Supply Scheme, Badrasar (Bikaner) and Bangadsar-Beethnok (Bikaner).

pipelines (Rs 28.45 crore: 10 works), delay in finalisation of tenders (Rs 0.47 crore: three works), delayed execution (Rs 27.86 crore: 20 works) and other reasons (Rs 7.82 crore: nine works) as detailed in **Appendix-3.1**.

Non-utilisation of residential quarters resulted in blocking of Rs 44.57 lakh.

Nine out of 18 residential quarters constructed during March 2003 to September 2004 under Water Supply Schemes for technical staff were not allotted as of May 2007. This resulted in blocking of Rs 44.57 lakh on residential quarters.

3.1.10.4 Extra liability due to delays in issue of sanctions/finalising of tenders

There was extra liability of Rs 8.70 crore as the cost of works increased due to delays in issue of technical sanctions and finalising the tenders for the works as discussed below:

Delays in issue of TS increased cost of works by Rs 57.93 lakh.

Re-tendering of work, due to non-finalising the initial tenders increased the cost of works by Rs 8.03 crore.

Cost of CI pipes increased due to delay in issue of revised TS.

Name of Division	Name of the work	Particulars
Bisalpur-II, Ajmer	Regional Water Supply Scheme (RWSS), Nandla-Amarpura (Cost overrun: Rs 57.93 lakh)	The TS for works of RWSS, Nandla-Panchmata and Nandla-Amarpura were accorded in August 2002 and June 2004 respectively. The works of laying and jointing of pipeline RWSS of Nandla-Panchmata and Nandla-Amarpura were awarded in December 2002 and December 2004 to contractors 'D' and 'E' for Rs 21.01 lakh (at five <i>per cent</i> below Schedule-G) and for Rs 38.19 lakh (at 30.10 <i>per cent</i> above Schedule-G) respectively. Though both the schemes were administratively approved in July 1999, the TS were issued in August 2002 and June 2004. As such, the tender of Nandla-Amarpura could be approved in December 2004 resulting in cost increase. Thus, delayed (June 2004) issue of TS of RWSS Nandla-Amarpura led to increase (March 2007) in cost by Rs 57.93 lakh (pipes: Rs 45.40 lakh ¹⁵ and laying: Rs 12.53 lakh ¹⁶).
Bagheri ka Naka Project, Nathdwara	RWSS of 55 villages from Bagheri ka Naka Project. (Cost overrun: Rs 8.03 crore)	The TS for work of RWSS of 55 villages from Bagheri ka Naka head works was accorded (March 2003) for Rs 18.84 crore (basic cost). Tenders invited (August 2003) were valid upto December 2003. Although pre-qualification bids were opened (October 2003) but financial bids were not opened within validity period. The bidders extended the validity period upto February 2004 with the condition of cost increase. The tenders were re-invited (April 2005) and the work was awarded (October 2005) to contractor 'F' for Rs 18.70 crore excluding cost of pipes (Rs 13.63 crore) supplied by the Department. During validity period of initial tender, the cost of work according to prevailing market rates (November 2003) was Rs 24.30 crore including cost of pipes (Rs 12.80 crore). Thus, due to non-finalisation of contract within validity period, the cost of the work increased by Rs 8.03 crore ¹⁷ .
Rajsamand	RWSS, Kaletra (Cost overrun: Rs 8.90 lakh)	Technical approval for RWSS Kaletra (Rajsamand) was accorded in February 2002. The CE (Rural) instructed (May 2003) to use cast iron (CI) pipes in place of AC pipes, but the revised TS could be issued only in September 2006. As such, CI pipes of higher rates were used (December 2006) on the scheme. This resulted in extra expenditure of Rs 8.90 lakh ¹⁸ .

15. Rs 45.40 lakh = Cost increase due to difference in rates of pipes used in the scheme.

16. Value of work done against Schedule-G: Rs 35.69 lakh, extra cost on laying = Rs 35.69 lakh x 35.10 *per cent* = Rs 12.53 lakh.

17. Rs 18.70 crore + Rs 13.63 crore - Rs 24.30 crore = Rs 8.03 crore.

18. Issue rate of 80mm dia CI pipe - As per estimate of February 2002 : Rs 392.45 per metre, As per pipes used : Rs 638.55 per metre. Difference Rs 246.10 x 3,617 metre pipes = Rs 8.90 lakh.

3.1.11 Inadmissible expenditure

3.1.11.1 Excess charging on account of operation and maintenance

On account of O&M the ARWSP funds were charged irregularly/ excess by Rs 91.51 crore.

As per guidelines, upto 15 per cent of the funds released every year under ARWSP to the State can be utilised for operation and maintenance (O&M) of assets created, subject to ceiling of matching grant provided by the State out of MNP provision. It was observed that though MNP funds were charged at 10 per cent for O&M during 2002-07, the ARWSP funds were charged upto 15 per cent (Rs 261.38 crore) instead of at 10 per cent (Rs 179.56 crore) for O&M. This resulted in excess charging of Rs 81.82 crore on account of O&M of the ARWSP works (value: Rs 1,795.54 crore).

The works of revival of Traditional Water Sources (TWS) and of 33 Kilo Volt power feeder from Nathdwara to Bagheri ka Naka were executed respectively by Zila Parishads (2002-07) and Ajmer Vidyut Vitran Nigam Limited, Ajmer (July 2006). The PHED charged Rs 9.69 crore to ARWSP funds as O&M though it had not done maintenance and repair of these works.

3.1.11.2 Expenditure on urban sector met from ARWSP funds

Expenditure of Rs 33.10 crore on Urban sector was met from ARWSP.

Test check of two schemes common for urban and rural sector showed that expenditure of Rs 33.10 crore pertaining to urban share was met from ARWSP funds as detailed below:

Name of Division	Name of the scheme	Particulars
Bisalpur-II, Ajmer	1500 mm pipeline from Sarwar to Nasirabad to cater the demand of 342 villages and urban sector of Ajmer District. (Irregular expenditure: Rs 29.46 crore ¹⁹)	The PPC of Board sanctioned (July 2004) the work. As per revised administrative and financial sanction (April 2007) the share cost of urban and rural sector was Rs 79.13 crore and Rs 15.02 crore respectively. Expenditure of Rs 76.62 crore was incurred upto March 2007 of which Rs 40.06 crore was met from ARWSP against the share cost of Rs 15.02 crore by the division.
Bisalpur-III, Ajmer	Fluoride Control Project (FCP) for Bhinay Masuda Sector Phase-I and pipeline from Junia to Sarwar. (Irregular expenditure: Rs 3.64 crore)	To cater the demand of Bijay Nagar and Gulabpura towns and 236 villages, the PPC sanctioned (October 1999 and March 2002) the works. Share cost of rural and urban sector was wrongly fixed as Rs 40.90 crore and Rs 12.96 crore in place of Rs 39.56 crore and Rs 14.30 crore (73.45 and 26.55 per cent) respectively due to inclusion of cost exclusively of urban portion in the common cost of the project. As of March 2007, expenditure of Rs 62.19 crore was incurred on the project of which Rs 49.32 crore charged to ARWSP against Rs 45.68 crore due.

19. (Rs 40.06 crore – Rs 15.02 crore) + Rs 4.42 crore being 17.65 per cent of O&M.

3.1.11.3 Departmental charges met from ARWSP funds

Departmental charges of Rs 3.12 crore were irregularly met from ARWSP funds.

The guidelines of ARWSP stipulate that centage/departmental charges should not be met from ARWSP funds. Bagheri ka Naka Dam was constructed (September 2005) by WRD for which departmental/ *pro rata* charges of Rs 2.46 crore was paid (March 2007) by PHED to WRD from ARWSP funds. Besides, PHED also charged Rs 0.43 crore for O&M on Rs 2.46 crore at 17.65 *per cent* to ARWSP. Similarly, the Ground Water Department and Rajasthan Jal Vikas Nigam Limited installed (2002-07) 371 hand pumps/tube wells. Rates paid for drilling of hand pumps/tube wells were inclusive of departmental charges (centage charges). Accordingly, Rs 20 lakh was paid by five divisions²⁰ for centage charges from ARWSP funds. Besides, PHED also charged Rs 3.51 lakh for O&M to ARWSP. Thus, Rs 3.12 crore on account of departmental charges was irregularly charged to ARWSP.

3.1.11.4 Payment for security deposit met from ARWSP funds

Rs 30.91 lakh was irregularly paid as security deposit.

According to the instructions (November 2000) of *Vidyut Vitran Nigam Limited (VVNL)* the State/Central Government departments were exempted from payment of security deposits for electricity connections. Rupees 30.91 lakh was irregularly paid (2002-07) by 11 test checked divisions²¹ to VVNL as security deposits for electricity connections to water supply schemes taken up under ARWSP and charged to ARWSP funds.

3.1.11.5 Expenditure in excess of administrative and financial sanction

Rupees 11.31 crore was irregularly charged to ARWSP.

Guidelines stipulate that ARWSP funds cannot be utilised/adjusted against any cost escalation of schemes or excess expenditure over the approved cost of schemes in the previous year. In nine cases in eight divisions²², Rs 11.31 crore was incurred (2000-07) in excess of administrative and financial sanction of schemes, which was irregularly met from ARWSP funds.

3.1.11.6 Unauthorised expenditure

Rs 69.87 lakh was irregularly spent out of ARWSP funds.

The guidelines of ARWSP stipulate that a rural habitation not having any safe water source with permanently settled population of 100 persons and SC/ST habitations with less than 100 persons should be taken as the unit for coverage under ARWSP and DDP areas. In two test checked divisions²³ it was observed that Rs 69.87 lakh was irregularly spent (2002-07) out of ARWSP funds on installation of 152 hand pumps in habitations having population less than 100 (population ranged between 14 and 98) without SC/ST population. Thus,

20. City Barmer: Rs 3 lakh, District Division-I, Bikaner: Rs 2 lakh, Neem ka Thana: Rs 2 lakh, Sikar: Rs 1 lakh and Tonk: Rs 12 lakh.

21. Bagheri ka Naka-Nathdwara, Balotra, Banswara, Dausa, Neem ka Thana, Rajsamand, RIGEP, Barmer, Rural District-I, Bikaner, Rural District-II, Bikaner, Sikar and South Barmer.

22. Bisalpur-I, Kekri; Bisalpur-II, Ajmer; Bisalpur-III, Bhinay; Balotra; District-I, Bikaner; District-II, Bikaner; Rajsamand and Jhalawar.

23. Beāwar (37 hand pumps: Rs 13.75 lakh) and Rajsamand (115 hand pumps: Rs 56.12 lakh).

expenditure incurred was in violation of the norms of ARWSP.

3.1.12 Water quality

3.1.12.1 Quality affected villages not benefited

As of March 2001 there were 30,380 quality affected habitations which increased to 31,600 as of March 2007. This showed that special emphasis was not given for coverage of quality affected habitations.

More than 50 per cent villages in test checked districts²⁴ were quality affected. Government planned (July 1994) to set up Fluoride Control Project (FCP) for providing drinking water from Bisalpur dam to 669 fluoride affected villages and 23 en-route villages of Ajmer District within four years. The schemes were to be completed within two to three years from the date of sanctions. The PPC of the Board sanctioned (July 1994 to January 2005) eight schemes²⁵ costing Rs 437.10 crore covering 692 villages and two towns. As of March 2007, two schemes were completed including 153 villages already covered and 136 villages were covered through remaining ongoing six schemes. Thus, actually no new villages were covered in these two schemes. Delay in according sanctions and in execution of work resulted in deprival of intended benefit to the 403 fluoride affected villages for a decade.

Further, the PPC sanctioned (2002-03) the Barmer Lift Drinking Water Project costing Rs 424.91 crore covering Barmer and Jaisalmer Districts. This included coverage of quality affected 529 and 162 rural habitations of Barmer and Jaisalmer Districts respectively. The revised sanction of the project for Rs 688.65 crore was accorded by PPC in February 2007. The project was taken up in March 2007 after a lapse of four years from the date of original sanction and the State could incur only Rs 5.22 lakh upto March 2007. Poor financial and physical performance of the project showed lack of seriousness to cover the quality affected habitations of both the districts.

3.1.12.2 Supply of unsafe water to public

As per ARWSP guidelines the potable water (at least eight litre per capita per day) for drinking and cooking purposes is to be provided to all habitations. Test check of records of Balotra and Bikaner divisions showed that from five water supply schemes²⁶ unsafe water containing "Total Dissolved Solid" (TDS) between 1920 PPM and 4000 PPM as against permissible limit upto 1500 PPM was being supplied (April 2003) to 49 habitations of 31,844 population. Expenditure incurred on these schemes was Rs 4.79 crore.

Unsafe potable water was being supplied to 49 habitations after incurring expenditure of Rs 4.79 crore.

24. Ajmer, Barmer and Rajsamand.

25. Bhinay-Masuda Phase-I: Rs 53.86 crore (October 1999); Bhinay-Masuda Phase-II: Rs 47.95 crore (July 2004), Bhinay-Masuda Phase-III: Rs 70.80 crore (December 2004), Kekri-Sarwar: Rs 44.35 crore (July 1994), Kekri-Sarwar extension: Rs 32.62 crore (July 2004), Kishangarh-Arai: Rs 114.96 crore (September 2004), Nasirabad Phase-I: Rs 61.03 crore (July 1999) and Nasirabad Phase-II: Rs 11.53 crore (January 2005).

26. RWSS Kagar, Chattarsar, Gorabasar (Bikaner), RWSS, Sarupsar (Bikaner), Pipeline WSS, Mainsar (Bikaner), RWSS, Jasol (Balotra) and RWSS Bariya Chandesara (Balotra).

3.1.12.3 Water Quality Monitoring and Surveillance

National Rural Drinking Water Quality Monitoring and Surveillance Programme was not implemented efficiently.

For institutionalising the Water Quality Monitoring and Surveillance System, the National Rural Drinking Water Quality Monitoring and Surveillance Programme (NRDWQM&SP) was launched (February 2006). GOI was to provide complete assistance for implementation of the programme. GOI released (February 2006) Rs 72.43 lakh²⁷ for monitoring and surveillance activities, of which only Rs 1.99 lakh was spent on District Level Surveillance Coordinator and State Referral Institute as of March 2007. Field Testing Kits worth Rs 69.79 lakh were not procured (April 2007) after a lapse of more than one year from sanction. Thus, water quality monitoring mechanism was not evolved efficiently. Further, the GOI released (February 2006) Rs 2.02 crore for Human Resource Development (HRD) and Information, Education and Communication (IEC) activities. The PHED transferred (January-March 2007) the money to Communication and Capacity Development Unit (CCDU) after a lapse of 11 to 13 months. The utilisation of funds could not be verified as CCDU did not submit the audited accounts as of May 2007.

3.1.13 Material management

The procurement of material should be arranged well in advance of the Action Plan for execution of schemes to synchronise with the time frame for implementation. Following was observed:

Pipes worth Rs 3.01 crore were procured without ascertaining immediate requirement.

- PHED Division, Kishangarh procured and issued (December 2006 and January 2007) DI pipes worth Rs 3.01 crore to work of clusters Kishangarh (Rs 2.62 crore) and Kalyanipura (Rs 0.39 crore). The pipes were lying at work sites without any allotment (July 2007). This showed that pipes were purchased without ascertaining immediate requirement, which resulted in blocking of funds of Rs 3.01 crore.

Procurement of pipes before development of sources led to blocking of funds of Rs 44.94 lakh.

- The PPC of the Board accorded (September 2002) administrative approval for Rs 5.93 crore under ARWSP/ Accelerated Urban Water Supply Programme/MNP for re-organisation of Urban Water Supply Scheme, Bandikui, Baswa and 11 villages of Dausa District for covering urban and rural sectors with the condition that the source of water will be developed first and all other components taken up thereafter considering the quality and quantity of water of the source. Development of source included construction/ digging of 27 wells²⁸. An expenditure of Rs 6.83 crore including Rs 44.94 lakh on procurement (May 2003) of 6,830 metre AC pressure pipes was incurred on the scheme as of March 2007. It was observed that due to resistance by villagers the wells were not dug at Banganga River and procured pipes could not be utilised (March 2007). The Department also did not take action to utilise the pipes in other schemes. Thus, procurement of pipes before development of source led to blocking of funds of Rs 44.94 lakh for four years.

27. Field testing kits: Rs 69.79 lakh, Honorarium to District Level Surveillance Coordinator: Rs 1.44 lakh and Consultancy fee to State Referral Institute: Rs 1.20 lakh.

28. At Banganga river: 22 and at Sahwa river: five.

- Of the 60 Rig machines in the State, 15 machines did not achieve the targets (2002-07). The shortfall ranged from 22 to 57 *per cent* in boreholes and 13 to 41 *per cent* in meterage mainly for want of repair. As of March 2007, seven Rig machines were out of order since March 2003-October 2004. Forty three machines had become unserviceable during 1988-2004. The disposal of these machines was pending as of March 2007.

3.1.14 Sector reform

Sector reform was not successful in the State.

The GOI launched (1999-2000) the Sector Reform Project for institutionalising community based Rural Drinking Water Supply Programme. The basic concept of the reform project was to ensure community participation in the water supply schemes. Ten *per cent* of the capital cost of the scheme was to be paid by the beneficiaries. The GOI sanctioned (2000-02) Sector Reform Pilot Projects for four districts at a cost of Rs 141.71 crore²⁹. Test check in Rajsamand and Sikar Districts showed the following:

- District Water and Sanitation Mission (DWSM) of Rajsamand and Sikar received (2000-02) Rs 23.14 crore from GOI. Of this, Rs 6.05 crore was transferred to the District Water and Sanitation Committees (DWSCs), Jaipur and Alwar. The committees spent Rs 12.49 crore on Sector Reform and Rs 4.60 crore was lying unutilised as of March 2007.
- DWSCs sanctioned and took up 199 Water Supply Schemes costing Rs 22.14 crore during 2002-04. In 34 schemes (Sikar District), public contribution of Rs 43.13 lakh was not received and in 27 schemes contribution of Rs 15.99 lakh against Rs 33.81 lakh was received. Thus, there was short receipt of beneficiary contribution to the extent of Rs 60.95 lakh. Of the 138 schemes for which contribution received, 78 schemes were completed.
- As of March 2007, 101 Schemes (Sikar: 80 and Rajsamand: 21) were lying incomplete for more than two years after spending Rs 5.67 crore. The DWSCs attributed this to delay in execution of the works by the Village Water and Sanitation Committees (VWSCs). Of the 98 completed schemes, 68 schemes were handed over to the VWSCs and 13 were closed due to non-taking/handing over the charge of schemes by *Sarpanch*, power disconnection, etc.
- The SE, Sikar circle stated (May 2007) that the schemes were not maintained properly by VWSC as they considered that the power charges to be high and nearby schemes being maintained by the State Government. The contention of SE was not tenable because the selection of schemes was determined on the basis of users preference and requirement combined with affordability and willingness to contribute towards implementation, (capital cost), and O&M.

29. Alwar: Rs 40 crore, Jaipur: Rs 40 crore, Rajsamand: Rs 40 crore and Sikar: Rs 21.71 crore.

3.1.15 Communication and Capacity Development Unit

To promote the reform initiatives introduced in the Water Supply and Sanitation Sector, the GOI directed to set up (March 2005) Communication and Capacity Development Unit (CCDU) and released (March 2005) Rs 1.98 crore for its establishment and conducting IEC and HRD activities. It was observed that the Memorandum of Understanding (MoU) among State Water and Sanitation Mission (SWSM), Indian Institute of Health Management and Research (IIHMR), Jaipur and UNICEF, Rajasthan unit was executed (April 2006) for establishment of CCDU after a lapse of one year. The SWSM transferred (May 2005) only Rs 35 lakh to CCDU and balance was lying with SWSM (June 2007). The audited accounts were awaited from CCDU (May 2007). Thus, the programme was not efficiently implemented. The CCDU had to provide HRD/IEC input to all Sector Reform Projects in the State. Delayed/non-functioning of CCDU affected the success of these projects.

3.1.16 Monitoring

Vigilance and Monitoring Committees at State, District and village levels were to be set up and regular meetings of the same were required to be held. However, no such committees were set up (March 2007).

The guidelines of ARWSP stipulate that the Monitoring and Investigation (M&I) units, headed by an officer suitably qualified and of suitable level with technical posts of hydrologists, geophysicist, computer specialists and data entry operator, were to be set up which were to work in coordination with Research and Development (R&D) Cell. It was observed that M&I units were working without hydrologists, geophysicist and computer specialists. The R&D Cell was also not established (March 2007).

3.1.16.1 Management information system

Management Information System was not established properly.

The guidelines of ARWSP provide establishing Information Technology (IT) based Management Information System (MIS). GOI was to provide complete assistance for all MIS activities including training. During 2003-07 against the availability of GOI assistance of Rs 4.30 crore under computerisation project for installation of computer system, training of officials, development and implementation of computerised MIS and connecting all offices and computers with communication network, the PHED incurred Rs 3.77 crore on computer hardware, software and on training through RajCOMP, National Informatics Centre (NIC) and National Informatics Centre Services Incorporated (NICSi).

RajCOMP was paid Rs 58.03 lakh for installation of software (MS Office, XP standard and Professional) for 418 existing computers. However, no such software was installed (February-May 2007) in 43 computers of

13 test checked divisions³⁰ and two circles³¹. This resulted in excess payment of Rs 7.22 lakh on account of software and their installation. In all the test checked divisions the computers were being operated (February-March 2007) by private agencies. This showed that effective training was not imparted to staff. Twenty seven computers worth Rs 7.67 lakh were replaced in 14 divisions³² that did not deal with rural water supply schemes. This indicated that implementation of the computerisation project through NIC and NICS was incomplete (March 2007) as no training was organised and no networking was provided in any of the test checked divisions except in four³³.

The deficiencies showed that IT based MIS was not established and operated properly despite incurring Rs 3.77 crore.

3.1.17 Evaluation

ARWSP guidelines envisage that the State Government should take up monitoring and evaluation studies through reputed organisations/institutions on the implementation of the rural water supply programme. However, no such study was undertaken (2002-07) by the State Government.

Implementation of ARWSP in the State during 1997-2001 was reviewed and included in the Audit Report (Civil) for 2000-01 (Para 4.2). The Report discussed by the Public Accounts Committee during February 2003 and November 2006, the recommendations were awaited. However, some irregularities related to uncovered habitations, non-providing the safe drinking water to habitations, not giving emphasis on SC/ST habitations, improper implementations of sector reform and computerisation, slow spending of central assistance commented in the earlier Audit Report were persisting as already discussed in this Report.

3.1.18 Conclusion

The annual action plans were not drawn adequately. Poor financial management led to diversion of funds, depriving the State of Central assistance of Rs 188.59 crore. Adequate drinking water was not provided to more than 65,000 habitations. Special emphasis was not given to cover water quality affected habitations (31,600). Schemes were not executed properly. There were delays in completion of fluoride control projects and coverage of rural schools in providing drinking water. There was cost overrun of Rs 8.70 crore due to delays in finalisation of tenders and issue of sanctions. Cases of avoidable/extra expenditure, blocking of funds and unfruitful expenditure of

30. Balotra; Banswara; Bisalpur-II, Ajmer; Bisalpur-III, Bhinay; City Barmer; District, Ajmer; District Rural-I, Bikaner; District Rural-II, Bikaner; Neem Ka Thana; North Barmer; Rajsamand; RIGEP, Barmer and South Barmer.

31. Barmer and Sikar.

32. City Production, Ajmer; City Revenue, Ajmer; City-II, Jodhpur; City Revenue and Drainage, Kota; City Sriganganagar; City Revenue and Drainage, Udaipur; P&D-I, Bikaner; P&D-II, Bikaner; P&D (North), Jaipur; P&D (South) Jaipur; Revenue, Bikaner; Revenue (North), Jaipur; Revenue (South), Jaipur and Revenue, Jodhpur.

33. Bisalpur-II, Ajmer; District Ajmer; Kekri and Kishangarh.

scheme funds were also noticed. The sector reform project was not implemented effectively. The Monitoring and Investigation units were working without the technical experts. Irregularities noticed in the implementation of ARWSP included in Report of the Comptroller and Auditor General of India for the year ending 31 March 2001 (Civil), Government of Rajasthan were found to be still persisting.

3.1.19 Recommendations

- Annual Action Plans should be drawn focusing on incomplete projects, priority for covering of habitations, water source sustainability.
- Government should improve financial management to avoid diversion of funds and depriving the State of Central assistance.
- Government should ensure the completion of the schemes in time to provide adequate drinking water to rural population.
- Government should give special emphasis to cover water quality affected habitations.
- To check the over extraction of ground water prompt action should be taken by the Government and action for sustainability of water sources should be taken to protect the production capacity of sources.
- Government should strengthen monitoring by appointing hydrologist, geophysicist and computer specialist and ensure following on recommendation of Public Accounts Committee.

The matter was reported to the Government in June 2007; reply has not been received (September 2007).

HOME DEPARTMENT

3.2 Modernisation of Police Force

Highlights

The Government of India launched the scheme of Modernisation of Police Forces in the States to enable the police to effectively face the emerging challenges to internal security. Construction of residential/ non-residential buildings was delayed. Despite purchase of additional vehicles, there was no significant increase in mobility as new vehicles were adjusted against condemned vehicles. Equipments procured for Forensic Science Laboratories were idle for want of installation and technical manpower.

State Government did not contribute its matching share during 2002-07. Under-utilisation of funds by the State Government ranged between 24 and 40 per cent. State was deprived of Central grant of Rs 154.22 crore due to slow utilisation of funds.

(Paragraph 3.2.7)

Out of Rs 131.86 crore transferred to the Rajasthan State Road Development and Construction Corporation Limited for construction works, only Rs 99.25 crore (75 per cent) were utilised. Ninety nine buildings completed at a cost of Rs 10.18 crore were not taken over even after one to 41 months of their completion. Ninety one works were incomplete after incurring expenditure of Rs 12.48 crore.

(Paragraphs 3.2.8 and 3.2.8.1)

Forty three Forensic equipment worth Rs 8.52 crore remained unutilised for five to 49 months. Automated Finger Print Identification System procured at a cost of Rs 1.82 crore for modernisation of Finger Print Bureau was not functioning. Out of 680 Multi Access Radio Terminals, only 204 (30 per cent) were being used.

(Paragraphs 3.2.11.1, 3.2.12 and 3.2.13.1)

Information and Technology equipments worth Rs 72.15 lakh remained idle for 16 to 21 months in three training institutes. Three Simulators worth Rs 41.70 lakh were idle/out of order for 16 to 36 months for want of maintenance and non-availability of personnel.

(Paragraph 3.2.14)

The Department has not fixed any standards for response time to be taken for reaching the crime site. No monthly monitoring was done by the State Level Empowered Committee.

(Paragraphs 3.2.9.2 and 3.2.16)

3.2.1 Introduction

The scheme of Modernisation of Police Forces (MPF) was introduced (1969) by Government of India (GOI) to improve the efficiency of State police force to meet the challenges of the fast changing internal security situation. The scheme was revised during 2000-01 and extended for a period of 10 years. Under the scheme, the State Government was to submit a five-year perspective plan starting from 2000-01 indicating the specific projects. The annual plans were to flow from five-year plan. The components covered under the scheme were housing and building; mobility; communication and computerisation; weaponry; training; traffic equipments/aids to investigation; Forensic Science Laboratories (FSL) and Finger Print Bureau (FPB) facilities; Night vision devices and necessary protective equipments and Home-guards.

3.2.2 Organisational set up

Principal Secretary, Home Department is responsible for implementation of the scheme in the State. Director General of Police (DGP) is the Head of the Police establishment. Additional Director General of Police (Planning and Welfare) is in charge of implementing the modernisation programmes. There is a State Level Empowered Committee (SLEC) under the Chairmanship of the Chief Secretary with Principal Secretary, Home and DGP as members to monitor implementation of the scheme. The Annual Action Plan (AAP) formulated by DGP for requirement of funds is scrutinised by the SLEC before approval by the Ministry of Home Affairs (MHA), New Delhi. Construction work was entrusted to the Rajasthan State Road Development and Construction Corporation Limited (RSRDCC) and Public Works Department (PWD).

3.2.3 Audit objectives

The audit objectives were to assess whether:

- the planning was adequate and comprehensive and the annual plans were in accordance with the perspective plan;
- the assessment of requirement of funds was done properly and the same were utilised for the intended purpose;
- an appropriate implementation strategy was there and was effective;
- the provision of accommodation, procurement and deployment of vehicles, weapons, forensic and training equipments was as per rules and approved AAP; and
- the scheme was monitored properly.

3.2.4 Audit criteria

The audit criteria adopted were:

- GOI guidelines on the scheme and instructions issued from time to time,
- Annual plans approved by the MHA, New Delhi,
- Response time with reference to actual time taken to reach the crime site,
- Minutes of meetings of the SLEC.

3.2.5 Scope and methodology of audit

The performance audit was conducted (April-May 2007) covering the period 2002-07 by test check of records of the Home Department, DGP office, FSLs³⁴, FPB, Jaipur, Rajasthan Police Academy (RPA), Jaipur, Security Training School (STS), Jaipur, Rajasthan Police Training Centre (RPTC) and Police Training School (PTS), Jodhpur and Kherwara (Udaipur), Mewar Bhil Core (MBC), Kherwara, Director, Communication at Jaipur and four Superintendents of Police (SPs)³⁵ alongwith 33 Police Stations (PSs) in these districts. Audit examined the records of RSRDCC to assess the progress of construction works. An entry conference with the Principal Secretary, Home Department was held on 9 May 2007 wherein the audit objectives and criteria were explained. The audit findings were discussed in the exit conference held on 1 August 2007 with the Principal Secretary, Home Department. The review was finalised considering their views.

Audit findings

3.2.6 Planning

The existing scheme of MPF was extended by the GOI for a period of 10 years starting from 2000-01 with enhanced Central assistance. According to the GOI guidelines, State Government was to prepare a five years perspective plan with effect from 2000-01 for submission to the GOI. The annual plans were to flow from the five-year perspective plan. It was seen that although no five-year perspective plan was submitted after 2004-05, the GOI continued to extend the assistance on the basis of AAPs. The following was observed:

- The five-year plan (2000-05) envisaged requirement of Rs 2,405.95 crore to meet shortage of residential, administrative and PS buildings. The State Government submitted the requirement of Rs 386.62 crore only for buildings under AAPs (2000-01 to 2006-07) and GOI approved Rs 381.93 crore. Further, an expenditure of Rs 76.59 crore³⁶ only was incurred up to March 2007 on completed buildings. Thus, Government failed to include proposals for construction of buildings in the AAPs as per the five-year perspective plan and utilise whatever the allotment made.

Government did not adhere to five-year plan while projecting requirement for buildings in the annual plans.

34. Jaipur, Jodhpur and Udaipur.

35. Alwar, Jaipur, Jodhpur and Udaipur.

36. Rs 76.59 crore = Rs 99.25 crore (Total expenditure) minus {Rs 10.18 crore (Works completed but not handed over) plus Rs 12.48 crore (Expenditure incurred on incomplete works)}.

GSM interception system proposed in AAP was not purchased.

- The AAP for 2003-04 included proposal for purchase of a GSM Interception System for border areas to intercept the mobile communication across the border. Government issued (August 2004) sanction of Rs 5 crore for it, but the sanction was subsequently cancelled (November 2004) on the ground that use of the system needed close supervision and delicate handling. This indicated lack of proper planning in preparation of proposals by the Department, which resulted in non-utilisation of funds and consequent delays in the implementation of the scheme.
- The funds released as per annual plans approved by the MHA were to be used for the items specified in the plan. The State Government however, accorded (August 2005) sanction of Rs 48 lakh and spent Rs 40.64 lakh³⁷ for items not considered by the MHA in the AAP. The DGP accepted the facts (July 2007).

3.2.7 Financial management

During 2000-03, Central and State Government funded the scheme in the ratio of 50:50. Half of the GOI share was in the form of grant-in-aid and half in the form of loan. The funding pattern was modified to 60:40 from November 2003 and again to 75:25 in September 2005 due to change of categorisation of Rajasthan on the basis of level of threat from insurgency/ militancy/cross border terrorism etc. During 2003-07 GOI assistance was in the form of grant. The details of AAP, funds released by the GOI and the expenditure incurred during 2002-07 were as under:

(Rupees in crore)									
Year	Approved annual plan	Amount released by GOI		State share	Amount revalidated by GOI during the year	Total amount available for the year	Expenditure incurred during the year	Balance amount (7 – 8)	Percentage of balance amount to total amount available (9 to 7)
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
2002-03	120.83	8.09	8.09	NIL	74.29 ³⁸	90.47	60.76	29.71 ³⁹	33
2003-04	119.80	43.02	NIL	NIL	39.76	82.78	49.39	33.39	40
2004-05	116.98	42.67	NIL	NIL	23.33	66.00	50.10	15.90	24
2005-06	121.33	46.41	NIL	NIL	15.90	62.31	37.96	24.35	39
2006-07	52.00	29.98	NIL	NIL	7.49 ⁴⁰	37.47	28.11 ⁴¹	9.36	25
Total	530.94	170.17	8.09	NIL			226.32		

37. Creation of driving track at Police Motor Driving School, Bikaner: Rs 10 lakh; Preparation/ upgradation of grounds and other infrastructure like power/water etc. for seven training centres: Rs 1.12 lakh; Copy printers, Lamination and binding machines (one each for the training centres-8): Rs 19.56 lakh; and Procurement and installation of Mock Crime Scene for training to inspecting officers at RPA, Jaipur: Rs 9.96 lakh.

38. Closing balance of previous year 2001-02.

39. The GOI revalidated (December 2003) Rs 39.76 crore as against Rs 29.71 crore unutilised as of March 2003 for 2003-04. Similarly, against Rs 33.39 crore lying unspent as of March 2004, revalidation for Rs 23.33 crore was issued for 2004-05.

40. Rs 24.35 crore unspent balance of 2005-06 is due to Rs 46.41 crore intimated as released by GOI and adopted by Audit instead of Rs 29.55 crore intimated as received by the State Government from GOI. Hence, revalidation was for only Rs 7.49 crore in 2006-07.

41. This includes expenditure out of revalidated amount also.

The following significant points were observed:

- State Government did not contribute its matching share during 2002-07. The DGP stated (June 2007) that due to limited financial resources Government was not in a position to contribute its matching share.

Under-utilisation of funds by State Government ranged from 24 to 40 per cent.

- During 2002-07, State Government could not utilise 24 to 40 per cent of funds released by the GOI. DGP attributed (June 2007) this to large size of scheme and adherence of prescribed procedure for purchase of items. The reply was not tenable as the State Government was aware of the procedures to be followed and also knew that further allotment would be received only after funds already received from GOI were fully utilised.

State was deprived of Central grant of Rs 154.22 crore due to slow utilisation of funds.

- Out of the total outlay of Rs 530.94 crore, GOI share due was Rs 332.48 crore. Due to slow utilisation of funds, the GOI assistance was reduced to Rs 178.26 crore⁴², thus, depriving the State of Rs 154.22 crore (46 per cent). DGP stated (June 2007) that utilisation was slow as funds were released at the fag end of the years in 2000-01 and 2001-02. The reply was not tenable as State Government failed to utilise the revalidated amount of Rs 2.26 crore⁴³ sanctioned during 2000-02 even upto March 2006.

- As per GOI instructions (February 2001) modernisation funds should be used in the same financial year. However, funds⁴⁴ remained unutilised for periods ranging 12 to 75 months upto March 2007.

3.2.8 Housing and buildings

According to the guidelines issued by GOI, high priority should be given to construction sector. According to AAPs, construction works of Rs 381.93 crore were approved by the GOI. The Police Department transferred (February 2002 to January 2007) Rs 131.86 crore⁴⁵ to the Personal Deposit (PD) account of the RSRDCC for construction of PSs and police outposts (610), residential buildings (123) and administrative buildings (332). Out of this, Rs 99.25 crore were utilised as of March 2007.

3.2.8.1 Inordinate delay in construction of buildings

Out of 1,065 works, 131 works costing Rs 57.12 crore and 934 works costing Rs 74.06 crore were allotted to RSRDCC and PWD respectively as

42. Grant-in-aid: Rs 170.17 crore and loan: Rs 8.09 crore.

43. 2000-01: Rs 1.50 crore and 2001-02: Rs 0.76 crore.

44. Rs 1.42 crore (2000-01), Rs 0.55 crore (2003-04), Rs 0.10 crore (2004-05), Rs 17.39 crore (2005-06) and Rs 6.77 crore (2006-07)

45. Includes Rs 0.80 crore in respect of Home guard

detailed below:

(Amount: Rupees in crore)

Type of buildings	Number of works allotted	Sanctioned amount	Works completed and handed over		Works completed but not handed over				Works remaining incomplete				Works not started		
			N	S	N	S	E	P	N	S	E	P	N	S	P
A. RSRDCC															
Police Stations/ outposts	43	7.74	35	6.26	4	0.76	0.76	NA	3	0.66	0.64	24	1	0.06	2
Residential	10	2.44	2	0.25	2	1.12	1.12	NA	6	1.07	0.27	12	-	-	-
Administrative	78	46.94	51	36.31	3	0.13	0.13	5-12	20	10.07	7.03	2-36	4	0.43	2-24
Total 'A'	131	57.12	88	42.82	9	2.01	2.01	-	29	11.80	7.94	-	5	0.49	
B. PWD															
Police Stations/ outposts	567	35.12	312	19.30	46	3.79	3.25	1-41	26	2.77	1.51	12-60	183	9.26	2-24
Residential	113	16.60	68	10.32	21	3.20	2.73	1-19	21	2.81	1.28	12-24	3	0.27	12
Administrative	254	22.34	155	11.48	23	2.51	2.19	1-35	15	3.09	1.75	2-60	61	5.26	2-60
Total 'B'	934	74.06	535	41.10	90	9.50	8.17	-	62	8.67	4.54	-	247	14.79	-
Grand Total	1065	131.18*	623	83.92	99	11.51	10.18	-	91	20.47	12.48	-	252	15.28	

N = number of works, S = sanctioned amount, E =expenditure and P =period of delay in months

NA = Not available

* Sanctioned works of Rs 131.18 crore against Rs 131.06 crore transferred to RSRDCC for Police Department.

Ninety one building construction works remained incomplete after spending Rs 12.48 crore.

It could be seen from the above table that 99 buildings (RSRDCC: 9 and PWD: 90) completed at a cost of Rs 10.18 crore were not taken over by the Department (March 2007) even after one to 41 months of completion. Further, 91 works (RSRDCC: 29 and PWD: 62) on which expenditure of Rs 12.48 crore was incurred remained incomplete and 252 works (RSRDCC: 5 and PWD: 247) estimating Rs 15.28 crore were not started due to delay in finalising drawings, selection of sites, stay orders by the courts, etc.

3.2.8.2 Shortage of staff quarters

In the five-year perspective plan Government projected (April 2000) requirement of 54,587 staff quarters considering the existing 15,111 quarters (22 *per cent*) available for 69,698 police personnel. Information regarding net requirement of staff quarters as of 31 March 2007 was not furnished (July 2007) by the DGP. Position in four test checked districts as of March 2007 was as under:

S. No.	District	Total strength	Number of quarters required	Number of quarters available	Shortage of quarters
1.	Jodhpur (City)	1,961	1,279	450	829
2.	Jodhpur (Rural)	687	440	89	351
3.	Udaipur	2,264	1,449	742	707
4.	Alwar	1,954	1,291	443	848
5.	Jaipur (City)	3,856	2,400	907	1,493
6.	Jaipur (Rural)	1,500	997	326	671
	Total	12,222	7,856	2,957	4,899

Shortage of quarters forced the staff to stay 50 km from duty station.

There was net shortage of 4,899 quarters (62 *per cent*) in four test checked districts. As a result, the police staff had to stay at a distance from their working places. It was noticed that 14 staff members of Thanagazi PS (Alwar District) had to stay as far as 50 Kms from the PSs, which meant that they were not available for deployment in the event of emergency call.

Thus, inordinate delays in completion/taking over of buildings negated the plans approved for constructions under AAP.

3.2.9 Mobility

Out of Rs 45.90 crore allotted for purchase of new vehicles by the GOI during 2002-07, expenditure of Rs 43.35 crore was incurred.

3.2.9.1 Shortage of vehicles

Taking into account the Bureau of Police Research and Development (BPR&D) study conducted in 1998, the position of assessment of vehicles required (April 2000), availability of vehicles, purchases during 2002-07 and shortage of vehicles in the Department as of March 2007 was as under:

Particulars	Number of vehicles				
	Heavy vehicles	Medium vehicles	Light vehicles	Motor cycles	Total
Available as on 1 April 2000	242	497	1,344	719	2,802
Shortage assessed	865	465	934	3,407	5,671
Net requirement	1,107	962	2,278	4,126	8,473
Purchases during 2000-07	4	87	1,089	1,998	3,178
Net vehicles available as on March 2007	236	460	1,617	2,456	4,769
Shortfall as on March 2007	871	502	661	1,670	3,704

The following were observed:

New vehicles were used mainly to replace the unserviceable ones.

- In April 2000, shortage of vehicles assessed was 5,671. Despite purchase of 3,178 vehicles during 2000-07, the net addition of vehicles⁴⁶ was 1967 (62 per cent) while 1211 vehicles (38 per cent) were declared unserviceable. The DGP stated (April 2007) that newly procured vehicles under MPF were used to replace the old unserviceable vehicles. The reply was not tenable as the perspective plans submitted were based on the requirement for additional vehicle and the plan did not envisage such replacement.
- Out of 861 vehicles (heavy vehicles: 3, medium vehicles: 27, light vehicles: 311 and Motor cycles: 520) supplied by the DGP to four test checked districts, 418 vehicles (49 per cent) were deployed by the SP offices for *bandobast*, highway security, etc. Fifty six vehicles (6 per cent) were retained for SP/Additional SP offices and only 387 vehicles (45 per cent) were supplied by the District SPs to the Police Stations.
- The PSs at Pratapgarh and Narayanpur in Alwar (Rural) District were functioning without light vehicles (Jeep/Gypsy), which were necessary for regular patrolling and for attending crime sites etc., since February 2005 and February 2007 respectively.

46. Available as on 1 April 2000: 2,802 + Purchases: 3,178 = 5,980 less available vehicles as on March 2007: 4,769 = 1,211. Net addition = 3,178 – 1,211 = 1,967.

3.2.9.2 Response time

Department has not fixed any standards for response time to be taken for reaching the crime site.

In order to maintain law and order situation in the State, it is necessary to prescribe maximum response time for police to reach the crime site. It was noticed that the Department did not prescribe any such maximum limit. Out of 24 PSs test checked, only one PS (Sardarpura in Jodhpur District) fixed the response time for the police team to reach (15 minutes time for one kilometer; 20 minutes for two kilometers; 30 minutes for three kilometers and 10 minutes for each extra kilometer). The PSs were also required to record the response time in the crime registers. However, in 465 cases in 20 PSs police response time could not be worked out as the necessary information was not recorded in crime register by PS incharges. In 24 test checked PSs⁴⁷, more response time was taken (30 minutes to 218 hours⁴⁸) in 153 cases (out of 469 cases) of December 2006 compared to the norms fixed by Sardarpura PS. The situation was worse than that of December 2000 when the response time was 30 minutes to 197 hours⁴⁹ in 189 cases (out of 480 cases). The PS incharges admitted the facts and attributed the excessive time taken to non-availability of additional vehicles, heavy load of work, shortage of manpower etc. Thus, there was no reduction in police response time consequent upon addition of vehicles.

3.2.10 Weaponry

Out of Rs 4.96 crore sanctioned by GOI during 2004-07, weapons worth Rs 3.12 crore were procured as of May 2007. The following irregularities were noticed:

3.2.10.1 Delay in adoption of scale of weapons

The BPR&D, New Delhi, finalised (January 2001) the scale of weapons for the State Police force. The BPR&D asked the DGP to compute the requirement of weapons phased out over next five to seven years. However, it took more than five years for the DGP to prescribe (September 2006) the scale of weapons. DGP stated (July 2007) that the scales were prescribed after indepth study was not tenable in view of actual time taken in adoption of scales by the State Government.

