



REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1991
NO.3

(CIVIL)

GOVERNMENT OF RAJASTHAN

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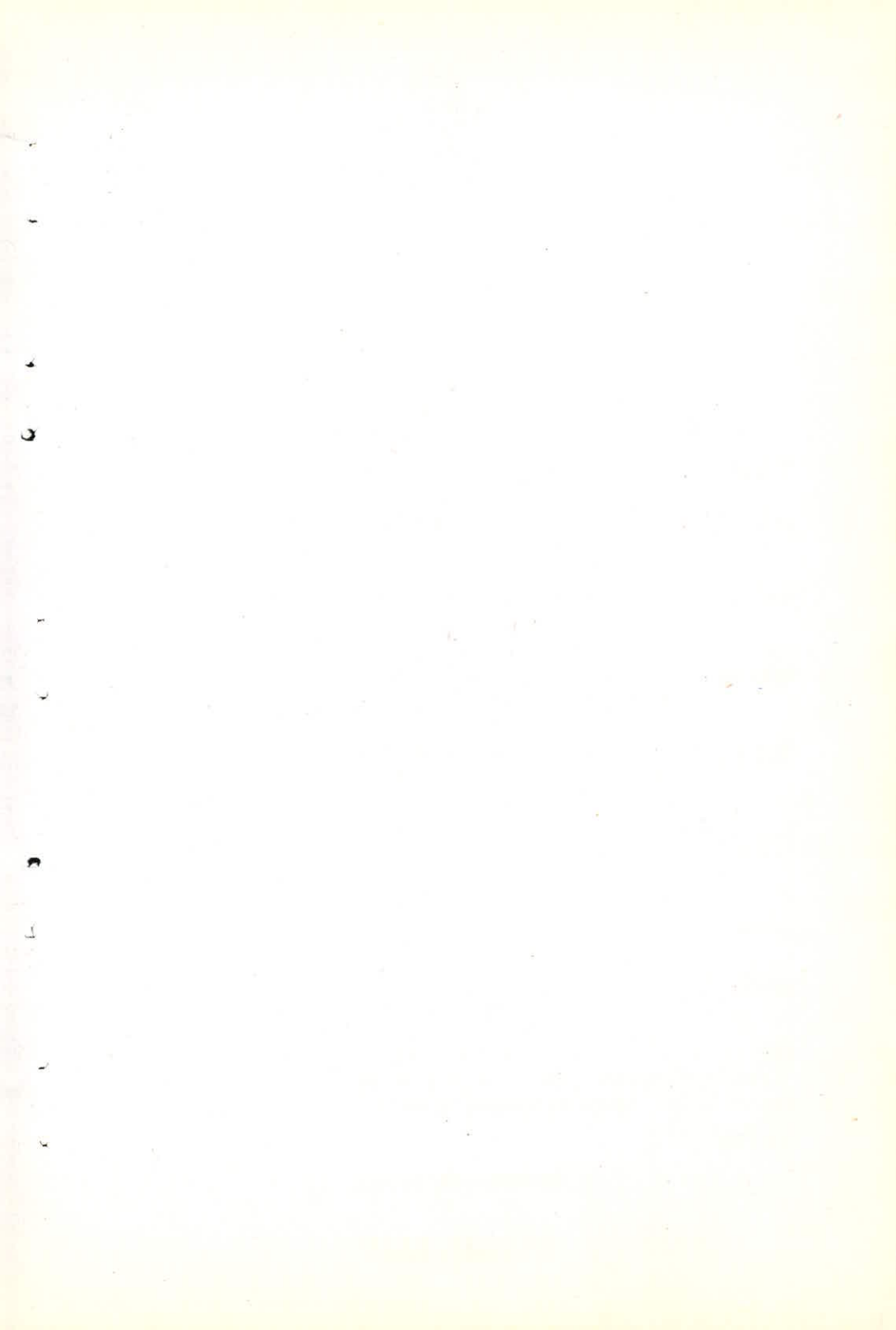
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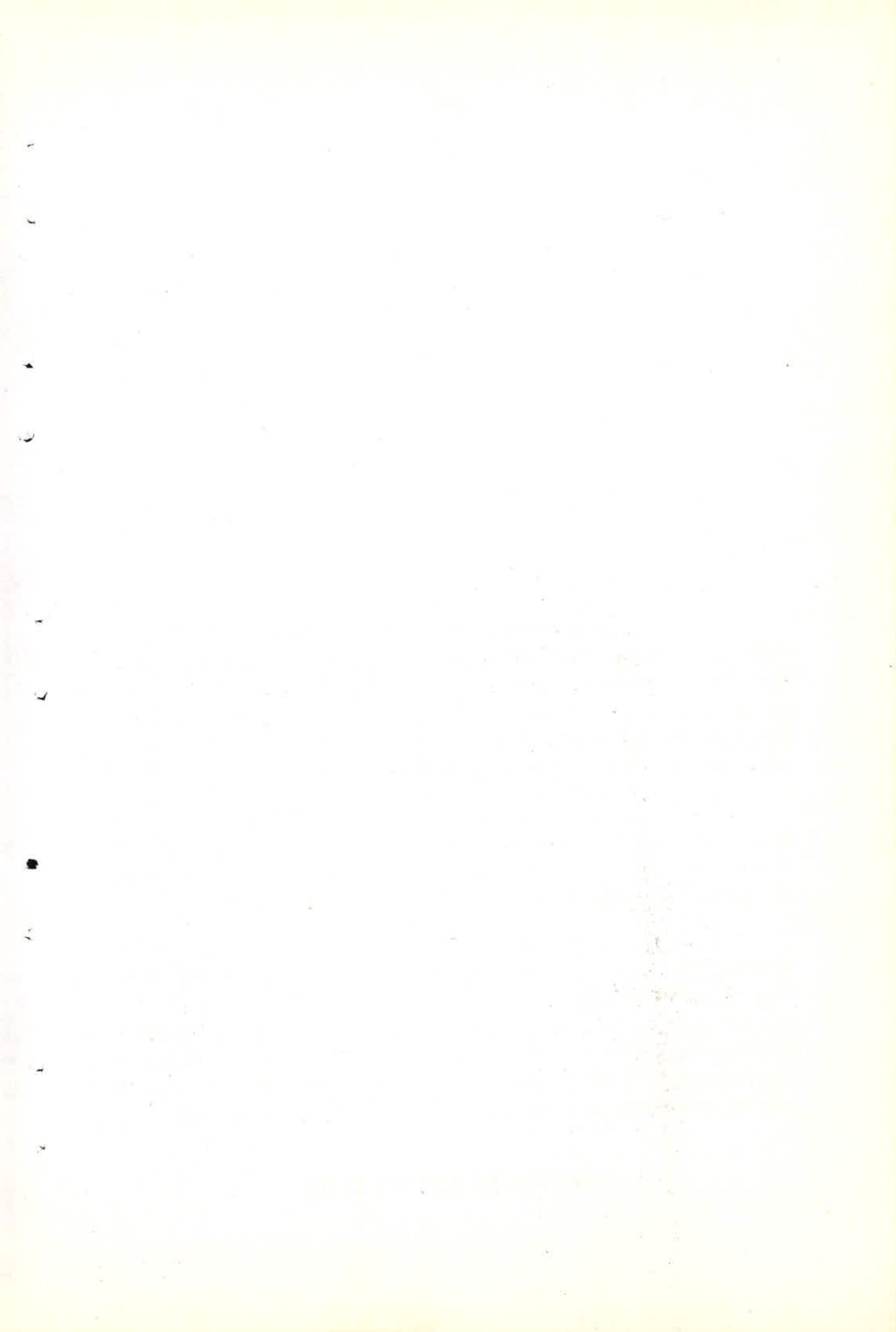


PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1990-91 together with other points arising from audit of the financial transactions of the Government of Rajasthan. It also includes certain points of interest arising from the Finance Accounts for the year 1990-91.

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

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1990-91 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 1990-91 have also been included, wherever considered necessary.



OVERVIEW

This Report contains two chapters on the observations of Audit on the State's Finance Accounts and Appropriation Accounts and five chapters which include 4 reviews on various schemes and 51 individual audit observations.

1. The Financial Position of the State

During 1986-87 to 1990-91, assets of the State Government had shown a growth of 54 *per cent* while liabilities had increased by 66 *per cent*. The growing gap between assets and liabilities was on account of continuing annual revenue deficit till 1989-90. The year 1990-91 closed with a revenue surplus of Rs. 167.94 crores against a projected revenue deficit of Rs. 103.93 crores. However, overall budgetary deficit for 1990-91 was Rs. 143.82 crores against Rs. 17.74 crores projected in the Budget Estimates.

(Paragraphs 1.2 to 1.4)

The State's share of Income Tax, Union Excise Duties and Grants-in-aid from the Union Government during the year 1990-91 was Rs. 1611.34 crores representing 44 *per cent* of the total revenue receipts of the State Government.

(Paragraph 1.14)

Arrears of revenue in respect of 10 Departments were Rs. 200.59 crores as at the end of the year 1990-91.

(Paragraph 1.15)

Abbreviations used in this Report are listed in the Glossary at Appendix-9 (Page 208)

Return on investments in Government Companies, Corporations etc. was 0.65 *per cent* in 1990-91 against an average rate of interest of 11.33 *per cent* for Government borrowings. Accumulated loss of 31 Companies/ Corporations in which Government had invested Rs. 152.99 crores as on 31 March 1991 was Rs. 154.83 crores.

(Paragraph 1.16)

Repayment of loans and payment of interest thereon to the Union Government constituted 71 to 115 *per cent* of the loans received from the Union Government during 1986-87 to 1990-91.

(Paragraph 1.18)

2. Appropriation Audit and Control over Expenditure

During 1990-91, there were savings of Rs. 474.22 crores in 108 cases relating to 54 grants / appropriations partly offset by overall excess of Rs. 15.35 crores in 12 cases relating to 11 grants / appropriations leading to net savings of Rs. 458.87 crores. In one grant alone the excess was Rs. 8.77 crores. The excess required regularisation under Article 205 of the Constitution of India.

Supplementary provision of Rs. 269.96 crores obtained during the year constituted 5.02 *per cent* of the original budget provision against 16.62 *per cent* in the year preceding.

Supplementary provision of Rs. 25.38 crores obtained in 18 grants / appropriations proved unnecessary. In 19 grants / appropriations, the savings were Rs. 1 crore or more in each case; the percentage of savings varying between 11.33 and 86.21 of the provision.

Persistent savings ranging from 11 to 100 *per cent* were noticed in 8 grants during the three year period from 1988-89.

(Paragraph 2.2)

3. Working of Ground Water Department

The Ground Water Department was created as a separate Government Department in 1973 for survey, research and investigation of ground water resources in the State and their exploitation by drilling of tubewells, boring in existing open dug wells to augment their yield and deepening of wells by rock drilling or blasting. The Department also undertakes these works on behalf of other Departments, autonomous bodies and private parties. Observations of Audit on the working of the Department during the period 1985-86 to 1990-91 are mentioned below.

There was progressive decline in revenue receipts of the Department. Physical targets were not fixed and there was no rational basis for fixing targets of revenue receipts and expenditure.

The Department incurred wasteful expenditure of Rs. 158 lakhs on the programmes of hydrogeological survey and investigation in the Districts of Bikaner, Bharatpur, Dholpur and Chittorgarh as these programmes were left incomplete.

In Bikaner District, 28 exploratory boreholes were drilled without the required feasibility test, out of which 14 failed resulting in wasteful expenditure of Rs. 43.75 lakhs.

Over exploitation of ground water potential in many areas resulted in increase in the number of blocks falling under the dark zone (area with very low water potential).

An Electric Logger machine which was imported in August 1980 at a total cost of Rs. 5.13 lakhs was never put to use because of basic operational defects and not being according to tender specifications.

The Department made excess payment of Rs. 16.31 lakhs in the purchase deal of six rotary rigs. Accessories worth Rs. 5.22

lakhs were not received at all though payment included cost of accessories.

There was gross under-utilisation of man-power in Central Workshop, which was 90 *per cent* in 1985-86 and 50 *per cent* in 1990-91.

Recoveries of Rs. 322.66 lakhs were outstanding against other Government Departments and private parties. Besides, Rs. 120.05 lakhs being the cost of unsold tubewells recoverable from various DRDAs were not realised.

(Paragraph 3.3)

4. Working of Sheep Breeding Farms

With a view to improving the breed of sheep in the State, four Sheep Breeding Farms were established at Jaipur, Fatehpur, Chittorgarh and Bakalia. During 1985-86 to 1990-91, there was constant decline both in targets and distribution of rams for breeding purposes. Contrary to instructions, ram-lambs were also distributed.

Lambing rate at the farms, particularly of exotic varieties, was low while the mortality rate was much higher than the prescribed norms.

Rs. 31.86 lakhs were outstanding from Rajasthan State Co-operative Sheep and Wool Marketing Federation from 1978-79 to 1990-91.

There was avoidable expenditure of Rs. 18.73 lakhs on stall feeding of sheep stock for want of proper land use planning at the farms.

Expenditure on establishment was 45 *per cent* of the total outlay during the five year period.

(Paragraph 3.4)

5. Department of Tourism

A review of the working of the Department of Tourism for the period 1985-86 to 1990-91 revealed that the objectives of promotion and development of tourism in the State by developing tourist facilities, organising adequate publicity and strengthening tourism infrastructure were achieved to a limited extent.

Thirty four *per cent* of the total amount sanctioned by the Government of India could not be availed of by the State Government. There were unexplained delays at Government level in passing on Central funds to the Department.

The Department seemed to act merely as a conduit for transferring funds to Rajasthan Tourism Development Corporation (RTDC) and did not have any control or information about progressive utilisation of funds and physical progress of works.

There was 21 *per cent* shortfall in expenditure relative to total budgetary outlay during 1985-86 to 1990-91. Major portion of funds were transferred to personal deposit (PD) accounts of executing agencies, notably RTDC, but were shown as final expenditure in Government accounts.

21 to 99 *per cent* of available unutilised balances out of funds sanctioned during 1985-86, 1986-87 and 1988-89 for development works were invested in term deposits by RTDC.

Over 70 *per cent* of funds transferred from State Plan to the RTDC for development of sites remained unutilised by RTDC. No work was carried out in a good number of projects sanctioned as far back as 1986-87. There was little co-ordination between the Department, RTDC, State Department of Archaeology and Museum, Archaeological Survey of India and other Departments aggravating delays in execution of works.

There were continuous shortfalls of expenditure and delays in execution of works relating to publicity indicating lack of drive in this key area of tourism promotion.

Tourist Information Bureaus located outside the State were manned by clerks as Tourist Officers posted there were re-allocated to Jaipur or these posts were allowed to remain vacant.

There was continuous decline in bed occupancy from 1986-87 to 1990-91.

(Paragraph 3.5)

6. Command Area Development Programme

With a view to ensuring better and efficient utilisation of irrigation potential created, Command Area Development Programme (CADP) for areas covered by Indira Gandhi Nahar, Chambal and Mahi Projects were undertaken in Rajasthan since 1974. A review in audit of the programme executed during 1985-86 to 1990-91 involving a total expenditure of Rs. 283.94 crores revealed the following.

In Indira Gandhi Nahar Pariyojana (IGNP), an expenditure of Rs. 323.28 lakhs incurred on construction of 32 water courses was largely unfruitful as 23 water courses (cost : Rs. 242.94 lakhs) were not utilised at all and the remaining 9 water courses (cost: Rs. 80.34 lakhs) were utilised to the extent of 3.63 *per cent* only during the period. Owing to non-shaping of land and defective construction of water courses, the average shortfall in utilisation of irrigation potential created in three command areas ranged from 9.6 to 64 *per cent*.

The main canal of IGNP was completed without conducting necessary hydrological investigations leading to problems of salinity and waterlogging. Subsequent studies revealed existence of hydrological barriers i.e. *hard pans* at depths varying from 0 to 5 metres below ground level in many areas. The Project

Formulation and Coordination Committee had recommended in September 1989 not to construct water courses in *hard pan* zone. Further the Committee of Direction decided in May 1990 that such work should be taken up only after hydrogeological barrier study by the Ground Water Department. However works costing Rs. 109.93 lakhs were carried out subsequently without observing these directions. Government has not been able to decide how the water courses constructed in the *hard pan* zone at a total cost of Rs. 802.35 lakhs are to be utilised.

Infrastructural facilities like schools, hospitals, community centres, sanitary diggies etc. on which an expenditure of Rs. 94.59 lakhs was incurred by CAD authorities of IGNP were not utilised or were lying incomplete / abandoned.

Against the prescribed limit of 20 *per cent*, expenditure on establishment ranged from 21 to 53 *per cent* in IGNP, 54 to 1836 *per cent* in Chambal and 28 to 182 *per cent* in Mahi.

Against the admissible amount of Rs. 58.50 lakhs as advance to Water and Power Consultancy Services (India) Ltd. the Department, in order to avoid lapse of grant, paid Rs. 654.86 lakhs as advance. The value of work done till March 1991 was Rs. 423.25 lakhs only.

Undue financial aid to the tune of Rs. 93.90 lakhs was given to two firms in IGNP and Chambal.

An amount of Rs. 8.08 lakhs paid to Survey of India for aerial photography and supply of prints proved infructuous as even after six years the work had not been completed.

Water rates fixed in 1982 were not revised although there were sharp increases in operational and maintenance costs. Moreover, Rs. 560.13 lakhs were outstanding as water dues from the farmers as on 31 March 1991.

(Paragraph 4.1)

7. Loss on account of spoiled wheat and avoidable expenditure on its storage

In Dungarpur District, 179.582 tonnes of wheat costing Rs. 3.50 lakhs meant for Nutrition Programmes in tribal and backward areas remained unutilised with Child Development Project Officers of the District and became unfit for human consumption. This resulted in loss of Rs. 3.50 lakhs and avoidable expenditure of Rs. 1.13 lakhs on its storage.

(Paragraph 3.6)

8. Excess payment to State pensioners through Public Sector Banks

Non-observance of the instructions by the Treasury Officers for keeping a comprehensive record of pension payments made by Public Sector Banks resulted in excess payment of Rs. 6.64 lakhs in 332 cases.

(Paragraph 3.1)

9. Misappropriations, defalcations etc.

Final action in 741 cases of mis-appropriations, losses etc. involving over Rs. 327 lakhs have not yet been taken. The oldest case pertained to the year 1951-52.

(Paragraph 3.8)

10. Avoidable payment of interest

Due to non-payment of the principal amount (Rs. 75.42 lakhs) of arbitration award to a contractor within 8 weeks following a judgement of the Supreme Court, the Irrigation Department had to pay an additional amount of Rs. 27.42 lakhs as interest.

(Paragraph 4.2)

11. Loss due to non-revision of 'G' Schedule of the tender

A rate of Rs. 92 per metre incorporated in the 'G' Schedule of the tender for laying and jointing of pipe line for two emergency water supply schemes for Jodhpur was based on the average length of 5.5 metres of pipe. However, pipes of an average length of 10.5 metres were used as against 5.5 metres, which had the result of reducing the number of jointing work per 100 metres from 20 points to 11 points. As the size of the pipes to be used was known before opening of tenders, the rate incorporated in the 'G' schedule was to be revised.

The failure of the Department to revise the rate resulted in undue benefit of Rs. 38.22 lakhs to the contractors and consequent loss to Government.

(Paragraph 4.6)

12. Wasteful expenditure on re-doing of damaged earth work of Jodhpur Lift Canal

The Government stopped in May 1985 the earth and excavation works between 0 and 6 kilometres of Jodhpur Lift Canal, a scheme to carry drinking water to Jodhpur city, with a view to replacing it with a common feeder lift canal for irrigation and drinking purposes. This was, however, not implemented and Government reverted to its original scheme and re-started the abandoned work in September 1989. During this period, 0.71 lakh cubic metres of earth and excavation work previously executed were damaged and had to be restored at a cost of Rs. 5.12 lakhs which was wasteful.

(Paragraph 4.7)

13. Loss due to acceptance of sub-standard supply of butterfly valves

In January 1985, Public Health Engineering Department procured 43 butterfly valves costing Rs. 5.19 lakhs from a firm

and the valves were to be inspected before despatch by Engineers India Limited (EIL) on the basis of the drawings approved by the Department as well as specifications mentioned in the supply orders. Inspection of the material by EIL with reference to drawings without referring to the stipulations in the supply orders led to acceptance of sub-standard material by the Department which resulted in loss of Rs.4.95 lakhs.

(Paragraph 4.5)

14. Excess payments due to acceptance of defective rate contracts

Public Health Engineering Department (PHED) finalised rate contracts for supply of asbestos cement pressure pipes of various dimensions with 14 firms including 8 SSI units. The rates of excise duties were not explicitly mentioned in the contracts with 4 SSI units and as such, these units claimed and were paid at full rates (at 25 *per cent ad valorem*) as against payment of Nil or 15 *per cent ad valorem* of excise duties payable to Government. This resulted in excess payment of Rs. 3.63 lakhs in three PHED Divisions of Deeg, Bhinmal and Didwana.

(Paragraph 4.3)

15. Heavy loss in running a departmental foundry

A departmental foundry set up in 1968 to meet the requirements of the Public Health Engineering Department was in deep trouble since 1978-79. Finding the annual loss too heavy with no solution in sight, the officer-in-charge of the foundry had been sending proposals since April 1986 to close down the foundry. Till January 1991, the accumulated loss was Rs. 115.90 lakhs. Government had not taken any action as of January 1992.

(Paragraph 4.4)

16. Non-utilisation of X-ray machines

Nine X-ray machines costing Rs. 19.47 lakhs received between November 1987 and March-April 1989 for 5 Referral Hospitals and 4 Community Health Centres had not been put to use as of June 1991. Besides, services of technicians posted in 3 Community Health Centres and 2 Referral Hospitals between July-October 1990 were not utilised for the purpose for which they were employed.

(Paragraph 5.1)

17. Non-achievement of objectives and blocking of funds

Scientific equipment procured at a cost of Rs. 7.71 lakhs for the Department of Zoology of the University of Rajasthan for its upgradation as an advanced centre of teaching and research was installed in October 1988 but could not be put to use as of November 1991 for want of air-conditioning. This resulted in blocking of funds of Rs. 7.71 lakhs besides, non-achievement of the objective.

(Paragraph 6.2)

18. Unfruitful expenditure on library facility

The work of extension of the Central Library building of Rajasthan University was completed in March 1987 to accommodate a text-book section at a cost of Rs. 7.74 lakhs. The facilities created could not be utilised due to non-provision of additional staff for which proposals were mooted by the University for inclusion in the State Plan for 1988-89 but were rejected by the State Government.

(Paragraph 6.3)

19. Double payment of subsidy

Improper maintenance of control register prescribed by Government resulted in double payment of subsidy amounting

to Rs. 1.05 lakhs for purchase of camel / bullock carts etc. to 33 families of Panchayat Samiti, Karauli.

(Paragraph 6.4)

20. Unfruitful expenditure of Rs. 8.50 lakhs

While the reports of the engineers clearly indicated the possibility of failures of drinking water supply schemes for cattle in Harnawa, Dhandlas and Khera Chhapra villages, Public Health Engineering Divisions spent Rs. 8.50 lakhs on these schemes during the period December 1987 to March 1990 which proved infructuous.

(Paragraph 6.10)

CHAPTER-I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Summarised financial position

The summarised financial position of the Government of Rajasthan as on 31 March 1991 emerging from the Appropriation Accounts and the Finance Accounts for the year 1990-91 and the abstract of Receipts and Disbursements for the year is given below:

I.Statement of Financial Position of the

| Amount as on 31 March 1990 | LIABILITIES | Amount as on 31 March 1991 |
|-------------------------------|---|-------------------------------|
| | (Rupees in crores) | |
| 1076.50 | Internal Debt | 1209.24 |
| | Market Loans | |
| | bearing interest | 1100.94 |
| | Market Loans not | |
| | bearing interest | 0.44 |
| | Loans from LIC | 30.36 |
| | Loans from other | |
| | Institutions | 77.50 |
| | Ways and Means | |
| | Advances | - |
| 3299.78 | Loans and Advances from Central Government | 3452.61 |
| | Pre 1984-85 Loans | 1100.29 |
| | Non-Plan Loans | 1155.14 |
| | Loans for State | |
| | Plan Schemes | 1149.76 |
| | Loans for Central | |
| | Plan Schemes | 8.30 |
| | Loans for Centrally | |
| | Sponsored Plan | |
| | Schemes | 39.12 |
| 35.00 | Contingency Fund | 35.00 |
| 1028.51 | Small Savings | 1226.57 |
| 626.78 | Deposits | 562.11 |

Government of Rajasthan as on 31 March 1991

| Amount as on 31 March 1990 | ASSETS | Amount as on 31 March 1991 |
|-------------------------------|---|-------------------------------|
| | | (Rupees in crores) |
| 4119.39 | Gross Capital Out- lay on Fixed Assets | 4609.44 |
| | Investment in Shares of Companies, Cor- porations, etc. | 423.16 |
| | Other Capital Outlays | 4186.28 |
| 1376.74 | Loans and Advances | 1599.45 |
| | Loans for Power Projects | 1269.92 |
| | Other Development Loans | 284.94 |
| | Loans to Government Servants and Mis- cellaneous Loans | 44.59 |
| 1.20 | Other Advances | 1.37 |
| 54.68 | Remittance Balances | 56.58 |
| 11.39 | Suspense and Miscellaneous Balances | 12.36 |
| 16.14 | Cash | (-)111.66 |
| | Cash in Treasuries and Local Remittances | 11.81 |
| | Deposits with Reserve Bank | (-)149.28 |
| | Departmental Cash Balances including Permanent Advance | 5.92 |
| | Cash Balance Investment | 19.89 |

| Amount as on 31 March 1990 | LIABILITIES | Amount as on 31 March 1991 |
|-------------------------------|--|-------------------------------|
| | | (Rupees in crores) |
| 6.67 | Overdrafts from Reserve Bank of India | - |
| 88.87 | Reserve Funds | 95.57 |
| 6162.11 | | 6581.10 |

| Amount as on 31 March 1990 | ASSETS | Amount as on 31 March 1991 |
|-------------------------------|---|-------------------------------|
| | (Rupees in crores) | |
| 582.57 | Deficit on Government Account | 413.56 |
| | Accumulated deficit upto 31 March 1990 | 582.57 |
| | Less : Surplus of current year | (-)167.94 |
| | Capital Receipt of current year | (-)1.07 |
| 6162.11 | | 6581.10 |

Explanatory Notes

1. The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable and receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Although a part of revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.
4. Under Government system of accounting, the revenue surplus or deficit is closed annually to Government account with the result that cumulative position of such surplus or deficit is not ascertainable. The balancing figure of Rs. 129.50 crores as on 31 March 1983 was, therefore, treated as cumulative surplus for drawing up the first instalment of financial position for 1983-84 which took the place of a Balance Sheet.
5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of States and others pending settlement, etc. The balance under Suspense and Miscellaneous had increased from Rs.11.39 crores as on 31 March 1990 to Rs.12.36 crores as on 31 March 1991.

6. The closing cash balance according to Reserve Bank of India, was Rs. 147.79 crores (Debit), against the general cash balance of Rs. 149.28 crores (Credit) shown in the accounts. The difference was yet to be reconciled.
-

II - Abstract of Receipts

RECEIPTS

(Rupees in crores)

Section 'A'

I. Revenue Receipts

3647.89

| | | |
|-------|---|---------|
| (i) | Tax Revenue | 1216.50 |
| (ii) | Non-Tax Revenue | 820.05 |
| (iii) | State's Share of Union Taxes | 758.87 |
| (iv) | Non-Plan Grants | 230.78 |
| (v) | Grants for State- Plan Schemes | 242.69 |
| (vi) | Grants for Central and Centrally Sponsored Plan Schemes | 379.00 |

II. Revenue deficit carried
over to Section 'B'

 3647.89

Section 'B'

III. Opening Cash Balance including
Permanent Advances and cash
Balance Investment

16.14

and Disbursements for the year 1990-91

DISBURSEMENTS

(Rupees in crores)

- Revenue

I Revenue Expenditure 3479.95

| | Sector | Non-Plan | Plan | Total |
|--------|-------------------------------------|----------------|---------------|----------------|
| (i) | General Services | 1125.65 | 13.66 | 1139.31 |
| (ii) | Social Services | 1238.86 | 232.14 | 1471.00 |
| (iii) | Agriculture and Allied Activities | 127.29 | 101.64 | 228.93 |
| (iv) | Rural Development | 21.13 | 213.31 | 234.44 |
| (v) | Special Area Programme | - | 1.34 | 1.34 |
| (vi) | Irrigation and Flood Control | 184.78 | 35.45 | 220.23 |
| (vii) | Energy | 0.01 | 4.73 | 4.74 |
| (viii) | Industry and Minerals | 24.17 | 30.67 | 54.84 |
| (ix) | Transport | 95.53 | (-)0.01 | 95.52 |
| (x) | Science, Technology and Environment | 0.31 | 1.97 | 2.28 |
| (xi) | General Economic Services | 12.71 | 2.72 | 15.43 |
| (xii) | Grants-in-aid and Contributions | 11.89 | - | 11.89 |
| | | <u>2842.33</u> | <u>637.62</u> | <u>3479.95</u> |

II. Revenue surplus carried over to Section 'B'

167.94
3647.89

- Others

III. Opening Overdraft from Reserve Bank of India

6.67

DISBURSEMENTS

(Rupees in crores)

- Others (contd.)

IV. Capital Outlay 490.05

| | Sector | Non-Plan | Plan | Total |
|--------|-------------------------------------|-------------|---------------|---------------|
| (i) | General Services | 0.01 | 6.05 | 6.06 |
| (ii) | Social Services | (-)0.04 | 145.18 | 145.14 |
| (iii) | Agriculture and Allied Activities | - | 14.57 | 14.57 |
| (iv) | Rural Development | - | 0.39 | 0.39 |
| (v) | Special Area Programme | - | 8.31 | 8.31 |
| (vi) | Irrigation and Flood Control | - | 215.03 | 215.03 |
| (vii) | Industry and Minerals | - | 49.94 | 49.94 |
| (viii) | Transport | - | 47.03 | 47.03 |
| (ix) | Science, Technology and Environment | - | - | - |
| (x) | General Economic Services | 0.19 | 3.39 | 3.58 |
| | | <u>0.16</u> | <u>489.89</u> | <u>490.05</u> |

V. Loans and Advances Disbursed

275.48

| | | |
|-------|------------------------|--------|
| (i) | For Power Projects | 186.24 |
| (ii) | To Government Servants | 26.99 |
| (iii) | To Others | 62.25 |

VI. Transfer to Contingency Fund

-

VII. Revenue Deficit brought down

-

RECEIPTS

(Rupees in crores)

Section 'B'**VIII. Public Debt Receipts**

854.98

| | | |
|-------|---|--------|
| (i) | Internal Debt other than Ways and Means Advances and Overdrafts | 174.68 |
| (ii) | Ways and Means Advances | 53.59 |
| (iii) | Loans and Advances from the Central Government | 626.71 |

IX. Public Account Receipts

5665.67

| | | |
|-------|--------------------------------------|---------|
| (i) | Small Savings and Provident Funds | 303.02 |
| (ii) | Reserve Funds | 131.46 |
| (iii) | Suspense and Miscellaneous | 111.46 |
| (iv) | Remittances | 994.76 |
| (v) | Deposits & Advances | 4124.97 |

**X. Closing Overdrafts from Reserve
Bank of India**

...*

6758.57

* Gross overdrafts taken from Reserve Bank of India during the year were Rs. 21.76 crores.

DISBURSEMENTS

(Rupees in crores)

- Others (concl.d.)

| | |
|---------------------------------------|---------------|
| VIII. Repayment of Public Debt | 569.41 |
|---------------------------------------|---------------|

| | | |
|---|--------|--|
| (i) Internal Debt other than Ways and Means Advances and Overdrafts | 8.34 | |
| (ii) Ways and Means Advances | 87.19 | |
| (iii) Repayment of Loans and Advances to Central Government | 473.88 | |

| | |
|---|----------------|
| IX. Public Account Disbursements | 5528.62 |
|---|----------------|

| | | |
|---------------------------------------|---------|--|
| (i) Small Savings and Provident Funds | 104.96 | |
| (ii) Reserve Funds | 124.76 | |
| (iii) Suspense and Miscellaneous | 112.43 | |
| (iv) Remittances | 996.66 | |
| (v) Deposits & Advances | 4189.81 | |

| | |
|-------------------------------|------------------|
| X. Cash Balance at end | (-)111.66 |
|-------------------------------|------------------|

| | | |
|---|-----------|--|
| (i) Cash in Treasuries and Local Remittances | 11.81 | |
| (ii) Deposits with Reserve Bank | (-)149.28 | |
| (iii) Departmental Cash Balances Including Permanent Advances | 5.92 | |
| (iv) Cash Balance Investment | 19.89 | |

6758.57

III - Sources and Application of

| Sources | |
|--|----------------|
| (Rupees in crores) | |
| 1. Revenue Receipts | 3647.89 |
| 2. Capital Receipts | 1.07 |
| 3. Recoveries from Loans and Advances | 52.77 |
| 4. Increase in Public Debt | 285.57 |
| 5. Net receipts from Public Account | 137.05 |
| (i) Increase in Small Savings | 198.06 |
| (ii) Decrease in Deposits and Advances | (-)64.84 |
| (iii) Increase in Reserve Funds | 6.70 |
| (iv) Effect on Remittance Balance | (-)1.90 |
| (v) Increase in Suspense Balance | (-)0.97 |
| 6. Reduction in closing Cash Balance | 127.80 |
| Total | 4252.15 |

1.2 Assets and liabilities of the State

The assets comprising capital investments and loans advanced and the total liabilities of the State Government during the last five years were as under :

| Year | Assets | Liabilities |
|---------|--------------------|-------------|
| | (Rupees in crores) | |
| 1986-87 | 3999.44 | 3969.69 |
| 1987-88 | 4453.78 | 4780.13 |
| 1988-89 | 5046.11 | 5598.65 |
| 1989-90 | 5579.54 | 6162.11 |
| 1990-91 | 6167.54 | 6581.10 |

While the assets have grown by 54 *per cent* during the five years, the liabilities have grown by 66 *per cent*. The reduction in gap between assets and liabilities during 1990-91 was on account of revenue surplus during the year.

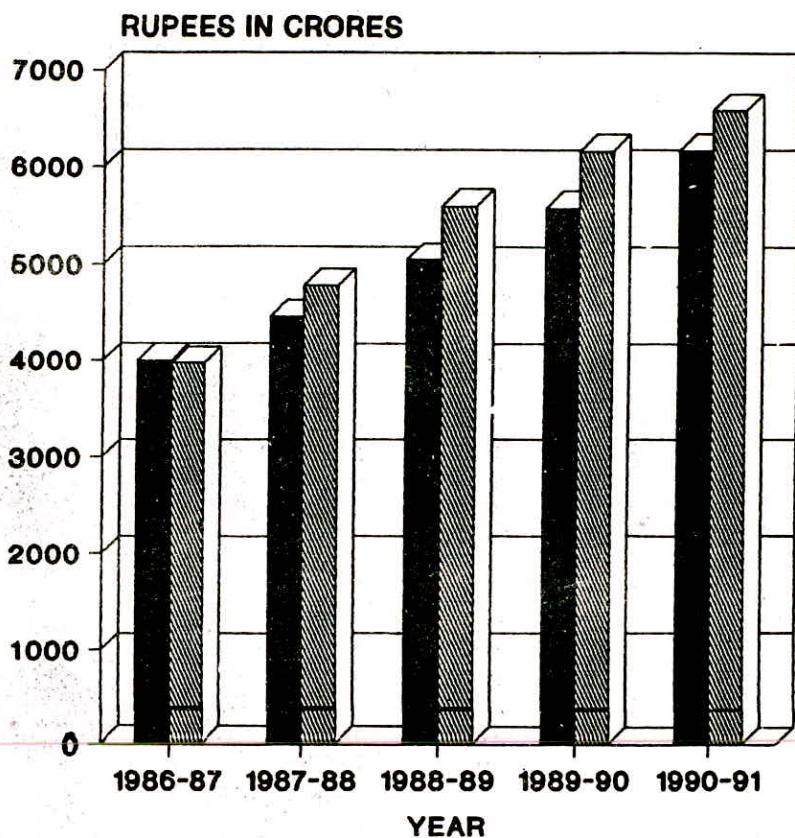
1.3 Overall deficit / surplus

The Budget Estimates for 1990-91 projected an overall deficit of Rs. 17.74 crores and the Revised Estimates indicated an overall surplus of Rs. 32.45 crores but the actual deficit was Rs. 143.82 crores. The vast variation in the estimation and actuals was mainly due to decrease in receipts under Public Debt (Rs. 199.50 crores-net) and increase in disbursements under Loans and Advances (Rs. 67.24 crores-net) and Public Accounts (Rs. 158.97 crores-net). The increase in expenditure was partly offset (Rs. 271.87 crores-net) by overall rise in revenue receipts. The details are available in *Appendix 1*.

