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State Legislature on
09 JAN 2009

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

FOR THE YEAR ENDED 31 MARCH 2008

(CIVIL)

GOVERNMENT OF RAJASTHAN

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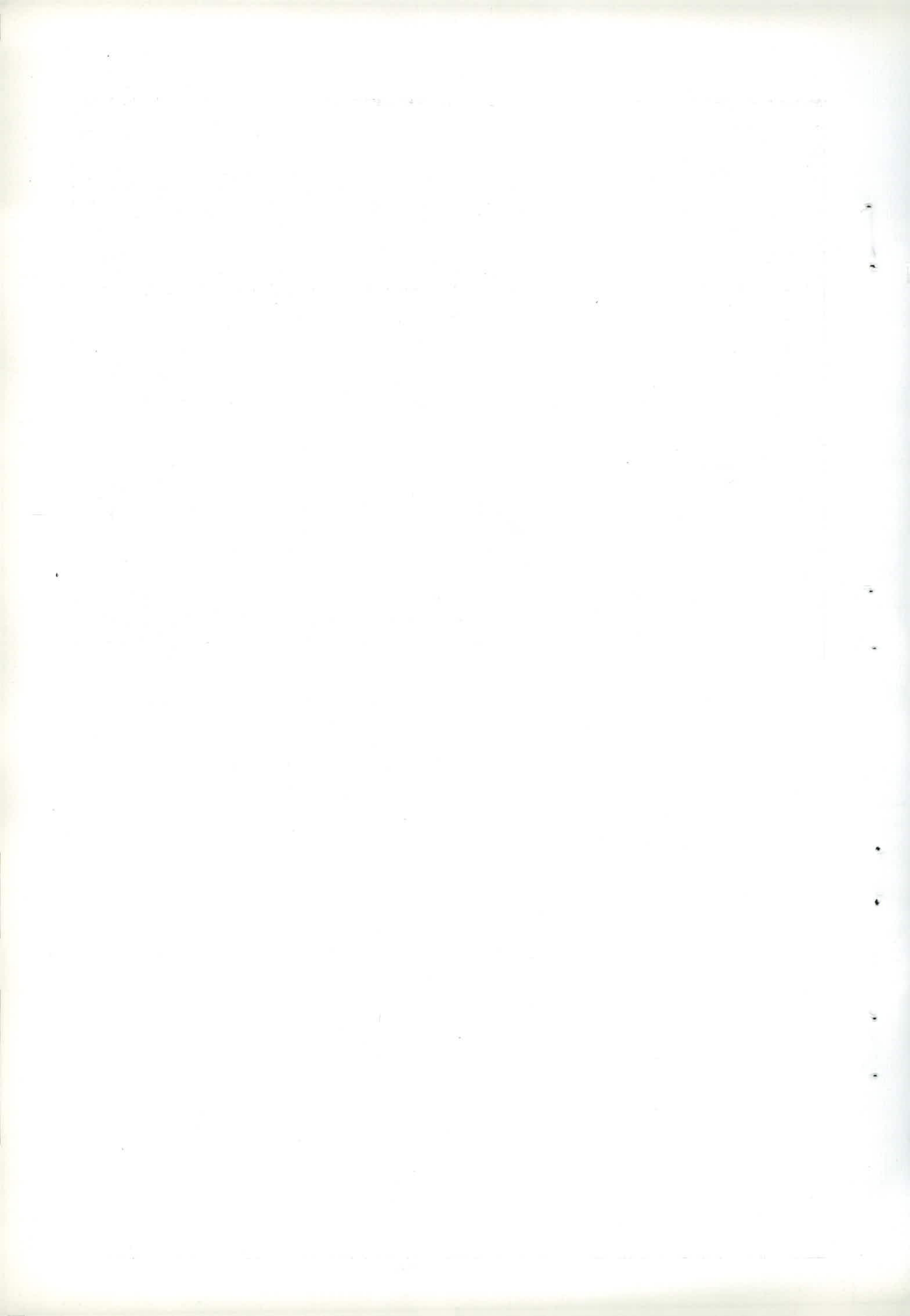
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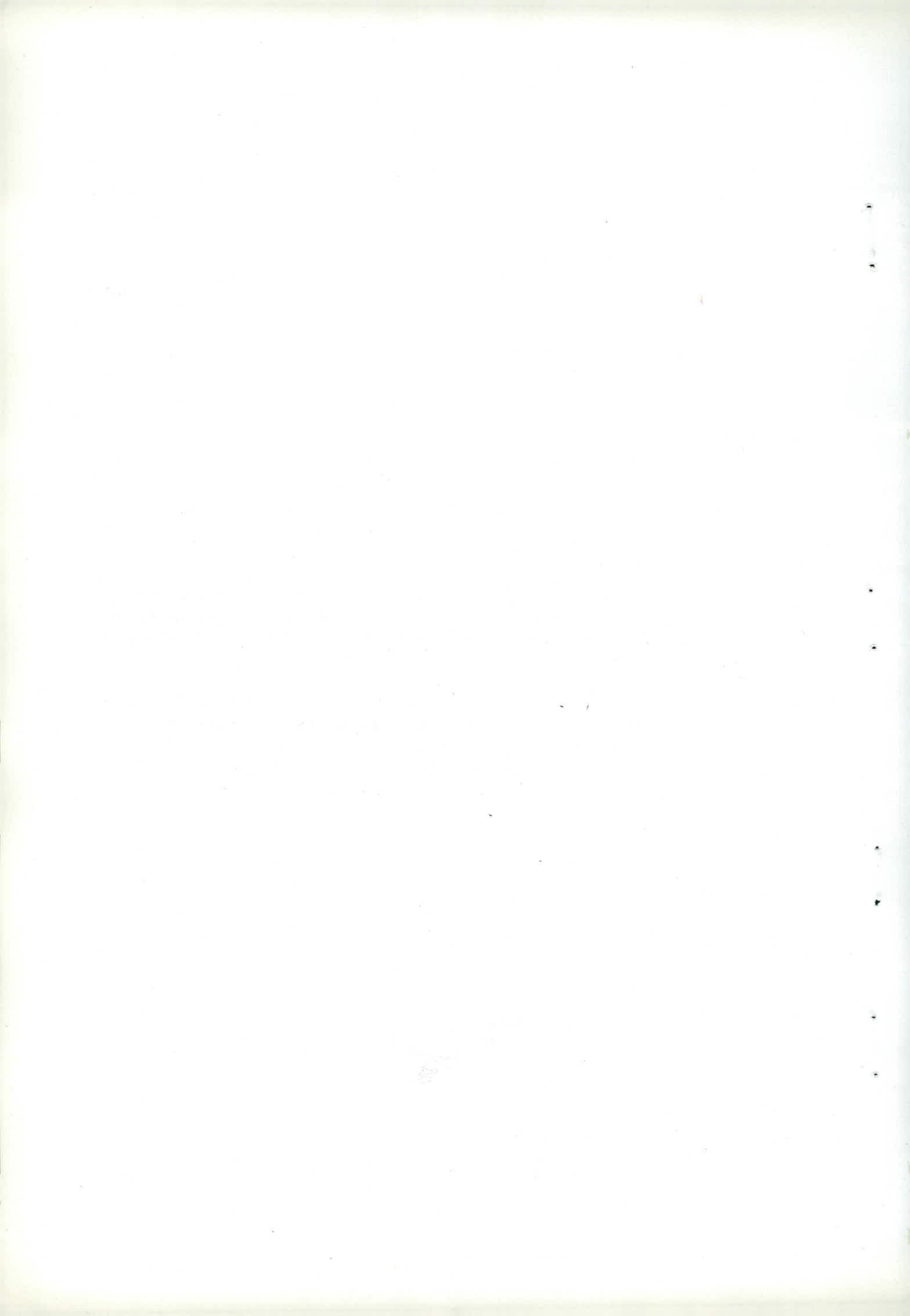
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Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2008.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various Departments including the Medical and Health, Higher Education, Forest and Water Resources Departments, audit of Autonomous Bodies and also Evaluation of Internal Control Mechanism in Agriculture Department.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2007-08 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 2007-08 have also been included wherever necessary.