3.2.10.2 Non- procurement/supply/utilisation of weapons

There was net shortage of 9,540 weapons in the State including 810 AK-47 rifles, 2926 self-loaded rifles (SLRs) and 3841 revolvers (point 38) as of March 2007. Shortage of weapons would have adverse impact on the effectiveness of police. DGP stated (July 2007) that shortage of weapons

47. Alwar: PSs, Kotwali, Shivaji Park, Arawali Vihar, Mahila Thana, Khairthal, Malakhera, Kathumar, Thanagazi; Udaipur: PSs, Surajpole, Hathipole, Pratap Nagar, Goverdhan Vilas, Pahara, Bhupalpura, Mavli, Rishabhdev, Dabok; Jodhpur: PSs, Mahamandir, Sardarpura, Sadar Bazar, Khandafalsa, Mandore, Mathania and Jaipur: PS, Shipra Path.

48. 218 hours for covering 2 kilometers: PS, Pahara (Udaipur).

49. 197 hours for 28 kilometers: PS, Goverdhan vilas (Udaipur).

would be recouped in subsequent years as per availability of funds. The reply was not tenable because the scheme was in operation for last seven years and only 150 AK-47 rifles and 500 SLRs were procured. Other interesting points noticed are as under:

- DG supplied 328 modern weapons worth Rs 22.69 lakh to SPs⁵⁰ of three test checked districts that were stocked in the Police Lines and not issued to the PSs. DGP stated (July 2007) that issue of weapons by the District SPs to the PSs was on the basis of law and order situation. The reply was not consistent with the scale of weapons prescribed for each PS.

- Women PSs in Alwar and Jaipur city (East) were not provided any weapon since their establishment in January 2001 and January 2006 respectively.

Weapons worth Rs 1.78 crore were not received from Ordnance Factory.

- The GOI placed (March 2005, March 2006 and August 2006) three orders on Ordnance Factory Board (OFB), Kolkata for supply of various weapons at a cost of Rs 4.78 crore. The weapons valued Rs 1.78 crore of the supply order dated 30 August 2006 had not been supplied by OFB as of May 2007.

3.2.11 Forensic Science Laboratory (FSL)

The FSL provides valuable aid to investigation through analysis of the forensic evidence. The MHA also suggested (April 2001) to the State Governments to strengthen the FSL.

3.2.11.1 Purchase and utilisation of equipment

During 2002-07, Rs 9.48 crore out of Rs 9.64 crore released by the GOI were spent on procurement of equipment and other material for State Forensic Science Laboratories (SFSL), Jaipur, Regional Forensic Science Laboratories (RFSL), Jodhpur and Udaipur. The following points were observed:

- Rupees 2.08 crore⁵¹ released (2000-02) by GOI for purchase of equipment for modernisation of the FSLs could not be utilised (as of April 2007) even after lapse of 62 to 73 months. Additional Director, RFSL, Udaipur stated that purchase of Gas Chromatograph Head Space was unnecessary.

Forensic equipment valued Rs 8.52 crore remained unutilised for five to 49 months.

- Forty three forensic equipment worth Rs 8.52 crore procured during 2002-07 remained unutilised in SFSL Jaipur, RFSLs, Jodhpur and Udaipur for period ranging from five to 49 months (**Appendix-3.2**). Director, SFSL stated (June 2007) that the equipment could not be installed due to space constraint.

50. SP, Jaipur (City): 6 AK-47 rifles, 25 SLRs and 200 BS; SP, Jodhpur City: 10 SLRs and 10 BS; SP, Jodhpur Rural: 15 SLRs and 19 BS and SP, Udaipur: 15 AK-47 rifles, 8 SLRs and 20 BS.

51. (i) Gas Chromatograph- Head Space (RFSL, Udaipur- Rs 0.19 crore-73 months), (ii) X-Ray Fluorescence Spectrometer (SFSL, Jaipur-Rs 0.59 crore-62 months) and Electron Micro Scope (SFSL, Jaipur - Rs 1.30 crore - 62 months).

The reply was not tenable as this constraint could be foreseen before the procurement.

Two diesel analysers costing Rs 24.18 lakh were lying idle at RFSLs, Jodhpur and Udaipur.

• The Director, SFSL submitted (August 2004) the proposal for purchasing three diesel analysers against requirement of one diesel analyser for SFSL, Jaipur. The proposal was approved and three analysers worth Rs 36.28 lakh were received (July 2005) by the SFSL, Jaipur from GOI. The Director, SFSL, Jaipur issued two diesel analysers to RFSLs Jodhpur and Udaipur without any requirement from them and hence these were lying idle (March 2007). Thus, Rs 24.18 lakh spent on procurement of two diesel analysers remained blocked.

3.2.11.2 Pending cases

8,430 cases were pending for analysis as on March 2007.

There were 8,430 cases pending for examination as on 31 March 2007 in the three FSLs. Of these, 6,154 cases⁵² pertained to 2001-06. Additional Director, RFSL Jodhpur stated (May 2007) that 4,232 cases received in 2005 were being examined and reported in 2007 due to shortage of staff. The contention (May 2007) of the Additional Director, RFSL, Udaipur that no time limit was prescribed for disposal of a sample in FSL Rules was not correct as the pendency adversely affects the credibility of reports, delays prosecution of cases and quite often discharge/acquittal of accused in courts.

3.2.11.3 Transfer of technology for De-Oxy-Ribonucleic Acid (DNA) sample testing

DNA sample testing could not be started in the State.

Director, SFSL, Jaipur remitted (March 2005) Rs 6 lakh to the Director, Centre for De-Oxy-Ribonucleic Acid Finger Printing and Diagnostics (CDFD), Hyderabad to meet expenditure for fine chemicals, kits, manpower, transfer of technology and training to the staff of FSLs in the State. According to the Memorandum of Understanding signed between the CDFD and SFSL, blood samples were to be collected from 300 individuals at random in the State and scientists of both the organisations were to prepare the DNA Finger Print reports. Only 26 such Reports were prepared during 29 November 2006 to 20 April 2007 against the target of 300 samples. Thus, in the absence of transfer of technology and training to staff, DNA sample testing could not be started at Jaipur.

3.2.11.4 Non/under-utilisation of buildings resulting in blocking of funds

Buildings for RFSL, Kota and DNA laboratory at Jaipur could not be used resulting in blocking of Rs 4.11 crore.

The construction of buildings for RFSL, Kota and DNA Laboratory (Lab) at SFSL, Jaipur was completed (March 2007) at a cost of Rs 2.20 crore and Rs 1.35 crore respectively. SFSL also procured equipment worth Rs 0.56 crore⁵³. The labs were not operational due to non-sanctioning of manpower. Thus, expenditure of Rs 4.11 crore was blocked. The Director, SFSL, Jaipur stated (June 2007) that manpower for both the labs has been sanctioned now.

52. 2001 (1), 2002 (99), 2003 (279), 2004 (303), 2005 (843) and 2006 (4,629).

53. (i) Two UV-Vis-Spectrophotometer (Rs 0.28 crore) for RFSL, Kota and (ii) one UV-Vis-Spectrophotometer (Rs 0.14 crore), one Power Generator (Rs 0.09 crore) and one Gel documentation System (Rs 0.05 crore) for DNA laboratory, SFSL, Jaipur.

The lab building constructed at a cost of Rs 2.20 crore at RFSL, Udaipur in July 2006 was under-utilised as all the five divisions occupied only 29 rooms/halls leaving 25 rooms/halls unoccupied costing Rs 1.01 crore.

3.2.12 Finger Print Bureau (FPB)

Due to non-functioning of AFIS expenditure of Rs 1.82 crore incurred on modernisation of FPB was unfruitful.

Government sanctioned (September 2006) Rs 2.25 crore for modernisation of FPB in the State. Of this, Rs 1.82 crore was incurred as of March 2007. The investigation of fingerprints was being done manually in the Department. The State Government conveyed (September 2006) administrative and financial sanction to the DGP for purchase of Automated Finger Print Identification System (AFIS). The proposed AFIS was to capture, store and match fingerprints automatically with precision and in short time and to provide timely and effective help in solving the cases. Cost of the AFIS (Rs 1.44 crore) included charges of installation, commissioning, clearance of backlog of one lakh old prints in 120 days (upto 22 May 2007) and annual maintenance charges. The AFIS supplied by the firm 'A' was installed at FPB and in 32 districts including seven range offices (March 2007). It was observed that AFIS was not installed and commissioned in three test checked District SP offices⁵⁴. The certificate given (March 2007) by the Stores Inspection Committee about installation and commissioning of AFIS in these Districts was thus not correct. The SPs, Alwar and Jodhpur also confirmed (May and July 2007) that the AFIS was still lying packed. Possibilities of non-functioning of AFIS in other districts can not be ruled out.

Eight live scanner (cost: Rs 32.86 lakh) and seven laptops (cost: Rs 5.11 lakh) purchased (March 2007) and supplied to the Director, FPB, Jaipur were lying idle for want of trained manpower as of June 2007.

3.2.13 Communication

3.2.13.1 Police Communication Network Project

MHA sanctioned Rs 4.41 crore during 2002-06 to the Director, Co-ordination (Police Wireless), New Delhi (DCPW) for integrated Police Communication Network (POLNET) to be completed through a New Delhi based firm by December 2004 (later extended up to March 2006). The aim was to provide connectivity between all the 680 PSs (as on 6 May 1997) in the State and District police Headquarters and any PS in India for voice communication through Multi Access Radio Terminal (MART). Scrutiny of records in four test checked District SP offices showed that the system was not being optimally used for the intended purpose as discussed below:

Only 30 per cent of MART systems were being put to intended use.

- Out of 680 MARTs, only 469 were established (June 2007) and 211 MARTs (cost: Rs 22.49 lakh) were lying idle in stores. Out of 469 MARTs established so far, only 329 were established in PSs while 140 MARTs (cost Rs 14.92 lakh) were provided to district police officers (102), police

54. Alwar, Jodhpur and Udaipur.

outposts/check posts/control rooms (28), zonal offices (10). 137 MARTs worth Rs 14.60 lakh were out of order, hence not providing intended service. Thus, out of total 680 MARTs, only 204 (30 per cent) costing Rs 21.75 lakh were used in PSs while 211 were lying idle in stores, 137 were out of order and 128 were irregularly used at places other than PSs. The Director, Police communication intimated (July 2007) that action was being taken to repair the out of order MARTs and that the DCPW had been asked to install MARTs lying in stores.

- The firm did not provide the required training for the POLNET to the operating staff at sites. This resulted in the instruments not being operated/maintained properly (July 2007).

Thus, the Police Department was deprived of the benefit of voice communication among PSs in India through POLNET system.

3.2.14 Training

Professionalism in the force largely depends upon the quality of training inputs, which, in turn have direct relationship with training infrastructure. The scheme provided for enhancement of equipment, furniture etc. for which Rs 3.85 crore were approved by the MHA during 2002-07. Expenditure of Rs 3.25 crore was incurred upto March 2007. Seven training institutes namely RPA, Jaipur, RPTC, Jodhpur and PTSs, Jodhpur, Kherwara, Kishangarh, Jhalawar and Police Motor Driving School, Bikaner were engaged in providing initial training, organising promotion cadre courses and other special courses, etc. Scrutiny of records in four institutes⁵⁵ disclosed idling of training equipment etc. as discussed below:

IT equipment costing Rs 72.15 lakh remained idle for 16 to 21 months in three Training Institutes.

- The DGP purchased Information & Technology (IT) equipment i.e. 70 computers, printers, UPS units, Multi Media projectors etc. from firm 'A' at a cost of Rs 72.15 lakh with warranty period of one to three years and supplied these to RPA, Jaipur (23), RPTC, Jodhpur (22) and PTS, Jodhpur (25) between March 2002 and May 2003 for imparting computer training. No training was imparted to the trainees in these institutes for 16 to 21⁵⁶ months in the absence of approved training programmes by the DGP.

Three simulators costing Rs 41.70 lakh were idling/out of order for 16 to 36 months.

- The DGP purchased (January 2003) four training simulators for Rs 55.60 lakh and issued (February 2003) these to four Institutes⁵⁷. Three simulators (cost: Rs 41.70 lakh) remained idle/out of order in three Institutes⁵⁸ for 16 to 36 months due to transfer of master trainer and for want of annual maintenance contract. Thus, 3,136 trainees in these Institutes⁵⁹ were deprived of training through simulators, besides blocking of Rs 41.70 lakh.

55. RPA, Jaipur; RPTC, Jodhpur; PTS, Jodhpur and PTS, Kherwara.

56. RPA, Jaipur: 16 months, RPTC: Jodhpur-16 months and PTS: Jodhpur-21 months.

57. RPA, Jaipur, RPTC, Jodhpur, PTS, Jodhpur and PTS, Kherwara (Udaipur).

58. RPA, Jaipur: 16 months, RPTC, Jodhpur: 19 months and PTS, Kherwara: 36 months.

59. RPA, Jaipur (300), Jodhpur (761) and PTS, Kherwara (2,075).

• Three power generator sets purchased (March 2006) for Rs 12.30 lakh and issued by DGP (May and June 2006) to the Director, RPA, (2) and Commandant, STS, Jaipur (1) were not commissioned (May 2007) for want of electricity connection, construction of cemented platform etc. Thus, idling of generator sets resulted in blocking of Rs 12.30 lakh.

• The DGP issued (December 2002) orders for organising 45 days refresher course for all commando platoons every year at RPTC, Jodhpur. No such refresher training courses were conducted in the RPTC (May 2007).

In the absence of utilisation, procurement of valuable equipment for these institutes was not justified.

3.2.15 Computerisation

3.2.15.1 Computer Aided Dispatch system

The Computer Aided Dispatch systems were not functioning.

According to AAPs for 2000-01 and 2001-02 approved by the GOI, three Computer Aided Dispatch (CAD) systems were to be purchased (cost: Rs 2.10 crore) and established in Jaipur, Jodhpur and Kota cities to monitor the movement of police and instruct them to reach a particular point of crime in the city. The State Government accorded (September 2006) administrative and financial sanction of Rs 1.50 crore for procurement of the systems. The DGP placed (January 2006) order to a private firm for the supply of three CAD systems. One system (cost: Rs 34.91 lakh) supplied (July 2006) to SP, Jodhpur was installed in March 2007. The system was not operational as of June 2007. The systems supplied to SPs (City), Jaipur and Kota were not installed and commissioned as of June 2007. Thus, the benefit of the CAD system could not be availed of by the Department.

3.2.16 Monitoring and evaluation

As per instructions (February 2001) of GOI, the SLEC constituted (July 2001) under the chairmanship of the Chief Secretary was to hold monthly meetings for proper monitoring and reviewing the physical and financial progress of the scheme and its periodical evaluation. During September 2001 to May 2006, SLEC met six times⁶⁰ only to finalise and submit AAP to the GOI. Thereafter no monthly monitoring was conducted by the SLEC. Government stated (July 2007) that it was not possible to hold monthly meeting of the SLEC for the Chief Secretary as he held the highest administrative post in the Government. Though the MPF scheme was in operation for the last seven years, no evaluation of the scheme was undertaken to assess the impact of the scheme.

60. 24 September 2001, 26 August 2002, 15 September 2003, 26 June 2004, 22 June 2005 and 11 May 2006

3.2.17 Conclusion

The implementation of the scheme of MPF in the State was not satisfactory. The State Government did not contribute its matching share for the scheme. Important items e.g. construction works were not included in the Annual Action Plans. Sizable number of residential and administrative building construction works were either incomplete or were not started. There was no increase in mobility as vehicles purchased were mainly used to replace the old unserviceable vehicles. Undue delay in prescribing the scale of weapons required resulted in delay in procurement and deployment of modern weapons. The FSL procured costly equipments without planning for adequate manpower and infrastructure. Critical equipments like AFIS, POLNET and CAD were not installed/functioning and the police force was thus deprived of the benefits provided by the equipment. The valuable equipment procured for training institutes was not utilised. The implementation of the scheme was not monitored effectively.

3.2.18 Recommendations

- Proper planning should be done taking into account the actual requirement under all the components.
- Immediate action should be initiated to take over the possession of the completed buildings and to start the construction works where these were not yet started. Monitoring of progress work should be done closely.
- State Government should provide funds for replacement of old vehicles instead of using the scheme funds. Maximum workable response time should be prescribed for the police team to reach the crime site.
- Norms regarding time to be taken in disposal of cases at FSL should be fixed.
- A review of installation, commissioning and utilisation of the equipment purchased should be done and action taken to overcome the deficiencies.
- Monitoring and evaluation mechanism should be made continuous and effective.

The matter was reported to Government in July 2007; their reply had not been received (September 2007).

WATER RESOURCES, GROUND WATER AND AGRICULTURE DEPARTMENTS

3.3 Rajasthan Water Sector Restructuring Project

Highlights

Rajasthan Water Sector Restructuring Project (RWSRP) was proposed (January 2001) by the Water Resources Department with the objectives to strengthen the capacity for planning, development and management of surface and ground water resources. The World Bank agreed to provide loan assistance of US\$ 14 crore (equivalent to Rs 645.16 crore). The project implementation progress (physical as well as financial) was very slow and tardy. There were cases of non-recovery of liquidated damages and advances, cost overrun, time overrun, unfruitful expenditure, undue benefit to contractors etc. Likely delay in receipt of the report of consultant for independent monitoring and evaluation would not serve any purpose.

The progress during the years 2002-03, 2003-04 and 2006-07 was very slow. Out of project cost of Rs 830.41 crore, Rs 433.65 crore (52.22 per cent) only was utilised in five years against project period of six years.

(Paragraph 3.3.7)

Water charges were not revised since 1999, staff was not reduced to curtail the operational and maintenance cost and collection system of water charges has not been improved so as to achieve full cost of recovery of operation and maintenance.

(Paragraph 3.3.9)

Liquidated damages of Rs 4.38 crore imposed for five works were not recovered from a contractor due to arbitration. Besides, in nine works not completed within the stipulated period, liquidated damages were not levied.

(Paragraph 3.3.10.1)

Delayed acceptance of tenders for two works resulted in extra expenditure of Rs 2.49 crore towards price escalation. Excise duty exemption certificates issued contrary to the provisions of agreements resulted in undue financial benefit of Rs 4.76 crore to contractors.

(Paragraphs 3.3.10.2 and 3.3.11)

Fifteen works were allotted to four contractors ignoring the qualifying criteria. Three works were not started, three delayed and four were left incomplete by them. Against the works left incomplete, an advance of Rs 88 lakh was not recovered from contractors.

(Paragraph 3.3.12.1)

The report of consultant for independent monitoring and evaluation, likely to be received in February 2008, would not serve any purpose as the project is due for completion in March 2008.

(Paragraph 3.3.17)

3.3.1 Introduction

The Water Resources Department (WRD) proposed (January 2001) 'Rajasthan Water Sector Restructuring Project (RWSRP)' to resolve the critical and alarming situation of water in Rajasthan. The Project was launched (March 2002) with World Bank (WB) loan assistance of Rs 645.16 crore out of project cost of Rs 830.41 crore for completion by March 2008. The main objectives of the RWSRP were to strengthen the capacity for strategic planning and sustainable development and management of surface and ground water resources, increase the productivity of irrigated agricultural land through improved surface irrigation systems and strengthen agricultural support services through greater participation of users and the private sector in service delivery.

3.3.2 Organisational set up

RWSRP is a project for integrated development of water resources and their utilisation involving WRD, Agriculture and Ground Water Departments (GWD). The WRD was the nodal agency for implementation of the project. For the purpose of overall coordination, monitoring, evaluation and financial management, a Project Management Unit (PMU) was established (April 2002), headed by a Director of Chief Engineer's rank and assisted by a Superintending Engineer (SE).

3.3.3 Audit objectives

Audit objectives were to assess whether:

- the planning was adequate,
- the financial management fulfills the sound accounting practices,
- the implementation of the project was made as per the approved plan,
- the implementation of Institutional Capacity Building, Participatory Rehabilitation works, Dam Safety works, Ground Water Management and Agriculture Support Service fulfills the objective of the project,

- due attention has been given to the economy and the efficiency in execution of works, and
- appropriate monitoring system was in place.

3.3.4 Audit criteria

The criteria adopted for the performance audit were:

- operating and procedure manuals (Project Implementation Plan, Project Appraisal Document, WB Credit Agreement and Project Agreement),
- policies, standards, directives and guidelines of the State Government and
- Financial and Accounting Rules and procedures.

3.3.5 Scope and methodology of audit

A performance audit of the Project was conducted (February-July 2007) by test check of records of the Chief Engineer (CE), PMU, Additional Chief Engineer (ACE) Udaipur, 10 Divisions⁶¹ out of 40 Divisions of WRD, 11 offices out of 47 of Agriculture Department and seven offices out of 39 offices of GWD covering the period 2002-07. Selection of units was done on stratified random sampling method covering all the zonal areas and dividing the expenditure in three categories⁶². Out of 115 packages (Rs 359.12 crore) of canal rehabilitation works allotted to contractors in 84 irrigation schemes, 40 packages (Rs 149.66 crore), in 26 irrigation schemes (five major, nine medium and twelve minor) were test checked in nine divisions. In order to discuss the audit objectives, audit criteria and the important aspects of the project, a meeting was held (January 2007) with the Additional Secretary, WRD and the representatives of GWD and Agriculture Department.

Audit findings

3.3.6 Planning

Basis for selection of schemes not made available by Department.

As per Project Implementation Plan (PIP) the selection of schemes under RWSRP was to be done on the basis of dependability of water supply; likely high level of community commitment and involvement; scheme with poor levels of service delivery performance; tribal and scheduled castes beneficiaries; etc. It was observed that WRD selected 91 schemes (eight major, 37 medium and 46 minor) situated in various agro-climate zones covering Culturable Command Area (CCA) of 6.19 lakh hectare (ha).

61. Bhilwara-I; Dholpur; Dungarpur; Karauli; RWSRP Division, Hanumangarh; Jaipur; Kota (dealing with training activities only); Jawai Canal Division, Sumerpur (Pali); Gang Canal (South); Sriganganagar and Tonk.

62. Upto Rs 5 crore, exceeding Rs 5 crore but upto Rs 10 crore and exceeding Rs 10 crore.

Information about selection of these schemes, as made available by the Department, did not mention as to how and upto what extent the selection of schemes fulfills the approved criteria.

The proposal (February 2001) of WRD for the project costing Rs 733.58 crore was not agreed to by the State Finance and Planning Departments. Later on, the revised project proposal submitted (September 2001) by WRD for Rs 562 crore was considered and approval was accorded (September 2001) by the State Chief Minister. The fact of reduction in the project cost was not brought to the notice of the WB during negotiations held in Washington (USA) (1-6 November 2001) among WB authorities, Government of India (GOI) and Government of Rajasthan in WRD. The project agreement was signed at its original cost (Rs 733.58 crore). The Finance Department, however, accorded (August 2005) concurrence to the project cost of Rs 733.58 crore. Thus, due to not approaching the reduced cost (Rs 562 crore) by the WRD authorities while having negotiations for agreement with the WB an additional debt liability of Rs 133.83 crore was created on the State exchequer, besides, payment of commitment charges (Rs 6.41 crore) made by GOI during 2004-07.

Equipment
valued
Rs 44.32 lakh
was purchased
at the end of
project period.

- As per budget strengthening plan, equipment for RWSRP use were required to be procured by GWD during 2002-03 and 2003-04. For this purpose, scientific and other equipments⁶³ were purchased for Rs 44.32 lakh between January and March 2007. This purchase at the end of the project period would not serve the purpose of the project activities indicating the planning failure of GWD.

3.3.7 Financial management

Loan assistance of US\$ 14 crore (converted to Rs 645.16 crore) on project costing US\$ 18.02 crore (converted to Rs 830.41 crore⁶⁴) was approved (November 2001) by WB, which was to be transferred through Special Account to GOI to be repaid in 20 years. The GOI had to pay this to Government of Rajasthan (GOR) as Central assistance under Externally Aided Projects (30 per cent grant and 70 per cent loan) with interest ranging between 11.50 per cent and 9 per cent per annum. The project started in March 2002 was to be completed by March 2008. As against the proposed project cost of Rs 830.41 crore, the actual expenditure upto 2006-07 was Rs 433.65 crore as

63. Digital Copier, Multimedia Projector, Multifunctional Fax Machine, Basic Digital Copier, Handhold, Mapping system, Colour Photo Copier, Ammonia Printing Machine, Un-interrupted Power Supply (UPS), Desert Coolers, etc.

64. Including likely escalation during project implementation.

detailed below:

Component/Sub Component	Total cost as per PAD	Expenditure during					Total expenditure	Expenditure percentage of PAD cost
		2002-03	2003-04	2004-05	2005-06	2006-07		
(A) Water Sector Institutional Restructuring and Capacity Building	145.16	0.58	4.86	4.15	3.16	1.16	17.27	11.90
(i) Create SWRPD and Institutional Capacity Building	18.89	0.31	0.45	0.40	1.16	0.76	3.94	20.86
(ii) Modernise the MIS	37.79	0.00	0.04	0.01	0.01	0.01	0.10	0.26
(iii) Water Resources Research Activities	5.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Support IEC Programme	4.15	0.03	0.15	0.02	0.90	0.13	1.75	42.17
(v) Build Capacity for Sustainable Ground Water Management	67.74	0.24	4.21	3.72	1.09	0.26	11.47	16.93
(vi) Pilot Commercial Management of Irrigation System	6.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vii) Strengthen R&R Institutional Capacity	5.07	0.00	0.01	0.00	0.00	0.00	0.01	0.20
(B) Improve Irrigation System Performance	680.64	2.36	50.62	112.79	138.82	78.12	413.38	60.73
(i) Form and foster of WUAs	10.14	0.79	0.08	0.07	0.10	0.35	3.32	32.74
(ii) Participatory Rehabilitation of Irrigation systems (91 Schemes)	527.65	0.48	47.85	103.93	120.42	60.18	351.34	66.59
(iii) Strengthen Agriculture support Service	58.06	0.25	2.47	3.56	6.60	3.51	20.99	36.15
(iv) Dam Safety Remedial Works (16 dams)	84.79	0.84	0.22	5.23	11.70	14.08	37.73	44.50
(C) Project Management	4.61	0.50	0.36	0.56	0.75	0.59	3.00	65.08
Total	830.41	3.44	55.84	117.50	142.73	79.87	433.65	52.22

As intimated (March 2007) by PMU, the 'total expenditure' included *pro rata* charges. Year-wise and component-wise details of *pro rata* charges included in the 'total expenditure' were not made available though called for (August 2007) from PMU. The other points observed were as under:

Only 52.22 per cent project cost was utilised in five years against project period of six years.

- Even after lapse of five years, against the total project period of six years, only 52.22 per cent of Project Appraisal Documents (PAD) cost was utilised (March 2007). Against original budget allotment of Rs 100 crore in each year the expenditure during 2002-03 and 2003-04 was Rs 3.44 crore and Rs 55.84 crore respectively. Similarly, against original budget allotment of Rs 200 crore in 2006-07 the expenditure was Rs 79.87 crore. Slow spending in first two years was due to non-implementation of Management Information System (MIS), non-creating of State Water Resources Planning Department (SWRPD) and delay in tender processing of civil works relating to dam safety and rehabilitation of canals. In 2006-07, it was due to non-execution/delayed execution of canal rehabilitation works by the contractors and Water Users Associations (WUAs) and non-allotment of eight packages of dam safety works to contractors.

- Two rehabilitation works of Sanderao Distributary and Pawa Minor, and Jawai Main Canal and Jakhora Minor were allotted (February 2003) to contractor 'A' who sub-letted (January 2005) them further to two sub-contractors without obtaining prior permission of WB. An amount of Rs 59.51 lakh was paid (January 2005 to September 2005) to both the sub-contractors. As this would not be reimbursed by WB, this resulted in extra financial burden of Rs 59.51 lakh.

- Each implementing agency had to prepare and send their respective Project Financial Statements (PFS) to the PMU, who had to consolidate and send it to the WB. But all annual PFS were not sent to the WB as the same were incomplete (June 2007). The Chief Accounts Officer (CAO) stated (June 2007) that separate PFS was not required by the WB. Reply was not tenable because as per PAD provisions sub-component-wise and main category-wise summary of expenditure as well as balance sheet were required to be submitted.

- Disallowed/unclaimed arrear claims were being submitted in the subsequent fresh claims instead of claiming these in supplementary claims due to which a clear position of reimbursement claims could not be ascertained.

3.3.8 Physical performance

Under RWSRP, 91 irrigation schemes for canal rehabilitation works were approved (cost: Rs 527.65 crore). Of these, three schemes (Rs 13.20 crore) were dropped in December 2005, three schemes (Rs 0.51 crore) were not started by WUAs and one scheme (Gadola: Rs 0.52 crore) was not having canal works of discharge capacity exceeding 10 cusecs. Out of remaining 84 schemes, 65 completed, 17 were in progress and two were left incomplete by the contractors. The analysis of execution of these schemes are given in succeeding paragraphs.

- As per PAD, separate SWRPD was to be established by 30 June 2002 for carrying out the optimal, sustainable and equitable planning, development and use of water resources of the state on a multi-sectoral basis. As per WB requirement, the SWRPD created (March 2005) with 60 posts was working under ACE as a wing but the post of Secretary was not created to provide the required leadership and to enable it to function as an independent service delivery Departments in the water sector *i.e.* Water Resources, Public Health Engineering, Ground Water Departments etc.

- Two sub-components *i.e.* 'Water Resources Research Activities' and 'Pilot Commercial Management of Irrigation System' were not taken up by the PMU till March 2007. This resulted in non-development of a culture of achieving results on fields by way of new research, innovation, demonstration, etc., besides, commercial spirit of water management among the farmers.

• Of required 597 Farmers Organisation (FOs), only 580 (500 WUAs, 78 DCs⁶⁵ and two PCs⁶⁶) were formed leaving five DCs and 12 PCs unformed till March 2007.

• Out of rehabilitation works of canals (cost: Rs 527.65 crore) of 91 schemes taken up under RWSRP, four schemes⁶⁷ (cost: Rs 1.03 crore) having works of canals with discharge below 10 cusecs (except Gadola) were not started (March 2007) by WUAs and three schemes⁶⁸ (cost: Rs 13.20 crore) were dropped (December 2005).

• Out of 115 packages (84 schemes) of works of canals exceeding 10 cusecs, 71 packages were completed, 39 were in progress and five were left incomplete by the contractors, which were not re-allotted till March 2007.

• Out of 449 rehabilitation works of canals below 10 cusecs discharge, 398 were started through WUAs. Of 398 works, 176 were completed and 222 were in progress as of March 2007.

• Out of 16 distressed dams (cost: Rs 84.79 crore) proposed for dam safety, two dams⁶⁹ (cost: Rs 78 lakh) were not finalised by the Dam Safety Review Panel (DSRP) and six dams⁷⁰ (cost: Rs 8.60 crore) were dropped. Of the remaining eight dams having 14 packages, eight packages⁷¹ were allotted during October 2003 to March 2007 and Rs 37.73 crore was spent. Six packages⁷² were not allotted as of March 2007.

3.3.9 Project implementation

3.3.9.1 Key performance indicators

The project envisaged reduction in overall cost structure of WRD primarily through staff reduction, improvements in efficiency and productivity and adjustment of water charges to achieve full cost recovery of Operation and Maintenance (O&M). These measures were to be contributed to phase out of fiscal subsidies for O&M by fifth year of the project. The following points were emerged in audit:

Water charges not revised after 1999.

• GOR committed (September 2001) to revise the rates of water charges for irrigation not later than April 2004 and April 2007 to ensure that the total annual revenue from such revised charges would meet 50 *per cent* and 100 *per cent* of O&M cost respectively. GOR was required to increase water charges from Rs 191 per ha in 1999-2000 to Rs 550 per ha (without adjustment of inflation) by 2005-06. But no such revision was made after 1999.

65. Distributary Committee.

66. Project Committee.

67. Banina, Gadola, Gangaria and Nagmala.

68. Mansagar (minor), Sardarsamand (major) and Som Kagdar (medium).

69. Abhaypura and Bhimlat in Bundi District

70. Mashi, Bhimsagar, Hemawas, Angore, Ora and Jetpura.

71. Gambhiri Dam-2, Alnia Dam-2, Parbati Dam-1, Juggar Dam-1, Nandsamand Dam-1 and Morel Dam-1.

72. Parbati Dam-1, Morel Dam-2, Orai Dam-1 and Gudha Dam-2.

No attempt made to reduce the number of staff in order to bring down O&M cost.

• The project envisaged to down size the number of staff gradually in a period of five years to bring down the O&M cost so that it could be met out from water charges of Rs 550 per ha. WRD did not prepare any guidelines, including technical and staff norms for estimating annual optimum O&M requirement in irrigation schemes/sector, though agreed with WB to complete by 31 May 2006.

Realisation of water charges was affected adversely due to change in collection system.

• Water charges collection efficiency in Rajasthan over six years during 1994-2000 was 83 *per cent* of the demand of Rs 114.26 crore. The activities of assessment and collection of water charges alongwith 1,315 *Patwaris* were transferred (September 2001) to the Revenue Department. This severely disturbed the collection system and the collection sharply declined to 18 *per cent* of demand of Rs 21.81 crore during 2001-02. The collection increased to 58 *per cent* of demand of Rs 18.76 crore in 2003-04 as the Revenue Department transferred back (4 September 2004) 658 *Patwaris* to WRD. Transfer of associated irrigation revenue record was also slow, which affected the revenue realisation adversely.

Lack of coordination between the departmental authorities and the FOs.

• The responsibility of maintenance of canal was to be handed over to FOs. However, the mechanism of recovery of irrigation water charges by FOs and its sharing with the FOs for carrying out maintenance was not decided by the State Government as of March 2007.

These indicators were critical for ensuring the improved irrigation service delivery to the users on sustainable basis and for deriving intended benefits from the project investment and for achieving the project objectives.

3.3.10 Canal rehabilitation works executed through contractors

Rehabilitation works of canals exceeding 10 cusecs were executed through contractors. Scrutiny of records revealed the following.

3.3.10.1 Non-recovery of liquidated damages

Liquidated damages of Rs 4.38 crore not recovered from contractor.

Out of 40 packages test checked, 14 packages remained incomplete, in which (a) liquidated damages (LD) of Rs 4.38 crore imposed by WRD in five works⁷³ remained unrecovered (March 2007) from contractor 'A' due to arbitration, (b) in three works⁷⁴, span-wise time extension was not decided and (c) in six works⁷⁵, LD required to be recovered for delay in completion of the work was not levied, though stipulated dates of completion had lapsed (March 2007).

73. J-1: Rs 1.52 crore, J-2: Rs 0.47 crore, J-3: Rs 1.25 crore, J-4: Rs 0.59 crore, and J-5: Rs 0.55 crore.

74. Ummed Sagar, Gajpur (GAD-1) and Buchara.

75. Ghorion Ka Naka, Lodisar (L-1), Lodisar (L-2), Margia (MG-2), Bilpan and Vatrak of Water Resources Division, Dungarpur.

3.3.10.2 Time/cost overrun

Delay in acceptance of tenders resulted in avoidable extra expenditure of Rs 2.49 crore towards price escalation.

As per Instructions to Bidders (ITB), the bid was to be accepted and conveyed to the bidder concerned within 90 days (validity period of bids) from the date of opening of tenders and thereafter 28 days were prescribed for furnishing the performance security and signing of the agreement. The agreement (clause-47) provides for neutralisation of price hike according to the formula given in the 'Contract Data' of the agreement on quarterly basis. WRD had instructed (May 2000) that after opening the tenders, the tender opening authority should not return the case to lower authority for their evaluation and to prepare comparative statement. Contrary to this, time was consumed in obtaining information or clarification from Divisional Officers. Thus, against prescribed period of 118 days (90 + 28 days) for acceptance of tenders and order to commence the work, there was abnormal delay of nine and 20 months in two tenders⁷⁶. This resulted in extra expenditure of Rs 2.49 crore towards payment of price escalation to contractor 'F' for delayed period from January 2004 to September 2006.

In case extension of time involves price escalation, approval of Administrative Department (upto Minister in-charge) was necessary under delegation of powers. In rehabilitation work of main canal, branches and minors of Kharad Irrigation Scheme, time extension involving price escalation of Rs 9.02 lakh for the period from September 2005 to January 2006 was granted irregularly by the ACE, Jaipur without his competency. In another case of Jhadol, time extension was to be granted after obtaining No Objection Certificate (NOC) from WB. Extension upto 30 November 2005 was irregularly accorded (September 2006) by the SE, Bhilwara without obtaining NOC.

NOC from the WB was mandatory for reimbursement of expenditure on the work. The WB instructed (September 2006) that NOC would not be accorded after the scheduled date of completion for respective packages or the expiry of period once extended. It was observed that Rs 85.25 lakh was paid between July 2005 and February 2007 to contractors on six works⁷⁷ after the period once extended by the WB and the reimbursement of this amount was doubtful.

3.3.10.3 Unfruitful expenditure

Rs 2.51 crore spent on canal rehabilitation of Kharad Irrigation Scheme did not increase irrigation potential.

The water stored in the Kharad dam during 1990 to 2000 ranged between 24.14 million cubic feet (mcft) and 275.32 mcft against designed storage capacity of 325 mcft and maximum irrigation was provided only in 1,800 ha area against designed 2,404 ha. Before proposing the rehabilitation of its canal, branches and minors, the deficiencies in the dam/catchment area were required to be removed, after investigating the reasons of non-availability of water in the dam upto its designed storage capacity. It was observed that

76. Lilanwali Distributary of Bhakra Canal System (BK-4) and Morjanda Distributary and Minors of Bhakra Canal System (BK-12).

77. Main Canal of Jhadol, Right Main Canal (RMC) of Margia (MG-1), RMC of Lodisar, Dewara minor of Lodisar (L-2) and Left Main Canal (LMC) of Gajpur (GAD-1) after 30 June 2005 and Main canal and minors of Ghorion Ka Naka after 6 November 2005.

rehabilitation work of canal and its distribution system was proposed (February 2001), by WRD under RWSRP to increase irrigation command area upto 2,800 ha without analysing deficiencies in the dam/catchment area. After completion of the work at a cost of Rs 2.51 crore, the irrigation was provided in 580.88 ha, 1,041.30 ha and 1,600 ha during 2001, 2003 and 2005 respectively against 2,800 ha proposed and no irrigation was provided during 2002, 2004 and 2006. Thus, due to non-availability of water in the dam and canal to irrigate even the originally designed area (2,404 ha), expenditure of Rs 2.51 crore incurred on rehabilitation of canal was rendered largely unfruitful.

3.3.11 Undue benefit to contractors through issue of excise exemption certificates

Excise exemption certificates issued in contravention of the conditions of agreements resulted in undue financial benefit to the contractors and thereby increasing the cost of the project.

As per bid document, the excise duty exemption benefit under Central Excise notification (August 1995) was admissible for RWSRP works exceeding Rs 46 lakh only, provided the bidders quoted their rates after taking into account such benefits. For fulfillment of this condition the bidders were required to give all desired information for issue of certificates as per declaration form of duty exemption attached with the tender documents. It was observed that 169 duty exemption certificates were issued by PMU without adopting uniformity, clarity and accountability as discussed below:

- The details of construction material/equipment procured by the contractors could not be ascertained as the PMU did not endorse copies of exemption certificates to the concerned officers of WRD. Government reply did not mention the reasons for non-endorsement (September 2007).
- Similar references of exemption certificates were issued twice to the contractors for different works *i.e.* number 46 on 22 October 2003 and also on 6 January 2006, number 80 and 81 on 24 February 2004 and also on 20 March 2004 and number 82 on 24 February 2004 and also on 16 April 2004. Moreover, validity of exemption of excise duty in three certificates⁷⁸ was irregularly indicated beyond the stipulated dates of completion of work.
- Contrary to the provision of ITB clause 13.3 prohibiting subsequent changes in certificate issued initially, three certificates with additional quantity were issued by the PMU for the work of Additional Gated Spillway of Nandsamand and two certificates each for six works⁷⁹. Further, two certificates of similar number (CERT/88 dated 24 July 2004) were issued to one contractor for same quantity of cement (1,21,679 bags) to be procured from two different cement factories. As per para 1.5 of bid documents, the bidders had to fill the information of equipment required to be procured. Exemption certificates for 106 equipments (out of total 210) were issued to a

78. CERT/20 dated 30 June 2003, CERT/58 dated 18 November 2003 and CERT/80 dated 24 February 2004.

79. Ummed Sagar main canal (Bhilwara-I), LMC Gambhiri, RMC Gambhiri (Chittorgarh-I), Morel main canal, Moraşagar main canal (Sawaimadhopur) and Canal of West Banas Irrigation Project (Sirohi).

single contractor 'A' for six works of Jawai Canal and Bankli scheme, who did not fill the details of equipment in bid documents. Information of actual procurement was neither available in test checked divisional offices nor in PMU.

- Three exemption certificates were issued (April 2003 and May 2005) irregularly (two to the contractor 'D' for three Mahindra tractors on work of Sirohi and Tata Hitachi Hydraulic Excavator on work of Pali and one for concrete paver to contractor 'A' for work of Sumerpur) to contractors though they did not fill the duty exemption declaration of bid document. Exemption amounting to Rs 9 lakh was availed of by them. Besides, the contractor 'D' availing duty exemption on Tata Hitachi Machine from Pali also obtained the equipment advance (Rs 15.50 lakh) as contractor 'E' from Sumerpur on the false sale letter of contractor 'D' for another work.

- In agreements for works costing less than Rs 46 lakh, there was no provision for exemption under ITB clause 13.3 and in agreements above Rs 46 lakh, only blank declaration forms of duty exemption were signed by the contractors. Therefore, in such cases duty exemptions were not admissible to the contractors. Of 100 excise duty exemption certificates for Rs 14.34 crore issued (April 2003-April 2006) by PMU for 71,68,104 cement bags, 61 certificates for 48,06,494 cement bags were irregularly issued to contractors. Against these, as per information gathered from five offices of Superintendent, Central Excise Department⁸⁰, 22,56,038 cement bags were procured (upto April 2007) by availing inadmissible excise duty exemption of Rs.4.51 crore by the contractors. The Government intimated (September 2007) that detailed reply would be sent on receipt of recommendation of the committee formulated (August 2007) by GOR.

Thus, undue financial benefit was given to the contractors, which increased the project cost also.

3.3.12 Irregularities in tenders

3.3.12.1 Acceptance of tenders ignoring qualifying criteria

ITB clause 4.5 and 4.7 prescribe the qualification of contractors viz. minimum annual turnover, completion of similar nature of work, minimum quantities of work executed in a year and possessing of minimum machinery/equipment to be considered for acceptance of bids. Accordingly, only the substantially responsive bids of the bidders fulfilling all the qualification criteria were to be considered for acceptance by the tender accepting authorities. It was, however, observed that tenders in respect of four contractors were accepted (February-August 2003) ignoring the qualifying criteria as detailed in **Appendix-3.3**. Allotment of works to contractors not fulfilling the prescribed minimum criteria was not justified. Out of 15 works allotted to the contractors, three works were not started, three works (costing Rs 3.94 crore) were delayed and four works were left at incomplete stage (March 2006).

80. Abu Road; Beawar; Range-I, Chittorgarh; Range-II, Chittorgarh and Range-III, Kota.

Advance of Rs 88 lakh was not recovered though contractor left the works incomplete.

Contractor 'A' was paid (2002-03) advance of Rs 2.09 crore for the six works⁸¹. However, he left (March 2006) the works incomplete. Advance of Rs 88 lakh remained unrecovered as of March 2007. Further, there was heavy seepage due to not doing lining work in place of old lining dismantled by the contractor in km 4.500 to km 5.500, km 8.955 to km 9.270 and km 10.686 to km 11.350 of Jawai main canal. This resulted in loss of irrigation water. Government stated (September 2007) that advance of Rs 88 lakh would be recovered after decision of the arbitration.