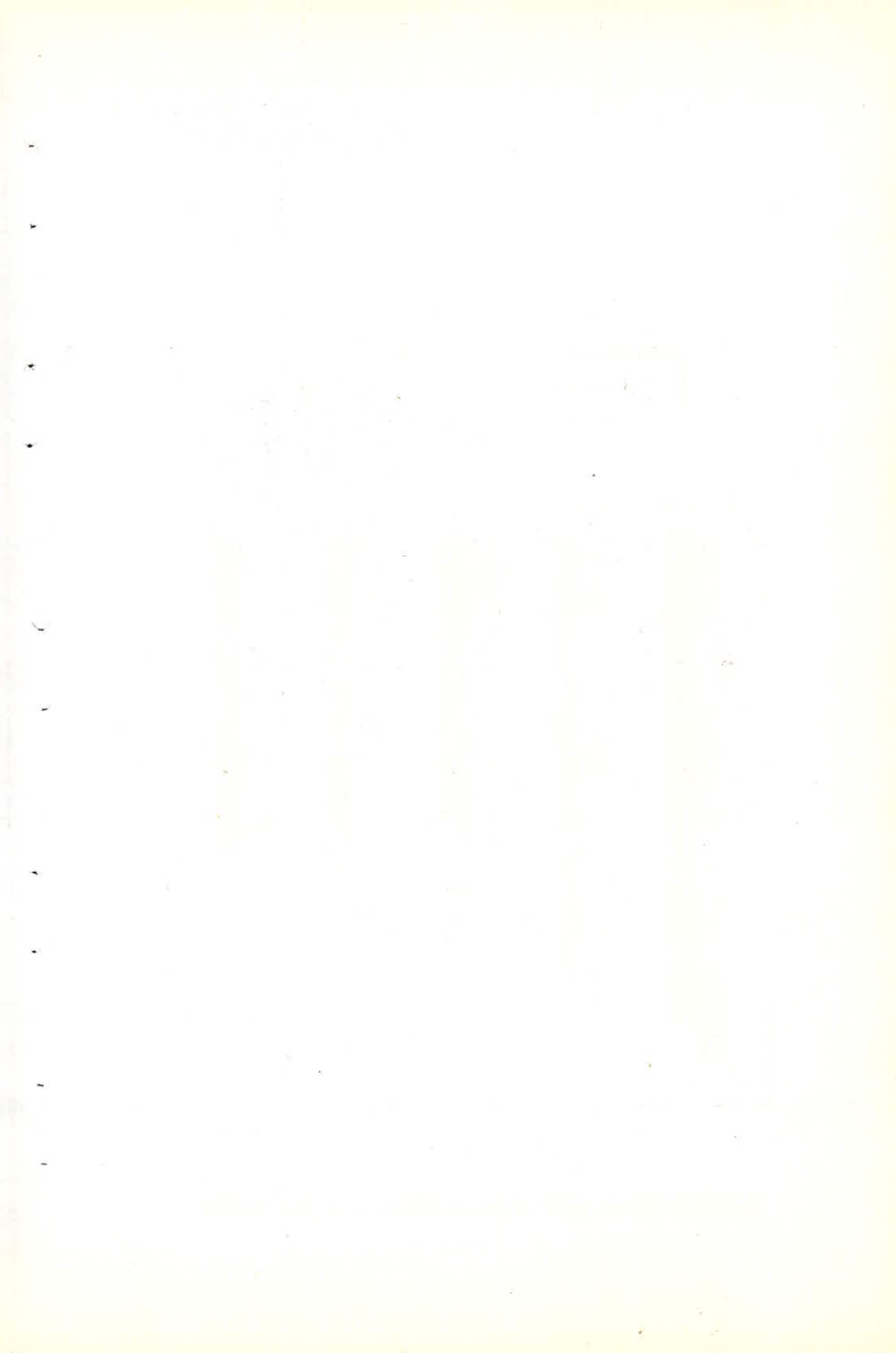
1.4 Revenue deficit / surplus

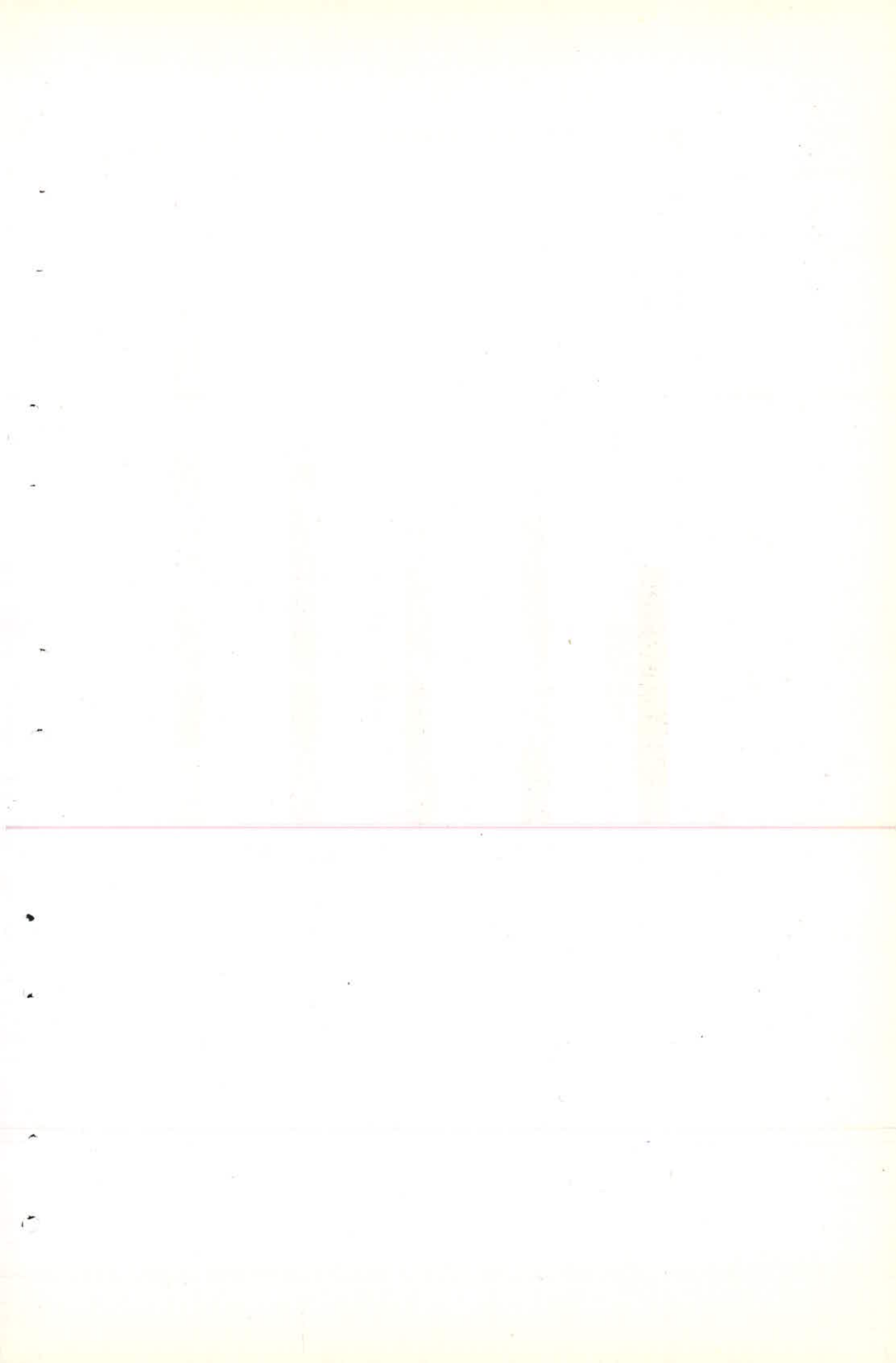
An important premise of planned development is that there should be positive and rising savings on Government Account. Its importance was once again emphasised by the observation

ASSETS & LIABILITIES OF THE STATE

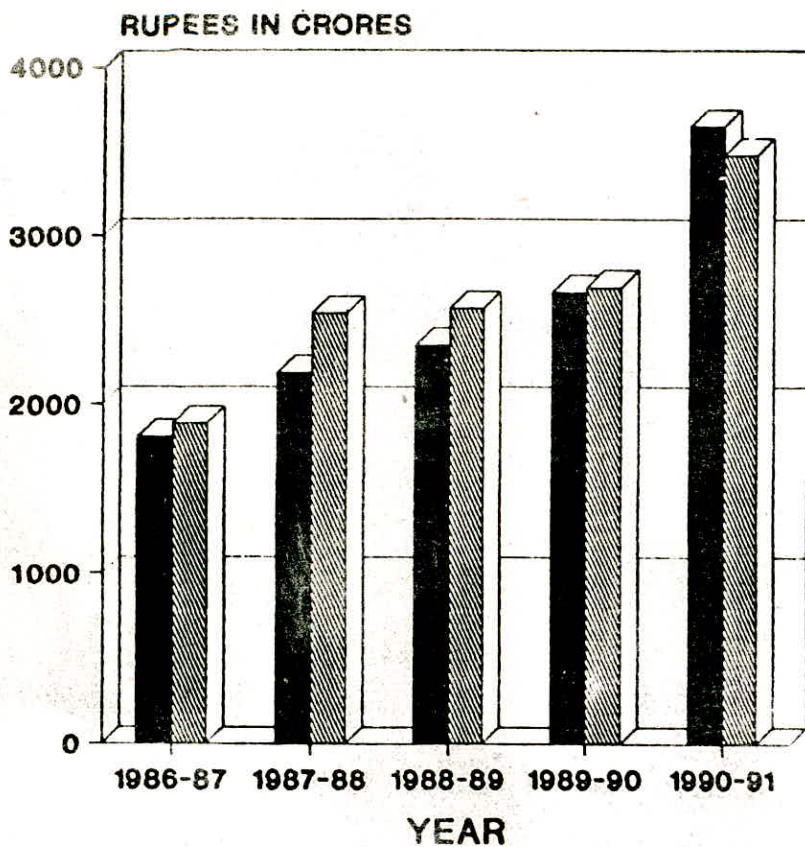


ASSETS LIABILITIES





REVENUE RECEIPTS - EXPENDITURE



(December 1989) of the Ninth Finance Commission that the revenue deficits on a large scale year after year implies an infraction of one of the fundamental principles of sound public finance in any economy particularly in a developing economy.

The transformation of continuing revenue deficit every year since 1984-85 and of projected revenue deficit of Rs. 103.93 crores for the year 1990-91 into revenue surplus of Rs. 167.94 crores during 1990-91 was on account of writing off of outstanding balances as on 31 March 1989 of the drought loans of Rs. 324.35 crores advanced by the Union Government to the State over and above five *per cent* of annual plan outlays during 1986-89 and transfer thereof into revenue receipts as per recommendations of Ninth Finance Commission.

The position is summarised in the following table:

| Year | Revenue | | | Percentage increase over the previous year | | Percentage of actual deficit(-)/surplus(+) to revenue receipts |
|--------------------|----------|-------------|------------------------|--|---------------------|--|
| | Receipts | Expenditure | Deficit(-)/ Surplus(+) | Revenue Receipts | Revenue Expenditure | |
| (Rupees in crores) | | | | | | |
| 1986-87 | 1805.42 | 1866.70 | (-) 61.28 | 19.88 | 23.53 | (-) 3.39 |
| 1987-88 | 2183.08 | 2539.18 | (-) 356.10 | 20.92 | 36.02 | (-)16.31 |
| 1988-89 | 2352.18 | 2570.72 | (-) 218.54 | 7.75 | 1.24 | (-) 9.29 |
| 1989-90 | 2667.60 | 2697.63 | (-) 30.03 | 13.41 | 4.94 | (-) 1.13 |
| 1990-91 | 3647.89 | 3479.95 | (+)167.94 | 36.75 | 29.00 | (+) 4.60 |

The revenue deficit / surplus as envisaged in the Budget Estimates and the Revised Estimates *vis-a-vis* the actuals are given below:

| Year | Revenue Deficit (-)/Surplus(+) | | |
|--------------------|--------------------------------|----------------------|------------|
| | Budget Estimates | Revised Estimates | Actuals |
| (Rupees in crores) | | | |
| 1986-87 | (-) 48.68 | (-) 75.18 | (-) 61.28 |
| 1987-88 | (-) 81.67 | (-) 291.66 | (-) 356.10 |
| 1988-89 | (-) 181.81 | (-) 250.35 | (-) 218.54 |
| 1989-90 | (-) 75.81 | (-) 90.08 | (-) 30.03 |
| 1990-91 | (-) 103.93 | (+) 157.68 | (+) 167.94 |

1.5 Revenue expenditure

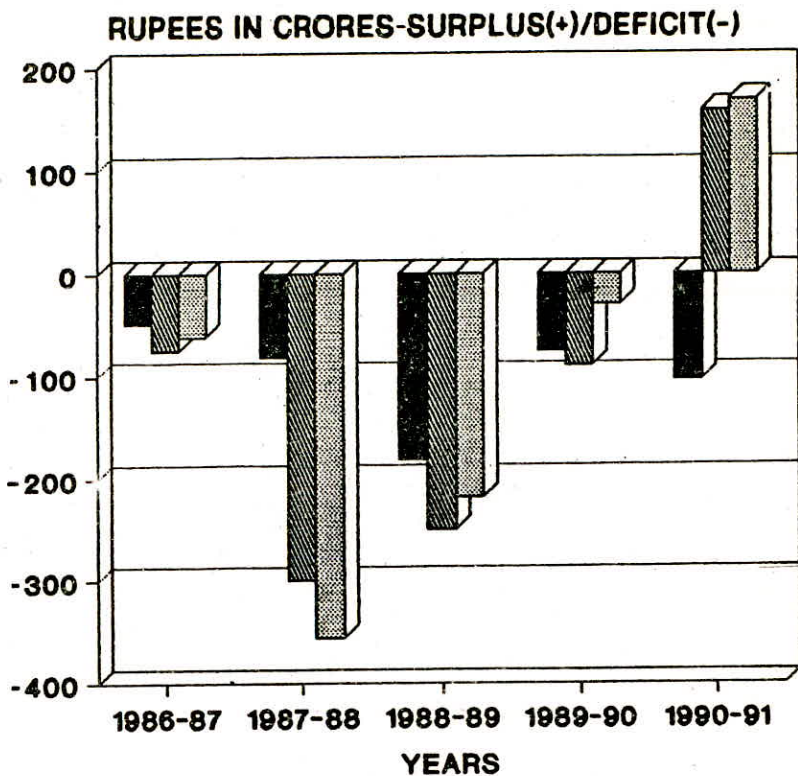
The revenue expenditure (Plan) during 1990-91 was Rs. 637.62 crores against the Budget Estimates of Rs. 706.99 crores (including supplementary) disclosing a shortfall of Rs. 69.37 crores in expenditure. The Non-Plan revenue expenditure during the year was Rs. 2842.33 crores (Rs. 2215.64 crores during the previous year) against the Budget Estimates of Rs. 2930.46 crores (including supplementary) disclosing a shortfall of Rs. 88.13 crores in expenditure. The main reasons for shortfall in expenditure are given in Chapter II of this Report.

The revenue expenditure (both Plan and Non-Plan) during 1990-91 was Rs. 3479.95 crores as against Rs. 2697.63 crores during 1989-90. The detailed reasons for variation are given in Statement No. 1 of Finance Accounts for 1990-91.

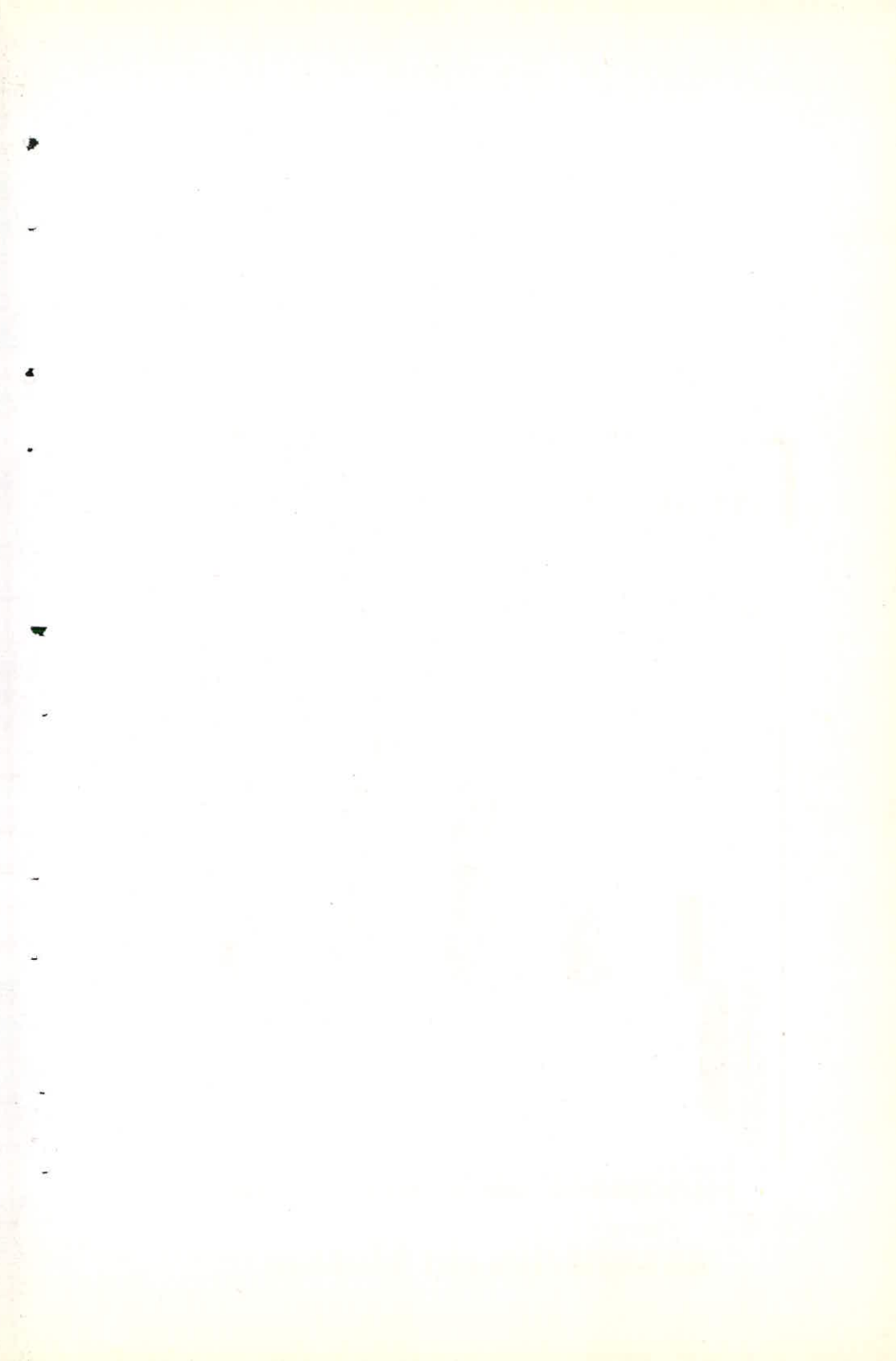
1.6 Growth of revenue expenditure

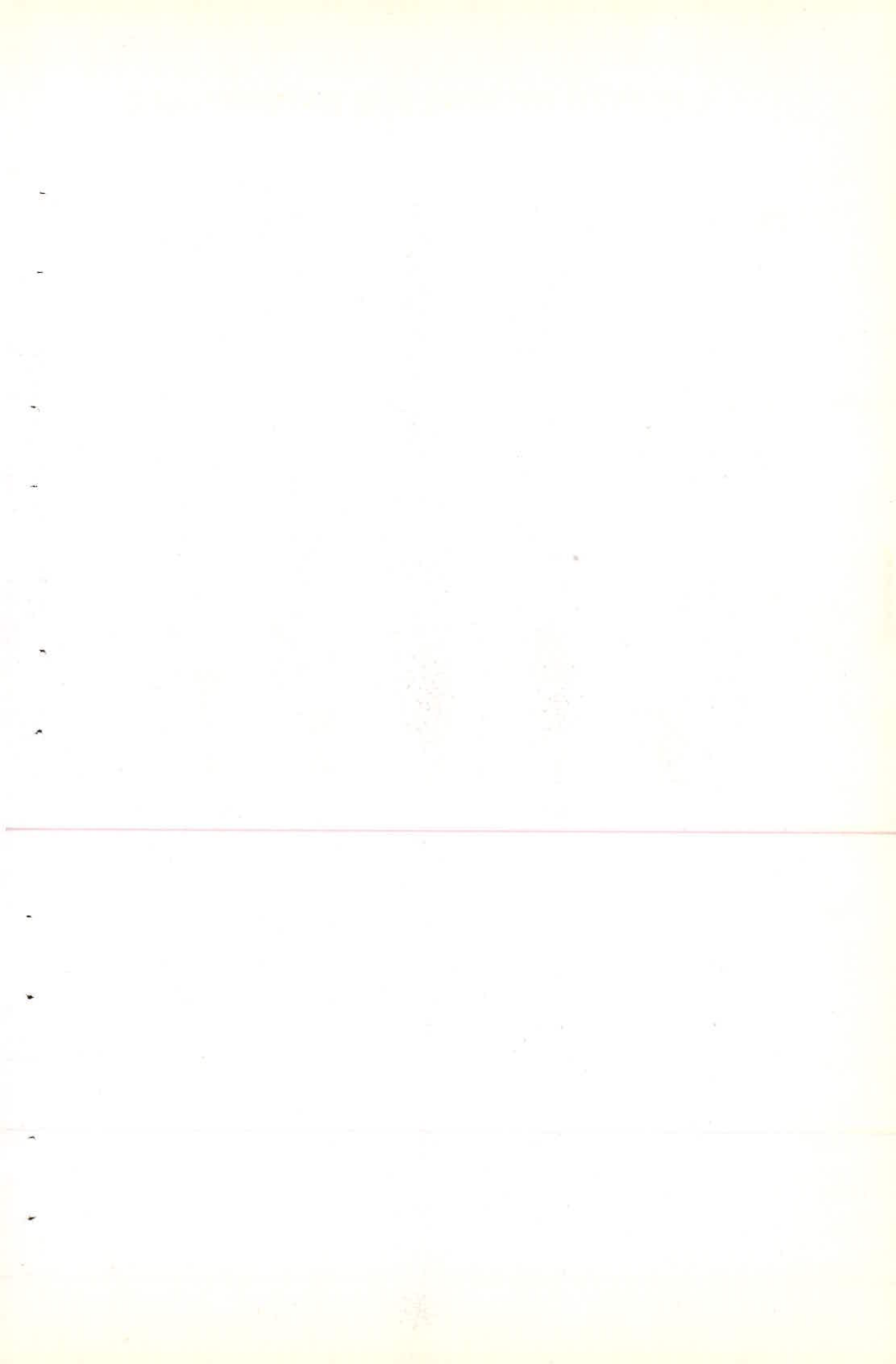
The growth of revenue expenditure (both Plan and Non-Plan) during last five years was as follows:

REVENUE DEFICIT/SURPLUS

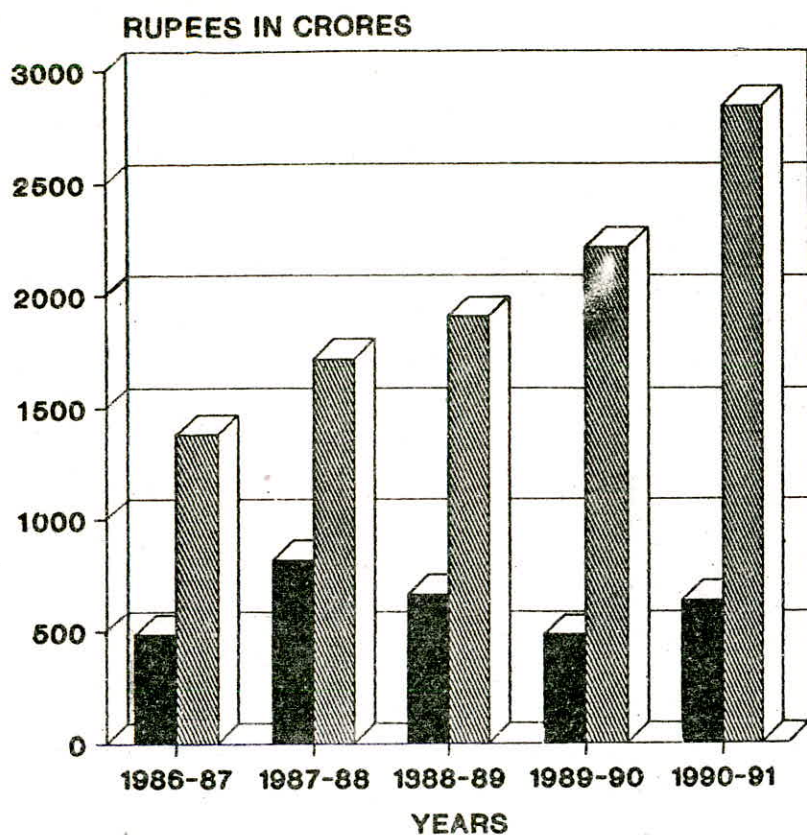


BUDGET ESTIMATES **REVISED ESTIMATES**
ACTUALS





GROWTH OF REVENUE EXPENDITURE



| Year | Revenue Expenditure | | |
|--------------------|---------------------|----------|---------|
| | Plan | Non-Plan | Total |
| (Rupees in crores) | | | |
| 1986-87 | 485.51 | 1381.19 | 1866.70 |
| 1987-88 | 818.81 | 1720.37 | 2539.18 |
| 1988-89 | 664.00 | 1906.72 | 2570.72 |
| 1989-90 | 481.99 | 2215.64 | 2697.63 |
| 1990-91 | 637.62 | 2842.33 | 3479.95 |

The revenue expenditure (Plan) went up by 31 per cent between 1986-87 and 1990-91, the expenditure under Non-Plan increased during the years by 106 per cent. The Non-Plan revenue expenditure in 1990-91 was 82 per cent of the total revenue expenditure like previous year.

1.7 Non-Plan revenue expenditure

The following table shows the details of Non-Plan revenue expenditure, other than interest payments, where there has been significant increase over five years:

| | 1986-87 | 1990-91 | Percentage variation |
|--|---------|---------|----------------------|
| (Rupees in crores) | | | |
| Police | 85.45 | 157.20 | 83.97 |
| Pensions | 48.10 | 156.97 | 226.34 |
| Sales-Tax | 6.71 | 11.73 | 74.81 |
| District Administration | 15.83 | 26.68 | 68.54 |
| Education | 327.47 | 708.95 | 116.49 |
| Medical, Public Health, Sanitation and Water Supply, Housing and Urban Development | 177.12 | 337.03 | 90.28 |

1.8 Financial assistance to local bodies and others

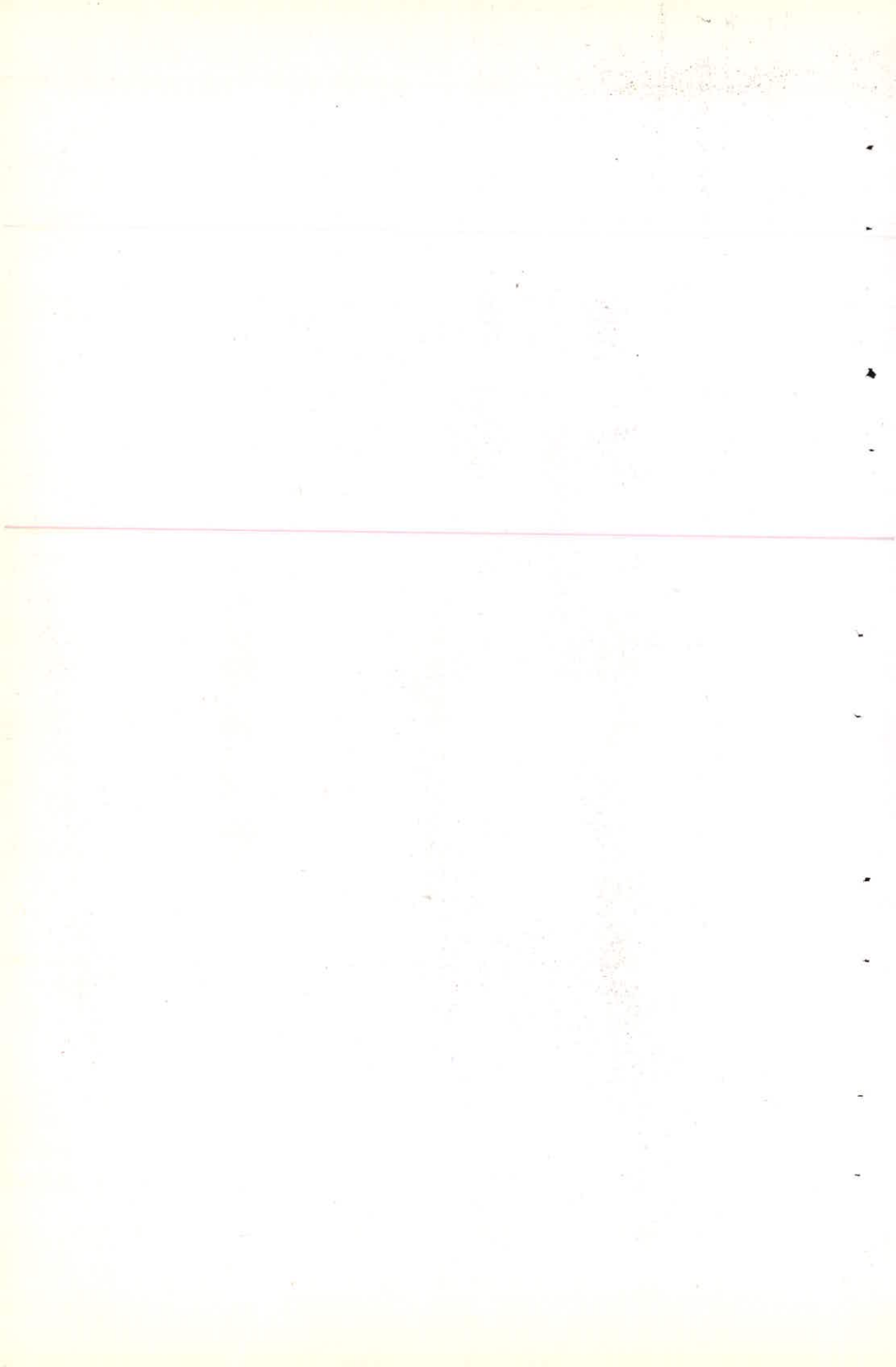
The quantum of assistance provided to different local bodies in the last five years is given below:

| Name of body | | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|--------------------|--|---------------|---------------|---------------|---------------|---------------|
| (Rupees in crores) | | | | | | |
| I | Panchayat Samitis and Zila Parishads | 252.11 | 414.84 | 137.59 | 251.70 | 357.31 |
| II | Educational Institutions(including Universities) | 41.45 | 42.49 | 57.21 | 67.12 | 79.95 |
| III | Co-operative Societies and Co-operative Institutions | 5.01 | 1.33 | 3.46 | 4.36 | 33.22 |
| IV | Other Institutions and Bodies | 136.95 | 87.78 | 300.60 | 88.01 | 272.62 |
| Total | | 435.52 | 546.44 | 498.86 | 411.19 | 743.10 |
| V | Revenue Receipts (Tax revenue and Non-Tax revenue) | 953.59 | 1141.99 | 1255.32 | 1542.79 | 2036.55 |
| VI | Percentage of assistance to Revenue Receipts | 45.67 | 47.85 | 39.73 | 26.65 | 36.48 |
| VII | Revenue Expenditure | 1866.70 | 2539.18 | 2570.72 | 2697.63 | 3479.95 |
| VIII | Percentage of assistance to Revenue Expenditure | 23.33 | 21.52 | 19.41 | 15.24 | 21.35 |

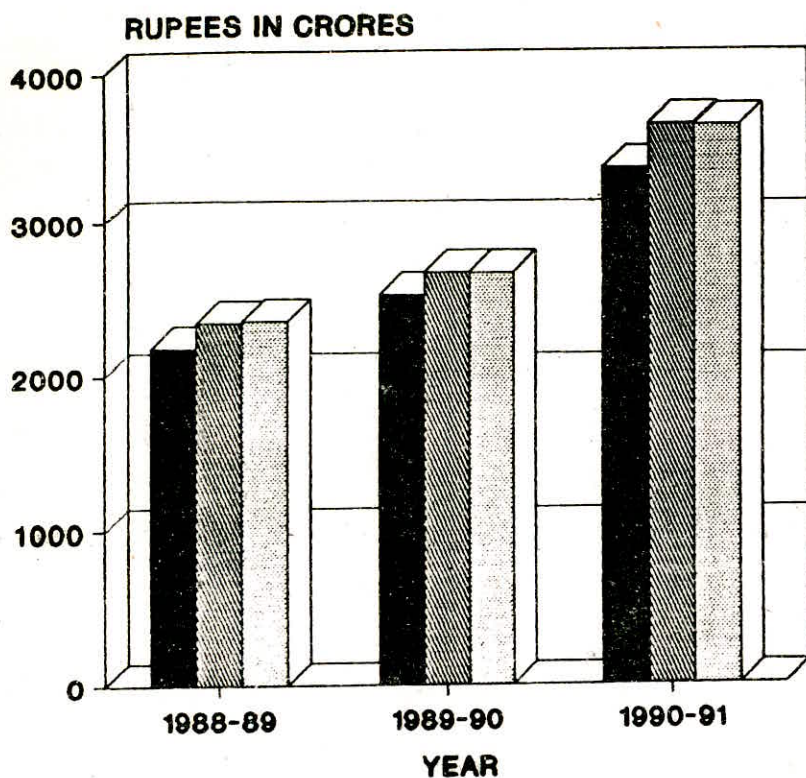
The assistance to local bodies which was in the declining trend since 1987-88 has increased by 9.83 *per cent* of Revenue Receipts (Tax and Non-Tax) during 1990-91 as compared to previous year.

1.9 Interest payments

The quantum of interest payments in the last five years is indicated below :



REVENUE RECEIPTS



Budget Estimates

Revised Estimates

Actuals

| Year | Interest payments | Opening balance of | | | | | Total | Percentage of interest to total |
|--------------------|-------------------|--------------------|---|--|---------------|-------------------|---------|---------------------------------|
| | | Internal Debt | Small Savings, and Provident Funds etc. | Loans and Advances from Central Government | Reserve Funds | Other Obligations | | |
| (Rupees in crores) | | | | | | | | |
| 1986-87 | 254.55 | 545.25 | 419.57 | 2153.00 | 45.00 | 96.61 | 3259.43 | 7.61 |
| 1987-88 | 298.70 | 635.39 | 525.06 | 2342.14 | 50.77 | 110.46 | 3663.82 | 8.15 |
| 1988-89 | 377.04 | 791.50 | 678.52 | 2672.06 | 55.70 | 124.76 | 4322.54 | 8.72 |
| 1989-90 | 437.02 | 979.01 | 851.74 | 3054.04 | 61.47 | 146.53 | 5092.79 | 8.58 |
| 1990-91 | 498.60 | 1083.17 | 1028.51 | 3299.78 | 67.69 | 171.02 | 5650.17 | 8.82 |

1.10 Capital expenditure

The capital expenditure during 1990-91 was Rs. 490.05 crores against Budget Estimates of Rs. 534.88 crores (including supplementary) disclosing a shortfall in expenditure of Rs. 44.83 crores.

The main reasons for shortfall in expenditure are given in Chapter-II of this Report.

1.11 Revenue receipts

The actual revenue receipts during the three years ending 1990-91 are given below:

| Year | Budget Estimates | Revised Estimates | Actuals | |
|--------------------|---------------------|----------------------|---------|---|
| | | | Amount | Percentage growth over the previous year |
| (Rupees in crores) | | | | |
| 1988-89 | 2179.26 | 2340.21 | 2352.18 | 8 |
| 1989-90 | 2523.80 | 2670.13 | 2667.60 | 13 |
| 1990-91 | 3358.98 | 3657.73 | 3647.89 | 37 |

The position of revenue raised by the State and of the State's share of taxes and grants received from the Union Government was as follows :

| | 1988-89 | 1989-90 | 1990-91 |
|--|--------------------|----------------|----------------|
| | (Rupees in crores) | | |
| I Revenue raised by the State Government | | | |
| (a) Tax Revenue | 893.17 | 1072.51 | 1216.50 |
| (b) Non-Tax Revenue | 362.15 | 470.28 | 820.05 |
| Total | 1255.32 | 1542.79 | 2036.55 |
| II Receipts from Union Government | | | |
| (a) State's share of : | | | |
| (i) Income Tax etc. | 124.35 | 186.41 | 199.28 |
| (ii) Union/Excise Duties | 330.58 | 456.58 | 559.59 |
| (b) Grants-in-aid | 641.93 | 481.82 | 852.47 |
| Total | 1096.86 | 1124.81 | 1611.34 |
| III Total receipts of State Government (Revenue Account) | 2352.18 | 2667.60 | 3647.89 |
| IV Percentage of revenue raised to total receipts | 53 | 58 | 56 |

1.12 Tax revenue

The growth of tax revenue mobilised by the State Government in the last five years was as indicated below:

| Year | Tax Revenue | Percentage growth over previous year |
|---------|--------------------|--------------------------------------|
| | (Rupees in crores) | |
| 1986-87 | 655.85 | 16 |
| 1987-88 | 772.46 | 18 |

| Year | Tax Revenue | Percentage growth over previous year |
|---------|--------------------|--------------------------------------|
| | (Rupees in crores) | |
| 1988-89 | 893.17 | 16 |
| 1989-90 | 1072.51 | 20 |
| 1990-91 | 1216.50 | 13 |

While the revenue receipts of the Government increased by 8,13 and 37 *per cent* during 1988-89, 1989-90 and 1990-91 respectively, the tax revenue grew faster at 16 and 20 *per cent* during 1988-89 and 1989-90 but declined to 13 *per cent* during 1990-91 over the respective previous years.

Details of tax revenue raised by the State Government are given below:

| | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| | (Rupees in crores) | | | | |
| 1. Sales Tax | 376.44 (57) | 450.47 (58) | 540.26 (60) | 592.40 (55) | 653.96 (54) |
| 2. State Excise | 100.65 (15) | 127.30 (16) | 140.28 (16) | 219.76 (21) | 260.46 (21) |
| 3. Taxes on Vehicles | 84.22 (13) | 84.29 (11) | 87.88 (10) | 99.21 (9) | 107.50 (9) |
| 4. Stamps and Registration Fee | 30.06 (5) | 39.94 (5) | 45.04 (5) | 68.38 (6) | 83.47 (7) |
| 5. Land Revenue | 20.02 (3) | 22.63 (3) | 28.48 (3) | 36.96 (4) | 36.33 (3) |
| 6. Taxes and Duties on Electricity | 25.61 (4) | 28.04 (4) | 25.29 (3) | 34.08 (3) | 53.56 (4) |
| 7. Other Taxes | 18.85 (3) | 19.79 (3) | 25.94 (3) | 21.72 (2) | 21.22 (2) |
| Total | 655.85 (100) | 772.46 (100) | 893.17 (100) | 1072.51 (100) | 1216.50 (100) |

Percentage share of individual taxes of the total is given in brackets.

1.13 Non-tax revenue

The growth of non-tax revenue in the last five years is indicated below:

| Year | Non-tax revenue | Percentage growth(+)/ shortfall (-) over the previous year |
|---------|--------------------|--|
| | (Rupees in crores) | |
| 1986-87 | 297.74 | (-) 0.84 |
| 1987-88 | 369.53 | (+)24.11 |
| 1988-89 | 362.15 | (-) 2.00 |
| 1989-90 | 470.28 | (+)29.86 |
| 1990-91 | 820.05 | (+)74.37 |

It will be seen that the growth of non-tax revenue had not been steady during the period 1986-87 to 1990-91. The increase of Rs. 349.77 crores during the year 1990-91 over the previous year was mainly on account of writing off of drought loan assistance (Rs.324.35 crores) by credit to revenue receipts under the head "Miscellaneous General Services" as recommended by Ninth Finance Commission.

1.14 State's share of Union taxes and grants received from Union Government

The aggregate of State's share of Income Tax and Union Excise Duties and Grants-in-aid from Union Government during the year 1990-91 was Rs. 1611.34 crores representing 44 *per cent* of the total revenue receipts of the State Government. Year-wise details for the period 1986-87 to 1990-91 are given below:

| Year | State's share | Grants | Total | Percentage of Revenue Receipts |
|--------------------|---------------|--------|---------|--------------------------------|
| (Rupees in crores) | | | | |
| 1986-87 | 367.89 | 483.94 | 851.83 | 47 |
| 1987-88 | 410.33 | 630.76 | 1041.09 | 48 |
| 1988-89 | 454.93 | 641.93 | 1096.86 | 47 |
| 1989-90 | 642.99 | 481.82 | 1124.81 | 42 |
| 1990-91 | 758.87 | 852.47 | 1611.34 | 44 |

1.15 Arrears of revenue

The position of arrears of revenue as intimated by some of the Departments from whom information was received against total revenue raised by the State Government during the period 1986-87 to 1990-91 is given below. This does not reflect the total arrears as particulars from the remaining Departments were not made available.

| Year | Revenue collected | Arrears of Revenue Number of Departments in brackets |
|--------------------|-------------------|---|
| (Rupees in crores) | | |
| 1986-87 | 953.59 | 142.35 (13) |
| 1987-88 | 1141.99 | 161.78 (11) |
| 1988-89 | 1255.32 | 176.88 (11) |
| 1989-90 | 1542.79 | 203.61 (9) |
| 1990-91 | 2036.55 | 200.59 (10) |

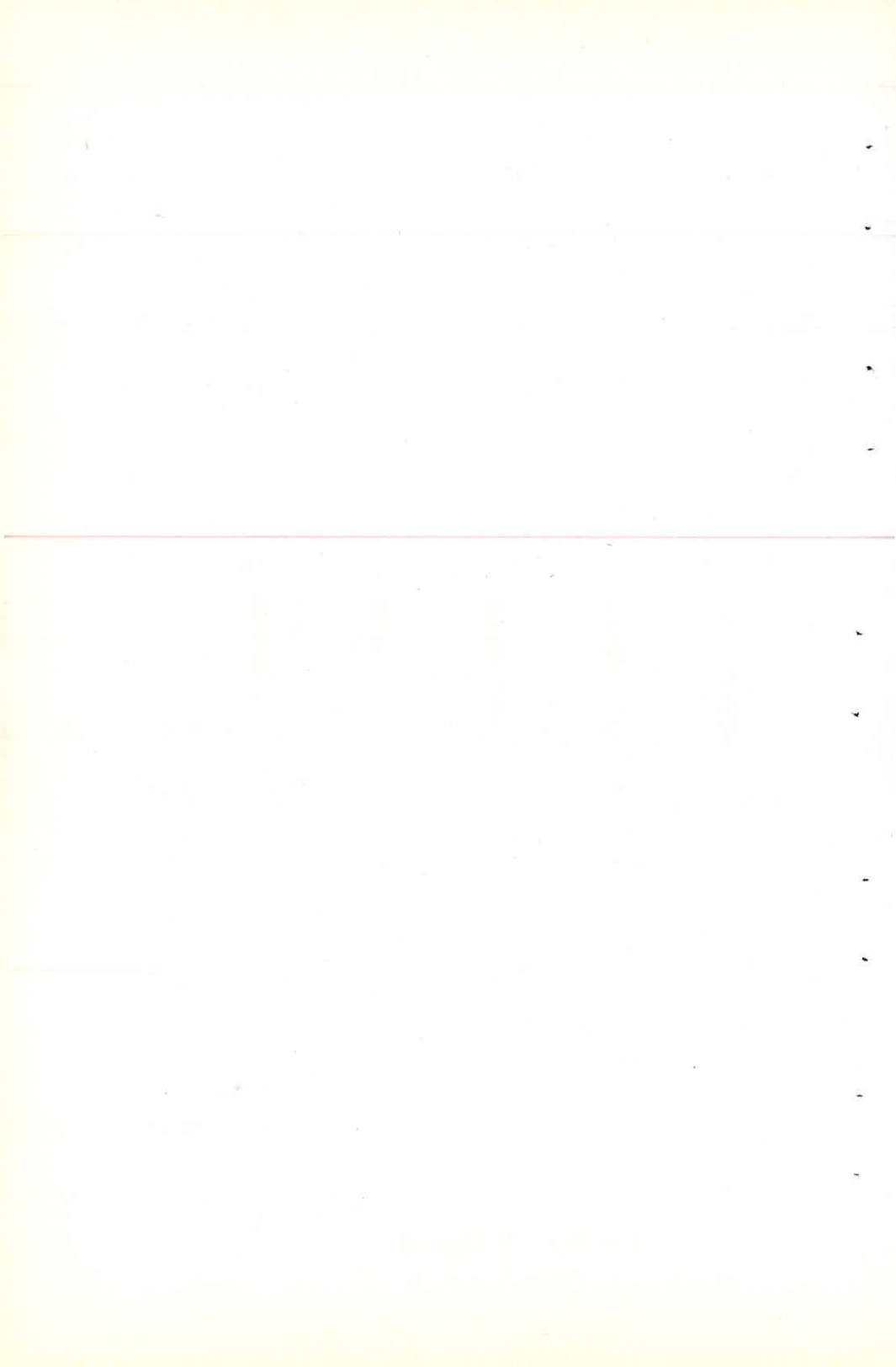
1.16 Investments and returns

In 1990-91, the Government invested a net amount of Rs. 68.22 crores as Share Capital in Statutory Corporations (Rs. 15.83 crores), Government Companies and Joint Stock Companies (Rs. 37.83 crores) and Co-operative Banks and Societies (Rs. 14.56 crores). Investments of the Government in shares and debentures of different concerns at the end of 1988-89, 1989-90 and 1990-91 were Rs. 308.79 crores, Rs. 354.94 crores and Rs. 423.16 crores respectively. Dividends and interests received were Rs. 3.37 crores, Rs. 2.87 crores and Rs. 2.75 crores which worked out to 1.09 *per cent*, 0.81 *per cent* and 0.65 *per cent* of the investment in the respective year against the average rate of interest of 11.33 *per cent* for Government borrowings during this period. The accumulated loss of 31 concerns in which Government investment as on 31 March 1991 was Rs. 152.99 crores, as disclosed in the accounts rendered by them for various years from 1982-83 to 1990-91, was Rs. 154.83 crores. Nine companies with Government investment of Rs.0.23 crore were under liquidation.