OVERVIEW

This Report contains two Chapters on the observations of Audit on the State's Finance and Appropriation Accounts for the year 2007-08 and three other Chapters comprising five reviews and 24 paragraphs (including three general paragraphs) based on the audit of certain selected programmes and activities and financial transactions of the Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and the recommendations made taking into consideration the views of the Government.

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

1. Financial Position of the State Government

The key fiscal parameters-revenue, fiscal and primary deficits-reveal a significant improvement in the fiscal situation of the State during 2007-08 over the previous year. An increase of Rs 1,015 crore in revenue surplus in 2007-08 relative to the previous year may however be assessed in view of the fact that 56 *per cent* of the incremental revenue receipts (Rs 5,189 crore) is contributed by central transfers comprising State's share in Union taxes and duties and grants-in-aid from GOI. Moreover, 17 *per cent* of the incremental State's own resources (Rs 2,290 crore) during the year were on account of book adjustments only, i.e. transfer of Rs 350 crore from Public Account under Miscellaneous General Services on account of winding up of Sinking Fund and classified as non-tax receipts of the State. Although revenue expenditure as a percentage to total expenditure indicated declining trends it still constitutes 81 *per cent* of the total expenditure during 2007-08. The non-plan revenue expenditure (NPRE) at Rs 23,994 crore during 2007-08 was higher than both the normatively assessed level of Rs 19,889 crore by the TFC and the projected level of Rs 22,263 crore by the State Government in MTFPS/FCP for the 2007-08. Moreover, within the NPRE four components – Salary expenditure, pension liabilities, interest payment and subsidies constitute about 77 *per cent* of NPRE during 2007-08. Forty-seven *per cent* (Rs 822 crore) of the total increase of Rs 1,746 crore in capital expenditure over the previous year was on account of transfer from the Consolidated Fund of the State to Rajasthan State Investment Fund created under Public Account and classified as capital expenditure during the year. Moreover, of the total recovery of loans from power projects amounting to Rs 1,730 crore, Rs 1,666 crore was adjusted against the enhanced subsidies to erstwhile Rajasthan State Electricity Board (RSEB) during the year which notionally increased both the non-debt capital receipts and NPRE of the State Government during the year. The increasing fiscal liabilities accompanied with negligible rate of return on government investments and inadequate interest cost recovery on loans and advances continued to be a cause of concern. Moreover, although the fiscal liabilities relative to GSDP ratio exhibited a declining trends since 2005-06

and reached the level of 48 *per cent* in 2007-08 but if the contingent liabilities and off budget borrowings are also included in the total liabilities of the State, this ratio exceeds 65 *per cent* indicating the significance of the latter from the point of view of the fiscal and debt sustainability of the State.

2. Allocative Priorities and Appropriation

Against total budget provisions of Rs 42,931.53 crore, actual expenditure was Rs 39,301.30 crore. The overall savings of Rs 3,630.23 crore was the net result of excess of Rs 19.50 crore and savings of Rs 3,649.73 crore. The excess of Rs 19.50 crore requires regularisation by the State Legislature under Article 205 of the Constitution of India. Rupees 3,505.01 crore were surrendered on the last working day of the financial year, while in seven cases savings of Rs 83.79 crore were not surrendered.

3. Performance Audit

National Rural Health Mission

Government of India launched the National Rural Health Mission (NRHM) in April 2005 throughout the country for providing accessible, affordable, accountable, effective and reliable health care facilities in the rural areas of the entire country. In Rajasthan, only 65 *per cent* of the total available funds were utilised during 2005-08. Three District Health Societies had taken three to thirty months in transferring funds of Rs 16.87 crore to the implementing agencies. Household survey and facility survey required to identify the health care needs of the rural areas were not conducted adequately. The District Health Societies did not prepare Perspective Plan for the Mission period. Health Action Plan was not prepared in most of the villages, blocks and districts. Village Health and Sanitation Committees were formed in 16 *per cent* villages against the targets of 30 *per cent* upto 2007. Residential buildings (493) completed at a cost of Rs 24.81 crore were not taken over, while 565 buildings were incomplete after spending Rs 19.34 crore. Construction of 364 new sub-centre buildings was not started. Against 46,624 Accredited Social Health Activists required by December 2007, 39,325 were selected by March 2008. Eighty *per cent* medical staff and 60 *per cent* para-medical staff were not imparted necessary training. There were deficiencies in upgradation of Community Health Centers in respect of manpower, infrastructure and equipment, as compared to Indian Public Health Standards norms. Fifty-two Mobile Medical Units could not be made operational for want of vehicles for carrying equipment and diagnostic facilities. Out of 137 blood storage units, 126 could not be set up as the generator sets and other equipment (Rs 2.56 crore) were not installed/utilised. There was significant shortfall in DT and TT immunisation. Male participation in family planning was 24 *per cent* of targets set. Shortfall in institutional delivery was 45 *per cent* of the targets in 2007-08. Under *Janani Suraksha Yojana*, 2.78 lakh women were not provided cash assistance during 2006-08. In 614 cases, payment of cash assistance was delayed by one to 18 months.

(Paragraph 3.1)

Accelerated Irrigation Benefits Programme

The Accelerated Irrigation Benefits Programme (AIBP) was launched (1996-97) by the Government of India with the objective to accelerate the completion of ongoing selected irrigation projects on which substantial investment had already been made and which were beyond the State's resource capability. A review of implementation of AIBP revealed that State Government would have to refund the additional Central Loan Assistance of Rs 129.39 crore with interest due to non-revision of water rates and the opportunity of conversion of loan of Rs 175.23 crore (2004-06) into grant was not availed. Due to non-completion of the projects within stipulated period Central grant of Rs 202.65 crore (2005-08) was treated as refundable loan. Irrigation potential created (88.09 thousand hectare) through construction of *diggis* could not be utilised as only 60 Water User Associations were formed against the requirement of 2,240. None of them took power connection on the *diggis*. The AIBP funds of Rs 182.25 crore were diverted on activities not covered under the programme. Delayed execution of projects resulted in time and cost overrun of Rs 670.20 crore. During construction of syphon on Luni river Rs 72.32 lakh were paid in excess to the contractor. Compensation of Rs 5.30 crore was recoverable from the contractors due to delay in execution of works by them. Unfruitful/infructuous expenditure of Rs 11.70 crore was incurred on works which were not completed/not required.