Dismantled old lining of Jawai main canal, Sumerpur

3.3.12.2 Overpayment due to acceptance of different rates for similar works

The nomenclature for the item of work of cast in situ plain cement concrete of M 13.5 grade for side slope using slip gantry was one and same in two items⁸² of the bill of quantities for rehabilitation of Ram Sagar main canal. The contractor quoted Rs 230 per sqm. for one item and Rs 180 per sqm. for another item of the same nomenclature of work. No reasons were given for accepting different rates for the items while accepting (April 2003) tenders by the ACE, Zone Jaipur. This resulted in overpayment of Rs 14.99 lakh to the contractor as detailed below:

(Rupees in lakh)	
At Rs 50 (Rs 230 - Rs 180) per sqm on 40.701.01 sqm quantity of item 14(b) after deduction of 35 per cent rebate given by the contractor.	13.23
Price escalation paid on Rs 13.23 lakh at the proportionate of price escalation Rs 39.04 lakh paid for work of Rs 2.92 crore.	1.76
Total	14.99

Government stated (September 2007) that Rs 4.17 lakh (Rs 3.91 lakh + Rs 0.26 lakh) had been recovered.

81. Jawai main canal and Jakhora minor (Rs 1 crore); Bithiya distributary and minor (Rs 40.26 lakh); Sanderao distributary and minor (Rs 24.51 lakh); Takhatgarh distributary (Rs 14.85 lakh); Gogra distributary and minor (Rs 11.66 lakh) and Bankli Main Canal (Rs 18 lakh).

82. 14 (b) and 15 (a).

3.3.13 Canal rehabilitation works executed through WUAs

Of 138 Rehabilitation works (out of total 398 works) of canals below 10 cusecs started through WUAs in nine test checked divisions, only 57 (41 *per cent*) works were completed. As per irregular orders (June 2005) of Director (Technical), PMU the individual works in 13 cases⁸³ (value: Rs 2.56 crore) above Rs 13 lakh were splitted keeping their cost below Rs 13 lakh. The works were splitted to avoid the National Competitive Bidding procedure and competent sanction. Government intimated (September 2007) that the works of canals below 10 cusecs and costing upto Rs 13 lakh only were carried out through WUA. Reply was not tenable because the works were splitted to keep the cost upto Rs 13 lakh.

3.3.14 Dam safety works

For drinking purpose, the State Government accorded (November 2001) administrative sanction of Rs 1.60 crore for raising one metre height of Juggar dam. The raising cost was to be borne by Public Health Engineering Department (PHED). But, PHED did not deposit the amount. Therefore, raising was proposed (February 2001) under RWSRP and expenditure of Rs 89.76 lakh was incurred. Charging the expenditure of Rs 89.76 lakh incurred for drinking water purposes, to dam safety of RWSRP (March 2007) was, thus, irregular as no provision for drinking water existed in RWSRP.

Third time rejection of tenders of rehabilitation of Orai dam resulted in non-achievement of irrigation targets.

Further, tenders for the work rehabilitation of Orai dam by increasing the width etc., were invited once in July 2005 and again in April 2006. The tenders were rejected in November 2005 and July 2006 by the CE and Empowered Committee respectively on the ground that the rates were on higher side. Third time, the tenders were invited in November 2006 and were received on February 2007. The lowest offer of Rs 16.91 crore with price escalation clause was recommended (24 February 2007) by ACE, Udaipur on which no decision was taken by the Department as of March 2007. Consequently, the work was excluded from the scope of the dam safety component of RWSRP and excessive seepage in earthen dam and non-overflow portion and erosion in overflow portion of the dam could not be controlled. Due to non-rehabilitation of the dam, despite spending of Rs 7.89 crore on rehabilitation of the canals of the dam (Rs 6.94 crore) and formation of WUA (Rs 95 lakh) the targets of irrigation in 9,260 ha would not be achieved.

3.3.15 Ground Water Management

For creating the database of water level and monitoring of quality and impacts of recharge structures, provision of Rs 7.60 crore for construction of 760 piezometers (State:700, three pilot areas: 60) was made in PIP. Against this, 803 piezometers (State: 737, pilot areas: 66) were constructed during 2002-03 to 2006-07 at a cost of Rs 8.10 crore. It was observed that

83. Dhanawali, Lodpura, Tehri, Rajpur, Jarga, Tasima, Koliwara, Sanderao Minor, Ora Minor no. 1, 2, 4, 6 and LMC of Bhadar.

35 piezometers costing Rs 34.31 lakh were out of order. Further, in Jodhpur Circle, contrary to the instructions (January 2004) of the CE, GWD, Mild Steel 200 mm dia casing pipes were used instead of 125 mm dia pipes, in 38 piezometers⁸⁴, resulting in avoidable expenditure of Rs 25.13 lakh.

Further, as per instructions issued (March 2003 and March 2005) by the CE, GWD, the Drawing and Disbursing Officers of GWD in Udaipur, Rajsamand, Jodhpur, Bikaner and Jaipur transferred the unutilised funds for piezometers⁸⁵ amounting to Rs 50.54 lakh (Rs 22 lakh in 2002-03 and Rs 28.54 lakh in 2004-05) in the departmental revenue by debiting RWSRP. Later on, the amount deposited in revenue was adjusted⁸⁶ against expenditure in subsequent financial years through transfer entries. Creation of false departmental revenue through RWSRP funds and incurring the amount in subsequent years by adjusting the amount from revenue head without consent of Finance Department was irregular.

3.3.16 Agriculture Support Services

An important aspect of the "On-Farm Seed Production" sub-component through participation of seeds companies and FOs was to train the farmers in seed production technologies in such a way that farmers would become seed producer themselves. After incurring expenditure of Rs 1.03 crore⁸⁷ on seed distribution and demonstrations during 2003-07, the objective of making the farmers seed producer themselves was not fulfilled as after providing certified seed, proper follow-up action of the crop was not taken.

Four studies were conducted by the Agriculture Department in 2003-04 and 2004-05 through Principal Investigators (PIs) on Mansagar (minor) and Som Kagdar (medium) irrigation schemes, not taken up for rehabilitation of canals by the WRD. The PIs were paid Rs 23.36 lakh against the total cost of Rs 35.54 lakh. However, the studies were not completed as of March 2007 due to lack of co-ordination with WRD. The Government stated (August 2007) that the PMU informed (August 2006) about the deletion of these projects. This indicated lack of co-ordination and monitoring between PMU and Agriculture Department which resulted in wasteful expenditure of Rs 23.36 lakh.

3.3.17 Monitoring and Evaluation

The following deficiencies were noticed in monitoring and evaluation system:

- The MIS was to be modernised through the acquisition of computer hardware, software etc. to improve finance and accounting, technical and

84. Jaisalmer : one; Jalore: nine; Jodhpur : two; Nagaur : 18 and Sirohi: eight.

85. Piped under ground bore hole covered with cap, to measure the water level with the help of inch tap and for taking water sample for chemical analysis.

86. Rs 18.37 lakh (against Rs 22 lakh) in 2003-04 and Rs 28.54 lakh in 2006-07.

87. Deputy Director, Agriculture (Extension) - Karauli: Rs 5.51 lakh; Bhilwara: Rs 24.41 lakh; Dungarpur: Rs 0.63 lakh; Sriganganagar: Rs 41.48 lakh and Hanumangarh: Rs 30.74 lakh.

engineering applications, data processing and analysis, etc. in all the three Departments. The consultancy for MIS expected to be awarded in the first year of the project itself was not awarded even after lapse of five years. Thus, strategy for implementation of MIS was not finalised.

- As per PAD a Financial Management Manual was to be adopted by all the implementing agencies to ensure transparency, uniformity, clarity and accountability. The manual was not available with any of the implementing agencies or PMUs. Due to incomplete documentation of compilation, the reliable information of component/sub-component-wise expenditure, amount claimed for reimbursement, actual reimbursement, etc. was not available.
- As per PAD, Government was to engage an independent Monitoring and Evaluation agency to complete two key performance indicators based formal reviews by October 2004 and 2006 focusing on project progress and impact to ensure efficient carrying out the project during its execution. The consultancy for this purpose was allotted (September 2005) to the firm T and final report was due in February 2008, which would not serve any purpose of ensuring efficient carrying out of the project.
- Agriculture Department was required to collect irrigation scheme-wise key performance indicators and report to the WB once in six months. These indicators included area irrigated, crops grown, cropping intensity, change in cropping system, new crops introduced and productivity of important crops as compared to baseline pre-project data collected, if any, earlier. The WB Supervision Mission (December 2006) also insisted to submit these reports by 31 March 2007, but no such reports were made available by the Agriculture Department. Performance of the project was, thus, could not be evaluated.
- To watch proper functioning of the WUAs, field officers had to organise regular meetings with WUAs. Assistant Engineers/Junior Engineers were required to visit the WUAs within 15 days and the Executive Engineers were to hold meetings with all WUAs once in each month. No documentary evidence or minutes of such meetings, (except 11 meetings in Jawai Canal Division, Sumerpur) were made available though called for in test checked divisions. The WB Implementation Support Mission in its report (December 2006) had pointed out that failure to implement these actions would result in downgrade the performance rating of the project by the WB to "unsatisfactory", which was "satisfactory" or "marginally satisfactory" in terms of both implementation progress and financial management during mid-term review by WB team (17 November - 6 December 2005). In that event continued financial support to the project would not be provided by the WB.

3.3.18 Conclusion

Implementation of the project was slow. Only 52 *per cent* of project cost was utilised in five years against project period of six years. Neither rate of irrigation water charges were revised nor staff was down sized to reduce the O&M cost, as envisaged in the project. Arrangements were not made for recovery of water charges through the FOs and its sharing with them for carrying out O&M. There was a lack of co-ordination between WRD and FOs.

There were cases of non-recovery of liquidated damages and advances, cost overrun, time overrun, unfruitful expenditure, undue benefit to contractor by issuing inadmissible excise duty exemption certificates. The report of the consultant for monitoring and evaluation is expected only by February 2008, which would not serve any purpose.

3.3.19 Recommendations

- Constraints and bottlenecks affecting performance and progress of the project should be resolved.
- Steps should be taken to strengthen the process of claim preparation, financial reporting and internal audit systems.
- Clear and transparent guidelines for staff norms should be prepared. The procedure for estimating annual optimum O&M requirement should be established and water charges should be revised to make the project self sustainable.
- GOR should expedite a policy decision for sharing the water charges between GOR and FOs and also prepare a time schedule for handing over to the FOs, different schemes on their completion.

The points were reported to Government in June 2007; their reply received in September 2007 had been incorporated at appropriate place.

URBAN GOVERNANCE DEPARTMENT

3.4 Rajasthan Urban Infrastructure Development Project

Highlights

Rajasthan Urban Infrastructure Development Project (RUIDP) was started in January 2000 covering six divisional headquarters of Rajasthan with a total outlay of Rs 1,529 crore of which substantial amount was financed by Asian Development Bank. The project aimed at social and economic development of these six cities and was to be completed by December 2004 (extended to March 2009). The progress made in first three years was dismal which resulted in payment of commitment charges. Implementation of the Project suffered from improper estimation of works, non-recovery of contributions from Urban Local Bodies and loans paid to them, delayed execution of works, lack of community participation, selection of inefficient contractors, undue benefits to contractors and ineffective monitoring of works.

The expenditure incurred on RUIDP from January 2000 to March 2002 was only Rs 9.60 crore (6.86 per cent) against budget provision of Rs 140 crore. Short drawal of loans resulted in extra liability of Rs 31.46 crore towards commitment charges.

(Paragraphs 3.4.6.1 and 3.4.6.3)

Contribution of Rs 38.36 crore from the Urban Local Bodies was not received and recovery of loan amount of Rs 122.06 crore and interest thereon from the Local Bodies was not initiated.

(Paragraph 3.4.6.2)

Delay in project implementation led to extra expenditure of Rs 13.93 crore on extension of consultancy services.

(Paragraph 3.4.7.1)

Delayed preparation of base maps at a cost of Rs 3.69 crore deprived of consultants of their use in designing. There were delays ranging from six months to 33 months in 23 works out of 81 works completed by March 2007.

(Paragraphs 3.4.8.1 and 3.4.8.3)

Project Management Unit extended undue benefit of Rs 13.75 crore to contractors by issue of irregular certificates for excise duty and payment of advances and certain concessions in violation of agreements.

(Paragraphs 3.4.8.4)

Non-completion of works/non-handing over of works led to blocking of Rs 29.01 crore. Besides, liability of other agencies amounting to Rs 6.66 crore were irregularly charged to project.

(Paragraphs 3.4.8.6 and 3.4.8.7)

3.4.1 Introduction

Rajasthan Urban Infrastructure Development Project (RUIDP) was started in January 2000 covering population of 37.89 lakh⁸⁸ at six divisional headquarters⁸⁹ with loan assistance from the Asian Development Bank (ADB). The objective of the project was to optimise social and economic development in these six cities by developing urban services for water supply and sanitation, solid waste and waste water management, slum upgrading, environmental improvement, road improvement and traffic management and strengthening other civic amenities. The project also provided for capacity building and community participation to support effective devolution of urban management. As per initial agreement (December 1999) between Government of India (GOI) and ADB, the project was to be completed by December 2004, which was extended to March 2009.

3.4.2 Organisational set up

At the apex level, an Empowered Committee (EC) under the Chairmanship of Minister of Urban Governance Department (UGD) (earlier Urban Development Department) was responsible for policy decisions and for according sanctions to RUIDP works. UGD was the executing agency for RUIDP. A Project Management Unit (PMU) headed by a Project Director (PD) was responsible for project implementation and management. There were Project Implementation Units (PIUs) in six cities where the project was being implemented. Superintending Engineer (SE) who was under direct administrative control of PMU headed a PIU. Four consultants were engaged to assist PMU and PIUs in project management i.e. drawing, design and supervision of construction.

3.4.3 Audit objectives

Audit objectives were to assess whether:

- the funds were expended for the intended purpose and regulated as per rules;
- the works were executed after proper survey, estimation and designing;
- the project was implemented in an economical and effective manner;
- the monitoring mechanism existed and was effective.

88. On the basis of 1991 census, but subsequently increased to 52.93 lakh in 2001 census.

89. Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.

3.4.4 Audit criteria

The audit criteria used to assess the performance of RUIDP were:

- the ADB guidelines for implementation of RUIDP and the policy decisions of the State Government on the Project,
- the manual of the Project with regard to various construction activities,
- Financial and Accounting Rules of the Government,
- provisions of loan and project agreement with ADB and
- minutes of EC, Tender Approval Committee and Variation Approval Committee.

3.4.5 Scope and methodology of audit

The performance audit of implementation of RUIDP in six cities during 2002-07 was conducted (January to June 2007) by test check of pertinent records of PIUs. An entry conference was held with the Project Director of PMU in November 2006 to discuss the audit objectives and criteria and the audit observations were discussed in the exit conference held in September 2007.

Audit findings

3.4.6 Financial Management

3.4.6.1 Financial outlay and expenditure

The total financial outlay of RUIDP was US Dollars 362 million (equivalent to Rs 1,529 crore⁹⁰). US Dollars 250 million (equivalent to Rs 1,055 crore) were financed from ADB and US Dollars 112 million (equivalent to Rs 474 crore) were financed from State's own resources. ADB provided its share as loan to GOI to be disbursed as per agreed schedule. GOI in turn provided this amount, 70 *per cent* of the amount as loan and 30 *per cent* as grant to State Government. After inclusion of Bisalpur-Jaipur water supply project, the RUIDP cost was revised to Rs 1,894 crore.

Upto
March 2002
expenditure
was only
Rs 9.60 crore
(6.86 *per cent*).

State Government received the loan from GOI as Central assistance. Provision of funds for the project was made under State plan. The expenditure incurred from January 2000 to March 2002 was only Rs 9.60 crore (6.86 *per cent*) including Central assistance of Rs 1.22 crore, against the budget provisions of Rs 140 crore. It was mainly on account of advances to consultants, National Remote Sensing Agency and on pay and allowances to staff. The budget

90. The amount shown in Rupees varies due to the fluctuation of exchange rates between Indian Rupee and US Dollar.

provision and expenditure incurred during 2002-07 on the project were as under:

(Rupees in crore)				
Year	Central assistance	Budget Provision	Expenditure	Percentage of expenditure as against budget provision
2002-03	70.78	200	133.62	66.81
2003-04	201.06	413	214.13	51.84
2004-05	216.63	400	325.78	81.44
2005-06	136.62	405	178.42	44.05
2006-07	30.42	450	226.33	50.29
Total	655.51	1,868	1,078.28	57.72

During 2002-07 the expenditure ranged between 44 and 81 *per cent* of the budget provisions. Out of Rs 1,087.88 crore⁹¹ spent as of March 2007, Rs 958.20 crore was incurred by RUIDP (**Appendix-3.4**) on various works in six cities and Rs 129.68 crore was incurred on consultancy services, community awareness and participation programme and procurement of goods.

Government attributed (September 2007) the slow progress to long procedure of engagement of consultants and hardship in execution of works in urban areas. Reply was not tenable because proper planning and realistic estimation could have avoided delay in execution of works, which led to excess payment of remuneration to consultants as commented elsewhere in the Report.

3.4.6.2 Non-recovery of contribution and loan from Urban Local Bodies

Contribution of Urban Local Bodies amounting to Rs 38.36 crore was not received.

For recovering the cost of works from Urban Local Bodies (ULBs) on lending loan agreements between GOR and ULBs as envisaged in loan agreement between GOI and ADB were executed (December 1999). The loan agreement provided that 70 *per cent* of amount was to be extended as loan and balance 30 *per cent* as grant. Funds required in addition to the sanctioned amount (as loans and grants) were to be contributed by ULB concerned. According to amortization schedule of the loan of Rs 305.23 crore, the principal sum, along with 13 *per cent* interest per annum was to be paid half-yearly in June and December each year commencing from June 2004 up to December 2023.

Out of a total contribution of Rs 78.36 crore receivable from six municipal corporations and councils and five Urban Improvement Trusts (UITs) and Jaipur Development Authority (JDA), Rs 34.96 crore was only received. Further, as the loan amount was revised to Rs 122.06 crore, recovery of loan and interest thereon could not be started due to non-finalisation of a fresh amortization schedule. Government stated (September 2007) that total Rs 40 crore has been recovered from the ULBs as of August 2007.

91. This includes expenditure (Rs 9.60 crore) incurred prior to 2002-03 also.

3.4.6.3 Extra liability on payment of commitment charges

Extra liability of Rs 31.46 crore on account of commitment charges paid due to delayed implementation of the project.

As per loan agreement, loan assistance of US Dollars 250 million was provided for project activities. The borrower i.e. GOI was to draw 15 *per cent* loan in first year, 30 *per cent* in second year, 40 *per cent* in third year as per schedule of agreement and remaining 15 *per cent* thereafter. Under the loan agreement, the borrower was to pay the commitment charges at the rate of 0.75 *per cent* on the amount of loan drawn short. It was observed that Government of Rajasthan (GOR) withdrew Rs 656.73 crore as against available assistance of Rs 1,112 crore (as per current exchange rates) during the year 2000-07. As a result, Government had to pay commitment charges of Rs 31.46 crore.

Government stated (September 2007) that execution of project was delayed due to long procedure of engagement of consultants and unprecedented incidents during execution of civil works that were unavoidable. Reply of Government was not tenable, as payment of commitment charges could have been avoided, had the Government planned its activities in accordance with the agreement with ADB and managed timely completion of the construction.

Thus, lack of proper planning/ management and corresponding delay in project implementation led to short drawal of loans and resulted in extra liability of Rs 31.46 crore towards commitment charges.

3.4.6.4 Non- receipt of utilisation certificates

Utilisation certificates of Rs 9.60 lakh only were received as against Rs 15.06 crore transferred to the line agencies.

As per RUIDP contracts specialised works viz. shifting of utility services, tree plantations etc. were to be executed by the different line agencies. The amount of such works was deposited with these line agencies on their demand. The utilisation certificates (UCs) and details of work done were to be submitted by line agencies to the PIUs concerned immediately after completion of such works. To ensure proper utilisation of funds, a report of physical work carried out by the line agency was to be prepared by concerned engineer incharge.

Test check of records of five PIUs⁹² showed that UCs of Rs 14.97 crore⁹³ out of Rs 15.06 crore paid between April 2002 and March 2006 to line agencies were pending as of March 2007. No report of the works carried out by the line agencies was prepared by the engineer incharge.

3.4.7 Consultancy services

3.4.7.1 Extra expenditure on consultancy services

Delayed execution of works resulted in extra expenditure of Rs 13.93 crore on consultancy services.

As per loan agreement with ADB, the project was to be completed by December 2004. Four consultants were engaged as required under Schedule-5

92. Ajmer, Jaipur, Jodhpur, Kota and Udaipur.

93. PHED: Rs 1.15 crore; Railways: Rs 4.33 crore; BSNL: Rs 0.91 crore; VVNL: Rs 3.39 crore; PWD: Rs 1.24 crore; Forest Department: Rs 3.94 crore and UIT: Rs 0.01 crore.

of the agreement with original contract amount of Rs 55.39 crore for project management, detailed design and construction supervision. Agreements were entered with these four consultants with stipulated completion of consulting work as October 2004 in case of one firm and as December 2004 for three others. The execution of works was delayed and the PMU continued the services of the consultants. The consultants were paid Rs 69.32 crore as of March 2007. This resulted in excess expenditure of Rs 13.93 crore. The liability on account of consulting services is likely to increase further as 46 works were under progress as of March 2007.

Government stated (September 2007) that the contract period was highly optimistic and work could not be completed in this period which resulted in extension of services of consultants. Reply was not tenable as fixation of unrealistic time schedule resulted in extra expenditure. Further, no liability was fixed on any of the consultants for the delays due to design change and poor execution.

3.4.7.2 Community awareness and participation programme

Delayed execution of CAPP works resulted in lack of community participation in the project.

The community awareness and participation programme (CAPP) was designed to promote community participation and awareness about environmental, health and sanitation aspects and implementation and management of the project facilities. According to the implementation schedule of the Project, CAPP was part of the initial stages of the Project. Consulting services for CAPP was awarded to Indian Institute of Rural Management (IIRM), Jaipur for Rs 4.83 crore in October 2003 i.e. four years after the scheduled commencement of the Project. The work was to be completed by April 2005, later extended up to March 2008 at revised cost of Rs 5.11 crore.

Government stated (September 2007) that an early initiation of CAPP might have resulted in paying major amount on mobilization of persons without any major activity. Reply was not tenable as CAPP was supposed to create awareness about the whole project and solicits community participation at planning stage. Due to delay in initiation of CAPP, the objective to educate the beneficiaries about project operation and its benefits had not been achieved.

3.4.7.3 Improper estimation of quantities of work on consultants design

Improper estimation of work at design stage led to reduction in scope of work and delays.

As per consultancy contract, consultant was responsible for preparation of designs of the works. The works of supply, installation, testing and commissioning of sewer lines in Anasagar and Shastri Nagar areas of Ajmer city for Rs 13.64 crore and Rs 8.23 crore were allotted (September 2002) for completion within 15 months and 12 months respectively.

Test check of records of PIU, Ajmer showed that the quantities for excavation in hard rock in Anasagar and Shashtri Nagar areas were taken as 120 cubic metres (cum) and 95 cum respectively in Bill of Quantities (BOQ) whereas after confirmatory survey the contractor intimated that the quantities to be executed were 32,515 cum and 13,427 cum respectively. The contractor demanded higher rates of Rs 2,520 per cum for excavation in rocky trenches against BOQ rates of Rs 170 per cum. Due to huge variation in quantities of

earthwork the scope of the work in Anasagar area was reduced from Rs 13.64 crore to Rs 2.66 crore. Further, due to inordinate delay in completion of works, contract agreements were terminated (April 2007) after payment of Rs 6.18 crore (Rs 1.62 crore for Anasagar and Rs. 4.56 crore for Shastri Nagar).

Improper estimation resulted in reduction of scope of works and delays causing inconvenience to public. The Department was also forced into unnecessary litigation filed by contractor. Further, no action was taken against the consultant who prepared the designs.

3.4.8 Project execution

RUIDP was conceived with ADB loan for social and economic development of six cities. Out of total 178 works (estimated cost: Rs 1,556.06 crore), 147 works were sanctioned between February 2002 and February 2004, 31 works were further sanctioned upto July 2006. Of these, 81 works had been completed at a cost of Rs 344.87 crore as of March 2007. Sixty four works (estimated cost: Rs 385.13 crore) were test checked and the irregularities noticed are mentioned below:

3.4.8.1 Non-utilisation of base maps in project planning and design

Due to delayed preparation of base maps, consultants could not use those in designing.

According to the Action Plan of RUIDP, the work of aerial photography and preparation of base maps was to be completed between February and July 1998 so that these could be utilised in design and planning of assets to be created under the project. For preparation of the base maps work orders were issued to National Remote Sensing Agency, Hyderabad for Jodhpur, Kota and Udaipur (cost: Rs 2.11 crore) in January 2000 and for Jaipur (cost: Rs 1.58 crore) in June 2001. The base maps were prepared only in October 2002. Government stated (September 2007) that the aim of getting these maps was to enhance capacity building of the line agencies. Reply was not tenable because the maps were to be utilised for survey, design and planning of project works. By using base maps, three packages of waste water management at Bikaner were redesigned where the contract value of Rs 26.99 crore was reduced by Rs 1.09 crore. However, the base maps were not utilised by consultants who submitted the detailed designs for 27 works of water supply, wastewater management and drainage at an estimated cost of Rs 279.60 crore pertaining to all six districts. Delay in preparation of base maps deprived the consultants of their use in designing and consequential decrease in the cost of the project.

3.4.8.2 Deficiency in project planning

Permission for widening and strengthening in km 257/000 to km 248/225 on Delhi road (NH-8) was accorded (November 2002) by the Deputy Conservator of Forest, Jaipur (west) subject to the condition that the useable material received from rock cutting should be utilised for construction of retaining wall for soil conservation work. The work was allotted to a Mumbai based contractor (March 2003) for Rs 12.96 crore and the work was completed in September 2006 at a revised cost of Rs 13.69 crore.

Clause inserted in the contract in violation of guidelines stipulated by the Forest Department.

It was seen that contrary to the conditions imposed by Forest Department the contract provided that excavated material would become the property of the contractor and no recovery on account of material received should be made by the RUIDP. Accordingly, the contractor reduced the rates for excavation of rock to Rs 220 per cum as against Rs 285 per cum quoted earlier. As the Forest Department did not allow lifting of the excavated material (September 2007), the RUIDP had agreed to reimburse Rs 45.39 lakh, the cost of 68,829.60 cum of useable stone at the rate of Rs 65 per cum. Revision of rates for one item of work after contracting was not prudent.

RUIDP stated (October 2007) that the demand of the contractor was justified in view of the condition by the Forest Department and in order to avoid arbitration an amicable settlement was arrived at to reimburse the amount. Reply was not tenable as entering into contract in contravention of the condition imposed by the Forest Department indicates lack of proper planning on the part of RUIDP.

3.4.8.3 Time overrun

Completion of the works delayed upto 33 months; 87 works remained incomplete.

During February 2002 to July 2006, 178 works were taken up under the project to be completed within six to 18 months after commencement. Of these, 81 works (45 per cent) were completed as of March 2007 at a cost of Rs 344.87 crore. Of these, only four works were completed in time. Fifty four works were delayed by two to six months and in respect of 23 works delays ranged between six months and 33 months. As of March 2007, 87 works⁹⁴ due to be completed between September 2003 and December 2006 remained incomplete.

Government attributed (September 2007) this to delay in land acquisition, obtaining clearance from Forest Department, Public Works Department and Railways etc., issue of essentiality certificates for exemption of excise duty, procurement of material, finalisation of layout designs and changes in drawings and designs after the award of works.

Reply was not tenable, as proper planning and synchronisation of pre-construction activities and co-ordination with Government agencies could have avoided delay in works.

3.4.8.4 Undue benefit to contractors resulting in loss to Government

Undue benefit of Rs 13.75 crore had been given to contractors by way of irregular issue of essentiality certificate for claiming exemption of Excise duty (Rs 0.88 crore), payment of acceleration advances (Rs 5.82 crore), excess payment of mobilization advance (Rs 2.75 crore) and undue concessions (Rs 4.30 crore) as discussed below:

94. In remaining 10 works stipulated completion period was after April 2007.

Irregular issue of essentiality certificates led to undue benefit to contractors amounting to Rs 87.87 lakh.

- As per contract agreement, RUIDP was required to assist the contractors to obtain any lawful exemption from payment of any kind of tax or duty on plant and materials which were to be incorporated as a part of permanent works by way of issue of essentiality certificates subject to maintenance of records of goods received and utilised as laid down under the notification (28 August 1995) of Central Excise and Salt Act, 1944.

Scrutiny of records of four PIUs⁹⁵ disclosed that on the recommendations of SEs of the PIUs, the PMU had issued essentiality certificates for exemption of excise duty on diesel, oil and lubricants to four contractors between April and October 2003. As the items were not incorporated as part of the permanent work, exemption of excise duty was not permissible. Thus, irregular issue of essentiality certificates resulted in undue benefit to contractors amounting to Rs 87.87 lakh.

Government stated (September 2007) that RUIDP had initiated action for recovery and Rs 24.92 lakh had been recovered.

Payment of acceleration advance was made to contractors in violation of agreements.

- There was no provision for payment of acceleration advance in the agreements executed with contractors. It was observed that acceleration advances of Rs 5.82 crore were paid at the request of contractors by the six PIUs between July 2004 and December 2006 to 12 contractors for 13 works with estimated cost of Rs 120.19 crore in contravention of the provisions of contracts. Only two works were physically completed. Further, recovery of acceleration advance of Rs 25 lakh against one contractor was deferred without any reason.

Government stated (September 2007) that decision of payment of acceleration advance was taken to ensure early completion of works. The reply was not tenable as six works were delayed by 12 to 37 months (March 2007) despite payment of acceleration advance of Rs 2.40 crore.

- Contract agreements provided that mobilization advance not more than 10 *per cent* of the initial contract price was payable to a contractor on request. The advance was to be adjusted from interim payments so that it could be repaid within 10 months from the date of notice to proceed with the work. In case of delay in payment of installments, mobilization advance should be recovered with interest at 12 *per cent* per annum. Interest amounting to Rs 22.38 lakh on mobilization advance paid by three PIUs⁹⁶ to 14 contractors between September 2002 and December 2003 had not been recovered as of March 2007.

Excess payment of mobilisation advance of Rs 2.37 crore was made to contractors due to improper estimation.

- PIUs, Bikaner, Jodhpur, Kota and Udaipur awarded 11 works between October 2002 and May 2003 for a total cost of Rs 104.18 crore based on estimates prepared by Consultants. These works were completed between December 2004 and November 2006 at a cost of Rs 78.07 crore as against

95. Ajmer, Jaipur, Jodhpur and Kota.

96. Ajmer, Jodhpur and Kota.

revised estimate of Rs 79.94 crore. It was observed that mobilization advances amounting to Rs 10.36 crore were paid to these contractors at the rate of 10 *per cent* of the initial contract price. Revision of the estimated cost after award of works indicated that original estimates were not correctly prepared. The contractors were entitled to mobilisation advances of Rs 7.99 crore on the basis of revised estimates. This resulted in undue benefit to the contractors by way of excess mobilisation advances of Rs 2.37 crore and loss of interest of Rs 15.76 lakh on the amount (at 12 *per cent*).

Government stated (September 2007) that there might be variation to some extent in the estimated quantities for the works. Reply of Government was not tenable as undue benefit to contractor could be avoided if estimates were correctly prepared.

Selection of inefficient contractors resulted in inordinate delay in completion of works despite providing undue concession.

The work of construction of rail over bridge (ROB) at Hasanpura Road Railway Crossing near Jaipur Railway Station, Jaipur was awarded (July 2003) to a pre-qualified Mumbai based firm for Rs 9.05 crore. The stipulated dates of commencement and completion of work were 22 May 2003 and 21 May 2004 respectively. Though progress of the work was unsatisfactory right from the beginning, PMU provided undue relaxation/concessions beyond contract agreement viz. (i) payment of bills even it was less than five *per cent* of contract value, acceleration advances (Rs 95 lakh), secured advance (Rs 2.07 crore), and (ii) deferment of recovery of mobilization advances (Rs 43 lakh), acceleration advances (Rs 85 lakh) and deferment of levy of liquidated damages.

Despite providing these concessions, the contractor was found short of finances and manpower and failed to complete the work. As of March 2007, Rs 6.86 crore was paid to the contractor.

Government stated (September 2007) that contractor was qualified as per the prescribed standards. Further, there was unprecedented increase in prices of steel and cement and in absence of price escalation clause the concessions were given. Reply of Government was not tenable as the contractor failed to complete the work in spite of concession beyond contract agreement.

3.4.8.5 Injudicious selection of contractors

Works of construction of ROB at New Sanganer Road and at Dalda Factory, Durgapura, Jaipur were awarded (June 2002) to firm 'A' of Baroda for Rs 7.37 crore and Rs 7.65 crore respectively. The stipulated dates of commencement and completion of work were 2 July 2002 and 18 June 2003 respectively.

Selection of inefficient contractor resulted in extra burden of Rs 1.26 crore.

The firm had neither any experience in similar contracts nor employed the personnel possessing suitable qualifications. The contract was terminated in September 2003 after payment of Rs 4.20 crore to the firm due to slow progress of works. Further, demand of Rs 10.40 crore was raised against the defaulter firm on account of liquidated damages, 50 *per cent* amount of value of works not completed, cost of re-tendering, cost of remarking the diversion roads, etc. Remaining work of both the ROB was awarded (January 2004) to firm 'B' of Chennai at contract price of Rs 14.58 crore. The total expenditure

incurred (March 2007) was Rs 16.15 crore including Rs 4.20 crore paid to firm 'A'. The rates of various items finalised with contractor 'B' were higher than the rates approved with the contractor 'A', which resulted in extra expenditure of Rs 1.26 crore on those items, which were left incomplete by the defaulter firm. The amount was not recovered as of August 2007.

Government stated (September 2007) that matter was pending before Arbitration and recovery proceedings would be initiated after decision of the Arbitrator. Thus, injudicious selection of the firm necessitated termination of contract and led to extra burden of Rs 1.26 crore.

3.4.8.6 *Blocking of funds*

Project funds amounting to Rs 24.72 crore have been blocked due to sanctioning of mobilization advance for work subsequently withdrawn due to land dispute (Rs 0.17 crore), non-transferring of pipeline for commissioning (Rs 12.86 crore) to PHED and works of intake pumping station and pipeline lying incomplete (Rs 11.69 crore) as discussed below:

Initiation of work without getting possession of land resulted in blocking of Rs 16.55 lakh.

- Rule 351 of Public Works Financial and Accounts Rules prescribes that no work should commence on land that has not been duly made over by a responsible civil officer. The work of commissioning of outfall sewer from Manwa Khera to sewerage treatment plant (STP) site (in Udaipur) was awarded (January 2003) to a contractor for Rs 3.31 crore with scheduled date of completion as 20 January 2004 on land that had not been taken over. The first installment of mobilization advance of Rs 16.55 lakh was paid to the contractor in January 2003. The work could not be commenced as the High Court directed (November 2003) not to establish STP at the proposed site and no other suitable site was available. Consequently, bank guarantee furnished by the firm was invoked (January 2004), mobilization advance of Rs 16.55 lakh was recovered (February 2004) and the contract was terminated (July 2004). On termination of contract the contractor claimed (June 2005) Rs 1.30 crore on account of expenses and liabilities created. Award of work without getting the possession of site resulted in blocking of Rs 16.55 lakh and resultant loss of interest of Rs 2.98 lakh at 18 *per cent* per annum.

Government stated (September 2007) that matter was pending before Arbitration.

- Project Director, RUIDP instructed (July 2006) PIUs to hand over completed works to line agencies. However, in PIU, Kota pipelines of various sizes laid in November 2006 at a cost of Rs 12.86 crore for supply of water, were not handed over by PIU to the line agency i.e. PHED as of August 2007. As a result, these works could not be commissioned and Rs 12.86 crore had been blocked.
- SE, PIU, Kota awarded (January and February 2003) works of intake pumping station at Akelgarh Head Works for Rs 6.80 crore and of clear/raw water pipe lines at Kota for Rs 11.19 crore to a New Delhi based contractor. The works were to be completed on 8 July 2004 and 3 February 2004 respectively. As the contractor failed to complete the works within the

stipulated period both the contracts were terminated (March 2007) by PMU. The contractor was paid Rs 2.85 crore and Rs 8.84 crore for both the works. Thus, Rs 11.69 crore had been blocked on incomplete works. Non-commissioning of scheme affected water supply system in Kota.

Further, no action was taken by SE, Kota to recover Rs 4.29 crore on account of damages for delay from the contractor.

3.4.8.7 Irregular payment of liabilities of line agencies

Liabilities of line agencies amounting to Rs 6.66 crore were irregularly paid from project fund.

Empowered Committee decided (November 2001) that cost of land required to develop infrastructure facilities under RUIDP would be borne by the line agencies. After handing over the completed works the operation and maintenance (O&M) was also to be carried by them.

Contrary to this, in three PIUs⁹⁷ the liability of line agencies amounting to Rs 6.66 crore was borne by the PIUs as detailed below:

(Rupees in lakh)

Name of PIUs	Details of work	Name of line agency	Period	Amount
Ajmer	Cost of land and dismantling of staff quarters	UIT, Ajmer	May 2004	200.00
Jaipur	Supervision and O&M Charges	JDA, Jaipur	January 2007	50.27
	Electricity bills	Nagar Nigam, Jaipur	July to October 2006	51.13
Jodhpur	Electric load extension at Kailana Filter house	PHED, Jodhpur	September 2004	176.00
	Cost of land	UIT, Jodhpur	January to March 2003	183.00
	O&M Charges	PHED, Jodhpur	Not available	5.53
Total				665.93

3.4.8.8 Increase in the cost of the project due to non-inclusion of excise duty exemption clause

The project cost increased due to not availing the benefit of excise duty and sales tax exemption.

GOI exempted (August 1995) all goods supplied and machinery used in Project approved by it and funded by World Bank, ADB or any International Organisation from levy of customs/excise duties. While calling for bids PMU failed to include a clause in the bid documents that bidder should quote the prices excluding customs/excise duties as exemption were available to them.

In three PIUs⁹⁸, due to non-inclusion of exemption clause in bid documents of 24 works valued at Rs 135.08 crore awarded between February 2002 and February 2003, Department could not avail the benefit of exemption of excise duty amounting to Rs 1.68 crore. Non-availing of the benefit of excise duty for bitumen, steel and pipes could not be worked out in the absence of basic price of these items.

97. Ajmer, Jaipur and Jodhpur.

98. Ajmer, Bikaner and Jodhpur.

Government stated (September 2007) that there was no financial loss to RUIDP. The reply was not tenable as the omission resulted in non-availing of benefit of excise duty and sales tax amounting to Rs 1.68 crore on purchase of cement alone.

3.4.9 Monitoring

Loan agreement provides that Project Steering Committee (PSC) shall periodically review the progress of works and provide guidance for orderly implementation and monitoring of the Project. State Level PSC comprising members of the Empowered Committee, Mayors/Chairpersons of Municipal bodies, Divisional Commissioners of six project cities, the JDA and the Chief Town Planner was however, not constituted. Further, National Level PSC to be established in the Ministry of Urban Development of GOI consisting of representatives of departments and agencies of GOI and the State involved in project implementation was also not constituted.

Loan agreement further provides that GOI and the State were required to carry out regular monitoring of raw and treated water quality and its supply, various parameters of treated effluent, solid waste management operation and maintenance activities and cleaning of drains. However, such monitoring was not done.

3.4.10 Conclusion

The planning for the projects by the PMU/PIUs was weak. The base maps supposed to be prepared before starting construction work were not ready. The progress of work was not satisfactory as expenditure was only 6.8 *per cent* of the budget provision during initial three years. There was short drawal of loan which resulted in payment of commitment charges of Rs 31.46 crore. Eighty one (45 *per cent*) out of 178 works were completed as of March 2007. Only four works were completed on time, depriving the public of the expected benefits. Contribution from ULBs was not received and amortization schedule for repayment of loan extended to them had not been finalised. There were instances of undue benefits to contractors in the form of payment of acceleration advance, non-recovery of liquidated damages, irregular grant of excise duty exemption certificates, etc. Besides, selection of inefficient contractors leading to termination of works, delay in completion of works, payment of liabilities of line agencies from Project fund and non-availing of excise duties exemption were also noticed. State Level Project Steering Committee was not constituted to review the progress of work.

3.4.11 Recommendations

- Comprehensive review of incomplete works should be carried out and status of works be watched at Empowered Committee level;
- Amortization schedule for recovery of loan from ULBs should be finalised and efforts made to effect recovery of those;

- In the cases of delay due to design change and supervision deficiencies responsibility of consultants should be fixed;
- Recovery should be made from contractors for the delays/incomplete works;
- All completed works should be transferred to line agencies on priority.
- State Level Project Steering Committee should be constituted.

The matter was reported to Government in July 2007; their reply received in September 2007 has been incorporated at appropriate places.

FINANCE DEPARTMENT

3.5 Computerisation of Treasuries

Highlights

Rajasthan State Government implemented the Treasury Computerisation System (TCS) in 1996-97 to overcome the weakness of the manual system and for providing financial information from treasuries to the Finance Department. Data Depository System (DDS) was developed in 2002-03 at the cost of Rs 2.15 crore with a view to make a repository of all employees of the State Government and making use of this data for various management purposes. Information Technology (IT) audit of treasuries was conducted to assess the benefits derived from the implementation and operation of TCS and DDS.

User Manual was not available in 10 out of 11 test checked treasuries. There was no documented Information System Security policy and password policy. There was no record of testing and acceptance.

(Paragraphs 3.5.7.1, 3.5.7.2 and 3.5.7.4)

Transmission of data between sub-treasuries and treasuries through floppies/tapes without appropriate security precautions made the data vulnerable and open to unauthorised manipulation(s).

(Paragraph 3.5.7.2)

Absence of Treasury Wide Area Network resulted in non-interlinking of sub-treasuries, treasuries and Directorate of Treasuries and Accounts. Function of Treasury Computerisation System was reduced merely to compilation of transactions and no information was retrievable from the system for macro level budget monitoring and financial management.

(Paragraph 3.5.7.6)

Some modules of the planned system were not implemented and some were partially implemented (June 2007) in the test checked treasuries.

(Paragraph 3.5.7.10)

Incomplete and inaccurate data in master file and non-validation of input data in Data Depository System resulted into presence of unreliable data.

(Paragraph 3.5.11)

3.5.1 Introduction

The Director of Treasuries and Accounts (DTA) under Finance Department (FD) of Government of Rajasthan is the monitoring/administrative authority for functioning in all the district treasuries.

The DTA exercised financial control through 38 treasuries, 100 independent sub-treasuries, 10 pension sub-treasuries, 104 revenue sub-treasuries and one Assistant Pay and Accounts Officer at Delhi. The Directorate is responsible for providing department-wise monthly revenue and expenditure details received from district treasuries to FD and Accountant General (AG) Office etc. The district treasuries are responsible for the safe and efficient handling of all cash transactions as per Rajasthan State Treasuries Rules.

3.5.2 Computerisation Process

The State Government decided to undertake computerisation activities in 1995-96 to overcome the weakness of the manual system in getting financial information from treasuries for use in the FD by easy retrieval of data from computerised system, and preparation and compilation of information for Management Information System (MIS). Accordingly, Treasury Computerisation System (TCS) software development was assigned to National Informatics Centre (NIC) in 1996-97. The scope of computerisation was further enlarged in 2002-03 when DTA assigned the development of Data Depository System (DDS) to NIC for having a database of State Government employees. The objective was to exercise budgetary control of salary head and generation of MIS reports for human resources purposes. Both the computerisation projects were assigned to NIC at the cost of Rs 5.60 crore for TCS and Rs 2.15 crore for DDS.