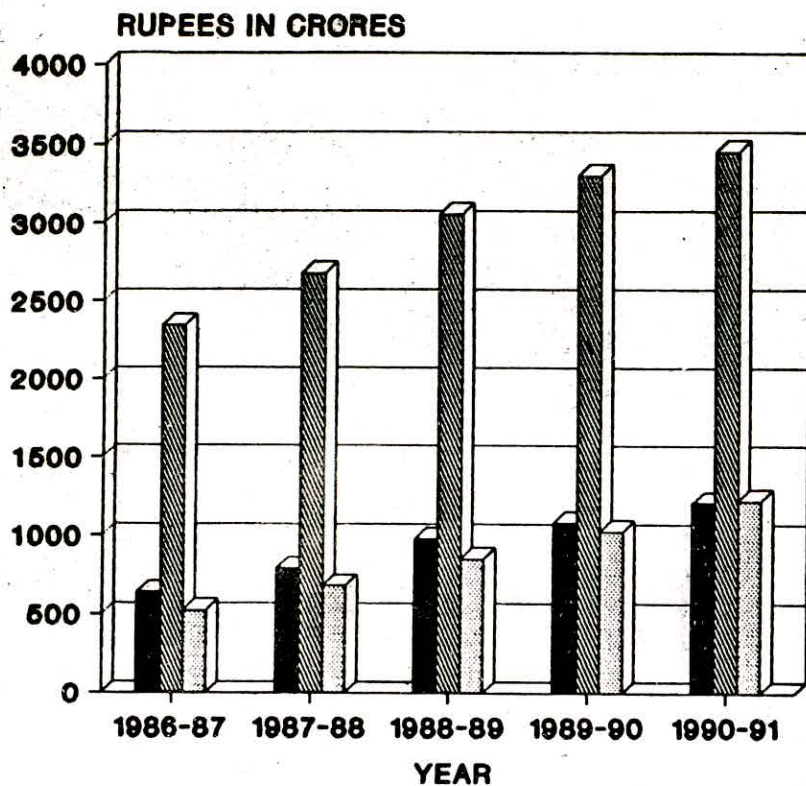
1.17 Public debt

Under Article 293(1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Act of the Legislature of the State. No law has been passed by the Rajasthan Legislature laying down such a limit.

The details of total liabilities of the State Government during five years ending March 1991 are given below:



PUBLIC DEBT



Internal Debt

Loans & Advances

Others

| Year | Internal Debt of the State Govern- ment | Loans and Advances from the Union Govern- ment | Total Public Debt | Other Liabilities | Total Liabilities |
|--------------------|---|---|-------------------------|----------------------|----------------------|
| (Rupees in crores) | | | | | |
| 1986-87 | 635.39 | 2342.14 | 2977.53 | 525.06 | 3502.59 |
| 1987-88 | 791.50 | 2672.06 | 3463.56 | 678.52 | 4142.08 |
| 1988-89 | 979.01 | 3054.04 | 4033.05 | 851.74 | 4884.79 |
| 1989-90 | 1083.17 | 3299.78 | 4382.95 | 1028.51 | 5411.46 |
| 1990-91 | 1209.24 | 3452.61 | 4661.85 | 1226.57 | 5888.42 |

1.18 Debt service

The annual debt service obligation during 1990-91 according to schedule of repayment of principal and payment of interest was Rs.1093.19 crores. The actual discharge was Rs. 952.70 crores (Rs. 1386.17 crores during 1989-90).

State Government had not made any amortisation arrangements for open market loans, bonds and loans from the Union Government.

The outflow of funds for payment of interest ranged between 11.76 and 16.20 *per cent* of the revenue expenditure during the period.

| Year | Revenue expenditure | Interest payment | Interest payment as a percentage of revenue expenditure |
|--------------------|------------------------|---------------------|---|
| (Rupees in crores) | | | |
| 1986-87 | 1866.70 | 254.55 | 13.64 |
| 1987-88 | 2539.18 | 298.70 | 11.76 |
| 1988-89 | 2570.72 | 377.04 | 14.67 |
| 1989-90 | 2697.63 | 437.02 | 16.20 |
| 1990-91 | 3479.95 | 498.60 | 14.33 |

The repayment of the Union Government loans and payment of interest thereon by the State Government during the last five years was as follows :

| Year | Repayments | | | Loans received during the year | Percentage of repayments to loans received |
|---------|--------------------|----------|--------|--------------------------------|--|
| | Principal | Interest | Total | | |
| | (Rupees in crores) | | | | |
| 1986-87 | 218.00 | 148.29 | 366.29 | 407.14 | 90 |
| 1987-88 | 223.79 | 168.94 | 392.73 | 553.71 | 71 |
| 1988-89 | 251.44 | 205.84 | 457.28 | 633.42 | 72 |
| 1989-90 | 230.44 | 226.72 | 457.16 | 476.18 | 96 |
| 1990-91 | 473.88 | 249.08 | 722.96 | 626.71 | 115 |

The repayment of loans and payment of interest thereon to Union Government constituted 71 to 115 *per cent* of the loans received from the Union Government during 1986-91.

1.19 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily cash balance of Rs. 60 lakhs. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ways and means advances / overdraft from the Bank.

The extent to which the Government maintained the minimum balance with the Bank during the period 1986-87 to 1990-91 is given below:

| | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|---|---------|---------|---------|---------|---------|
| i) Number of days on which minimum balance was maintained | | | | | |
| (a) Without obtaining any advance | 343 | 222 | 85 | 85 | 333 |
| (b) By obtaining ways and means advances | 22 | 107 | 182 | 238 | 26 |
| ii) Number of days on which overdraft was taken | - | 37 | 98 | 42 | 6 |

The position of ways and means advances and overdraft taken by the State Government and interest paid thereon during 1986-87 to 1990-91 is detailed below :

| | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|---|---------|---------|---------|---------|---------|
| (Rupees in crores) | | | | | |
| Ways and Means Advances | | | | | |
| i) Advances taken during the year | 43.60 | 269.77 | 552.60 | 472.65 | 53.59 |
| ii) Advances outstanding at the end of the year | - | 33.60 | 33.60 | 33.60 | - |
| iii) Interest paid | 0.05 | 0.48 | 1.70 | 1.24 | 0.20 |
| Overdraft | | | | | |
| i) Overdraft taken during the year | - | 228.87 | 660.20 | 281.17 | 21.76 |
| ii) Overdraft outstanding at the end of year | - | 17.16 | 58.58 | 6.67 | - |
| iii) Interest paid | - | 0.10 | 0.83 | 0.36 | 0.02 |

1.20 Loans and advances by State Government

The State Government have been advancing loans to Government companies, corporations, autonomous bodies, co-operatives, non-Government institutions etc. for developmental and non-developmental activities. The position of such loans for the five years 1986-87 to 1990-91 is given below:

| | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|---------------------------------|---------|---------|---------|---------|---------|
| (Rupees in crores) | | | | | |
| Opening balance | 915.83 | 1030.20 | 1177.25 | 1266.17 | 1376.74 |
| Amount advanced during the year | 151.18 | 190.81 | 136.19 | 166.36 | 275.48 |
| Amount repaid during the year | 36.81 | 43.76 | 47.27 | 55.79 | 52.77 |
| Closing balance | 1030.20 | 1177.25 | 1266.17 | 1376.74 | 1599.45 |

| | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
|---|--------------------|---------|---------|---------|---------|
| | (Rupees in crores) | | | | |
| Net addition | 114.37 | 147.05 | 88.92 | 110.57 | 222.71 |
| Interest received and credited to revenue | 10.62 | 4.05 | 7.09 | 29.63 | 8.97 |

The net loans and advances disbursed during 1986-87, 1987-88, 1988-89, 1989-90 and 1990-91 constituted 40.95, 30.26, 15.61, 31.60 and 79.85 *per cent* respectively of net receipts from long-term borrowings of the State Government.

Recovery of loans

Out of loans advanced to various bodies other than the Rajasthan State Electricity Board (RSEB) the detailed accounts of which are kept in the office of the Accountant General (Accounts and Entitlement), recovery of Rs. 14.26 crores (principal : Rs. 3.65 crores and interest : Rs. 10.61 crores) was in arrears as on 31 March 1991. In the case of Rajasthan State Electricity Board, loans totalling Rs. 1269.92 crores were outstanding at the end of March 1991 and the amount of interest due for recovery was Rs. 527.05 crores. In the absence of detailed terms and conditions for repayment of these loans in the Government sanctions, the amount of principal overdue for recovery could not be worked out.

In respect of loans the detailed accounts of which were maintained by the Departmental Officers, the Controlling Officers were required to furnish to the Accountant General (Accounts and Entitlement) a statement showing details of arrears in recovery of loan instalments and interest by June every year. Against 194 statements due for 1990-91, only 39 statements were received by September 1991. According to these statements, total amount overdue for recovery against loan advanced as on 31 March 1991 was Rs. 19.85 crores including

Rs. 1.61 crores on account of interest. The major part of the arrears related to loans for "Village and Small Industries" (Rs. 4.95 crores), "Consumer Industries" (Rs. 7.29 crores) and "Other Industries and Minerals" (Rs. 6.20 crores).

The Agriculture, Co-operative, Rural Development and Panchayati Raj and Tribal Area Development Departments were the main defaulters in furnishing the statements of overdue loans.

1.21 Guarantees given by the Government

The position of contingent liability for guarantees given by the State Government for repayment of loans and payment of interest thereon by the Statutory Corporations, Companies and Co-operatives etc. was as follows :

| As on 31 March | Maximum amount guaranteed (Principal only) | Amount outstanding | |
|--------------------|--|--------------------|----------|
| | | Principal | Interest |
| (Rupees in crores) | | | |
| 1987 | 1452.68 | 712.40 | 5.44 |
| 1988 | 2608.47 | 1612.39 | 8.55 |
| 1989 | 2971.29 | 1282.70 | 11.78 |
| 1990 | 2449.39 | 1789.54 | 31.41 |
| 1991 | 3341.55 | 2188.42 | 37.27 |

The amount of outstanding guarantees increased three-fold in a period of five years.

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the maximum limits

for the Government for giving guarantees on the security of the Consolidated Fund of the State.

An amount of Rs. 5.05 crores was received as guarantee commission during 1990-91.

CHAPTER - II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

2.1.1 The summarised position of actual expenditure during 1990-91 against grants / appropriations is as follows :

| | Original grant/appro- piation | Supplementary grant/ appropriation | Total | Actual expenditure | Variation saving(-) excess(+) |
|---------------------------|-------------------------------------|--|---------|-----------------------|-------------------------------------|
| (In crores of rupees) | | | | | |
| I- REVENUE | | | | | |
| Voted | 3221.13 | 173.40 | 3394.53 | 3162.00 | (-)232.53 |
| Charged | 546.75 | 1.13 | 547.88 | 504.27 | (-)43.61 |
| II- CAPITAL | | | | | |
| Voted | 706.10 | 18.06 | 724.16 | 647.11 | (-)77.05 |
| Charged | 0.03 | 0.08 | 0.11 | 0.11 | |
| III- PUBLIC DEBT | | | | | |
| Charged | 691.96 | 0.07 | 692.03 | 597.85 | (-)94.18 |
| IV- LOANS AND ADVANCES | | | | | |
| Voted | 209.76 | 77.22 | 286.98 | 275.48 | (-)11.50 |
| GRAND TOTAL | 5375.73 | 269.96 | 5645.69 | 5186.82 | (-)458.87 |

2.2 Results of Appropriation Audit

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

2.2.1 Supplementary provision

Supplementary provision obtained during the year constituted 5.02 *per cent* of the original budget provision against 16.62 *per cent* in the preceding year.

2.2.2 Unnecessary/excessive/inadequate supplementary provision

In 18 grants / appropriations, final saving was more than the supplementary provisions obtained on 27 March 1991. In these cases, the supplementary provisions aggregating Rs. 25.38 crores (for Rs. 1 lakh or more in each case) were wholly unnecessary. In 18 grants, out of the supplementary provisions aggregating Rs. 189.29 crores obtained on 27 March 1991, the actual utilisation was only Rs. 127.33 crores resulting in saving of more than Rs. 10 lakhs in each case. In 5 grants, though supplementary provisions totalling Rs. 53.94 crores were obtained on 27 March 1991, the provision proved insufficient by more than Rs. 0.48 crore in each case leaving an aggregate uncovered excess expenditure of Rs. 15.28 crores.

2.2.3 Saving from/ excess over provision

The overall saving of Rs. 458.87 crores was the result of saving of Rs. 474.22 crores in 108 cases relating to 54 grants/appropriations partly offset by overall excess of Rs. 15.35 crores. The excess of Rs. 15,34,80,067 in 12 cases relating to 11 grants / appropriations requires regularisation under Article 205 of the Constitution of India as detailed in *Appendix 2*. In Grant No. 27-Drinking Water Scheme, Revenue-Voted, excess over approved provision was Rs. 8.77 crores but no reasons were intimated by the State Government. Moreover, there has been persistent excess under this grant since 1987-88.

2.2.4 Unutilised provision

In the following grants / appropriations, expenditure fell short by more than Rs. 1 crore and also by more than 10 *per cent* of the total provision :

| Description of the grant/ appropriation | Amount of saving (percentage of provision in brackets) | Reasons for savings |
|--|--|---|
| (Rupees in crores) | | |
| Public Debt (Capital-Charged) | 94.18 (13.61) | Saving was attributed mainly to lower amount of overdraft availed of from the Reserve Bank of India than estimated. |
| 1- State Legislature (Revenue-Voted) | 1.73 (35.23) | Saving was attributed mainly to (i) reduction in availing of free travel facilities by ex-members of Legislative Assembly than estimated, (ii) non-drawal of pay and allowances of some members of Legislative Assembly under this grant on their becoming Ministers and (iii) non-adjustment of railway coupons. |
| 3- Secretariat (Revenue-Voted) | 1.89 (11.33) | Saving was attributed mainly to (i) some posts remaining vacant and (ii) less expenditure on light, water and postage charges. |
| 9- Forest (Revenue-Voted) | 8.25 (15.75) | Saving was attributed mainly to (i) less release of amounts by the Government of India for maintenance of forest areas, Tiger Projects of Siraska and Ranthambhore and Silvi Pastoral Farm Programme and (ii) less expenditure on rates, rents and royalties. Besides, entire provision meant for World Food Programme Project No. 2773 (Rs. 2.07 crores) and Afforestation Programme in Desert Area (Rs. 1.37 crores) was also not utilised, reasons for which have not been intimated (April 1992). |
| 13- Excise (Revenue-Voted) | 2.93 (12.25) | Saving was attributed mainly to less consumption of country-made liquor. |

| Description of the grant/ appropriation | Amount of saving (percentage of provision in brackets) | Reasons for savings |
|--|--|--|
| (Rupees in crores) | | |
| 19- Public Works (Capital-Voted) | 14.63 (32.96) | Saving was attributed mainly to slow progress / non-execution of works. |
| 20- Housing (Capital-Voted) | 3.50 (31.39) | While a part of saving was attributed mainly to slow progress of works and less distribution of loans under Low Income Group Housing Scheme, reasons for non-utilisation of provision meant for construction of General Residential Buildings under Police Housing through Rajasthan Housing Board (Rs. 2.07 crores) have not been intimated (April 1992). |
| 21- Roads and Bridges (Revenue-Voted) | 34.93 (25.78) | Saving was attributed mainly to less release of amounts by the Government of India for construction of roads financed from the Central Road Fund, and (ii) less adjustment of <i>pro-rata</i> charges due to less works outlay. |
| 21- Roads and Bridges (Capital-Voted) | 12.71 (25.39) | Saving was attributed mainly to (i) slow progress of works and (ii) less release of amounts by the Government of India for construction of roads of inter-State importance. |
| 22- Area Development (Revenue-Voted) | 7.79 (23.82) | Saving was attributed mainly to less release of amounts by the Government of India for Industrial Training Centre (Rs. 0.37 crore) and to Panchayat Samitis for primary schools (Rs. 1.33 crores). Reasons for remaining saving have not been intimated (April 1992). |

| Description of the grant/ appropriation | Amount of saving (percentage of provision in brackets) | Reasons for savings |
|--|--|--|
| (Rupees in crores) | | |
| 23- Labour and Employment (Revenue-Voted) | 5.85 (24.14) | Saving was attributed mainly to less release of amounts by the Government of India for <i>Nehru Rojgar Yojana</i> , Quality Improvement Programme and construction of buildings for <i>bidi</i> labourers. |
| 24- Education, Art and Culture (Capital-Voted) | 2.10 (15.22) | Saving was attributed mainly to transfer of provision to other grant. |
| 34- Relief from Natural Calamities (Revenue-Voted) | 81.80 (32.98) | Saving was attributed mainly to less expenditure on Relief works. |
| 37- Agriculture (Capital-Voted) | 3.05 (20.66) | Saving was attributed mainly to less release of loans to Rajasthan State Agro-Industries Corporation, Limited than anticipated. |
| 38- Minor Irrigation and Soil Conservation (Capital-Voted) | 1.07 (44.96) | Saving was attributed mainly to (i) less release of amounts by the Government of India for purchase of machinery, and (ii) non-release of loans to Rajasthan Land Development Corporation. |
| 45- Loans to Government Servants (Capital-Voted) | 4.57 (14.50) | Saving was attributed mainly to less demand for advance for purchase of foodgrains by the employees. |
| 46- Irrigation (Capital-Voted) | 33.87 (11.59) | Saving was attributed mainly to (i) less adjustment of stock accounts, (ii) slow progress of works and (iii) reduction in Plan ceiling. |
| 47- Tourism (Capital-Voted) | 1.03 (29.01) | Saving was attributed mainly to less release of amounts by the Government of India for Development of Tourist Centres. |

| Description of the grant/ appropriation | Amount of saving (percentage of provision in brackets) | Reasons for savings |
|--|--|---|
| (Rupees in crores) | | |
| 48- Power (Revenue-Voted) | 10.00 (86.21) | Saving was attributed to non-sanction of grants to the Rajasthan State Electricity Board to compensate losses sustained in Rural Electrification. |

2.2.5 Persistent savings

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

| S.No. | Number and name of grant | Percentage of savings | | |
|-------------------------|---|-----------------------|---------|---------|
| | | 1988-89 | 1989-90 | 1990-91 |
| Revenue Section (Voted) | | | | |
| 1. | 10-Miscellaneous General Services | 28 | 28 | 30 |
| 2. | 22-Area Development | 19 | 19 | 24 |
| 3. | 40-State Enterprises | 25 | 14 | 11 |
| Capital Section (Voted) | | | | |
| 4. | 20-Housing | 21 | 23 | 31 |
| 5. | 24-Education, Art and Culture | 70 | 92 | 15 |
| 6. | 37-Agriculture | 90 | 82 | 21 |
| 7. | 38-Minor Irrigation and Soil Conservation | 43 | 75 | 45 |
| 8. | 44-Printing and Stationery | 100 | 100 | 96 |

2.2.6 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a particular section of a grant, from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Before withdrawal of funds from a head it is to be ensured that there is a definite or reasonable chance of saving under the head and that before additional funds are provided under a head, it is to be ensured that there is likelihood of increased expenditure under the head. Details of 8 cases where withdrawal of funds / additional provisions proved excessive by over Rs. 25 lakhs in each case are mentioned in *Appendix 3*.

2.2.7 Surrender of savings

(a) All anticipated savings should be surrendered as soon as the possibility of savings is envisaged. The surrender of Rs. 422.05 crores was, however, made on the last date (30 March 1991) of the financial year in all cases.

(b) In the following grants/appropriations savings exceeding Rs. 1 crore in each case were not surrendered:

| S. No. | Number and name of grant | Total grant | Saving | Unsurrendered saving and its percentage to total saving (in brackets) |
|--------------------------|--------------------------|-------------|--------|---|
| (In crores of rupees) | | | | |
| REVENUE SECTION(CHARGED) | | | | |
| 1. | Interest payments | 541.67 | 43.07 | 11.77 (27.33) |
| REVENUE SECTION(VOTED) | | | | |
| 2. | 9-Forest | 52.39 | 8.25 | 4.51 (54.67) |
| 3. | 16-Police | 174.89 | 5.81 | 1.69 (29.09) |

| S. No. | Number and name of grant | Total grant | Saving | Unsurrendered saving and its percentage to total saving (in brackets) |
|--------------------------------|---------------------------------|-------------|--------|---|
| (In crores of rupees) | | | | |
| 4. | 21-Roads and Bridges | 135.49 | 34.93 | 12.17 (34.84) |
| 5. | 22-Area Development | 32.70 | 7.79 | 2.04 (26.19) |
| 6. | 23-Labour and Employment | 24.23 | 5.85 | 1.54 (26.32) |
| 7. | 24-Education, Art and Culture | 815.35 | 35.50 | 9.05 (25.49) |
| CAPITAL SECTION (VOTED) | | | | |
| 8. | 20-Housing | 11.15 | 3.50 | 2.13 (60.86) |
| 9. | 21-Roads and Bridges | 50.05 | 12.71 | 4.90 (38.55) |
| 10. | 24-Education, Art and Culture | 13.80 | 2.10 | 1.13 (53.81) |
| 11. | 45-Loans to Government Servants | 31.52 | 4.57 | 4.36 (95.40) |
| 12. | 46-Irrigation | 292.35 | 33.87 | 1.77 (5.23) |

(c) Under grant No.27- Drinking Water Scheme (Capital-Voted) surrender of Rs. 9.15 crores was made against actual saving of Rs. 1.75 crores.

(d) Surrender of funds exceeding Rs. 20 lakhs in each case was made on 30 March 1991 in the following grants which eventually ended in excess indicating injudicious estimation of saving and surrender of funds:

| S.No. | Number and name of grant | Total grant | Actual expenditure | Excess | Surrender made on 30 March 1991 |
|------------------------|--------------------------|-------------|-----------------------|--------|---------------------------------|
| REVENUE SECTION(VOTED) | | | (In crores of rupees) | | |
| 1. | 27-Drinking Water Scheme | 167.23 | 176.00 | 8.77 | 0.21 |
| 2. | 37-Agriculture | 65.08 | 65.56 | 0.48 | 1.36 |
| 3. | 46-Irrigation | 189.86 | 192.13 | 2.27 | 0.77 |

2.2.8 Expenditure without provision

No expenditure should be incurred on a scheme/service without provision therefor. However, it was noticed that expenditure was incurred in the following cases though no provision had been made either in the budget or in the supplementary demand/re-appropriation:

| Grant No. | Head of account | Expenditure |
|-----------------------|--|-------------|
| (In crores of rupees) | | |
| 46 | 4701.01.103(iv)2 (Extension of Beas Transmission Line Project) | 2.58 |
| 46 | 4701.01.103(v) 1 (Advance to Beas Construction Board) | 2.51 |

Reasons for incurring expenditure without provision of funds have not been intimated by the Government in both the cases (April 1992).

2.2.9 Shortfall/excess in recoveries

Under the system of gross budgeting followed by the Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all receipts and recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated recoveries and receipts are shown separately in the budget estimates. During 1990-91 such receipts and recoveries were estimated at Rs. 494.36 crores (Revenue : Rs. 304.97 crores; Capital : Rs. 189.39 crores). Actual receipts and recoveries during the year were Rs. 343.50 crores (Revenue : Rs. 186.33 crores; Capital : Rs. 157.17 crores). A few significant cases of variation from anticipated recoveries / receipts are detailed below:

| S. No. | Number and name of grant | Amount of excess(+)/shortfall(-) | Reasons |
|-----------------------|------------------------------------|----------------------------------|---|
| (In crores of rupees) | | | |
| 1. | 19-Public Works (Revenue) | (-)9.61 | Shortfall was mainly due to less recoveries on account of issue of stock materials for works than anticipated. |
| 2. | 21-Roads and Bridges (Revenue) | (-)14.95 | Shortfall was due to less amount of subvention from Central Road Fund received from the Government of India than anticipated. |
| 3. | 27-Drinking Water Scheme (Revenue) | (+)2.34 | Excess was mainly due to more issue of stock materials to works than anticipated. |

| S. No. | Number and name of grant | Amount of excess(+)/shortfall(-) | Reasons |
|-----------------------|---|----------------------------------|--|
| (In crores of rupees) | | | |
| 4. | 34-Relief from Natural Calamities (Revenue) | (-)81.80 | Shortfall was mainly due to less recoveries from Famine Relief Works than anticipated. |
| 5. | 46-Irrigation 1-(Revenue) 2-(Capital) | (-)12.14 (-)31.63 | Shortfall was mainly due to less adjustment of stock materials. |

2.3 Non-receipt of explanations for savings/ excesses

After the close of each financial year, the detailed appropriation accounts showing the final grants / appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain significant variations under the heads for inclusion in the Appropriation Accounts. Out of 328 heads, explanations for variations were not received (April 1992) in 133 heads (41 per cent).

2.4 Reconciliation of departmental figures

In order to exercise effective control over expenditure, all departmental officers are required monthly to reconcile their respective departmental expenditure with those booked in the accounts by the Accountant General (Accounts and Entitlement). This enables the departmental officers to detect in early stages frauds and defalcations, if any.

The reconciliation was heavily in arrears in respect of certain Departments. During 1990-91, reconciliation was not done at all by 117 (out of 439) controlling officers; only partial reconciliation (3 to 11 months against 12 months) was done by 37 controlling officers.

CHAPTER-III

CIVIL DEPARTMENTS

FINANCE DEPARTMENT

3.1 Excess payment to State pensioners through Public Sector Banks

The Government of Rajasthan, after consultation with the Government of India and Reserve Bank of India, introduced a system of payment of pension to State pensioners through six Public Sector Banks with effect from 1 July 1977. The Treasury Officers were made responsible for checking the correctness of the payments made by the banks with reference to the records maintained by them before incorporating the transactions in their accounts. These instructions were reiterated by the Director, Treasury and Accounts, Rajasthan, in March 1980, August 1985 and September 1987. Treasury Officers were required to maintain a register in prescribed proforma for keeping a comprehensive record of pension payments made by the bank to each pensioner. In token of having applied the required checks, each entry of monthly payments in the register was to be attested by the Assistant Treasury Officer.

Mention was made in paragraph 3.9 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) about the excess payment of pension to State pensioners through Public Sector Banks because of non-observance of the provisions of the scheme. During test-check of the records of pension payments made by six banks conducted between April 1986 and July 1991, it was noticed that irregularities continued

and excess payments were made to pensioners in 332 cases aggregating Rs. 6.64 lakhs as detailed below:

| S. No. | Particulars | Number of cases | Excess payment (Rupees in lakhs) |
|----------------|--|-----------------|----------------------------------|
| 1. | Pension not reduced to lower rate after commutation | 61 | 1.37 |
| 2. | Family pension not reduced to lower rate after expiry of period specified in the pension payment order | 178 | 3.35 |
| 3. | Temporary increase in pension wrongly paid at rates higher than those admissible | 31 | 0.42 |
| 4. | Temporary increase in pension wrongly paid to re-employed pensioners, not entitled to it | 21 | 0.96 |
| 5. | Pension and relief wrongly paid at higher rates than admissible | 28 | 0.43 |
| 6. | Benefit of Supreme Court's decision wrongly given | 13 | 0.11 |
| Total : | | 332 | 6.64 |

It is interesting to note that these overpayments were not pointed out by any Treasury Officer responsible for doing so.

The matter was reported to Government in August 1991; their reply had not been received (March 1992).

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.2 Infructuous expenditure on hiring of buildings

For the enforcement of Consumer Protection Act, 1986, Government of Rajasthan constituted District Forums at Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur in September 1987. For providing office accommodation to the District Forum, the Food and Civil Supplies Department hired buildings at Udaipur and Kota in December 1988 and February 1989 at a monthly rent of Rs. 2828 and Rs. 2140 respectively. However, as against the sanctioned strength of 7 officials for each Forum, only one official at Udaipur and two at Kota were provided and the Forum offices were accommodated in the office premises of the respective District and Sessions Judge who is the Chairman of the Forum. The hired buildings thus remained unutilised till these were vacated in June 1990 (Kota) and January 1991 (Udaipur), which resulted in infructuous expenditure of Rs. 1.02 lakhs on payment of rent (Udaipur : Rs. 0.70 lakh; Kota : Rs. 0.32 lakh).

The matter was reported to Government in July 1991; their final reply had not been received (March 1992).

GROUND WATER DEPARTMENT

3.3 Working of Ground Water Department

3.3.1 Introduction

Ground Water Department (GWD) was created as a Government Department in February 1973 when its precursor, Rajasthan Ground Water Board (an autonomous body) was closed down. The Department's main functions are : survey,

research and investigation of ground water resources in the State and their exploration by drilling of tubewells, boring in existing open dug wells to augment their yield, and deepening of wells by rock drilling or blasting. The Department also undertakes these works for private parties, other Departments and autonomous bodies on payment of prescribed charges.

3.3.2 Organisational set-up

The Department is headed by a Chief Engineer (CE) and has two wings: (i) Survey and Research (S&R) and (ii) Engineering. Each wing is divided into three circles, each headed by a Superintending Hydrogeologist or a Superintending Engineer and eight survey and eight engineering Divisions, each headed by a Senior Hydrogeologist and an Executive Engineer respectively.

3.3.3 Audit coverage

Working of the GWD was earlier commented upon in paragraph 7.3 of the Audit Report (Civil) of the Comptroller and Auditor General of India for the year 1975-76. Recommendations of the Public Accounts Committee made in paragraph 8 of the seventh report for the year 1982-83 emphasised the need for -

(i) fixing of standard time limit for conducting major repairs/overhauling of machines;

(ii) fixing of standard labour hours and targets of works to be done in workshop; and

(iii) evolving a system of job costing in central workshop.

These recommendations were not implemented.

A further review of the working of the Department from 1985-86 to 1990-91 was undertaken during May to September 1990 and again from June to August 1991. Records were test checked in the Offices of the CE, three S&R Divisions at Ajmer, Alwar and Bikaner, three Engineering Divisions at Jaipur,

Jodhpur and Kota, Central Workshop Division and Central Stores Division at Jodhpur. Important points noticed are mentioned in the following paragraphs.

3.3.4 Highlights

- Recommendations of Public Accounts Committee made in 1982-83 regarding standardization of time for repairs/overhauls, labour hours and evolving a system of job costing in central workshop were not acted upon.

(Paragraph 3.3.3)

- There was progressive decline in revenue receipts of the Department. Targets of revenue receipts were not related to available capacity after 1989-90.

(Paragraph 3.3.5)

- There was wasteful expenditure of Rs.158 lakhs on incomplete hydrogeological investigations.

(Paragraph 3.3.6 (i))

- Pumping tests of successful boreholes were delayed leading to wasteful expenditure.

(Paragraph 3.3.6 (ii))

- Infertuous expenditure over Rs 43 lakhs was incurred on unsuccessful boreholes.

(Paragraph 3.3.6 (iii))

- Over exploitation of ground water potential in many areas resulted in increase in the number of blocks falling under the dark zone (area with very low water potential).

(Paragraph 3.3.6 (iv))

- Electric logger costing Rs. 5.13 lakhs purchased in August 1980 was never used.

(Paragraph 3.3.6 (v))

- There was an increasing trend in idling of rigs in engineering wing.

(Paragraph 3.3.7 (i))

- Idle machine days to total working days ranged from 33 *per cent* (1985-86) to 47 *per cent* (1990-91) in case of rigs, and from 42 *per cent* (1989-90) to 67 *per cent* (1990-91) in case of blasting units in test checked Divisions.

(Paragraph 3.3.7 (i))

- There was avoidable wastage of Rs. 12 lakhs and blocking of funds of over Rs. 120 lakhs in exploitation programme.

(Paragraph 3.3.7 (iii) and (iv))

- There was excess payment, loss etc. of over Rs. 16 lakhs in purchase of six rotary rigs and accessories worth over Rs. 5 lakhs were not received.

(Paragraph 3.3.8 (i))

- There was avoidable expenditure of over Rs. 10 lakhs on carriage of pipes.

(Paragraph 3.3.8 (ii))

- Pumping sets valuing over Rs. 2 lakhs and procured before 1983-84 for sale were lying unsold in stores.

(Paragraph 3.3.8 (v))

- Large scale purchases were made of casing pipes not conforming to ISI specifications resulting in avoidable/extra expenditure.

(Paragraph 3.3.8 (iii))

- Procurement procedure was not systemised, leading to idle inventories.

(Paragraph 3.3.8 (viii))

- Supplies were not subjected to proper inspections before acceptance.

(Paragraph 3.3.8 (viii))

- There was gross under-utilisation of man-power in Central Workshop ranging from 90 *per cent* in 1985-86 to 50 *per cent* in 1990-91.

(Paragraph 3.3.10 (i))

- A full Civil Division was created even though its works expenditure ranging from Rs. 1 lakh in 1985-86 to Rs. 59 lakhs in 1990-91 fell much below the prescribed norms of Rs. 70 lakhs to Rs. 175 lakhs per annum.

(Paragraph 3.3.10 (ii))

- Staff posted to Divisions without work was not reallocated.

(Paragraph 3.3.10 (iii))

- There were heavy outstanding dues of Rs. 322.66 lakhs against other Government Departments and private parties.

(Paragraph 3.3.11 (i))

3.3.5 Financial outlay

The position of allotment and expenditure of funds and of targeted and realised revenue receipts is given in the following tables:

I Allocation of funds and expenditure

| Year | Survey and Research | | Engineering Wing | |
|-------------------|---------------------|-------------|------------------|-------------|
| | Budget allotment | Expenditure | Budget allotment | Expenditure |
| (Rupees in lakhs) | | | | |
| 1985-86 | 85.90 | 85.71 | 775.02 | 782.25 |
| | - | - | 13.87@ | 13.87@ |
| 1986-87 | 100.37 | 99.16 | 990.21 | 978.44 |
| | - | - | 23.51@ | 23.51@ |
| 1987-88 | 117.28 | 117.24 | 1266.39 | 1264.42 |
| 1988-89 | 172.74 | 175.32 | 1143.15 | 1115.93 |
| 1989-90 | 223.29 | 224.08 | 1260.79 | 1231.06 |
| 1990-91 | 228.10 | 227.57 | 1314.49 | 1281.82 |
| | - | - | 116.47@ | 115.57@ |
| Total | 927.68 | 929.08 | 6903.90 | 6806.87 |

@ Capital Account

II Targets and Achievements of Revenue Receipts

| Year | Targeted receipts | Actual receipts | Shortfall | Percentage of shortfall |
|-------------------|-------------------|-----------------|-----------|-------------------------|
| (Rupees in lakhs) | | | | |
| 1985-86 | 500.00 | 559.80 | - | - |
| 1986-87 | 575.00 | 606.70 | - | - |
| 1987-88 | 1050.00 | 978.20 | 71.80 | 7 |
| 1988-89 | 1286.00 | 667.25 | 618.75 | 48 |
| 1989-90 | 1286.00 | 687.32 | 598.68 | 47 |
| 1990-91 | 864.00 | 580.40 | 283.60 | 33 |

Till 1989-90, revenue targets were stated to have been fixed according to available capacity of machines. It was stated that targets were kept low during 1990-91 in view of reduced work in-flow. The percentage of shortfall during 1990-91 with reference to available capacity would, therefore, be much higher than indicated.

3.3.6 Survey and Research Wing

(i) Incomplete hydrogeological investigations - Wasteful expenditure of Rs. 158 lakhs

During 1975-76 to 1987-88, 23 programmes for detailed hydrogeological investigations were taken up of which only 14 programmes could be completed between 1977-78 and 1990-91. Delays in completion of these programmes ranged between 1 and 5 years.

Out of the five ongoing programmes at Bikaner, Bharatpur-Dholpur, Chittorgarh, Jaipur and Ajmer-Bundi Districts, three programmes at Bikaner, Bharatpur-Dholpur and Chittorgarh Districts could not be completed during stipulated period of completion of four years, i.e. upto 1990-91. Delay in completion of programmes was attributed to paucity of funds, delays in drilling of exploratory boreholes by the Engineering Wing and diversion of drilling rigs for famine works.

Three survey and investigation programmes undertaken during 1985-86 and 1986-87 under Desert Development Programme (DDP)/ Drought Prone Area Programme (DPAP) in Ganganagar, Dungarpur-Banswara and 12 blocks of Tonk, Sawaimadhopur, Kota and Jhalawar Districts were left incomplete from 1 April 1988 after incurring an expenditure of Rs. 158.01 lakhs as no fund was provided under DDP/DPAP to the Department after 31 March 1988. Fresh investigations were taken up in April 1990 in 12 Blocks of Kota-Jhalawar Districts by one of the three Divisions created during 1985-86 to 1986-87. Thus, expenditure of Rs. 158.01 lakhs incurred earlier was

rendered infructuous. This Division had also remained without work for one year from 1 April 1989 to 31 March 1990.

(ii) Delayed investigations of basins

(a) Pumping tests of successful boreholes are required to be done soon after drilling to determine hydraulic characteristics of aquifers@ for the purpose of designing wells. In Ajmer Division, pumping tests were carried out in only six out of twelve successful boreholes upto 1987-88. Pumping tests carried out in 3 boreholes located at Kenda, Jalia and Sirohi caused damage to the boreholes as these were of improper diameter requiring reaming* and pumps could not be lowered in them below a certain depth. One more borehole at village Mandalgarh was found damaged even before pumping test could be done on it. Pumping test at villages Jhapariya and Mahwa could not be carried out reportedly due to filling of debris and sand in boreholes. All these six boreholes were abandoned by the Department rendering the expenditure of Rs. 1.40 lakhs infructuous. In Alwar Division, no pumping tests were done on 13 successful boreholes till February 1988 after which these were transferred to PHED to cope with famine conditions.

(b) Assessment Report which brings out the position regarding availability of water in all the four basins of Alwar-Bharatpur Districts had not been finalised by the CE (July 1991) although its constituents viz. hydrogeological, hydrochemical and geophysical studies had been sent by Alwar Division between March 1985 and December 1986. The borewells were dug without scientific basis and without ascertaining the availability/ quality of water.

(iii) Infructuous and avoidable expenditure of Rs.43.75 lakhs on unsuccessful boreholes

In Bikaner District, 28 exploratory boreholes were drilled during May 1987 to March 1988 without getting their feasibility

@Aquifers: Saturated strata from which it is feasible to obtain ground water.

*to widen with borer

tested in advance. In respect of one borehole at Bithnok, despite the adverse test result, the well was dug. In another case of unsuccessful borehole at Nokhra, electric logging report indicated saline strata. As a result, 14 of the 28 boreholes drilled became unsuccessful and expenditure of Rs. 43.75 lakhs incurred on drilling/ assembly lowering/pump tests and development, rendered wasteful.

(iv) Over-exploitation of ground water potential

Hydrogeological investigations carried out by the Department revealed over-exploitation of ground water potential in many areas due to which the number of blocks falling under the dark zone was on the increase as shown in the following table :

| Year of assessment | Total number of blocks | <u>Number of blocks falling under</u> | |
|--------------------|------------------------|---------------------------------------|------------------------|
| | | Dark ¹ Zone | Grey ² Zone |
| 1. 1985 | 236 | 25 | 23 |
| 2. 1986 | 235 | 53 | 21 |
| 3. 1988 | 235 | 67 | 52 |

A test-check of sanctions of loans/subsidy for construction of wells in Ajmer District issued by the Collector (Famine) during 1987-88 and 1988-89 revealed that loans/subsidy were sanctioned for digging/deepening of wells even in the areas having deficiency of water potential:

(i) In 567 cases (35 in 1987-88 and 532 in 1988-89) involving loans/subsidy of Rs. 39.64 lakhs, wells were sanctioned for digging in dark zones.