(Paragraph 3.2)

Integrated Child Development Services

The 'Integrated Child Development Services' (ICDS) Scheme is a centrally sponsored scheme launched in the State during October 1975, for providing nutrition, health and education services to expectant and lactating mothers adolescent girls and children of age group 0 to 6 years. A review of the implementation of the scheme revealed that against the original budget provision of Rs 1,641.74 crore for the period 2003-08, savings amounted to Rs 238.31 crore. The saving ranged upto to 30 *per cent*. A sum of Rs 1.15 crore was lying unutilised in Personal Deposit account for two years. Due to delay in responding to GOI proposal State Government could not avail Central assistance of Rs 0.94 crore for construction of 100 *Anganwadi* Center buildings. The benefit of supplementary nutrition was extended to 40 to 42 *per cent* children in tribal areas and only 29 to 35 *per cent* children in other rural areas. The State Level Co-ordination Committee for monitoring and evaluation of the implementation of the scheme though constituted, no meetings were held since October 2002. Three out of seven districts test checked did not have any District Level Co-ordination Committee to monitor the ICDS activities.

(Paragraph 3.3)

Information Technology Audit of Citizen Centric Service Delivery Project (e-Mitra)

Government integrated *Lok Mitra* and *Jan Mitra* under new title *e-Mitra* (in October 2005) with the objective to provide integrated services pertaining to Government Departments to the public in an efficient, transparent, convenient and friendly manner using Information Technology. The Directorate of Information Technology and Communication had prepared a project report without conducting a feasibility study and there was no documented disaster recovery and business continuity plan. All the Departments were not within the ambit of the *e-Mitra* project. Those within ambit were not fully prepared as they lagged in computerisation. The Local Service Providers (LSPs) provided limited services of bill collection only to the citizen and none of the LSPs provided the public information services, application and grievance related services to the citizen. Only the Government run *e-Mitra* centers provided these services. Kiosks were not opened in rural areas in Sawaimadhopur District, normal working hours were not followed and hygienic facilities were not provided to the citizen in violation of Service Level Agreement. Penal provisions for delayed deposit of the amounts collected and deficient performance were not imposed on the LSPs.

(Paragraph 3.4)

4. Audit of Transactions

Besides the above, audit of financial transactions test checked in various Departments of the Government and their field functionaries showed instances of infructuous/wasteful, avoidable/excess expenditure and other irregularities involving Rs 146.33 crore as mentioned below:

Infructuous/wasteful expenditure and overpayment of Rs 7.60 crore was noticed in Elementary Education Department (Rs 81.15 lakh), Higher Education Department (Rs 43.59 lakh), Social Justice and Empowerment Department (Rs 58 lakh) and Water Resources Department (Rs 5.77 crore).

Avoidable/excess/unfruitful expenditure of Rs 72.14 crore was noticed in Civil Aviation Department (Rs 1.14 crore), Forest Department (Rs 59.05 crore), General Administration Department (Rs 1.58 crore), Public Works Department (Rs 9.82 crore) and Water Resources Department (Rs 54.63 lakh).

Blocking of funds/idle investment of Rs 12.28 crore was noticed in Medical and Health Department (Rs 11.38 crore) and Tribal Area Development Department (Rs 90.33 lakh).

Apart from these, there were instances of irregular expenditure and other points involving Rs 54.31 crore in Agriculture Department (Rs 32.60 crore), Disaster Management and Relief Department (Rs 3.91 crore), Finance Department (Rs 1.22 crore), Forest Department (Rs 3.95 crore), Higher Education Department (Rs 4.48 crore), School Education and Sanskrit Education Departments (Rs 7.61 crore), Department of Personnel (Rs 30.89 lakh) and Social Justice and Empowerment Department (Rs 22.54 lakh).

Some of the important findings were as follows:

- Projection of wrong catchment area/selection of wrong site for dam besides using unsuitable soil in construction of dam by Water Resources Department led to infructuous expenditure of Rs 5.77 crore on Dharia Irrigation Project, District Pali defeating the very objective of providing irrigation.

(Paragraph 4.1.4)

- Lack of planning, arranging qualified manpower (pilots as well as technicians) and infrastructure (Workshop), by the Civil Aviation Department, before committing a huge expenditure on the purchase of helicopter led to avoidable expenditure of Rs 1.14 crore on its maintenance and hiring of other helicopters.

(Paragraph 4.2.1)

- Failure of the Forest Department in recovering Net Present Value and taking preventive action against mining activities in the forest land led to undue benefit of Rs 59.05 crore to Udaipur Mineral Development Syndicate Private Limited, Bhilwara.

(Paragraph 4.2.2)

- Proposing roads having alignment through private lands/forest land by Public Works Department without acquisition/approval of Forest Department led to 17 roads lying incomplete rendering the expenditure of Rs 9.82 crore as unfruitful.

(Paragraph 4.2.4).

- Failure of the Medical and Health Department in monitoring the progress of work resulted in blocking of funds of Rs 5.93 crore, unfruitful expenditure of Rs 1.36 crore on 22 buildings lying incomplete and a loss of Rs 4.09 crore towards interest on Rs 5.93 crore lying with Rajasthan Housing Board.

(Paragraph 4.3.1)

- Failure of the Agriculture Department in preparing single series of crop yield estimates led to unnecessary burden of Rs 32.60 crore towards payment of insurance claims.

(Paragraph 4.4.1)

- In Disaster Management and Relief Department, non-adherence to the norms prescribed by Government of India led to inadmissible expenditure of Rs 3.91 crore on payment of assistance out of Calamity Relief Fund to farmers for removal of crop waste.

(Paragraph 4.4.2)

- Compensatory Afforestation Fund Management and Planning Authority funds of Rs 3.95 crore were unauthorisedly retained by the Forest Department in violation of orders of Supreme Court/instruction of Government of India.

(Paragraph 4.4.4)

- Non-adherence to the provisions of the Ordinance of the Rajasthan University led to short realisation of Rs 3.27 crore towards affiliation fee from 43 private engineering colleges.

(Paragraph 4.4.7)

- Non- observance of instructions issued by Finance Department led to excess payment of Grant-in-Aid amounting to Rs 7.61 crore to 91 non-Government Educational Institutions by School Education and Sanskrit Education Departments.

(Paragraph 4.4.8)

5. Internal Control Mechanism in Agriculture Department

A built in Internal Control Mechanism and proper adherence to statutes, codes and manuals minimise the risk of errors and irregularities and helps to protect resources against losses due to waste abuse and mismanagement etc. An evaluation of the Internal Control Mechanism (ICM) in the Agriculture Department revealed that the inbuilt controls of the Department were inadequate when compared to the range of activities of the Department. The Departmental manual published in 1997 does not contain instructions for financial control, asset management, manpower management, inventory management and internal audit. Budgetary and expenditure controls were weak as reflected from excess provision of funds made in both original and supplementary budget, rush of expenditure at the close of the financial year and underutilisation of Central assistance. Cash management was deficient, as the prescribed rules to prevent fraud and misappropriation of cash were not strictly followed. Inventory controls were ineffective as receipt and issue of stores was not recorded properly, physical verification of all available stores was not conducted and utilisation of idle equipment and machineries was not ensured. The quality testing laboratories of seeds, fertilizers and pesticides were underutilised. Internal Audit was inadequate and ineffective. The monitoring was poor as prescribed departmental inspections were not conducted and evaluation was not got conducted concurrently and through an independent agency.