The computerisation of treasuries under TCS project was planned to be completed in four phases. In the first phase (1996-97), 31 district treasuries and Jaipur (Rural) treasury were to be computerised. In the second phase (1997-98) six special treasuries and 26 independent sub-treasuries and in the third phase (1998-99) 60 independent sub-treasuries were to be computerised. In the fourth phase (1999-2000) interlinking of sub-treasuries, special treasuries and district treasuries was to be done.

Different modules under TCS are: (i) Compilation Module, (ii) Token Module, (iii) Bill Module, (iv) Personal Deposit Account Module, (v) Stamp Module, (vi) Pension Module for (a) civil/family pension (b) old age pension, and (vii) Long Term Advances Module.

3.5.3 Organisational set up

The Directorate is headed by the DTA, who is assisted by five Joint Directors (JDs), Deputy Director (DD), Officer on Special Duty (OSD) (Analyst cum Programmer), 38 Treasury Officers (TOs), 214 Sub-Treasury Officers (STOs) and one Assistant Pay and Accounts Officer. TOs and STOs are assisted by accountants and junior accountants in performing duties.

3.5.4 Objectives of computerisation

The main objective of TCS was preparation and submission of computerised monthly accounts to the AG and the FD. The areas covered in TCS were passing of bills, compilation of taxes and receipts, sale of judicial/non-judicial stamps, maintenance of Personal Deposit (PD) accounts, pension payment and maintenance of Long Term Advances (LTA). A repository of the data of the State Government employees was to be maintained under DDS.

3.5.5 Audit objectives

Audit objectives were to assess implementation and operation of the TCS and DDS at the treasuries with respect to data integrity, compliance of financial rules, IT security, achievement of organisational goals and efficient use of resources.

3.5.6 Scope and methodology of Audit

The records relating to TCS and DDS maintained at DTA and 11 treasuries⁹⁹ were scrutinized to evaluate the effectiveness of computerisation of treasuries with reference to the stated objectives. ORACLE database analysis was done using CAATs¹⁰⁰.

Audit findings

3.5.7 General controls

3.5.7.1 Documentation

User Manual was not available in 10 out of 11 test checked treasuries indicating that trouble free operation and maintenance could not be ensured.

Proper documentation helps in trouble free operation and maintenance of the system. DTA had Software Requirement Specifications (SRS), Software Design Document (SDD) and User Manual of Bill Section of TCS only. Documents relating to other modules of TCS and DDS were not available with DTA. User Manual was not available in 10 out of 11 test checked treasuries. Thus, lack of User Manual in 10 treasuries indicated that trouble free operation and maintenance could not be ensured.

3.5.7.2 IT Security measures

• The physical and system security measures were found to be inadequate in protecting the computer hardware and software from damage, theft and unauthorised access. During inspection, it was observed that no fire fighting equipment was placed in computer room or anywhere near to it in test checked treasuries except in Kota and Jodhpur (City) treasuries. Physical access to the site and individual Personal Computers was not being regulated.

99. Ajmer, Alwar, Jaipur (Secretariat), Jaipur (City), Jaipur (Pension), Jodhpur (City), Jodhpur (Rural), Kota, Sikar, Tonk and Udaipur.

100. Computer Aided Audit Techniques.

There was no documented Information System Security policy and password policy. Audit trails and user logs were not maintained by the system. It was noticed in audit that the entries in master data files were deleted without any documented authorisation in case of a termination of pension due to death, expiry of period or remarriage in case of women pensioners; but no audit trail of deleted records was available in the system.

- There was no prescribed time frame for affecting system and password change. Logs were not maintained to record the changes. Transmission of data between sub-treasuries and treasuries through floppies/tapes without appropriate security precautions made the data vulnerable and open to unauthorised manipulation(s). Treasuries did not have any formal system of incident reporting. Information Technology (IT) security in the test checked treasuries was thus inadequate.

3.5.7.3 Training

There was no training policy for training of personnel for IT. As per the project report, five to twelve persons from each treasury were to be imparted training for enabling them to handle the system. There were no records indicating formal training provided to the treasury staff. In reply, the TOs of test checked treasuries intimated that no formal training was imparted to the staff.

3.5.7.4 Testing and acceptance of software

Committee constituted for testing and acceptance of the TCS software purpose did not submit any report, the software and subsequent changes were accepted by the TOs without any written acceptance.

Testing and acceptance of application software is necessary for successful running of system. A committee constituted by DTA for testing and acceptance of the TCS software purpose did not submit any report. DTA intimated that the software and subsequent changes were accepted by the TOs without any written acceptance. Thus correct and complete processing of data was not ensured, due to deficiencies in system design, lack of application control and IT security, which could not be pointed out in testing, resulting into generation of erroneous outputs commented in succeeding paragraphs.

3.5.7.5 Change Management and Version Control

There was no documented change management policy and no mechanism to authorise and test the amendments carried out in the software. Different versions were running in the same treasury (Kota).

Changes in TCS modules were made on the request from District Treasury Officer concerned. There was no documented change management policy and no mechanism to authorise and test the amendments carried out in the software. Different versions were also found running in test checked treasuries and even in the same treasury (Kota). While version 2006 of TCS was in use in all other test checked treasuries, version 2007 was being used in Kota treasury. In absence of a defined policy over change management and version control, the Department could not ensure that only authorised version are installed in all the treasuries. For want of documentation the system is vulnerable to malicious changes in software and data. DTA intimated that proposals received from TOs were being discussed in the meetings and forwarded to the NIC for amendments. However, the amendments were authorised by the management, they were not implemented simultaneously in all treasuries.

In the absence of a WAN the requisite reports were not readily available with the DTA which were compiled after calling information from the treasuries.

3.5.7.6 *Absence of Treasury Wide Area Network*

As per project report of TCS, all sub-treasuries were to be connected with the treasuries through intranet and the treasuries in the State were to be interconnected with DTA and FD through NICNET for compilation of receipts and payments, reconciliation of accounts between treasury and bank and to retrieve and analyse data. It was however observed that Wide Area Network (WAN) connectivity was not established. Hence the function of TCS was reduced merely to compilation of transactions and no information was retrievable from the system for macro level budget monitoring and financial management of State Government.

3.5.7.7 *Backup policy*

A formal backup policy depicting periodicity, storage, testing and recovery process for backed up data was not prepared. DTA instructions (January 2004) regarding taking backups of data, stipulated that two copies of the backup data (on Tapes/CDs) should be taken daily, one for concerned TO and the other for off-site storage. Except Kota, other 10 test checked treasuries were not following the prescribed procedure. All the database files were maintained on a single hard disk server thereby increasing the possibility of data loss in the event of a failure.

3.5.7.8 *MIS reports not generated*

Various MIS reports viz. report of dead pensioners and pensioners whose pension had been stopped due to expiry of the sanctioned period under Rule 13 of Rajasthan Old Age Pension Rules, 1974, non-operational PD accounts under Rule 90 of Rajasthan Treasury Rules (RTR), 1999 and report of lapsed deposit under Rule 113 of RTR were not generated by the system.

3.5.7.9 *Internal review of system's working.*

System development and implementation review should be a part of the management activity. No review of TCS and DDS software had been done with the result that there was continuation of manual work, use of different versions of software in treasuries, deployment of untrained staff and non-achievement of objectives of computerisation.

3.5.7.10 *Delay in the development and implementation of the project.*

Compilation, Bill and Token modules were functioning; other modules of the system were in different stages of completion/implementation.

DTA instructed all TOs (September 2001) to implement modules of TCS system made available by NIC. It was, however, observed that while Compilation, Bill and Token modules were functioning; other modules of the system were in different stages of completion/implementation. TOs of the test checked treasuries attributed non availability of hardware and infrastructure, lack of technical guidance, shortage of staff, inadequate training to the staff and deficiencies in software for non-implementation of the modules. Position of implementation of various modules is given in *Appendix-3.5*.

Application Controls

3.5.8 Input control

Input controls ensure that the data received for processing is authentic, complete, accurate, properly authorised, entered accurately without duplication and has not been previously processed. Deficiencies in the input controls leading to inaccurate and incomplete data are discussed below:

3.5.8.1 Civil Pension Module

The Pension Payment Order (PPO) is issued by the Director of Pension and the first payment is to be compulsorily made through the treasuries when the information on the PPO is captured in the treasuries. Thereafter the PPOs are forwarded to the concerned banks which have its custody and make the pension payments further on. In Udaipur treasury out of 16,111 civil/family pensioners, master data of only 6,551 had been entered in master file. In Jodhpur (Rural) and Udaipur treasuries, PPO number and pensioner's name were not matching with the bank scroll. Detail of family pension in the master file was not entered correctly. This showed that the data in master files were not reliable and treasuries failed to exercise control over master files and standing data required to check the correctness of pension payments.

3.5.8.2 Old Age Pension Module

Data in respect of old age pensioners being paid through Money Orders (MOs) only were entered in master file in office of Assistant TO, Old Age Pension, Jaipur. Information of pensioners drawing pension in cash was not available in master file.

Data relating to details of sanction of pension, date of start of pension, date of termination of pension, date of birth, age, identification of pensioner which are important for the payment of pension were not made mandatory and were not available in master file.

3.5.8.3 Voucher Module

Scrutiny of TCS data of pension payment in Jaipur PPO Treasury revealed that 70 vouchers of value totaling Rs 11.08 crore were entered twice. This indicated lack of a control to prevent duplicate entry of input data.

3.5.9 Non-mapping of business rules

All the relevant business rule are required to be identified and suitably incorporated in the application to avail the benefits of information technology and achieve objectives of computerisation. Data analysis revealed non-mapping of business rules in the following cases:

3.5.9.1 Voucher Module

As per Rules 137 (iv) and 231 of RTR, 1999 pay orders are valid only for a

time not exceeding 21 days after passing of bills. In case bills are not presented for payment within the currency period of the pay orders, these have to be revalidated by the TOs/DTA/FD.

During scrutiny of TCS data of test checked treasuries, it was noticed that no such provision existed in the software to flag time barred pay orders. No record of time barred revalidated bills was maintained in the treasury. In 2,454 cases involving Rs 4.90 crore during 2006-07, payments were made after 22 days to 172 days of passing the bills.

As per the instructions issued by the DTA in September 2006, the payment of cheque could be drawn within 30 days of its issue. The cheque would be treated cancelled if the payment is not drawn within 30 days and new bill would be passed to issue new cheque in lieu of cancelled cheque. It was seen that 315 cheques of Rs 83.28 lakh were encashed after 30 days during 2006-07. The system could not be used to point out such cases and generate an exception report for the use of managerial control

3.5.9.2 Personal Deposit Module

Non-checking of available amount by the system resulted in minus balances in PD accounts.

As per Rule 88 of RTR, 1999 balances should be worked out after each entry of receipt and payment from PD account but the system did not check available balance before passing a cheque. This resulted in minus balances in PD accounts during March 2007 and April 2007 in Sikar treasury.

While sanctioning amount for transfer in PD account, Government may ban withdrawal of entire amount or a part of it for a specific period. Such amount is called "Freezed" amount. There was no validation check in the software to check freezed amount before passing a bill from PD account. However, such case was not pointed out during audit but absence of such check may result into non-observance of financial management.

3.5.9.3 Old Age Pension

- There was no validation check in the software to stop the payment of pension after the prescribed period. During test check it was found that after the prescribed period payments had been made in 11 cases involving Rs 0.12 lakh by Sikar and Udaipur (ATO, Pension) treasuries.

- The system was not processing the payment of the pension for a part of the month. In such cases full payment was authorised by the system. During test check it was found that overpayment had been made by the TO, Tonk in six cases.

- The system was not used for first payments and cash payments of pension except Jodhpur (Rural) treasury. The same was being done manually.

- As per Rule 4 of Rajasthan Old Age Pension Rules, 1974 joint pension is payable only if both husband and wife has attained 65 years of age. Thus, to ascertain eligibility of joint pension, the age and date of birth of both pensioners should be entered in the master data. But there was no provision in

the system to enter the date of birth and age of spouse. Due to non-availability of data, Audit could not check the correctness of sanction of pension in such cases.

3.5.10 Utilisation of system

The system was not fully utilised by the Department. All features of the system were not being used by the treasuries instead doing the work manually. Thus, the very purpose of computerisation was not achieved.

3.5.10.1 Personal Deposit Account Module

Despite provision of Interest Calculation Module in the system, this work was being done manually in all test checked treasuries except Tonk treasury. TO, Kota intimated that due to technical problem in software the module was not being used. Other TOs assigned no reasons for non-use.

3.5.10.2 Civil Pension Module

DTA instructed (November 2000) TOs to maintain computerised pension check register to check the payment of pension by the banks with the master data and point out discrepancy, if any, to concerned bank. Though, there was facility in the software to generate pension check register, the same was not being maintained at any test checked treasury resulting in overpayment to the tune of Rs 3.88 crore reported to banks for recovery after conducting special audit of pension payments by the treasuries concerned during 2005-07. Overpayment of Rs.12.22 lakh was also noticed when the pension payment scrolls of March-April 2007 were test checked in Kota, Tonk, Ajmer, Sikar, Jodhpur (Rural) and Udaipur treasuries.

3.5.10.3 Old Age Pension Module

Though there was provision in the system, the Money Order (MO) Return register was not being generated by the system as the data relating to acknowledgements and return of MO was not entered. Accordingly, reconciliation of figures of payments through MO was being done manually.

3.5.11 Data Depository System

3.5.11.1 Incomplete and inaccurate data in master file

As per the project report, data structure of DDS was created with the General Provident Fund (GPF) Number of an employee as an unique Identification Number. Scrutiny of data revealed that same GPF numbers were entered for more than one employee as well as different GPF numbers were entered against same employee. 1,016 irregular GPF Identification Numbers were noticed in the test checked treasuries. Thus, the objectives of the project like use of data by the deduction collection agencies for collection of schedules in electronic form and budgetary control could not be achieved.

Same GPF numbers were entered for more than one employee as well as different GPF numbers were entered against same employee. 1,016 irregular GPF Identification Numbers were noticed in the test checked treasuries.

As per the provisions of Rule 56 of Rajasthan Service Rules Volume- I, the employee retires on the last day of the month in which he/she attains the superannuation age and last day of the previous month if the date of birth is first of the month. In 42,612 cases the date of retirement was in the middle of the month in which the employee would attain the superannuation age.

3.5.11.2 Non-validation of input data

The State Government revised (June 2004) the age of retirement from 58 years to 60 years. The date of retirement in the database should have also been revised accordingly but the system was still accepting the date of retirement as 58 years instead of 60 years. There were 48,019 cases where the date of retirement was before attaining the age of 60 years and in 1,186 cases the date of retirement was even less than 58 years of age. In 162 cases the date of retirement was blank.

There was no validation of input data. There was no linking between Designation and Pay-scale; a clerk drawing Rs 3,050 may also be shown in the pay scale of Rs 18,400-Rs 22,400.

There was no check in the software for rejecting the duplicate bill number of the same Drawing and Disbursing Officer. In 5,618 cases involving Rs 65.20 crore duplicate bill numbers were entered during 2005-07 under different voucher numbers.

The objectives of personnel management and budgetary control were to be achieved through a depository of employee data, the data could not be used to fulfill it.

3.5.12 Conclusion

Absence of any policy towards deployment in treasuries and inadequate training to the treasury personnel led to uncontrolled operations in the TCS. Implementation of untested software, lack of change management and version controls, poor documentation led to unsynchronized operations. Lack of appropriate input controls and non-mapping of business rules led to presence of inaccurate and incomplete data in the system making the data unreliable. Due to absence of the internal control, check on the inaccuracies and incompleteness in the data could not be ensured. The Department also did not have any backup policy to ensure the continuity of the operations. The Department could not derive full benefits from the application as it did not utilise all the available features in the application and continued with manual operation. Lack of the WAN restricted the utility of the system in centralised compilation of data and use of the system for any financial management. In the DDS, lack of input and validation checks made the data unreliable for meeting the objectives of personnel management and budgetary control through the DDS. Thus, the systems of TCS and DDS could not be used gainfully.

3.5.13 Recommendations

- Compliance to various financial rules and regulations and other manual provisions should be ensured and provisions made in the software.
- Policies regarding staff, training, security, password, retention of data, backup, change management and documentation of system should be prepared, documented, implemented accordingly and users should be aware of them.
- Internal controls should be in place to ensure utilisation of system and correctness of data.
- Input controls and business rules should be built into the software.
- Backup Policy along with Disaster Recovery Plan and Business Continuity Plan should be prepared, tested periodically and users must be made aware of their role in case of disruption of operations.
- A WAN should be established and online system should be developed to ensure uniform and centralised processing of data to generate desired reports for financial management.

The above points were reported to Government in July 2007; their reply has not been received (September 2007).

CHAPTER-IV
AUDIT OF TRANSACTIONS

CHAPTER-IV
AUDIT OF TRANSACTIONS

CHAPTER-IV AUDIT OF TRANSACTIONS

4.1 Fraudulent drawal/misappropriation/embezzlement/ losses

HIGHER EDUCATION DEPARTMENT

4.1.1 Short realisation and suspected misappropriation of sale proceeds of examination forms

Poor maintenance of records and lack of monitoring by a University led to short realisation of sale proceeds of examination forms (Rs 80.20 lakh) and possible misappropriation of sale proceeds of 53,960 forms (Rs 21.58 lakh).

Budget, Financial and Accounts Rules, 1997¹ stipulate maintaining a demand and collection register of the programme/activity by the Officer-in-charge, to ensure that all sums due are promptly assessed, realised and accounted for.

University of Bikaner (University) has been conducting examinations of various courses every year. For appearing in examinations, eligible candidates have to apply on prescribed form which is made available to student at Rs 40 per form and the sale proceeds thereof is accounted for as receipt of the University.

During the period between December 2003 and January 2006, University printed 4,20,161 examination forms. As per the entries in the Stationery Register on 31 August 2005, 2,63,000 forms were issued to Examination section for further issuing them to respective colleges/University counter for sale and there was a balance of 20,000 forms. Remaining 1,37,161 forms were not found entered in the Stationary register.

A test check (November 2006) of records of the University showed that 3,46,201 students had appeared in main and supplementary examinations during 2004-06. Accordingly, sale proceeds of Rs 138.48 lakh (at Rs 40 per form) were to be credited in the University accounts. Against this, only Rs 58.28 lakh had been received and credited to University accounts. Thus, non-maintenance of the demand and collection register by the Controller of Examination of University and other necessary records to correlate total forms available, issued to various colleges and received back and taken in stock resulted in short realisation of Rs 80.20 lakh by the University.

1. Para 48 of the University of Bikaner Act, 2003 *suo-moto* adopted Budget, Financial and Accounts Rules, 1997 of Maharishi Dayanand Saraswati University, Ajmer.

Further, considering the fact that at least 3,46,201 forms were sold, there was shortage of 53,960 forms. Possibility of misappropriation of the forms (sale value: Rs 21.58 lakh) cannot be ruled out particularly in the context of large number of forms remaining unaccounted for.

Thus, poor maintenance of records and lack of monitoring by the University led to short realisation of sale proceeds of forms (Rs 80.20 lakh) and possible misappropriation of sale proceeds of 53,960 forms (Rs 21.58 lakh).

While accepting the failures of the University, Government stated (June 2007) that as against Rs 138.48 lakh receivable from various colleges/University counter, Rs 95.20 lakh had been received and Rs 1.73 lakh adjusted towards commission charges payable to the colleges. Efforts are being made to recover the remaining amount of Rs 41.55 lakh. Government was, however, silent about possible misappropriation of sale value of 53,960 forms.

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1.2 Loss due to non-availing of the benefit of exemption of Excise Duty

Failure of the Chief Engineer, Public Health Engineering Department in inserting a specific clause regarding refund of Excise Duty in the rate contract resulted in loss of Rs 1.29 crore to Government.

The General terms and conditions of the Director General of Supplies and Disposals' (DGS&D) rate contract provide that in case refund of Excise Duty (ED) obtained by the contractor is not refunded to the paying authority, the same would be recovered from the contractor.

Chief Engineer (CE), Public Health Engineering Department (PHED) executed (December 2005) the rate contract for supply of Centrifugally Cast Ductile Iron (spun) pipes with a private firm in New Delhi. The rates were inclusive of ED and rate contract was valid upto 15 October 2006. The firm supplied 94,204 metre pipes at a cost of Rs 9.50 crore (including ED and Central Sales Tax at 16.32 per cent and 4 per cent respectively) during February 2006 to April 2006.

Test check (April 2007) of the records of CE, PHED showed that the firm had intimated (October 2005) the CE, PHED (Headquarters), Jaipur about availing of refund of ED from the Excise Department as the ED was exempted under incentive scheme 2001 for economic development of Kutch District (as per the Government of India notification of July 2001). Despite this, no specific clause regarding refund of ED similar to that as contained in DGS&D rate contract was inserted in the rate contract by the Department. It was noticed that though the supplier firm obtained refund of ED, it did not pass on the benefit to the Department. Government, thus, suffered a loss of

Rs 1.29 crore due to payment of ED on procurement of pipes, as the CE, PHED failed to insert the necessary clause to get the refund or recover the ED paid to the contractor.

The matter was reported to the Government in May 2007; reply has not been received (September 2007).

4.2 Infuctuous/wasteful expenditure and overpayment

MEDICAL EDUCATION DEPARTMENT

4.2.1 Excess payment of electricity charges due to non-claiming of rebate

Failure of the hospital authorities in claiming the rebate resulted in excess payment of Rs 40.36 lakh to *Jaipur Vidyut Vitran Nigam Limited*. Besides, there was loss amounting to Rs 21.83 lakh towards interest on the rebate amount.

Tariff² for supply of Electricity-2001 of *Jaipur Vidyut Vitran Nigam Limited* (JVVNL), provides that the consumers of bulk supply for mixed load³ who take the supply of power with contract demand between 50 and 1500 Kilo Volt (KV) Ampere with 11 KV voltage supply shall be given a rebate of 7.5 per cent on the billed amount.

Test check (August 2004) of the records of the Superintendent, Sawai Man Singh Hospital, Jaipur (Hospital) and information obtained (February 2007) disclosed that such rebate to the Hospital, having power connection at 11 KV was neither allowed by JVVNL in the monthly bills from May 2001 to January 2004 nor claimed by the Hospital. This resulted in excess payment of Rs 40.36 lakh made by the hospital. Though JVVNL allowed the rebate from February 2004 onwards, the hospital authorities did not take up the matter for adjustment of the rebate from the earlier bills. The hospital authorities became aware of the said provisions only when pointed out by Audit (August 2004) and took up (September 2004) the matter with JVVNL for adjustment of rebate admissible for earlier periods. Meanwhile, on a review petition of JVVNL, Rajasthan Electricity Regulatory Commission (RERC) decided (July 2006) that the amount charged in excess from the monthly bills for the period May 2001 to February 2003 should be adjusted against the monthly bills of August, September and October 2006 otherwise interest at 12 per cent per annum would also be payable.

The amount in question was neither adjusted in the bills of subsequent months nor refunded (February 2007) by JVVNL as the hospital authority was even not aware about the decision of the RERC. Besides, the matter for adjustment

2. Applicable from 1 April 2001.

3. Consumers having more than one supply point in one premises.

of admissible rebate for the period from March 2003 to January 2004 had also not been taken up with the JVVNL.

Thus, failure of the hospital authorities in claiming of due rebate resulted in excess payment of Rs 40.36 lakh to JVVNL. Besides, there was loss amounting to Rs 21.83 lakh (March 2007) towards interest⁴ on the rebate amount.

Government stated (August 2007) that efforts were being made for adjusting the amount of rebate.

TECHNICAL EDUCATION AND PUBLIC WORKS DEPARTMENTS

4.2.2 Wasteful expenditure due to defective construction of building

Defective construction of Industrial Training Institute building led to wasteful expenditure of Rs 66.24 lakh.

State Government accorded (July and August 1995) administrative sanction for Rs 65 lakh and financial sanction for Rs 34 lakh for construction of Industrial Training Institute (ITI) building at Bakani (District Jhalawar). Five acres of land in *Khasra*⁵ number. 1338 was allotted (February 1996⁶) by the District Collector, Jhalawar for construction of ITI building. The work was to be executed through the Executive Engineer, Public Works Department (PWD) Division, Jhalawar.

The building constructed (July 1997) at a cost of Rs 66.24 lakh was handed over (August 1997) to the Superintendent, ITI, Bakani. Within three years, a portion of the building was damaged (June 2000) and got separated due to subsidence of land. In July 2001, Assistant Engineer (AEN), PWD, Sub-Division, Bakani intimated that the building was in dilapidated condition and beyond repairs and suggested to vacate it. In March 2003, Director, Technical Education, Jodhpur ordered to abandon the damaged portion, but the matter regarding repair of damaged portion or shifting of the ITI remained in correspondence with the PWD authorities upto August 2006 till a major portion of the building collapsed. The candidates were shifted (October 2006) to ITI, Jhalawar. The building was declared (November 2006) non-repairable by the Chief Engineer, PWD, Rajasthan, Jaipur. For construction of new ITI building an estimate of Rs 1.98 crore was submitted (September 2006) by AEN, PWD, Sub-Division, Bakani to Superintendent, ITI, Bakani, Jhalawar.

Test check (March 2007) of the records of Superintendent, ITI, Bakani showed that building of ITI, Bakani was constructed by PWD authorities without conducting soil tests and designing proper foundation before starting

4. Calculated at 12 per cent per annum.

5. Means plot number with details as used in Revenue Department.

6. As the cremation ground was falling in the land of *Khasra* number 1338, the adjoining land in *Khasra* number 1257 was approved subsequently (August 2001).

construction work. Besides, the Superintendent, ITI, Jhalawar reported (March 1996) to District Collector, Jhalawar that the site was unsuitable for construction of building due to lying in the area of overflow of accumulated rainwater. However, no action was taken either by the District Collector or the Directorate of Technical Education to allot alternate suitable site for the purpose. Even the PWD authorities did not take-up the remedial measures as regards designing foundation properly keeping in view the effect of seepage of adjoining tank water on the building. Despite reporting of formation of cracks and fissures in roof and walls by the Superintendent, ITI, Bakani in March 1997 and settlement in foundation and consequent separation of a part of the building in July 2000, no action was taken to repair the damaged building.

Thus, the building was constructed without conducting soil test and on defective design of foundation which resulted in the expenditure of Rs 66.24 lakh wasteful.

Government in Technical Education Department attributed (July 2007), the lapses to PWD. Government in PWD stated (August 2007) that responsibility on officers for not conducting soil test before construction of the building and not designing foundation properly was being fixed.

WATER RESOURCES DEPARTMENT

4.2.3 Wasteful expenditure on dam constructed at unsuitable site

Selection of unsuitable site for dam and execution of sub-standard work thereon caused breach of the dam in its first filling rendering the expenditure of Rs 46.40 lakh wasteful.

The Chief Engineer (CE), Water Resources Department (WRD), Jaipur issued instructions (March 1992) to carry out thorough investigations/testing of soil before formulating proposals for restoration and construction of tanks, as case studies of breached tanks in Jodhpur Region revealed construction of tanks without investigation/test of soils used on the dam.

The Government accorded (February 1997) administrative and financial sanction of Rs 55.07 lakh for constructing Samar Sarovar Minor Irrigation Project (MIP) to provide irrigation facilities in 379 hectare cultivable command area of Thanagaji (District Alwar). The Dam completed in December 2002 at a cost of Rs 46.40 lakh breached near *nallah* portion (133 to 165.50 metre) in first Monsoon rainfall on 19 June 2003. Superintending Engineer (SE), WRD, Circle Bharatpur instructed (November 2004) the Executive Engineer, WRD, Alwar Division to obtain opinion of the Geologist, Mines and Geological Department, Alwar for remedial measures/reconstruction of the dam. Geologist, Alwar observed (December 2004) that the site was not suitable for reconstruction of dam as the rock (mica schist) found was poor in strength to prevent water seepage.

Though a revised estimate for Rs 2.17 crore was submitted (February 2007) to SE, WRD, Circle Bharatpur for restoration of dam, the CE and SE did not find the site suitable for MIP and the dam was still lying damaged.

Scrutiny (May 2005) of the records of Executive Engineer (EE), WRD, Division, Alwar and further information collected (December 2006) revealed that while selecting the site for dam, the Department had not carried out thorough investigations and testing of soils. The strata tested through trial pits on dam line were classified as soft rock and no geological investigations viz. mechanical/chemical analysis of strata was conducted. Had the Geological investigations of rock carried out prior to dam construction, the correct classification of rock could have been done and wasteful expenditure of Rs 46.40 lakh on dam constructed at unsuitable site could have been avoided.

Government stated (June 2007) that action was being taken against the defaulting officers and orders had been issued (April 2007) by CE, WRD, Jaipur for preparing MIP afresh after conducting survey of different sites as the existing site was not suitable for construction of MIP. This indicated that expenditure incurred on construction of dam at unsuitable site had gone waste.

4.3 Avoidable/excess/unfruitful expenditure

EDUCATION DEPARTMENT

4.3.1 Unfruitful expenditure on computer education programme

Due to slackness in planning and implementation objective of the scheme of providing computer education to students remained unachieved rendering the expenditure of Rs 12.27 crore largely unfruitful. Besides, 805 computers costing Rs 3.20 crore were purchased in excess of requirement.

Eleventh Finance Commission recommended (July 2000) upgradation grant of Rs 13.76 crore for computer training to school children in the State for the period 2000-05. The power to sanction individual schemes as well as to determine the unit costs was vested with the State Level Empowered Committee (SLEC) headed by the Chief Secretary.

The SLEC decided (February 2001) to establish District Computer Training Centres (DCTCs) at each of the 32 district headquarters in selected Government Senior Secondary School at the cost of Rs 43 lakh⁷ per centre for imparting training to students of classes VIII to XII of Government and recognised schools. The centres were required to be commenced from July 2001.

7. 40 Hardware, software, printer etc.: Rs 15 lakh; Building: Rs 5 lakh; Furniture: Rs 1.70 lakh; Accessories-AC: Rs 1.50 lakh; Consumables for four years: Rs 4 lakh; Maintenance and repairs for three years: Rs 3 lakh; Water and electricity etc. for four years: Rs 6 lakh and Training for four years: Rs 6.80 lakh.

Government released Rs 11.07 crore (June 2003: Rs 5 crore, August 2003: Rs 6.07 crore) to the Director, Secondary Education, Bikaner for purchase of hardware, furniture, accessories, consumables and construction of buildings for 32 DCTCs. District Level Committees formed by the Department and headed by District Collectors purchased the items for training centres and installed computer hardware/software at the DCTCs during March 2004 to August 2005. The buildings for the training centres were handed over by Public Works Department to the schools identified for imparting training during April 2004 to June 2005. As of March 2005, Rs 12.27 crore was spent by the Department on the Project.

Test check (March 2007) of records of the Director, Secondary Education, Bikaner showed that out of 32 DCTCs established as of 31 March 2007, only 23 imparted training to 8,434 students during 2005-07 as against total estimated 1.08 lakh⁸ students. The remaining DCTCs did not start functioning as no instructor was posted as of March 2007.

Further, as against 1280 computers required for 32 DCTCs, 2085 computers were purchased resulting in excess purchase of 805 computers costing Rs 3.20 crore. These computers dispersed for sub-training centre at sub-divisional offices also remained non-functional due to non-setting up of the centres.

Thus, due to slackness in planning and implementation of the scheme, the very objective of providing computer education to students remained unachieved rendering the expenditure of Rs 12.27 crore largely unfruitful. Besides, 805 computers valuing Rs 3.20 crore were purchased in excess of requirement.

Government stated (August 2007) that training has been imparted to 8,434 students upto 31 March 2007. The fact remains that despite spending Rs 12.27 crore, only 8,434 (eight *per cent*) students were imparted computer training which indicated poor implementation of the project.

INDIRA GANDHI NAHAR DEPARTMENT

4.3.2 Unfruitful expenditure on construction of distributaries and its minors

Lack of planning of the Department in considering construction of syphon aqueduct/Cross Drainage work on Rajiv Gandhi Lift Canal led to non-utilisation of distributaries system rendering the expenditure of Rs 6.66 crore unfruitful.

Project Estimates of the Phalodi Lift Canal (PLC) (now Guru Jambheshwar Lift Canal) off taking from km 1121 (L) of Indira Gandhi Main Canal were revised in 1993 for Rs 168.50 crore to provide irrigation in 62,650 hectare (ha)

8. Each student was to be provided training of two hours per day for six weeks i.e. three students could be imparted training at one computer in a day for six weeks hence on 2085 computers 54,210 students per year could be trained.

through the Canal (31 km) and its distributary system (297 km). The estimates, *inter alia*, included provision of construction of 27.400 km long Neta distributary and 19.800 km long Nokh distributary off taking from km 22.500 (L) and km 11.940 (L) respectively of PLC and its three minors⁹. The construction work of Neta distributary (0.000 km to 9.980 km and 10.000 km to 27.400 km) and Nokh distributary (0.000 km to 5.110 km and 5.130 km to 19.800 km) alongwith its three minors had been completed (March 2005) at a cost of Rs 5.75 crore¹⁰ and Rs 2.87 crore¹¹ respectively and irrigation in 1,173 ha¹² as against 12940 ha¹³ only was being provided. The Neta distributary in 20 metre (km 9.980 to km 10.000) length and Nokh distributary in 20 metre (km 5.110 to km 5.130) length where Rajiv Gandhi Lift Canal (RGLC) crossed them was lying incomplete. Further, the Department took the matter regarding construction of syphon aqueduct/Cross Drainage (CD) works with Public Health Engineering Department (PHED) in January 2005 but the work of construction has not yet commenced (June 2007).

Test check (July 2006) of the records of Executive Engineer (EE), 24th Division, *Indira Gandhi Nahar Pariyojana* (IGNP), Phalodi revealed that the Neta distributary and Nokh distributary crossed RGLC of PHED at km 9.980 to km 10.000 and km 5.110 to km 5.130 respectively. To provide flow of water beyond 9.980 km in Neta distributary and beyond 5.110 km in Nokh distributary a syphon aqueduct/ CD work was necessary. However, prior permission of PHED for construction of syphon aqueduct/CD work was not obtained before awarding the work of distributaries and its system neither provision thereof made in the estimates of PLC. Consequently, due to non-construction of the syphon aqueduct/CD work on km 9.980 to km 10.000 and km 5.110 to km 5.130 of PLC, flow of water beyond km 9.980 and km 5.110 in both distributaries could not be provided resulting in non-utilisation of the system beyond km 10.000 and km 5.130 rendering the expenditure of Rs 6.66 crore¹⁴ unfruitful. Besides, beneficiaries were denied irrigation facilities in 11,767 ha¹⁵.

Thus, lack of planning of the Department in considering construction of syphon aqueduct/CD work on RGLC led to non-utilisation of distributary system rendering the expenditure of Rs 6.66 crore unfruitful and denial of irrigation facilities to the beneficiaries in 11,767 ha for the last two years (2005-07).

Government stated (July 2007) that the irrigation facilities could not be provided due to non-construction of water courses and not due to non-construction of CD works. The reply was not tenable because even if the water courses were constructed, the water could have not been provided

9. Dhaleri-II: 4.35 km; Anam: 5.20 km and Nokh: 3.80 km.

10. Upto km 9.980: Rs 1.14 crore and from km 10.000 to km 27.400 alongwith minors: Rs 4.61 crore.

11. Upto km 5.110: Rs 0.82 crore and from km 5.130 to km 19.800 alongwith minors: Rs 2.05 crore.

12. Neta Distributary: 225 ha; Nokh Distributary: 948 ha.

13. Neta Distributary: 5257 ha; Nokh Distributary: 7683 ha.

14. Neta distributary : Rs 4.61 crore; Nokh distributary Rs: 2.05 crore.

15. Neta: 5032 ha; Nokh: 6735 ha.

beyond km 10.000 and km 5.130 of Neta and Nokh distributaries due to non-construction of CD works.

MEDICAL AND HEALTH DEPARTMENT

4.3.3 Unfruitful expenditure on pay and allowances of idle staff

Staff of District Tuberculosis centres remained idle after introduction of Directly Observed Treatment with Short Course for Tuberculosis patients and expenditure of Rs 6.99 crore was incurred on their pay and allowances.

After introduction of Directly Observed Treatment with Short Course (DOTS) under Revised National Tuberculosis Control Programme during 1995-2000, hospitalisation of Tuberculosis (TB) patients was not required as they were to be administered medicines regularly by the health workers.

Test check (July 2006) of the records of Medical Officer-in-charge, District TB Centre, Dungarpur and further information obtained from three District TB Officers¹⁶ and Director of Medical and Health Services in respect of 21 centres¹⁷ indicated that there were separate wards for indoor patients in these 25 centres with separate staff. After introduction of DOTS, services of 174 staff¹⁸ were not utilised and remained idle as no patient was admitted in these centres since September 2000. Thus, expenditure of Rs 6.99 crore incurred during 2001-07 on pay and allowances of staff remaining idle proved unfruitful.

Government stated (June 2007) that proposal for transferring the surplus staff sent (May 2007) by the State TB Officer to Additional Director (Administration and Planning) was under consideration. No reasons have been given for non-transferring staff soon after introduction of DOTS in 2000.

DEPARTMENT OF PERSONNEL (LOKAYUKTA SACHIVALAYA)

4.3.4 Unfruitful expenditure on pay and allowances of staff

Expenditure of Rs 1.21 crore incurred during December 2004 to December 2006 on pay and allowances of staff of Lokayukta Sachivalaya rendered unfruitful as the post of Lokayukta/Up-Lokayukta remained vacant.

For redressal of the public grievances and enquiring into complaints alleging corruption or injustice, the Rajasthan Lokayukta and Up-Lokayukta Act, 1973

16. Alwar, Beawar and Tonk.

17. Baran, Barmer, Bharatpur, Bikaner, Chittorgarh, Ratangarh (Churu), Dausa, Dholpur, Ganganagar, Hanumangarh, Jaipur, Jalore, Jhalawar, Jhunjhunu, Jodhpur, Karauli, Nagaur, Rajsamand, Sikar, Sirohi and Udaipur.

18. Nurse Grade-II (57), ANM (18), Ward Boy (83) and Sweeper (16).

came into force on 3 February 1973. Section 3 of the Act *ibid* provides that *Lokayukta* shall be appointed by the Governor after consultation with the Chief Justice of the High Court and the leader of the opposition in the Legislative Assembly. Section 5(2) of the Act further provides that on the office of *Lokayukta/Up-Lokayukta* becoming vacant the duties of his office be performed by the *Up-Lokayukta* or by a Judge of High Court as nominated by Chief Justice on the request of the Governor until some other person is appointed under Section 3. The *Lokayukta* and the *Up-Lokayukta* would present annually a consolidated report on the performance of their functions to the Governor.

Test check (December 2006) of the records of *Lokayukta Sachivalaya* showed that while the post of *Up-Lokayukta* remained vacant since 25 June 1974, the post of *Lokayukta* has been lying vacant since 27 November 2004. No action was taken under Section 5(2) of the Act to avoid creation of vacuum by reason of vacancy etc. in the office of the *Lokayukta* or *Up-Lokayukta* by nominating a Judge of High Court to perform those duties. Consequently, 2,686 complaint cases (including 910 old cases) received against public servants were pending with the *Lokayukta Sachivalaya* at the end of December 2006 for disposal and not even a single complaint could be disposed of by the *Lokayukta Sachivalaya* during December 2004 to December 2006. Annual consolidated reports on the performance of functions of *Lokayukta* under the Act could also not be presented to the Governor for the year 2004-05 as the post of *Lokayukta* remaining vacant as of January 2007. Thus, Rs 1.21 crore spent on pay and allowances of staff (38) of *Lokayukta Sachivalaya* during December 2004 to December 2006 proved unfruitful.

Government stated (July 2007) that the matter of appointment of *Lokayukta* comes under the discretion at the highest level of the Government and hence no officer/official can be held responsible nor the expenditure incurred on *Lokayukta Sachivalaya* could be held unfruitful. The reply was not tenable as no disciplinary proceedings and preliminary enquiries could be initiated before receipt of the orders of *Lokayukta* on complaints and not a single complaint has been finalised. Thus, the expenditure incurred on pay and allowances of the staff proved unfruitful.

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.3.5 Avoidable extra expenditure on purchase of pipes at higher rates

Imprudent decision of the Department to procure pipes under existing contract at higher rates on the ground of urgency, led to avoidable expenditure of Rs 3.14 crore.

Chief Engineer (CE), Headquarters (HQ), Public Health Engineering Department (PHED), Rajasthan, Jaipur approved (March 2005) the rate contract in favour of a private company of Kolkata for supply of ductile iron

(DI) pressure pipes class K-7 and K-9 (size 200 mm-1000 mm) for Rs 30 crore¹⁹. The contract was valid upto 16 December 2005.

Subsequently, two Notices Inviting Tenders (NITs) for supply of class K-7 and K-9 (size 80 mm-1100 mm) DI pressure pipes for Rs 40 crore and Rs 10 crore were also issued (May 2005) by the CE, HQ, PHED, Jaipur. The financial bids for the same were opened on 2 August 2005 wherein the rates received were 10.50 to 31.97 *per cent* lower than the existing rates. The rates were considered justified (August 2005) due to decrease in steel prices in market consequent upon allowing discount of Rs 2100 per metric ton by the steel manufacturing firm. The new rate contract was executed with the firm on 1 October 2005. Meanwhile, on the recommendation (June 2005) of CE, HQ, Jaipur, Finance Committee (FC) of the PHED, authorised (June 2005) CE, HQ to procure DI pipes upto 50 *per cent* (Rs 12 crore) under existing rate contract of March 2005 on the grounds of urgent requirement with the condition that goods to be procured should be received before opening of pre-qualified bid of new NIT i.e. by 13 July 2005 and if there was downward trend no further authorisation/supply order would be issued. The FC in its meeting (July 2005) decided that the goods as per original commitment of the existing rate contract alongwith 50 *per cent* excess quantity would be supplied by 31 August 2005. The actual supply was made during July 2005 to November 2005.

Test check (December 2006) of the records of CE, PHED, Rajasthan, Jaipur revealed that the Department was aware of the fact that the market trend of steel was going down as per press report in Economic Times of 02 June 2005 as mentioned by the Superintending Engineer and Technical Assistant to Technical Member in his note on the agenda item proposed by CE, HQ for granting permission to take excess procurement of pipes upto 50 *per cent* against rate contract of March 2005. Besides, the excess pipes had been purchased justifying urgent requirement of ACE, Rajiv Gandhi Lift Canal, Jodhpur and ACE, Udaipur who were issued authorisation (July 2005) for issuing supply orders worth Rs 10.62 crore and Rs 1.37 crore respectively. The urgency of the pipes had also not been established as the work order for laying and jointing of DI Gravity trunk main from Jhanwar to Doli ESR and Chirayon Ki Dhani, Bhomadeha-Bhim Project and Umaid Sagar headworks to Loonwas Bhakari GSR were issued to contractors by respective divisions between September 2005 and July 2006 and the DI pipes received (August 2005) had been issued between November 2005 and July 2006 i.e. after opening of the financial bids of the second rate contract.

Thus, imprudent decision of the Department to procure pipes under existing rate contract (old rates) on the ground of urgency led to avoidable expenditure of Rs 3.14 crore on procurement of pipes at higher rates.

The CE, HQ stated (March 2007) that 50 *per cent* excess procurement was made considering increase in the prices of raw material and urgent requirement of the material for the work. The reply was not tenable as the Department was aware of decreasing trend of cost of steel as mentioned by

19. Authorisation issued only for Rs 24 crore.

Superintending Engineer and Technical Assistant to Technical member and there was no urgency of pipes.

The matter was reported to the Government in March 2007; their reply has not been received (September 2007).