(ii) In 72 cases (39 in 1987-88 and 33 in 1988-89) involving loans/subsidy of Rs. 5.91 lakhs, wells were sanctioned for

1 Dark Zone means an area with very low water potential

2 Grey Zone means an area with low water potential

digging/deepening in areas where water was not chemically suitable. In 136 cases (amount involved Rs. 16.18 lakhs), digging of wells was sanctioned during 1988-89 under grey zone.

(iii) Hydrogeological assessment reports sent annually by the Ground Water Division, Ajmer to the Collector, Ajmer regarding availability of ground water were not taken into consideration by the Collector at the time of issue of such sanctions. GWD also did not raise any objection to these sanctions pointing out deficiency of water potential in these areas although copies of sanctions were marked to GWD, Ajmer Division.

(v) Idle investment of Rs. 5.13 lakhs on purchase of electric logger

A double channel electric logger (Model Johnson Keek-SR 3000) was purchased in August 1980 from a firm of USA through their Indian agent at a total cost of Rs. 5.13 lakhs. The logger was not found to be according to tender specifications. Some of the offered accessories to achieve optimum data were also not received. The logger was put to operation reportedly in April 1982 by the Department after they failed to get firm's representative for the purpose. The logger was, however, found to have basic operational defects. No geophysical logging operations could be carried out by this logger (July 1991). There was nothing on record to show whether any agreement was executed and whether 5 per cent performance security was paid by the supplier as specified in the purchase order. The Government in their reply (January 1989) intimated that the Officer responsible for this had since retired and the enquiry case had been dropped in June 1988.

3.3.7 Engineering wing

(i) Performance of rigs

The Department has 3 types of rigs: viz. (1) Rotary, (2) Percussion and (3) Air drill. During 1985-86, the Department had

18 rotary rigs and 8 more rigs were acquired between 1985-86 and 1990-91. The annual target for 18 rigs during the year 1985-86 was 21,600 metres. Although the target for 1990-91 with 25 rigs was 37,500 metres the achievement was only 23,719 metres. From the performance of rigs it would be observed that it was not absolutely essential to procure these additional rigs.

The following table indicates the overall position of the rigs available with the Department and their achievement against annual targets.

| Year | Type of rigs | Number of rigs | Annual target (In metres) | Achievement | Percentage of shortfall |
|---------|----------------|----------------|------------------------------|-------------|-------------------------|
| 1985-86 | (a) Rotary | 18 | 21,600 | 24,558 | - |
| | (b) Percussion | 9 | 3,724 | 3,398 | 1 |
| | (c) Airdrill | 10 | 31,200 | 23,402 | 25 |
| 1986-87 | (a) Rotary | 20 | 23,150 | 28,406 | - |
| | (b) Percussion | 7 | 3,460 | 2,878 | 17 |
| | (c) Airdrill | 10 | 28,800 | 21,217 | 26 |
| 1987-88 | (a) Rotary | 23 | 35,000 | 35,896 | - |
| | (b) Percussion | 8 | 3,840 | 2,182 | 43 |
| | (c) Airdrill | 11 | 30,050 | 22,483 | 25 |
| 1988-89 | (a) Rotary | 25 | 37,500 | 32,230 | 14 |
| | (b) Percussion | 8 | 3,640 | 1,745 | 52 |
| | (c) Airdrill | 11 | 34,800 | 23,824 | 32 |
| 1989-90 | (a) Rotary | 26 | 38,350 | 29,089 | 24 |
| | (b) Percussion | 7 | 3,360 | 1,995 | 41 |
| | (c) Airdrill | 11 | 34,750 | 19,889 | 43 |
| 1990-91 | (a) Rotary | 25 | 37,500 | 23,719 | 37 |
| | (b) Percussion | 7 | 3,360 | 1,177 | 65 |
| | (c) Airdrill | 11 | 34,800 | 25,324 | 27 |

The basis of fixing the targets for rigs was not intimated. Test checked Divisions attributed the shortfalls to wearing out of old drilling units which required frequent repairs, non-availability of work, and to the fact that locations were far-flung in the interior villages.

The following table based on information given by the Department shows idling of machines which was attributed to delay in supply of consumables, repairs and non-availability of location points for drilling.

| Year | Total machine days | Working machine days | Idle machine days | Percentage of idle days to total days |
|---------|--------------------|----------------------|-------------------|---------------------------------------|
| 1985-86 | 4019 | 2693 | 1326 | 33 |
| 1986-87 | 4072 | 2460 | 1612 | 40 |
| 1987-88 | 5208 | 3215 | 1993 | 38 |
| 1988-89 | 6762 | 3683 | 3079 | 46 |
| 1989-90 | 7300 | 4204 | 3096 | 42 |
| 1990-91 | 6570 | 3462 | 3108 | 47 |

(ii) Performance of blasting units

During drilling operations hard rocks have to be blasted and blasting units perform this activity. The Department, instead of fixing targets for number of holes to be made (Rs.25 charged for each hole), fixed targets in terms of revenue. The following table depicts shortfall in terms of accrual of revenue receipts from blasting operations :

| Year | Targets | Achievement | Percentage of achievement |
|-------------------|---------|-------------|---------------------------|
| (Rupees in lakhs) | | | |
| 1988-89 | 160.80 | 96.13 | 40 |
| 1989-90 | 160.80 | 122.62 | 24 |
| 1990-91 | 160.80 | 90.11 | 44 |

The Department attributed shortfall in achievement to non-availability of work, wearing out of blasting units which required frequent repairs, and delay in receipt of list of intended beneficiaries from District Rural Development Agencies(DRDAs).

Year-wise break up of working and idle days in respect of blasting units of the Divisions test-checked was as detailed below:

| Year | Jaipur | | Jodhpur | | Kota | |
|---------|--------------|-------------------|--------------|-------------------|--------------|-------------------|
| | Machine days | Idle machine days | Machine days | Idle machine days | Machine days | Idle machine days |
| 1985-86 | 1825 | 996(55) | - | - | 5840 | 2511(43) |
| 1986-87 | 2007 | 1066(53) | - | - | 5507 | 3304(60) |
| 1987-88 | 2196 | 1007(46) | 1830 | 896(49) | 5206 | 2676(51) |
| 1988-89 | 2435 | 1203(49) | 1825 | 1188(65) | 6335 | 3524(56) |
| 1989-90 | 2555 | 1073(42) | 1825 | 904(50) | 6376 | 3212(50) |
| 1990-91 | 2555 | 1486(58) | 1825 | 1220(67) | 5840 | 3907(67) |

(Figures in bracket denote percentage of idle days to total)

Idle days were attributed by the Department to (i) non-availability of work, (ii) delays in supply of consumables, and (iii) frequent repairs of old machines.

(iii) Non-realisation of Rs. 120.05 lakhs from DRDAs

Under the DDP, electrified tubewells were constructed on turn-key basis by the Department at the instance of DRDA for being sold to cultivators. The cost of tubewells was to be arranged as a loan to cultivators from the bank by the DRDA and was reimbursable to the Department.

Year-wise break up of unsold tubewells in Nagaur and Jodhpur Districts is given below:

(Rupees in lakhs)

| Year | Nagaur | | Jodhpur | | Total | |
|------------------|-----------|--------------|------------|--------------|------------|---------------|
| | Number | Cost | Number | Cost | Number | Cost |
| Prior to 1985-86 | 17 | 3.43 | 11 | 3.53 | 28 | 6.96 |
| 1985-86 | Nil | - | 4 | 1.26 | 4 | 1.26 |
| 1986-87 | 5 | 4.27 | 6 | 3.07 | 11 | 7.34 |
| 1987-88 | 6 | 3.49 | 20 | 14.07 | 26 | 17.56 |
| 1988-89 | 25 | 29.84 | 45 | 35.40 | 70 | 65.24 |
| 1989-90 | 2 | 1.55 | 4 | 3.08 | 6 | 4.63 |
| 1990-91 | - | - | 13 | 17.06 | 13 | 17.06 |
| Total | 55 | 42.58 | 103 | 77.47 | 158 | 120.05 |

Since the tubewells remained unsold, the cost thereof i.e. Rs. 120.05 lakhs could not be realised from DRDAs.

**(iv) Excess expenditure on failed borewells-
Rs. 12.19 lakhs**

Instructions of the State Government under DPAP lay down that expenditure incurred by the Department on failed tubewells would be reimbursed by DRDAs subject to the condition that it should not exceed 15 *per cent* of the total metreage drilled during a year. It was noticed that excess expenditure of Rs. 4.37 lakhs over and above the prescribed ceiling of 15 *per cent* in drilling the failed tubewells was incurred between 1980-81 to 1990-91 by Jodhpur Division in Nagaur and Jodhpur Districts, which was not reimbursable as detailed below:

| Years | Number of wells constructed | Metreage of tubewells | Metreage of failed tubewells | 15 per cent of total drilling | Excess drilling | Cost of excess drilling (Rupees) |
|--------------------|-----------------------------|-----------------------|------------------------------|-------------------------------|-----------------|----------------------------------|
| NAGPUR | | | | | | |
| 1980-81 | 17 | 1749 | 377 | 262 | 115 | 10,656 |
| 1983-84 | 60 | 6867 | 1713 | 1030 | 683 | 2,51,823 |
| 1987-88 | 12 | 1157 | 171 | 150 | 21 | 9,135 |
| Total | | | | | | 2,71,614 |
| JODHPUR | | | | | | |
| 1980-81 | 15 | 1462 | 268 | 203 | 65 | 5,330 |
| 1981-82 | 58 | 6212 | 1231 | 938 | 293 | 35,953 |
| 1982-83 | 62 | 6692 | 1149 | 998 | 151 | 23,556 |
| 1984-85 | 25 | 2998 | 556 | 466 | 90 | 20,700 |
| 1985-86 | 35 | 3904 | 987 | 586 | 401 | 80,173 |
| Total | | | | | | 1,65,712 |
| Grand Total | | | | | | 4,37,326 |

Besides, expenditures of Rs. 5.01 lakhs (Nagaur: Rs.3.37 lakhs, Jodhpur: Rs.1.64 lakhs) and Rs. 2.81 lakhs (Nagaur: Rs.0.95 lakh, Jodhpur: Rs.1.86 lakhs) were incurred on pipe assemblies and pump tests on failed tubewells, which could have been avoided. Thus, the total expenditure of Rs. 12.19 lakhs is not reimbursable by DRDA.

(v) Physical verification

158 unsold tubewells were under the control of the Department. There was no evidence of any physical verification being conducted to find out whether tubewells were being used or pump sets/pipes had been stolen and drilled bores had been choked.

3.3.8 Central Stores Division (CSD)

- (i) **Excess payment, loss etc. amounting to Rs. 16.31 lakhs in purchase of 6 Rotary Rigs and non-receipt of accessories worth Rs. 5.22 lakhs**

Tenders were invited (December 1985) for purchase of 8 Rotary Drilling Rigs and accessories. Two offers were received in response, of which the rate of firm 'A' (Rs. 28.71 lakhs per unit), being the lower, was recommended by the Chief Engineer. The CE while making his recommendations to the State Government pointed out certain deficiencies in the offer of firm 'B' stating that it had never supplied required variety of rigs to any other Government Department or private party. The Government, however, approved purchase of 3 units of rigs with accessories from firm 'B' at the negotiated rate of Rs. 28.14 lakhs per unit in April 1986. No negotiation was, however, held with firm 'A'. The Government, after 8 months (January 1987), allowed purchase of 3 more units of rigs from firm 'B' at the same rate without inviting fresh tenders. As the negotiated offer of firm 'B' was considered with 2.5 *per cent* discount for purchase of 4 or more units of rigs at a time and the CE had recommended purchase of 5 rigs, the issue of two separate orders for 3 rigs each resulted in forgoing of 2.5 *per cent* discount amounting to Rs. 4.22 lakhs.

The Government approved rates were inclusive of (i) cost of accessories worth Rs. 10.64 lakhs with each unit, (ii) excise duty and sales tax etc. Stipulated period of supply of rigs was 10 to 12 weeks from the date of supply order and the firm was required to give bank guarantee for 10 *per cent* of the amount for warranty period of one year. Purchase orders issued by the Executive Engineer, Central Stores Division, Jodhpur in April 1986 for Rs. 75.13 lakhs and in January 1987 for Rs. 74.96 lakhs for 3 rigs each, however, contained altered conditions in contravention of Government decisions, which are disadvantageous to the Department.

The altered conditions provided for (i) payment of excise duty and sales tax in addition to approved rates, (ii) exclusion of some essential accessories worth Rs. 1.70 lakhs included in the unit cost sanctioned by the Government, (iii) inclusion in the second purchase order of additional 30 external upset pipes over and above 180 such pipes which were to be delivered as a part of consignment, (iv) supply of one rig with complete accessories within 10 to 12 weeks and remaining two rigs within one month of clearance by the Department and (v) security deposit of only 5 *per cent* of amount instead of bank guarantee of 10 *per cent* of amount.

The Department made payment at an average rate of Rs. 28.57 lakhs per rig (not taking into account Rs. 2.32 lakhs being 10 *per cent* of cost, excluding taxes of first rig which was withheld on account of late delivery and for which proposal had been sent by the Department to Government for *post facto* approval to extension of delivery period) against the unit rate of 28.14 lakhs approved by the State Government. Price escalation included extra payment of Rs. 7.09 lakhs on account of excise duty and sales tax alone. Liquidated damages for delayed supplies amounting to Rs. 5 lakhs were not recovered / short recovered.

Accessories worth Rs. 5.22 lakhs (at the rate of Rs. 0.87 lakh per unit) which the supplier had offered to supply alongwith consignment had not been supplied. The firm was paid full amount without any deduction for accessories not supplied.

(ii) Avoidable expenditure of Rs. 10.61 lakhs on carriage

It was observed that materials were centrally procured for the whole State, stocked at CSD Jodhpur and then carted off to various field Divisions. A test study was made in respect of procurement and supply of pipes from CSD Jodhpur to six field Divisions during 1985-86 to 1989-90. The following picture emerged :

| Name of division | Weight of pipes sent (in Tonnes) | Number of truck loads | Distance from Jodhpur (in Kms.) | Extra expenditure* (in Rupees) |
|------------------|----------------------------------|-----------------------|---------------------------------|--------------------------------|
| Barmer | 1490.81 | 149 | 222 | 4,10,167 |
| Bikaner | 1097.17 | 109 | 256 | 3,46,009 |
| Dungarpur | 51.38 | 5 | 379 | 23,498 |
| Jaipur | 593.44 | 59 | 340 | 2,48,744 |
| Kota | 33.32 | 3 | 413 | 15,363 |
| Pali | 184.75 | 18 | 78 | 17,409 |
| Total | | | | 10,61,190 |

* calculated for the full truck load (10 Tonnes.) at Rs. 6.20 per km, which was working rate for truck transportation approved in December 1986.

The excess expenditure of Rs. 10.61 lakhs does not include indirect excess cost which the Department would have incurred for transportation of goods from suppliers to CSD instead of destinations and cost of storage at Central Depot. The Department stated that central procurement was made for better coordination. It was, however, seen that central procurement of pipes and other materials had little correlation with demand from field units. Central procurement could be resorted to and extra expenditure could be avoided by giving different destinations to the supplier. Records relating to verification of indents which would vouch for receipt of goods in respective Divisions were not produced to Audit.

(iii) Excess payment of Rs. 1.20 lakhs due to non-deduction of scrap for slotting

Payment of price escalation on account of revision in base price of Hot Rolled (HR) steel coils announced by Joint Plant Committee was made by the CSD Jodhpur to a firm of New Delhi on the purchases of MS slotted pipes during 1988-89 and 1989-90. Calculation of increase in price was, however, made on the basis of HR steel coils required for manufacture of MS plain tubes instead of its requirement for slotted tubes. According to Book of Specification, about 16 *per cent* of steel is taken out from plain tube in cutting slots of required specification, which reduces to that extent, the requirement of HR steel coils for manufacture of MS slotted pipes. The Department, therefore, made excess payment of Rs. 1.20 lakhs as detailed in the following table :

| Period | Length of pipes (in metres) | Weight of pipes (in kgs.) | Average weight per metre | Weight at which variation allowed | Difference per metre | Excess payment per metre | Total excess payment |
|--------------------|-----------------------------|---------------------------|--------------------------|-----------------------------------|----------------------|--------------------------|----------------------|
| (in Rupees) | | | | | | | |
| 11.11.88 to 6.2.89 | 2,537.16 | 79,365 | 31.28 | 36.61 | 5.33 | 1.57 | 3,983 |
| 7.2.89 to 30.3.89 | 824.99 | 25,830 | 31.30 | 36.61 | 5.31 | 6.90 | 5,692 |
| 31.3.89 to 1.7.89 | 3,084.25 | 94,985 | 30.79 | 36.61 | 5.82 | 8.49 | 26,185 |
| 2.7.89 onwards | 9,333.25 | 2,89,770 | 31.04 | 36.61 | 5.57 | 9.00 | 83,999 |
| Total | | | | | | | 1,19,859 |

Besides, ISI specifications for construction of tubewells provide that material for casing pipes may be either mild steel (MS), wrought iron, fibre glass, stainless steel or non-corrosive material. The Department, however, purchased GI pipes of 100 mm and 150 mm diameter worth Rs. 52.09 lakhs from September 1985 to February 1987 and incurred extra expenditure of Rs. 10.42 lakhs (MS pipes of same thickness being 20 *per cent* cheaper than GI pipes) by using them as casing pipes in place of MS pipes.

(iv) Extra expenditure on freight due to purchase from distant suppliers

The CSD Jodhpur had purchased GI pipes worth Rs. 44.83 lakhs at Director General Supplies and Disposal (DGS & D) rates from some firms of New Delhi and Ghaziabad (650 km from Jodhpur) during the period 1985-86 to 1989-90. Some firms of Ahmedabad which is at a shorter distance (455 km) from Jodhpur were also on the DGS & D rate contract for supply of GI pipes. The extra expenditure on freight incurred by the Department by not procuring GI pipes from DGS & D approved firms of Ahmedabad could not be ascertained as relevant records were not made available to Audit.

(v) Purchase/use of unauthorised material not provided for use

The ISI's specification for construction and testing of tubewells laid down that the material viz. MS, cast iron (CI), wrought iron, fibre glass, stainless steel or non-corrosive material should be used for constructing tubewells. There was no provision for use of Polyvinyl Chloride (PVC) pipes in such construction. No decision to use PVC pipes and accessories in addition to material mentioned above was available on any file. The Department, however, purchased PVC pipes, reducer and end caps costing Rs. 9.40 lakhs (Rs. 6.77 lakhs in 1983-84 and Rs. 2.63 lakhs in 1989-90) without assessing requirement. Actual utilisation of PVC pipes could not be verified as stock position of stores in field Divisions was not known but PVC pipes and accessories worth Rs. 0.77 lakh were lying unused since 1984 in Central Stores. The Department, however, again purchased PVC pipes etc. worth Rs. 2.63 lakhs in 1989-90. In reply to Audit, the Department admitted that :

- (i) specifications for construction of tubewell did not permit use of PVC pipe and

- (ii) the material lying in store was purchased for another Department but due to paucity of funds, they could not execute the programme.

(vi) Extra expenditure of Rs. 0.92 lakh on purchase of two mud pumps

Government in March 1990 approved purchase of mud pumps from the second lowest firm 'G' for a total cost of Rs. 8.12 lakhs ignoring the lowest offer of firm 'F' at Rs. 7.20 lakhs on the ground that it would not be in a position to supply pumps within 10 to 15 days although period of supply was mentioned as 30 to 45 days from the date of supply order in the Tender Notice. Reasons for squeezing the delivery period to 10 to 15 days and for considering the lowest tendering firm 'F' incompetent to do so were not stated. The Executive Engineer, however, altered delivery period to 2 to 3 months in purchase order and accepted delivery upto 15 May 1990 negating the very reason for ignoring the lower offer of firm 'F'. On checking of records, it was found that these pumps were not required for urgent use as one pump was issued on 25 April 1990 for testing and the others on 6 December 1990. Thus, the Department incurred extra expenditure of Rs. 0.92 lakh.

(vii) Extra expenditure of Rs. 3.39 lakhs on purchase of external upset drill pipes

Tenders were invited (September 1989) for purchase of 300 drill pipes without ascertaining requirement of field Divisions. Lowest tender (Rs. 11,950 each) received from small scale industries units to whom purchase/price preference was admissible, was rejected on the ground that these firms were not supplying such drill pipes to any Department and were not capable of manufacturing drill pipes, which was not factually correct as these firms had produced requisite manufacturing capacity certificate issued by Director of Industries and were supplying drill pipes to Oil and Natural Gas Commission. Purchase was instead made from the highest tendering firm 'K'

(Rs. 14,664 each) in March 1990 resulting in extra expenditure of Rs. 3.39 lakhs being difference of rates on 125 drill pipes.

(viii) Unsystematic procurement

The Department did not issue instructions laying down procedures for centralised stores procurement. Although it was stated that three Departmental committees existed for purchase, inspection and technical examination of stores, functions, powers and responsibilities of their members were not specified nor approval of Administrative Department to their constitution was obtained. Requirement of consumables such as pipes, drill-bits etc., were stated to have been assessed on the basis of available machines and stock position of CSD. Regular assessment of actual periodic demands of field Divisions was not done which could be correlated to procurement made from time to time.

As a result store-items (costing Rs. 18.58 lakhs) remained unutilised for 1 to 15 years in CSD as summarised in the following table :

| Year | Number of items unutilised | Cost |
|-------------------|-------------------------------|--------------|
| (Rupees in lakhs) | | |
| 1975-76 to | | |
| 1983-84 | 36 | 2.36 |
| 1984-85 | 133 | 3.15 |
| 1985-86 | 16 | 0.95 |
| 1986-87 | 13 | 4.29 |
| 1987-88 | 24 | 2.42 |
| 1988-89 | 73 | 5.41 |
| Total | 295 | 18.58 |

For construction of tubewells, the Department made huge purchases of stores particularly pipes between 1985-86 and 1990-91. The Department purchased MS/GI pipes of various diameters worth Rs.476.62 lakhs which were accepted without testing them for hydraulic pressure. No proper laboratory facilities for inspection of supplies existed in the Department and barring a few exceptional cases, third party inspection of DGS&D/EIL was also not resorted to. The Department stated that material was accepted on the basis of visual inspections and on the basis of performance and works-test reports given by the suppliers.

In many cases the equipment/machinery failed during trial operations and some could not be operated even once as mentioned in paragraph 3.3.6(v). Performance security for specified period to safeguard Government interest was not insisted in purchase of costly and sophisticated equipment/machines. Government sustained heavy losses due to non inclusion of guarantee/warranty clause and performance security.

3.3.9 Central Workshop Division (CWD), Jodhpur

Idle expenditure of Rs. 0.79 lakh on fabrication of slot cutting machine

For fabrication of slot cutting machine at an estimated cost of Rs. 1.50 lakhs, CWD, Jodhpur procured material worth Rs. 0.79 lakh in March 1988. Although the fabrication of machine was completed and its performance trial was held in January 1989, it had been lying idle in workshop ever since. The Executive Engineer, CWD, Jodhpur intimated (September 1990) that the machine could not be put to use as post of its operator had not been sanctioned (March 1991).

3.3.10 Unproductive man-power

(i) Underutilisation of man-power

The Central Workshop Division was established in 1956 mainly for major overhauling of machines, vehicles, blasting units, rigs, compressors and for fabrication work. Workshop of the Division had 12 branches (shops) and 28 units manned by 73 technical persons. Besides, 37 other staff was also working in the Division (September 1990). The following table based on information given by the Department would reveal that 50 to 90 per cent man-power remained underutilised during the years 1985-86 to 1990-91.

| Year | Type of repair work | | | Total | Total man-power | | Actual man-power utilisation (percentage) | Under-utilisation of man-power (percentage) |
|---------|---------------------|-------|---------------|-------|-------------------------|-------------------|---|---|
| | Major | Minor | Miscellaneous | | available working hours | utilised in hours | | |
| 1985-86 | 17 | 231 | 221 | 469 | 52,200 | 5,218 | 10 | 90 |
| 1986-87 | 20 | 159 | 247 | 426 | 33,800 | 7,120 | 21.7 | 78 |
| 1987-88 | 50 | 258 | 221 | 529 | 33,800 | 12,161 | 36 | 64 |
| 1988-89 | 56 | 201 | 109 | 366 | 33,800 | 15,917 | 47 | 53 |
| 1989-90 | 49 | 337 | 166 | 552 | 33,800 | 13,590 | 40.2 | 60 |
| 1990-91 | 39 | 297 | 123 | 459 | 32,400 | 16,300 | 50.32 | 50 |

Reason for under-utilisation of man-power was stated to be non-availability of work from field offices.

(ii) Irregular creation/continuance of Civil Division

According to the norms laid down by the State Government a full Division can be created for an average works expenditure ranging from Rs. 70 lakhs to Rs. 175 lakhs per annum.

The position of expenditure on works *vis-a-vis* establishment in the Civil Division of the Department was as under during 1985-86 to 1990-91:

| Year | Establishment expenditure | Works expenditure | Percentage of Establishment expenditure |
|-------------------|------------------------------|----------------------|---|
| (Rupees in lakhs) | | | |
| 1985-86 | 3.73 | 1.04 | 358.65 |
| 1986-87 | 2.74 | 17.51 | 15.64 |
| 1987-88 | 5.74 | 4.63 | 123.97 |
| 1988-89 | 6.50 | 1.56 | 416.66 |
| 1989-90 | 6.25 | 27.88 | 22.42 |
| 1990-91 | 7.48 | 58.66 | 12.75 |

No justification for creation and continuance of the Civil Division was given by the Department.

(iii) Infertuous expenditure of Rs. 1.82 lakhs on pay and allowances of staff

(a) One Assistant Engineer (Survey) was posted in Alwar Division to supervise the working of pump unit from July 1985 to May 1986 and again from February to March 1987. No work was performed by him as another AEN (Engineering wing) was doing this job. One Mechanic Gr. II was also posted in this Division during 1985-86 to 1986-87 although there was no workshop/machines and other infrastructure. Total expenditure of Rs. 0.72 lakh on pay and allowances of AEN and Mechanic was infertuous.

(b) In Alwar Division one surveyor was posted during 1985-86 who did not carry out any survey work. Still, during next year (1986-87), two Surveyors were posted of which one was not utilised for survey work at all while the other was only partially

utilised. Thus Rs. 0.30 lakh incurred on their pay and allowances was unfruitful.

(c) One Assistant Engineer(AEN) was engaged in Bikaner Division in May 1985 for varying periods during 1985 to 1988 for supervising a pump unit. As no pump unit was provided in this Division expenditure of Rs. 0.80 lakh incurred on pay and allowances of AEN was wasteful.

(iv) Closed tubewells - Infructuous expenditure on pay and allowances of idle staff

According to the Department 30 tubewells had been electrified and 26 of them were being run on regular basis. It was, however, noticed that during the period under review (i.e. 1985-86 to 1990-91), only 7 tubewells out of 26 were working upto 1985-86. Running of tubewells was altogether stopped in May 1986 due to uneconomic performance and reported lack of demand for water. Pump operators and other staff remained without work after closure of tubewells, from May 1986 to June 1987 after which 13 pump operators were declared surplus. The surplus staff was not diverted within or outside the Department. Thus, the expenditure of Rs. 23.99 lakhs incurred on salaries and other contingencies from May 1986 to June 1987, and Rs. 14.66 lakhs on pay and allowances of surplus pump operators from July 1987 to July 1991 was infructuous. Besides, tubewell at Sodawas (Alwar) was also not operated after April 1985. Pay and allowances of the pump operator amounting to Rs. 1.50 lakhs during the period from April 1985 to July 1991 had also been wasteful.

(v) Survey and Research Division

The Division did not execute any work during 1989-90 though an expenditure of Rs. 3.52 lakhs was incurred on its establishment.

3.3.11 Other points of interest

(i) Heavy outstanding dues

The following dues for work done were found recoverable from Government Departments, autonomous bodies and private parties etc. as on 1 July 1991:

| Name of Government/Department | Details of dues outstanding | | |
|-----------------------------------|-----------------------------|-------------------------|---------------|
| | Upto 1973-74 | From 1974-75 to 1989-90 | Total |
| | (Rupees in lakhs) | | |
| State Government | 20.37 | 121.05 | 141.42 |
| Rajasthan State Electricity Board | 0.05 | 6.01 | 6.06 |
| District Rural Development Agency | - | 155.68 | 155.68 |
| Central Government | 0.03 | - | 0.03 |
| Punjab State | 4.30 | - | 4.30 |
| Jammu and Kashmir | 1.63 | - | 1.63 |
| Rajasthan Housing Board | 0.89 | - | 0.89 |
| Private parties | 1.81 | 10.84 | 12.65 |
| Total | 29.08 | 293.58 | 322.66 |

Year-wise break up of these outstanding dues was not available with the Department. Scrutiny of a few cases revealed the following :

- (a) Rs. 4.30 lakhs were outstanding against Punjab State Tubewells Corporation for work done in 1971-72 and 1972-73. The Corporation has not paid the amount (March 1992) inspite of their agreeing in February 1988 to do so.
- (b) Rs. 1.63 lakhs were outstanding against the Government of Jammu and Kashmir representing 25 *per cent* overhead charges for works executed during 1972-73 and 1973-74. The matter is under correspondence between the State Government and Jammu and Kashmir Government.

- (c) Rs. 11.10 lakhs were outstanding against Central Ground Water Board, Faridabad on account of lending of two rotary rigs during 1964-70. The dues represented depreciation charges (Rs. 5.10 lakhs), interest (Rs. 3.73 lakhs), cost of special repairs (Rs. 1.91 lakhs) and cost of shortages (Rs. 0.36 lakh). The Board has, however, disputed the claim preferred by the State Government. The case has not yet been finalised.
- (d) Rs. 0.93 lakh was outstanding against Executive Engineer, Rana Pratap Sagar and Jawahar Sagar Dam, Rawatbhata for works done during 1982-83 to 1983-84. Bills for work done were preferred during 1987-88 but payment has not been received so far.

(ii) Non-refund of deposits

Advances received from Government Departments/ private parties were directly credited to revenue instead of keeping it as deposit. During test-check of Kota Division, it was found that no register to watch excess credits was maintained. In the following cases, money was deposited for specific purposes against schemes sanctioned by other Government Departments. Neither the schemes for which the amount was deposited were executed nor was the amount refunded.

- (a) Rs. 2.78 lakhs were deposited by Collector (Relief), Kota during 1972-73 and 1973-74. The Department executed works to the tune of Rs. 1.01 lakhs leaving a balance of Rs. 1.77 lakhs since 1973-74. The relief works for which the amount was sanctioned remained unexecuted (June 1991).
- (b) Rs. 4.79 lakhs and Rs. 1.75 lakhs were deposited by DRDAs, Kota and Jhalawar respectively for drilling of exploratory tubewells. Works valued at Rs. 4.02 lakhs (Rs. 2.73 lakhs in Kota and Rs. 1.29 lakhs in Jhalawar) were executed leaving a balance of Rs. 2.52 lakhs (Rs. 2.06 lakhs in Kota and Rs. 0.46 lakh in Jhalawar). Works for remaining amount could not

be executed as rig available with the Department was not capable of drilling tubewells having depth of 125 to 150 metres.

- (c) Rs. 6.35 lakhs were deposited by PHED during April 1974 to May 1979 for drilling works on specified schemes. Works to the tune of Rs. 2.65 lakhs were executed leaving a balance of Rs. 3.70 lakhs involving drilling of tubewells in 14 villages which was not done at all.

(iii) Non-evolvement of proforma to do cost benefit analysis/study of capacity utilisation of the machines

In accordance with the provisions contained in General Financial and Accounts Rules, in case of any machine total value of which, including the cost of installation, is Rs. 5 lakhs or more, a log-book of its use shall invariably be maintained in a proforma from which it is possible to do a cost analysis as well as a study of capacity utilisation. Desired action to evolve the proforma was not taken by the Department (August 1990). Consequently economical/uneconomical running of the machines and the stages at which these machines were to be declared obsolete could not be ascertained.

3.3.12 Monitoring and control

In monitoring of the activities of the Department the following shortcomings were noticed :

- (i) No information was available to indicate the extent of increase in the discharge of water in the wells after completion of blasting. The excess or otherwise of blasting was, therefore, not ascertained.
- (ii) Neither performance reports of drill rods, bits etc., of various make purchased during last few years were regularly obtained and kept on record nor was any relevant data maintained to facilitate further purchase of material.

- (iii) Sanctioned strength of the Department was distributed by CE to respective Divisions without ascertaining actual work-load with the Divisions.

SHEEP AND WOOL DEPARTMENT

3.4 Working of Sheep Breeding Farms

3.4.1 Introduction

Sheep rearing and breeding is the main occupation for livelihood for rural population of western and north-western regions of Rajasthan. To improve the breed of sheep, Government established four Sheep Breeding Farms at Jaipur (1949), Chittorgarh (1966), Bakalia (1968) and Fatehpur (1973) with the following objectives:

- (a) breeding and multiplication of sheep of known pedigree and improved performance;
- (b) to produce pedigree rams for distribution at subsidised rates to private flockmen;
- (c) to do selective breeding for improvement in quality and quantity of wool production and body weight of sheep; and
- (d) to cross the local sheep with exotic rams and to study the performance of cross-bred animals under local environmental conditions.

Sheep Breeding Farms at Jaipur, Chittorgarh and Bakalia are headed by Farm Superintendents with Artificial Insemination and Extension Officer at each Farm. The large-scale Sheep Breeding Farm at Fatehpur (Sikar) is headed by a Sheep Husbandry Officer (SHO) with a Sheep and Wool

Extension Officer as incharge of extension centre. A total number of 141 personnel in various grades were working in four Farms against the sanctioned strength of 155 as of March 1991.

The working of Sheep Breeding Farms in the State was commented upon in paragraph 3.1 of the Report of Comptroller and Auditor General of India for the year 1976-77 (Civil). The Report was discussed in Public Accounts Committee (PAC) 1983-84 but the recommendations made in its Eleventh Report (Seventh *Vidhan Sabha*), were only partly implemented. Recommendations relating to fixing of norms of maintenance of exotic and cross bred stock, fixing of annual targets for distribution of rams, achieving self sufficiency in feed and fodder and recovery of outstanding house rents were not found implemented. The working of Sheep Breeding Farm, Fatehpur was commented upon in paragraph 3.3 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil).

3.4.2 Audit coverage

A test-check of the working of the four Farms (Jaipur, Fatehpur, Chittorgarh and Bakalia) in the State including the attached Artificial Insemination and Extension Centres during 1985-91 was conducted by Audit during May-August 1990 and again in May-June 1991. Important points noticed are mentioned in succeeding paragraphs.

3.4.3 Highlights

- Recommendations of the Eleventh Report (Seventh *Vidhan Sabha*) of the PAC regarding functioning of Farms were not implemented.

(Paragraph 3.4.1)

- Stock was kept at Farms in excess of its capacity in contravention of the Farm Manual.

(Paragraph 3.4.5)

- There was constant decline both in targets and distribution of rams for breeding purposes from 1985-86 to 1990-91. Contrary to instructions, ram-lambs were also distributed.

(Paragraph 3.4.6 (ii))

- Lambing rate at the Farms was low.

(Paragraph 3.4.7 (ii))

- Mortality rate of sheep at Farms was much higher than the prescribed rates.

(Paragraph 3.4.8)

- Old sheep were not culled or disposed of leading to wasteful expenditure of Rs. 0.43 lakh.

(Paragraph 3.4.9)

- There was avoidable expenditure of Rs. 18.73 lakhs on stall feeding of sheep stock for want of proper land use planning at Farms.

(Paragraph 3.4.10)

- Generator purchased in February 1989 for Rs. 1.12 lakhs remained idle for want of permission of Rajasthan State Electricity Board and laying of transmission lines.

(Paragraph 3.4.11 (v))

- There were heavy shortfalls in achievements under various functions of Artificial Insemination and Extension Centres.

(Paragraph 3.4.12 (iii))

- Pedigree records of cross bred rams were not maintained in any of the Farms.

(Paragraph 3.4.13)

- There was constant decline in revenue receipts of Farms.

(Paragraph 3.4.14 (i) and (ii))

- Rs. 31.86 lakhs were outstanding from Rajasthan State Cooperative Sheep and Wool Marketing Federation from 1978-79 to 1990-91.

(Paragraph 3.4.14 (iii))

- House rent was not being recovered from employees staying in Farms without any Government order to this effect.

(Paragraph 3.4.15 (i))

- Flow of breeding plans from Farms to Directorate was irregular and was often received later than the prescribed date. No monitoring and evaluation of the cross breeding programme was conducted by the Department.

(Paragraph 3.4.16)

3.4.4 Financial outlay

The financial outlays and expenditure on four Farms furnished by the Department during the period from 1985-86 to 1990-91 are given in the following table:

| Year | Allotment | | | Expenditure | | |
|-------------------|-----------|------------|--------|-------------|------------|--------|
| | Farms | AI Centres | Total | Farms | AI Centres | Total |
| (Rupees in lakhs) | | | | | | |
| 1985-86 | 39.74 | 5.33 | 45.07 | 39.20 | 5.09 | 44.29 |
| 1986-87 | 43.74 | 7.07 | 50.81 | 43.20 | 6.59 | 49.79 |
| 1987-88 | 61.39 | 7.26 | 68.65 | 59.43 | 7.04 | 66.47 |
| 1988-89 | 66.72 | 7.32 | 74.04 | 65.14 | 6.88 | 72.02 |
| 1989-90 | 80.78 | 8.46 | 89.24 | 79.96 | 8.64 | 88.60 |
| 1990-91 | 90.74 | 9.31 | 100.05 | 89.90 | 9.25 | 99.15 |
| Total | 383.11 | 44.75 | 427.86 | 376.83 | 43.49 | 420.32 |

Total establishment cost was Rs. 187.31 lakhs which was 45 per cent of total expenditure of Rs. 420.32 lakhs during the period under review.

3.4.5 Overcrowding of Farms

The Farm Manual provided that prescribed capacity (Jaipur 650, Chittorgarh 750, Bakalia 505 and Fatehpur 5200 for native sheep) was to be further reduced by less than half if exotic and cross-bred stock were maintained. The stock actually kept at Farms was much in excess of capacity and consisted mainly of exotic and cross-bred varieties as detailed in the table below and native stock was gradually reduced from 1985-86 onwards putting further strain on their carrying capacity.

| Farm | Exotic sheep | Cross-bred sheep | Native sheep | Percentage of excess sheep than prescribed capacity |
|-------------|--------------|------------------|--------------|---|
| Jaipur | 545 to 628 | 312 to 460 | 22 to 76 | 163 to 246 |
| Fatehpur | 389 to 635 | 2014 to 2778 | 49 to 870 | upto 48 |
| Chittorgarh | 60 to 216 | 488 to 591 | 4 to 117 | 49 to 135 |
| Bakalia | 8 to 361 | 38 to 456 | 25 to 50 | upto 233 |

3.4.6 Production of cross-bred and distribution of exotic / cross-bred rams

(i) Position of availability of exotic and cross-bred rams in the Farms year-wise and their distribution to cattle breeders is shown in the following table:

| Farm | Year | Availability | | | Target | Distribution | | |
|------------------|---------|--------------|-------------------------------------|-------|--------|--------------|--------------------------|-----------------|
| | | Within Farm | Purchased/ procured/ imported | Total | | Rams | Achievement Ram-lambs | Short- fall* |
| Jaipur | 1985-86 | 198 | 264 | 462 | 140 | 228 | 2 | - |
| | 1986-87 | 297 | 138 | 435 | 150 | 221 | 2 | - |
| | 1987-88 | 223 | 55 | 278 | 130 | 130 | - | - |
| | 1988-89 | 193 | 82 | 275 | 157 | 148 | - | 9(6) |
| | 1989-90 | 116 | - | 116 | 95 | 47 | 39 | 9(9) |
| | 1990-91 | 124 | - | 124 | 95 | 59 | 2 | 34(36) |
| Fatehpur | 1985-86 | 953 | 62 | 1015 | 550 | 598 | - | - |
| | 1986-87 | 460 | - | 460 | 825 | 318 | 293 | 214(26) |
| | 1987-88 | 204 | - | 204 | 400 | 64 | 245 | 91(23) |
| | 1988-89 | 169 | - | 169 | 181 | 79 | 272 | - |
| | 1989-90 | 233 | - | 233 | 265 | 127 | 128 | 10(4) |
| | 1990-91 | 287 | - | 287 | 265 | 162 | 69 | 34(13) |
| Chittor- garh | 1985-86 | 351 | 243 | 594 | 200 | 484 | 30 | - |
| | 1986-87 | 165 | 50 | 215 | 120 | 139 | 99 | - |
| | 1987-88 | 98 | 55 | 153 | 130 | 62 | 81 | - |
| | 1988-89 | 125 | - | 125 | 128 | 48 | 26 | 54(42) |
| | 1989-90 | 107 | - | 107 | 80 | 59 | 27 | - |
| | 1990-91 | 85 | - | 85 | 80 | 26 | 11 | 43(54) |
| Bakalia | 1985-86 | 154 | 30 | 184 | 100 | 39 | 7 | 54(54) |
| | 1986-87 | 119 | 10 | 129 | 25 | 56 | 35 | - |
| | 1987-88 | 54 | 8 | 62 | 40 | 2 | 13 | 25(63) |
| | 1988-89 | 70 | 7 | 77 | 23 | 16 | 16 | - |
| | 1989-90 | 54 | - | 54 | 25 | 24 | 2 | - |
| | 1990-91 | 63 | 40 | 103 | 25 | 73 | - | - |

* Figures in brackets denote percentage shortfall in distribution of rams.