(Paragraph 5.1)

CHAPTER-I
FINANCES OF THE
STATE GOVERNMENT

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account (**Appendix 1.1- Part A**). The Finance Accounts of the Government of Rajasthan are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State of Rajasthan. The layout of the Finance Accounts is depicted in **Appendix 1.1-Part B**.

1.1.1 Summary of Receipts and Disbursements

Table-1 summarises the finances of the Government of Rajasthan for the year 2007-08 covering revenue receipts and expenditure, capital receipts and expenditure and public accounts receipts/disbursements as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table-1: Summary of receipts and disbursements for the year 2007-08

(Rupees in crore)

2006-07	Receipts	2007-08	2006-07	Disbursements	2007-08		
Section-A: Revenue							
					Non Plan	Plan	Total
25,592.18	Revenue receipts	30,780.62	24,953.80	Revenue expenditure	23,993.97	5,133.67	29,127.64
11,608.24	Tax revenue	13,274.73	10,348.78	General services	10,779.68	142.59	10,922.27
3,430.61	Non-tax revenue	4,053.93	8,934.53	Social services	8,280.89	1,919.13	10,200.02
6,760.37	Share of Union Taxes/Duties	8,527.60	5,662.93	Economic services	4,916.85	3,071.95	7,988.80
3,792.96	Grants from Government of India	4,924.36	7.56	Grants-in-aid and Contributions	16.55	-	16.55
Section-B: Capital							
-	Miscellaneous Capital Receipts	1.16	4,809.37	Capital Outlay	944.28	5,611.27	6,555.55
513.90	Recoveries of Loans and Advances	1,780.73	312.64	Loans and Advances disbursed	89.01	198.68	287.69
4,222.14	Public debt receipts*	5,063.34	1,780.42	Repayment of Public Debt*	-	-	1,845.81
-	Contingency Fund	-	-	Contingency Fund	-	-	-
58,456.69	Public Account receipts	77,596.56	55,859.08	Public Account disbursements	-	-	74,734.69
1,552.76	Opening Cash Balance	2,622.36	2,622.36	Closing Cash Balance	-	-	5,293.39
90,337.67	Total	1,17,844.77	90,337.67	Total			1,17,844.77

* Includes net Ways and Means Advances and Overdraft

Following are the significant changes during 2007-08 over the previous year:

- Revenue receipts grew by Rs 5,189 crore (20 *per cent*) over the previous year. The increase was mainly contributed by tax revenue (Rs 1,667 crore), Non-tax revenue (Rs 623 crore), State's share of Union Taxes and Duties (Rs 1,768 crore) and Grants-in-aid from Government of India (Rs 1,131 crore).
- Revenue expenditure increased by Rs 4,174 crore over the previous year. The increase was mainly under Power (Rs 1,321 crore), Urban Development (Rs 620 crore), General Education (Rs 481 crore), Pensions and Other Retirement Benefits (Rs 448 crore), Secretariat-Economic Services (Rs 413 crore), Other Rural Development Programmes (Rs 289 crore) and Interest Payments (Rs 241 crore).
- Capital expenditure increased by Rs 1,746 crore over the previous year mainly on account of transfer of Rs 822 crore from the Consolidated Fund of the State to Rajasthan State Investment Fund created in Public Account, Water Supply and Sanitation (Rs 690 crore), Power Projects (Rs 364 crore), partly offset by a decline of Rs 465 crore in Integrated Development of Small and Medium Towns under Urban Development.
- Sharp increase in recovery of loans and advances were reported during current year (Rs 1,781 crore) compared to the previous year (Rs 514 crore). This was mainly due to recovery of loans amounting to Rs 1,588 crore from Power Projects partly offset by fall in recovery of loans (Rs 323 crore) from loan to Government servants (Rs 290 crore) and Agriculture and Allied Activities (Rs 33 crore). The recovery of loans from Power Projects was only a book adjustment as loan amount of Rs 1,666 crore outstanding against erstwhile Rajasthan State Electricity Board (RSEB) was adjusted as subsidies to erstwhile RSEB during the year.
- Public Debt receipts increased by Rs 841 crore and repayment of Public Debt increased by Rs 66 crore over the previous year. Thus, net receipt increase during the year was Rs 775 crore.
- Public Account receipts and disbursements increased by Rs 19,139 crore and Rs 18,876 crore respectively over the previous year. Thus, net receipt increase during the year was Rs 263 crore.
- Cash balance of the State increased by Rs 2,671 crore over the previous year.

1.1.2 State Fiscal Position by Key Indicators

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

Table-2

(Rupees in crore)

2006-07	S. No.	Major Aggregates	2007-08
25,592	1.	Revenue Receipts (2+3+4)	30,781
11,608	2.	Tax Revenue (Net)	13,275
3,431	3.	Non-Tax Revenue	4,054
10,553	4.	Other Receipts	13,452
514	5.	Non-Debt Capital Receipts	1,782
514	6.	Of which Recovery of Loans	1,781
26,106	7.	Total Receipts (1+5)	32,563
21,311	8.	Non-Plan Expenditure	25,027
21,154	9.	On Revenue Account	23,994
5,702	10.	Of which Interest Payments	5,943
142	11.	On Capital Account	944
15	12.	On Loans disbursed	89
8,765	13.	Plan Expenditure	10,944
3,800	14.	On Revenue Account	5,134
4,667	15.	On Capital Account	5,611
298	16.	On Loans disbursed	199
30,076	17.	Total Expenditure (13+8)	35,971
(+) 638	18.	Revenue Surplus (+)/Deficit (-) [(1)-(9+14)]	(+) 1,653
(-) 3,970	19.	Fiscal Surplus (+)/Deficit (-) [(1+5)-(17)]	(-) 3,408
(+) 1,732	20.	Primary Surplus (+)/Deficit (-) [(1+5)-(17-10)]	(+) 2,535

During the current year revenue receipts increased by 20 per cent (Rs 5,189 crore) while revenue expenditure increased by 17 per cent (Rs 4,174 crore) over the previous year resulting an increase of Rs 1,015 crore in Revenue surplus during 2007-08 over previous year. Given the increment in revenue surplus and the increase of Rs 1,268 crore in non-debt capital receipts and the net increase of Rs 1,721 crore in capital expenditure and loan and advances disbursed during 2007-08 over the previous year resulted into a decline of Rs 562 crore in fiscal deficit during the current year. The decline in fiscal deficit accompanied with an increase of Rs 241 crore in interest payments during 2007-08 over the previous year led to an increase of Rs 803 crore in a primary surplus during the year.