PUBLIC WORKS DEPARTMENT

4.3.6 Unfruitful expenditure on road lying incomplete due to land dispute

Proposing alignment of road unauthorisedly through private land led to road lying incomplete which rendered the expenditure of Rs 83.73 lakh unfruitful.

Public Works Financial and Accounts Rules (PWF & AR) lay down that clear title of site is a pre-requisite for planning and designing of any work and no work should be commenced on the land which has not been duly made over by the competent responsible Civil Officer. Further, guidelines of *Pradhan Mantri Gram Sadak Yojana* (PMGSY) stipulate that for construction of roads providing land free of cost is the responsibility of State Government and no funds would be provided for land acquisition.

Government issued (November 2004) administrative and financial sanction of Rs 307.42 crore for construction of new road works under PMGSY in various districts of Rajasthan for the year 2004-05 (Phase-IV) with financial assistance from the World Bank. This included construction of 7.90 km long bituminous road from Tiba to Kishanpura (District Jhunjhunu) for Rs 94.20 lakh to provide connectivity to Kishanpura village.

Executive Engineer (EE), Public Works Department (PWD), Division, Jhunjhunu issued (March 2005) work order to the contractor with date of completing the work as 19 December 2005 at a cost of Rs 2.04 crore. The contractor after executing the work of km 0/0 to km 6/575 and km 7/410 to end, left (October 2005) the work incomplete in a stretch of 0.835 km (km 6/575 to km 7/410) due to land dispute. For the work executed, contractor was paid Rs 83.73 lakh as of April 2006.

Test check (June 2006) of the records of EE, PWD, Division Khetri (District Jhunjhunu) disclosed that the land was not acquired before awarding the work to contractor. Even the Memorandum of Understanding (MoU) agreeing construction of road was not got executed from all the land owners/farmers whose land was falling in the alignment of road before finalisation of the proposals for construction of road and land was not got mutated in favour of the Government. Consequently, land owners/farmers in whose land the alignment of road was proposed between km 6/575 and km 6/800 (0.225 km) objected construction of road on the grounds of their building coming in road alignment and stopped (October 2005) the work. The road work was lying incomplete as of January 2007 in a stretch of 0.835 km.

Thus, proposing alignment of road unauthorisedly through private land led to road lying incomplete which rendered the expenditure of Rs 83.73 lakh unfruitful.

Government stated (April 2007) that proposal of road alignment was made after the land owners/farmers agreeing for construction of road by executing MoU prior to commence its construction. The reply was not tenable as the MoU had not been got executed from all the affected farmers. Further, the Department should have got mutated the land in favour of Government prior to commencement of road construction.

4.3.7 Avoidable extra expenditure due to imprudent action of the Department

Delay in making payment of compensation four to seven years after passing the awards by Land Acquisition Officer resulted in avoidable payment of interest of Rs 1.07 crore.

Section 34 of Land Acquisition (LA) Act, 1984 stipulated that payment of compensation is required to be made to the persons entitled after passing of award or before taking possession of the land. In case payment of compensation is not made immediately interest thereon from the date of taking possession of the land until it is paid, is payable at nine *per cent* per annum for the first year and 15 *per cent* per annum thereafter. Thus, compensation has to be paid early to avoid payment of interest thereon.

Test check (February-April 2005) of the records of Public Works Department (PWD), Division-II, Alwar and Division Jhunjhunu disclosed that construction of 15 rural roads²⁰ was completed between August 1985 to April 1999 without payment of compensation for 191 *Bigha* 14 *Biswa* land²¹. In 10 cases the land acquisition proceedings were initiated only after completion of the road works. In five cases, the land acquisition proceedings initiated between May 1989 and August 1996, were completed between December 1997 and October 2000. The Land Acquisition Officer (LAO) passed award for Rs 2.08 crore in October 2000 for one road and for Rs 78.80 lakh between September 1997 and May 2000 for 14 roads. However, the administrative and financial sanction for payment of compensation was belatedly issued by the Additional Secretary, PWD in October 2004 for Rs 2.73 crore (one road) and Rs 1.10 crore (14 roads). Due to delay in sanction, payment of interest of Rs 1.07 crore (one road: Rs 64.82 lakh, 14 roads: Rs 42.30 lakh) was made to the land owners.

Thus, delay in making payment of compensation four to seven years after passing the awards by LAO resulted in avoidable payment of interest of Rs 1.07 crore.

Government stated (May 2007) that there was delay in issuing administrative and financial sanction and interest was paid as per provisions of LA Act. The

20. Division Alwar: one road; Division Jhunjhunu: 14 roads.

21. Division Alwar: 39 *Bigha* 17 *Biswa*; Division Jhunjhunu: 151 *Bigha* 17 *Biswa*.

reply was not tenable because as per provisions of the Act had the payment of compensation been made immediately on possession of land/sanction of award, the payment of interest could have been avoided.

4.3.8 Unfruitful expenditure on incomplete roads

Awarding of work by Executive Engineers before obtaining permission of the Forest Department for dereservation of land led to non-completion of two roads rendering the expenditure of Rs 11.07 crore unfruitful.

Rule 351 of Public Works Financial and Accounts Rules lays down that no work should be commenced on the land which has not been duly made over. Further, pursuant to Supreme Court's orders (November 2000) directing that pending further orders no dereservation of Sanctuaries and National Parks shall be effected, the Government of India, Ministry of Environment and Forest, New Delhi instructed (May 2001) all the State Governments not to submit any proposal for diversion of forest land in Sanctuaries and National Parks without seeking prior permission of Hon'ble Supreme Court. In July 2004 Central Empowered Committee constituted by Hon'ble Supreme Court of India further instructed not to undertake any activities in the protected areas without obtaining prior permission of Hon'ble Supreme Court.

Test check (December 2006) of the records of Superintending Engineer (SE), PWD, NH Circle Jaipur revealed that the work of construction of missing link from km 32/0 to km 42/0 (10 km) of National Highway (NH)-11A (Dausa-Manoharpur section) was awarded (May 2005) to contractor 'A' at 9.89 per cent below Schedule 'G' (Rs 12.48 crore) + Schedule 'H' (Rs 0.05 crore) aggregating to Rs 11.30 crore. After executing work worth Rs 10.15 crore the contractor left (October 2006) the work incomplete in a stretch of 1100 metre (km 32/500 to km 33/600) as the alignment of missing link was passing through forest sanctuary. Though the Department was aware of the fact that out of 10 km road, 1100 metre was passing through Jamvaramgarh forest sanctuary and proposal for dereservation of 4.17 hectare forest land were to be sent after seeking prior permission of Supreme Court. The proposal for dereservation was moved (March 2005) to the Forest Department and in anticipation of the permission from the Supreme Court and Forest Department, the work was allotted (May 2005) to the contractor. Consequently, the work was lying incomplete as of December 2006 after executing the work upto 8.9 km at a cost of Rs 10.26 crore rendering the expenditure unfruitful.

Thus, awarding of work by Executive Engineer before obtaining permission of the Forest Department for dereservation of land led to non-completion of road as of May 2007 rendering the expenditure of Rs 10.26 crore unfruitful.

Government stated (June 2007) that efforts were being made for obtaining permission for dereservation of forest land. No reasons have been given for non-obtaining prior approval/clearance from Forest Department before awarding work to contractor.

Similarly, in PWD Circle, Sawaimadhopur, the work of construction of a 8.400 km long approach road from State Highway-30 to Neemlikalan

(District Sawaimadhopur) awarded (June 2003) to Rajasthan State Road Development and Construction Corporation Limited, unit Sawaimadhopur at an estimated cost of Rs 1.45 crore was stopped (July 2003) after executing work in 5.200 km length. Rs 81.13 lakh was spent as of March 2006. Remaining work could not be executed as the alignment of road in 3.200 km²² length was under reserved forest sanctuary. This indicated that no proper survey of alignment of proposed road was conducted before preparing the project report.

Government stated (June 2007) that permission from Forest Department was not taken before awarding the work because as per revenue records the land pertained to PWD. The reply was not tenable because the construction of road has been proposed through reserve forest sanctuary without the prior approval of Forest Department.

4.3.9 Avoidable extra expenditure due to re-tendering of work at higher rates

Failure to observance of codal provisions and financial prudence in re-awarding the work led to sanctioning work at higher rates to the same contractor resulting in avoidable extra expenditure of Rs 30 lakh to the Government.

Public Works Financial and Accounts Rules, Part-II provide that in case the lowest tenderer does not honour his offer after opening of financial bids, the competent authority may negotiate with other qualified tenderers/contractors to get the work done on original sanctioned rates and conditions or from experienced registered non-tenderer contractors if none of the other qualified tenderers agree. Tenders once rejected shall be reconsidered with the concurrence of the Finance Department.

Chief Engineer (CE), Public Works Department (PWD) invited (September 2005) tenders for construction/upgradation of bituminous roads of various districts through 61 packages under *Pradhan Mantri Gram Sadak Yojana*. For construction of four bituminous roads in Barmer District the Additional Chief Engineer (ACE), Jodhpur approved (November 2005) the lowest tendered rate of 17.15 *per cent* below Schedule 'G' aggregating to Rs 1.97 crore including maintenance for five years without any additional cost. Accordingly, Executive Engineer (EE), PWD, Division-I, Balotra issued (21 November 2005) letter of acceptance to the contractor 'A' with the instruction to deposit performance security of Rs 20.84 lakh within 10 days of receipt of the letter. As the contractor did not deposit the performance security in the prescribed period, the ACE, PWD Zone, Jodhpur cancelled (21 December 2005) the tender forfeiting earnest money (Rs 4.78 lakh). Fresh notice inviting tender was issued on the same day (21 December 2005) for the work. The lowest bid offered by the same contractor at 6.97 *per cent* below Schedule 'G' (Rs 2.21 crore) with maintenance at an additional cost of Rs 10.95 lakh (aggregating Rs 2.32 crore) was approved (January 2006) by the ACE, PWD Zone, Jodhpur. Accordingly, work order was issued (February 2006) by the EE,

22. Between chainage km 3/600 to km 6/800.

PWD Division-I, Balotra to the same contractor for completion of the work by 20 November 2006. As of February 2007, Rs 68.64 lakh was paid for the work executed and the work was in progress.

Test check (April 2006) of the records of Superintending Engineer (SE), PWD Circle, Barmer revealed that the contractor had intimated (24 December 2005) to EE, PWD Division-I, Balotra that he was out due to his illness and was willing to execute the work. No action was taken by the Department on his request. His request could have been considered with the concurrence of the Finance Department. Besides, the Department did not negotiate with the second lowest or other qualified tenderers/contractors to execute the work as per provisions of rules. Unwarranted promptness of the Department in cancelling the original tender and inviting fresh tender on the same day without considering the request of the contractor was not justified.

Thus, non-observance of codal provisions and financial prudence in re-awarding the work led to sanctioning work at higher rates (10.18 *per cent*) to the same contractor and avoidable extra expenditure of Rs 30 lakh²³.

Government stated (May 2007) that codal provision of financial rules was not followed as the rate of first tenderer was not workable and observing the procedure as per rules was only a waste of time. The reply was not tenable as the Department failed to act as per provisions of rules in the Government interest and to complete the work without any extra financial burden.

4.3.10 Extra expenditure due to non-finalisation of tender within the validity period

Failure of the Superintending Engineer in finalising the tender within validity period resulted in avoidable extra expenditure of Rs 19.49 lakh. The amount would further increase on completion of the work.

State Government issued (December 2005) administrative and financial sanction of Rs 1.20 crore for modernisation and upgradation of rural roads under Rural Infrastructure Development Fund (RIDF)-XI and State Plan in Rajasthan for five roads²⁴ in Churu District. Accordingly, technical sanctions were issued (July 2005) for Rs 1.20 crore by the Executive Engineer (EE), Public Works Department (PWD), Ratangarh for the same. Chief Engineer (CE), PWD, Jaipur invited tenders for the works in June 2005 and the lowest offer of Rs 91.59 lakh at 19.11 *per cent* below Schedule 'G' was approved in October 2005. Accordingly, the work order was issued (October 2005) by the EE, PWD, Division Ratangarh with stipulated date of completion as 5 March 2006. The contractor refused (November 2005) to undertake the work on the ground that the validity period of the tender had been expired on

23. Rs 2.32 crore (Re-tendered cost including maintenance) less Rs 2.02 crore (Rs 1.97 crore tender sanctioned earlier plus Rs 0.05 crore earnest money forfeited).

24. Sobhasar to Chariya km 0/0 to km 8/0 (VR): Rs 25.60 lakh; Bobasar to Malsisar km 3/0 to km 8/500 (VR): Rs 17.20 lakh; Malsisar to Basi via Badawar km 0/0 to km 5/500 (VR): Rs 17.20 lakh; Rajaladesar to Binnadesar km 0/0 to km 15/0 (VR): Rs 47.40 lakh and Rajaladesar to Simsiya km 0/0 to km 4/0 (VR): Rs 12.60 lakh.

5 September 2005. The work was withdrawn (December 2005) from the contractor and his earnest money (Rs 2.07 lakh) was forfeited.

On re-tendering (November 2005), the work was awarded (December 2005) at Rs 1.13 crore (at 0.07 *per cent* below Schedule 'G'). As of April 2006, payment of Rs 1.09 crore had been made and the work was in progress (July 2007).

Test check (August 2006) of the records of EE, PWD, Ratangarh revealed that the tenders required to be finalised by Superintending Engineer (SE), PWD, Churu within 30 days²⁵ from the date of opening of tender (5 August 2005) were finalised belatedly on 25 October 2005 i.e. after the validity period of the lowest tender expired on 5 September 2005.

Thus, failure of the SE in finalising the tender within validity period resulted in avoidable extra expenditure of Rs 19.49 lakh at contract stage. The amount would further increase on completion of the work.

Government stated (July 2007) that acceptance of tender was communicated to the contractor within the validity period but the contractor refused to execute work and therefore, his earnest money was forfeited. Reply was not factually correct as the work order to contractor was issued on 27 October 2005 after expiry of validity period on 05 September 2005.

WATER RESOURCES DEPARTMENT

4.3.11 Avoidable extra expenditure due to delay in finalisation of tender

Delay in deciding the recoverable share of contribution from the beneficiaries led to rejection of tender and awarding of work at 27.75 *per cent* higher tender premium resulting in avoidable extra expenditure of Rs 1.03 crore.

Rule 322 of Public Works Financial and Accounts Rules stipulates that the tenders should be finalised by the Administrative Department/Board within 75 days from the date of opening of bids.

To provide irrigation facilities to 602 farmers of five villages²⁶ of Kota District in 1900 hectare area, Government accorded (July 1999) administrative and financial sanction of Rs 4.14 crore for construction of Balapura Lift Irrigation Scheme, Kota with the condition that 20 *per cent* cost would be borne by the beneficiary cultivators. Technical sanction of Rs 3.41 crore accorded (April 2003) by Additional Chief Engineer (ACE), Water Resources Department (WRD), Zone Kota, *inter alia*, included providing laying and jointing asbestos cement (AC) pressure pipes for main feeder (Class-15: 5420 metre; Class-10: 8938 metre).

25. The validity period as given in tendered documents.

26. Jakhoda, Kadihera, Galana, Balapura and Bhagwanpura.

The tenders for the work were invited (February 2003) by the ACE, WRD, Zone Kota and lowest offer at seven *per cent* above Schedule 'G' (Rs 3.34 crore) aggregating to Rs 3.57 crore in favour of contractor 'A' was recommended (August 2003) for approval. The tender was returned (May 2004) by Chief Engineer (CE), WRD, Jaipur with the remarks that 20 *per cent* beneficiary contribution be deposited first. As the cultivators could deposit Rs 44.80 lakh towards their contribution as of 4 August 2003 due to their poor condition, the Government reduced (March 2005) the beneficiaries share to 10 *per cent*. Meanwhile, as the matter for reducing cultivator's contribution was under consideration, the Executive Engineer, WRD, Division Kota requested (September 2004) the contractor to extend validity of his Bank Guarantee. The contractor expressed his willingness to undertake the work but requested (March 2005) to permit use of class-15 AC pipes and variation in rates as due to deletion (October 2003) of class 10 AC pipes by Bureau of Indian Standards, these were not being manufactured. While no action was taken on this request, the ACE, WRD, Kota Zone recommended (April 2005) to reject the tender on the plea of non-extending the validity of the Bank Guarantee and non-providing rates of class-15 AC pipes by the contractor 'A'. The CE, WRD rejected (May 2005) the tender and directed to invite fresh tenders after ensuring receipt of 10 *per cent* beneficiaries contribution. Accordingly, revised estimates of Rs 3.74 crore incorporating use of class-15 AC pipes were prepared (May 2005) and the ACE, WRD, Zone Kota invited (October 2005) fresh tenders. Government sanctioned (January 2006) the work at 34.95 *per cent* above the revised Schedule 'G' (Rs 3.67 crore) amounting to Rs 4.95 crore in favour of contractor 'B'.

Test check (March 2006) of the records of CE, WRD showed that the tender could not be finalised in the prescribed period of 75 days from the date of opening of tenders (28 June 2003) due to delay in deciding the share of beneficiaries contribution. Consequently, the tender of contractor 'A' had to be rejected and fresh tenders were invited (October 2005) considering changed specification of AC pipes from class-10 to class-15. Resultantly, the work was awarded at 27.95 *per cent* (34.95 *per cent* – 7 *per cent*) higher rate to Contractor 'B' on revised Schedule 'G' of Rs 3.67 crore (which included AC pipes of class-15).

Thus, delay in deciding the share of contribution from the beneficiaries led to rejection of tender and awarding of work at 27.95 *per cent* higher tender premium resulting in avoidable extra expenditure of Rs 1.03 crore.

Government stated (May 2007) that the tender could not be finalised by the stipulated time due to non-deposition of 20 *per cent* contribution by beneficiaries. Reply was not tenable because the Government took more than a year in deciding the recoverable share of beneficiary contribution.

4.3.12 Avoidable extra expenditure

Failure of the Department in ensuring timely completion of land acquisition process led to payment of compensation at higher cost resulting in avoidable extra expenditure of Rs 83.46 lakh.

Section 11-A of Land Acquisition Act, 1894 (amended 1984) provides that the awards should be passed within a period of two years from the date of the publication of the declaration under Section 6 of the Act and publication under Section 6 be made within one year of the date of publication under Section 4 otherwise the entire proceedings under Section 4 and 6 shall automatically lapse.

Test check (August 2006) of records of the Executive Engineer (EE), Water Resources Division, Karauli revealed that the notification under Section 4 of the Act was published in May 2000 for acquiring 215 *Bigha* land in Birwas village for the Panchana Irrigation Project. The notification did not mention the details of *Khasra*²⁷ number of the plot. As a result, a separate notification for the land was published in February 2002 i.e. after 21 months.

Similarly, the notification under Section 4 of Act *ibid* for acquiring 762 *Bigha* 16 *Biswa* land of three villages viz. Karauli, Gurla, Berkhera published in June 2000 had to be revised and republished (February 2001) in Gazette as the earlier notification was lacking details of *Khasra* numbers of village Gurla. Further, due to non-completion of proceeding under Section 5A of the Act, the notification under Section 6 *ibid* could not be issued within one year from the date of publication of notification under Section 4 *ibid*. As a result, entire proceeding had lapsed automatically.

To avoid further delay, Chief Engineer accorded approval to acquire the land compulsorily under Sections 4 and 17(1) of the Act and notifications for the land in all the four villages were issued in February 2004 (three villages) and June 2004 (one village). Compensation amounting to Rs 5.03 crore (including 30 *per cent* Solatium and 12 *per cent* interest) had been paid by EE, Water Resources Division Karauli during March 2004 to March 2006 to the Land Acquisition Officer (LAO), Karauli for making payment to land holders. As of June 2007 Rs 3.46 crore was disbursed by the LAO.

Had the Department issued correct notification with full details under Section 4 of Act in May/June 2000, the land acquisition process could have been completed by April/June 2003 and compensation paid at the rates applicable²⁸ on May/June 2000. Alternatively, the Department could have acquired the entire land compulsorily under Sections 4 and 17 (1) initially, and avoided extra payment of compensation of Rs 83.46 lakh (*Appendix-4.1*) at increased cost.

27. *Khasra* number means plot number with details as used in Revenue Department.

28. Section 23 (1) of the Act provides that in determining the amount of compensation to be awarded for land acquired under the Act, the market value of the land at the date of the publication of notification under Section 4 shall be taken into consideration.

Thus, failure of the Department in ensuring timely completion of land acquisition process led to payment of compensation at higher cost resulting in avoidable extra expenditure of Rs 83.46 lakh.

Government attributed (July 2007) delay in land acquisition to non-availability of separate post of LAO in the Department and hindrances from farmers. The reply was not tenable because delay was due to non-inclusion of *Khasra* details in the earlier notifications due to which notification under Section 4 had to be re-issued.

4.3.13 Avoidable extra expenditure on account of re-tendering

Failure of the Department in arranging borrow area with sufficient earth before allotment of work led to withdrawal of work at incomplete stage and awarding the remaining work at higher rates resulted in avoidable extra expenditure of Rs 29.31 lakh.

Additional Secretary cum Chief Engineer, Water Resources Department (WRD), Rajasthan, Jaipur issued (November 2001) administrative and financial sanction of Rs 2.79 crore for construction of *Sarsi Ka Naka* Minor Irrigation Project (District Chittorgarh) to provide irrigation in 383.17 hectare (ha). Superintending Engineer, WRD Circle, Bhilwara sanctioned (October 2002) the work of construction of main dam of the Project in favour of contractor 'A' at 18.09 per cent below Schedule 'G' (Rs 1.27 crore) aggregating to Rs 1.04 crore. Executive Engineer (EE), WRD Division-I, Chittorgarh issued (October 2002) work order to contractor 'A' with the scheduled date of completion as 13 October 2003.

Notification under Section 4 and 17(1) of Land Acquisition Act, 1894 to compulsory acquire land for borrow area selected for using earth in Dam construction was approved (October 2002) by Chief Engineer (CE), WRD. Due to non-availability of sufficient earth in the borrow area CE, WRD issued (February 2004) another notification under Section 4 and 17(1) *ibid* for acquiring 3.84 ha land (*Khasra* number 87, 88, 2059, 2084) for alternate borrow area. While the action for land acquisition of this borrow area was on the way, one of the land owners sold 2.01 ha land (*Khasra* number 87, 88) to another farmer who filed (March 2005) a writ petition in High Court, Jodhpur against land acquisition. Meanwhile, after executing the work worth Rs 81.25 lakh the contractor stopped (April 2003) the work due to non-availability of soil in borrow area initially selected and non-identification of alternate borrow area. The contractor 'A' expressed (September 2005) his inability to work further. Consequently, Department withdrew (September 2005) the balance work and decided to get the remaining work done by utilising earth available locally and from available land of alternate borrow area.

After inviting fresh tenders Additional CE, WRD, Zone Udaipur sanctioned (December 2005) the balance work to contractor 'B' for Rs 72.77 lakh. EE, WRD Division-I, Chittorgarh issued (December 2005) work order with the date of completion of work as 07 May 2006. As of March 2007 Rs 71.17 lakh had been paid to contractor.

Test check (October 2006) of records of EE, WRD Division-I, Chittorgarh revealed that contractor 'A' stopped the work (April 2003) due to non-availability of sufficient earth for dam construction in the initially selected borrow area because the earth was unauthorisedly lifted (November 2001 to October 2002) by the nearby land owners before awarding work to contractor. Therefore, acquiring land for borrow area without ensuring availability of adequate earth in October 2002 was of no use. Further, sufficient earth was also not available in the alternate borrow area arranged after 16 months (February 2004) by the Department. Thus, failure of the Department in arranging borrow area with sufficient earth resulted in stoppage of the work by the contractor and consequent extra expenditure of Rs 29.31 lakh²⁹ on re-award of the work.

Government stated (August 2007) that the fact of unauthorised lifting of soil from the initially selected borrow area before approval of notification/award of work was not in the notice of the Department and there was no slackness on the part of Department in selection of new alternate borrow area. The reply was not tenable as the Department failed in ensuring availability of adequate earth in the initially selected borrow area before awarding work to contractor and took more than two years in arranging alternate borrow area.

4.3.14 Avoidable extra expenditure due to awarding work at higher tender premium by splitting of work

Non-adherence to guidelines to prepare a single estimate and floating single tender of entire reach of canal led to avoidable extra expenditure of Rs 35.57 lakh on awarding work at higher tender premium by splitting the work.

Public Works Financial and Accounts Rules prohibit splitting of works/tenders by subordinate officers to keep the tenders in their competence. In genuine cases splitting could be done only after prior permission of the competent authority with recorded reasons for splitting. Additional Secretary-cum-Chief Engineer (AS-CE), Water Resources Department issued (October 2002) guidelines for preparation of estimates and invitation of tenders of the canal works (earthwork and lining) of Irrigation Projects³⁰ which, *inter alia*, provided preparation of a single estimate for complete length of canal where discharge is less than one cubic metre per second (cumec).

Four separate technical estimates for remodelling works of Tordi Sagar South canal lining chainage³¹ having discharge between 0.5491 to 0.2686 cumec were sanctioned during December 2004 to June 2006 by Superintending Engineer (SE), Dam circle, Deoli (A, B, C) and by Executive Engineer (EE) Construction Division-III, Bisalpur Project, Deoli in June 2006 (D). Consequently, separate tenders for the chainage A, B, C and D³² were invited in December 2004, March 2005, July 2005 and April 2006 respectively.

29. 57.34 (18.09+39.25) per cent over and above Schedule 'G' of Rs 51.11 lakh of work done and paid to contractor 'B'.

30. Excluding Indira Gandhi Nahar Project and Command Area Development.

31. 892 to 975 (A), 975 to 1140 (B), 1140 to 1292 (C) and 1292 to 1312 (D).

32. Tenders for chainage 'D' were postponed (May 2006).

Tenders for chainage A, B and C were sanctioned at 0.11 *per cent* below Schedule 'G' by SE (December 2004), at 12.75 *per cent* above Schedule 'G' by Chief Engineer, Bisalpur Project, Jaipur (May 2005) and at 17.51 *per cent* above Schedule 'G' by SE (September 2005) respectively. Works have been completed (May 2005 to January 2006) at a total cost of Rs 3.48 crore³³.

Test check (June 2006) of the records of the EE, Construction Division-III, Bisalpur Project, Deoli revealed that instead of preparing a single estimate for remodelling of work of entire Tordi Sagar South canal having discharge less than one cumec from chainage 892 to 1312 for Rs 3.56 crore, four separate estimates for chainage A, B, C and D had been sanctioned by the competent authority and accordingly tender for each chainage invited separately. This was contrary to the provisions of financial rules prohibiting splitting of work estimates. The guidelines issued in October 2002 by the AS-CE, Water Resources Department, Rajasthan, Jaipur specifically provided for preparation of a single estimate and call of tenders for total length of canal having discharge less than one cumec. As a result of separate calling of tenders as per separate estimates and awarding of work of chainage B and C at higher tender premium, avoidable extra expenditure of Rs 35.57 lakh³⁴ had to be borne by the Government exchequer.

Government stated (July 2007) that works were split up with a view to get the canal work completed in time to provide irrigation without delay. The reply was not tenable as the allotment of work in piecemeal was contrary to the provisions of financial rules/departmental instructions.

4.4 Idle investment/idle establishment/blocking of funds

ELEMENTARY EDUCATION DEPARTMENT

4.4.1 Blocking of funds on school buildings

Failure to ensure availability of teachers for new schools before construction of the school buildings resulted in blocking of funds of Rs 4.63 crore on buildings lying unutilised.

Government sanctioned opening of 261³⁵ new primary schools at Kolayat (190) and Nokha (71) blocks in Bikaner District under *Sarva Shiksha Abhiyan*

33.

Reach	Schedule 'G' Amount of work executed	Tender Premium	(Rupees in lakh)
			Amount paid (Month)
892 to 975 (A)	74.03	0.11 <i>per cent</i> below	73.95(May 2005)
975 to 1140 (B)	138.03*	12.75 <i>per cent</i> above	155.63 (October 2005)
1140 to 1292 (C)	101.15*	17.51 <i>per cent</i> above	118.86 (January 2006)
Total	313.21		348.44

34. Reach 975 to 1140 (B): Excess TP $12.75+0.11=12.86$ *per cent* of Rs 138.03*= Rs 17.75,
Reach 1140 to 1292 (C): Excess TP $17.51+0.11=17.62$ *per cent* of Rs 101.15*= Rs 17.82.

35. February 2004: 230; November 2004:2; December 2004:10; July 2005:15
and November 2005: 4 schools.

(SSA) during the year 2004-06. The District Education Officer (DEO) was to ensure availability of students and teachers as per SSA norms before issuing sanction for opening of new schools.

Scrutiny (November 2006) of the records of District Project Coordinator (DPC), Bikaner disclosed that DPC, Bikaner sanctioned (October 2004 to February 2006) Rs 4.93 crore for construction of 149 new school buildings at Kolayat and Nokha blocks in Bikaner District. The school buildings have been completed at a cost of Rs 4.66 crore during April 2005 to January 2007. Out of these, only one school was functioning at *Nayako Ka Bas*, Dasori and remaining 148 school buildings constructed at a cost of Rs 4.63 crore were lying unutilised for want of teachers. Failure of the DEO in ascertaining the availability of teachers before constructing school buildings led to blocking of funds of Rs 4.63 crore from six to 26 months as of June 2007 denying the education facilities to the students under SSA.

Controller of Finance, Rajasthan Elementary Education Council stated (July 2007) that selection of teachers by Rajasthan Public Service Commission (Commission) was in process and schools would be opened as soon as the teachers are made available by Commission.

Matter was reported to State Government in April 2007; reply had not been received (September 2007).

WATER RESOURCES DEPARTMENT

4.4.2 Unproductive expenditure on Minor Irrigation Projects

Incorrect computation of surplus water for two new Minor Irrigation Projects in the Project reports led to unproductive expenditure of Rs 2.11 crore on construction of Ratan Sagar Deveria and Sanwar Sagar Dothali Minor Irrigation Projects.

Government accorded (July 2004) administrative and financial sanctions for construction of Ratan Sagar Deveria and Sanwar Sagar Dothali Minor Irrigation Projects (MIPs) in Ajmer District for Rs 1.02 crore and Rs 64.08 lakh respectively. These MIPs were planned for gross storage capacity of 0.66 million cubic metre (mcum) and 0.34 mcum respectively to provide irrigation facilities in 142.90 hectare area by utilising the surplus water available with the Mundoti Dam (storage capacity: 3.11 mcum) and four other tanks (storage capacity: 4.62 mcum) out of total available runoff of 7.969 mcum from its 50.50 sq mile catchment area as per Strange's table for 20 inch mean monsoon rainfall. Both the projects were in progress and Rs 2.11 crore (Ratan Sagar Deveria: Rs 1.29 crore and Sanwar Sagar Dothali: Rs 82.19 lakh) had been spent on them as of April 2007.

Test check (May 2006) of the records of the Executive Engineer, Water Resources Division-I, Ajmer showed that both the MIPs under execution fell in the up stream/catchment area of Mundoti Dam and the entire catchment

area was intercepted by six³⁶ tanks having total storage capacity of 5.48 mcum. As such against availability of total 7.969 mcum water from 50.50 sq mile catchment area of the Mundoti Dam, 8.59 mcum water could be stored in six tanks and the Mundoti dam. Thus, there was no surplus water available for two new proposed MIPs (capacity: one mcum) which were under execution. While computing surplus water available for these two MIPs, the Department ignored the quantity of water being stored in two tanks viz Alak Sagar Balapura: 0.31 mcum and Narayan Sagar Dhasook: 0.55 mcum existed in the catchment area as it considered storage capacities of only remaining four tanks falling in the catchment area. This indicated that both the above MIPs with storage capacity of one mcum have been sanctioned and got constructed without availability of any surplus water. This resulted in unproductive expenditure of Rs 2.11 crore. The expenditure will further increase on completion of the MIPs.

Government stated (June 2007) that in the initial proposals of administrative sanction, six tanks were wrongly exhibited as intercepting the catchment area of Mundoti Dam and the catchment area of the Mundoti dam has now been worked out as 67.23 sq mile instead of 50.50 sq mile. Thus, the Government has justified construction of two new MIPs considering availability of total water as 11.13 mcum from revised catchment area of 67.23 sq mile of Mundoti dam excluding area intercepted by four tanks only. The reply was not tenable in view of the original MIP proposals wherein the total catchment area of Mundoti was shown 50.50 sq mile intercepted by six tanks.

SANSKRIT SHIKSHA VIBHAG

4.4.3 Blocking of borrowed funds and loss of interest

Failure to establish research centre led to blocking of loan assistance of Rs 4.30 crore for more than three years and non-investing the amount in interest bearing fixed deposit receipts resulted in loss of interest of Rs 55.78 lakh.

The Jagadguru Ramanandacharya Rajasthan Sanskrit University (University), Jaipur proposed (July 2003) establishment of a research centre in the University at a cost of Rs 5 crore³⁷ for continuous special study of various subjects of Sanskrit and editing of rare epics. Consequently, Government of India (GOI) sanctioned (March 2004) Additional Central Assistance (ACA) of Rs 5 crore (Rs 3.50 crore as loan with 10.5 per cent interest per annum and

36. Vijay Sagar Akodia: 1.56 mcum; Madan Sagar Akodia: 0.92 mcum; Naya Talab Jhirot: 1.24 mcum; Lapra Talab Bantali: 0.90 mcum; Alak Sagar Balapura: 0.31 mcum and Narayan Sagar Dhasook: 0.55 mcum

37. Honorarium payable to Research scholars: Rs 0.15 crore; Rent for Research and Library building: Rs 0.03 crore; Purchase of (i) published books and rare books, (ii) various equipments and (iii) furniture: Rs 1.24 crore; collection of manuscripts: Rs 0.88 crore; Establishing various laboratories: Rs 2.17 crore; Refresher course: Rs 0.12 crore; Organising lectures: Rs 0.04 crore; Research scholarships: Rs 0.21 crore; Speech efficiency course: Rs 0.04 crore and Construction of auditorium building: Rs 0.12 crore.

Rs 1.50 crore as grant). The loan was for a period of 20 years to be repaid in 20 annual instalments. The State Government transferred (March 2004) the amount in the Personal Deposit (PD) Account of the University.

In April 2004, Rs 1 crore was drawn from the PD Account of the University and kept (May 2004) in Savings Bank Account³⁸ upto January 2005. The amount was then placed in Fixed Deposit Receipts (FDRs)³⁹ and earned interest of Rs 17.71 lakh as of March 2007. Another sum of Rs 3 crore was also deposited (September 2006) in the FDR⁴⁰ for a period of one year and interest of Rs 11.73 lakh was accrued as of 31 March 2007.

Scrutiny (March-April 2006) of records of University and further information collected (March 2007) showed that the University spent only Rs 0.70 crore on purchase of computers and their accessories, books, furniture, fax machine and photo copy machines etc. The work of continuous special study on various subjects of Sanskrit and editing of epics was not taken up due to non-posting of Director. The University's request (March 2004) to convert the loan in to grant was pending with Government for approval as of December 2006. This indicated that the University did not have immediate requirement of funds, and could have been invested in FDRs. Had the University worked out the requirement in time and invested the borrowed funds in FDRs between April 2004 and September 2006, it could have earned an interest of Rs 67.51 lakh⁴¹. This could have been utilised to repay the interest burden on the loan component.

Thus, failure to establish research centre not only led to blocking of loan assistance of Rs 4.30 crore for more than three years but it delayed research activities also. Besides, keeping loan assistance idle instead of investing in interest bearing FDRs resulted in loss of interest of Rs 55.78⁴² lakh.

Government stated (August 2007) that adequate staff was now available and the unutilised funds were proposed to be utilised during 2007-08.

4.5 Regulatory issues and other points

AYURVED DEPARTMENT

4.5.1 Stores and Stock Accounts

Director, Ayurved Department, Rajasthan, Ajmer (Directorate) is responsible for preparation and submission of Stores and Stock Accounts to the Principal Accountant General by 1 July every year⁴³. The stores are

38. Interest rate of 3.5 per cent per annum.

39. Interest rate of 7 per cent per annum to 7.5 per cent per annum.

40. Interest rate of 7.8 per cent per annum.

41. At the interest rate of 7 per cent per annum compounded for three years.

42. Rs 67.51 lakh – Rs 11.73 lakh = Rs 55.78 lakh.

43. Rule 15 A of General Financial and Accounts Rules-Part-II

maintained at four pharmacies⁴⁴, Deputy Director Homeopathy (DDH) Ajmer, Assistant Director Unani, Ajmer, District Ayurved Officers, 'A' Grade Ayurvedic and Unani Hospitals and Dispensaries. Accounts are consolidated at the Directorate. Scrutiny (January and February 2007) of Stores and Stock accounts at the Directorate and four pharmacies disclosed the following:

- ***Preparation and submission of Stores Accounts***

The Director, Ayurved Department is required to submit the stores and stock accounts to Principal Accountant General by 1 July each year. The Director did not submit the accounts in time. Submission of accounts for the years 2001-05 was delayed by 14 months (2004-05) to 33 months (2002-03) and accounts for the years 2005-06 and 2006-07 have not been submitted as of September 2007.

Value of machinery, equipment, tools and plants (METP) of four pharmacies (value: Rs 1.16 crore⁴⁵) and annual depreciation on METP, bedding and clothing have not been included in the accounts for the years 2001-05. Stores/stock of medicines of Ajmer and Jodhpur pharmacies for 2002-03 to 2004-05 and of DDH, Ajmer and Udaipur pharmacy for 2003-04 to 2004-05 have not been included in the consolidated accounts prepared by the Director. Thus, the accounts submitted by the Department did not depict true and fair position of stores of the Department and possibility of pilferage/misappropriation can not be ruled out.

Rule 7(6) of GF&AR provides that where the stores are converted into money, suitable instructions for fixation of price with reasonable accuracy, periodical review and revision of rates should be issued by the Head of the Department. No periodical review for revision of rates has been done and medicines produced at Ajmer and Jodhpur pharmacies continued to be priced at rates fixed in 1990-91. Besides, Job cards for determination of actual manufacturing cost were not maintained properly at Ajmer and Jodhpur. Therefore, true value of medicines was not being exhibited in the accounts.

- ***Acquisition of stores***

Out of allocation of Rs 40.36 crore⁴⁶ items worth Rs 9.18 crore could not be utilised by the Director during 2002-07 due to delay in taking decision for purchase of medicines and plant and machinery. Thirty one plants and machinery items worth Rs 69.78 lakh⁴⁷ procured during 2002-07 were lying unutilised (September 2007) with four pharmacies since their purchase. This showed that purchases have been made by Director without assessing the actual requirement.

44. Ajmer, Bharatpur, Jodhpur and Udaipur.

45. Ajmer (Rs 41.89 lakh), Bharatpur (Rs 23.87 lakh), Jodhpur (Rs 13.90 lakh) and Udaipur (Rs 35.97 lakh).

46. Raw material: Rs 8.73 crore, medicines: Rs 19.08 crore, METP: Rs 12.48 crore and other stores: Rs 0.07 crore.

47. Ajmer: Rs 31.53 lakh, Bharatpur: Rs 7.47 lakh, Jodhpur: Rs 26.36 lakh and Udaipur: Rs 4.42 lakh.

• ***Custody and issue of stores***

Rule 7 of GF&AR provides that the stores should be kept in safe custody in suitable accommodation. In Ajmer Pharmacy Ayurved medicines worth Rs 10.16 lakh stocked (September 2005 to February 2006) near electric panels and in Bharatpur Pharmacy raw material worth Rs 1.33 lakh were destroyed due to short circuit in electricity (February 2006) and by termites respectively. This indicated that safe custody of medicines was not being ensured. Information regarding action taken in the matter was awaited (September 2007).

Analysis of receipts and issues of raw material for medicines in four pharmacies during the year 2002-07 showed that there was a stock of raw material valued Rs 1.04 crore as on 1 April 2002. However, purchase was made every year and stock balance increased to Rs 1.78 crore at the end of 2004-05 and Rs 1.03 crore as of March 2007.

Utilisation of raw material for manufacturing of medicine ranged from 24 *per cent* to 46 *per cent* of total available material during 2002-2007. This happened mainly due to non-availability of complete ingredients of medicines and purchases at fag end of the year.

Thus, un-necessary excess purchase of raw material resulted in blocking of Government money. Besides, possibilities of deterioration of raw material also can not be ruled out.

• ***Physical verification of stores***

Rule 12 of GF&AR provides that physical verification of stores should be carried out once in a year by a responsible officer. Head of the Department shall furnish physical verification reports to the Director, Treasury and Accounts (DTA) by 31 May of each year. It was observed that no physical verification reports of 91 units for 2006-07 had been sent to DTA (September 2007) by the Head of the Department. Physical verification of these units was pending for two to 17 years⁴⁸. In absence of physical verification of stores possibilities of shortage, losses, pilferage, and fraud can not be ruled out.

• ***Non-reconciliation of inter-pharmacy transfer of medicines***

Medicines produced at one pharmacy are transferred to other pharmacies for further distribution to hospitals and dispensaries in their areas. During 2002-07, medicines worth Rs 2.37 crore had been transferred by pharmacies whereas the receiving pharmacies received medicines worth Rs 1.63 crore only. Due to lack of proper reconciliation of transfer and receipts of medicines by pharmacies, possibilities of pilferage, misappropriation of medicines worth Rs 73.44 lakh can not be ruled out.

48. 5 units: 17 years; 6 units: 11 to 15 years; 12 units: 5 to 10 years; 21 units: 3 to 5 years; 17 Units: 1 to 2 years and 30 units: NA.

The matter was reported to the Government in April 2007; their reply has not been received (September 2007).

CO-OPERATIVE DEPARTMENT

4.5.2 Avoidable interest liability

Improper planning not only resulted in creation of unnecessary interest liability of Rs 63.69 lakh but also deferred the commercial production by three years. Besides, unnecessary retention of funds by the State Government led to avoidable interest liability of Rs 11.65 lakh.

National Co-operative Development Corporation (NCDC), New Delhi released (13 December 2004 to 24 August 2005) assistance of Rs 16.71 crore for rehabilitation of two units of Rajasthan State Co-operative Spinning and Ginning Mills Federation Limited (SPINFED) viz. Co-operative Spinning and Ginning Mills, Gulabpura and Gangapur District Bhilwara to be passed on to SPINFED by State Government with equity share of Rs 5.67 crore within one month. Interest at eight *per cent* per annum was payable and the units were to start production by February 2006. Scrutiny (April 2007) showed that the State Government (Co-operative Department) passed (9 March 2005) on term loan of Rs 9.66 crore to SPINFED with the delay of 55 days which resulted in extra interest liability of Rs 11.65⁴⁹ lakh. Despite utilising Rs 12.16 crore, the units failed to start production by February 2006 due to delay in issue (May-June 2006) of supply orders for machines. Non-utilisation of balances loan assistance of Rs 10.22 crore for nine months led to creation of interest liability of Rs 63.69 lakh.

While Government did not furnish the reasons of delay in releasing the funds to SPINFED and non-utilisation of the loan of Rs 10.22 crore, it stated (August 2007) that efforts were being made to start production by 31 March 2009. Reply of the Government was not acceptable as commercial production had been delayed by more than three years resulting in avoidable interest liability of Rs 75.34 lakh.

DISASTER MANAGEMENT AND RELIEF DEPARTMENT

4.5.3 Loss of interest on Calamity Relief Funds

Non-investment of Calamity Relief Funds in interest bearing securities in accordance with the guidelines for investment, despite recommendation of Public Accounts Committee, resulted in loss of interest of Rs 37.83 crore.

Mention was made in para 3.3.4 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 1999-Government of

49. Rs 966.47 lakh x 8/100 x 55/365 = Rs 11.65 lakh.

Rajasthan regarding loss of interest of Rs 35.93 crore due to non-investment of Calamity Relief Funds (CRF) in the prescribed interest bearing securities. After examining the para, the Public Accounts Committee (PAC) of the 11th Vidhan Sabha (2002-03) recommended that adequate action be taken for avoiding reoccurrence of such lapse in future. In compliance thereof, State Government instructed (June 2004) the Commissioner, Disaster Management and Relief Department (DMRD) for investing CRF strictly as per the prescribed manner.