(ii) Targets for distribution of rams were not based on availability of stock, distribution during previous years, or any well-defined planning and survey by extension services after assessing the demand of local breeders. Farms at Jaipur and Chittorgarh distributed imported / exotic rams procured from other States and abroad indicating that these Farms had not achieved the desired level of productivity in raising cross-bred foundation stock even after 42 and 25 years respectively of their establishment. At Fatehpur and Bakalia Farms, extra rams were purchased / transferred from other Farms during 1985-86 to 1988-89 without any necessity though the actual distribution during these years could have been met from the existing stock in the Farms.

The table would show a constant decline in targets and actual distribution of rams from 1985-86 to 1990-91. This decline was attributed by the Superintendent / SHO incharge of Farms to lack of motivational efforts for creating demand amongst intended beneficiaries most of whom were from weaker sections of the society, and to the lack of interest of extension centres and other departmental District agencies.

According to instructions of the State Government issued in July 1987 and January 1990 and reports of the Central Sheep and Wool Research Institute, Avikanagar, rams above the age of 18 months only, with 2 teeth and 30 Kilogram weight, were to be distributed to the stock breeders so that these could be used immediately for breeding purposes. Contrary to this, during 1985-86 to 1990-91, lambs of lower weight and age (i.e. immature rams) were distributed by Fatehpur Farm (30 per cent to 79 per cent), Chittorgarh Farm (6 per cent to 57 per cent) and Bakalia Farm (7 per cent to 87 per cent), which were usable only for table purposes instead of breeding for which these were supposedly produced/procured and distributed.

3.4.7 Low lambing rate

(i) Information on lambing as collected from four Farms is given in the following table:

| Farm | Year | Ewes held as of 31 March | | Lambs born during the year | | Percentage of lambing | |
|---------------------|---------|--------------------------|------------|----------------------------|------------|-----------------------|------------|
| | | Exotic | Cross-bred | Exotic | Cross-bred | Exotic | Cross-bred |
| (I n n u m b e r s) | | | | | | | |
| Jaipur | 1985-86 | 225 | 209 | 142 | 130 | 63 | 62 |
| | 1986-87 | 262 | 221 | 98 | 125 | 37 | 57 |
| | 1987-88 | 310 | 204 | 143 | 138 | 46 | 68 |
| | 1988-89 | 299 | 190 | 141 | 61 | 47 | 32 |
| | 1989-90 | 317 | 199 | 159 | 116 | 50 | 58 |
| | 1990-91 | 436 | 147 | 58 | 101 | 13 | 69 |
| Fatehpur | 1985-86 | 271 | 569 | 128 | 403 | 47 | 71 |
| | 1986-87 | 192 | 906 | 135 | 565 | 70 | 62 |
| | 1987-88 | 196 | 1056 | 111 | 736 | 57 | 70 |
| | 1988-89 | 173 | 802 | 132 | 644 | 76 | 80 |
| | 1989-90 | 207 | 1308 | 152 | 1034 | 73 | 79 |
| | 1990-91 | 179 | 1253 | 152 | 972 | 85 | 78 |

| Farm | Year | Ewes held as of 31 March | | Lambs born during the year | | Percentage of lambing | |
|--------------|---------|--------------------------|------------|----------------------------|------------|-----------------------|------------|
| | | Exotic | Cross-bred | Exotic | Cross-bred | Exotic | Cross-bred |
| (In numbers) | | | | | | | |
| Chittorgarh | 1985-86 | 25 | 227 | 4 | 175 | 16 | 77 |
| | 1986-87 | 14 | 252 | 11 | 164 | 79 | 65 |
| | 1987-88 | 71 | 273 | 36 | 175 | 51 | 64 |
| | 1988-89 | 63 | 281 | 29 | 145 | 46 | 52 |
| | 1989-90 | 134 | 282 | 52 | 149 | 39 | 53 |
| | 1990-91 | 124 | 280 | 23 | 139 | 19 | 50 |
| Bakalia | 1985-86 | 11 | 200 | 1 | 124 | 9 | 62 |
| | 1986-87 | 1 | 169 | Nil | 98 | Nil | 58 |
| | 1987-88 | Nil | 238 | Nil | 139 | Nil | 58 |
| | 1988-89 | Nil | 218 | Nil | 120 | Nil | 55 |
| | 1989-90 | 147 | Nil | 26 | Nil | 18 | Nil |
| | 1990-91 | 238 | 52 | 100 | 43 | 42 | 83 |

(ii) The Department attributed the lower lambing than the prescribed rate of 45 to 50 *per cent* for exotic ewes and 50 to 55 *per cent* for cross-bred ewes to non-availability of green fodder due to famine conditions, non-cooperation by shepherds (employees) and receipt of 102 imported / exotic ewes in August 1990 after the end of breeding season at Jaipur Farm. At Chittorgarh Farm, low lambing was reported to be due to John's disease, abortions and maintenance of low stock due to non-posting of stockman for the last one year and a half as the post had been temporarily diverted to Extension Centre, Gangapur in Bhilwara District. Low lambing at Bakalia was attributed to receipt of 152 exotic ewes in June 1989 without any instruction from the Directorate for their tugging.

3.4.8 High Mortality

The following table would show that mortality of sheep (ewes) was much higher than the rate stipulated in the Farm Manual i.e. 10 to 15 *per cent* of exotic sheep, 5 to 10 *per cent* for cross-bred and 5 *per cent* for native varieties :

| Farm | Year | Stipulated Mortality rate (in per cent) | Prevailing Mortality rate (in per cent) |
|-------------------------|---------|---|---|
| <u>Exotic Sheep</u> | | 10-15 | |
| Fatehpur | 1986-87 | | 29 |
| | 1988-89 | | 16 |
| | 1990-91 | | 18 |
| Chittorgarh | 1985-86 | | 36 |
| | 1986-87 | | 40 |
| Bakalia | 1985-86 | | 65 |
| <u>Cross-bred Sheep</u> | | 5-10 | |
| Jaipur | 1986-87 | | 11 |
| | 1988-89 | | 13 |
| Fatehpur | 1985-86 | | 18 |
| | 1986-87 | | 20 |
| | 1987-88 | | 11 |
| | 1988-89 | | 14 |
| | 1990-91 | | 11 |
| Chittorgarh | 1985-86 | | 12 |
| | 1988-89 | | 11 |
| Bakalia | 1985-86 | | 14 |
| | 1986-87 | | 29 |
| | 1987-88 | | 16 |
| | 1988-89 | | 26 |
| <u>Native Sheep</u> | | 5 | |
| Jaipur | 1985-86 | | 18 |
| | 1986-87 | | 13 |
| Fatehpur | 1985-86 | | 18 |
| | 1986-87 | | 22 |
| | 1987-88 | | 10 |
| | 1988-89 | | 6 |

| Farm | Year | Stipulated Mortality rate (in per cent) | Prevailing Mortality rate (in per cent) |
|-------------|---------|---|---|
| Chittorgarh | 1985-86 | | 11 |
| | 1986-87 | | 12 |
| | 1987-88 | | 11 |
| | 1989-90 | | 12 |
| Bakalia | 1985-86 | | 19 |
| | 1986-87 | | 50 |
| | 1987-88 | | 16 |

The Department attributed high mortality rate to famine conditions (Fatehpur and Bakalia Farm), scarcity of grass on Farm-land, John's disease (Fatehpur Farm), old age, shortages of stockman (Chittorgarh Farm) and change of climatic conditions for exotic sheep (Bakalia Farm) which are not tenable for Government Farms as the Government had all resources at its disposal to meet such contingencies.

3.4.9 Loss of revenue by non-culling of old sheep

All ewes who were more than 5-6 years of age and had not lambed for 3 years are required to be culled or disposed of by sale as their maintenance was uneconomical. Of the 50 non-lambing Merino ewes transferred in December 1984 from Fatehpur Farm to Chittorgarh Farm, only 10 ewes lambed, 6 were culled and remaining 34 died between 1984-85 to 1987-88. These ewes, already sterile on attaining age of 5 to 6 years before their transfer, had not lambed for over 3 years. Had the ewes been culled / disposed of by sale as prescribed in the Farm Manual, expenditure of Rs. 0.43 lakh incurred on their upkeep between December 1984 and January 1988 could have been saved.

3.4.10 Avoidable expenditure of Rs. 18.73 lakhs on stall feeding

Sheep is a grazing animal and sheep rearing is essentially a pastoral enterprise. It was, however, seen at Jaipur Farm that the sheep stock was being mostly stall fed and was not being let out for grazing. Expenditure on stall feeding of dry fodder was Rs. 18.73 lakhs during the period 1985-86 to 1990-91, even though the Farm had 556 acres of pastoral land including 216 acres cultivable land, 6 wells, one tubewell and 18 shepherds. The Farm Superintendent stated that the stock was mostly stall fed as there were less rains and exotic stock could not be taken to reserve pastoral land which was far off and was on the other side of the National Highway. It would, however, appear more plausible that proper land use planning was not done including construction of paddocks leading to avoidable expenditure on stall feeding.

3.4.11 Agricultural operations

(i) The total area of land available and area actually brought under cultivation by each Farm during the years 1985-86 to 1990-91 was as shown below :

| Farm | Total and cultivable Area (in acres) | | Area actually utilised | | | | | |
|------------------|---|----------------------------|------------------------|---------|---------|---------|---------|---------|
| | | | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
| Jaipur | Total | 556 | | | | | | |
| | Irrigated | 12 | 3.5 | 3.5 | 5.00 | 2.00 | 1.00 | Nil |
| | Rainfed | 204 | 97 | 120 | Nil | 125 | Nil | 17 |
| | Pastoral | 340 | | | | | | |
| Fatehpur | Total | 7475 | | | | | | |
| | Irrigated | 110 | 97 | 69 | 70 | 73 | 86 | 89 |
| | Rainfed | 250 | 70 | 41 | 71 | 17 | 80 | 88 |
| | Pastoral | 7115 | | | | | | |
| Chittor- garh | Total | 657 | | | | | | |
| | Irrigated | 12.5 | 3 | 3 | 6 | 6 | 6 | 6 |
| | Rainfed | 75 | 25 | 25 | 25 | 25 | 16 | Nil |
| | Pastoral | (81 from 1988-89) 569.5 | | | | | | |
| Bakalia | Total | 305 | | | | | | |
| | Irrigated | 30 | 43 | 10 | 9 | 15 | 10 | 8 |
| | Rainfed | 205 | 90 | 115 | Nil | 100 | 60 | 20 |
| | Pastoral | 70 | | | | | | |

(ii) The above table would indicate that agricultural land at each Farm was not utilised in full due to which none of the Farms achieved self sufficiency in feed and fodder during the period reviewed and they had to purchase large quantities of feed and fodder from the market at a cost of Rs. 105.77 lakhs during the six years period as shown in the table given below:

| Farm | Own production | Quantity purchased from market | Cost of feed and fodder purchased |
|-------------|-------------------|---|--|
| | (in tonnes) | | (Rupees in lakhs) |
| Jaipur | 67 | 2649 | 39.39 |
| Fatehpur | 389 | 3666 | 51.32 |
| Chittorgarh | 659 | 575 | 11.01 |
| Bakalia | 62 | 258 | 4.05 |
| Total | 1177 | 7148 | 105.77 |

(iii) It was stated by the Superintendent, Jaipur Farm that land could not be utilised fully due to non-availability of water in four open wells. Remaining two open-wells with low discharge of water were being used for the purpose of drinking water only. The only tubewell also went dry adversely affecting production of green and dry fodder. It was observed that efforts were made for increasing water resources at the Farm only in 1987-88. Estimates for Rs. 73,475 were sent in October 1988 for boring one well and the amount was deposited with GWD in March 1990. The boring was completed but water could not be obtained. At Fatehpur Farm, 3 tubewells out of 9 were stated to be drawing saline water suitable only for drinking purpose of sheep stock. No fresh proposals for boring new wells were sent reportedly on account of budgetary constraints. The Farm

Superintendent, Chittorgarh stated that out of 657 acres of land at the Farm, 519 acres was hard, rocky, uneven and uncultivable.

The above position would show that due to non-improvement of irrigation facilities at Farms, self-sufficiency in feed and fodder could not be achieved inspite of gradual reduction in the number of stock maintained at each Farm as compared to the year 1985-86 due to which heavy purchase of feed and fodder costing Rs.105.77 lakhs was made.

(iv) Excessive land at Fatehpur Farm - Avoidable expenditure of Rs. 2.11 lakhs

Fatehpur Farm established in August 1973 was allotted 9380 acres of land. The Farm had been gradually parting with land (1905 acres) after its establishment to various institutions and the actual area now under the possession of the Farm was 7475 acres (approximately). The SHO, Fatehpur had written in June 1989 to the Directorate that 4000 acres (approximately) of land would be sufficient for existing average yearly sheep stock of 3000-3500 (native stock was not maintained from 1987-88) and that the rest of land could be surrendered to save avoidable expenditure of Rs. 2.11 lakhs (approximately) from July 1989 to March 1990 on its watch and ward. It was, however, observed that the transfer of land had not been finalised (July 1991).

(v) Idle investment of Rs. 1.12 lakhs on generator

At Fatehpur Farm, one of the two generators purchased at a cost of Rs. 1.12 lakhs out of District Rural Development Agency (DRDA) funds for operating tubewells was lying idle since its purchase in February 1989 for want of permission to run the high power generator, fixing of poles and laying of electricity transmission lines by the Electricity Board.

3.4.12 Artificial Insemination / Extension Centres

(i) One Artificial Insemination and Extension Centre is attached to each Farm at Jaipur, Chittorgarh and Bakalia, and

Fatehpur Farm has one Extension Centre. The Centres carried out only extension and health care activities and distributed rams to private breeders to improve their progeny and were not engaged in any Artificial Insemination activity. No targets for distribution of rams were fixed for Jaipur and Chittorgarh Centres. The position of distribution of rams to breeders and their mortality in field at four centres during 1985-86 to 1990-91 was as follows :

| A.I /Extension Centre | Year | Distribution | | Mortality | | | |
|-----------------------------|---------|--------------|-------------|-----------------------|------------|---|------------|
| | | Target | Achievement | Death within one year | Percentage | Death after one year but within 2 years | Percentage |
| Jaipur | 1985-86 | NA | 14 | 1 | 7 | 10 | 71 |
| | 1986-87 | NA | 25 | 6 | 24 | 7 | 28 |
| | 1987-88 | NA | 1 | Nil | Nil | Nil | Nil |
| | 1988-89 | NA | 1 | 1 | 100 | Nil | Nil |
| | 1989-90 | NA | 7 | 3 | 43 | 1 | 14 |
| | 1990-91 | NA | 9 | 3 | 33 | Nil | Nil |
| Fatehpur | 1985-86 | 25 | 74 | 33 | 45 | 37 | 50 |
| | 1986-87 | 20 | 27 | 3 | 11 | 21 | 78 |
| | 1987-88 | 10 | 22 | 14 | 64 | Nil | Nil |
| | 1988-89 | 10 | 24 | Nil | Nil | Nil | Nil |
| | 1989-90 | 5 | 16 | Nil | Nil | 6 | 38 |
| | 1990-91 | 10 | 12 | Nil | Nil | Nil | Nil |
| Chittorgarh | 1985-86 | NA | 14 | 8 | 57 | 6 | 43 |
| | 1986-87 | NA | 10 | 5 | 50 | 5 | 50 |
| | 1987-88 | NA | 26 | 15 | 58 | 6 | 23 |
| | 1988-89 | NA | 8 | 4 | 50 | 2 | 25 |
| | 1989-90 | NA | 14 | 12 | 86 | Nil | Nil |
| | 1990-91 | NA | Nil | Nil | Nil | Nil | Nil |
| Bakalia | 1985-86 | 100 | 29 | 26 | 90 | Nil | Nil |
| | 1986-87 | 25 | 38 | 12 | 32 | 3 | 8 |
| | 1987-88 | 40 | 1 | 1 | 100 | Nil | Nil |
| | 1988-89 | 23 | 32 | 25 | 78 | 1 | 3 |
| | 1989-90 | 25 | 26 | 14 | 54 | 6 | 23 |
| | 1990-91 | NA | 57 | 18 | 32 | Nil | Nil |

(ii) The Extension Officer attributed high mortality to inexperience and poverty of breeders, lack of interest amongst them for cross-bred rams, and adverse climatic conditions indicating dismal failure of extension services.

(iii) Shortfall in achievements against the targets in other activities of Artificial Insemination and Extension Centres during the period 1985-86 to 1990-91 is given in the following table :

| A.I/ Extension Centre | Activity | Year | Target | Achievement (In numbers) | Percentage of shortfall |
|-----------------------------|------------------------------------|---------|--------|-----------------------------|----------------------------|
| Jaipur | Castration of local rams | 1987-88 | 2500 | 451 | 82 |
| | | 1990-91 | 2500 | 1632 | 35 |
| | Conception from cross-bred rams | 1988-89 | 600 | 206 | 66 |
| | Lambing from cross-bred rams | 1988-89 | 360 | 140 | 61 |
| Chittorgarh | Lambing from exotic rams | 1988-89 | 134 | 91 | 32 |
| | Conception from cross-bred rams | 1985-86 | 760 | 502 | 34 |
| | | 1987-88 | 1080 | 382 | 65 |
| | Lambing from cross-bred rams | 1987-88 | 540 | 326 | 40 |
| | Conception from exotic rams | 1986-87 | 450 | 285 | 37 |
| | | 1987-88 | 600 | 272 | 55 |
| | | 1988-89 | 1000 | 638 | 36 |
| | | 1989-90 | 950 | 430 | 55 |
| Bakalia | Conception from cross-bred rams | 1985-86 | 2000 | 181 | 91 |
| | | 1987-88 | 1400 | 215 | 85 |
| | | 1988-89 | 1500 | 918 | 39 |
| | Lambing from cross-bred rams | 1985-86 | 1000 | 120 | 88 |
| | | 1987-88 | 700 | 80 | 89 |
| | Conception from exotic rams | 1987-88 | 500 | 28 | 94 |
| | | 1988-89 | 500 | 267 | 47 |
| | | 1989-90 | 500 | 167 | 67 |
| | Lambing from exotic rams | 1985-86 | 165 | 79 | 52 |
| | | 1987-88 | 250 | 15 | 94 |
| | | 1988-89 | 250 | 135 | 46 |
| | | 1989-90 | 250 | 103 | 59 |

(iv) The Jaipur centre attributed non-fulfilment of targets of castration to motivational constraints saying that it could be done only upon the willingness of breeders. Bakalia centre attributed shortfalls in conception and lambing to non-availability of ewes with the breeders during 1985-86, which would indicate that rams were distributed without ascertaining the availability of breedable stock. The shortfall in 1987-88 and 1988-89 was attributed to non-availability of rams which was not a fact as rams in adequate numbers were available with the Farm as shown in table given in paragraph 3.4.6(i). No reasons for shortfall were given by the Chittorgarh Artificial Insemination Centre.

3.4.13 Non-maintenance of pedigree record

No pedigree record of cross-bred ewes from first generation onwards was maintained at any of the four centres to ensure substantial improvement of progeny and to evaluate the performance of successive breeds, which was one of the important objectives of the Farms / Centres.

3.4.14 Revenue receipts

(i) Sheep Breeding Farms had various receipts arising from the sale of manure and skins, culled animals, distribution of rams, sale of wool, cattle pound, etc. The position of budgeted and actual receipts for the six years at the four Farms was as under:

| Farm | Year | Target | Actual | Excess (+) Shortfall (-)@ |
|-------------------|---------|--------|--------|------------------------------|
| (Rupees in lakhs) | | | | |
| Jaipur | 1985-86 | 1.18 | 0.89 | (-)0.29(25) |
| | 1986-87 | 0.90 | 0.59 | (-)0.31(34) |
| | 1987-88 | 1.00 | 0.57 | (-)0.43(43) |
| | 1988-89 | 1.10 | 0.62 | (-)0.48(44) |
| | 1989-90 | 1.21 | 0.52 | (-)0.69(57) |
| | 1990-91 | 1.00 | 0.39 | (-)0.61(61) |

| Farm | Year | Target | Actual | Excess (+) Shortfall (-)@ |
|-------------------|---------|--------|--------|------------------------------|
| (Rupees in lakhs) | | | | |
| Fatehpur | 1985-86 | 1.50 | 0.80 | (-)0.70(47) |
| | 1986-87 | 0.90 | 0.62 | (-)0.28(31) |
| | 1987-88 | 0.80 | 1.47 | (+)0.67 |
| | 1988-89 | 1.70 | 1.81 | (+)0.11 |
| | 1989-90 | 2.00 | 2.13 | (+)0.13 |
| | 1990-91 | 2.20 | 1.52 | (-)0.68(31) |
| Chittorgarh | 1985-86 | 0.75 | 0.96 | (+)0.21 |
| | 1986-87 | 0.80 | 0.72 | (-)0.08(10) |
| | 1987-88 | 0.80 | 0.52 | (-)0.28(35) |
| | 1988-89 | 0.80 | 0.38 | (-)0.42(53) |
| | 1989-90 | 0.85 | 0.76 | (-)0.09(11) |
| | 1990-91 | 0.90 | 0.58 | (-)0.32(36) |
| Bakalia | 1985-86 | 0.25 | 0.13 | (-)0.12(48) |
| | 1986-87 | 0.27 | 0.14 | (-)0.13(48) |
| | 1987-88 | 0.35 | 0.36 | (+)0.01 |
| | 1988-89 | 0.24 | 0.12 | (-)0.12(50) |
| | 1989-90 | 0.22 | 0.10 | (-)0.12(55) |
| | 1990-91 | 0.10 | 0.30 | (+)0.20 |

@ figures in brackets denote percentage.

(ii) Shortfalls were attributed to non-receipt of sale proceeds of wool from the Rajasthan State Cooperative Sheep and Wool Marketing Federation Limited, Jaipur (Federation) and to drought conditions which reportedly affected output of manure. Shortfalls at Fatehpur and Chittorgarh Farms were stated to be due to non-receipt of sale proceeds of culled animals and of wool from the Federation and sale proceeds of rams from different departmental distributing agencies. Chittorgarh Farm further attributed it to less sale of manure and non-disposal of wool clipped in 1990-91.

(iii) Outstanding receipts - Rs. 33.47 lakhs

Out of Rs. 32.30 lakhs, the total cost of 1,50,846 kg. wool (Rs. 31.10 lakhs) and 1446 culled animals (Rs. 1.20 lakhs) supplied by

the Farms to the Rajasthan State Cooperative Sheep and Wool Marketing Federation, Jaipur between 1978-79 to 1990-91, only Rs. 0.44 lakh was realised by Jaipur Farm as of March 1991. SHO, Fatehpur stated in August 1988 that it was not possible to realise those dues as the Federation's finances were poor.

Rs. 0.72 lakh of sale proceeds of manure to Forest Department during 1982-83 to 1989-90 by Jaipur and Fatehpur Farms, and Rs. 0.89 lakh of sale proceeds of cross-bred rams by the Fatehpur Farm to various departmental agencies were also outstanding.

3.4.15 Other points of interest

(i) Non recovery of house rent of Rs. 2.52 lakhs

House rent is not being recovered from the Farm staff in occupation of Government accommodation in anticipation of Government order for providing rent free accommodation to the Farm staff which was stated to be under consideration of Government. The amount of rent recoverable from various dates from June 1972 to March 1991 works out to Rs. 2.52 lakhs for three Farms. Such information at Chittorgarh Farm was not made available. Public Accounts committee had also discussed this matter in 1983-84 and had desired (April 1984) that Government should take an early decision.

The Director stated (August 1991) that Government approved in January 1991 free residential accommodation to 33 *per cent* of the staff on the Farm which was not considered sufficient and a request was again made (June 1991) to provide free accommodation to whole of the Farm staff. The reply of the Government has not been received.

3.4.16 Planning, Monitoring and Evaluation

Breeding plans were required to be sent to the Directorate in the month of March every year. The Farm at Fatehpur sent the plans for six years together in July 1991 and that at Jaipur did not

send at all except for 1990-91 in June 1990. Due to late / non-submission of these plans proper planning for allotment of rams to extension agencies, purchase / transfer of animals, etc. could not be done at the Directorate. No procedure to monitor and evaluate the progress of cross breeding programme was prescribed by the Directorate or conducted by Farms themselves. No study was conducted by any Farm to evaluate the performance of cross-bred animals under local environmental conditions. No definite periodicity was prescribed for inspection of Farms by technical and other supervisory officers of the Directorate which is indicative of laxity in planning and monitoring.

The points mentioned above were reported to Government in April 1991; their reply had not been received (March 1992).

TOURISM, ART AND CULTURE DEPARTMENT

3.5 Department of Tourism

3.5.1 Introduction

The Department of Tourism was established in 1956 with the objective of promotion and development of tourism in the State by developing tourist facilities, organising adequate publicity and strengthening tourism infrastructure. In pursuance of a recommendation of the Government of India (GOI), Rajasthan Tourism Development Corporation (RTDC) was set up in April 1979 and all the commercial activities, especially those relating to arrangements for accommodation and transport of the tourists, were transferred to it.

The Department is headed by a Director (DOT) assisted by two Additional Directors, one Deputy Director, two Assistant

Directors (Tourism), one Assistant Director (Statistics) and one Accounts Officer. There are 27 Tourist Information Bureaus (TIBs) of which 21 are located within the State and 6 outside the State.

An audit review of the working of Department for the period 1985-86 to 1990-91 was undertaken by Audit during April to July 1991. Records were test-checked in offices of DOT, General Manager (Works) of RTDC, and TIBs at Ajmer, Amber, Bundi, Jaipur, Jaisalmer, New Delhi and Udaipur. Important points noticed are mentioned in the succeeding paragraphs.

3.5.2 Highlights

- There was 21 *per cent* shortfall in expenditure relative to total budgetary outlay during 1985-86 to 1990-91 even as major portion of funds, transferred to Personal Deposit(PD) accounts of executing agencies, notably RTDC, and lying unutilised therein, were treated as final expenditure in Government accounts.

(Paragraph 3.5.3 (i) and (ii))

- Amounts ranging from 21 *per cent* (1986-87) to 99 *per cent* (1985-86 and 1988-89) of available unutilised balances out of funds sanctioned for development works were invested in term deposits by RTDC.

(Paragraph 3.5.3 (iii))

- 34 *per cent* of total amount sanctioned by GOI could not be availed of by State Government.

(Paragraph 3.5.3 (iv))

- Department seemed to act merely as a conduit for transferring funds to RTDC and did not have any control over or information about progressive utilisation of funds and physical progress of works.

(Paragraph 3.5.4)

- There were unexplained delays at the Government level in passing on central funds to the Department.

(Paragraph 3.5.4)

- Over 70 *per cent* of funds transferred from State Plan to the RTDC for development of sites remained unutilised by RTDC. No work was done in a good number of projects sanctioned as far back as 1986-87. There was little coordination between Department, RTDC, State Department of Archaeology and Museum, Archaeological Survey of India(ASI), and other Departments aggravating delays in execution of works.

(Paragraph 3.5.5)

- There were continuous shortfalls of expenditure and delays in execution of works relating to publicity indicating lack of drive in this key area of tourism promotion.

(Paragraph 3.5.6)

- Out-State Tourist Information Bureaus were manned by clerks as Tourist Officers posted there were reallocated to Jaipur or these posts were allowed to remain vacant.

(Paragraph 3.5.7)

- There was continuous decline in bed-occupancy from 1986-87 to 1990-91 in the RTDC units.

(Paragraph 3.5.9)

3.5.3 Financial outlays

(i) Budgetary outlays and expenditure during the period under review are summarised in the following table :

| Year | Amount sanctioned by GOI | Budget provision by State Government | | | Expenditure out of | | | Shortfall in Central release (Column 2-3)* | Shortfall/excess in total expenditure (Column 5-8)* |
|-------------------|--------------------------|--------------------------------------|---------------|--------------------|--------------------|-------------|-------------------------------|--|---|
| | | Central release | State release | Total column (3+4) | Central funds | State funds | Total expenditure column(6+7) | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| (Rupees in lakhs) | | | | | | | | | |
| 1985-86 | 17.71 | 14.09 | 78.08 | 92.17 | 14.09 | 80.00 | 94.09 | (-)3.62 (20) | (+)1.92 |
| 1986-87 | 26.12 | 15.00 | 103.79 | 118.79 | 15.00 | 100.64 | 115.64 | (-)11.12 (42) | (-)3.15 (3) |
| 1987-88 | - | 0.05 | 155.56 | 155.61 | 0.05 | 99.02 | 99.07 | (+)0.05 | (-)56.54 (36) |
| 1988-89 | 84.88 | 27.20 | 170.40 | 197.60 | 27.20 | 150.07 | 177.27 | (-)57.68 (68) | (-)20.33 (10) |
| 1989-90 | 26.25 | 37.99 16.90@ | 214.39 | 269.28 | 54.89 | 199.23 | 254.12 | (+)28.64 | (-)15.16 (6) |
| 1990-91 | 139.53 | 81.69 1.59# | 336.03 | 419.31 | 2.50 | 244.86 | 247.36 | (-)56.25 (40) | (-)171.95 (41) |
| Total | 294.49 | 194.51 | 1058.25 | 1252.76 | 113.73 | 873.82 | 987.55 | (-)99.98 (34) | (-)265.21 (21) |

* Figures in bracket denote percentage shortfall.

@ This is residual balance carried over from VI Plan

This is residual balance carried over from 1983-84 (Rs. 1.00 lakh) and 1988-89 (Rs. 0.59 lakh)

(ii) The Department attributed (June 1991) shortfall in total expenditure (21 *per cent* of total outlay) to unfilled vacant posts and less expenditure on publicity. It is, however, observed that figures shown as expenditure in columns 6, 7, 8 of the above table did not represent utilisation correctly. Major portions of funds were shown as spent even though they were merely drawn and kept in the Personal Deposit(PD) accounts of executing agencies such as Public Works Department(PWD), Irrigation Department, Local Bodies, Municipalities etc. and more notably RTDC in respective years. 58.5 *per cent* of Central assistance received during 1989-90 was transferred to RTDC and 97 *per cent* of funds received in 1990-91 were lying unutilised with the State Government (June 1991).

(iii) The following table shows that only a fraction of the total unutilised balances was being kept by RTDC in the PD account.

| Year | Unutilised opening balances | | | Opening credit balance in PD account | Unutilised balances kept outside PD account* |
|-------------------|-----------------------------|--------|--------|--------------------------------------|--|
| | Central | State | Total | | |
| (Rupees in lakhs) | | | | | |
| 1985-86 | 25.11 | 56.16 | 81.27 | 0.09 | 81.18 (99) |
| 1986-87 | 25.52 | 70.75 | 96.27 | 76.04 | 20.23 (21) |
| 1987-88 | 15.93 | 44.40 | 60.33 | 63.07 | - |
| 1988-89 | 9.97 | 52.43 | 62.40 | 0.51 | 61.89 (99) |
| 1989-90 | 19.43 | 108.46 | 127.89 | 68.72 | 59.17 (46) |
| 1990-91 | Not available | | | | |

* Figures in bracket denote percentage.

A major portion of funds sanctioned for development works, year after year, was found kept in term deposits by RTDC with banks which not only had the effect of giving an unfair picture of Corporation's financial position but also was a considerable drain on State's scarce financial resources.

(iv) Even as expenditure figures of State accounts did not necessarily correspond to their actual utilisation, the State Government failed to avail of 34 *per cent* of total amount committed and sanctioned by GOI because of their inability to spend the funds released over the corresponding period.

3.5.4 Utilisation of Central Funds

(i) During Seventh Plan period (1985-86 to 1989-90) and during 1990-91, funds amounting to Rs. 154.96 lakhs and Rs. 139.53 lakhs were sanctioned by GOI for 23 and 18 schemes/works respectively. Against these sanctions, Rs. 94.33 lakhs and Rs. 81.69 lakhs were released during the Seventh Plan and during the year 1990-91 respectively. Besides, a residual amount of Rs. 16.90 lakhs relating to 5 schemes sanctioned during the Sixth Plan period were received during the Seventh Plan period and Rs. 1.59 lakhs relating to 2 schemes (one of 1983-84 and one of 1988-89) were received during the year 1990-91.

(ii) GOI sanctioned Rs.101.18 lakhs for 13 development works during Seventh Plan, which were entrusted by the State Government to RTDC for execution. Test-check revealed that RTDC had incurred Rs. 84.52 lakhs on 10 works and other 3 works were not taken up at all. The Department intimated in February 1992 that one work has since been entrusted to PWD and two works have been taken up for execution. The delay in starting the works was attributed to survey and finalisation of topography. The Directorate did not have any details of expenditure, physical progress, or reasons of cost overrun by RTDC. Completion certificates of 10 works were awaited (February 1992).

(iii) It was revealed that Central funds were transferred *en-block* to RTDC even when they related to purchases which could be made directly by the Department. The following table would give a few instances:

| Purpose | Amount | | Month of sanction by GOI | Month of sanction by State Government for transfer to RTDC |
|-------------------|------------|----------|--------------------------|--|
| | Sanctioned | Released | | |
| (Rupees in lakhs) | | | | |
| Purchase of- | | | | |
| 1. Tents | 7.00 | 7.00 | 01/1986 | 03/1987 |
| 2. Mini-buses | 4.77 | 4.29 | 03/1986 | 12/1986 |
| | | 0.05 | | 09/1989 |
| 3. Chairs, etc. | 2.00 | 1.80 | 03/1986 | 03/1987 |
| 4. Boats | 3.94 | 1.00 | 03/1986 | 03/1987 |
| 5. Tents | 1.25 | 1.13 | 01/1989 | 05/1989 |
| 6. Tents, | 4.47 | 4.02 | 09/1989 | 09/1989 |
| generators, etc. | 1.08 | 0.97 | | |

The Department reported in February 1992 that funds were transferred to RTDC since the RTDC had technical know-how for catering to the needs of tourists. The Department did not elaborate the technical know-how required for making purchases.

(iv) A few cases relating to utilisation of funds by RTDC, as noticed in test-check, are described below:

(a) GOI sanctioned and released the following amounts for purchase of tents for the purposes mentioned against each:

| Date of sanction | Number of tents to be purchased | Amount sanctioned | Amount released | Purpose |
|-------------------|---------------------------------|-------------------|-----------------|---|
| (Rupees in lakhs) | | | | |
| 2 January 1986 | 100 | 7.00 | 7.00 | For celebration of fairs and festivals in Rajasthan. |
| 13 January 1989 | 100 | 1.25 | 1.12 | For celebration of Shekhawati festival in Rajasthan. |
| 6 September 1989 | 100 | 4.47 | 4.02 | For celebration of Camel Safari during Pushkar festival in Rajasthan. |
| Total | 300 | 12.72 | 12.14 | |

The Department stated (July 1991) that although 323 tents had been reportedly purchased by RTDC between November 1986 to December 1989, those had not been received by them so far.

(b) The Department placed Rs. 0.97 lakh at the disposal of the RTDC for purchase of one generator set for celebration of Camel Safari during Pushkar fair. The Corporation purchased seven generator sets of 2 KVA each instead of one generator set required during November 1989 to January 1991. The Department stated (July 1991) that generator sets purchased by RTDC had not been received so far. In February 1992 the Department stated that RTDC had been asked to apprise of the position.

(c) GOI sanctioned (October 1986) Rs. 7.20 lakhs for purchase of equipment for Camel Safari at Jaisalmer and released Rs. 4 lakhs as first instalment to the Department and the amount was transferred (February 1987) to the Corporation. The amount, however, remained unutilised till January 1990. GOI subsequently dropped (January 1990) the project and diverted funds for development of Tourist Complex at Pushkar. The DOT referred (December 1990) the matter to State Government for according necessary sanction for ongoing schemes of Tourist Complex, Pushkar which was not received (February 1992). Absence of effective follow-up action by the Department resulted in blocking of funds to the tune of Rs. 4 lakhs with RTDC (February 1992).

(d) GOI sanctioned Rs. 3.15 lakhs for purchase of two motor boats (Rs. 2.56 lakhs), four seater paddle boats (Rs. 0.40 lakh), and two seater paddle boats (Rs. 0.19 lakh) to be used at Siliserh (Alwar) and released Rs. 2 lakhs as an advance payment. The Department transferred the funds to the Corporation (January 1989). Supply order for Rs. 0.59 lakh was placed by the Corporation on 29 September 1988 with the lowest tenderer for supply of six paddle boats. An agreement was executed with the

firm on 22 September 1988 at Jaipur stipulating delivery within a period of four weeks from the date of order. The firm supplied only three boats (two four-seater and one two-seater) at the cost of Rs. 29,344 in December 1988, which were sent to Lake Palace, Siliserh. The boats were found defective and broke down within a week of their receipt as intimated by the Manager of Lake Palace to the RTDC. Defective boats could not be got repaired from the supplier. His earnest money deposit of Rs. 6,380 had been refunded on 13 December 1988 even before the supply of boats. The Department intimated (February 1992) that 8 boats were purchased for Rs.3.28 lakhs but offered no comments on defective supply.

(e) GOI sanctioned Rs. 2 lakhs for purchase of chairs, tents, public address system, boats and dress materials for use during tribal festivals in the State and released Rs. 1.80 lakhs (March 1986) as first instalment which was credited in the PD Account of RTDC in March 1987. No action was taken till March 1990 by RTDC, when an order was placed with a local firm and articles (Rs. 0.81 lakh) were supplied directly to the Department. Unutilised balance of Rs. 0.99 lakh had neither been utilised nor refunded to the Government as of February 1992.

(v) The Directorate seemed to act merely as a conduit for transferring funds to RTDC. The Department informed (February 1992) that site inspections were carried out and quarterly progress reports (physical and financial) were obtained from RTDC. It did not have any control over or information about progressive utilisation of funds by RTDC. There were unexplained delays at the Secretariat level in passing on the funds received from GOI to Department.

3.5.5 Development (capital) works sanctioned out of State Plan

(i) During the period under review, a total of 82 works of development of tourist sites were sanctioned at a cost of Rs. 301.37 lakhs by the State Government for execution by RTDC (56

works) and by other agencies (26 works) out of State Plan. These funds were straightaway transferred to the RTDC which was the main executing agency and from 1986-87 onwards, also to other agencies such as Departments of Public Works, Irrigation, Local Bodies and Municipalities etc. The Directorate of Tourism did not have information regarding final or progressive utilisation of funds. There was also no periodical or occasional monitoring of physical progress of works assigned to executing agencies as no records were found maintained which would indicate dates of taking up of works, stages of incomplete works, stipulated dates of completion of various projects etc. There was no system in the Department to check whether expenditure incurred by the executing agencies conformed to the requirements as specified in the respective sanctions. The Department stated (June 1991) that such details were now being ascertained from the executing agencies. The utilisation of these funds as ascertained from test-check of records at the Directorate and RTDC is summarised in the following table:

| Year | Number of works | | | Amount sanctioned by State Government for transfer | | | Expenditure incurred by RTDC | Unutilised balance with RTDC as on 31.3.91* |
|-------------------|-----------------|--------|-------|--|--------|--------|------------------------------|---|
| | RTDC | Others | Total | RTDC | Others | Total | | |
| (Rupees in lakhs) | | | | | | | | |
| 1985-86 | 7 | - | 7 | 18.69 | - | 18.69 | 15.02 | 3.67 (19.6) |
| 1986-87 | 2 | 8 | 10 | 2.40 | 12.25 | 14.65 | - | 2.40 (100) |
| 1987-88 | 5 | 2 | 7 | 11.04 | 3.41 | 14.45 | 7.72 | 3.32 (30.1) |
| 1988-89 | 9 | 3 | 12 | 26.00 | 29.11 | 55.11 | 19.24 | 6.76 (26) |
| 1989-90 | 18 | 2 | 20 | 58.04 | 5.20 | 63.24 | 18.82 | 39.22 (67.6) |
| 1990-91 | 15 | 11 | 26 | 96.70 | 38.53 | 135.23 | 1.64 | 95.06 (98.3) |
| Total | 56 | 26 | 82 | 212.87 | 88.50 | 301.37 | 62.44 | 150.43 (70.7) |

* Figures in bracket denote percentage non-utilisation with reference to total funds transferred during the year.

The utilisation of funds in respect of 26 works (sanctioned cost : Rs. 88.50 lakhs) entrusted to other agencies was not available in the Department.