1.2 Methodology adopted for assessment of Fiscal position

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analysed wherever necessary over the period 2003-08 and observations have been made on their behavior. In its Restructuring Plan of State finances, Twelfth Finance Commission (TFC) recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, TFC also recommended that all States are required to enact the Fiscal Responsibility (FR) Act and draw their fiscal correction path accordingly for the five year period (2005-06 to 2009-10) so that fiscal position of the State could be improved as committed in their respective FR Acts/Rules during medium to long run. The norms/ceilings prescribed by the TFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Government in their FR Acts and in other Statements required to be laid in the legislature under the Act were used to make qualitative assessment of the trends and pattern of major aggregates during the current

year. Assuming that Gross State Domestic Product (GSDP)¹ is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for tax revenue, non-tax revenue, revenue expenditure, etc. with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure, etc. are keeping pace with the change in the base or these fiscal aggregates have also been affected by factors other than GSDP. The trends in the growth of GSDP as provided by Directorate of Economic and Statistics, Government of Rajasthan are given in Table-3.

Table-3: Trends in Growth and Composition of GSDP

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
GSDP (Rs in crore)	88,550	1,11,606	1,15,288	1,24,224*	1,42,036 ^{\$}	1,59,515 [#]
Rate of Growth of GSDP (in per cent)	- 2.0	26.0	3.3	7.8*	14.3 ^{\$}	12.3 [#]

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

* Provisional Estimates

\$ Quick Estimates

Advance Estimates

The key fiscal aggregates for the purpose have been grouped under four major heads: (i) Trends and Composition of Aggregate Receipts, (ii) Application of Resources, (iii) Assets and Liabilities and (iv) Management of Deficits (**Appendix-1.3 to 1.6**). The overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given in **Appendix 1.1- Part C**.

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

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

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

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

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

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

1.2.1.2 Fiscal Policy Statement(s) 2007-08

As prescribed in the Act, the State Government has laid the following statement(s) of fiscal policy along with the budget before the legislature during 2007-08:

- Fiscal Policy Strategy (FPS) statement containing an overview of the Fiscal Policy for the ensuing year relating to taxation, expenditure, borrowings, strategic priorities and measures for restructuring the State finances as recommended by the Twelfth Finance Commission (TFC).
- Medium Term Fiscal Policy Statement (MTFPS) prescribing fiscal targets and assumptions for achieving them.

The State Government in its MTFPS projected its own tax revenue at Rs 12,913 crore and non-tax revenue at Rs 3,384 crore for the year 2007-08 (BE). The State Government also projected the growth rate of 41.5 *per cent* and 8.5 *per cent* for the plan and non-plan revenue expenditure respectively for the year 2007-08 over the previous year. The growth rates of salaries and pension payments were projected at 13 *per cent* and 14 *per cent* respectively.

1.2.1.3 Mid Term Review of Fiscal Situation

In compliance with Section 9(2) of FRBM Act, 2005, the State Government undertook the mid term review of the fiscal performance and observed that

achievements with regard to all the major fiscal variables including receipts and expenditure were as per the budget targets and therefore no remedial measures were required to be taken by the State Government.

The performance of the State during 2007-08 in terms of key fiscal targets laid down in FRBM Act, 2005 is given in Table-4.

Table-4: Trends in Major Fiscal Parameters/Variables vis-à-vis projection for 2007-08

Fiscal variables	(Rupees in crore and others in per cent)			
	2007-08			
	TFC/FRBM Act	FCP	MTFPS	Actuals
Revenue deficit (-)/Surplus (+) (Rs in crore)	0.0 (31.03.2009)	(-) 736	(+) 215	(+) 1,653
Revenue deficit /Revenue Receipts (in per cent)	0.0 (31.03.2009)	2.87	-	Revenue Surplus
Fiscal deficit (FD) (Rs in crore)	-	(-) 6,146	(-) 5,322	(-) 3,408
FD/GSDP ratio	3.0 or below	3.9	3.5	2.1
Ratio of Outstanding Debt liabilities* to total receipts of CFS (per cent)	Not to exceed 200 per cent	-	173	158

* Debt Liabilities means total outstanding debt excluding public account and risk weighted outstanding guarantees.

The comparative position presented in the Table above reveals that the State has achieved the targets for revenue and fiscal deficits as laid down in the FRBM Act, 2005 as well as in MTFPS and FCP for the year 2007-08. The State has achieved fiscal targets as laid down in the FRBM Act much before the timeline indicated therein with the current year ending in revenue surplus of Rs 1,653 crore and fiscal deficit of Rs 3,408 crore which was 2.1 per cent of GSDP. The ratio of outstanding debt liabilities (excluding public account and risk weighted outstanding guarantees in a year) during 2007-08 was also within the ceiling limit prescribed under the FRBM Act. As a result, the State Government received a debt and interest relief of Rs 308.70 crore from Government of India under Debt Consolidation and Relief Facility² for the year 2007-08.

1.3 Trends and Composition of Aggregate Receipts

The aggregate receipts of State Government consist of revenue receipts and capital receipts, revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such

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

as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. Table-5 shows that the total receipts of the State Government for the year 2007-08 were Rs 1,15,222 crore. Of these, the revenue receipts were Rs 30,781 crore, constituting 27 *per cent* of the total receipts. The balance came from capital receipts, borrowings and Public Account receipts.

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

(Rupees in crore)						
Sources of State's receipts	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I Revenue Receipts	13,082	15,424	17,763	20,839	25,592	30,781
II Capital Receipts	7,811	9,189	10,107	5,734	4,736	6,845
Recovery of Loans and Advances	125	159	125	238	514	1,781
Public Debt Receipts	7,686	9,025	9,982	5,495	4,222	5,063
Miscellaneous Capital Receipts	-	5	-	1	-	1
III Contingency Fund	-	-	-	-	-	-
IV Public Account Receipts	34,592	39,459	44,156	49,189	58,457	77,596
a. Small Savings, Provident Fund etc.	1,918	2,160	2,177	2,471	2,611	2,844
b. Reserve Fund	837	1,037	830	589	1,446	2,148
c. Deposits and Advances	29,787	33,741	38,533	42,951	50,587	67,279
d. Suspense and Miscellaneous	19	67	38	38	74	159
e. Remittances	2,031	2,454	2,578	3,140	3,739	5,166
Total Receipts	55,485	64,072	72,026	75,762	88,785	1,15,222

The revenue and capital (including Public Account receipts) receipts constituted 27 *per cent* and 73 *per cent* of total receipts respectively. The total receipts of the State increased from Rs 55,485 crore in 2002-03 to Rs 1,15,222 crore in 2007-08. The Debt capital receipts which create future repayment obligation decreased from Rs 7,686 crore in 2002-03 to Rs 5,063 crore in 2007-08. The recovery of loans and advances has improved by Rs 1,267 crore over the previous year mainly due to book adjustment of loans amounting to Rs 1,666 crore because of erstwhile Rajasthan State Electricity Board (RSEB).

Deposits and Advances constitute about 87 *per cent* of the total receipts under Public Account. Major share of the Deposits and Advances (Rs 54,560 crore: 81 *per cent*) were in the form of working funds of five companies formed after the dismantling of RSEB and channelized through the 'Minor Head 107 - State Electricity Boards Working Funds'. Similarly, 93 *per cent* (Rs 4,793 crore) of the remittances have come from Public Works Remittances.