Test check (January 2007) of the records of Principal Secretary to Government, DMRD disclosed that in contravention to the recommendations of the PAC and instructions issued by Government, the Department failed to invest CRF in the interest bearing securities during 2005-07 (upto December 2006). Non-investment of balances of CRF ranging between Rs 49.22 crore and Rs 425.51 crore in prescribed interest bearing securities resulted in loss of interest of Rs 37.83 crore⁵⁰.

Government stated (May 2007) that the unspent balance of CRF was transferred (November 2005) in State Revenue head for use as a resource for the next plan as per recommendation of the XI Finance Commission and no funds were available for investment during the year. The reply was not tenable as the unspent balance of CRF as of 31 March 2005 was transferred to State Revenue in November 2005 after issuing of guidelines of XII Finance Commission in June 2005 which *inter alia* recommended to treat the unspent balance of CRF as at the end of financial year 2004-05 as the opening balance of CRF for 2005-06.

4.5.4 Irregular utilisation of Calamity Relief Funds

Calamity Relief Funds amounting to Rs 10.89 crore was diverted on hiring of helicopters and on material component of construction works contrary to guidelines.

Government of India instructed (June 1995) State Government to charge the expenditure of identified items only from Calamity Relief Funds (CRF). Aerial survey was not covered under identified items. Comprehensive guidelines issued (September 2005) by Government of Rajasthan, Disaster Management and Relief Department (DMRD) for execution of relief works, *inter alia*, provided that no expenditure from CRF should be incurred on material component for construction of buildings. Instead, the cost of material component was to be borne by dovetailing fund from other Departments/ Schemes.

Test check (January 2007) of the records of Principal Secretary to Government, DMRD, Rajasthan, Jaipur showed that DMRD incurred Rs 80.48 lakh out of CRF on hiring of helicopters for survey of drought and flood situation in certain regions of State during 1999-2005, though the survey work was not covered under approved norms/items of works to be taken up under

50. At the overdraft rate of 9 per cent and 8.5 per cent during the year 2005-06 and 2006-07 respectively.

CRF. As per guidelines, expenditure on the items not covered in the guidelines was to be borne from the resources of the Government.

Further, DMRD sanctioned Rs 10.09 crore⁵¹ from CRF for building material for construction of Mid Day Meal Scheme kitchen sheds (14,809), Anganbadi Centres (3,568) and Gramin Shauchalaya (13,803). Utilisation certificates against these sanctions were not obtained from the executing Departments. Diversion of CRF of Rs 10.89 crore for material component might have affected the relief works as well as generation of employment for the labourers.

Government stated (April and September 2007) that aerial survey was necessary because requirement of food stuff in flood and drought affected areas could only be ascertained after aerial survey and expenditure on material component was done in anticipation of approval of proposed revised CRF norms which are pending consideration of Government of India. The reply was not acceptable because if it was felt necessary to conduct aerial survey for air dropping of food, the expenditure should have been borne out of State budget. Besides, permission of Government of India was not obtained for deviation from the norms/guidelines for utilising CRF.

ELEMENTARY EDUCATION DEPARTMENT

4.5.5 Non-utilisation of funds

Failure of the Department to finalise procedure for purchasing books for libraries of schools resulted in non-utilisation of funds of Rs 4 crore for more than three years.

Government of Rajasthan, Department of Elementary Education accorded (September 2004) administrative and financial sanction of Rs 4 crore for purchase of books to establish 20,000 libraries in Government schools (Primary: 7,500 and Upper Primary: 12,500) at Rs 2,000 per school in the first phase of Action Plan for the year 2004-05.

Scrutiny (February 2007) of the records of the Commissioner, Elementary Education, Rajasthan, Bikaner disclosed that the Departmental Purchase Committee chaired by the Additional Director, Primary Education decided on 16 December 2004 to purchase the books without tenders and sent the proposal on 30 December 2004 for approval of the Government. Despite reminders in January and March 2005 approval could not be obtained. Consequently, the amount was transferred to the Personal Deposit Account of Director, Rajasthan State Educational Research and Training Institute, Udaipur on 30 March 2005. In May 2005, Director, Elementary Education, Bikaner proposed to constitute a State Level Purchase Committee for purchase of books through open tenders, but the State Government decided (October 2005) that books be purchased as per rules on District Primary Education Programme (DPEP) pattern by forming Select Committees. But the Director, DPEP (Primary Education Council) did not take any action. In April 2007, the

51. January 2006: Rs 9.24 crore and February 2006: Rs 0.85 crore.

Commissioner, Elementary Education, Bikaner allotted the funds to 237 Block Education Officers of 32 districts of the State directing them to purchase books as per financial rules. However, funds remained unutilised as of June 2007.

Thus, failure of the Department to finalise procedure for purchasing books for libraries of schools not only resulted in non-utilisation of funds of Rs 4 crore but the children were also deprived of the intended benefits of libraries.

Government admitted (June 2007) that no action had been taken for purchase of books upto March 2007 and Rs 4 crore have now been allotted (April 2007) to the Block Education Officers of all the concerned districts for purchasing books for establishing libraries.

ELEMENTARY, SECONDARY AND HIGHER EDUCATION DEPARTMENTS

4.5.6 Delay in assessment of grant-in-aid

Non-observance of rules/instructions issued by the Department led to payment of excess grant of Rs 6 crore to aided educational Institutions.

Rule 13 of Rajasthan Non-Government Educational Institution (Recognition, Grant-in-aid and Service Conditions etc.), Rules, 1993 provides that any recurring grant received from Government shall not be in excess of the difference between the total approved expenditure⁵² and income⁵³ from fees during that year including other recurring sources of income of Non-Government Educational Institutions (NGEIs). Annual recurring grant given on the basis of estimated expenditure of the current year would be subject to adjustment from the provisional grant payable in the next year. Instances of excess release of grants noticed during test check are discussed below:

During 1999-2005, Government paid provisional grant of Rs 6.94 crore to a private college at Jaipur. Scrutiny revealed that assessment of grant for the period was made as Rs 4.57 crore by the Commissioner, College Education in February 2005 and February 2006, but assessment orders for final grants were issued in May-June 2007. Due to this delay, excess grant of Rs 2.37 crore paid during 1999-2005 could not be adjusted from the grants paid in the subsequent years. The excess payment of grant was Rs 3.04 crore* as Rs 0.69 crore⁵⁴

52. As per Rule 14, approved expenditure includes salary of sanctioned teaching and non-teaching staff alongwith other expenditure with prescribed maximum limits.

53. As per Rule 13 (4) *ibid* and Government directions issued in August 2003 to include actual tuition fees collected from students.

54.

Financial year	Interest from FDs (Rs in lakh)	*Including excess grant (Rs in lakh)
1999-2000	6.68	6.68
2000-01	12.53	12.53
2001-02	1.06	1.06
2002-03	7.57	7.57
2003-04	32.93	32.93
2004-05	8.66	5.69
Total	69.43	66.46

being interest income of the *Mahavidyalaya* was ignored while assessing the grant for 1999-2005 by the Commissioner. Of these, Rs 16 lakh has been adjusted from the provisional grant for 2006-07 at the instance of Audit. Government stated (July 2007) that the Commissioner has directed the *Mahavidyalaya* to deposit excess grant of Rs 2.88 crore with the Government exchequer.

Similarly, while assessing the grants-in-aid in respect of 20 aided Primary schools annual recurring income of the institutes was ignored resulting in payment of excess grant of Rs 1.27 crore during 2003-06. As per the assessment made (March 2006) by the Chief Accounts Officer (under Commissioner, Secondary Education, Bikaner) excess grant of Rs 0.89 crore was paid during 2004-05 to four Senior Secondary/Secondary schools which could not be adjusted in the subsequent years due to delay in assessment. Further, excess grant of Rs 0.80 crore has been paid for the years 2005-07.

Government stated (June-July 2007) that total expenditure of the schools was taken as approved expenditure and no excess grant was paid. The reply was not acceptable as no amendment to the existing rules and procedures had been issued so far by the Government.

FINANCE DEPARTMENT

4.5.7 Excess payment of pension

Failure of the treasury officers to exercise prescribed checks led to excess/irregular payment of pension/family pension amounting to Rs 53.76 lakh.

In Rajasthan payment of pension to State pensioners is made by Public Sector Banks (Banks). Treasury Officers (TOs) are responsible for checking the accuracy of payment of pension, family pension and other retirement benefits made by the Banks with reference to the records maintained by them, before incorporating the transactions in their accounts.

Mention was made in the earlier Audit Reports (Civil)⁵⁵ about excess payments made to State pensioners by Banks. The Public Accounts Committee also recommended (2001-02) that recoveries of excess payment be made, responsibilities should be fixed against defaulting officers, administrative inspection of treasuries be strengthened and steps taken to avoid recurrence of such irregularities in future. In compliance thereof, Department issued (16 August 2002) necessary instructions to the TOs for verification of pension payments by visiting the Banks.

Test check (April 2006 to March 2007) of the records of pension payments made by the Banks involving 23 TOs, however, disclosed that excess/irregular

55. Para 3.9 of 1984-85, Para 3.1 of 1990-91, Para 3.4 of 1993-94, Para 3.2 of 1997-98, Para 3.7 of 1999-2000, Para 4.4.1 of 2002-03, Para 4.2.5 of 2003-04. Para 4.4.1 of 2004-05 and Para 4.1.3 of 2005-06.

payment of superannuation/family pensions was made to 238 pensioners⁵⁶ amounting to Rs 53.76 lakh as detailed below:

S.No.	Particulars	Excess/irregular payments		Recoveries effected at the instance of audit	
		Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
1.	Non-reduction of family pension after expiry of the prescribed period	117	26.97	99	15.61
2.	Family pension not stopped after the age of 25 years/ marriage/ employment of dependents	3	1.68	2	0.64
3.	Non-reduction of pension after its commutation	21	3.74	20	2.57
4.	Pension credited in Bank Accounts without receipt of life certificates	11	1.84	1	0.52
5.	Pensions paid after death of pensioners	3	0.65	3	0.65
6.	Dearness relief paid to pensioners during the period of their re-employment	5	2.58	5	2.33
7.	Irregular/overpayment of dearness pay	13	4.67	10	2.14
8.	Pension payment to other States wrongly debited	2	0.89	-	-
9.	Pension and Dearness Relief paid at higher rate than admissible	14	3.05	4	0.39
10.	Non-recovery of dues from gratuity.	26	2.37	19	1.69
11.	Violations of Rules and procedures	23	5.32	9	1.78
	Total	238	53.76	172	28.32

The above facts indicate that the irregularities had persisted due to failure of the TOs in conducting concurrent checks of payments made by Banks, despite the recommendations of the Public Accounts Committee.

Government accepted (July 2007) facts and recovered Rs 28.32 lakh at the instance of Audit.

HIGHER EDUCATION DEPARTMENT

4.5.8 Irregular payment of salary to the teaching staff for strike period

Imprudent decision of the University for making payment to the teaching staff for strike period resulted in irregular payment of salary amounting to Rs 97 lakh to staff without approval of Government.

The Hon'ble Supreme Court vide their judgment dated 19 March 1994 upheld that employees were not entitled to wages for the period of strike irrespective of the fact whether the strike was legal or illegal. Further, Condition number 10 of Block grant released by the Government to the University of Rajasthan (University), Jaipur, prohibits University for taking any decision which would

56. Ajmer: 13; Alwar: 10; Banswara: 23; Baran: 1; Barmer: 5; Bharatpur: 3; Bhilwara: 3; Bundi: 3; Chittorgarh: 2; Churu: 3; Dausa: 1; Dholpur: 1; Dungarpur: 3; Hanumangarh: 1; Jaipur: 34; Jhunjhunu: 18; Jodhpur: 86; Kota: 4; Nagaur: 4; Pali: 1; Rajsamand: 6; Sikar: 2 and Udaipur: 11.

reduce its income and increase its expenditure without the approval of Government.

The teaching staff of the University remained on strike from 10 July 2002 to 31 July 2002 (22 days) but the staff has been paid full salary for the month of July 2002. The Government instructed (August 2002) the Vice Chancellor (VC), Rajasthan University to ensure that payment of salary to staff for strike period is not made. As the instructions of the Government were not adhered to, the Government withheld the grants of the University amounting to Rs 3.64 crore for two quarters and released Rs 2.64 crore in February 2003 after deducting Rs 1 crore on account of salary (approx) recoverable from staff remained on strike.

Test check (April 2007) of the records of the University disclosed that the VC of the University issued (August 2002) orders for payment of salary to teaching staff for strike period. The decision of the VC for making payment to the teaching staff of the University for strike period was contrary to the judgment of the Hon'ble Supreme Court and Government instructions. Besides, no decision was taken by VC to recover salary (Rs 97 lakh) from staff for strike period and regularise the strike period.

Thus, imprudent decision of the University in making payment to the teaching staff for strike period resulted in irregular payment of salary amounting to Rs 97 lakh to staff without approval of Government.

Government stated (July 2007) that Government has not approved payment of salary to staff for strike period and Rs 1 crore had been deducted from the grant payable to the University. The excess expenditure due to payment of salary to staff for strike period contrary to instructions of Government has not been recovered from the staff.

4.5.9 Government receipts remaining out of Government account

Delayed action of the Government to recover the receipts from University led to receipts of Rs 4 crore remaining out of Government accounts denying its utilisation for promoting educational activities.

State Government authorised (July 2001) the Jai Narain Vyas University, Jodhpur (University) to conduct Pre-Teacher Education Tests (PTET) for admission to Bachelor of Education degree course for the session 2001-02 with the instruction (September 2001) to retain 10 *per cent* of the net income earned by way of conducting PTET for its own use and remit the remaining 90 *per cent* of net receipts to the Director, Secondary Education (SE), Bikaner for utilisation on promoting educational activities. Government also entrusted conducting PTET to the University for the sessions 2002-03 and 2003-04 in May 2002 and February 2003 respectively.

Test check (April-July 2004) of records of the University and further information collected (April 2007) disclosed that the Vice Chancellor (VC) of the University requested (February 2002) the Government to reconsider its decision of remitting 90 *per cent* of the net income earned from conducting

PTET, 2001 in view of the poor condition of the University and allow its utilisation to meet out its outstanding liabilities. The Government was time and again requested (January 2003, September 2003 and April- May 2006) to waive this condition. However, no decision was taken by the Government as of August 2006. Consequently, of Rs 4.44 crore (2001-02: Rs 1.59 crore; 2002-03: Rs 1.46 crore and 2003-04: Rs 1.39 crore) earned as net income by the University from conducting PTET during 2001-02 to 2003-04, 90 per cent of net income (Rs 4 crore) was not remitted by the University to Director, SE, Bikaner after conducting PTET each year. Thus, the receipts were unauthorisedly utilised by the University to mitigate its liabilities by creating a temporary budget grant of Rs 4 crore. Finally, on the request (June 2006) of VC Rs 2.74 crore had been adjusted (August 2006) by Treasury Officer, Jodhpur out of final instalment of block grant for the year 2005-06 amounting to Rs 6.88 crore. While efforts were not made by the Government to recover the due receipts of Rs 2.74 crore from block grants paid subsequently, it also failed to ensure recovery of receipts of Rs 1.26 crore pertaining to PTET, 2003 out of block grants released to University for 2005-06 and 2006-07.

Thus, lack of monitoring and delayed action of the Government to recover the Government receipts from University led to Government receipts of Rs 4 crore remaining out of Government accounts (Rs 2.74 crore for four years and Rs 1.26 crore as of June 2007 since 2004-05) and resultantly denying promotion of educational activities for beneficiaries.

Government stated (November 2006 and June 2007) that Rs 2.74 crore had been adjusted from final instalment of quarterly block grant of Rs 6.88 crore for the year 2005-06 and University has also been directed to remit Rs 1.26 crore in Government Account.

4.5.10 Irregular expenditure on educational tour subsidy to the staff

In contravention of specific instructions of Government, payment of Rs 34.02 lakh has been made by the University to its staff as tour subsidy which was irregular.

Mention was made in para 6.4 (iii) of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2000- Government of Rajasthan regarding irregular grant of subsidy for leave travel concession (LTC) to non-teaching staff of Jai Narayan Vyas University, Jodhpur. After examining (June 2002) the para with the Department, the Public Accounts Committee (PAC) viewed the matter seriously. Consequently, the Government instructed (July 2002) all the remaining four Universities⁵⁷ to withdraw the benefit of LTC or other such schemes immediately. Jai Narayan Vyas University, Jodhpur had already withdrawn the scheme in September 2000. Subsequently, the PAC 12th Vidhan Sabha (2004-05) opined that payment of subsidy of Rs 15.82 lakh to staff of

57. (i) University of Rajasthan, Jaipur; (ii) Mohan Lal Sukharia University, Udaipur; (iii) Maharishi Dayanand University, Ajmer and (iv) Kota Open University, Kota.

Jai Narayan Vyas University was contrary to Condition number 10⁵⁸ of block grants released by the Government and recommended to fix the responsibility of the officers/officials responsible for the lapse.

Test check (April 2007) of the records of the Registrar, University of Rajasthan (University) showed that contrary to Condition number 10 of block grant released to University by the Government and further Government's specific instructions to withdraw the benefit of LTC or similar such scheme the University continued to extend the benefits in the form of an educational tour subsidy once in three years to its non-teaching staff at the rate of Rs 1400 per spouse and Rs 700 per individual employees. Expenditure of Rs 34.02 lakh has irregularly been incurred by the University during 2001-07.

Thus, payment of Rs 34.02 lakh made by the University to its staff as tour subsidy, in contravention to condition of the block grant and specific instructions of Government was irregular.

Government stated (June 2007) that granting benefit of LTC by the University without their approval was not proper and the University was being requested to stop LTC facility.

MEDICAL EDUCATION DEPARTMENT

4.5.11 Unauthorised retention of funds

Assistance of Rs 1.29 crore under Chief Minister's Relief Fund was unauthorisedly retained by hospitals and medical societies for one to five years denying the benefit of assistance from Chief Minister's Relief Fund to other needy persons.

Government constituted (April 1999) a Fund titled 'Chief Minister's Relief Fund' (CMRF) by amalgamating various other Funds⁵⁹. Financial assistance upto 40 per cent of the cost of the treatment to the poor patients having annual income below Rs 24,000 (except those below poverty line) and suffering from serious diseases like Bye-pass surgery of Heart, Kidney transplant, Cancer etc. could be provided out of this fund. Further, sanctions issued for the assistance of individuals out of CMRF specifically provide that unutilised amount was to be refunded immediately.

Test check (January-February 2007 and March 2007) of the transactions and records relating to assistance provided from CMRF maintained by Superintendent, Associated Group of Hospitals (SAGH), Kota and Member

58. Condition number 10 of block grant released by the State Government to the Universities prohibits Universities for taking any decision which would reduce its income and increase its expenditure without the approval of Government.

59. (i) Rajasthan Chief Minister (CM) Famine and Flood Relief Fund, (ii) Rajasthan CM Hospital Development Fund, (iii) Rajasthan CM General Relief Fund, (iv) Rajasthan CM Security Service Welfare Fund, (v) Rajasthan CM Child Welfare fund, (vi) Rajasthan Development Fund.

Secretary, Rajasthan Medicare Relief Society, (RMRS) Sawai Man Singh, Hospital, Jaipur showed that assistance of Rs 1.47 crore (SAGH, Kota: Rs 1.23 crore and RMRS, Jaipur: Rs 0.24 crore) was sanctioned from CMRF during the period December 2000 to October 2006 to 960 patients (SAGH, Kota: 873 and RMRS, Jaipur: 87) for treatment of serious diseases. Of this, unutilised assistance amounting to Rs 1.29 crore (SAGH, Kota: Rs 1.06 crore and RMRS: Rs 23 lakh) was not immediately refunded to CMRF and was retained unauthorisedly for one to five years.

Retention of unutilised assistance of Rs 1.29 crore was not only unauthorised but it also led to denying the benefit of assistance from CMRF to other needy persons.

Government stated (June and September 2007) that Rs 72.80 lakh have been refunded (May and July 2007) by RMRS, Jaipur (Rs 23 lakh) and SAGH, Kota (Rs 49.80 lakh) to CMRF.

GENERAL

4.5.12 Lack of response to Audit

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. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance to all the matters relating to audit. Latest instructions issued in June 2005.

As of 31 March 2007, there were 7,373 IRs containing 26,883 paragraphs issued during the period 1982-83 to 2006-07 (upto September 2006) pertaining to 81 Civil and 7 Works Departments pending for settlement as under:

Year	Numbers pending	
	IRs	Paragraphs
Upto 2000-01	1,952	4,828
2001-02	569	1,951
2002-03	731	2,604
2003-04	1,041	3,514
2004-05	1,355	4,856
2005-06	1,023	5,300
2006-07 (upto September 2006)	702	3,830
Total	7,373	26,883

A detailed analysis of 1,346 IRs relating to Secondary Education (309 IRs), Higher Education (149 IRs) and Public Health Engineering Department (888 IRs) revealed that 6,253 paragraphs were outstanding as of 31 March 2007. It was further noticed that first reply of the 14 IRs of the Secondary

Education and 17 IRs of Higher Education Departments were pending for two to 14 years and one to five years respectively.

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.

Audit Committees comprising the Principal Secretary/Secretary of the Department and representatives of the Finance Department and Principal Accountant General were formed in 36 Departments out of 88 Departments for taking speedy action on pending audit matters. Finance Department issued (November 2004) instructions for conducting four meetings per year but not a single department adhered to the instructions of Finance Department. Only 41 Audit Committee meetings were held by 28 Departments during the year.

The Government should look into the matter and ensure that procedures exist for (a) taking action against the officials who failed to send replies to IRs/paragraphs within the prescribed time schedule, (b) taking 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
MECHANISM IN
GOVERNMENT DEPARTMENTS

CHAPTER V

INTERNAL CONTROL

INTERNAL CONTROL

INTERNAL CONTROL

CHAPTER-V INTERNAL CONTROL MECHANISM IN GOVERNMENT DEPARTMENTS

ANIMAL HUSBANDRY DEPARTMENT

5.1 Internal Control Mechanism in Animal Husbandry Department

Highlights

Internal Control is an integral component of an organisation's management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently, financial reports and operational data is reliable, and the applicable laws and regulations are complied with so as to achieve the objectives of the organisation. Internal Control Mechanism in Animal Husbandry Department was weak as reflected from non-compliance of rules, manuals and codes, lack of discipline in budget preparation, poor implementation of programmes and poor monitoring of departmental assets. Overall these adversely affected the delivery of services.

The manual of the Department which was published in 1965, has not been revised/modified since then though there has been significant changes in the organisational set up, instructions, orders etc.

(Paragraph 5.1.6.1)

Expenditure in the Directorate was not incurred evenly throughout the year. During the last quarter of the years 2002-03 and 2003-04 it was 52 and 44 *per cent* respectively and during the last month of the years 2002-07, it ranged from 20 to 33 *per cent* of the total expenditure.

(Paragraph 5.1.5.1)

Department failed to utilise Centrally sponsored scheme funds of Rs 72.20 lakh. Besides, Rs 1.87 crore released for livestock census remained unspent.

(Paragraph 5.1.5.2)

Remittances worth Rs 1.40 crore made by the Drawing and Disbursing Officers through challans into the treasuries were not reconciled.

(Paragraph 5.1.5.5)

Artificial insemination fee of Rs 2.68 crore was outstanding against various field units as of March 2007. There was no system of reconciliation of receipt and remittance of artificial insemination fees at various levels.

(Paragraph 5.1.6.3)

No asset register was maintained. Improper monitoring led to encroachment of land at Fatehpur Sheep Breeding Farm, Kishanpura Farm at Bassi and Kota Poultry Farm.

(Paragraph 5.1.6.6)

Deficiencies pointed out in a survey conducted by National Bank for Agriculture and Rural Development in 2005 were not followed up for remedial action. Internal audit was neglected.

(Paragraphs 5.1.7.1 and 5.1.7.3)

5.1.1 Introduction

Internal Control Mechanism is a process meant to ensure that the departmental operations are carried out according to the applicable laws and regulations and in an economical, efficient and effective manner so as to give a reasonable assurance that organisation's objectives are achieved. An effective vigilance mechanism brings transparency and efficiency in working of the Department.

Animal Husbandry Department (AHD) plays an important role in the economic development of the State. The major activities of the Department include providing treatment to livestock, prevention and control of livestock diseases, providing artificial insemination (AI) services to cattle and buffaloes, manufacturing of vaccines and poultry training etc.

Rajasthan Livestock Development Board (RLDB) is an autonomous body which had taken over the works of providing frozen semen, liquid nitrogen and equipment, AI training of professionals and workers, running progeny testing programmes etc. from AHD in April 2001.

5.1.2 Organisational set up

AHD is headed by a Principal Secretary to the Government and is assisted by a Director who performs the executive functions. The Director is assisted by two Additional Directors, 10 Joint Directors (JDs), 50 Deputy Directors (DDs) to control 13 Polyclinics, 175 first grade hospitals, 1251 hospitals, 285 dispensaries and 1733 sub-centres. The Department has four cattle breeding farms, a poultry farm, a goat farm, a pig farm and a sheep-breeding farm. Secretary of AHD is also the Chairman of RLDB.

5.1.3 Audit objectives

The audit objectives were to assess whether:

- the budgetary, expenditure and cash controls were adequate and effective;
- the administration including establishment and inventory related controls were complied with;

- the operational controls were adequate to achieve the objectives of the Department in an economic, efficient and effective manner;
- the monitoring was adequate and effective; and
- the internal Audit arrangement was effective.

5.1.4 Audit coverage and methodology

Internal Control Mechanism in the Department for the period 2002-07 was conducted during January to May 2007 by test check of the records of the Director, AHD at Jaipur and AHD offices in seven districts¹. Records of Semen Bank at Bassi, Regional Biological Products Laboratory (RBPL) at Jamdoli (Jaipur), two (out of four) cattle breeding farms at Kumher (Bharatpur) and Ramsar (Ajmer), Khatipur Poultry Farm (Jaipur) and Sheep Breeding Farm at Fatehpur (Sikar) were also test checked.

An entry conference was held with the Department to explain the audit objectives and methodology in November 2006. The findings as well as recommendations of audit were discussed with the Secretary of the Department in a meeting held in August 2007. The views expressed in the meeting were taken in account for drafting the Report.

Audit Findings

5.1.5 Compliance of the Budget Manual and State Financial Rules

5.1.5.1 Preparation of budget estimates

The Budget provision and the expenditure incurred during 2002-07 are shown in the following table:

(Rupees in crore)													
Year	Budget estimates			Revised estimates			Actual expenditure			Savings (-) / Excess (+) as compared to budget estimate			Percentage Saving/ excess in Plan & CSS
	Non-Plan	Plan & CSS*	Total	Non-Plan	Plan & CSS	Total	Non-Plan	Plan & CSS*	Total	Non-Plan	Plan & CSS	Total	
2002-03	108.30	7.30	115.60	99.54	9.20	108.74	95.93	5.76	101.69	(-) 12.37	(-) 1.54	(-) 13.91	(-) 21.10
2003-04	111.44	6.77	118.21	107.57	9.86	117.43	104.61	8.78	113.39	(-) 6.83	(+) 2.01	(-) 4.82	(+) 29.69
2004-05	119.77	15.17	134.94	115.59	15.42	131.01	113.60	14.96	128.56	(-) 6.17	(-) 0.21	(-) 6.38	(-) 1.38
2005-06	123.70	23.53	147.23	128.20	23.72	151.92	124.03	17.39	141.42	(+) 0.33	(-) 6.14	(-) 5.81	(-) 26.09
2006-07	134.85	21.59	156.44	131.80	21.11	152.91	131.21	18.24	149.45	(-) 3.64	(-) 3.35	(-) 6.99	(-) 15.52
Total	598.06	74.36	672.42	582.70	79.31	662.01	569.38	65.13	634.51				

* The BE figures under CSS include the amounts revalidated from previous years.

It would be seen that except 2004-05, there were savings to the extent of 21 per cent (2002-03) 26 per cent (2005-06) and 16 per cent (2006-07) and excess expenditure of 30 per cent during 2003-04 under Plan and Centrally sponsored scheme (CSS) funds.

Expenditure during last month ranged between 20 and 33 per cent.

Further, Rule 139 of Rajasthan Government Budget Manual emphasises that expenditure should be evenly phased out through out the year and a rush of expenditure particularly in the closing month of the financial year should be

1. Ajmer, Bharatpur, Jaipur, Jodhpur, Kota, Sikar and Udaipur.

avoided. It was, however, seen that expenditure incurred in the Directorate, Jaipur during last month (March) of the financial year ranged from 20 per cent to 33 per cent of the total expenditure during 2002-07 and was 52 per cent and 44 per cent in last quarter of the financial years 2002-03 and 2003-04 respectively. The Director attributed this to delay in finalisation of rate contract for purchase of medicines and equipments.

5.1.5.2 Utilisation of CSS grant

Similar to the process of formulating the budget estimates every Department has to submit its proposals and detailed estimates after proper scrutiny to the Central Government to obtain grant for CSS. In case of non-utilisation of Government of India (GOI) grants within the prescribed period the Department should refund the CSS grant. Instances of non-utilisation (savings) and non-refund of unspent CSS grants were noticed as discussed below:

GOI grant for slaughter house was not utilised.

- GOI released (October 2000) Rs 50 lakh as first instalment of its contribution for modernisation of the slaughter house at Jaipur. The scheme was to be implemented through Jaipur Municipal Corporation. Municipal Corporation/State Government did not release the matching share (Rs 50 lakh). The CSS grant was neither utilised nor refunded to GOI for over six years due to inaction of Department.

GOI grant of Rs 22.20 lakh for Integrated Piggery Development was not utilised for over six years.

- GOI (Ministry of Agriculture) sanctioned Rs 24.25 lakh (August 1995-March 1999) for Integrated Piggery Development Scheme. Of this, only Rs 2.05 lakh was utilised during 2001-02 and Rs. 22.20 lakh remained unspent. Though GOI asked in September 2003 to return the unutilised amount, the Government returned Rs 22.20 lakh in May 2005. Thus, the CSS grant was neither utilised for the purpose of piggery development nor returned to GOI in time and remained blocked for a long time. The Director replied (August 2007) that due to technical reasons the pig farm was not established in Ajmer and permission to utilise the grant in Alwar pig farm was not granted by GOI during 2002-03. It showed that the proposal for the scheme was not properly examined by the Department resulting in non-utilisation of grant for over six years.

- GOI provides funds to State Government to conduct live stock census. The expenditure incurred was very low compared to the available grant and the progress of census was not properly monitored by AHD. During 2006-07, Government released only Rs 1.50 lakh out of revalidated Central grant of Rs 1.88 crore. Actual expenditure was only Rs 1.41 lakh leaving an unspent balance of Rs 1.87 crore.

5.1.5.3 Blocking of fund

The financial sanctions issued by Government stipulate that the amount sanctioned should be utilised within the prescribed time limit on the specified item of work. It was observed that Government sanctioned Rs 1.50 crore² in

Unutilised grant of Rs 1.50 crore was transferred to PD Account.

2. Establishment of frozen semen lab: Rs 80 lakh; frozen semen testing programme: Rs 30 lakh; establishment of frozen semen bank/depot: Rs 20 lakh; semen testing programme: Rs 2 lakh; calves distribution: Rs 5 lakh; calf rearing on doorstep of livestock owner: Rs 8 lakh and embryo transfer technology programme: Rs 5 lakh.

2005-06 under Plan budget to AHD to be utilised by 31 March 2006. The AHD neither utilised the grant nor surrendered it but transferred (February 2006) it to the Personal Deposit Account of RLDB, resulting in blocking-up of the amount (August 2007).

5.1.5.4 Salary expenditure borne out of State Plan budget

Salary expenditure of Rs 2.65 crore incurred under Plan budget.

As per provision of Budget manual the salary expenditure was to be made from Non-Plan budget. A scheme called "Assistance to States for Control of Animal Diseases" (ASCAD) was introduced by GOI under tenth five-year Plan (2002-03 to 2006-07) in which 25 per cent contribution was to be made by State Government. It was further stipulated that establishment expenditure would not be met from ASCAD funds. However, establishment expenditure for operating 48 posts amounting to Rs 2.65 crore for ASCAD was to be borne by State Government which was irregular. AHD replied (September 2007) that expenditure was incurred according to the directions of the Finance Department of the Government.

5.1.5.5 Compliance with state treasury Rules/ receipt and payment Rules

Remittances made in treasuries were not reconciled.

Rule 59 of General Financial & Accounts Rules (GF&AR) provides that all Drawing and Disbursing Officers (DDOs) should arrange for reconciliation of remittances made in the treasuries every month and obtain a certificate from treasury officer. Test check disclosed that remittances worth Rs 1.23 crore in the Directorate (2002-06), Rs 10.98 lakh in the office of the DD, AHD, Jaipur (2004-07) and Rs. 6.35 lakh in the office of RBPL, Jamdoli (Jaipur) (2004-05) made by challans into Jaipur treasuries were not reconciled. As per rules the DDO should take up the matter with Treasury in case of discrepancies. However, no action was taken by respective DDOs for obtaining the certificates for these remittances.

- Rule 51(i) of GF&AR requires that DDO shall physically verify the cash balance as shown in the cash book at the end of each month and also once during the month. It was seen that 23 DDOs, out of 40 test checked, did not carry out physical verification of cash during 2002-07.

- Rule 53(ii) of GF&AR requires that employees handling cash and store should provide fidelity bond/guarantee policy from an insurance company. During 2002-07 this condition was not adhered to in 11 offices out of 40 test checked during different spells.

5.1.6 Operational Controls

5.1.6.1 Departmental Manual

Departmental Manual of 1965 has not been revised despite significant changes in organisational set up, instructions, orders etc.

Every organisation should have a comprehensive manual prescribing the procedure of work, responsibility structure and control mechanism. The AHD has a manual compiled in 1965. Since then the activities in the Department have undergone major changes e.g., separation of Fisheries Department in June 1982, merging of Sheep and Wool Department in April 2001, setting up of RLDB in March 1998, leasing out of farmlands to other institutions,

introduction of artificial insemination (AI) etc. These changes coupled with changes in the general rules and procedures of Government have not been incorporated in the Manual. The Manual does not have provision for Internal Audit system, system for maintaining departmental assets and vigilance mechanism. Department informed (September 2007) that the manual was under revision. Non-updation of manual in last 40 years affects the control and monitoring of the Department's operation.

5.1.6.2 Physical verification of stock

Rule 12(4) of GF&AR Part II provides that the Head of Department will furnish a certificate by 31 May of every year to the Director, Treasuries and Accounts to the effect that the physical verification of his office as well as subordinate offices under his control has been conducted during the financial year and the result of physical verification has been sent to him. Scrutiny disclosed that no such verification was conducted after 2003-04 in the AHD. Thus, the Department did not effectively exercise an important control of inventory management.

5.1.6.3 Reconciliation of Artificial Insemination fees

Receipt of Rs 2.68 crore were outstanding on account of AI fees.

The AHD officials perform the AI in the field. The AI fee at Rs 25 per insemination is deposited in AD, LSD office every month by the AI centres, which in turn deposits the amount in the designated account of RLDB every month. As per accounts of RLDB, Rs 2.68 crore was outstanding on account of AI fee as on 31 March 2007. AHD could not ensure timely receipt of AI fees and deposit the same with RLDB due to lack of reconciliation of receipt and remittance of AI fees at various levels. The dates of reconciliation last done though called for were not furnished.

5.1.6.4 Stock records and disposal of unserviceable items

Records for supply of Semen, LN₂ Jars and Tankers were not maintained.

According to Rule 372 of AHD Manual, stock accounts should be maintained for each item of stores including the cost, placement, date of purchase etc. It also provides that all unserviceable stores and articles should be auctioned and sale proceeds credited to Government account. At the time of transfer of the work of procurement and supply of liquid nitrogen, LN₂ Jars and semen to RLDB, the Directorate did not maintain records of straws of semen, liquid nitrogen and outstanding AI fee. Further, there were (August 2007) 3215 unserviceable and 290 repairable jars of liquid nitrogen. But no action was initiated by AHD for repair, transfer to the needy units or disposal of the jars.

Similarly, records relating to maintenance of vehicles were not available in the AHD. During 2002-07, 140 unserviceable vehicles were sent to state motor garage for auction/disposal. Of these, only 22 vehicles were disposed of and an amount of Rs. 3.22 lakh was received from the Motor Garage Department. AHD did not have information about the remaining 118 vehicles. Further, no action for auction/repairs has been initiated (August 2007) for 52 non-usable vehicles and 18 repairable vehicles in various units of the Department.

Thus, there was no system of maintaining the records of the unserviceable items and their disposal in AHD.

5.1.6.5 Purchase of medicines and equipment

Delays in issue of RC resulted in purchase of medicines at higher rates.

During the period 2002-07, the Department purchased medicines and equipment worth Rs 19.02 crore. Rate contracts (RCs) for purchase of medicines were issued to Public Sector Units (PSUs) and private firms separately. Following was observed:

- The Department issued the RCs after delay of five to ten months. This resulted in extension of time to firms earlier empanelled, shortage of medicines and purchase of medicines from local market at increased rates as shown below:

S. No	Name of unit	Name of medicine	Contract rate per unit (Rupees)	Purchase rate per unit (Rupees)	Excess in percentage*
1	DD, Kota	Inj. B. complex	14.99(30 ml)	41.65(50 ml)	66.70
2	DD, Kota	Inj. Malsicome (30 ml)	8.65	36.38	320.58
3	DD, Ajmer	Inj. Chloropheniramine Maleate (30 ml)	3.50	10.00	185.71

* Percentage is calculated at rate for 100 ml.

The delay was stated to be due to administrative reasons in finalising the tenders.

- DD, Ajmer had purchased medicines worth Rs 2.72 lakh without RC out of famine fund. The Directorate, however, did not initiate any action against the DD (May 2003). In the test checked districts six firms failed to supply the medicines and equipments (cost: Rs 13.63 lakh) pertaining to supply orders issued in 2005-06 even upto June 2007. Department could not take penal action against these firms for want of any clause in tender documents for imposition of liquidated damages for non-supply.

- In four units equipments and apparatus worth Rs 19.11 lakh remained unutilised for two to ten years due to lack of building, electric connection etc. This showed that the items were purchased without proper planning.

5.1.6.6 Management of assets and properties

The Department was required to keep a record of all immovable Government property including land and building. Scrutiny revealed that no asset register was maintained in the Directorate. As a result, actual status of assets viz. cattle farms, sheep breeding farm, poultry farm, goat farm, pig farm and training schools etc. was not available with the Department. The irregularities noticed

in audit are given below:

S.No.	Name of farms	Total area	Audit observations
1	Sheep Breeding Farm, Fatehpur (Sikar)	7256.13 hectare	<ul style="list-style-type: none"> • The Department leased out (July 1995) 70 hectare land without obtaining the permission of Forest Department, as required. • There was encroachment on three hectares of land in the farm area by unauthorised persons. • Court case against 207 persons for unauthorised occupation of farmland remained pending for want of proper initiatives.
2	Kishanpura Farm, Bassi (Jaipur)	218 hectare	<ul style="list-style-type: none"> • Poultry farm not in operation and the position of land of the farm was not available with the Department • Fifty hectare of farmland was encroached upon by unauthorised persons.
3	Poultry Farm, Kota	99 bigha and 18 biswa	<ul style="list-style-type: none"> • Forty five plots were leased (1975-76: 37 plots; 1985-86: 8 plots) on rent at Rs 25 per annum and the rent of these plots were not revised since 1989 though as per condition of lease deed, rent was to be revised after every five years. • Forty one plots were under encroachment since January 2006. No action was initiated by the Department.

Staff quarters lying vacant

Fifty nine staff quarters out of 125 constructed in the test checked districts were lying vacant for a period ranging from one to twenty years. Non-occupancy was mainly due to lack of repairs and maintenance. It was also observed that the farms' incharge in three test checked districts were not residing in earmarked quarters situated in the vicinity of farms. This led to lack of monitoring of activities at the farm. The Director had not issued any instructions for the incharges' to stay at farms/ in vicinity of duty place (April 2007).

5.1.6.7 Release of grant to Gopal Goverdhan Goshala, Pathmeda

During December 2004 to March 2006, AHD released grant of Rs 1.99 crore in three instalments to *Gopal Goverdhan Gaushala (Brahmihary Ashram)*, Anand Van, Pathmeda (Jalore District) of which Rs 1.49 crore was utilised up to May 2007. The following was observed:

- Contrary to the conditions governing the sanction of grant two instalments of Rs 62.25 lakh each were released in December 2005 and March 2006 without ensuring utilisation of Rs 75 lakh allotted in December 2004.
- Collector, Jalore requested (December 2004) the AHD to route the grants through its office so that Rs 1.85 crore recoverable from *Gaushala* may

be adjusted out of allotted funds. However, AHD released Rs 75 lakh directly to *Gaushala* in December 2004.

- As per instructions issued from Finance Department, Director, AHD was to scrutinise the plans and estimates before release of grants. However, the Director released (between December 2004 and March 2006) Rs 47 lakh³ without scrutiny of the proposals for the grants.

Thus, grants were released without observing the laid down rules that resulted in non-adjustment of Rs 1.85 crore recoverable from *Gaushala*.

5.1.6.8 Manpower management

An organisation should utilise its manpower in a manner so that optimum output is derived from the available manpower towards achieving its objectives.

There were vacancies ranging from 23 per cent to 100 per cent continuing from 2002-03 to 2006-07 in all cadres as shown in **Appendix-5.1**. There were 382 vacancies of Veterinary Officers (VOs) in the State against a sanctioned strength of 1404 as of March 2007. These vacancies were mainly in veterinary hospitals. There were 164 veterinary hospitals in seven districts⁴ that did not have any VO. Further, the posts of Additional Director, JD, DD, Assistant Director, Sr VO and VOs were filled up on scale posting.

The reasons for huge vacancies were attributed by AHD to ban on recruitment and non-conducting of Departmental Promotion Committee (DPC) meetings. Reply is not tenable as AHD did not review the manpower position especially that of VOs to explore the possibility of shifting the posts of VOs from district to the hospitals or AI centres where technical inputs of VOs was essential.

5.1.7 Monitoring and Internal Audit

5.1.7.1 Departmental Inspections

The following norms were prescribed (April 1999) by the State Government for carrying out inspections of the subordinate offices and the centres under the control of various levels of officers in the AHD:

Level of Officer	Offices for inspection	Halt	
		Day	Night
Head of the Department	Self/State level/ district level office once in a year	30	22
Regional Level Officer	Self office biannual and district level once in a year	90	60
District Level Officer	Quarterly for self office and district level offices	112	75

There were shortfalls in carrying out inspections ranging from 38 per cent to 44 per cent during 2002-07. Further, the inspecting officers were to submit

3. Breed improvement (Rs 17 lakh), Vermi Compost Plant (Rs 3 lakh), *Gomutra* Drug Plant (Rs 27 lakh).

4. Banswara (23), Bharatpur (16), Chittorgarh (26), Dungarpur (11), Jodhpur (25), Rajsamand (22) and Udaipur (41).

Shortfall in inspections ranged between 38 to 44 per cent.

their opinions and suggestions on the status of working of various schemes reviewed during inspections. No records of such comments and suggestions of the inspecting officers were maintained at the Directorate so as to take further action on those. Thus, the basic purpose of inspection was defeated.

A Study conducted in 2005 by National Bank for Agriculture and Rural Development Consultancy Services for concurrent evaluation of National Programme on Cattle and Buffalo Breeding in Rajasthan during 2004-05 revealed slow progress in training for AI work, shortage of AI Centres, need to convert stationery AI centres to mobile ones, non-maintenance of district-wise and breed-wise information on frozen semen, AI, calves born and breeding bulls, average consumption of LN₂ was one litre per AI instead of normal consumption of half litre due to non-monitoring by AHD and absence of records for AI at farmer's doorstep, repeated AI and breed-wise number of calves born.