(ii) The following table gives a summary of cases where no work or negligible work was done :

| Year | Number of works | Sanctioned cost | Expenditure incurred | Sites for development works |
|-------------------|-----------------|-----------------|----------------------|---|
| (Rupees in lakhs) | | | | |
| 1986-87 | 2 | 2.40 | 0.00 | Kuldhara (Jaisalmer) and Mount Abu |
| 1987-88 | 1 | 2.00 | 0.00 | Tal-Vraksha, Alwar |
| 1988-89 | 3 | 7.63 | 0.00 | Jaipur and Amber, Bundi; Welcome Boards at State boundaries |
| 1989-90 | 7 | 29.89 | 0.21 | Kurki (Pali), Rakt Talai , Chetak Samadhi, Chawand, Badshahi Bagh, Kumbalgarh, Gogunda (Udaipur) |
| 1990-91 | 11 | 83.85 | - | Medatani Bawari (Jhunjhunu) |
| | 4 | 12.85 | 1.64 | Bundi, Amber, Jaipur, Much-kund (Dholpur), Osian, Gulab Sagar, Jaswant Thada (Jodhpur), Jaisalmer, Udaipur. |

(iii) Examination of records revealed that little spade work was done before sanctioning of a project by the Government. There was little coordination between the Department, RTDC and other related agencies such as State Department of Archaeology and Museum, ASI etc. leading to delays in completion of sanctioned projects. The Department attributed the delay and non-starting of works to problems of ownership, title of land and non-cooperation of public (February 1992). A few illustrative cases noticed in audit are mentioned in the following paragraphs.

(iv) Maintenance of a tourist spot called *Kesar Kyari*, Amber was transferred from PWD to RTDC in January 1985. Subsequently in December 1990, it was decided that maintenance/development of *Kesar Kyari* should be entrusted to the Directorate. The work, however, remained with the RTDC.

and Rs. 3 lakhs were reimbursed towards expenditure incurred on maintenance of *Kesar Kyari* from 1986-87 to 1990-91 by the Government. No detailed accounts of expenditure were given by RTDC before reimbursement.

(v) The State Government sanctioned and transferred to RTDC Rs. 2 lakhs in December 1989 for development of birth place of *Meera Bai* at Kurki village in Pali District without even ascertaining property rights of the site. The work was scheduled to be completed by June 1990. The Executive Engineer, RTDC reported in May 1990 to the DOT that the site was a personal property of the Pradhan of the village who insisted on a written agreement that the Government shall have no right over that land after carrying out the development work. Work had not been taken up so far and no agreement was finalised with the owner (April 1991).

(vi) The State Government sanctioned and credited Rs. 2.12 lakhs in February 1986 to RTDC for carrying out development work of Poonam Stadium in Jaisalmer. The Corporation invited tenders only in July 1990 after retaining the money with them for more than four years. The work was to be completed by 24 October 1990. The work was still in progress although an expenditure of Rs. 1.33 lakhs was incurred till March 1991. The Corporation stated (May 1991) that the work could not be started because the Notified Area Committee (NAC), Jaisalmer had made a claim to do the work. Moreover, the nature of work was finally decided in a meeting with the Directorate only in March 1991.

(vii) The State Government sanctioned Rs. 2.25 lakhs for development of Osian temples through the PWD but transferred funds to the RTDC in March 1987. In a meeting held in July 1990 by the Secretary, Tourism Department, it was decided to get the work done by the Corporation instead of the PWD. Formal Government orders, sought by Directorate in August 1990, were awaited (February 1992).

(viii) The State Government sanctioned Rs. 8.01 lakhs for development of *Chatter Mahal* (Rs. 4.39 lakhs) and *Chitrashala* in Bundi (Rs. 3.62 lakhs) and transferred funds to the RTDC in March 1989. Required clearance of ASI could not be obtained as regards *Chatter Mahal*. Moreover, it was also a private property. The Directorate, therefore, shelved this project and requested the Collector, Bundi to prepare alternative proposals for utilisation of the sanctioned amount which were not received (February 1992). As regards *Chitrashala*, the work could not be taken up so far for want of clearance from ASI (February 1992).

(ix) The State Government sanctioned Rs. 1 lakh for development of *Karni Mata* temple at Deshnok, Bikaner and transferred funds to RTDC in December 1984. Only a nominal amount of Rs. 273 was spent on the above work and Rs. 0.20 lakh on another work (development of *Kolayat Ghats*) out of Rs. 1 lakh sanctioned till March 1991. The Directorate stated that it had been decided in March 1990 to use unspent amount for development of *Kolayat Ghats* in Bikaner District but approval of the State Government was awaited (February 1992).

(x) The State Government sanctioned Rs. 1 lakh for providing 'welcome' hoardings at State borders and transferred the amount to the RTDC in November 1988. RTDC stated that the amount was lying unutilised as the design of boards was yet to be approved by the Directorate (May 1991). The Department intimated (February 1992) that the design had been finalized and work would be taken in hand early.

3.5.6. Publicity

(i) Publicity is one of the important functions handled directly by the Department. It includes organisation of various fairs and festivals of the State to attract tourists. Allotment and expenditure of funds on publicity is given in the following table:

| Year | Allotment | Expenditure | Excess (+) Savings (-) | Reasons of shortfall |
|-------------------|---------------|---------------|---------------------------|--|
| (Rupees in lakhs) | | | | |
| 1985-86 A | 25.16 | 26.11 | (+) 0.95 | The reasons of shortfall in expenditure during the years 1986-87 to 1988-89 were not stated by the Department. Savings in expenditure during 1989-90 and 1990-91 were stated to be due to non-appointment of advertising agency and holding of less number of fairs. |
| B | 6.50 | 7.48 | (+) 0.98 | |
| 1986-87 A | 45.55 | 42.79 | (-) 2.76 | |
| B | 7.65 | 9.40 | (+) 1.75 | |
| 1987-88 A | 53.80 | 33.17 | (-)20.63 | |
| B | 15.00 | 12.84 | (-) 2.16 | |
| 1988-89 A | 58.25 | 49.38 | (-) 8.87 | |
| B | 15.00 | 13.20 | (-) 1.80 | |
| 1989-90 A | 64.00 | 63.95 | (-) 0.05 | |
| B | 18.15 | 14.20 | (-) 3.95 | |
| 1990-91 A | 75.00 | 25.96 | (-)49.04 | |
| B | 19.15 | 12.04 | (-) 7.11 | |
| Total | 403.21 | 310.52 | (-)92.69 | |

A = Tourist information and publicity

B = Fairs and festivals

(ii) The expenditure shown in the above table includes payment to RTDC in 1989-90 and 1990-91 when Rs. 11 lakhs and Rs. 13.42 lakhs were transferred for (a) production of films/furnishing of TIBs and (b) printing of tourist literature/renovation of TIBs etc. respectively. Information on utilisation of funds transferred to RTDC was not available with the Department.

Shortfall in expenditure on publicity is indicative of lack of drive in this significant operation. The Department informed (February 1992) that reasons of savings during the years 1987-88 and 1988-89 were being investigated.

(iii) A screening committee consisting of Secretary, Director, Director (Public Relations) and a representative of the State Finance Department was constituted by the State Government for finalising details of production of films. Reputed film makers were invited from all over the country for making films on Rajasthan. Eleven film-makers were called by

the screening committee out of respondents in its meeting held in November 1988. Eight film-makers turned up for presentation and four were short listed but no formal agreements were drawn up subsequently with any of them. Similarly, no decision was taken in another meeting of the screening committee held in September 1989 when 13 film makers, out of 21 invited, made their presentation. Funds provided in the budget for production of films during the years 1988-89 (Rs. 2.5 lakhs) and 1989-90 (Rs. 8 lakhs) were credited in the PD account of the RTDC on 29 March 1989 and 31 March 1990 respectively and booked as final expenditure. A further amount of Rs. 1.5 lakhs was transferred to RTDC on 16 March 1991 for preparation of an audio-visual on 'Thar Desert'. This was apparently done to avoid lapse of funds as RTDC had no direct responsibility or expertise for making films and was, consequently, an irregular financial practice.

3.5.7 Staffing in Tourist Information Bureaus(TIBs)

(i) There are 21 TIBs within the State and 6 TIBs outside. The following table indicates the vacancy position :

| Designation | Sanctioned strength | Vacancy position (Number of posts) | | | | | |
|---------------------------|---------------------|------------------------------------|---------|---------|---------|---------|---------|
| | | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 |
| Assistant Director | 7 | 2 | 2 | 5 | 3 | 3 | 3 |
| Tourist Officer | 21 | - | 1 | 1 | 1 | 1 | 4 |
| Assistant Tourist Officer | 5 | - | 1 | 1 | 1 | 1 | 2 |

Out-State TIBs at Bombay, Calcutta, Agra and Madras were without any Tourist Officer since March 1985, March 1986, August 1989, and June 1990 respectively. Assistant Director, Bombay and Tourist Officer, Kota had been posted at Jaipur in March 1985 and December 1982 respectively. The Department stated (July 1991) that work at TIB Bombay was looked after by an Upper Division Clerk and by Lower Division Clerks at Calcutta, Agra and Madras. The vacancies had not been filled till June 1991. It was further stated that eligible persons were not available for promotion to the post of Tourist Officers and

Assistant Tourist Officers and there was ban on direct recruitment for promotion posts.

The manner in which man-power was deployed, especially in TIBs outside the State, is indicative of lackadaisical approach to a key operation viz. tourist information and publicity outside the State.

(ii) No specific targets to be achieved were found framed for any of the TIBs. Tourist Officers at Amber, Ajmer, Bundi, Jaisalmer and Jaipur stated (July 1991) that developmental works of tourist sites were done by the Directorate and that they had no information regarding execution and monitoring of those works.

3.5.8 Targets and achievements of tourist arrivals

Information regarding targeted inflow of tourists and actual arrivals as collected from the Department is summarised in the following table :

(Figures in lakhs)

| Year | Target fixed | | Actual arrivals | | Shortfall | |
|------|--------------|-----------|-----------------|---------|-----------|---------|
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| 1985 | Not fixed | Not fixed | 31.21 | 2.69 | - | - |
| 1986 | " | " | 32.14 | 2.92 | - | - |
| 1987 | " | " | 34.24 | 3.48 | - | - |
| 1988 | 37.66 | 3.73 | 34.95 | 3.66 | (-)2.71 | (-)0.07 |
| 1989 | 41.43 | 3.99 | 38.33 | 4.20 | (-)3.10 | - |
| 1990 | 40.24 | 4.49 | 37.35 | 4.18 | (-)2.89 | (-)0.31 |

The Département did not intimate reasons for not fixing targets during 1985 to 1987 and the basis on which targets for 1988 to 1990 were fixed. Shortfall in tourist inflow was attributed by the Department (February 1992) to disturbances in the country and general elections.

3.5.9 Infrastructural facilities

(i) The following table would show the number of units of commercial infrastructure which were transferred to RTDC in April 1979 consequent upon its formation and additions made upto March 1991 and during the period from 1985-86 to 1990-91:

| Type | Units transferred in April 1979 | Additions upto 31 March 1991 | Total as on 31 March 1991 | Units added during 1985-86 to 1990-91 |
|--|---------------------------------|------------------------------|---------------------------|---------------------------------------|
| 1. Tourist Bungalows | 15 | 13 | 28 | 4 |
| 2. Midways | 3 | 5 | 8 | 1 |
| 3. Cafeteria | 1 | 1 | 2 | - |
| 4. Youth Hostel (since transferred to Sports Council, Rajasthan) | 1 | - | - | - |
| 5. Number of beds | 979 | 990 | 1969 | 174 |

(ii) In spite of increased tourist inflow, the bed occupancy of RTDC units showed a downward trend. The RTDC agreed that the bed occupancy in its units during the review period showed a declining trend but did not advance any reason for the same. The percentage bed-occupancy from 1985-86 to 1990-91 were 50.04, 50.15, 47.76, 47.25, 49.65 and 41.02 respectively.

WOMEN AND CHILD DEVELOPMENT DEPARTMENT

3.6 Loss on account of spoiled wheat and avoidable expenditure on its storage

In order to provide greater cover under Supplementary Nutrition Programme in tribal and backward areas, a Centrally Sponsored Nutrition Programme was introduced in January 1986. Under the scheme, wheat was to be made available by the Government of India free of cost. In January 1988, Government of India allocated 3500 tonnes of wheat to the State Government

for the year 1987-88, which was distributed in March 1988 to various Child Development Project Officers (CDPOs) of Integrated Child Development Services, responsible for implementation of the scheme.

During audit of the records of Regional Deputy Director (RDD), Dungarpur District conducted in January 1991, it was noticed that of the 512 tonnes of wheat allotted to and lifted by the CDPOs of the District from the Food Corporation of India (FCI) in March 1988 and stored in hired godowns, only 332.418 tonnes of wheat could be utilised as of June 1991. 179.582 tonnes of wheat costing Rs. 3.50 lakhs (Rs. 195 per quintal at current central issue price of FCI) were lying unutilised with the result that it got spoiled and became unfit for human consumption (October 1989). In reply to an audit query, the RDD, Dungarpur stated in January 1991 that wheat could not be utilised due to distribution of ready to eat food (*murmura* and *panjiri*) to the beneficiaries, which was regularly supplied to the CDPOs in sufficient quantity. It was, however, observed that non-utilisation of wheat was due to lack of increase in the number of additional beneficiaries (children below 6 years, pregnant women and nursing mothers) as contemplated in the scheme. The target of beneficiaries fixed for the CDPOs of the District during 1986-87 i.e. before introduction of the programme remained static during 1987-88 and 1988-89 and proposals for additional coverage under the scheme were not framed at any level. Meanwhile, Rs. 1.13 lakhs were spent on hiring godowns for storage of wheat.

In order to utilise the stock, it was decided in June 1989 to transfer 147.1 tonnes of wheat to Barmer District. On receipt of first lot of 30.8 tonnes, the RDD, Barmer, complained that the wheat received was not fit for human consumption and also requested the Director to instruct RDD, Dungarpur not to send any more quantity. The wheat was tested in the Public Health Laboratory, Udaipur in October 1989 and was found unfit for

human consumption. The disposal of the spoils under consideration of the Department (June 1991).

Thus, non-utilisation of 179.582 tonnes of wheat resulted in a loss of Rs. 3.50 lakhs and avoidable expenditure of Rs. 1.50 lakhs on its storage.

The matter was reported to Government in June 1991. The reply had not been received (March 1992).

GENERAL

3.7 Write-off of losses, revenue etc.

During 1990-91, losses of Rs. 16.97 lakhs (66 cases) of irrecoverable revenue / advances, loss of books etc. were written off and recoveries of Rs. 3.51 lakhs (9 cases) were made by competent authorities. Department-wise details are given in Appendix 4.

3.8 Misappropriations, defalcations etc.

The number of cases of misappropriation and defalcation of Government funds reported to Audit till the end of 1991 and on which final action was pending till June 1992 follows:

| | Number of cases | Audited (in lakhs) |
|--|-----------------|--------------------|
| Cases reported upto March 1988 and outstanding at the end of June 1988 | 839 | |
| Cases reported during 1988-89 to 1990-91 | 123 | |
| Cases disposed of between July 1988 and June 1991 | 221 | |
| Cases outstanding as at the end of June 1991 | 741 | |

The Public Accounts Committee 1986-87 took a serious view of the large number of pending cases and while suggesting measures for their expeditious finalisation, stressed the need for monitoring of these cases by the Treasury and Accounts Department.

In spite of these recommendations, the position has not improved much. Out of 741 cases, 581 (78 per cent) were pending due to non-completion of departmental enquiries or police investigations.

The extent of delay in finalisation of 741 cases outstanding as on 30 June 1991 is given below:

| | Number | Amount (in lakhs of rupees) |
|---|--------|-----------------------------------|
| Cases over 7 years old | 457 | 87.42 |
| Cases over 5 years old but less than 7 years | 38 | 19.39 |
| Cases over 3 years old but less than 5 years | 139 | 69.56 |
| Cases upto 3 years old | 107 | 151.02 |

The oldest case pertained to the year 1951-52. Of the 741 cases, 171 involving Rs. 10.70 lakhs were pending with the Revenue Department, 78 involving Rs. 8.02 lakhs with the Primary and Secondary Education Department and 58 involving Rs. 19.68 lakhs with the Public Health Engineering Department.

The reasons for pendency of these cases were as follows:

| | Revenue Department | | Primary and Secondary Education Department | | Public Health Engineering Department | | Other Departments | |
|--|--------------------|--------------|--|-------------|--------------------------------------|--------------|-------------------|---------------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| (Amount in lakhs of rupees) | | | | | | | | |
| Non-completion of departmental enquiry or police investigation | 163 | 10.52 | 54 | 5.90 | 51 | 18.19 | 313 | 240.16 |
| Cases pending in Law Courts | 4 | 0.02 | 24 | 2.12 | 7 | 1.49 | 83 | 39.20 |
| Cases pending for orders of recovery | - | - | - | - | - | - | 38 | 9.63 |
| Pending for other reasons | 4 | 0.16 | - | - | - | - | - | - |
| Total | 171 | 10.70 | 78 | 8.02 | 58 | 19.68 | 434 | 288.99 |

FINANCE AND RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENTS

3.9 Outstanding Inspection Reports

For early settlement of Audit inspection reports and paragraphs, Government issued instructions to all departmental officers in August 1969 for sending first replies to inspection reports within a month and replies to further observations from Audit within a fortnight. In September 1987, the Finance Department, while reiterating the instructions issued from time to time, stressed that there should be no delay in dealing with the inspection reports.

At the end of June 1991, there were 5209 inspection reports involving 22,837 paragraphs issued during the period from 1972-73 to 1990-91 (reports issued upto 31 December 1990) which were pending settlement as shown below (with corresponding figures for the earlier two years):

| | 1989 | 1990 | 1991 |
|--|-------------------------|---------|---------|
| | (end of June each year) | | |
| Number of inspection reports not settled | 4,755 | 5,142 | 5,209 |
| Number of pending paragraphs | 22,786 | 22,982 | 22,837 |
| Earliest year of issue | 1972-73 | 1972-73 | 1972-73 |

The year-wise break up of these outstanding inspection reports is given below:

| Year | Inspection Reports | Paragraphs |
|--------------|--------------------|------------|
| Upto 1985-86 | 1,232 | 3,809 |
| 1986-87 | 634 | 2,167 |
| 1987-88 | 896 | 3,957 |
| 1988-89 | 883 | 3,777 |
| 1989-90 | 753 | 3,566 |
| 1990-91 | 811 | 5,561 |
| | 5,209 | 22,837 |

For prompt settlement of inspection reports, Audit Committees were formed in July 1985 in 3 out of 35 Departments of the Government consisting of the Secretary of the Administrative Department, Head of Department, Deputy Secretary of Finance Department and representatives of the Director, Treasury and Accounts and of the Accountant General. Since their constitution, these Audit Committees met only a few times instead of twice in a year as required.

| S.No. | Name of Department in which Audit Committee was constituted | Date of constitution | <u>Details of meetings held</u> | | Number of paragraphs settled |
|-------|---|----------------------|---------------------------------|----------------------|------------------------------|
| | | | Number of meetings | Date of last meeting | |
| 1. | Agriculture | 3 July 1985 | 2 | 22 January 1988 | 6 |
| 2. | Relief | - do - | 5 | 22 December 1987 | Nil |
| 3. | Rural Development and Panchayati Raj | - do - | 1 | 19 December 1986 | Nil |

Meetings of these Audit Committees were not held during 1988-89 to 1990-91 indicating lack of efforts. The need for proper functioning of the committees was stressed in Audit in January 1991, and as a result thereof, three more Audit Committees were formed (August 1991) in Education, Social Welfare and Medical and Health Departments. But the meetings are yet to take place.

An analysis of the position of outstanding inspection reports relating to Rural Development and Panchayati Raj Department revealed that 458 inspection reports involving 4,825 paragraphs issued during the period from 1972-73 to 1990-91 (reports issued upto December 1990) remained unsettled at the

end of June 1991. Year-wise details of these outstanding inspection reports are given below:

| | Year | Inspection Reports | Paragraphs |
|------|--------------|--------------------|--------------|
| Upto | 1985-86 | 151 | 802 |
| | 1986-87 | 55 | 582 |
| | 1987-88 | 97 | 1,081 |
| | 1988-89 | 44 | 545 |
| | 1989-90 | 61 | 852 |
| | 1990-91 | 50 | 963 |
| | Total | 458 | 4,825 |

Even the first reply to 54 inspection reports containing 1,004 paragraphs had not been received (June 1991) from the Department / Panchayat Samitis; the earliest report pertained to the year 1985-86. In all the remaining cases also, first compliance report was given belatedly delays ranging upto 5 years.

A review of the inspection reports of Panchayat Samitis of Jaipur, Dausa, Bundi and Tonk Districts revealed that important irregularities such as non-obtaining of sanctions of competent authority, irregularity in execution of schemes, over payments /

irregular payments etc. involving 338 paragraphs having money value Rs. 1508.67 lakhs (detailed in *Appendix 5*) were commented upon in the inspection reports.

The matter was reported to Government in August 1991; their reply had not been received (January 1992).

CHAPTER IV

WORKS EXPENDITURE

AGRICULTURE (COMMAND AREA DEVELOPMENT AND WATER UTILISATION) DEPARTMENT

4.1 COMMAND AREA DEVELOPMENT PROGRAMME

4.1.1 Introduction

In order to ensure better and efficient utilisation of irrigation potential created, Command Area Development Programme (CADP) was launched as a Centrally Sponsored Scheme in 1974-75. Indira Gandhi Nahar Pariyojana (IGNP), Chambal Project (CP), Gang Canal, Bhakra Canal and Mahi Bajaj Sagar Project (MBSP) were brought under this programme. The programme envisaged (i) on farm development (OFD), (ii) selection and introduction of cropping pattern, (iii) development of ground water to supplement surface irrigation and (iv) modernisation/maintenance and efficient operation of the irrigation system.

Finances for the activities carried out under the CADP came from three sources viz. (i) State outlays, (ii) Central assistance in the shape of grants and loans for certain selected activities and (iii) institutional finance. Modernisation of irrigation system, drainage, agriculture extension services and creating infrastructural facilities like roads, drinking water and

The abbreviations used in this review are listed in the Glossary in *Appendix 9* (Page 208)

regulated markets etc. were financed by the State Government. Expenditure on establishment, planning and survey, *warabandi**, crop compensation, adaptive trials, demonstration and training, subsidies for small and marginal farmers, construction of field channels and evaluation study were financed from matching assistance by Central and State Governments in the ratio of 50:50. From April 1986, orientation training for senior level officers was fully financed from Central assistance. The institutional finance, in the shape of loans (ordinary and special) came through Rajasthan Land Development Corporation (RLDC) (in which participation of Central and State Governments was on matching basis) and for ineligible farmers through special loan account.

4.1.2 Organisational set-up

Command Area Development Authorities (CADAs) were set up in the Command Area of IGNP and CP in 1974 and Bhakra and Gang Canal in 1977 under the charge of an Area Development Commissioner. The CADP in MBSP was entrusted to a Chief Engineer. A separate Command Area Development and Water Utilisation Department was created out of Agriculture Department for over-seeing the implementation of the programme. Rajasthan Land Development Corporation Act 1975 was passed to provide necessary legal cover to carry out OFD on compulsory basis.

4.1.3 Audit coverage

A review on Command Area Development (CAD) activities carried out upto 1982-83 was included in the Audit Report (Civil) of Union and State Governments for the year 1982-83. The present review covers the command area of 3 projects i.e. IGNP, CP and MBSP for the period 1985-86 to 1990-91. The implementation of the programme was test-checked in 17 divisions/offices of IGNP, 6 in CP and 5 in MBSP during

* '*warabandi*' means rotational distribution of water on the basis of a pre-determined schedule to ensure equitable availability to beneficiaries.

April-August 1991. Important points noticed in Audit are mentioned in the succeeding paragraphs.

4.1.4 Highlights

- Between 1985 and 1991 Central assistance in three years and State outlays in five years were not fully utilised.

(Paragraph 4.1.5)

- Physical targets in respect of irrigation-drainage works and OFD works were not fully achieved. In CP, crop compensation, instead of being paid in cash, was adjusted against loan resulting in refusal by cultivators for CAD works in their fields.

(Paragraphs 4.1.6 and 4.1.7)

- Non-shaping of land and defective water courses resulted in shortfall in utilisation of created irrigation potential by 9.6 to 64 per cent.

(Paragraph 4.1.8)

- Envisaged irrigation intensity was not achieved in IGNP and MBSP.

(Paragraph 4.1.9)

- An investment of Rs.323.28 lakhs on construction of water courses did not yield fruitful results.

(Paragraph 4.1.10)

- Due to inadequate planning and lack of co-ordination, water courses were constructed in areas where land was not allotted and where land was allotted, water courses were not constructed.

(Paragraph 4.1.11)

- In MBSP, cropping pattern was not prescribed.

(Paragraph 4.1.12)

- The water rates were not revised according to guidelines of the VII Finance Commission and heavy amount of water dues (Rs. 560.13 lakhs) was outstanding as on March 1991.

(Paragraphs 4.1.14 and 4.1.15)

- Targets of survey, preparation of land records and allotment of land were not achieved. Percentage of recovery of cost of land from allottees ranged from 31 to 61.

(Paragraph 4.1.16)

- Infrastructural facilities such as schools, hospitals, transit camps, community centres on which expenditure of Rs. 57.75 lakhs was incurred were not being utilised or were lying incomplete/abandoned. A balance of Rs. 68.90 lakhs towards interest-free loan granted to settlers was outstanding. Besides non-achievement of targets of sanitary diggies, there was ungainful and wasteful expenditure of Rs. 6.64 lakhs and Rs. 0.38 lakh respectively on 3 diggies. There was delay ranging from 1 to 10 years in commissioning 8 diggies (cost Rs. 29.82 lakhs); 55 diggies became inoperational as a result of their non-maintenance.

(Paragraph 4.1.17)

- IGNP was completed without conducting hydrological investigations as a result of which the problem of water logging and salinity was encountered. Studies conducted in this direction revealed existence of hydrological barriers (*hard pan*)* at depth varying from 0 to 5 metres below ground level. The Committee of Directions banned

* *Hard Pan* means hydrological barrier comprising gypseous clays, sticky clays and kankar which restrict free flow of water in various surface strata.

construction of water courses in identified areas but by that time some water courses were already completed and those in progress were completed despite the ban. It has not been decided how these water courses constructed at a cost of Rs. 802.35 lakhs will be utilised.

(Paragraph 4.1.18)

- Undue advance payment to a firm was made to avoid lapse of budget grant.

(Paragraph 4.1.19(i))

- Undue financial aid of Rs. 93.90 lakhs was given to 2 firms.

(Paragraph 4.1.19(ii), and (iii))

- There was a fictitious debit of Rs. 36.10 lakhs in MBSP .

(Paragraph 4.1.19(iv))

- Expenditure of Rs. 8.08 lakhs for aerial photographs proved infructuous.

(Paragraph 4.1.19(v))

- An expenditure of Rs. 19.46 lakhs was incurred on machines which remained idle.

(Paragraph 4.1.19(vi))

- Expenditure incurred on establishment in some years ranged from 21 *per cent* to 1836 *per cent* which was beyond the prescribed limit of 20 *per cent*.

(Paragraph 4.1.19(viii))

4.1.5 Financial outlay and expenditure

The year-wise break up of Central assistance, State outlay, institutional finance from 1985-86 to 1990-91 and the expenditure was as under :-

| Year | Central assistance | | | State outlay | | | Institutional finance | | |
|----------------------|-------------------------------|-------------|--------------------------|--------------|-------------|--------------------------|-----------------------|-------------|--------------------------|
| | Allotment (Grant and loan) | Expenditure | Percentage of short fall | Allotment | Expenditure | Percentage of short-fall | Allotment | Expenditure | Percentage of short fall |
| (In lakhs of rupees) | | | | | | | | | |
| 1985-86 | 710.34 | 663.46 | 7 | 1107.63 | 489.36 | 56 | 1243.54 | 1269.70 | - |
| 1986-87 | 633.84 | 784.53 | - | 1539.85 | 261.95 | 83 | 556.32 | 632.60 | - |
| 1987-88 | 917.93 | 769.83 | 16 | 4034.84 | 2483.84 | 38 | 1414.62 | 1377.53 | 3 |
| 1988-89 | 2778.73 | 1984.98 | 29 | 2729.18 | 3123.26 | - | 580.55 | 857.32 | - |
| 1989-90 | 1903.82 | 2563.26 | - | 4540.08 | 3916.54 | 14 | 16.43 | 79.20 | - |
| 1990-91 | 2069.92 | 2411.25 | - | 4930.83 | 4655.76 | 6 | - | 69.52 | - |
| Total | 9014.58 | 9177.31 | - | 18882.41 | 14930.71 | 21 | 3811.46 | 4285.87 | - |

While there was shortfall to the extent of 16 *per cent* and 29 *per cent* in the utilisation of Central assistance during 1987-88 and 1988-89 respectively, the funds provided by the State Government remained largely unutilised during 1985-88.

4.1.6 Physical achievements

The average physical targets and achievements under the various components during the years 1985-86 to 1990-91

and reasons for shortfall were as under :-

| Item of work | Unit | Total Targets and Achievements during 1985-86 to 1990-91 | | Percentage of shortfall | Reasons for shortfall |
|-----------------------------------|------|--|--------------|-------------------------|--|
| | | Targets | Achievements | | |
| (A) CAD/IGNP - Stage I - Phase II | | | | | |
| (1) OFD | | | | | |
| (a) Survey | Ha | 38200 | 40348 | - | |
| (b) Land shaping | Ha | 0.05 | | 100 | Scheme abandoned due to cost factor. |
| (c) Construction of water courses | Ha | 91200 | 71844 | 21 | Shortage of executing personnel. |
| (d) Warabandi | Ha | 91200 | 71844 | 21 | Farmers' associations were not constituted. |
| (B) CAD/IGNP - Stage II | | | | | |
| (1) OFD | | | | | |
| (a) Survey | Ha | 260000 | 253911 | 2 | Shortfall is negligible. |
| (b) Land shaping | Ha | - | - | - | Land shaping was to be done by cultivators, hence no targets were fixed. |
| (c) Construction of water course | Ha | 200000 | 143236 | 28 | Shortage of executing personnel. |
| (d) Warabandi | Ha | 200000 | 143236 | 28 | Farmers' associations not constituted. |

| Item of work | Unit | Total Targets and Achievements during 1985-86 to 1990-91 | | Percentage of shortfall | Reasons for shortfall |
|--|------|--|--------------|-------------------------|---|
| | | Targets | Achievements | | |
| (C) CAD/CP | | | | | |
| (1) <u>Irrigation and Drainage works</u> | | | | | |
| (a) Canal lining works | KM | 7.82 | 6.24 | 20 | (a) continuous running of canals. |
| (b) Canal capacity works | KM | Original 150.57 | 100.17 | 33 | (b) & (c) Due to deployment of available machines on maintenance of canals and continuous running of canals there were shortfalls in drainage and canal capacity works. |
| | | Revised 120.76 | 100.17 | 17 | |
| (c) Drainage | KM | 482.47 | 380.52 | 21 | |
| (d) Control and miscellaneous structures | No. | 164 | 66.5 | 59 | (d) Shortage of cement. |
| (e) Adjustable proportionate Modules/outlets | No. | 834 | 425 | 49 | (e) Non-starting of work by contractors. |
| (2) <u>OFD</u> | | | | | |
| (a) Survey | Ha | 12050 | 6836 | 43 | No farmer gave consent for survey. |
| (b) Land shaping | Ha | 21090 | 12763 | 40 | No reasons intimated. |
| (c) Planning | Ha | 26600 | 19678 | 26 | No reasons intimated |

| Item of work | Unit | Total Targets and Achievements during 1985-86 to 1990-91 | | Percentage of shortfall | Reasons for shortfall |
|--|------|--|--------------|-------------------------|---|
| | | Targets | Achievements | | |
| (d) Construction of water courses | Ha | 19090 | 12763 | 33 | <p>(i) The farmers did not agree to leave their fields unsown for OFD works because crop compensation, instead of being paid to them in cash, was being adjusted by the Government against loan.</p> <p>(ii) OFD works were to be got executed with the consent of the beneficiaries which they did not give.</p> <p>(iii) During 1988-89 all efforts were diverted for special repairs of canal distribution and no OFD works were done.</p> |
| (e) <i>Warabandi</i> | Ha | 18500 | 13286 | 28 | <p>(i) Farmers' association was not constituted/ is under process.</p> <p>(ii) The cultivators at head reaches being politically active and influential hardly adopt <i>warabandi</i>.</p> |
| (D) CAD/MBSP | | | | | |
| (a) Survey | Ha | 15000 | 13000 | 13 | <p>Reasons not intimated.</p> <p>As per topography of MBSP no land shaping has been included in Project components.</p> <p>Reasons not intimated.</p> |
| (b) Land shaping | Ha | - | - | - | |
| (c) Construction of kuchha water courses | Ha | 53500 | 25662 | 52 | |

| Item of work | Unit | Total Targets and Achievements during 1985-86 to 1990-91 | | Percentage of shortfall | Reasons for shortfall |
|-----------------------------|------|--|--------------|-------------------------|--|
| | | Targets | Achievements | | |
| (d) Lining of water courses | KM | 160.90 | 87.93 | 45 | Reasons not intimated. |
| (e) Construction of Rapids | KM | 405.20 | 132.04 | 67 | Targets were fixed in anticipation of budget allotment but budget was received less. There were escalations in labour and cement which contributed to less achievement of targets. |
| (f) <i>Warabandi</i> | Ha | - | - | - | <i>Warabandi</i> was not enforced at all. Being tribal area, the farmers do not have adequate knowledge of procedure of <i>warabandi</i> . |

4.1.7 Crop compensation

Under the Rajasthan Land Development Corporation Act, crop compensation was to be paid in cash but the Department adjusted these payments against loans granted to the farmers. In CP, out of total amount of Rs. 63.99 lakhs payable on account of crop compensation, Rs. 1.04 lakhs were paid in cash and Rs. 62.95 lakhs were adjusted against loans. While the farmers lost their crops at the time of OFD works, most of them did not receive cash payment which was needed most. As a result of this policy which proved to be a great disincentive, the farmers did not agree for OFD works after 1984-85 leading to 34 to 100 *per cent* shortfall in this activity. The State Government intimated (February 1992) that they had now decided to make the payment in cash.

4.1.8 Utilisation of irrigation potential

The areas irrigated during 1985-86 to 1990-91 in three projects as against the areas opened for irrigation are indicated below:-

| Name of Project | Average area opened for irrigation | Average potential created with designed intensity | | Average actual irrigation | Percentage of short-fall | Reasons for shortfall |
|-----------------------------|------------------------------------|--|-------------------|---------------------------|--------------------------|---|
| | | Designed Intensity (Culturable Command Area in lakh hectares) | Potential created | | | |
| CP | 2.29 | 89 <i>per cent</i> | 2.04 | 2.26 | - | |
| MBSP | 0.77 | 89 " | 0.68 | 0.42 | 38 | (i) Tardy construction of water courses. (ii) In certain stretches the water courses were defective or silted. |
| IGNP Stage I (KM 0 to 74) | 3.69 | 130 " | 4.80 | 4.34 | 9.6 | Defective water courses and silting. |
| IGNP Stage I (KM 74 to 189) | 1.07 | 130 " | 1.39 | 0.50 | 64 | (i) Non-levelling of cultivable land. |

| Name of Project | Average area opened for irrigation | Average potential created with designed intensity | Average actual irrigation | Percentage of shortfall | Reasons for shortfall |
|-----------------|------------------------------------|--|---------------------------|-------------------------|---|
| | | Designed Intensity (Culturable Command Area in lakh hectares) | Potential created | | |
| IGNP Stage II | 1.43 | 90 per cent | 0.39 | 0.14 | 64 |
| | | | | | (ii) Non-settlement/low rate of settlement of allottees. (iii) Silting of water courses with sand. (iv) Defective water courses and (v) slow pace of colonisation. |

4.1.9 Irrigation Intensity

(i) In IGNP, irrigation intensity was fixed at 110 per cent without CAD and 130 per cent with CAD for stage I and 80 per cent without CAD and 90 per cent with CAD for stage II. In Km 74 to 189 of stage I where OFD works were completed by December 1988, the envisaged intensity was not achieved. Shortfall ranged from 96 per cent in 1987-88 to 70 per cent in 1990-91. In stage II of IGNP where water courses and lining had already been completed during 1988-89 to 1990-91, irrigation intensity achieved was less by 73 per cent in 1989-90 and 61 per cent in 1990-91.

(ii) In MBSP, intensity of irrigation in respect of Left Main Canal was fixed at 89 per cent (Kharif 25 and Rabi 64). During the period 1985-90 shortfall in the Kharif season ranged from 5 per cent to 25 per cent. The Department did not maintain details of irrigation intensity achieved in respect of Right Main Canal.

The shortfall in achieving intensity in MBSP for the Kharif season was attributed to insufficient rain fall. The shortfall in

achieving designed intensity both for *Kharif* and *Rabi* in IGNP were attributed to (i) low rate of settlement and (ii) non-shaping of land.

4.1.10 Unfruitful expenditure

In IGNP, 18 water courses covering an area of 3283 hectares were completed at a cost of Rs. 199.83 lakhs between March 1988 and May 1990 but were lying unutilised because the allottees did not settle till July 1991. In another area covering 723.26 hectares (Pugal Branch Division II) 5 water courses completed between June 1988 and June 1989 at a cost of Rs. 43.11 lakhs were not utilised at all. In another area of this Division, 9 water courses constructed to cover 1335 hectares between January 1983 and December 1988 at a cost of Rs. 80.34 lakhs were being utilised only for an area of 48.5 hectares (3.63 *per cent*). Thus, an investment of Rs. 323.28 lakhs made on these works did not yield fruitful results.

4.1.11 Planning

In stage II, colonisation work was not dovetailed with the irrigation potential created. Against 2.33 lakh hectares irrigation potential created upto March 1991, the allotment of land by Colonisation Department was 1.36 lakh hectares only (a shortfall of 24 *per cent*). Non-allotment of land contributed to under utilisation of irrigation potential created. Similarly, the Engineering Branch of the project took up construction of water courses in 34 *chaks*** in stage II of IGNP of which 18 were completed during 1987-91 and 16 were in progress but land had not been allotted by the Commissioner, Colonisation. In other 58 *chaks*, land had been allotted but water courses were not constructed. Evidently, there was lack of co-ordination among the Departments involved in the implementation of the programme.

***Chak* is an area ranging from 120 hectares to 300 hectares to be covered by a water course.

4.1.12 Cropping pattern

Evolution of a suitable cropping pattern and adherence to it are essential for optimum utilisation of irrigation potential created. It was noticed that this aspect did not receive the attention it deserved. In MBSP, detailed cropping pattern had not been prescribed in the project report at all which merely indicated *Rabi* irrigation to the extent of 64 *per cent* and *Kharif* irrigation to the extent of 25 *per cent* of area irrigated.

4.1.13 Training of farmers

Farmers Training Centre envisaged in the Command areas was not set up in any of the three projects. In CP, a few camps were reported to have been organised to impart training to the farmers. Year-wise details of camps organised, number of farmers trained and expenditure incurred were not made available to Audit. In MBSP, neither camps were organised nor was any expenditure incurred on this account. In IGNP, construction of building for Farmers Training-cum-Agriculture Research Centre was still in progress (January 1992). Training camps were organised twice a year in IGNP and expenditure of Rs. 1.97 lakhs was incurred on the training of 10033 farmers during 1985-86 to 1990-91.

4.1.14 Non-revision of water rates

Crop-wise water rates ranging from Rs. 18 to Rs. 73 per acre per crop to be recovered from the cultivators for irrigation were fixed by the Government in March 1982. These rates have not been revised so far as envisaged in the guidelines of the Seventh Finance Commission although more than 9 years have elapsed. While submitting proposals to Government in March 1985 for revision of the water rates, the Chief Engineer, Irrigation stated that against the average water rate of Rs. 28.98 per acre the average operation and maintenance charges were Rs. 104.76. Since the water rates have not been revised for a long time and maintenance charges have been increasing due to escalations,

revenue realised from water rates cannot meet the operation and maintenance cost of channels, thus contributing to revenue deficits.

4.1.15 Outstanding irrigation dues

In all the three projects, outstanding irrigation dues were heavy. Project-wise and year-wise position of cumulative balances as on 31 March 1991 is given below:

| Name of Project | Cumulative balance as on 31 March 1991 (Rupees in lakhs) |
|-----------------------------------|--|
| 1. CP | 345.39 |
| 2. MBSP | 72.92 |
| 3. IGNP-Stage I (KM 0 to 74) | 119.59 |
| 4. IGNP-Stage I (KM 74 to 189) | 11.67 |
| 5. IGNP Stage II | 10.56 |

The reasons for heavy outstanding in CP were reported to be shortage of revenue staff, drought conditions in 1986-87 and 1989-90 and priority given to repayment of bank loans by cultivators.