1.3.1 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of tax and non-tax revenue, Central tax transfers and grants-in-aid from GOI. Overall revenue receipts, their annual rate of growth, ratio of these receipts to the GSDP and its buoyancies are indicated in Table-6.

Table-6: Revenue Receipts - Basic Parameters

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Receipts (RR)	13,082	15,424	17,763	20,839	25,592	30,781
Own Taxes (per cent)	6,253 (47.8)	7,246 (47.0)	8,415 (47.4)	9,880 (47.4)	11,608 (45.4)	13,275 (43.1)
Non-Tax Revenue (per cent)	1,569 (12.0)	2,072 (13.4)	2,146 (12.1)	2,738 (13.2)	3,431 (13.4)	4,054 (13.2)
Central Tax Transfers (per cent)	3,063 (23.4)	3,602 (23.4)	4,305 (24.2)	5,300 (25.4)	6,760 (26.4)	8,528 (27.7)
Grants-in-aid (per cent)	2,197 (16.8)	2,504 (16.2)	2,897 (16.3)	2,921 (14.0)	3,793 (14.8)	4,924 (16.0)
Rate of growth of RR (per cent)	7.6	17.9	15.2	17.3	22.8	20.3
Rate of growth of State's own taxes	10.3	15.9	16.1	17.4	17.5	14.4
RR/GSDP (per cent)	14.8	13.8	15.4	16.8	18.0	19.3
Revenue Buoyancy (ratio)	(-) 3.8*	0.7	4.6	2.2	1.6	1.7
State's own taxes Buoyancy (ratio)	(-) 5.2*	0.6	4.9	2.2	1.2	1.2
Revenue Buoyancy with reference to State's own taxes (ratio)	0.7	1.1	0.9	1.0	1.3	1.4
GSDP Growth (per cent)	(-) 2.0	26.0	3.3	7.8	14.3	12.3

* Rate of growth of GSDP was negative.

General Trends:

The revenue receipts have shown a progressive increase over the period 2002-08 with only marginal changes in its composition i.e. the share of Own taxes, non-tax revenue and Central transfers in revenue exhibited relative stability during the period 2003-08 with marginal inter-year variations. The increase of 20 per cent in Revenue Receipts during 2007-08 was on account of increase in State's own taxes (14.4 per cent), non-tax revenue (18.2 per cent), Central tax transfers (26.2 per cent) and Grant-in-aid (29.8 per cent).

Tax Revenue:

The tax revenue was increased by 14.4 per cent during the current year (Rs 13,275 crore) over previous year (Rs 11,608 crore). The revenue from Taxes on Sales not only contributed major share of tax revenue (58 per cent) but also increased by 15 per cent over the previous year. The Finance Accounts of the State reveal that the sharp increase in sales tax revenue during the year was mainly on account of extending the coverage of sales tax to incorporate lubricants, yellow cloth, fan belts, etc. under the composition scheme announced by the State government during the year. The State Excise, Stamps and Registration Fees and Taxes on Vehicles remained other major contributors in the State's tax revenue. The State excise increased by Rs 214 crore over the previous year mainly due to more receipt from sale of country spirits, malt liquor and foreign liquor and spirits while the Stamps and Registration Fees increased by Rs 250 crore over the previous year mainly due to more receipts from sale of non-judicial stamps and duty on impressing of documents. Table-7 below shows the trends and composition of tax revenue during 2002-08.

Table-7: Tax Revenue

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Taxes on Sales, Trade etc.	3,438	3,986	4,798	5,594	6,721	7,751
State Excise	1,142	1,163	1,276	1,522	1,591	1,805
Taxes on Vehicles	646	904	817	908	1,024	1,164
Stamps and Registration Fees	516	612	818	1,032	1,294	1,544
Other Taxes	511	581	706	824	978	1,011*
Total	6,253	7,246	8,415	9,880	11,608	13,275

* It includes Taxes and Duties on Electricity: Rs 584 crore, Taxes on Goods and Passengers: Rs 161 crore and Land Revenue Rs 155 crore.

Non-Tax Revenue:

The non-tax revenue which constituted 13.2 *per cent* of total revenue receipts increased by Rs 623 crore during 2007-08 recording a growth rate of 18 *per cent* over previous year. The transfer of Rs 350 crore on account of winding up of Sinking Fund under Public Account to Consolidated Fund of the State as receipts from Miscellaneous General Services; an increase of Rs 82 crore on account of sale of land and property; an increase of Rs 46 crore in interest receipts as book adjustment from Departmental Irrigation Projects; Rs 48 crore as receipts from other governments due to supply of police force to them mainly resulted an increase of non-tax revenue during the year. The cost³ of non-tax revenue under social services and economic services were three *per cent* and 30 *per cent* respectively during the year.

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

(Rupees in crore)

	Assessments made by TFC	Assessments made by State Government in FCP	Budget Estimates	Actual
State's Tax Revenue	12,675	12,431	12,913	13,275
State's Own Non-Tax Revenue	2,167	2,766	3,384	4,054

The tax revenue as well as the non-tax revenue receipts in 2007-08 exceeded normative assessments made by TFC by 4.7 *per cent* and by 87.1 *per cent* respectively. Actual realisation also exceeded the assessments made by the State Government in its FCP as well as Budget Estimates for 2007-08.

Central Tax Transfers:

The Central tax transfers increased by Rs 1,768 crore over the previous year and constituted 28 *per cent* of revenue receipts. The increase was mainly under Corporation Tax (Rs 596 crore), Taxes on Income other than Corporation Tax (Rs 535 crore), Customs (Rs 293 crore) and Service Tax (Rs 203 crore).

3. Cost on non-tax revenue arrived as under:

For Social Services: Receipts under social services/Non-plan revenue expenditure under social services (Rs 285 crore/Rs 8,281 crore) and For Economic Services: Receipts under economic services/Non-plan revenue expenditure under economic services (Rs 1,491 crore/Rs 4,917 crore).

Grants-in-aid:

The Grants-in-aid from GOI increased (Rs 1,131 crore) from Rs 3,793 crore in 2006-07 to Rs 4,924 crore in 2007-08. The increase was under Grants for State/Union Territory Plan schemes (Rs 640 crore) and Grants for Centrally Sponsored Plan schemes (Rs 632 crore) partly offset by decrease in Non-Plan Grants (Rs 158 crore). As per the recommendations of TFC, the GOI released Rs 451.48 crore during the current year under Non-Plan for specific purposes viz. roads and bridges (Rs 158.33 crore), maintenance of buildings (Rs 53.27 crore), education (Rs 10 crore), historical monuments maintenance (Rs 12.50 crore), maintenance of Forests (Rs 5 crore), Indira Gandhi Nahar Project (Rs 113 crore) and drinking water scarcity in border and desert districts (Rs 99.38 crore). Details of Grants-in-aid from GOI are given in Table-8.

Table-8: Grants-in-aid from GOI

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Grants for State Plan schemes	617	924	1,019	877	1,128	1,768
Non-Plan Grants	814	749	930	855	1,209	1,051
Grants for Central, Centrally Sponsored Plan schemes and Special Plan schemes	766	831	948	1,189	1,456	2,105
Total	2,197	2,504	2,897	2,921	3,793	4,924
Percentage of increases/decrease over previous year	5.1	14.0	15.7	0.8	29.9	29.8

The Grants for State Plan schemes increased by Rs 640 crore over the previous year. The increase was mainly due to more receipt under Block Grants (Rs 310 crore) and Central assistance under Backwards Regions Grant Fund (Rs 188 crore).