The Department did not intimate the status of implementation of the recommendations to Audit.

5.1.7.2 Inadequate vigilance mechanism

Vigilance mechanism was non-functional in AHD.

Secretary, AHD appointed (September 2005) the JD, RBPL, Jamdoli, Jaipur as the Chief Vigilance Officer (CVO) of the Department. The CVO was required to study and review the pending cases and conduct surprise checks in sensitive areas. It was seen that no separate vigilance cell with earmarked staff was formed in the Directorate. Not a single case was registered with/taken up for examination by CVO in last two years. This indicated non-functioning of the vigilance cell.

5.1.7.3 Internal audit

Internal audit is responsible for examining and evaluating the working of controls. It is the key of all controls in an organisation. In AHD, only one Assistant Accounts Officer and two clerical staff conducted the internal audit. As a result, only 92 units could be audited during 2002-07. The irregularities noticed by internal audit are communicated through Inspection Reports (IRs) to the Head of office to facilitate monitoring of the deficiencies. There was a pendency of 677 Internal Audit Reports and 3931 paragraphs at the end of March 2007. Of these 963 paragraphs of 172 IRs were pending for more than 27 years due to lack of remedial action in respect of AHD. Thus, the Directorate neglected the internal audit as an effective tool of internal control.

5.1.7.4 Lack of response to CAG audit

Principal Accountant General (Civil Audit), Rajasthan conducts periodical inspection of Government transactions and communicates the audit findings through IRs to the Head of Office/Department for compliance. The Department was required to comply with the audit observations and rectify.

As of 30 April 2007, 299 paragraphs relating to 132 IRs were pending for settlement. Of these, 103 paragraphs of 52 IRs were pending for more than five years. Further, first compliance report of nine IRs issued during 2006-07 was not submitted to Principal Accountant General as of July 2007 although it

was required to be sent within one month of the issue of the IRs. This showed lack of response and absence of suitable mechanism to closely monitor timely action on audit objections.

5.1.8 Conclusion

The departmental manual published in 1965 has not been revised despite significant changes in organisational set up, instructions, orders etc. Poor planning for projects led to non-utilisation of CSS grant resulting in refund of grant to GOI. Ineffective supervision by the Department led to encroachment on farmland. Vacancies at various levels in the field offices affected the quality of services provided. The monitoring mechanism was ineffective due to shortfalls in departmental inspections. The internal audit was neglected and the vigilance mechanism was not operative.

5.1.9 Recommendations

- Department should undertake revision of its manual incorporating the control measures required in view of changes in its functions and working environment.
- Stock accounts should be properly maintained and unserviceable items be disposed of on priority. Proper security of property should be ensured.
- Manpower position in field units should be reviewed so that critical posts are filled up.
- Internal audit should be strengthened. A full time vigilance cell with adequate staff should be formed.

The matter was reported to the Government in July 2007; reply had not been received (September 2007).



JAIPUR,
The

(SANJEEV SALUJA)
Principal Accountant General (Civil Audit), Rajasthan

18 DEC. 2007

Countersigned



NEW DELHI,
The

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

19 DEC. 2007

THE UNIVERSITY OF CHICAGO
LIBRARY

CHICAGO, ILL.
1957

APPENDICES

APPENDIX

APPENDIX-1.1-Part -A

(Refer paragraph 1.1; page 1)

Structure and Form of Government Accounts

Structure of Government Accounts: 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 revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund

Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

APPENDIX-1.1-Part-B

(Refer paragraph 1.1; page 1)

Layout of Finance Accounts

Statement	Lay Out
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 summarized statement of capital outlay showing progressive expenditure to the end of 2006-07..
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 borrowing 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 2007.
Statement No.9	Shows the revenue and expenditure under different heads for the year 2006-07 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 and Plan separately and capital expenditure by major head wise.
Statement No.13	depicts the detailed capital expenditure incurred during and to the end of 2006-07.
Statement No.14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc up to the end of 2006-07.
Statement No.15	Depicts the capital and other expenditure to the end of 2006-07 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 2007.
Statement No.19	Gives the details of earmarked balances of Reserve Funds.

APPENDIX-1.1-Part-C

(Refer paragraph 1.2; page 4)

List of Terms Used in the Chapter I and basis of their calculation

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/ GSDP Growth Rate.
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
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 spread	GSDP growth rate – Weighted Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
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 Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non- plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction or Avoidance of debt
Non-debt receipts	Revenue receipts + Miscellaneous capital receipts + Recovery of loans and advances
Primary Revenue Expenditure	Revenue expenditure – Interest payments

APPENDIX-1.2

(Refer paragraph 1.2.1.1; page 4)

Outcome Indicators of the States' Own Fiscal Correction Path

(Rupees in crore)

	Base Year 2003-04 Actuals	2004-05 Pre- Actuals	2005-06 Latest Estimates	2006-07 Estimates	2007-08 Estimates	2008-09 Estimates	2009-10 Estimates
1	2	3	4	5	6	7	8
A. STATE REVENUE ACCOUNT:							
1. Own Tax Revenue	7,246.19	8,414.82	9,598.83	10,923.47	12,430.91	14,146.37	16,098.57
2. Own Non-tax Revenue	2,071.64	2,146.15	2,461.57	2,609.26	2,765.82	2,931.77	3,107.68
3. Own Tax + Non-tax Revenue(1+2)	9,317.83	10,560.97	12,060.40	13,532.73	15,196.73	17,078.14	19,206.25
4. Share in Central Taxes & Duties	3,602.21	4,305.61	5,330.15	5,872.21	6,738.05	7,748.73	8,930.46
5. (a) Plan Grants	924.20	1,018.88	1,023.84	1,075.03	1,128.78	1,185.22	1,244.48
(b) CSS, CPS Grants	830.66	948.13	1,431.41	1,502.98	1,578.13	1,657.04	1,739.89
6. Non-Plan Grants	748.95	930.00	657.13	978.92	995.28	1,012.47	1,031.51
7. Total Central Transfer (4 to 6)	6,106.02	7,202.62	8,442.53	9,429.14	10,440.24	11,603.46	12,946.34
8. Total Revenue Receipts (3+7)	15,423.85	17,763.59	20,502.93	22,961.88	25,636.97	28,681.60	32,152.59
9. (a) Plan Expenditure	1,698.15	2,236.95	3,063.28	3,308.34	3,308.34	3,573.01	3,858.85
(b) CSS, CPS Expenditure	533.02	505.28	727.08	763.43	801.61	841.69	883.77
10. Non-Plan Expenditure	16,617.12	17,163.95	18,279.78	19,924.96	22,263.21	24,266.90	26,450.92
11. Salary Expenditure	5,516.44	5,797.55	6,897.35	7,311.19	7,749.86	8,214.85	8,707.75
12. Pension	1,841.96	1,626.06	1,619.12	2,325.45	2,558.00	2,813.79	3,095.17
13. Interest Payments	4,777.15	5,172.00	5,187.25	5,654.10	6,162.97	6,717.64	7,322.23
14. Subsidies - General*	2,042.15	2,616.39	3,260.53	3,456.16	3,663.53	3,883.34	4,116.34
15. Subsidies - Power	943.14	1,185.29	1,080.72	978.00	1,011.00	1,044.00	1,083.00
16. Total Revenue Expenditure (9+10)	18,848.29	19,906.18	22,070.14	23,996.74	26,373.15	28,681.59	31,193.54
17. Salary + Interest + Pensions (11+12+13)	12,135.55	12,595.61	13,703.72	15,290.74	16,470.83	17,746.29	19,125.15
18. as % of Revenue Receipts (17/8)	78.68	70.91	66.84	66.59	64.25	61.87	59.48
19. Revenue Surplus/Deficit (8-16)	- 3424.44	- 2,142.59	- 1,567.21	- 1,034.86	- 736.18	0.01	959.05
B. CONSOLIDATED REVENUE ACCOUNT:							
1. Power Sector loss/profit net of actual subsidy transfer	-	- 963.79	- 760.00	- 227.00	270.00	487.00	1,107.00
2. Increase in debtors during the year in power utility accounts (Increase(-))	-	- 199.16	- 67.00	- 92.00	- 115.00	- 123.00	- 220.00
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget.	-	-	-	-	-	-	-
4. Total (1 to 3)	-	- 1,162.95	- 827.00	- 319.00	- 155.00	- 364.00	- 887.00
5. Consolidated Revenue Deficit (A19 + B4)	- 3,424.44	- 3,505.54	- 2,394.21	- 1,353.86	- 581.18	364.01	1 846.05
C. CONSOLIDATED DEBT:							
1. Outstanding debt and liability	53,361.21	60,134.40	66,280.38	72,426.36	78,572.34	83,853.42	89,810.48
2. Total Outstanding guarantee of which (a) guarantee on account of off budgeted borrowing and SPV borrowing	12,454.72	12,703.05	13,336.51	14,003.34	14,703.51	15,438.69	16,210.62
D. CAPITAL ACCOUNT:							
1. Capital Outlay	3,180.99	3,488.30	4,296.08	4,811.10	5,091.52	4,943.58	6,558.34
2. Disbursement of Loans and Advances	925.36	639.72	389.12	408.58	429.00	450.46	472.98
3. Recovery of Loans and Advances	158.98	124.63	106.43	108.56	110.73	112.94	115.20
4. Other Capital Receipts	4.68	-	-	-	-	-	-
E. GROSS FISCAL DEFICIT (GFD)	- 7,367.13	- 6,145.98	- 6,145.98	- 6,145.98	- 6,145.98	- 5,281.08	- 5,957.06
GSDP at current prices	1,04,483	1,08,734	1,22,652	1,38,351	1,56,060	1,76,036	1,98,569
Actual/Assumed Nominal Growth Rate (%)		4.07%	12.80 %	12.80 %	12.80 %	12.80 %	12.80 %

* Subsidies-General – includes Grant-in-aid to various institutions i.e. aided Educational institution, Local Bodies etc.

APPENDIX-1.3

(Refer paragraphs 1.2 and 1.7; pages 4 and 20)

Summarised Financial position of the Government of Rajasthan

(Rupees in crore)

As on 31 March 2006	Liabilities		As on 31 March 2007
40,130.62	Internal Debt		42,866.90
	15,005.04	Market Loans bearing interest	16,070.34
	1.60	Market Loans not bearing interest	1.09
	984.03	Loans from Life Insurance Corporation of India	798.78
	85.04	Loans from the General Insurance Corporation of India	80.18
	598.72	Loans from the National Bank for Agriculture and Rural Development	926.93
	33.35	Loans from the National Cooperative Development Corporation	55.55
	741.88	Loans from other Institutions, etc.	449.20
	22,680.96	Special Securities issued to National Small Saving Fund of the Central Government	24,425.62
	-	Ways and Means Advances from Reserve Bank of India	59.21
7,931.12	Loans and Advances from Central Government		7,636.56
	5.40	Pre 1984-85 Loans	5.40
	97.96	Non-Plan Loans	91.73
	7,648.90	Loans for State Plan Schemes	7,356.20
	0.83	Loans for Central Plan Schemes	0.80
	178.03	Loans for Centrally Sponsored Plan Schemes	182.43
35.00	Contingency Fund		35.00
13,058.50	Small Savings, Provident Funds, etc.		14,303.59
4,407.14	Deposits		4,999.26
879.36	Reserve Funds		1,589.07
263.02	Deposits with Reserve Bank¹		
66,704.76	Total		71,430.38
As on 31 March 2006	Assets		As on 31 March 2007
33,787.32	Gross Capital Expenditure		38,596.69
	4,770.43	Investments in shares of Companies, Corporations, etc.	5,485.26
	29,016.89	Other Capital Expenditure	33,111.43
4,432.22	Loans and Advances		4,230.96
	3,606.47	Loans for Power Projects	3,739.09 ²
	524.47	Other Development Loans	484.25
	301.28	Loans to Government Servants and Miscellaneous loans	7.62
1.52	Advances		1.57
26.93	Remittance Balances		27.22
73.22	Suspense and Miscellaneous Balances		22.19
	Deposits with Reserve Bank of India		8.79
1,815.78	Cash		2,613.57
	0.62	Cash in Treasuries and Local Remittances	0.94
	0.63	Departmental Cash Balance	1.50
	9.58	Permanent Advances	11.24
	1804.95	Cash Balance Investments	2,350.17
	-	Earmarked Investment Funds	249.72
26,567.77	Deficit on Government Accounts		25,929.39
	660.01	(i) Revenue Deficit of the Current Year	-
	25,908.57	(ii) Accumulated deficit upto preceding year	26,567.77
	0.81	Less : Capital Receipts of current year	-
	-	Less : Revenue Surplus of the Current Year	638.38
66,704.76	Total		71,430.38

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

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

APPENDIX-1.4

(Refer paragraph 1.2; page 4)

Abstract of Receipts and Disbursements for the year 2006-07

		(Rupees in crore)					
2005-06	Receipts	2006-07	2005-06	Disbursements	2006-07		
					Non-Plan	Plan	Total
20,839.19	Section-A: Revenue						
	I. Revenues receipts	25,592.18	21,499.20	I. Revenue Expenditure	21,153.68	3,800.12	24,953.80
9,880.23	Tax revenue 11,608.24		8,820.32	General Services	10,267.69	81.09	10,348.78
2,737.67	Non-tax revenue 3,430.61		7,994.39	Social Services	7,333.53	1,601.00	8,934.53
			4,651.99	Education, Sports, Art and Culture	4,396.16	521.18	4,917.34
			1,136.56	Health and Family Welfare	924.05	321.42	1,245.47
5,300.08	State's share of Union Taxes and Duties 6,760.37		1,071.48	Water Supply, Sanitation, Housing and Urban Development	969.57	126.90	1,096.47
			11.90	Information and Broadcasting	16.25	0.13	16.38
854.78	Non-Plan grants 1,208.70		172.87	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	37.84	205.30	243.14
			46.89	Labour and Labour Welfare	47.39	3.32	50.71
876.91	Grants for State Plan Schemes 1,128.53		890.25	Social Welfare and Nutrition	928.72	422.75	1,351.47
			12.45	Others	13.55	-	13.55
1,189.52	Grants for Central, Centrally Sponsored Plan Schemes and Special Plan Schemes 1,455.73		4,682.92	Economic Services	3,544.90	2,118.03	5,662.93
			850.87	Agriculture and Allied Activities	519.85	363.61	883.46
			931.25	Rural Development	371.53	589.68	961.21
			-	Special Areas Programmes	-	-	-
			927.86	Irrigation and Flood Control	974.79	19.01	993.80
			1,199.84	Energy	1,198.11	544.52	1,742.63
			90.15	Industry and Minerals	66.86	33.26	100.12
			506.78	Transport	353.01	335.67	688.68
			4.95	Science, Technology and Environment	2.62	1.28	3.90
			171.22	General Economic Services	58.13	231.00	289.13
			1.57	Grants-in-aid and Contributions	7.56	-	7.56
660.01	II. Revenue deficit carried over to Section-B	-	-	II. Revenue Surplus Carried over to Section-B	-	-	638.38
21,499.20	Total	25,592.18	21,499.20	Total			25,592.18

(Rupees in crore)

2005-06	Receipts	2006-07	2005-06	Disbursements	2006-07		
					Non-Plan	Plan	Total
463.17	Section-B : Others III. Opening Cash balance including Permanent Advances and Cash Balance Investment	1,552.76	4,294.49	III. Capital Expenditure General Services Social Services	141.79	4,667.58	4,809.37
			115.15		104.70	81.44	186.14
			1,738.67		37.07	2,341.79	2,378.86
			42.42	Education, Sports, Art and Culture	-	55.51	55.51
0.81	IV. Miscellaneous Capital Receipts	-	65.64	Health and Family Welfare	-	67.33	67.33
			1,551.50	Water Supply, Sanitation, Housing and Urban Development	37.07	2,072.65	2,109.72
			0.03	Information and Broadcasting	-	0.10	0.10
			55.48	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	85.10	85.10
			16.32	Social Welfare and Nutrition	-	39.80	39.80
			7.28	Others	-	21.30	21.30
			2,440.67	Economic Services	0.02	2,244.35	2,244.37
			113.51	Agriculture and Allied Activities	-	101.80	101.80
			246.72	Rural Development	-	275.84	275.84
			53.87	Special Areas Programmes	-	72.98	72.98
			991.42	Irrigation and Flood Control	-	756.22	756.22
			630.60	Energy	-	698.93	698.93
			25.84	Industry and Minerals	-	15.15	15.15
			299.88	Transport	-	281.19	281.19
			0.41	Science, Technology and Environment	-	0.36	0.36
			78.42	General Economic Services	0.02	41.88	41.90

(Rupees in crore)

2005-06	Receipts		2006-07	2005-06	Disbursements		2006-07
237.60	V.	Recoveries of Loans and Advances	513.90	434.18	IV.	Loans and Advances disbursed	312.64
144.90		From Power Projects 142.38		361.42		For Power projects 275.00	
6.07		From Government Servants 293.67		0.03		To Government Servants 0.01	
86.63		From Others 77.85		72.73		To Others 37.63	
-	VI.	Revenue surplus brought down 638.38	660.01	V.	Revenue deficit brought down	-	
5,495.29	VII.	Public Debt Receipts 4,222.14	992.48	VI.	Repayment of Public Debt	1,780.42	
24,144.51		Internal debt other than Ways and Means Advances and Overdraft 3,821.70		629.24		Internal debt other than Ways and Means Advances and Overdraft 1,144.63	
-		Net transaction under Ways and Means Advances including Overdraft 59.21		-		Net transaction under Ways and Means Advances including Overdraft -	
(-)18,649.22		Loans and Advances from Central Government 341.23		363.24		Repayment of Loans and Advances to Central Government 635.79	
49,189.20	VIII.	Public Account Receipts 58,456.69	47,452.15	VII.	Public Account disbursements	55,859.08	
2,470.62		Small Savings, Provident Funds, etc. 2,611.27		1,093.56		Small Savings, Provident Funds, etc. 1,366.18	
589.59		Reserve Funds 1,446.17		626.03		Reserve Funds 736.46	
37.82		Suspense and Miscellaneous 74.16		57.02		Suspense and Miscellaneous 23.13	
3,139.92		Remittances 3,738.52		3,153.09		Remittances 3,738.81	
42,951.25		Deposits and Advances 50,586.57		42,522.45		Deposits and Advances 49,994.50	
				1,552.76	VIII.	Cash Balance at end	2,622.36
				0.62		Cash in Treasuries and Local Remittances 0.94	
				(-) 263.02		Deposits with Reserve Bank 8.79	
				10.21		Departmental Cash Balance including permanent Advances 12.74	
				1,804.95		Cash Balance 2,350.17	
				-		Investment Earmarked Investment Funds 249.72	
55,386.07	Total		65,383.87	55,386.07	Total		65,383.87

APPENDIX-1.5

(Refer paragraph 1.2; page 4)

Sources and Application of Funds

(Rupees in crore)

2005-06	Sources	2006-07
20,839.19	Revenue receipts	25,592.18
0.81	Miscellaneous Capital Receipts	-
237.60	Recoveries of Loans and Advances	513.90
4,502.81	Increase in Public Debt	2,441.72
1,737.05	Net receipts from Public Account	2,597.61
1,377.06	Increase in Small Savings, Provident Funds, etc.	1,245.09
428.80	Net effect in Deposits and Advances	592.07
(-) 36.44	Net effect in Reserve Funds	709.71
(-) 19.20	Net effect of Suspense and Miscellaneous transactions	51.03
(-) 13.17	Net effect of Remittance transaction	(-) 0.29
27,317.46	Total	31,145.41
2005-06	Application	2006-07
21,499.20	Revenue expenditure	24,953.80
434.18	Lending for development and other purposes	312.64
4,294.49	Capital expenditure	4,809.37
1,089.59	Increase in closing cash balance	1,069.60
27,317.46	Total	31,145.41

Explanatory Notes for Appendix- 1.3, 1.4 and 1.5:

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 Appendix-1.3, 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 0.93 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 0.30 crore (net Credit) remained to be reconciled as of May 2007.

APPENDIX-1.6

(Refer paragraphs 1.2 and 1.7; pages 4 and 20)

Time Series Data on State Government finances

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Part A. Receipts						
1. Revenue Receipts	12,153	13,082	15,424	17,763	20,839	25,592
(i) Tax Revenue	5,671(47)	6,253(48)	7,246(47)	8,415(47)	9,880(48)	11,608(45)
Taxes on Sales, Trade, etc.	3,069(54)	3,438(55)	3,986(55)	4,798(57)	5,594(57)	6,721(58)
State Excise	1,110(20)	1,142(18)	1,163(16)	1,276(15)	1,522(15)	1,591(14)
Taxes on Vehicles	566(10)	646(10)	904(13)	817(10)	908(9)	1,024(9)
Other Taxes	926(16)	1,027(17)	1,193(16)	1,524(18)	1,856(19)	2,272(19)
(ii) Non-Tax Revenue	1,508(12)	1,569(12)	2,072(13)	2,146(12)	2,738(13)	3,431(13)
(iii) State's share of Union taxes and duties	2,883(24)	3,063(23)	3,602(24)	4,305(24)	5,300(25)	6,760(27)
(iv) Grants-in-aid from GOI	2,091(17)	2,197(17)	2,504(16)	2,897(17)	2,921(14)	3,793(15)
2. Miscellaneous Capital Receipts	-	-	5	-	1	-
3. Total revenue and Non-debt Capital Receipts ³ (1+2)	12,153	13,082	15,429	17,763	20,840	25,592
4. Recoveries of Loans and Advances	69	125	159	125	238	514
5. Public Debt Receipts	5,979	7,686	9,025	9,982	5,495	4,222
Internal Debt (excluding Ways and Means Advances and Overdraft)	1,609(27)	2,701(35)	3,263(36)	3,460(35)	24,144(-)	3,822(91)
Net transactions under Ways and Means Advances and Overdraft	697(12)	-	-	-	-	59(1)
Loans and Advances from Government of India ⁴	3,673(61)	4,985(65)	5,762(64)	6,522(65)	(-)18,649(-) ⁵	341(8)
6. Total receipts in the Consolidated Fund (3+4+5)	18,201	20,893	24,613	27,870	26,573	30,328
7. Contingency Fund Receipts	-	-	-	-	-	-
8. Public Account Receipts	27,771	34,592	39,459	44,156	49,189	58,457
9. Total receipts of the State (6+7+8)	45,972	55,485	64,072	72,026	75,762	88,785
Part B. Expenditure/Disbursement						
10. Revenue Expenditure	15,949	17,016	18,848	19,906	21,499	24,954
Plan	2,186(14)	2,272(13)	2,231(12)	2,742(14)	3,131(15)	3,800(15)
Non-Plan	13,763(86)	14,744(87)	16,617(88)	17,164(86)	18,368(85)	21,154(85)
General Services (excluding Interest payments)	3,299(21)	3,345(20)	3,667(20)	3,480(17)	3,610(17)	4,647(18)
Interest Payments	3,878(24)	4,300(25)	4,777(25)	5,172(26)	5,210(24)	5,702(23)
Social Services	6,405(40)	6,586(39)	7,142(38)	7,148(36)	7,994(37)	8,934(36)
Economic Services	2,349(15)	2,785(16)	3,257(17)	4,105(21)	4,683(22)	5,663(23)
Grants-in-aid and Contributions	18(-)	- ⁶	5(-)	1(-)	2(-)	8(-)
11. Capital Expenditure	1,818	2,027	3,181	3,488	4,295	4,809
Plan	1,745(96)	1,956(96)	3,117(98)	3,420(98)	4,233(99)	4,667(97)
Non-Plan	73(4)	71(4)	64(2)	68(2)	62(1)	142(3)
General Services	27(1)	41(2)	50(2)	82(2)	115(3)	186(4)
Social Services	665(37)	751(37)	1,337(42)	1,548(45)	1,739(40)	2,379(49)
Economic Services	1,126(62)	1,235(61)	1,794(56)	1,858(53)	2,441(57)	2,244(47)
12. Disbursement of Loans and Advances	204	278	926	640	434	313
13. Total (10+11+12)	17,971	19,321	22,955	24,034	26,228	30,076
14. Repayments of Public Debt	1,024	3,056	3,150	4,873	992	1,780
Internal Debt (excluding Ways and Means Advances and Overdraft)	297(29)	281(9)	407(13)	1,342(28)	629(63)	1,144(64)
Net transactions under Ways and Means Advances and Overdraft	-	836(27)	236(7)	-	-	-
Loans and Advances from Government of India ⁴	727(71)	1,939(64)	2,507(80)	3,531(72)	363(37)	636(36)
15. Appropriation to Contingency Fund	-	-	-	-	-	-
16. Total disbursement-out of Consolidated Fund (13+14+15)	18,995	22,377	26,105	28,907	27,220	31,856
17. Contingency Fund disbursements	-	-	-	-	-	-
18. Public Account disbursements	26,893	33,315	37,844	42,494	47,452	55,859
19. Total disbursement by the State (16+17+18)	45,888	55,692	63,949	71,401	74,672	87,715
Part C. Surplus/ Deficits						
20. Revenue Surplus (+)/Deficit (-) (1-10)	(-) 3,796	(-) 3,934	(-) 3,424	(-) 2,143	(-) 660	(+)638
21. Fiscal Surplus (+)/Deficit (-) (3+4-13)	(-) 5,749	(-) 6,114	(-) 7,367	(-) 6,146	(-) 5,150	(-)3,970
22. Primary Surplus (+)/Deficit (-) (Interest Payment-21)	(-) 1,871	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+)1,732
Part D. Other data						
23. Balance from Current Revenues (BCR)	(-) 2,692	(-) 3,045	(-) 2,948	(-) 1,368	405	2204
24. Arrears of Revenue	1,532(21)	2,249(29)	2,409(26)	2,978(28)	2,985(24)	3,323(22)
25. Ways and Means Advances/Overdraft availed (days)	309	356	306	89	-	1
26. Interest on Ways and Means Advances/Overdraft	25	30	31	1	-	-
27. Gross State Domestic Product (GSDP) ⁷	90,045	86,293	1,08,322	1,13,403	1,24,199	1,39,928
28. Outstanding Debt (year end)	39,970	45,871	53,361	60,134	66,407	71,146
29. Outstanding guarantees including interest (year end)	12,912	14,968	17,239	12,703	13,171	14,709
30. Maximum amount guaranteed (year end)	19,117	21,887	24,585	20,457	21,342	27,402
31. Number of incomplete projects	300	531	374	373	472	445
32. Capital blocked in incomplete projects	1,760	2,277	2,559	2,877	3,449	2,777

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

3. Excluding recoveries of loans and advances.
4. Includes Ways and Means Advances from GOI.
5. Minus figure is due to transfer of Rs 19,028.59 crore to Internal Debt.
6. Only Rs 11,85,105.
7. Source: Economic Review- 2006-07. Changes due to adoption of revised GSDP figures.

APPENDIX-1.7

(Refer paragraph 1.5.5; page 19)

Statement showing pending Utilisation Certificates as on 31 March 2007

Department	Period	Number of outstanding Utilisation Certificates	Amount (Rupees in crore)
Animal Husbandry	1994-2006	10	3.90
Social Welfare	1995-2006	1,256	13.66
Medical and Health	2005-2006	8	0.57
Public Health Engineering	2003-2004	2	0.01
Environment	1997-2006	13	0.38
Science and Technology	1997-2006	173	0.46
Fisheries	2001-2004	31	0.53
Industries	1998-2006	29	28.35
Co-operative	2005-2006	14	1.25
Dairy	2005-2006	1	1.18
Information and Publicity	2005-2006	2	0.03
Total		1,539	50.32

APPENDIX-1.8

(Refer paragraph 1.7.1; page 21)

Statement showing the position of financial accounts of the State undertakings

Departments	Number of undertakings	Name of undertakings	Investment as per last audited account ⁸ (Rs in crore)	Year of Performa Account last audited	Year of finalisation/ Audit of accounts
Home	7	Jail Manufacture, Ajmer	1.20	2005-06	2007-08
		Jail Manufacture, Alwar	0.38	2005-06	2007-08
		Jail Manufacture, Bikaner ⁹	0.80	2004-05	2005-06
		Jail Manufacture, Jaipur	1.91	2006-07	2007-08
		Jail Manufacture, Jodhpur	1.48	2005-06	2006-07
		Jail Manufacture, Kota	0.32	2005-06	2006-07
		Jail Manufacture, Udaipur	1.01	2005-06	2006-07
Forest	2	Departmental Trading of Forest Coupes	- ¹⁰	2005-06	2006-07
		Patta Tendu Scheme	- ¹⁰	2004-05	2006-07
State Enterprises	2	Soudium Sulphate Works, Deedwana	- ¹⁰	2005-06	2006-07
		Government Salt Works, Deedwana	- ¹⁰	2005-06	2006-07
Public Health Engineering	1	Rajasthan Water Supply and Sewerage Management Board, Jaipur	5,545.45	2005-06	2006-07
Total	12		5,552.55		

8. Investment represents balance of fixed capital account and current account of the Government on the last day of the financial year upto which accounts had been finalised.

9. Accounts of Bikaner Jail for the year of 2005-06 have been received and under audit scrutiny.

10. Capital investment of the Government is nil as the remittances from the undertakings were more than the amount invested by the Government.

APPENDIX-2.1

(Refer paragraph 2.3.1; page 36)

Statement showing areas in which major savings occurred

(Rupees in crore)

Grant No.	Head of account	Savings
15-Pensions and Other Retirement Benefits		
	2071-Pensions and Other Retirement Benefits-Civil-Commuted value of Pensions	93.35
	Gratuities-Gratuity to State employees	148.80
21-Roads and Bridges		
	3054-Roads and Bridges-Strategic and Border Roads-Road Works-Through the Border Road Development Board-Maintenance and restoration	30.47
	State Highways-Road Works-Maintenance and restoration-Grant on the recommendation of XII Finance Commission	59.26
	General-Transfer to/from Reserve Fund/Deposit Account-Transfer to State Road Development Fund	112.59
26-Medical and Public Health and Sanitation		
	2210-Medical and Public Health-Rural Health Services (Allopathy)-Health Sub Centres-Health Sub Centre	5.28
	Community Health Centres-Community Health Centre	5.41
	Public Health-Prevention and Control of Diseases-National Malaria Eradication Programme	5.66
	External Aided Schemes-Health Development Programme-State Level	9.50
	2211-family Welfare-Rural Family Welfare Services-Rural Sub Centre	9.69
	Maternity and Child Health-Externally aided CSSM Project	13.05
27-Drinking Water Scheme		
	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	168.04
	Jawai Pali Jalore Water Supply Scheme (Jawai-Jodhpur Pipeline Project)	19.90
	Nagaur Lift Canal	25.00
	Project based on XII Finance Commission	20.00
	Indroka Water Supply Scheme	25.00
	Ummaid Sagar Water Supply Scheme	15.00
	Rural Water Supply Scheme-Accelerated Rural Water Supply Scheme-Chambal Project, Bharatpur	33.32
	Ramganj Mandi-Panch Pahad Water Supply Project	18.09
	Fluoride Control Project Bhinai Masuda Phase-II	16.87
29-Urban Plan and Regional Development		
	2217-Urban Development-General-Assistance to Municipalities/Municipal Councils-Grants under the recommendations of State Finance Commission	16.69
	Grants under the XII Finance Commission	16.60
	Urban Integrated Development scheme of Small and Medium Town	22.89
	4217-Capital Outlay on Urban Development-Integrated Development of Small and Medium Towns-Other expenditure-Jawahar Lal Nehru National Urban Renewal Mission-Development work through Local Self Government Department	22.54

Grant No.	Head of account	Savings
	Slum Area Improvement-Other expenditure-Integrated House and Slum Development Plan	46.30
	Other Urban Development Schemes-Land-Development of Six main cities (EAP) Works-Through the Rajasthan Urban Infrastructure Development Project (RUIDP)	223.67
30-Tribal Area Development		
	2202-General Education-Elementary Education-Tribal Area Sub plan-Upper Primary Boys Schools	5.01
	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-Welfare of Scheduled Tribes-Tribal Area Sub plan (Through the Commissioner, Tribal Area Development)(S. C. A.)-Development of Tribal Areas under Special Scheme Programme (Maharashtra Pattern)-Grant for Residence	6.50
	2236-Nutrition-Distribution of Nutritious Food and Beverages-Tribal Area Sub plan-Through the Woman and Child Development Department-Avyaska Balika Yojana	6.10
	2515-Other Rural Development Programmes-Assistance to Zila Parishads/District Level Panchayats-Backward District Development Fund-Operational relating activity	45.00
34-Relief from Natural Calamities		
	2245-Relief from Natural Calamities-Drought-Supply of Fodder-Transport	26.80
	Cattle Camp/Goshala	37.88
	Other expenditure-Expenditure on relief works-Other Special Relief Works	74.27
	Floods, Cyclones etc.-Assistance for repairs/reconstruction of Houses	175.30
41-Community Development		
	2515-Other Rural Development Programmes-Assistance to Block Panchayat/Intermediate Level Panchayats-Adhoc Assistance-Establishment	30.53
	Assistance to Gram Panchayats-Grant for Gram Panchayats under the recommendations of State Finance Commission-Operational/Activities	54.17
	National Nutritious Assistance Programme under the Mid day Meal Assistance (For the students of Primary Schools of Gram Panchayats)-Operational/Activities	79.29
	Grant in aid for Gram Panchayats under the recommendations of XII Finance Commission-Operational/Activities	23.06
46-Irrigation		
	4700-Capital Outlay on Major Irrigation-Indira Gandhi Nahar Project (Commercial)-Direction and Administration-Second Stage-Through the Chief Engineer, Indira Gandhi Nahar Project, Bikaner	11.26
	Amount received from Government of India under Rapid Irrigation Benefit Programme-Choudhary Kumbharam Arya Water Lifting Scheme (Nohar Sawa Lift Scheme)	22.77
	Through the Chief Engineer, Indira Gandhi Nahar Project, Jaisalmer	21.13
	Amount received from Government of India under XII Finance Commission-Through the Chief Engineer, Indira Gandhi Nahar Project, Bikaner	20.78
	Amount received from Government of India under XII Finance Commission-Through the Chief Engineer, Indira Gandhi Nahar Project, Jaisalmer	20.31
	Machinery and Equipment-Second Stage-Amount received from Government of India under XII Finance Commission	21.00
	Suspense-Second Stage-Through the Chief Engineer, Indira Gandhi Nahar Project, Bikaner	28.87

Grant No.	Head of account	Savings
	Suspense-Second Stage-Through the Chief Engineer, Indira Gandhi Nahar Project, Jaisalmer	19.06
	General-Other expenditure-Rajasthan Water Sector Restructuring Project-Execution (through Chief Engineer, Irrigation)	62.81
	Through the Chief Engineer, Ground Water Department	16.55
Interest Payments		
	2049-Interest Payments-Interest on Internal Debt-Interest on Market Loans-Interest on Current Loans-New Loan	148.75
Public Debt		
	6003-Internal Debt of the State Government-Ways and Means Advances from the Reserve Bank of India	3,000.00

APPENDIX-2.2

(Refer paragraph 2.3.1; page 37)

Grants/appropriations where the savings exceeded more than Rs 1 crore in each case and also 10 per cent of the total grant/appropriation

(Rupees in crore)

S. No.	Number and Name of the grant	Total grant	Expenditure	Savings	Percentage of savings
Revenue- Voted					
1.	11-Miscellaneous Social Services	11.50	10.11	1.39	12.1
2.	13-Excise	58.53	42.47	16.06	27.4
3.	21-Roads and Bridges	830.39	698.14	132.25	15.9
4.	29-Urban Plan and Regional Development	223.94	156.97	66.97	29.9
5.	30-Tribal Area Development	601.35	528.60	72.75	12.1
6.	36-Co-operation	55.23	37.83	17.40	31.5
7.	38-Minor Irrigation and Social Conservation	123.75	94.98	28.77	23.2
8.	41-Community Development	1,045.81	840.86	204.95	19.6
9.	51-Special Organisational Scheme for Welfare of Scheduled Castes	165.80	145.98	19.82	12.0
Capital- Voted					
10.	9- Forest	50.12	44.17	5.95	11.9
11.	19-Public Works	193.34	161.38	31.96	16.5
12.	20-Housing	18.86	14.63	4.23	22.4
13.	22-Area Development	194.85	158.25	36.60	18.8
14.	23-Labour and Employment	6.56	2.34	4.22	64.3
15.	24-Education, Art and Culture	72.92	52.95	19.97	27.4
16.	27-Drinking Water Scheme	1,711.72	1,512.15	199.57	11.7
17.	29-Urban Plan and Regional Development	1,137.82	849.74	288.08	25.3
18.	36-Co-operation	58.61	42.38	16.23	27.7
19.	46-Irrigation	954.57	705.33	249.24	26.1
20.	47-Tourism	25.89	4.02	21.87	84.5
Capital-Charged					
21.	Public Debt	4,380.66	1,780.43	2,600.23	59.4
	Total	11,922.22	7,883.71	4,038.51	

APPENDIX-2.3

(Refer paragraph 2.3.2; page 37)

Persistent savings more than Rs 1 crore in each case and in excess of 10 *per cent* of the total grant

(Rupees in crore)

S.No.	Number and name of the grant	Amount of savings (Percentage)		
		2004-05	2005-06	2006-07
Revenue-Voted				
1.	36-Co operation	6.08 (19.7)	8.96 (23.2)	17.40 (31.5)
2.	51-Special Organisational Scheme for Welfare of Scheduled Castes	12.47 (11.7)	37.52 (26.8)	19.82 (12.0)
Capital-Voted				
3.	19-Public Works	9.59 (10.4)	61.71 (31.9)	31.96 (16.5)
4.	20-Housing	8.36 (32.8)	10.25 (40.1)	4.23 (22.4)
5.	22-Area Development	18.25 (13.9)	32.77 (15.6)	36.60 (18.8)
6.	24-Education, Art and Culture	13.35 (36.2)	10.27 (32.6)	19.97 (27.4)
7.	27-Drinking Water Scheme	452.81 (36.1)	308.47 (22.4)	199.57 (11.7)

APPENDIX-2.4

(Refer paragraph 2.3.5; page 38)

Cases of unnecessary supplementary grants/appropriations (Savings in excess of Rs 1 crore in each case)

(Rupees in crore)

S. No.	Number and name of the grant	Amount of grant/appropriation			
		Original	Supplementary	Actual expenditure	Savings
Revenue-Voted					
1.	4-District Administration	133.08	1.22	131.74	2.56
2.	21-Roads and Bridges	707.67	122.72	698.14	132.25
3.	32-Civil Supplies	41.22	1.14	39.18	3.18
4.	38-Minor Irrigation and Soil Conservation	114.56	9.19	94.98	28.77
5.	42-Industries	62.77	1.46	60.89	3.34
Capital-Voted					
6.	22-Area Development	165.06	29.79	158.25	36.60
7.	24-Education, Art and Culture	72.69	0.23	52.95	19.97
8.	27-Drinking Water Scheme	1,579.63	132.09	1,512.15	199.57
9.	36-Co-operation	44.53	14.08	42.38	16.23
	Total	2,921.21	311.92	2,790.66	442.47

APPENDIX-2.5

(Refer paragraph 2.3.5; page 38)

Excessive supplementary grants/appropriations (Savings of Rs 1 crore and above in each case)

(Rupees in crore)

S. No.	Number and name of the grant	Amount of grant/appropriation				
		Original	Supple- mentary	Total	Actual expenditure	Savings
Revenue-Voted						
1.	3-Secretariat	157.54	99.04	256.58	253.89	2.69
2.	6-Administration of Justice	153.94	13.87	167.81	163.40	4.41
3.	14-Sales Tax	74.81	78.06	152.87	143.11	9.76
4.	16-Police	947.61	40.11	987.72	969.34	18.38
5.	19-Public Works	232.19	11.20	243.39	233.56	9.83
6.	27-Drinking Water Scheme	994.47	79.62	1,074.09	1,062.78	11.31
7.	33-Social Security and Welfare	634.07	95.53	729.60	684.94	44.66
8.	34-Relief from Natural Calamities	875.15	593.39	1,468.54	1,327.91	140.63
9.	35-Miscellaneous Community and Economic Services	86.80	286.43	373.23	371.78	1.45
10.	36-Co-operation	29.78	25.45	55.23	37.83	17.40
11.	37-Agriculture	290.94	107.27	398.21	395.01	3.20
12.	43-Minerals	33.93	5.47	39.40	38.14	1.26
13.	47-Tourism	20.92	4.07	24.99	22.60	2.39
14.	48-Power	1,071.61	678.25	1,749.86	1,742.21	7.65
Capital-Voted						
15.	19-Public Works	147.26	46.08	193.34	161.38	31.96
16.	21-Roads and Bridges	503.01	118.54	621.55	584.32	37.23
17.	26-Medical and Public Health and Sanitation	16.43	7.48	23.91	19.63	4.28
18.	30-Tribal Area Development	177.04	67.07	244.11	241.26	2.85
19.	33-Social Security and Welfare	45.35	11.36	56.71	52.12	4.59
20.	35-Miscellaneous Community and Economic Services	48.11	69.14	117.25	113.16	4.09
21.	42-Industries	8.37	3.96	12.33	11.14	1.19
22.	51-Special Organisational Scheme for Welfare of Scheduled Castes	57.73	11.10	68.83	63.66	5.17
	Total	6,607.06	2,452.49	9,059.55	8,693.17	366.38

APPENDIX-2.6

(Refer paragraph 2.3.6; page 39)

Cases involving substantial excesses under the scheme (Rs 5 crore and above)

(Rupees in crore)

S. No.	Grant No. and Name	Head of Account	Total Provision	Actual Expenditure	Amount of excess	Percentage of excess
Revenue-Voted						
1.	24-Education, Art and Culture	2202-General Education 02-Secondary Education 109-Government Secondary Schools 01-Boys Schools	1,182.77	1,218.60	35.83	3.0
2.	26-Medical and Public Health and Sanitation	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of Diseases 14-External Aided Schemes 01-Health Development Programme-State Level	65.17	72.84	7.67	11.8
Capital-Voted						
3.	21-Roads and Bridges	5054-Capital Outlay on Roads and Bridges 02-Strategic and Border Roads 337-Road Works 03-Through Border Road Development Board	12.00	22.22	10.22	85.2
4.	27-Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 01-General	252.58	258.35	5.77	2.3
5.	---do---	4215- Capital Outlay on Water Supply and Sanitation 01-Water Supply 799-Suspense 02-Miscellaneous Public Works Advances	5.00	10.85	5.85	117
Total			1,517.52	1,582.86	65.34	

APPENDIX-2.7

(Refer paragraph 2.3.7; page 39)

Significant cases of major re-appropriation which were injudicious on account of non-utilisation

(Rupees in crore)

S. 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	1,195.00	(+) 85.00	1,280.00	1246.77	(-) 33.23
2.	15	01-Pensions to State Employees 2071-Pensions and Other Retirement Benefits 01-Civil 105-Family Pensions	309.00	(+) 8.00	317.00	297.82	(-) 19.18
3.	15	2071-Pensions and Other Retirement Benefits 01-Civil 110-Pensions of employees of Local Bodies 01-Pensions to employees of Zila Parishads and Panchayat Samitis	23.00	(+) 9.00	32.00	29.85	(-) 2.15
4.	21	3054-Roads and Bridges 02-Strategic and Border Roads 337-Road Works 01-Through the Border Road Development Board 01-Maintenance and restoration	35.00	(+) 5.00	40.00	9.53	(-) 30.47
5.	24	2202-General Education 02-Secondary Education 109-Government Secondary Schools 02-Girls Schools	190.30	(+) 2.02	192.32	190.48	(-) 1.84
6.	27	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 12-Other Urban Water Supply Schemes	199.99	(+) 1.03	201.02	197.17	(-) 3.85
7.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 02-Other Urban Water Supply Schemes	49.96	(+) 46.90	96.86	92.65	(-) 4.21