4.1.16 Colonisation

The areas served by IGNP needed to be colonised for which issue of notifications, declaration of areas brought under Command, conducting of surveys, completion of land records and allotment of land were entrusted to the Colonisation Department headed by a Colonisation Commissioner of the Revenue Department. For bringing areas under CAD, a notification is required to be issued by the Colonisation Commissioner on receipt of an index plan from the Chief

Engineer, IGNP demarcating land of villages falling under the Command. Thereafter, *chak* plans showing, inter-alia, the area covered by the water courses are prepared by the Chief Engineer and sent to the Colonisation Department to ascertain the availability of land for allotment. Till March 1991, 555 villages covering an area of 39.02 lakh hectares of Sriganganagar, Bikaner, Jaisalmer and Barmer Districts were declared under the Command and 5016 *chak* plans (16.86 lakh hectares) were received from the Chief Engineer, IGNP. The *chak* plans for the remaining area of 22.16 lakh hectares were awaited. The land survey and records were completed in 4992 *chaks* for 16.80 lakh hectares; the remaining works were yet to be completed.

(i) Targets and Achievements

The targets and achievements for survey and allotment of land in IGNP of the last six years for both the stages were as under:-

| Year | Land survey | | | Allotment of land | | |
|------------------------|-------------|--------------|-------------------------|-------------------|--------------|-------------------------|
| | Targets | Achievements | Percentage of shortfall | Targets | Achievements | Percentage of shortfall |
| (In lakhs of hectares) | | | | | | |
| 1985-86 | 1.03 | 1.03 | Nil | 0.61 | 0.39 | 36 |
| 1986-87 | 2.34 | Nil | 100 | 0.30 | 0.33 | Nil |
| 1987-88 | 2.18 | Nil | 100 | 0.30 | 0.21 | 30 |
| 1988-89 | Nil | Nil | Nil | 0.43 | 0.16 | 63 |
| 1989-90 | Nil | Nil | Nil | 0.61 | 0.31 | 49 |
| 1990-91 | Nil | Nil | Nil | 0.41 | 0.28 | 32 |

The shortfall in achievement of targets and non-fixing of targets in the case of land survey from 1988-89 onwards were attributed to non-completion of work of *Murabba Pathar Gaddi*¹ by the Irrigation Department; shortfall in allotment of land were attributed to non-fixing of *Murabba* stones in 26 villages (1985-86), non-finalisation of allotment policy for stage II (1987-88) and imposition of ban on allotment by the State Government (1990-91).

¹ *Murabba Pathar Gaddi* : To fix stone for demarcation of land.

(ii) Recovery of cost of land

The rates charged for general allotment and sale of land per *murabba** were as under :

| S.No. | Type of land | Under Government orders of July 1983 | Under Government orders of October 1988 |
|-------|----------------------|--------------------------------------|---|
| 1. | Nali | Rs. 2000/- per bigha | Rs. 2500/- per bigha |
| 2. | Light loam | Rs. 1400/- " | Rs. 1750/- " |
| 3. | Sandy loam | Rs. 1000/- " | Rs. 2150/- " |
| 4. | Outside Command area | Rs. 280/- " | Rs. 350/- " |

The cost of land allotted/sold was recoverable in 15/16 yearly instalments. The details of recovery and balance outstanding at the end of each year for the period 1985-86 to 1990-91 were as under :-

| As on 31 March of the year | Total recoverable | Amount recovered | Balance outstanding | Percentage of recovery |
|----------------------------|-------------------|------------------|---------------------|------------------------|
| (Rupees in lakhs) | | | | |
| 1985-86 | 1583.93 | 829.11 | 754.82 | 52 |
| 1986-87 | 1921.68 | 1139.25 | 782.43 | 59 |
| 1987-88 | 861.51 | 269.00 | 592.51 | 31 |
| 1988-89 | 1232.82 | 439.12 | 793.70 | 36 |
| 1989-90 | 1346.48 | 827.51 | 518.97 | 61 |
| 1990-91 | 1352.63 | 758.52 | 594.11 | 56 |

It will be seen that the percentage of recovery of cost ranged from 31 to 61. The Government stated (February 1992) that certain areas of Sriganaganagar District, some of which were

**murabba* - A plot of land equal to 6.32 Ha or 25 Bighas.

productive, were transferred to the Revenue Department. The areas remaining with Colonisation Department were sandy and allottees of these areas were not economically sound. Therefore, the Government, instead of making recovery of full amount falling due, fixed yearly targets on lower side.

4.1.17 Infrastructural facilities

The Irrigation Commission (1972) recommended that a comprehensive plan of *ayacut* development should be prepared for every major and medium irrigation project having the following infrastructural facilities:-

(i) Development of marketing and processing facilities and communication.

(ii) Preparing individual programmes of action for small farmers, marginal farmers and agriculture labour.

(iii) Diversification of agriculture through live-stock development and farm forestry.

(iv) Country planning.

(v) Soil conservation.

The infrastructural facilities already existed in CP and MBSP. Therefore, these activities were not included in these projects. In IGNP, the project area being thinly populated, labourers and settlers had to be brought from outside the project area. Therefore, provisions for drinking water, communication, mandis, educational and medical facilities, community centres etc. were made in the CADP. Expenditure on providing these facilities was met from funds provided by the State as well as funds generated under the World Food Programme.

(i) Incentive to settlers

In order to attract the labourers and settlers brought from outside the project area for their continued stay in the Command

Area, they are provided incentives by way of distribution of wheat, pulses and edible oil at concessional rates, free ration for 24 months from the date of their arrival and interest-free loan at the rate of Rs. 1000/- per family (Rs. 2000 from 1987-88) recoverable in four yearly instalments.

The amount of interest-free loans sanctioned, number of settlers receiving loans, amount recovered and amount remaining outstanding at the end of March 1991 were as mentioned below:

| Year | Amount of loan sanctioned | No. of settlers | Amount recovered upto the end of March 1991 | Loan outstanding at the end of March 1991 |
|-------------------|---------------------------|-----------------|---|---|
| (Rupees in lakhs) | | | | |
| 1984-85 | 35.00 | 3500 | 8.92 | 26.08 |
| 1985-86 | 12.92 | 1292 | 3.96 | 8.96 |
| 1986-87 | 5.75 | 575 | 0.55 | 5.20 |
| 1987-88 | 19.66 | 983 | - | 19.66 |
| 1988-89 | 9.00 | 450 | - | 9.00 |
| 1989-90 | 16.64 | 832 | - | Recovery not due |
| 1990-91 | 24.00 | 1200 | - | Recovery not due |
| Total | | | | 68.90 |

The above table shows that the number of beneficiaries came down from 3500 (1984-85) to 450 (1988-89). The recovery of loan which was to start after 2 years from the year of disbursement was required to be effected in 4 instalments. However, loan of Rs. 35 lakhs given during 1984-85 and required to be recovered by March 1990 was not fully recovered and Rs. 26.08 lakhs were outstanding at the end of March 1991. Further, no amount had been recovered out of the loan granted during

1987-88 and 1988-89. The Government intimated (February 1992) that the farmers were under an impression that the recovery of the loans would be waived.

The results of test-check of the following infrastructural facilities taken up under the programme were as under:

| Particulars of the scheme | Nature of work (estimated cost in brackets) | Construction taken up in | Result of scrutiny |
|-------------------------------|---|--------------------------------|---|
| Educational Facilities | 3 school buildings at Pugal, Kanasar and Mahajan (Rs.58.19 lakhs) | 1988-89 | Works remained incomplete after incurring an expenditure of Rs. 16.64 lakhs. No action had been taken (January 1992) for completing the work. |
| Social Infrastructure | One Community Centre at Bikaner (Rs.2.75 lakhs) | February 1987 | The centre constructed at a cost of Rs. 2.75 lakhs was being used as office building. |
| | Transit Camps (Rs. 16.97 lakhs) | November 1983 to February 1985 | Constructed at a cost of Rs.15 lakhs. Initially, the Transit Camps were used for the right purpose. Later, these were being used as residence of employees. |
| | Five Children's parks (Rs.15.75 lakhs) | 1985-86 | Four of these parks were left incomplete after incurring an expenditure of Rs. 1.44 lakhs. |
| Medical and Health Facilities | Two dispensary complexes at Girrajsar and Phalodi colony | November 1988 to March 1989 | The works were left incomplete since December 1989 after incurring an expenditure of Rs. 19.29 lakhs. The works have been taken up in November 1991 and January 1992 for completion at the instance of Audit. |
| Veterinary Dispensary | One dispensary at Naurang-deshar (Rs.3.13 lakhs) | March 1988 | After incurring an expenditure of Rs. 2.63 lakhs, the work was stopped in October 1989. |

| Particulars of the scheme | Nature of work (estimated cost in brackets) | Construction taken up in | Result of scrutiny |
|---------------------------|---|--------------------------|---|
| Sanitary Diggies | 169 diggies (Rs.596.60 lakhs) | 1979-80 and 1990-91 | 158 diggies were completed at a cost of Rs. 657.13 lakhs. Work on three diggies was abandoned in 1986 and 1988 after incurring an expenditure of Rs. 7.02 lakhs. Eight diggies (cost Rs.29.82 lakhs) were not commissioned. A survey conducted by the Government in 1990 revealed that 55 diggies in all were either not operational or in damaged condition. |
| Afforestation | Afforestation in IGNP area | 1985-86 to 1990-91 | An expenditure of Rs. 2628.51 lakhs (86 per cent of the financial out lay) was incurred. Short-fall in IGNP Stage II was significant in sand dune stabilisation (85 per cent) and pasture development (73 per cent). According to the evaluation made by the departmental authorities, the average survival rate of plantation was 43 per cent in Chhattargarh range. |

4.1.18 Hydrological barriers

(i) While on the one hand, introduction of canal irrigation opens vast possibilities for development of agriculture and socio-economic status of the area under Command Area, on the other hand, it poses several intriguing planning and management problems of which *hydrological barrier* is one, which restrict free flow of water in various surface strata.

(ii) To overcome this barrier, it was essential to conduct hydrological investigations before formulation of a project. No such investigation was, however, carried out in IGNP stage I resulting in a threat to the utility of huge expenditure on construction of canals and other CAD activities.

(iii) For stage II of IGNP, an expert group was constituted in November 1983 to prepare the outlines of the plan. According to the report of the group, in major areas, *hydrological barrier* exists at shallow depth, as a result of which 16 to 42 per cent of farm areas was likely to become critical within 5 to 15 years after introduction of canal irrigation. The group, therefore, recommended in May 1984 that a detailed hydrogeological study for identification of such areas should be undertaken. The study was, however, undertaken only in June 1989 i.e. after a lapse of about 5 years. The preliminary feasibility report of Water and Power Consultancy Services (WAPCOS) to whom some studies were entrusted was considered by the Project Formulation and Co-ordination Committee (PFCC) of IGNB in September 1989 and it was decided that for the present, water courses should not be constructed in *chaks* where *hard pan* is at a depth of 0 to 2 metres. Further, in May 1990, the Committee of Directions of IGNP decided that until hydrogeological barrier study being conducted by the Ground Water Department was complete, all areas having *hard pan* within a depth of 5 metres should be excluded from the scheme of construction of water courses and where water courses had already been constructed, land should be considered for afforestation activities instead of cultivation.

(iv) A test-check of records relating to 35 out of 44 completed *chaks* and 18 of 23 *chaks* where works were in progress revealed the following:-

(a) In 14 *chaks* covering 3688 hectares where *hard pan* was available at the depth of 0-2 metres, works had already been completed between November 1989 and February 1991 at a cost of Rs. 225.16 lakhs. In 11 of 14 *chaks*, the OFD works were started

between November 1989 and January 1990 i.e. after PFCC decided (September 1989) not to construct water courses where *hard pan* was available at 0-2 metres. The amount of Rs. 225.16 lakhs includes expenditure of Rs. 55 lakhs on 3 *chaks* in which works were started before September 1989 and March 1990.

(b) In areas where *hard pan* was found at a depth of 2-5 metres, construction of 21 water courses covering 4468 hectares was commenced between December 1988 and December 1990, which were completed by June 1991 at a cost of Rs. 230.95 lakhs. Of these, construction of water courses in 5 *chaks* (1020 hectares) was commenced after May 1990 when Committee of Directions of IGNP decided to exclude the construction of water courses in such areas till completion of hydrogeological barrier study. In disregard of this decision, the Department incurred an expenditure of Rs. 54.93 lakhs on completion of these water courses.

(c) Out of 18 *chaks* (4437 hectares) where construction of water courses was stated to be in progress and on which an expenditure of Rs. 141.98 lakhs was already incurred upto June 1991, works in 14 *chaks* (2396 hectares) were started after May 1990 involving an expenditure of Rs. 98.23 lakhs.

(d) Based on the report of the Senior Hydrogeologist received in November 1990, Executive Engineer, Modayat Division of Charanwala Circle identified (December 1990) 28 *chaks* having *hard pan* at a depth of 0-5 metres. Subsequently, after detailed investigations, the Senior Hydrogeologist cleared 12 *chaks* in March 1991. Out of remaining 16 *chaks*, works were in progress in 14 *chaks*. An expenditure of Rs. 204.26 lakhs was incurred by the Department on all the 14 *chaks* covering an area of 3285 hectares. It was observed that Chief Engineer, CAD while intimating the position of works done in zones having *hard pan* at a depth of 0-5 metres to the ADC in July 1991 did not reflect the position of these *chaks*. The Department had still not decided as to how the water courses on which huge expenditure had

already been incurred (Rs.802.35 lakhs incurred only on works test-checked by Audit and commented above) would be put to use.

4.1.19 Other points of interest

(i) Irregular advance to a firm

The work of command area survey and micro canalisation studies in an area of 1.50 lakh hectares of stage II of IGNP was awarded in February 1989 to Water and Power Consultancy Services (India) Ltd. (WAPCOS) for Rs. 585 lakhs. According to the agreement, 10 *per cent* of the total value of the contract was payable to the firm as advance. As the Department was anticipating large savings of funds due to non-utilisation of budget provision, the Department paid advance of Rs. 358.50 lakhs upto 31 March 1989.

The firm executed work worth Rs. 152.68 lakhs only by March 1990. While the firm was already having an outstanding advance of Rs. 205.82 lakhs (Rs. 358.50 lakhs minus Rs. 152.68 lakhs) with them, another advance payment of Rs. 296.36 lakhs was made in March 1991 of which Rs. 170 lakhs were for the work to be executed during 1991-92. As 50 *per cent* of the amount utilised on the work was reimbursable by the Government of India, the amount was given to the firm with the twin objectives of utilisation of budget grant and claiming reimbursement from the Government of India. Till March 1991, total payment of Rs. 705.46 lakhs (Rs. 654.86 lakhs advance payment and Rs. 50.60 lakhs against work done) was made to the firm against which they could execute work worth Rs. 423.25 lakhs only. The remaining amount of Rs. 282.21 lakhs was not refunded even though it was provided in the agreement that the firm would refund the amount received in excess of the value of work done.

The firm was required to submit its final report by March 1990 but the quantum of work done by the firm till March 1991 was only to the extent of 59 *per cent*.

(ii) Undue financial aid to a contractor

The State Government revised the rate contract for purchase of cement from Rs. 1095 per tonne to Rs. 1260 in January 1991 valid for the period from 26 December 1990 to 30 April 1991. According to the terms and conditions, *cent per cent* advance payment was to be made to the supplier against the supply made as per weekly schedule and subsequent payments were to be made only after the receipt of full supply.

The minimum requirement till 30 April 1991 for the Command Area Development was estimated at 14,000 tonnes of which 10,000 tonnes was to be supplied by firm 'A' (3,300 tonnes upto January 1991, 2600 tonnes each in February and March 1991 and 1500 tonnes in April 1991) and 4000 tonnes by firm 'B'.

However, against 10000 tonnes to be supplied by the firm 'A', the Department placed 25 orders between 7 January and 28 March 1991 for the supply of 22472.20 tonnes (25 rakes) and simultaneously made an advance payment of Rs. 283.15 lakhs. The firm supplied 15239.85 tonnes (17 rakes) cement costing Rs. 192.01 lakhs during the period January to March 1991.

However, it did not supply the remaining quantity even though it received payment of Rs. 91.14 lakhs during March 1991. Notwithstanding the fact that the Department was fully aware of the total quantity of cement allotted to a particular firm for supply, it placed order with the firm in excess of that quantity and wilfully advanced Rs. 91.14 lakhs to the firm. The Department did not send daily progress report of lifting of cement as per instructions issued in January 1991. After supplying 15239.85 tonnes cement, the firm informed the Department in April 1991 that they had already supplied the allotted quantity of cement. Supply against the balance amount would be arranged only after the finalisation of new rate contract at the revised rates. Thereafter, instead of asking the firm to refund the balance amount of Rs. 91.14 lakhs already advanced, the Department continued to request them to supply cement.

against pending orders. Meanwhile, Government finalised another rate contract in June 1991 for the period June 1991 to August 1991 for supply of cement at the rate of Rs. 1605 per tonne. It was only after the finalisation of this rate contract that the Department approached the Government for allotment of supply of more cement from firm 'A' so that advance payment of Rs. 91.14 lakhs already made to the firm in March 1991 could be adjusted. The firm supplied 5368.90 tonnes cement costing Rs. 86.17 lakhs at the rate of Rs. 1605 per tonne between 26 June and 18 July 1991 which involved an extra payment of Rs. 18.52 lakhs (compared to the rate contract against which advance payment was released). The Department did not also persuade the firm either to supply cement against unutilised advance or to refund the balance of Rs. 4.97 lakhs (Rs. 91.14 lakhs minus Rs. 86.17 lakhs) immediately.

(iii) Irregular financial aid to a firm

Executive Engineer of the Field Machinery Division II, CP placed a supply order (March 1990) on a firm for supply of 250 tonnes cement at the rate of Rs. 1000.92 per tonne including central excise duty and packing charges. Rajasthan Sales Tax at the rate of 16 *per cent* was to be paid by the Department to the firm. According to terms and conditions of the supply order, full quantity was to be supplied by the firm latest by March 1990. Payment to the extent of 95 *per cent* of each consignment was to be made to the firm against delivery and balance 5 *per cent* within 30 days. But an advance of Rs. 2.76 lakhs was paid to the firm in March 1990 though the firm did not supply any cement and the supply order was cancelled on 5 June 1990. Fresh supply order was again given to the same firm on 6 June 1990 at the rate of Rs. 1095 per tonne² and as a result, the Department had to pay Rs. 0.27 lakh in excess. Besides, the firm was given undue financial aid of Rs. 2.76 lakhs for 4 months.

2 The rate was revised on the basis of the rate contract entered into by the Government with the Cement Corporation of India on 5 June 1990.

(iv) Fictitious debit

In March 1989, MBSP authorities got 60,109 bags of cement costing Rs. 36.10 lakhs issued from the stores which were booked as final expenditure. It was observed in audit that out of this, 51,449 cement bags (cost Rs. 30.9 lakhs) were loaned in the same month to other Divisions not concerned with CAD works. Of the loaned quantity, 5643 bags were received back during 1990-91 and 1991-92. Thus, the Department utilised the budget grant fictitiously enabling it to claim 50 *per cent* reimbursement from the Government of India.

(v) Infertuous expenditure

An amount of Rs. 8.08 lakhs was paid by MBSP authorities as advance to Survey of India on 7 August 1985 for aerial photography and furnishing two sets of contact prints, alternate enlargements and alternate rectified prints to be utilised for planning the micro net-work system for irrigating the fields i.e. for construction of water courses. The enlargements required for the purpose were not supplied by the Survey of India till August 1991 by which time against an initial target of 0.80 lakh hectares, kuchha water courses had been constructed in 0.71 lakh hectares. The advance amount paid to the Survey of India was finally debited to the CAD works in the month of March 1991 without obtaining the enlargements and alternate rectified prints. Thus, an expenditure of Rs. 8.08 lakhs proved to be infertuous.

(vi) Under-utilisation of Machines in Chambal Project

The Mechanical Engineering Wing of the project was having a fleet of 142 earthmoving machines for execution of OFD, Irrigation and Drainage works. During the period 1985-86 to 1990-91, Rs. 19.46 lakhs were spent on the maintenance of 73 machines out of which 19 machines remained idle for want of work and 54 remained under repair for 1 to 6 years. The Department decided (June 1990) to dispose of 58 machines. No action for their disposal had been taken (January 1992). Spare

parts valued at Rs. 0.64 lakh were also awaiting disposal (January 1992).

Manufacturing accounts in respect of machines were not maintained. As such, it was not possible to work out whether the machines worked economically.

(vii) Creation of undue liability

The Department placed an amount of Rs. 35 lakhs at the disposal of Rajasthan Land Development Corporation (RLDC) in the months of June 1983 (Rs. 25 lakhs), November 1984 (Rs. 5 lakhs) and March 1985 (Rs. 5 lakhs). Of this, Rs. 17.50 lakhs were to be met from Centrally Sponsored Scheme and the balance of Rs. 17.50 lakhs from the State Funds. The amount of Rs. 35 lakhs was to be utilised for construction of kuchha water courses in MBSP Command. The cost was to be recovered from the beneficiary cultivators along with interest. But the Department failed to obtain applications from the cultivators and to issue legal notifications required for entrance to cultivator's fields for constructing water courses. However, the Department constructed the water courses for the cultivators and spent this amount thereon. As a result of non-completion of formalities for treating the amount as loans against the cultivators, the Government will not be in a position to recover it from the cultivators.

(viii) Excess expenditure on establishment

In all the three projects, the envisaged administrative cost was fixed at 20 *per cent* of the cost of the works. The expenditure on establishment ranged from 54 *per cent* in 1985-86 to 1836 *per cent* in 1990-91 in CP. In MBSP, it ranged from 182 *per cent* (1985-86) to 28 *per cent* (1988-89) and in IGNP, it ranged from 53 *per cent* (1986-87) to 21 *per cent* (1989-90). Works expenditure was significantly low in CP in 1990-91 (Rs. 4.31 lakhs out of the total expenditure of Rs. 83.46 lakhs) owing to restriction imposed by the Government on execution of OFD works.

IRRIGATION DEPARTMENT

4.2 Avoidable payment of interest

Construction of masonry dam of Mahi Bajajsagar Project, Banswara was entrusted to a contractor for Rs. 590.31 lakhs in April 1975. The Department having failed to settle certain claims, the contractor left the work incomplete in May 1979 after executing work worth Rs. 358.34 lakhs. The contractor failed to re-start the work inspite of notices and ultimately, the Executive Engineer, Dam Division, Banswara terminated the contract in December 1979. The work was, therefore, completed by the Department at an extra cost of Rs. 100.01 lakhs at the risk and cost of the contractor.

The contractor presented 40 claims amounting to Rs. 1.82 crores consisting of items like payment against extra items of works, damage caused to works by floods in November 1976, losses suffered due to breach of contract by the Department and refund of excess recoveries. The Department filed five counter-claims amounting to Rs. 1.73 crores consisting of items of recovery of outstanding balances against mobilisation advances and for purchase of machineries and extra cost incurred for completion of 4 left over works of the contractor. After a long-drawn litigation for claims and counter-claims, both parties agreed in April 1982 to settle the dispute through arbitration.

The arbitrators gave their award on 8 December 1985. According to the award, Government had to pay to the contractor Rs. 75.42 lakhs in full settlement of all his claims and Rs. 17.93 lakhs as interest till the date of award and thereafter, at the rate of 12 per cent in case Rs. 75.42 lakhs were not paid within two months. The contractor, for getting Court order for the award,

filed a petition in January 1986 in the Court of District and Sessions Judge, Jaipur. Government filed its objections in March 1986. The Court dismissed the petition and set aside the award in August 1987 on the ground of ambiguity, non-statement of reasons and non-conforming to Law.

The contractor filed an appeal in Rajasthan High Court which was allowed in March 1988. The High Court passed a decree in favour of the contractor directing Government to pay Rs. 75.42 lakhs in full settlement of claims, and in addition, allowed interest at the rate of 5 *per cent* per annum from August 1982 to December 1985. The payment was to be made within three months from the date of judgement failing which the contractor would be entitled to payment of simple interest at the rate of 12 *per cent* per annum on the amount of Rs. 75.42 lakhs from the date of award.

Government filed a special leave petition in the Supreme Court challenging the order of the High Court which was disposed of on 16 August 1988. The Supreme Court in its judgement disallowed the interest part of the award and directed that the amount awarded as modified, would be paid within eight weeks.

Pursuant to the award, the contractor served a notice on 9 September 1988 for arranging payment of the principal and future interest. The Chief Engineer, Mahi Bajajsagar Project, Banswara referred the case to the State Government on 15 October 1988 seeking advice for making payments to the contractor. The Law Department opined on 19 November 1988 that the judgement was silent as regards future interest and that principal amount awarded should be released. The principal amount of Rs. 75.42 lakhs was paid on 18 February 1989.

As payment was not made within 8 weeks as directed by the Supreme Court, the contractor filed a contempt petition in the Supreme Court in January 1989. The Supreme Court while disposing of the contempt application observed (20 February

1989) that the award as modified i.e without interest was to be paid within eight weeks and since this was not paid, the portion of award for payment of future interest had become effective and directed its payment by 15 April 1989. Consequently, interest from 8 February 1986 (2 months from date of award) to 18 February 1989 amounting to Rs. 27.42 lakhs was paid on 15 April 1989.

Responsibility for the delay in making payment of principal amount had not been fixed (July 1991).

The matter was reported to Government in August 1991; their reply had not been received (March 1992).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.3 Excess payments due to acceptance of defective rate contracts

In terms of Central Excise Tariff Act, 1985, Central Excise Duty on Asbestos Cement (AC) pressure pipes was leviable at 25 *per cent ad valorem* from 1 March 1987. Small Scale Industries (SSI) availing benefit under MODVAT Scheme were entitled to concessional rate of duty at 15 *per cent ad valorem* on their first clearance upto Rs. 75 lakhs in a financial year. SSI firms not availing benefits under MODVAT Scheme were exempted from payment of duty upto first clearance to the value of Rs. 15 lakhs and thereafter, it was leviable at 15 *per cent* upto a further clearance amounting to Rs. 60 lakhs.

The Chief Engineer, Public Health Engineering Department (PHED), Jaipur invited (April 1987) tenders for finalisation of rate contracts of AC pressure pipes of different sizes (80 to 600 mm diameter) for supply to various Divisions in the State. The rates

were required to be quoted indicating the element of Central Excise Duty separately taking into account the benefits admissible under MODVAT Scheme. The Stores Purchase Committee (SPC) of the Rajasthan Water Supply and Sewerage Management Board approved (August 1987) the lowest rates quoted for 125 to 600 mm diameter by 5 firms-one SSI and four large / medium units-located outside the State. The rates quoted by these firms were inclusive of Central Excise Duty at 25 *per cent ad valorem* although the SSI unit was entitled to payment of concessional rate of Central Excise Duty under MODVAT Scheme.

On representation by other participating local firms, the Government decided (August 1987) to give them purchase preference to the extent of 70 *per cent* of total requirements subject to their production capacity and readiness to accept the lowest rates already approved for dimensions 125 to 600 mm.

As regards pipes of dimensions 80 and 100 mm negotiated rates in favour of four non-local (3 SSI and 1 large / medium) units were approved by the SPC in October 1987. The Government also allowed price preference to the extent of 10 *per cent* to local SSI units on the approved rates.

Rate contracts for supply of various dimensions of pipes were concluded by the Chief Engineer effective for the period October 1987 to October 1988 with 14 firms including 8 SSI units (four local firms and four non-local SSI units). Clause 3 (i) of the agreement concluded with the 6 large / medium units, provided for payment of Excise Duty at 25 *per cent ad valorem* after taking into account the benefits available under the MODVAT Scheme and the firms were required to furnish copies of gate passes alongwith their bills at the time of payment. The contracts concluded with two local SSI units mentioned that the rates were inclusive of Central Excise Duty without specifically indicating the rate. In the case of 2 (one non-local and one local) SSI units Central Excise Duty at 25 *per cent ad valorem* was mentioned.

These two firms represented that the rates were inclusive of average incidence of Central Excise Duty and as such the condition of production of proof of excise duty at 25 per cent be deleted. The requests were accepted and the clause in the agreement was amended accordingly by the Chief Engineer who did not bring it to the notice of the SPC.

As the rates of Excise Duties were not explicitly mentioned in the contracts, the 4 SSI units claimed and were paid at full rates as against payment of nil or 15 per cent *ad valorem* of Excise Duties to the Government. In three PHED Divisions (Deeg, Bhinmal and Didwana) it was noticed during audit (1990 and 1991) that excess payments to the tune of Rs. 3.63 lakhs were made to these units for supply of AC pressure pipes.

On a reference made by PHED Division-II, Bikaner, in April 1990, the SPC ordered recovery of excess payment made to a (non-local) SSI unit for claiming full rates (i.e. at 25 per cent) against actual payment of Central Excise Duty at 15 per cent. The SPC also directed the Chief Engineer to review the position in case of other suppliers and recover excess payments if already made. No action was taken by the Chief Engineer to recover the excess payment.

The matter was reported to Government in August 1990. The Department intimated (March 1991) that the rates offered by the firms were inclusive of the element of Central Excise Duty. They had not indicated effective rate of Excise Duties on supplies to be made by them. As such, it was not necessary to link the rate with actual payment of Excise Duty made by them. The reply of the Department was not tenable in view of the provisions embodied in rate contract under clause 3(2) read with clause 13 for recording of certificates of excise payment for furnishing excise duty gate passes at the time of claiming of payments. The

factual position was again communicated to the Government in July 1991; their reply had not been received (March 1992).

4.4 Heavy loss in running a departmental foundry

The Public Health Engineering Department (PHED) set up a foundry in 1968 at a cost of Rs. 0.29 lakh for the manufacture of water meter boxes, manhole covers, cast iron (CI) specials and detachable joints to meet the requirements of PHED Divisions of the State. The management and control of the foundry was vested with the Executive Engineer, Mechanical Division, PHED, Jaipur. In May 1974, the foundry was expanded at a cost of Rs. 7.43 lakhs to meet greater need of the Department.

The working results of the foundry for the period 1985-86 to January 1991 were as under:

| S. Period No. | Expenditure on pay and allowances including raw material, power charges and other miscellaneous expenses | <u>Material produced</u> | | Net loss incurred |
|---------------------------------|--|--------------------------------|----------------------|-------------------------|
| | | Quantity (In quin- tals) | Value of products | |
| (Rupees in lakhs) | | | | |
| (i) April 1985 to March 1986 | 23.48 | 3103 | 16.28 | 7.20 |
| (ii) April 1986 to March 1987 | 22.64 | 278 | 5.45 | 17.19 |
| (iii) April 1987 to March 1988 | 18.02 | 1038 | 5.33 | 12.69 |
| (iv) April 1988 to March 1989 | 17.47 | 767 | 5.75 | 11.72 |
| (v) April 1989 to March 1990 | 27.11 | 802 | 6.02 | 21.09 |
| (vi) April 1990 to January 1991 | 29.46 | 355 | 2.67 | 26.79 |

The output of the foundry went on decreasing year after year from 1978 onwards. In 1985-86, manufacture of items like water meter boxes etc. was discontinued and the only work left with the foundry was casting of CI detachable joints. The expenditure on pay and allowances of the staff went on increasing. In spite of repeated requests of the Division and instructions issued by the Chief Engineer to all the PHED Divisions not to procure materials from the market which were manufactured by the foundry, the Divisions continued to meet most of their requirements from the market with the result that 382.6 tonnes of manufactured material costing Rs. 20.09 lakhs accumulated in the stock of the Division by the end of March 1988.

The foundry had been running unsatisfactorily since 1978-79 due to non-working attitude of labour, non-availability of pig iron in adequate quantity and non-requisition of manufactured material by the sister Divisions etc. In April 1986, the Executive Engineer sent a proposal to higher authority for closing down the foundry. Since the foundry was running at a loss of Rs. 7 lakhs per annum, he again requested (May 1986) for an early decision. However, Government did not take effective action on the proposal with the result that losses accumulated to Rs. 115.90 lakhs upto January 1991. The loss is likely to increase every day with the continuance of operations in the foundry. The Executive Engineer, therefore, again proposed in January 1991 for the closure of the foundry which was endorsed by the Superintending Engineer (January 1991).

Audit has been pointing out to the Department about the losses since August 1985 but no remedial measures were taken. In reply to an audit query, the Department stated (June 1991) that the closure of the foundry was under active consideration of the Government.

The matter was reported to Government in August 1991; their final reply had not been received (April 1992).

4.5 Loss due to acceptance of sub-standard supply of Butterfly Valves

The Chief Engineer, Public Health Engineering Department (PHED), Jaipur placed a supply order in April 1983 with firm 'A' for supply of 43 Butterfly Valves of different sizes at a cost of Rs. 5.19 lakhs. The valves were required to be inspected by Engineers India Limited (EIL) before the consignment was despatched. After receipt of the supply order, the firm requested between June 1983 and August 1984 for certain changes in the specifications which were accepted by the Department. In November 1984, the Department clarified to EIL that for issues not covered in the drawing or amendments, the specifications of the supply order might be referred to. The valves duly inspected by EIL between November and December 1984 were despatched in January 1985 to the consignee Divisions against 95 per cent payment amounting to Rs. 4.95 lakhs through Bank.

Sixteen of the twenty two valves (18 of 600 mm and 4 of 400 mm diameter) supplied to the City Division III, Jaipur, were installed between August 1985 and August 1987; the remaining six valves were not installed. In September 1986 the Division put to test five of the 16 valves and found them not functioning properly. The matter was taken up by the Division with the higher authorities of PHED and the firm for repair / replacement without success.

Eighteen valves (14 of 400 mm and 4 of 500 mm diameter) were supplied to City Division, Kota. Eight of the valves of 400 mm diameter were found leaking when put to test and the

remaining ten valves were neither installed nor tested. Three valves (300 mm diameter) received in Bikaner were not put to use and the Division declared them surplus in October 1988.

Since the guarantee clause was operative for a period of 18 months from the date of inspection (November / December 1984) or 12 months from the date of receipt of material at site (January / February 1985) whichever was earlier, no action could be taken against the firm. The Department also did not undertake repair of the valves at the risk and cost of the supplier.

The approval of drawing by the Department which contained specifications at variance with those attached with the supply order and inspection of the material by EIL with reference to the drawing without referring to the stipulations in supply order led to acceptance of sub-standard material by the Department which resulted in loss of Rs. 4.95 lakhs.

The Department intimated (December 1990) that inspection of the valves was not conducted by EIL according to the approved drawing / specification of valves. It was also intimated that the valves had manufacturing defects and as such the firm was responsible for their replacement / repairs even after the guarantee period and that action against the firm would be initiated. It was also intimated that reasons for utilisation and testing of valves after the expiry of the guarantee period and not getting them repaired would be ascertained from the consignees and Audit would be informed accordingly. An amount of Rs. 0.35 lakh only representing balance payment and security deposit was available with the Department for possible adjustment.

The matter was reported to Government in August 1990; they have endorsed the views of the Department.

4.6 Loss due to non-revision of 'G' Schedule of the tender

The work of laying and jointing Mild Steel pipe line of 500 mm diameter for two emergency water supply schemes for Jodhpur was executed at a cost of Rs. 93.13 lakhs by 3 Public Health Engineering Department (PHED) Divisions (City Division-I, District Division-II and Revenue and Construction Division, Jodhpur) through contractors between February 1988 and July 1989.

The rate of Rs. 92 per metre for 'laying and jointing of 500 mm diameter pipes' incorporated in the 'G' Schedule of the tender was based on the assumption that the length of the pipes would be 4 to 7 metres with an average length of 5.5 metres. This meant that for laying a pipe line of 100 metres, jointing work involved would be at 20 points on an average including joints for fixing specials and air valves. It was, however, noticed in Audit (between August 1988 and September 1990) that the pipes actually supplied by the Department to the contractors were of the length of 7 to 14 metres (average length 10.5 metres). The use of pipes of greater length reduced the number of jointing jobs per 100 metres from 20 to 11 (reduction of 45 per cent).

The tenders for the first scheme (Tinwari- Balarwa-Jodhpur Scheme) were to be opened on 28 December 1987 and for the second scheme (Ransigaon-Jodhpur Scheme) on 14 January 1988. Pipes of greater length for supply to contractors by the Department had been received from 22 December 1987 and had been indented much earlier. The Department had, thus, sufficient time to recast the 'G' Schedule and revise the rate incorporated therein on the basis of actual length of pipes to be used. The failure of the Department to do so resulted in undue benefit of Rs. 38.22 lakhs to the contractors and consequential loss to Government.

Government to whom the matter was reported in August 1991 have accepted the facts.

4.7 Wasteful expenditure on re-doing of damaged earth work of Jodhpur Lift Canal

Based on a Project Report of April 1982 for solving drinking water problem of Jodhpur city, the State Government sanctioned in February 1984 a scheme for bringing water from Rajasthan Canal (now known as Indira Gandhi Nahar) at an estimated cost of Rs. 38.50 crores. The scheme envisaged construction of a 192 kilometres long canal (Popularly known as Jodhpur Lift Canal) supported by eight pumping stations for lifting water at various points.

The earth work and excavation work of the Jodhpur Lift Canal for the stretch between 0 to 6 kilometres were taken up by the Public Health Engineering Department (PHED) through six contractors between February and April 1985. While these works were in progress, the Government ordered in May 1985 stoppage of the work and decided (October 1985) to construct a common feeder Lift Canal to carry water both for irrigation and drinking purposes for Jodhpur city. It was also decided to relieve the PHED of the works which were to be handed over to Indira Gandhi Nahar Pariyojana Department for execution.

Considering the acute problem of drinking water at Jodhpur in 1987, the Government reverted to the original scheme of April 1982 and issued orders (March 1987) for the completion of Phase I of the Jodhpur Lift Canal Scheme on warfooting. The execution of the scheme was again taken up by PHED in September 1989 and the works are still in progress (May 1991).

During audit of the Jodhpur Lift Canal Division, Phalodi conducted in May 1991, it was noticed that earth and excavation works to the extent of 0.71 lakh cubic metres previously executed at the canal stretch 0 to 6 kilometres had to be redone at a cost of

Rs. 5.12 lakhs. In reply to Audit, the Department stated that this stretch of the canal was substantially damaged and filled due to sand storms during the period when the works were abandoned and required immediate restoration. The cost of restoration (Rs. 5.12 lakhs) was, thus, wasteful.

Government to whom the matter was reported in August 1991 have accepted the facts.

CHAPTER-V

STORES AND STOCK

MEDICAL AND HEALTH DEPARTMENT

5.1 (A) Non-utilisation of X-ray machines

The Director, Medical and Health Services (DMHS) placed orders in January 1989 for the procurement of 30 X-ray machines at a cost of Rs. 66.60 lakhs (Rs. 2.22 lakhs each) for installation in various hospitals / units under the control of Chief Medical and Health Officers (CMHOs). Before placing orders, the DMHS asked CMHOs in December 1988 to ensure completion of preliminaries such as X-ray room, dark room, power line connection, availability of technician etc. required for installation of the machines. In the Zonal Officers' meeting held in January 1989, it was stated by the CMHOs that the preliminaries would be arranged by March 1989 and there would be no delay in installation of the machines.

A test-check of records of the office of CMHO, Alwar in September-October 1990 and information obtained from other CMHOs during January-June 1990 revealed that in the following hospitals / units, the machines received in March-April 1989 had not been installed / utilised as of June 1991:

| S. No. | Name of the units | Remarks |
|-----------|---|--|
| 1. | Referral Hospital, Gangapur (CMHO, Bhilwara) | The machine was not installed due to non-completion of X-ray room. Information as regards posting of a technician was not available (March 1991). |
| 2. | Community Health Centre (CHC), Kachchola (CMHO, Bhilwara) | The X-ray machine was not installed due to non-completion of X-ray room. A technician provided for the CHC was asked to work in another CHC (October 1990) where the post was not authorised. |
| 3. | Referral Hospital, Kishangarh Bas (CMHO, Alwar) | The X-ray machine could not be put to use for want of power-connection for which the State Electricity Board was moved in March 1990. A technician was also not posted. |
| 4. | Referral Hospital, Bali (CMHO, Pali) | The machine was installed in March 1990, one year after its receipt, but was not put to use for want of accessories (details not intimated). Action taken for procurement of accessories and reasons for the delay in installation were not intimated. The technician was also not posted. |

| S. No. | Name of the units | Remarks |
|-----------|---|--|
| 5. | CHC, Loonkaransar (CMHO, Bikaner) | The machine was installed in June 1990, fifteen months after its receipt due to non-availability of the dark room. It was not put to use for want of accessories like X-ray cassettes, Intensifying screen, Chest-stand etc. Orders to purchase them were placed by the CMHO in March 1991. Further progress was awaited (July 1991). A Radiographer was posted in September 1990 and remained idle. |
| 6. | Referral Hospital, Aklera (CMHO, Jhalawar) | The machine received in April 1989 was installed in June 1989. It was not used except once in January 1991 due to delay in receipt of X-ray films etc. and for want of three-phase power-line. A technician provided in October 1990 remained idle. |
| 7. | CHC, Dudu (CMHO, Jaipur) | The machine installed in October 1989, six months after its receipt was not put to use (June 1991) for want of accessories such as Safe light, Developer, Chest-stand etc. Reasons for their non-procurement were not stated. Services of a technician posted in October 1990 remained unutilised. |

| S. No. | Name of the units | Remarks |
|-----------|---------------------------------|--|
| 8. | CHC, Ghatol (CMHO, Banswara) | The machine was installed in July 1990, 16 months after its receipt as the X-ray room was not ready. Accessories were also not made available. Order for purchase of the accessories was placed in March 1991, which were not received as of April 1991. A technician posted in July 1990 remained idle. |

Besides, one X-ray machine received in November 1987 against another supply order of September 1987 at a cost of Rs. 1.71 lakhs for Referral Hospital, Gulabpura (CMHO, Bhilwara) could not be put to use (June 1991) due to non-availability of power-connection. Meanwhile, services of the Radiographer posted in July 1990 were utilised in the District T.B. Clinic, where a technician was already working.