The Grants for Central, Centrally Sponsored Plan schemes and Special Plan schemes increased by Rs 649 crore over the previous year. The increase was mainly due to more receipt under Rural Water Supply Programmes (Rs 361 crore) and Mid-Day Meal *Yojana* (Rs 207 crore).

Revenue Arrears

The arrears of revenue were increased by 79 per cent from Rs 2,249 crore in 2002-03 to Rs 4,024 crore at the end of 2007-08. Of these, Rs 961 crore was outstanding for a period of more than five years. The arrears of revenue were increased by Rs 701 crore during 2007-08 over the previous year. Arrears were mainly in respect of Taxes on Sales, Trade, etc. (Rs 2,995 crore), Taxes on immovable property other than agriculture (Rs 227 crore), State Excise (Rs 223 crore), Major and medium irrigation (Rs 129 crore), Miscellaneous General Services- Sale of Land (Rs 127 crore) and Non-ferrous mining and metallurgical industries (Rs 101 crore).

1.4 Application of Resources

1.4.1 Growth of Expenditure

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs 19,321 crore in 2002-03 to Rs 35,971 crore in 2007-08. Its annual growth rate and ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in Table-9.

Table-9: Total Expenditure – Basic Parameters

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total expenditure (TE)*	19,321	22,955	24,034	26,228	30,076	35,971
of which						
Revenue Expenditure	17,016	18,848	19,906	21,499	24,954	29,128
Capital Expenditure	2,027	3,181	3,488	4,295	4,809	6,555
Loans and Advances	278	926	640	434	313	288
Rate of Growth of TE	7.5	18.8	4.7	9.1	14.7	19.6
TE/GSDP (Ratio)	21.8	20.6	20.8	21.1	21.2	22.6
RR /TE (Ratio)	67.7	67.2	73.9	79.5	85.1	85.6
Buoyancy of Total Expenditure with reference to:						
GSDP (ratio)	(-) 3.8**	0.7	1.4	1.2	1.0	1.6
RR (ratio)	1.0	1.1	0.3	0.5	0.6	1.0

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

** Rate of growth of GSDP was negative.

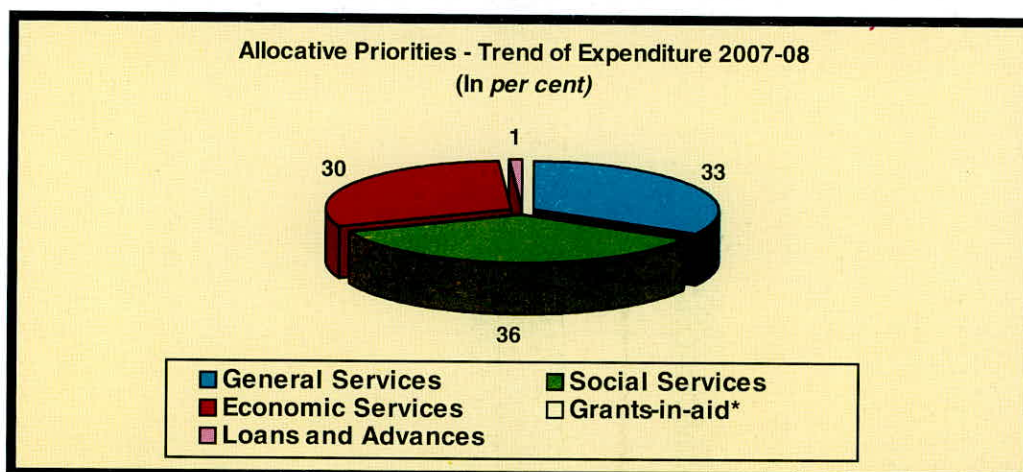
The total expenditure during the current year increased by Rs 5,895 crore over the previous year of which revenue expenditure shared Rs 4,174 crore and capital expenditure contributed Rs 1,746 crore (mainly on account of Rs 944 crore under Plan head), partly offset by decrease in repayment of loans and advances of Rs 25 crore. The revenue expenditure and capital expenditure increased by 17 per cent and 36 per cent respectively during the year over the previous year. Similarly, the plan and non-plan component increased by 25 per cent and 18 per cent respectively during the year relative to the projections of 17 per cent and eight per cent made by the State Government in MTFPS for 2007-08. During the current year, 86 per cent of total expenditure was met from revenue receipts and the remaining from capital receipts and borrowed funds. The buoyancy of total expenditure to GSDP stood at 1.6 in 2007-08 indicating tendency to spend more than the increase in income and higher elasticity of total expenditure with respect to GSDP.

Trends in Total Expenditure by Activities: In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Relative share of these components in total expenditure is indicated in Table-10.

Table-10: Components of Expenditure – Relative Share

(in per cent)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Services	39.8	37.0	36.3	34.1	35.0	33.1
Of which, Interest payments	22.3	20.8	21.5	19.9	19.0	16.5
Social Services	38.0	37.0	36.2	37.1	37.6	36.1
Economic Services	20.8	22.0	24.8	27.2	26.3	29.9
Grants-in-aid	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	0.1
Loans and Advances	1.4	4.0	2.7	1.6	1.1	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.00



*0.046 per cent only.

The movement of relative share of these components of expenditure indicated that while the share of general services and social services in total expenditure declined from 40 per cent and 38 per cent in 2002-03 to 33 per cent and 36 per cent in 2007-08 respectively, the relative share of economic service increased from 21 per cent in 2002-03 to 30 per cent in 2007-08 mainly due to increase in revenue expenditure amounting to Rs 1,666 crore on account of book adjustment shown under Power sector. The share of interest payments was lowest at 17 per cent in 2007-08. Expenditure considered as non-developmental on general services, alone accounted for 33.1 per cent in 2007-08 as against 35 per cent in 2006-07. On the other hand, developmental expenditure i.e., expenditure on social and economic services together accounted for 66 per cent in 2007-08 as against 63.9 per cent in 2006-07.

1.4.2 Incidence of Revenue Expenditure

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

Table-11: Revenue Expenditure: Basic Parameters**(Rupees in crore)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Expenditure (RE)	17,016	18,848	19,906	21,499	24,954	29,128
Of which						
Non-Plan Revenue Expenditure (NPRE)	14,744	16,617	17,164	18,368	21,154	23,994
Plan Revenue Expenditure (PRE)	2,272	2,231	2,742	3,131	3,800	5,134
Rate of Growth and Ratios (per cent)						
Rate of Growth of RE	6.7	10.8	5.6	8.0	16.1	16.7
Rate of Growth of NPRE	7.1	12.7	3.3	7.0	15.2	13.4
Rate of Growth of PRE	3.9	(-) 1.8	22.9	14.2	21.4	35.1
NPRE/GSDP (per cent)	16.7	14.9	14.9	14.8	14.9	15.0
NPRE as per cent of TE	76.3	72.4	71.4	70.0	70.3	66.7
NPRE as per cent of RR	112.7	107.7	96.6	88.1	82.7	78.0
NPRE as per cent of RE	86.6	88.2	86.2	85.4	84.8	82.4
Buoyancy of Revenue Expenditure with						
GSDP (ratio)	(-) 3.4*	0.4	1.7	1.0	1.1	1.4
Revenue Receipts (ratio)	0.9	0.6	0.4	0.5	0.7	0.8

* Rate of growth of GSDP was negative.