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of final savings
8.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 02-Desertation	51.75	(+) 55.40	107.15	105.91	(-) 1.24
9.	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	84.81	(+) 40.26	125.07	121.69	(-) 3.38
10.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 17-Replacement of old and polluted waste pipelines and facility for clean water to consumers	2.00	(+) 2.04	4.04	2.50	(-) 1.54
11.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 99-Maintenance Percentage Charges (O & M) transferred from 2215 Water Supply and Sanitation 01-102 Rural Water Supply Schemes	86.76	(+) 24.37	111.13	100.10	(-) 11.03
12.	34	2245-Relief on account of Natural Calamities 02-Floods, Cyclones etc. 101-Gratuitous Relief 01-Relief to flood affected persons	0.10	(+) 45.54	45.64	37.63	(-) 8.01
13.	46	2700-Major Irrigation 24-Narbada Project (Commercial) 800-Other expenditure 01-Other expenditure	101.09	(+) 6.27	107.36	100.86	(-) 6.50
		Total	2,328.76	(+) 330.83	2,659.59	2,532.96	(-) 126.63

APPENDIX-2.8

(Refer paragraph 2.3.7; page 39)

Cases of re-appropriation under which the expenditure finally showed excess over the balance provision

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	26	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of Diseases 14-External Aided Schemes 01-Health Development Programme-State Level	82.35	(-) 17.18	65.17	72.84	(+) 7.67
2.	30	2202-General Education 02-Secondary Education 796-Tribal Area Sub-plan 02-Government Secondary Schools 01-Boys School	68.83	(-) 4.27	64.56	69.19	(+) 4.63
		Total	151.18	(-) 21.45	129.73	142.03	(+) 12.30

APPENDIX-2.9

(Refer paragraph 2.3.7; page 39)

Cases of re-appropriation under which the expenditure finally showed excess over the increased provision

(Rupees in crore)							
S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	Interest Payment	2049-Interest Payments 01-Interest on Internal Debt 305-Management of Debt 01-Expenses relating to issue on new loans and sale of securities of Cash Balance Investment Accounts	0.90	(+) 3.32	4.22	5.71	(+) 1.49
2.	24	2202-General Education 02-Secondary Education 109-Government Secondary Schools 01-Boys Schools	1,178.48	(+) 4.29	1,182.77	1,218.60	(+) 35.83
3.	27	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	359.43	(+) 1.29	360.72	362.80	(+) 2.08
4.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 38-State Share : AUWSP	13.72	(+) 3.80	17.52	18.77	(+) 1.25
5.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 01-General	202.28	(+) 50.30	252.58	258.35	(+) 5.77

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
6.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 15-Fluoride Control Project Chambal-Baler-Sawaimadhopur	15.00	(+) 42.92	57.92	58.93	(+) 1.01
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"	0.10	(+) 1.40	1.50	2.52	(+) 1.02
8.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 08-Summer Season Contingency	32.50	(+) 2.58	35.08	37.28	(+) 2.20
9.	46	4702-Capital Outlay on Minor Irrigation 101-Surface Water 02-Minor Irrigation Construction Work 04-Pro rata charges transferred from Major Head 2701' Establishment	11.67	(+) 1.98	13.65	16.66	(+) 3.01
		Total	1,814.08	(+) 111.88	1,925.96	1,979.62	(+) 53.66

APPENDIX-2.10

(Refer paragraph 2.3.7; page 39)

Cases of less re-appropriation of funds

(Rupees in crore)							
S. 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 102-Commuted value of Pensions	284.00	(-) 89.00	195.00	190.65	(-) 4.35
2.	15	2071-Pensions and Other Retirement Benefits 01-Civil 104-Gratuities 01-Gratuity to State Employees	375.00	(-) 145.00	230.00	226.20	(-) 3.80
3.	15	2071-Pensions and Other Retirement Benefits 01-Civil 115-Leave Encashment Benefits	137.00	(-) 12.00	125.00	120.47	(-) 4.53
4.	21	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Proportionate expenditure exhibited under Major Head "2059-Public Works" 01-Establishment	45.41	(-) 6.02	39.39	35.00	(-) 4.39
5.	26	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of Diseases 01-National Malaria Eradication Programme	32.59	(-) 4.09	28.50	26.94	(-) 1.56
6.	27	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 001-Direction and Administration 04-Shilp Shala	35.55	(-) 1.70	33.85	31.36	(-) 2.49
7.	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	26.55	(-) 3.19	23.36	21.68	(-) 1.68

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
		Charges (O & M) for Rural Schemes transferred from Major Head 2215-Water Supply and Sanitation 01-102					
8.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 27-Ramganj Mandi-Panch Pahad Water Supply Project	20.00	(-) 3.73	16.27	14.01	(-) 2.26
9.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 39-Pokaran-Phalasund Water Supply Scheme	14.00	(-) 1.05	12.95	-	(-) 12.95
10.	27	4215-Capital Outlay on Water Supply and Sanitation 02-Sewerage and Sanitation 106-Sewerage Services 02-Complete Cleaning Expedition	26.15	(-) 14.11	12.04	7.56	(-) 4.48
		Total	996.25	(-) 279.89	716.36	673.87	(-) 42.49

APPENDIX-2.11

(Refer paragraph 2.3.9; page 40)

Anticipated savings not surrendered (Rs 1 crore and above)

(Rupees in crore)					
S. No.	Number and name of the grant	Savings	Amount surrendered	Amount not surrendered	Percentage not surrendered
Revenue- Voted					
1.	6-Administration of Justice	4.41	3.23	1.18	26.8
2.	9-Forest	14.53	13.42	1.11	7.6
3.	14-Sales Tax	9.76	8.54	1.22	12.5
4.	15-Pensions and Other Retirement Benefits	211.86	144.42	67.44	31.8
5.	19-Public Works	9.83	7.33	2.50	25.4
6.	21-Roads and Bridges	132.25	97.39	34.86	26.4
7.	27-Drinking Water Scheme	11.31	7.64	3.67	32.4
8.	33-Social Security and Welfare	44.66	43.35	1.31	2.9
9.	34-Relief from Natural Calamities	140.63	131.46	9.17	6.5
10.	46-Irrigation	18.29	10.93	7.36	40.2
Capital- Voted					
11.	19-Public Works	31.96	30.69	1.27	4.0
12.	24-Education, Art and Culture	19.97	18.35	1.62	8.1
13.	27-Drinking Water Scheme	199.57	176.12	23.45	11.8
14.	30-Tribal Area Development	2.85	1.78	1.07	37.5
	Total	851.88	694.65	157.23	

APPENDIX-2.12

(Refer paragraph 2.3.9; page 40)

Amount surrendered on the last day of March 2007 (Rs 20 crore and above)

S. No.	Number and name of the grant	Grant/ Appropriation	(Rupees in crore)
			Amount surrendered
1.	Interest Payments	Revenue-Charged	100.98
2.	Public Debt	Capital-Charged	2,600.24
3.	15-Pensions and Other Retirement Benefits	Revenue-Voted	144.42
4.	19-Public Works	Capital-Voted	30.69
5.	21-Roads and Bridges	Revenue-Voted	97.39
6.	-----do-----	Capital-Voted	47.36
7.	22-Area Development	Capital-Voted	36.53
8.	24-Education, Art and Culture	Revenue-Voted	70.84
9.	26-Medical and Public Health and Sanitation	Revenue-Voted	60.78
10.	27-Drinking Water Scheme	Capital-Voted	176.12
11.	29-Urban Plan and Regional Development	Revenue-Voted	66.94
12.	-----do-----	Capital-Voted	289.51
13.	30-Tribal Area Development	Revenue-Voted	80.81
14.	33-Social Security and Welfare	Revenue-Voted	43.35
15.	34-Relief from Natural Calamities	Revenue-Voted	131.46
16.	38-Minor Irrigation and Soil Conservation	Revenue-Voted	28.71
17.	41-Community Development	Revenue-Voted	205.86
18.	46-Irrigation	Capital-Voted	254.73
19.	47-Tourism	Capital-Voted	21.86
	Total		4,488.58

APPENDIX-2.13

(Refer paragraph 2.3.9; page 40)

Statement showing the cases of defective and inaccurate budgeting

(Rupees in crore)

S. No.	Grant No.	Head of Account	Original provision	Supple-mentary provision	Total provision	Surrender/Re-appropriation to other heads
1.	14	2040-001(01)	6.67	26.61	33.28	16.78
2.	16	2055-115(04)	*	7.22	7.22	4.33
3.	19	2059-80-051(06)	0.40	0.56	0.96	0.64
4.		2059-80-053(10)	0.20	0.78	0.98	0.79
5.	22	4705-106(01)[02]	-	6.00	6.00	6.00
6.	27	4215-01-102(01)[25]	-	14.10	14.10	14.10
7.		4215-01-102(03)[03]	6.00	4.50	10.50	7.95
8.		4215-01-102(38)	*	15.00	15.00	12.67
9.	34	2245-02-113	5.00	193.77	198.77	175.29
10.	36	2425-107(20)	-	2.54	2.54	2.54
11.		2425-107(21)	-	10.86	10.86	10.86
12.	46	4700-04-001(04)[02]	30.00	*	30.00	20.31

* Rs 1,000

APPENDIX-2.14

(Refer paragraph 2.4; page 41)

Statement showing flow of expenditure during the four quarters of 2006-07

Head	Description	Expenditure incurred during						Percentage of expenditure in March 2007 to total expenditure of 2006-07
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	March 2007	
2040	Taxes on Sales, Trade etc.	14.44	19.98	19.58	89.11	143.11	73.20	51.1
2075	Misc. General Services	0.02	0.13	0.02	14.43	14.60	14.26	97.7
2408	Food Storage and Warehousing	-	-	-	2.51	2.51	2.51	100.0
3055	Road Transport	-	-	-	9.78	9.78	9.78	100.0
3451	Secretariat-Economic Services	2.99	3.04	45.89	151.33	203.25	148.59	73.1
3604	Compensation and Assignments to Local Bodies and <i>Panchayati Raj</i> Institutions	-	0.02	0.04	7.50	7.56	7.48	98.9
4047	Capital Outlay on other Fiscal Services	-	-	-	77.65	77.65	77.65	100.0
4202	Capital Outlay on Education, Sports, Art and Culture	0.52	8.90	4.82	41.23	55.47	34.05	61.4
4408	Capital Outlay on Food Storage and Warehousing	-	-	-	1.65	1.65	1.65	100.0
4425	Capital Outlay on Co-operation	-0.26	1.74	0.74	13.00	15.22	9.90	65.1
4853	Capital Outlay on Non-ferrous Mining and Metallurgical Industries	0.25	0.56	0.61	2.69	4.11	2.25	54.7
5452	Capital Outlay on Tourism	-	-	2.10	3.92	6.02	3.84	63.8
5475	Capital Outlay on other General Economic Services	0.04	1.89	1.89	32.04	35.86	26.05	72.6

Head	Description	Expenditure incurred during						Percentage of expenditure in March 2007 to total expenditure of 2006-07
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	March 2007	
6225	Loans for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	-	-	-	0.25	0.25	0.25	100.0
6408	Loans for Food Storage and Warehousing	-	-	-	6.17	6.17	6.17	100.0
Grand Total						583.21	417.63	

APPENDIX-2.15

(Refer paragraph 2.5.3; page 42)

Details of items on which whole amount provided in budget has been surrendered/ re-appropriated

(Rupees in crore)

S. No.	Head of Account	Budget Provisions	
		Original + Supplementary	Surrender/ re-appropriated
(A) Year 2004-05			
1	4215-01-101(01)[25] Fluoride project Ajmer	3.00	(-) 3.00
2	4215-01-101(01)[31] Chambal -Baler-Swaimadhopur Water Supply Scheme	5.00	(-) 5.00
3	4215-01-102(18) Bisalpur-Dudu Water Supply Scheme	13.00	(-) 13.00
4	4215-01-102(19) Chambl-Baler-Swaimadhopur Water Supply Scheme	14.25	(-) 14.25
	Total (A)	35.25	(-) 35.25
(B) Year 2005-06			
5	4215-01-101(01)[24] Chambal Project, Bharatpur	15.00	(-) 15.00
6	4215-01-101(01)[30] Bisalpur-Dudu Water Supply Scheme	3.00	(-) 3.00
7	4215-01-101(01)[27] Jawai-Pali-Jalore Water Supply Scheme (Jawai-Jodhpur Pipeline Project)	30.00	(-) 30.00
8	4215-01-101(01)[31] Chambal -Baler-Sawaimadhopur-Water Supply Scheme	5.00	(-) 5.00
9	4215-01-101(01)[36] Ramganj Mandi-Panchpahad Water Supply Project	5.00	(-) 5.00
10	4215-01-102(01)[12] Jawai-Pali-Jalore Water Supply Scheme (Jawai-Jodhpur Pipeline Project)	15.00	(-) 15.00
11	4215-01-102(31) Jawai-Pali-Jalore Water Supply Scheme	5.00	(-) 5.00
12	4215-01-102(32) Dang Area Water Supply Scheme, Dholpur	10.00	(-) 10.00
13	4215-01-102(33) Chambal Project, Bharatpur	10.00	(-) 10.00
	Total (B)	98.00	(-) 98.00
(C) Year 2006-07			
14	4215-01-101(01)[36] Ramganj Mandi-Panchpahad Water Supply Project	2.86	(-) 2.86
15	4215-01-101(01)[44] Nagaur Lift Canal	25.00	(-) 25.00
16	4215-01-101(01)[45] Pokran-Phalodi Water Supply Scheme	1.00	(-) 1.00
17	4215-01-101(04) Project based on XII Finance Commission	20.00	(-) 20.00
18	4215-01-101(01)[47] Indroka Water Supply Scheme	25.00	(-) 25.00
19	4215-01-101(01)[48] Ummaid Sagar Water Supply Scheme	15.00	(-) 15.00
20	4215-01-102(01)[07] Renovation/Alteration of Old Water Sources	5.00	(-) 5.00
21	4215-01-102(01)[25] Ummaid Sagar Water Supply Scheme	14.10	(-) 14.10
22	4215-01-102(31) Jawai-Pali-Jalore Water Supply Scheme	2.00	(-) 2.00
23	4215-01-102(41) Nutrition for cleaning on Anganbari Centres	0.25	(-) 0.25
	Total (C)	110.21	(-) 110.21
	Grand Total	243.46	(-) 243.46

APPENDIX-2.16

(Refer paragraph 2.5.4; page 42)

Statement showing flow of expenditure during 2004-07

(Rupees in crore)				
S. No.	Major Head/Scheme	Total Expenditure during the year	Expenditure during March	Percentage of expenditure
Year 2004-05				
1	2215-Water Supply and Sanitation 01-Water Supply 197-Assistance to Block <i>Panchayats</i> / Intermediate Level's <i>Panchayats</i>	15.26	6.02	39.4
2	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 107-Sewerage Services	0.84	0.24	28.6
3	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 192-Assistance to Municipalities/Municipal Councils	1.21	1.21	100.0
4	4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply	174.25	51.84	29.7
5	4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply	464.86	143.57	30.9
Year 2005-06				
6	2215-Water Supply and Sanitation 01-Water Supply 197-Assistance to Block <i>Panchayats</i> / Intermediate Level's <i>Panchayats</i>	17.85	8.75	49.0
7	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 192-Assistance to Municipalities/Municipal Councils	1.72	1.72	100.0
8	4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply	191.54	75.17	39.2
Year 2006-07				
9	2215-Water Supply and Sanitation 01-Water Supply 197-Assistance to Block <i>Panchayats</i> / Intermediate Level's <i>Panchayats</i>	19.50	6.77	34.7
10	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 192-Assistance to Municipalities/Municipal Councils	3.43	2.39	69.7

S. No.	Major Head/Scheme	Total Expenditure during the year	Expenditure during March	Percentage of expenditure
11	4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply	979.63	342.25	34.9
12	4215-Capital outlay on Water Supply and Sanitation 02-Sewerage and Sanitation 106-Sewerage Services	12.63	6.05	47.9

APPENDIX-3.1

(Refer paragraph 3.1.10.3; page 54)

Blocking of funds on incomplete schemes

(Rupees in lakh)

S.No.	Name of PHED Division	Name of Scheme/Work	Administrative and financial sanction		Expenditure	Stipulated date of completion	Period of delay in years (upto March 2007)	Reasons for non-completion of scheme/work
			No. & date	Amount				
1	2	3	4	5	6	7	8	9
Year 2002-03								
1	RIGEP Division, Barmer	RWSS Koshlu Sara Jhund	FC-471 1.3.03	49.90	32.44 (03/2007)	28.08.2004	3	Late issue of Technical Sanction
2	Division, Sojat City	RWSS Deoli Hulla Bagri Nagar	PPC-145 4.6.02	363.20	252.28 (03/2007)	03.06.2005	2	
3	Division, Sojat City	RWSS Kantaliya Musaliya Sisarwada Kharya Soda Package-5	PPC-145 4.6.02	222.76	139.26 (03/2007)	03.06.2005	2	
4	Circle, Kota	Janta Jal Yojana, Daikheda	PPC-147/13.1.03	16.18	4.79 (11/2006)	12.07.2004	3	
5	District Division-III, Jodhpur	RWSS Indro Ka Keru Baru Joliyali	153/30.8.03	556.00	345.94 (03/2007)	29.08.2006	1	
	Total				774.71			
Year upto March 2002								
1	South Division, Barmer	Extension WSS Loharwa Beniwal Ki Dhani	FC-401 18.1.01	16.65	14.53 (03/2007)	17.07.2002	4	Land/site dispute
2	South Division, Barmer	WSS Jakharon Ki Dhani	FC-434 19.1.02	30.75	27.39 (03/2007)	18.07.2003	3	
3	RIGEP Division, Barmer	RWSS, Gandaliya Tala-Rodi Nadi	PPC-144 16.3.02	68.72	55.50 (03/2007)	15.03.2004	3	
4	RIGEP Division, Barmer	RWSS, Chadar Bankalasar Ramdeo Mandir	PPC-144 16.3.02	57.69	50.15 (03/2007)	15.03.2004	3	
Year 2002-03								
5	South Division, Barmer	Augmentation of Sarno Ka Tala Prahlad Ki Dhani	17909-16 3.1.03	4.33	3.76 (03/2006)	02.01.2004	3	Land/site dispute
6	RIGEP Division, Barmer	Reorganisation of RWSS Girab Khadeen	PPC-146 18.7.02	180.68	200.44 (03/2007)	17.07.2005	2	
7	Division, Sanchoore	Augmentation of WSS Naid Area-I	FC-454 3.9.02	249.49	162.02 (03/2007)	02.09.2005	2	
8	Division, Dausa	RWSS Lohasari Acchiwas	PPC-149/16.1.03	24.19	1.21 (03/2007)	15.07.2004	3	
9	Division, Sawaimadhopur	Regional Sitor Radhyki	FC-444/4.4.02	3.30	1.23 (03/2007)	03.04.2003	4	

S.No.	Name of PHED Division	Name of Scheme/Work	Administrative and financial sanction		Expenditure	Stipulated date of completion	Period of delay in years (upto March 2007)	Reasons for non-completion of scheme/work
			No. & date	Amount				
1	2	3	4	5	6	7	8	9
10	Division, Sawaimadhopur	Regional Nag Talai Bhotai	SE-14/7.9.02	14.18	2.85 (03/2007)	06.03.2004	3	
Year 2003-04								
11	Division, Dausa	RWSS Nangal Rajawatan	FC-494/ 21.3.04	28.37	11.13 (03/2007)	20.09.2004	2	
	Total				530.21			
Year 2002-03								Works left by contractor
1	RIGEP Division, Barmer	RWSS Koshlu Choraliya Nada	FC-451 16.7.02	68.05	69.66 (03/2007)	15.07.2004	3	
2	Division, Jhunjhunu	Papda	PPC-149/13.1.03	20.86	13.17 (11/2006)	12.07.2004	3	
	Total				82.83			
Year upto March 2002								Non-testing of pipeline.
1	Division, Shahpura (Bhilwara)	Borda-Bishniyan (ARP)	PC-364 27.9.99	159.89	136.23 (03/2007)	26.09.2001	5	
2	Division, Shahpura (Bhilwara)	RWSS Bhimpura-Rahad-Mataji Ka Kheda (ARP)	FC-437 6.2.02	59.54	33.34 (03/2007)	05.02.2004	3	
3	Division, Nagaur	RWSS for 13 'N' cat. Dhanies of village of Tehsil Nagaur	FC-390 7.8.2000	111.91	87.52 (03/2007)	06.08.2003	4	
4	Division, Phalodi	RWSS Phalodi Auu Champasar	16.3.02	1,740.55	1,242.32 (03/2007)	15.03.2006	1	
5	Division, Phalodi	RWSS Jamba Naneu-Ghanytali Boongara	16.3.02	2,058.41	1,252.15 (03/2007)	15.03.2006	1	
Year 2002-03								
6	Division, Hanumangarh	Rajiv Gandhi Pathshala, Nohar	8.8.02	50.00	8.13 (11/2006)	07.02.2005	2	
7	Division, Sawaimadhopur	Augmentation of RWSS Sewa Udai Khurd	PPC-151 27.6.03	38.20	31.47 (03/2007)	26.12.2004	2	
8	Division, Dungarpur	Regional WSS Ramsar Jasela, Tamboliya	FC-470 24.02.03	20.88	20.75 (03/2007)	23.08.2004	3	
Year 2003-04								
9	Division, Sriganganagar	19A - 42H	27.6.03	10.62	9.37 (11/2006)	26.12.2004	2	
10	Division, Deeg	Bahaj	FC-492/4.2.04	24.90	23.51 (03/2007)	03.08.2005	1	
	Total				2,844.79			
Year upto March 2002								Delay in finalisation of tender.
1	South Division, Barmer	RWSS, Ali Ki Dhani	FC-225 5.3.97	17.86	18.30 (03/2006)	04.09.1998	8	
2	South Division, Barmer	RWSS, Jethmalpura	FC-259 5.8.97	14.02	14.48 (03/2007)	03.02.1999	8	

S.No.	Name of PHED Division	Name of Scheme/Work	Administrative and financial sanction		Expenditure	Stipulated date of completion	Period of delay in years (upto March 2007)	Reasons for non-completion of scheme/work	
			No. & date	Amount					
1	2	3	4	5	6	7	8	9	
Year 2002-03									
3	South Division, Barmer	Augmentation of WSS Dhok	FC-445 10.4.02	17.52	14.53 (03/2007)	09.10.2003	3	Delay in execution of works	
	Total				47.31				
Year upto March 2002									
1	Division, Sojat City	RWSS for salinity affected Habitations of Panchayat Samiti, Sojat	PPC-130 6.7.99	1,888.23	1,566.10 (03/2007)	05.07.2003	3		
2	Division, Shahpura (Bhilwara)	RWSS Diyans-Nai Rajyas (ARP)	FC-330 16.11.98	61.92	47.30 (03/2007)	15.11.2000	6		
3	Division, Nagaur	21 N-cat. other habitations of village of Tehsil Nagaur	FC-436 31.1.02	105.25	95.75 (03/2007)	30.01.2005	3		
4	Division, Baran	Reorganisation of RWSS K. Ganj	FC-460 11.11.02	176.46	179.36 (03/2007)	10.11.2005	2		
5	Division, Hindaun	Reorganisation of RWSS Sop Shahar Nadoti	PPC-139 11.6.01	400.05	439.69 (03/2007)	10.06.2005	2		
Year 2002-03									
6	Division, Sirohi	Achalgarh Oriya	FC-146/28.7.02	24.26	19.01 (11/2006)	26.01.2003	4		
7	Division, Sirohi	10 villages Tehsil. Abu Road	FC-150/11.3.03	113.38	102.42 (11/2006)	10.03.2005	2		
8	Division, Sirohi	Telpur Dingar	FC-147/25.9.02	16.23	7.66 (11/2006)	24.03.2005	2		
9	Division, Churu	Manguluna Shobhasar	PPC-147/25.9.02	24.40	14.62 (11/2006)	24.03.2005	2		
10	Division, Sriganganagar	5 F- Raisinghnagar	17.2.03	15.40	11.46 (11/2006)	16.08.2004	3		
11	Division, Karauli	Anchanpur Lakhnipur	FC-457/ 5.10.02	19.61	18.34 (03/2007)	04.04.2004	3		
12	Division, Karauli	RWSS Bhawli	29.4.02	63.69	37.65 (03/2007)	23.02.2004	3		
13	Division, Nagaur	Raj Ki Dhani	247/11.12.02	1.90	1.13 (03/2007)	10.12.2003	3		
14	Division, Sawaimadhopur	Reorganisation of RWSS Binjari Phulwara Ramsinghpura	PPC-152 15.7.03	24.73	27.16 (03/2007)	14.01.2005	2		
Year 2003-04									
15	Division, Hanumangarh	Middle School, Tibbi	30.11.03	0.35	0.30 (11/2006)	30.11.2004	3		
16	Division, Hanumangarh	2 STP Sangaria	27.6.03	50.93	40.36 (11/2006)	26.06.2005	2		
17	Division, Hanumangarh	2 PTP Sangaria	27.6.03	40.54	39.47 (11/2006)	26.12.2004	2		
18	Division, Jhunjhunu	Narhar	PPC-151/ 27.6.03	64.34	62.83 (03/2007)	26.06.2005	2		

S.No.	Name of PHED Division	Name of Scheme/Work	Administrative and financial sanction		Expenditure	Stipulated date of completion	Period of delay in years (upto March 2007)	Reasons for non-completion of scheme/work
			No. & date	Amount				
1	2	3	4	5	6	7	8	9
19	Division, Jhunjhunu	Sultana	152/15.7.03	96.32	75.20 (03/2007)	14.07.2005	2	Other reasons
	Total				2,785.81			
Year upto March 2002								
1.	Division, Falna	Augmentation H.P. Kharda	FC-290 24.12.97	16.28	13.38 (03/2007)	23.09.1998	8	
2	Division, Falna	Augmentation H.P Deoli	FC-290 24.12.97	17.08	19.85 (03/2007)	23.09.1998	8	
3	Circle, Nagaur	Re-organisation WSS Banka Patti	FC-325 23.09.1998	508.06	485.26	22.09.2002	5	
4	Division-I, Pali	Augmentation RWSS J.H. Canal Zone-II (Bakhari-wala Section)	FC-439 21.2.02	53.56	44.02 (03/2007)	20.08.2003	3	
5	Division-I, Pali	Augmentation RWSS J.H. Canal Zone-II (Nimbara Kanawas Section)	FC-439 21.2.02	107.71	114.14 (03/2007)	20.02.2005	2	
Year 2002-03								
6	Division, Bhinmal	Augmentation of RWSS Dhumbadiya Part-II	PPC-149 13.1.03	111.64	62.34 (11/2006)	12.01.2006	1	
7	Division, Nagaur	30 Schools (Rural)	ACE/172-201 26.11.02	6.54	4.27 (03/2007)	25.11.2003	3	
8	Division, Nagaur	74 RGP (Rural)	PPC-147/ 25.9.02	18.35	11.48 (03/2007)	24.03.2004	3	
Year 2003-04								
9	Division, Falna	Vistar Yojana Sokada Chakali	FC-479/ 7.7.03	9.88	9.98 (03/2007)	06.07.2004	2	
10	Circle, Kota	Thikharda	PPC-154/ 12.9.03	35.44	17.90 (11/2006)	11.03.2004	3	
	Total				782.62			
	Grand Total				7,848.28			

APPENDIX-3.2

(Refer Paragraph 3.2.11.1; page 71)

Details of delay in utilisation of Forensic Science Laboratories equipments due to non-installation, delay in installation, needed accessories etc. during 2002-03 to 2006-07

S.No.	Name of equipment	Unit	Purpose of equipment	Cost (Rs in lakh)	Date of		Delay in Utilisation (Months)	Reasons for delay in utilisation
					Receipt	Utilisation		
Forensic Science Laboratory, Jaipur								
1.	High Performance Liquid Chromatograph	1	Analyse thermolabile toxicants/chemicals, metabolites	22.87	24.2.03	8.1.04	10	Not intimated
2.	Solvent Extraction System	1	Speedy extraction of poisonous compounds from visceral organs	16.81	24.2.03	26.8.03	6	Not intimated
3.	High Performance Thin layer Chromatography	1	To detect thermo labile chemicals/Psychotropic	14.62	24.2.03	23.11.04	21	Not intimated
4.	Comparison Microscope	1	Comparison of pin marks of bullet serrations	43.94	10.03.03	23.01.04 +10.02.06 to 15.06.07 (as per division)	10 +16 26	Pre installation requisite like sockets, portable stabilizer etc., Training on software, non availability of colour cartridge Photo system (DMLD) defective
5.	Dust Mark Lifting Kit	1	For lifting dust mark and latent prints	11.81	10.03.03	20.12.03	10	Not intimated
6.	Camera with Accessories	4	For photography	6.83	06.04.03	28.07.04	16	Not intimated
7.	Glass Refractive Index Measurement Equipment (GRIM-2)	1	For examination of accident cases	35.88	10.03.03	20.12.03	10	Not intimated

S.No.	Name of equipment	Unit	Purpose of equipment	Cost (Rs in lakh)	Date of		Delay in Utilisation (Months)	Reasons for delay in utilisation
					Receipt	Utilisation		
8.	Upgradation of Polarograph	1	For metallic Poison detection	1.98	03.10.03	22.07.04	10	Not intimated
9.	Video Record CC TV Camera	1	For surveillance of analytical lapse and case unit and administration section	5.72	06.04.04	30.12.06	33	Not intimated
10.	Mass Spectrometer for Gas Chromatograph	1	Analytical equipment for Toxicological analysis	37.07	07.05.04	06.06.04 + 25.10.06 to 16.06.07 (as per reply)	1+8=9	Turbo power supply board and vacuum control board defective
11.	Petroleum Equipment Automated Distillation Apparatus	1	For distillation of Petroleum products	42.35	17.10.03	15.07.05 (as per division)	21	Not intimated
12.	X-ray Fluorescence Spectrometer (XRF)	1	For analysis of metal pieces and inorganic material	59.05	25.08.05	-	20 (as per division dated 15.05.07)	Chiller awaited and shortage of space
13.	FT Raman spectrometer	1	For analysis of Plastics Polymers, ink, Paints and organic material	52.59	07.05.04	19.6.06 (as per log book)	25	Training was completed as on 10.2.06
14.	Electron Microscope/EDX	1	Examination of Layer of Smoke, Explosive material etc.	129.46	14.11.05 (as per division)	-	18 (as per division dated 15.05.07)	UPS, BSD detector, shortage of space, training due
15.	Computer Forensic Work Station	1	To detect Computer, Internet crime	12.07	16.11.04	02.04.05 (as per division)	5	Not intimated
16.	Inverted Microscope	1	For micro biological analysis	3.00	04.07.06	24.04.07	10	Not intimated
17.	Gel Documentation	1	For check the DNA quality	5.00	14.11.06	12.06.07	7	Not intimated
18.	Hot Stage Microscope	1	For Micro biological analysis	16.00	14.11.06	17.03.07	5	Not intimated
19.	Diesel Analyser	1	Analysis of Petroleum product	12.09	27.07.05	08.02.06	6	Not intimated

S.No.	Name of equipment	Unit	Purpose of equipment	Cost (Rs in lakh)	Date of		Delay in Utilisation (Months)	Reasons for delay in utilisation
					Receipt	Utilisation		
20.	Fourier Transform Infra Red Spectrometer	1	Examination of Poison Sample	15.18	27.07.05	01.02.06	6	Not intimated
21.	Audio Video Tape Authenticity	1	Verification of Audio Video recording, bribe, video CDs etc.	7.12	27.07.05	04.10.06	14	Not intimated
22.	Audio Video Tape Authenticity	1	Verification of Audio Video recording, bribe, video CDs etc.	32.66	27.07.05	04.10.06	14	Not intimated
23.	Upgradation Gas Chromatograph	1	For upgradation of Gas Chromatograph	3.58	07.09.06	-	9 (as per division)	Defective Turbo Pump Cards.
24.	Projectina Docucenter (Spectral comparator)	1	Examination of documents	37.97	04.12.06	13.04.07	5	Spectroscopy showing some problems
25.	UV-VIS-Spectrophotometer	1	To analyse of DNA Quantity	13.99	07.02.06	-	10 (as per letter dt. 16.06.07)	Non availability of DNA Test equipments
26.	UV-VIS-Spectrophotometer (Kota)	1	For Toxicology	13.98	07.09.06	-	10	Staff not available and lab not started
27.	UV-VIS-Spectrophotometer (Kota)	1	For Chemistry	13.98	07.09.06	-	10	Staff not available and lab not started
28.	Upgradation of High Performance Liquid Chromatograph	1	Upgradation of High Performance Liquid Chromatograph	6.81	27.07.05	-	22	Not installed
Regional Forensic Science Laboratory, Jodhpur								
29.	High Performance Liquid Chromatograph	1	Analyse thermo labile Toxicants/chemicals/Metabolites	22.98	24.02.03	18.03.03	13	Checking calibration and updating of instrument
30.	Gas Chromatograph - Head Space	1	Examination of Volatile Poisons, Drugs and others	19.02	06.04.03	7.10.05	31	Pending of Demonstration Work

S.No.	Name of equipment	Unit	Purpose of equipment	Cost (Rs in lakh)	Date of		Delay in Utilisation (Months)	Reasons for delay in utilisation
					Receipt	Utilisation		
31.	Solvent Extraction System	1	Speedy extraction of Poisonous compounds from visceral organs	16.81	24.02.03	28.08.03	6	Not intimated
32.	High performance Thin Layer Chromatograph	1	To detect thermo labile chemicals/Psychotropic	14.62	24.02.03	04.01.04	10	Checking calibration and updating of instrument
33.	Mass Spectrometer Gas Chromatograph	1	Analytical equipment for Toxicology analysis	37.07	07.05.04	07.10.05	17	For installation of electric earthing, dust free environment pending of demonstration
34.	Fourier Transform Infra Red Spectrometer	1	Examination of Poison Samples	15.00	29.05.06	21.12.06	7	KBr disc of liquid sample cell was broken.
35.	Diesel Analyser	1	Analysis of Petroleum products	12.09	27.07.05	-	21	Requirement of other equipments
Regional Forensic Science Laboratory, Udaipur								
36.	Gas Chromatograph - Head Space	1	Examination of Volatile Poisons, Drugs and others	19.02	06.04.03	-	49 (19.05.07)	Poor power point/wiring at building, Training not provided
37.	Diesel Analyser	1	Analysis of Petroleum products	12.10	27.07.05	-	22 (24.05.07)	Result was not found perfectly
38.	Camera with Accessories	2	For Photography	3.41	06.04.03	28.07.04	16	Not intimated
39.	Inverted Microscope	1	For micro biological analysis	4.75	04.01.06	15.06.06	5	Not intimated
Total		43		851.58				

APPENDIX-3.3

(Refer paragraph 3.3.12.1; page 87)

Statement of acceptance of tenders ignoring qualifying criteria

Contractor	Division	Rehabilitation work of	Tender value (Rupees in crore)	Stipulated date of completion	Percentage of work done upto March 2007	Shortfall in qualifying criteria		
						Qualification/ experience of execution	Required	Available
A	Jawai Canal Division, Sumerpur	(i) Jawai main canal (J-1)	8.90	23.2.07	31.23	(1) Completion of similar nature of work	Rs 23.85 crore	Nil as a prime contractor
		(ii) Bithiya Distributary (J-2)	6.49	23.2.07	3.35	(2) Minimum quantities of work executed in any one year	22730 cum	Different year quantity instead of one year 25000 cum (2000-01)
		(iii) Sanderao Distributary (J-3)	3.71	27.2.06	26.33	(a) Cement concrete	185670 cum	1795000 cum (2001-02)
		(iv) Takhatgarh Distributary (J-4)	2.97	27.2.06	Not started	(b) Earth work	227 Nos.	38 Nos.
		(v) Gogra Distributary (J-5)	2.33	23.8.05	Not started	(3) Machinery and equipment (various types)		
	WRD Division, Jalore	(vi) Canal of Bankli Project	3.70	6.3.06	8.06			
B	WRD Division-I Bhilwara	(i) Main canal of Jetpura	1.94	18.10.05	36.55	(1) Minimum annual turnover	Rs 5.47 crore	Rs 5.01 crore and Rs 3.35 crore***
		(ii) Main canal of Nahar Sagar	1.40	18.4.05	Not started	(2) Completion of similar work	Rs 4.76 crore	Rs 4.19 crore***
		(iii) Main canal of Ummed Sagar	1.53	18.4.05	75.72	(3) Machinery and equipments	90 Nos.	Details not available
F	Gang Canal South Division Sriganganagar	(i) LNP System (GC-7)	17.15	16.7.07*	96.58	(1) Minimum annual turnover	Rs 19.87 crore	Rs 13.97 crore** (1999-2000)
		(ii) RB System (GC-1)	11.67	9.6.07*	85.50	(2) Completion of similar work	Rs 31.46 crore	Patiyari Dam
		(iii) PS System (GC-2)	10.07	9.6.07*	75.50	(3) Machinery and equipments	225 Nos.	Rs 13.22 crore** 141 Nos.
	Sidhmukh Project Division Bhadra	(iv) Mehrana Distributary (BK-8)	4.82	21.7.07*	86.00			
		Although contractor was not fulfilling required qualification for above 4 works, 2 more works of Rs 12.21 crore and 15.29 crore were allotted to him beyond qualifying criteria.						
G	WRD Division Dungarpur	(i) LMC of Baba ki Bar	0.40	8.12.04	Completed	(1) Minimum annual turnover	Rs 1.03 crore	Rs 0.34 crore*** and Rs 0.55 crore***
		(ii) Dewara Minor of Lodisar	0.47	8.3.05	Delayed completion on 18.11.05	(2) Completion of similar work	Rs 0.57 crore	Rs 0.42 crore

* Abnormal working period of 48 months involving price escalation

** Price level 2002-03

*** Price level 2003-04

APPENDIX-3.4

(Refer paragraph-3.4.6.1; page 96)

Statement showing the position of works

(Rupees in crore)

S. No.	Name of Units	Waste water works				Water supply works				Others (Heritage, Medical, Slum improvement, Bridges, Drainage, Fire fighting, Street and Road) works			
		Completed works		Works not completed		Completed works		Works not completed					
		No. of works	Expendi- ture	No. of works	Expendi- ture	No. of works	Expendi- ture	No. of works	Expendi- ture	Completed works		Works not completed	
										No. of works	Expendi- ture	No. of works	Expendi- ture
1	SE, PIU, Ajmer	-	-	5	27.92	1	2.67	3	15.20	5	18.30	3	21.84
2	SE, PIU, Bikaner	4	16.84	4	26.10	5	18.53	7	41.21	1	0.70	3	12.04
3	SE, PIU, Jaipur	5	20.18	9	52.98	10	26.88	8	30.55	11	41.41	10	49.71
4	Bisalpur	-	-	-	-	-	-	1	130.47	-	-	-	-
5	SE, PIU, Jodhpur	8	49.37	4	22.08	4	31.29	3	15.36	11	45.91	4	23.78
6	SE, PIU, Kota	-	-	3	11.24	2	2.17	14	55.92	6	35.91	7	30.04
7	SE, PIU, Udaipur	-	-	-	-	4	17.23	7	33.04	4	17.48	2	13.85
	Total	17	86.39	25	140.32	26	98.77	43	321.75	38	159.71	29	151.26

APPENDIX-3.5

(Refer paragraph 3.5.7.10; page 111)

Position of various Modules in test checked treasuries

S.No.	Name of Treasury	Name of Modules							
		Token Module	Bill Module	Compilation Module	Pension Module		P.D.A/c Module	Stamp Module	LTA Module
					Civil Pension	Old Age Pension			
1	Ajmer	Fully implemented	Fully implemented	Fully implemented	Partially implemented	Partially implemented	Partially implemented	Non - implemented	Non - implemented
2	Alwar	-do-	-do-	-do-	-do-	-do-	-do-	-do-	-do-
3	Jaipur (Secretariat)	-do-	-do-	-do-	Not applicable	Not applicable	-do-	Not applicable	-do-
4	Jaipur (City)	-do-	-do-	-do-	-do-	-do-	-do-	Partially implemented	-do-
5	Jaipur (Pension)	-do-	-do-	-do-	Partially implemented	-do-	Not applicable	Not applicable	Not applicable
6	Jodhpur (Rural)	-do-	-do-	-do-	-do-	Fully implemented	Partially implemented	-do-	Non - implemented
7	Jodhpur (City)	-do-	-do-	-do-	Not applicable	Not applicable	-do-	Non implemented	-do-
8	Kota	-do-	-do-	-do-	Partially implemented	Partially implemented	-do-	-do-	-do-
9	Sikar	-do-	-do-	-do-	-do-	-do-	-do-	-do-	-do-
10	Tonk	-do-	-do-	-do-	-do-	-do-	Fully implemented	-do-	-do-
11	Udaipur	-do-	-do-	-do-	-do-	-do-	Partially implemented	-do-	-do-

APPENDIX-4.1

(Refer paragraph 4.3.12; page 135)

Statement showing avoidable extra expenditure due to the cost escalation in land

Name of Village/ Plan	Quantum of land acquired			Rate per Bigha as of May/June 2000	Rate per Bigha as of Feb./June 2004	Difference of rate	Amount of difference
	Category of land	Bigha	Biswa	(in Rupees)			
Birwas	(a) Command	12	11	42500	47000	4500	56475
	(b) Uncommand	139	19	24500	27000	2500	349875
Barkhera	(a) Command	20	11	71000	79000	8000	164400
	(b) Uncommand	-	-	-	-	-	-
Gurla	(a) Command	1	16	47000	51700	4700	8460
		0	12	47000	51700	4700	2820
	(b) Uncommand	-	-	-	-	-	-
Karauli	(a) Command	0	8	216812	275000	58188	23275
		2	13	106750	138600	31850	84403
		0	13	106750	122100	15350	9978
		116	03	88452	114400	25948	3013860
	(b) Uncommand	1	0	166750	214500	47750	47750
		1	10	93420	122100	28680	43020
		145	18	62370	80300	17930	2615987
	Total						6420303
	+30% under Sec 23(2)						1926091
	Grand total Rs						8346394*
	Say Rs						83.46 lakh

* Excluding interest at 12 per cent per annum.

APPENDIX-5.1

(Refer paragraph 5.1.6.8; page 163)

Statement showing the cadre-wise position of officials as on 1 April 2007

S. No.	Name of cadre	Number of sanctioned posts	Men in position	Number of vacant posts	Percentage
1.	Additional Director	2	0	2	100
2.	Joint Director	10	0	10	100
3.	Dy. Director	50	8	42	84
4.	Asstt. Director	101	49	52	51.48
5.	Sr. Veterinary Officer	337	260	77	22.84
6.	Veterinary Officer	1404	1022	382	27.20
7.	Veterinary Assistant	915	688	227	24.80
8.	Live Stock Assistant	3610	2362	1248	34.57
9.	Driver/Tractor Driver	173	70	103	59.53
10.	Supervisor	41	10	31	75.60
11.	Syce/Bull Attendant/ Gwala	3021	2047	974	32.24
12.	Water Man/Animal Attendant / Sweeper	2119	1603	516	24.35
13.	Upper Division Clerk	175	133	42	24
14.	Stenographer	20	2	18	90
15.	Establishment officer	1	0	1	100
16.	X-Ray technician	10	1	9	90
17.	Statistical Computer	10	4	6	60
18.	Agriculture Assistant	3	1	2	66.66
19.	Laboratory Assistant	2	1	1	50
20.	Pump Operator	2	1	1	50
21.	Office Superintendent	13	7	6	46.15
22.	Personal Assistant	18	13	5	27.78
23.	Planning Assistant	1	0	1	100