Non-utilisation of the X-ray machines resulted in idle investment of Rs. 19.47 lakhs (Rs. 1.71 lakhs since November 1987 and Rs. 17.76 lakhs since April 1989). Besides, services of technicians posted in the units at S.No. 5 to 8 and Referral Hospital, Gulabpura, between July-October 1990 onwards were not utilised for the purpose for which they were employed.

The matter was reported to Government in April 1991; their reply had not been received (March 1992).

(B) Blocking of Government Funds

A sanction for Rs. 0.60 lakh was issued by Government in March 1989 for the procurement of a Refrigerator for storage of blood of 100 bottles in New Janana Hospital, Jaipur. The purchase order was placed by the Controller of Associated Group of Hospitals in the same month and the equipment was installed in August 1989.

Under the provisions of Drugs and Cosmetics (Amendment) Act, 1982, a licence from Medical and Health Department is required to run a blood bank which was not obtained. Action to obtain a licence was initiated in August 1989 and for trained staff in October 1989. Owing to the absence of a licence and of trained staff, the equipment had not been put to use (June 1991).

The matter was reported to Government in March 1991; their reply had not been received (March 1992).

PUBLIC WORKS DEPARTMENT

5.2 Loss of tools and plant issued for relief works

Public Works Divisions are to ensure that tools and plant articles issued to the subordinates of the sub-divisions or temporarily lent to contractors as well as to other departments and local bodies, are returned in good condition without delay.

Public Works Division, Barmer issued tools and plant articles worth Rs. 1.76 lakhs to its staff, other departments and

local bodies between 1981-82 and 1988-89 for execution of relief works. Return of these tools and plant through the prescribed register was, however, not watched in the Division and as a result, these were neither returned (September 1991) by the loanees nor their cost recovered from them.

The matter was reported to Government in February 1991; their final reply had not been received (April 1992).

CHAPTER-VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

FINANCE DEPARTMENT

6.1 General

During 1990-91, Rs. 743.10 crores constituting 21.35 *per cent* of the total revenue expenditure (Rs. 3479.95 crores) of the Government for the year were paid as grants to local bodies, co-operative societies, private institutions and other non-Government bodies as shown below:

| | (Rupees in crores) |
|---|--------------------|
| 1. Panchayat Samitis and Zila Parishads | 357.31 |
| 2. Educational Institutions (including Universities) | 79.95 |
| 3. Co-operative Societies and Co-operative Institutions | 33.22 |
| 4. Municipalities | 0.47 |
| 5. Other Institutions and Bodies | 272.15 |
| Total | 743.10 |

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

| | | | (Rupees in crores) |
|--------------|---|--------|--------------------|
| 1. | Education | | 417.92 |
| | General Education | 409.82 | |
| | Technical Education | 8.10 | |
| 2. | Rural Employment | | 135.84 |
| 3. | Co-operation | | 33.62 |
| 4. | Other Rural Development Programmes | | 31.36 |
| 5. | Industries including Village and Small Industries | | 30.30 |
| 6. | Welfare of Scheduled Castes and Scheduled Tribes and other Backward Classes | | 19.21 |
| 7. | Urban Development | | 14.99 |
| 8. | Minor Irrigation | | 14.87 |
| 9. | Compensation and Assignment to Local Bodies and Panchayati Raj Institutions | | 11.55 |
| 10. | Water Supply and Sanitation | | 5.99 |
| 11. | Others (below Rs. 5 crores) | | 27.45 |
| Total | | | 743.10 |

entrusted to the State Public Works Department (PWD) to be completed before the academic session beginning from July 1986. The construction work was, however, completed in March 1987 at a total cost of Rs. 7.27 lakhs against which the UGC had released total grant of Rs. 3.50 lakhs. The University also spent Rs. 0.47 lakh (March 1987) on the purchase of furniture.

During test-check of records of the University, it was noticed (March 1990) that the new facilities were not being utilised. The Director, Central Library of the University stated (March 1990) that non-utilisation was due to non-provision of additional staff, proposals for which were mooted by the University for inclusion in the State Plan for 1988-89 but rejected by the Government.

The matter was reported to Government (October 1990); reply had not been received (March 1992).

SPECIAL SCHEMES AND INTEGRATED RURAL DEVELOPMENT DEPARTMENT

6.4 Double payment of subsidy

In May 1979, Government prescribed a Control Register to be maintained by Panchayat Samitis and District Rural Development Agencies (DRDA) in order to ensure that assistance to the target families (living below the poverty line) under Integrated Rural Development Programme is properly utilised.

Test-check of records of DRDA, Sawaimadhopur for the period 1987-88 to 1988-89 (conducted during July-October 1990) revealed that due to non-recording of entries of drawal of loan subsidy in the Control Register in Panchayat Samiti, Karauli and DRDA, Sawaimadhopur, payment of subsidy was again made to

the same persons for purchase of camel/bullock carts etc. in 33 cases amounting to Rs. 1.05 lakhs.

Government stated in September 1991 that action to recover the excess payment of subsidy was in progress.

6.5 Infertuous expenditure

District Rural Development Agency (DRDA), Kota sanctioned (December 1987) Rs. 2.40 lakhs for construction of 20 houses in Behrai village under Panchayat Samiti, Shahabad for completion by March 1988 under *Indira Awas Yojana*. The estimated cost of construction of each house was Rs. 9000 while Rs. 3000 were to be kept aside for basic facilities of electricity, water supply, roads etc. While construction of houses was nearly completed in March 1988 at a cost of Rs. 1.75 lakhs, no progress was made for providing the basic facilities.

The villagers of Behrai in a complaint (June 1989) to the Commissioner, Tribal Area Development, Udaipur alleged that the material used in construction of the houses was of poor quality and were unsafe for living. The allegations of villagers were found to be correct by the DRDA, Kota and suggested immediate remedial measures to repair the houses and also to take disciplinary action against the delinquent officers. No action was, however, initiated to repair the houses which were lying vacant as of March 1990.

The work was executed through a contractor contrary to the requirements that middleman / contractor should not be engaged for execution of such works.

The matter was reported to Government in September 1990; their reply had not been received (March 1992).

6.6 Irregular diversion of funds

For the socio-economic upliftment of Scheduled Castes, the State Government introduced in 1980-81 a scheme under which

the rate of subsidy of 25 per cent and $33\frac{1}{3}$ per cent payable to small and marginal farmers respectively under Integrated Rural Development Programme (IRDP) was increased to 50 per cent for the Scheduled Castes. While expenditure on normal subsidy was shared equally by Central and State Governments, the payment of enhanced subsidy was to be met fully out of funds provided by Central Government to Rajasthan Scheduled Caste Development Co-operative Corporation (RSCDCC) through State Government. The scheme was discontinued in November 1984 and re-introduced in 1986-87.

During test-check of the records of District Rural Development Agency (DRDA), Nagaur for the period 1985-86 to 1987-88 conducted between December 1989 and March 1990, it was noticed that during 1985-86 (when the scheme stood withdrawn) and 1986-87, normal subsidy amounting to Rs. 48.10 lakhs and Rs. 43.37 lakhs respectively payable out of IRDP funds was irregularly debited to the RSCDCC funds meant for other programmes.

The above irregular debit not only resulted in diversion of RSCDCC funds but also deprived the beneficiaries of the intended benefits of the programmes of RSCDCC. Besides, the State Government also escaped from contributing its own share of the subsidy (Rs. 45.74 lakhs) under IRDP. The facts were accepted (January 1991) by the DRDA, Nagaur which requested the State Government to provide additional funds during 1990-91 for reimbursement of the amount to the RSCDCC. Further progress was awaited (June 1991).

The matter was reported to the Government in November 1990; their reply had not been received (March 1992).

6.7 Irregular payment of assistance

In April 1988, Government of India launched *Million Wells Scheme (Jeevan Dhara)* to provide open irrigation wells free of cost

to small and marginal farmers belonging to Scheduled Castes and Scheduled Tribes below the poverty line and identified under Integrated Rural Development Programme (IRDP). One of the essential conditions of assistance was that the beneficiaries should have a minimum holdings of one hectare of land. Group wells which could irrigate more than one holding were to be given priority. Farmers who had already received assistance under IRDP for minor irrigation were not to be given assistance under this scheme.

During audit of the District Rural Development Agency, Chittorgarh conducted between July-October 1990, it was noticed that in 14 cases, assistance of Rs. 2.47 lakhs was given to ineligible farmers. Of the 14 cases of ineligible beneficiaries, in 9 cases (involving Rs. 1.58 lakhs) pertaining to notional share holders, wells already existed; 3 cases (involving Rs. 0.59 lakh) were not considered fit for assistance by the *Vikas Adhikari* and in 2 cases (involving Rs. 0.30 lakh), the beneficiaries had already received assistance under IRDP.

Non-observance of the provisions of the scheme resulted in irregular payment of assistance of Rs. 2.47 lakhs.

The matter was reported to Government in July 1991; their reply had not been received (March 1992).

6.8 Loss of interest

According to orders issued by Government of India in February 1982, funds provided to the District Rural Development Agency (DRDA) were to be kept in Savings Bank Account in the principal branches of the participating banks in the District with an authorisation to the bank for adjusting the subsidy component due to the beneficiaries against the account. In Rajasthan, the Land Development Banks (LDBs) were also authorised to sanction loans to identified families under various programmes of DRDAs but their rules did not allow opening of Savings Bank Accounts which meant that interest would not be available on

the deposits. The State Government issued instructions in August 1982 that the amount of subsidy payable against the loan disbursable by the LDBs be deposited with the Central Co-operative Banks (CCBs) by the DRDA in a separate Savings Bank Account to be opened on the name of DRDA/LDB and operated by the Secretary of the LDB.

During test-check of the records of DRDAs, Bundi and Nagaur (1985-86 to 1987-88), Jhunjhunu (1987-88 to 1988-89) and Chittorgarh (1985-86 to 1988-89) conducted between November 1988 and October 1990, it was noticed that funds for subsidy component under Massive/IRD Programme were paid direct by these DRDAs to the LDB instead of depositing the same with the Co-operative Banks. This resulted in loss of interest amounting to Rs. 5.62 lakhs (Bundi : Rs. 1.35 lakhs; Nagaur : Rs. 1.73 lakhs; Jhunjhunu : Rs. 0.76 lakh and Chittorgarh : Rs. 1.78 lakhs) calculated at the rate of 5.5 *per cent* payable on the monthly balances available with LDBs during the period from April 1985 to March 1990.

Government to whom the matter was reported in May 1991 stated (November 1991) that an Account had been opened in October 1990 in Central Co-operative Bank by the DRDA, Nagaur.

6.9 Non-recovery of cost of tubewells

Under Desert Development Programme (a Centrally Sponsored Scheme), construction of tubewells on the land of small and marginal farmers identified by the District Rural Development Agency (DRDA) is carried out by Ground Water Department (GWD). On successful drilling and electrification of the tubewells on the land of the identified farmers, the DRDA initiates action for arranging loan for the farmers from the financial institutions. For this purpose, the farmers are required to mortgage their land in favour of the financial institutions. After completion of the loan formalities, the DRDA arranges

payment to GWD on the basis of the bill received from GWD and the tubewells are handed over to the farmers through DRDA.

Test-check of records of DRDA, Nagaur revealed that 60 tubewells (cost of 59 tubewells : Rs. 58.45 lakhs; cost of one not known) completed by GWD between 1981-82 and 1989-90 were being used by the farmers. But due to inordinate delays by DRDA (reasons not intimated) formalities for mortgaging the farmers' land with the financial institutions and arranging loans had not been completed. The Government intimated (October 1991) that out of 60 tubewells, cost of 18 tubewells had been recovered by the DRDA and action to effect recovery of the cost of remaining 42 tubewells (Rs. 43.99 lakhs) was being taken.

6.10 Unfruitful expenditure of Rs. 8.50 lakhs

The Annual Action Plan of the District Rural Development Agency (DRDA), Nagaur for the year 1987-88 contemplated supply of drinking water for cattle under Cattle Water Supply Schemes (CWSS) in Harnawa, Dhandlas and Khera Chhapra villages. The source of CWSS was either open well or tubewell. The schemes for Harnawa and Dhandlas were undertaken by the Executive Engineer, Public Health Engineering Department (PHED) Division, Merta city and for Khera Chhapra by PHED Division, Nagaur.

During the course of audit of the records of DRDA, Nagaur, conducted during December 1989 to March 1990, it was noticed that these schemes failed owing to the fact that either the sources were dry or did not have sufficient water. Knowing fully well from the reports of the Executive Engineer, PHED, Merta city and the Assistant Engineer, PHED, Jayal about the possibility of failures in October-November 1987 itself, technical estimates were sanctioned in January-March 1988 and administrative / financial sanctions obtained in February-April 1988. The Divisions incurred expenditure of Rs. 8.50 lakhs on these schemes (Harnawa : Rs. 4.05 lakhs, Dhandlas : Rs. 2.50 lakhs and Khera Chhapra : Rs. 1.95 lakhs) between December 1987 and

March 1990 on construction of ground level reservoirs, staff quarters, installation of pumping sets and laying and jointing of pipe line etc. The expenditure of Rs. 8.50 lakhs was, thus, totally infructuous.

The matter was reported to Government (November 1990); their reply had not been received (January 1992).

6.11 Unfruitful expenditure

Under Desert Development Programme, the Government sanctioned (December 1978) Rs. 3.53 lakhs to the District Rural Development Agency (DRDA), Nagaur for construction of a watershed *Kolia III*. The DRDA, Nagaur, paid Rs. 2.05 lakhs to the Soil Conservation Officer, Nagaur, for the execution of the watershed between January 1979 and February 1980.

On protests made by some of the beneficiaries (January 1980) on whose land the work was being carried out, the work started in March 1979 was stopped in March 1982 after incurring an expenditure of Rs. 0.97 lakh.

An enquiry committee constituted (October 1987) by the Collector, Nagaur to go into the matter found the work useful. It was, therefore, decided to complete it early on receipt of proposals from the District Soil Conservation Officer (DSCO), Nagaur. However, proposals from DSCO were yet to be received and the work had not been taken up (September 1991). Thus, non-completion of the work rendered an expenditure of Rs. 0.97 lakh unfruitful.

The matter was reported to Government in September 1990; their reply had not been received (March 1992).

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1 General

This chapter deals with the results of audit of departmentally managed Government Undertakings run on commercial basis. As on 31 March 1991, there were 21 departmentally managed Government Commercial Undertakings as listed in *Appendix 6*.

The proforma accounts of three Undertakings under the Department of Agriculture, one under the Mines Department, four under the Medical and Health Department, one under the Printing and Stationery Department, four under the Home Department and the consolidated proforma accounts of the Water Supply Scheme under the Public Health Engineering Department, were in arrears for three years or more as indicated in *Appendix 7*. The three schemes under Agriculture Department were declared non-Commercial from September 1985 (one) and November 1987 (two) and exempted from preparation of proforma accounts. In the cases of Rajasthan Ground Water Department, Jodhpur and the Scheme for purchase and sale of pumping sets at Jodhpur, the Department requested (September 1991) Government to exempt them from preparing proforma accounts including earlier years, sanction of the Government was awaited. In case of the Scheme for purchase and distribution of seeds and manures, the Department stated (April 1991) that there were no transactions from 1979-80 onwards. The Department was requested (June 1991) to obtain exemption from the Government for preparation of proforma accounts.

A synoptic statement showing the summarised financial results of the working of 8 Undertakings on the basis of latest accounts made available during the year is given in *Appendix 8*.

JAIPUR,
The

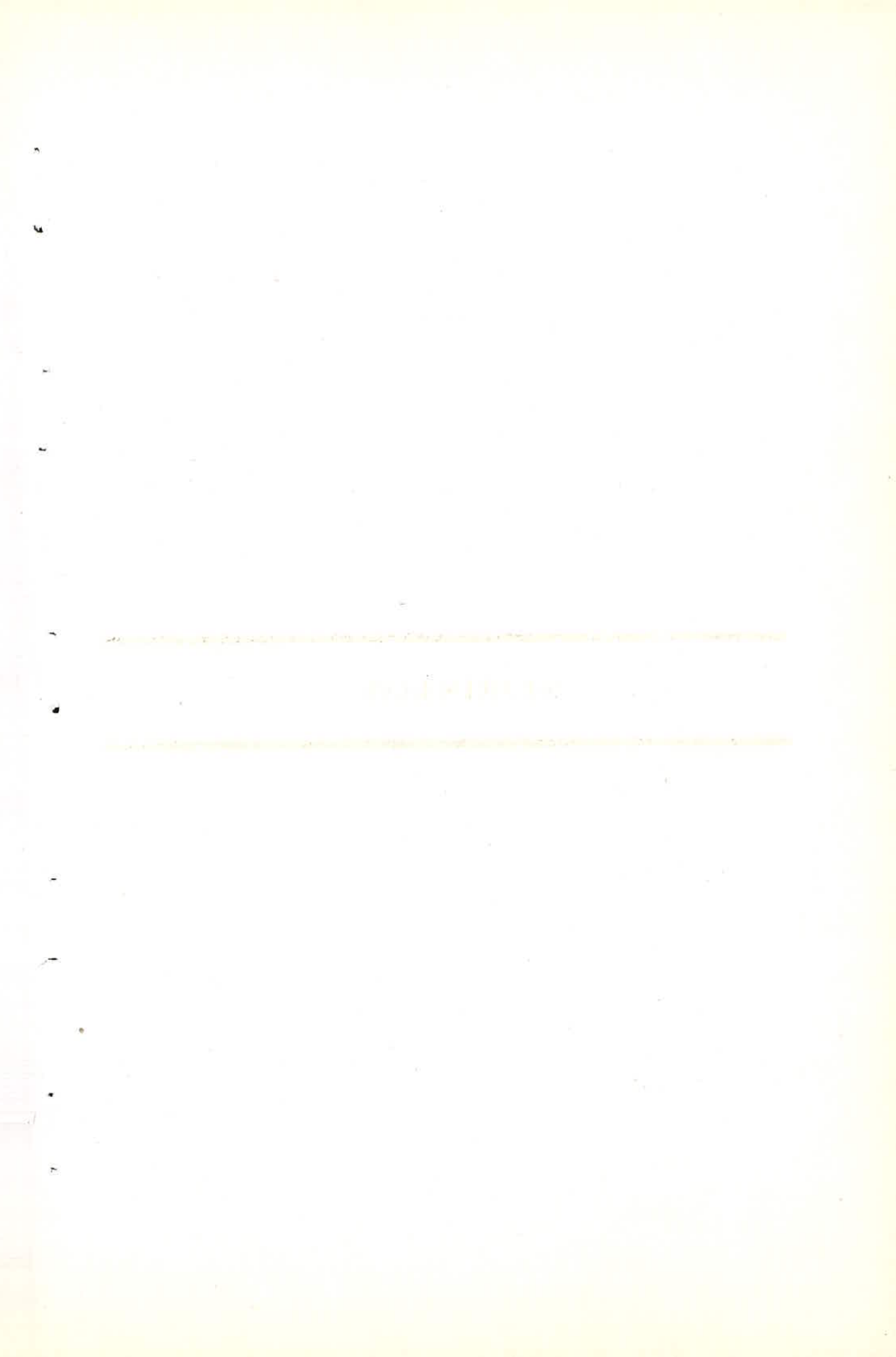
(M.S.SHEKHAWAT)
Accountant General (Audit) I, Rajasthan

Countersigned

NEW DELHI,
The

(C.G. SOMIAH)
Comptroller and Auditor General of India

APPENDICES



APPENDIX-1

STATEMENT SHOWING VARIATION BETWEEN
ESTIMATES AND ACTUALS FOR THE
YEAR 1990-91

(Reference : Paragraph 1.3, page 16)

| | Original Estimates | Revised Estimates | Actuals | Difference |
|---|-----------------------|----------------------|-------------------|-------------------|
| (Rupees in crores) | | | | |
| Revenue Receipts | 3358.98 | 3657.73 | 3647.89 | 288.91 |
| Revenue Expenditure | 3462.91 | 3500.05 | 3479.95 | 17.04 |
| Revenue Deficit(-)/ Surplus(+) | (-)103.93 | (+)157.68 | (+)167.94 | (+)271.87 |
| Capital Receipts | - | 0.01 | 1.07 | 1.07 |
| Capital Expenditure | 516.74 | 517.31 | 490.05 | (-) 26.69 |
| Public Debt | | | | |
| Receipts | 1170.36 | 916.78 | 876.74 | (-)293.62 |
| Repayments | 691.96 | 629.04 | 597.84 | (-) 94.12 |
| Net : | (+) 478.40 | (+) 287.74 | (+) 278.90 | (-) 199.50 |
| Loans and advances by the State Government | | | | |
| Receipts | 54.29 | 49.53 | 52.77 | (-) 1.52 |
| Payments | 209.76 | 267.35 | 275.48 | (+) 65.72 |
| Net : | (-)155.47 | (-)217.82 | (-)222.71 | (-) 67.24 |
| Public Account | | | | |
| Receipts | 5669.97 | 6305.99 | 7025.34 | 1355.37 |
| Disbursements | 5389.97 | 5983.84 | 6904.31 | 1514.34 |
| Net : | (+)280.00 | (+) 322.15 | (+)121.03 | (-)158.97 |
| Overall Surplus(+)/ Deficit (-) | (-) 17.74 | (+) 32.45 | (-)143.82 | (-)126.08 |

CASES OF EXCESSES

(Reference : Paragraph

| S. No. | Number and name of grant/appropriation | Revenue | |
|--------------|---|---------------------|-----------------------|
| | | <u>Voted</u> Rs. | <u>Charged</u> Rs. |
| 1. | 9-Forest | - | 51,833 |
| 2. | 15-Pensions and other Retirement Benefits | 1,98,72,204 | - |
| 3. | 18-Public Relations | 23,910 | - |
| 4. | 19-Public Works | | 34,971 |
| 5. | 27-Drinking Water Scheme | 8,77,49,541 | - |
| 6. | 30-Tribal Area Development | 1,76,62,485 | - |
| 7. | 34-Relief from Natural Calamities | - | - |
| 8. | 37-Agriculture | 48,42,713 | - |
| 9. | 40-State Enterprises | - | 556 |
| 10. | 43-Minerals | - | 9,609 |
| 11. | 46-Irrigation | 2,27,18,030 | - |
| Total | | 15,28,68,883 | 96,969 |

REQUIRING REGULARISATION

2.2.3, page 46)

| <u>Excess</u> | <u>Capital</u> | | <u>Total</u> |
|---------------------|----------------|-----------------------|---------------------|
| <u>Voted</u> Rs. | | <u>Charged</u> Rs. | Rs. |
| - | - | - | 51,833 |
| - | - | - | 1,98,72,204 |
| - | - | - | 23,910 |
| - | - | - | 34,971 |
| - | - | - | 8,77,49,541 |
| - | - | - | 1,76,62,485 |
| 4,98,000 | - | - | 4,98,000 |
| - | - | - | 48,42,713 |
| - | - | - | 556 |
| - | - | - | 9,609 |
| - | 16,215 | - | 2,27,34,245 |
| <u>4,98,000</u> | <u>16,215</u> | | <u>15,34,80,067</u> |

INJUDICIOUS

(Reference :

| S. No. | Number and name of grant and head of account | Provision (Original plus Supplementary) | Re-appropriation made Addition(+)/ Reduction(-) |
|--|--|---|---|
| | | | (Rupees in lakhs) |
| 21-Roads and Bridges | | | |
| 1. | 3054-Roads and Bridges 02-Strategic and Border Roads 337-Road works I-Through the agency of Border Road Development Board (i) Maintenance and Repairs | 469.03 | (+)211.88 |
| 2. | 5054-Capital Outlay on Roads and Bridges 02-Strategic and Border Roads 337-Road works (iii) Through the agency of Border Road Development Board (CSS) | 363.02 | (+)159.98 |
| 26-Medical and Public Health and sanitation | | | |
| 3. | 2210-Medical and Public Health 06-Public Health 101-Prevention and control of diseases (i) National Malaria Eradication Programme | 133.60 | (+)1706.95 |
| 4. | (ii) National Malaria Eradication Programme (Rural) | 1433.77 | (-)1433.77 |
| 27-Drinking Water Scheme | | | |
| 5. | 4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply (i) Enhancement of Rural Water Supply Scheme I-General | 2892.00 | (-)449.33 |

APPENDIX-3

RE-APPROPRIATION

Paragraph 2.2.6, page 51)

| Total Grant | Actual Expenditure | Excess(+) Saving(-) |
|----------------|-----------------------|------------------------|
| 680.91 | 0.50 | (-)680.41 |
| 523.00 | 16.43 | (-)506.57 |
| 1840.55 | 1132.37 | (-)708.18 |
| - | 431.29 | (+)431.29 |
| 2442.67 | 2959.33 | (+)516.66 |

| S. No. | Number and name of grant and head of account | Provision (Original plus Supplementary) | Re-appropriation made Addition(+)/ Reduction(-) |
|--------|--|---|---|
| | | | (Rupees in lakhs) |
| 6. | 799-Suspense (i) Stock 2. Charges | 5500.00 | (-)500.00 |
| | 30-Tribal Area Development | | |
| 7. | 2210-Medical and Public Health 06-Public Health 796-Tribal Area Sub-Plan (iii) National Malaria Eradication Programme (Rural) | 155.99 | (+)30.82 |
| | 46-Irrigation | | |
| 8. | 2701-Major and Medium Irrigation 80-General 799-Suspense 1-Viklan | 1389.10 | (-)735.83 |

APPENDIX-3 (Concl'd.)

| Total Grant | Actual Expenditure | Excess(+) Saving(-) |
|----------------|-----------------------|------------------------|
| 5000.00 | 5518.88 | (+)518.88 |
| 186.81 | 115.13 | (-)71.68 |
| 653.27 | 1179.89 | (+)526.62 |

DEPARTMENT-WISE DETAILS OF

(Reference : Paragraph

| S. No. | Name of the Department | Write off of losses etc. | |
|--------------|--|--------------------------|--------------|
| | | Number of cases | Amount |
| 1. | Animal Husbandry | 29 | 0.78 |
| 2. | Education | 9 | 0.30 |
| 3. | Finance | 4 | 0.18 |
| 4. | Horticulture | 1 | 0.01 |
| 5. | Home | 5 | 0.21 |
| 6. | Labour and Employment | 1 | 0.01 |
| 7. | Law and Justice | 1 | 0.08 |
| 8. | Medical and Health | 1 | 0.02 |
| 9. | Police | 1 | 0.05 |
| 10. | Relief | 2 | 14.79 |
| 11. | Revenue | - | - |
| 12. | Sheep and Wool | 11 | 0.47 |
| 13. | Special Schemes and Integrated Rural Development | 1 | 0.07 |
| Total | | 66 | 16.97 |

LOSSES ETC. WRITTEN OFF DURING 1990-91

3.7, page 124)

| Recovery waived | | Total | |
|-----------------------------|--------|-----------------|--------|
| Number of cases | Amount | Number of cases | Amount |
| (Amount in lakhs of rupees) | | | |
| - | - | 29 | 0.78 |
| - | - | 9 | 0.30 |
| - | - | 4 | 0.18 |
| - | - | 1 | 0.01 |
| - | - | 5 | 0.21 |
| - | - | 1 | 0.01 |
| - | - | 1 | 0.08 |
| - | - | 1 | 0.02 |
| - | - | 1 | 0.05 |
| - | - | 2 | 14.79 |
| 9 | 3.51 | 9 | 3.51 |
| - | - | 11 | 0.47 |
| - | - | 1 | 0.07 |
| 9 | 3.51 | 75 | 20.48 |

**NATURE OF IMPORTANT IRREGULARITIES
COMMENTED UPON IN THE INSPECTION REPORTS OF
PANCHAYAT SAMITIS**

(Reference : Paragraph 3.9, page 130)

| S. No. Nature of comments (period) | Number of Paragraphs | Amount involved (Rupees in lakhs) |
|---|----------------------|-----------------------------------|
| 1. Sanction of competent authority not obtained for regularisation/ write off (1976-77 to 1989-90) | 35 | 25.61 |
| 2. Embezzlement cases (1976-77 to 1988-89) | 16 | 6.76 |
| 3. Irregularities in implementation of schemes (1977-78 to 1989-90) | 38 | 81.04 |
| 4. Blocking of funds on incomplete works | 22 | 156.10 |
| 5. Sale proceeds of empty gunny bags not deposited in Government account (1980-81 to 1990-91) | 17 | 7.93 |
| 6. Overpayments/irregular payments of pay and allowances to staff (1977-78 to 1989-90) | 24 | 17.27 |
| 7. Non-recovery of licence fees from the officials (1981-82 to 1988-89) | 5 | 0.33 |
| 8. Non-rendering / non-adjustment of accounts of temporary advances to staff/officials/other departments/Sarpanchs (1978-79 to 1989-90) | 19 | 63.48 |

APPENDIX-5 (Concl'd.)

| S. No. | Nature of comments (period) | Number of Paragraphs | Amount involved (Rupees in lakhs) |
|---------------|---|---------------------------------|--|
| 9. | Irregularities in purchase of stores, etc. (1978-79 to 1988-89) | 17 | 17.53 |
| 10. | Non-repayment of long / medium / short-term Government loans and interest accrued thereon by the Panchayat Samitis (1979-80 to 1989-90) | 18 | 266.80 |
| 11. | Non-recovery of long / medium / short term advances (1977-78 to 1989-90) | 17 | 237.37 |
| 12. | Non-recovery of outstanding dues from contractors (1977-78 to 1989-90) | 23 | 4.29 |
| 13. | Non-recovery of taxes, etc. (1977-78 to 1989-90) | 18 | 44.66 |
| 14. | Non-refund of unutilised grant (1981-82 to 1989-90) | 11 | 112.74 |
| 15. | Non-furnishing of utilisation certificates (1979-80 to 1988-89) | 5 | 351.70 |
| 16. | Non-recovery / non-repayment of HUDCO loans (1981-82 to 1989-90) | 10 | 81.77 |
| 17. | Non-recovery of outstanding dues from the staff / dealers (1977-78 to 1988-89) | 43 | 33.29 |
| Total | | 338 | 1,508.67 |

**LIST OF DEPARTMENTAL UNDERTAKINGS
AS ON 31 MARCH 1991**

(Reference : Paragraph 7.1, page 187)

| S. No. | Name of Departmental Undertakings | Number of schemes |
|--------|---|-------------------|
| 1. | Home Department Jail Manufactures of Ajmer, Alwar, Bikaner, Jaipur, Jodhpur, Kota and Udaipur | 7 |
| 2. | Forest Department Departmental Trading of Forest Coupes Patta Tendu Scheme | 1 1 |
| 3. | Printing and Stationery Department Government Publication Branch, Government Central Press, Jaipur | 1 |
| 4. | Mines Department Rock Phosphate Mining Beneficiation Scheme at Udaipur | 1 |
| 5. | State Enterprises Department Rajasthan State Chemical Works at Didwana (Sodium Sulphate Works, Sodium Sulphate Plant and Sodium Sulphide Factory) Government Salt Works at Pachpadra and Didwana | 3 2 |
| 6. | Medical and Health Department Government Ayurvedic Rasayanshalas at Ajmer, Bharatpur, Jodhpur and Udaipur | 4 |

| S. No. | Name of Departmental Undertakings | Number of schemes |
|--------------|---|-------------------|
| 7 | Public Health Engineering Department Rajasthan Water Supply and Sewerage Management Board, Jaipur | 1 |
| Total | | 21 |

UNDERTAKINGS WHOSE ACCOUNTS ARE IN ARREARS FOR 3 YEARS OR MORE

(Reference : Paragraph 7.1, page 187)

| S. No. | Name of Departmental Undertakings | Years for which accounts are in arrears | Remarks |
|-------------------------------|---|---|---|
| Agriculture Department | | | |
| 1 | Scheme for purchase and distribution of seeds and manures | 1969-70 to 1985-86 (upto September 1985) | Consolidated accounts have not been received. |
| 2 | Rajasthan Ground Water Department at Jodhpur | 1974-75 to 1987-88 (upto November 1987) | Accounts have not been received. |
| 3 | Scheme for purchase and sale of pumping sets at Jodhpur | 1975-76 to 1987-88 (upto November 1987) | -do- |
| Home Department | | | |
| 4 | Jail Manufacture, Jaipur | 1987-88 to 1990-91 | -do- |
| 5 | Jail Manufacture, Kota | 1988-89 to 1990-91 | -do- |
| 6 | Jail Manufacture, Alwar | -do- | -do- |
| 7 | Jail Manufacture, Bikaner | -do- | -do- |

APPENDIX-7(Concl.)

| S. No. | Name of Departmental Undertakings | Years for which accounts are in arrears | Remarks |
|---|---|---|---|
| Printing and Stationery Department | | | |
| 8 | Government Publication Branch, Government Central Press, Jaipur | 1988-89 to 1990-91 | Accounts have not been received. |
| Mines Department | | | |
| 9 | Rock Phosphate Mining Beneficiation Scheme at Udaipur | 1987-88 to 1990-91 | -do- |
| Medical and Health Department | | | |
| 10 | Government Ayurvedic Rasayanshala at Ajmer | 1985-86 to 1990-91 | -do- |
| 11 | Government Ayurvedic Rasayanshala at Bharatpur | 1986-87 to 1990-91 | -do- |
| 12 | Government Ayurvedic Rasayanshala at Jodhpur | 1986-87 to 1990-91 | -do- |
| 13 | Government Ayurvedic Rasayanshala at Udaipur | 1986-87 to 1990-91 | -do- |
| Public Health Engineering Department | | | |
| 14 | Rajasthan Water Supply and Sewerage Management Board, Jaipur | 1987-88 to 1990-91 | Consolidated accounts have not been received. |

FINANCIAL RESULTS OF

(Reference : Paragraph

| S. No. | Name of Departmental Undertakings | Period of Accounts | Government Capital | Mean Capital |
|---|---|--------------------|--------------------|--------------|
| Home Department | | | | |
| 1. | Jail Manufacture, Ajmer | 1989-90 | 3.07 | 3.07 |
| Forest Department | | | | |
| 2. | Departmental Trading of Forest Coupes | 1989-90 | 88.44 | 88.46 |
| 3. | Patta Tendu Scheme | 1988-89 | 18.66 | 18.66 |
| | | 1989-90 | 18.66 | 18.66 |
| State Enterprises Department | | | | |
| Rajasthan State Chemical Works- | | | | |
| 4. | Sodium Sulphate Works, Didwana | 1988-89 | 1.64 | 1.64 |
| | | 1989-90 | 1.64 | 1.64 |
| 5. | Sodium Sulphate Plant, Didwana | 1989-90 | 103.40 | 103.40 |
| 6. | Sodium Sulphide Factory, Didwana | 1989-90 | 15.83 | 15.49 |
| Mines Department | | | | |
| 7. | Rock Phosphate Mining Beneficiation Scheme at Udaipur | 1986-87 | 212.96 | 211.08 |
| Public Health Engineering Department | | | | |
| 8. | Rajasthan Water Supply and Sewerage Management Board, Jaipur. | 1986-87 | 26,746.69 | 24,448.39 |

DEPARTMENTAL UNDERTAKINGS

7.1, page 188)

| Block Assets (Net) | Depreciation | Net profit(+) /loss(-) | Interest charged | Total return | Percentage of return on mean capital |
|--------------------|--------------|------------------------|------------------|--------------|--------------------------------------|
| (Rupees in lakhs) | | | | | |
| 1.68 | 0.18 | (-) 2.06 | 0.23 | (-) 1.83 | NIL |
| 27.47 | 3.88 | (+) 69.43 | NIL | 69.43 | 78.49 |
| 12.17 | 0.45 | (+) 80.89 | NIL | 80.89 | 433.49 |
| 11.71 | 0.40 | (+) 302.42 | NIL | 302.42 | 1620.69 |
| 0.43 | 0.08 | (+) 7.36 | 0.39 | 7.75 | 472.56 |
| 0.36 | 0.06 | (+) 14.89 | - | 14.89 | 907.9 |
| 25.86 | 1.64 | (-) 14.89 | 17.27 | 2.38 | 2.30 |
| 5.89 | 0.39 | (-) 13.02 | 3.59 | (-) 9.43 | NIL |
| 22.19 | 4.23 | (+) 1174.59 | - | 1174.59 | 556.47 |
| 8,485.84 | 317.76 | (-) 2522.38 | 728.86 | (-) 1793.52 | NIL |

GLOSSARY OF ABBREVIATIONS

A

| | | |
|-----|---|--------------------------------|
| AC | : | Asbestos Cement |
| ADC | : | Area Development Commissioner |
| AEN | : | Assistant Engineer |
| AI | : | Artificial Insemination |
| ASI | : | Archaeological Survey of India |

C

| | | |
|-------|---|--------------------------------------|
| CAD | : | Command Area Development |
| CADAs | : | Command Area Development Authorities |
| CADP | : | Command Area Development Programme |
| CCBs | : | Central Co-operative Banks |
| CDPOs | : | Child Development Project Officers |
| CE | : | Chief Engineer |
| CHC | : | Community Health Centre |
| CI | : | Cast Iron |
| CMHOs | : | Chief Medical and Health Officers |
| CP | : | Chambal Project |
| CSD | : | Central Stores Division |
| CST | : | Central Sales Tax |
| CWD | : | Central Workshop Division |
| CWSS | : | Cattle Water Supply Schemes |

APPENDIX-9 (Contd.)**D**

| | | |
|-------|---|---|
| DDP | : | Desert Development Programme |
| DGS&D | : | Director General Supplies and Disposals |
| DMHS | : | Director Medical and Health Services |
| DOT | : | Director of Tourism |
| DPAP | : | Drought Prone Area Programme |
| DRDA | : | District Rural Development Agency |

E

| | | |
|-----|---|-------------------------|
| EIL | : | Engineers India Limited |
|-----|---|-------------------------|

F

| | | |
|-----|---|---------------------------|
| FCI | : | Food Corporation of India |
|-----|---|---------------------------|

G

| | | |
|-----|---|-------------------------|
| GI | : | Galvanised Iron |
| GOI | : | Government of India |
| GWD | : | Ground Water Department |

H

| | | |
|-------|---|---|
| HR | : | Hot Rolled |
| HUDCO | : | Housing and Urban Development Corporation |

I

| | | |
|------|---|--------------------------------|
| IGNB | : | Indira Gandhi Nahar Board |
| IGNP | : | Indira Gandhi Nahar Pariyojana |

APPENDIX-9 (Contd.)

IRDP : Integrated Rural Development Programme

ISI : Indian Standard Institute

L

LDBs : Land Development Banks

LDC : Lower Division Clerk

M

MBSP : Mahi Bajaj Sagar Project

MDT : Medium Duty Tubewells

MODVAT : Modified Value Added Tax

MS : Mild Steel

N

NAC : Notified Area Committee

NIT : Notice Inviting Tender

O

ONGC : Oil and Natural Gas Commission

OFD : On Farm Development

P

PAC : Public Accounts Committee

PD : Personal Deposits

PD A/c : Personal Deposit Account

PFCC : Project Formulation and Co-ordination Committee

APPENDIX-9 (Contd.)

| | | |
|------|---|---|
| PHED | : | Public Health Engineering Department |
| PVC | : | Polyvinyl Chloride |
| PWD | : | Public Works Department |

R

| | | |
|--------|---|--|
| RDD | : | Regional Deputy Director |
| RLs | : | Reduced Levels |
| RLDC | : | Rajasthan Land Development Corporation |
| RSCDCC | : | Rajasthan Scheduled Caste Development Co-operative Corporation |
| RSEB | : | Rajasthan State Electricity Board |
| RTDC | : | Rajasthan Tourism Development Corporation |

S

| | | |
|------|---|----------------------------------|
| SAIL | : | Steel Authority of India Limited |
| S&R | : | Survey and Research |
| SC | : | Scheduled Caste(s) |
| SHO | : | Sheep Husbandry Officer |
| SPC | : | Stores Purchase Committee |
| SSI | : | Small Scale Industries |
| ST | : | Scheduled Tribe(s) |

APPENDIX-9 (Concl.d.)

T

TIB : Tourist Information Bureau

U

UGC : University Grants Commission

W

**WAPCOS : Water and Power Consultancy
Services**

WFP : World Food Programme

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