The revenue expenditure increased by 71 *per cent* from Rs 17,016 crore in 2002-03 to Rs 29,128 crore in 2007-08. The NPRE has shown consistent increase at an average rate of 10 *per cent* over the period and continued to share the dominant proportion varying in the narrow range of 82 to 88 *per cent* of the revenue expenditure during the period 2003-08. The rate of growth in Plan expenditure which showed wide fluctuations during the period 2002-08 increased by 35 *per cent* (Rs 1,334 crore) in 2007-08 but was below the projected increase of 41.5 *per cent* in MTFPS for 2007-08.

The increase in NPRE during the current year was mainly due to enhanced subsidies of Rs 1,666 crore to erstwhile Rajasthan State Electricity Board (RSEB) adjusted against the recovery of outstanding loans from Power Projects during the year, special grants to Municipal Corporations and Municipalities/Municipal Councils under Urban Development (Rs 600 crore), Pensions and other Retirement Benefits (Rs 448 crore), assistance to Local Bodies for Primary Education, Government Primary Schools and Government Secondary Schools (Rs 408 crore), Interest Payments (Rs 241 crore) and Medical and Public Health (Rs 89 crore).

The increase in PRE by Rs 1,334 crore over previous year was mainly due to increase in transfer of Rs 432 crore to Rajasthan Development and Poverty Eradication Fund under Public Account, increase in assistance to *Zila Parishads*/District Level Panchayats for Backward District Development Fund (Rs 275 crore), increased expenditure on National Rural Employment Guarantee Scheme under Rural Employment (Rs 140 crore), Special Component Plan for Scheduled Castes (Rs 36 crore), Welfare of Scheduled Tribes under Education (Rs 20 crore), Non-formal education (Rs 113 crore) and Crop Insurance (Rs 33 crore).

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

(Rupees in crore)

	Assessments made by TFC	Assessments made by State Government in FCP	MTFPS	Actuals
Non-Plan revenue expenditure	19,889	22,263	23,242	23,994

The actual NPRE exceeded the normative assessment made by TFC by Rs 4,105 crore and the assessment made by the State Government both in its FCP and MTFPS for the year 2007-08 by Rs 1,731 crore and Rs 752 crore respectively.

1.4.3 Committed Expenditure

1.4.3.1 Expenditure on Salaries and Wages

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

Table-12: Expenditure on Salaries

(Rupees in crore)

Heads	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Expenditure on Salaries and Wages	5,311	5,791	6,150	6,892	7,374	8,072 ^b
Of which						
Non-Plan Head	5,006	5,442	5,767	6,398	6,863	7,579
Plan Head*	305	349	383	494	511	493
RE net of Interest Payments and Pensions	11,033	12,229	13,108	14,638	17,136	20,621
As per cent of RE, net of Interest Payments and Pensions	48.1	47.4	46.9	47.1	43.0	39.1
As per cent of GSDP	6.0	5.2	5.3	5.5	5.2	5.1
As per cent of RR	40.6	37.5	34.6	33.1	28.8	26.2

\$ Salaries: Rs 7,774 crore (Finance Accounts) + Wages: Rs 298 crore (VLC data of AG-A&E)

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

Expenditure on salaries under Non-Plan and Plan during the current year is Rs 7,579 crore and Rs 493 crore respectively. The expenditure on salary and wages at 39 *per cent* of revenue expenditure net of interest and pension payments is marginally higher than the norm of 35 *per cent* recommended by the TFC. The salary expenditure at Rs 7,774 crore is however, marginally higher than the assessment made by the State Government in its FCP (Rs 7,750 crore) and Budget Estimates (Rs 7,654 crore) for the year 2007-08.

1.4.3.2 Pension Payments

The year-wise break up of expenditure incurred on pension payments during 2002-08 is indicated in Table-13.

Table-13: Expenditure on Pensions

(Rupees in crore)

Heads	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Expenditure on Pensions	1,683	1,842	1,626	1,651	2,116	2,564
Rate of Growth	(-) 0.1	9.4	(-) 11.7	1.5	28.2	21.2
As per cent of GSDP	1.9	1.7	1.4	1.3	1.5	1.6
As per cent of RR	12.9	11.9	9.2	7.9	8.3	8.3
As per cent of RE	9.9	9.8	8.2	7.7	8.5	8.8

The pension payments during current year have increased by Rs 448 crore recording a growth rate of 21 *per cent* over the previous year. The increase in expenditure under pension was due to increase in number of pensioners by

10,329 over previous year. The comparative analysis of actual pension payments and the assessment/projection made by TFC and the State Government (Table-14) reveals that actual pension payment during the current year was almost within the limits as assessed by State Government, however it exceeded the projections made by TFC by Rs 767 crore.

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

(Rs in crore)				
	Assessments made by TFC	Assessments made by State Government in FCP	MTFPS	Actuals
Pension Payments	1,797	2,558	2,655	2,564

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

1.4.3.3 Interest Payments

Interest payments and their ratio to revenue receipts and revenue expenditure during 2002-08 are detailed in Table-15.

Table-15: Interest payments

Year	Total Revenue Receipts	Total Revenue Expenditure	Interest payments	Percentage of Interest payments with reference to	
				Revenue Receipts	Revenue Expenditure
	(Rupees in crore)				
2002-03	13,082	17,016	4,300	32.9	25.3
2003-04	15,424	18,848	4,777	31.0	25.3
2004-05	17,763	19,906	5,172	29.1	26.0
2005-06	20,839	21,499	5,210	25.0	24.2
2006-07	25,592	24,954	5,702	22.3	22.9
2007-08	30,781	29,128	5,943	19.3	20.4

The major source of borrowings is market loans at the interest rate varying from six *per cent* to 10 *per cent*. The increase in interest payment was mainly due to payment of interest on special securities issued to National Small Savings Fund of the Central Government by State Government (Rs 110 crore), interest on small savings, provident funds etc. (Rs 101 crore). However, the interest payments (Rs 5,943 crore) made during the year remained lower than the projections made in TFC (Rs 6,075 crore), MTFPS (Rs 6,126 crore) and assessment made by State Government in FCP (Rs 6,163 crore) for the year 2007-08.

1.4.3.4 Subsidies

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

Table-16: Subsidies

(Rupees in crore)

S. No.	Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1	Power Sector	422.64	980.16	1,178.46	1,129.22	1,233.68	3,035.13
2	Others	9.82	20.10	20.79	25.81	20.21	70.00
	Total	432.46	1,000.26	1,199.25	1,155.03	1,253.89	3,105.13*
	Percentage of Subsidy in total expenditure	2.2	4.4	5.0	4.4	4.2	8.4

* As per Finance Accounts 2007-08

Out of total subsidies of Rs 3,105.13 crore, the subsidy of Rs 3,035.13 crore (97.7 per cent) alone was paid to the power sector. The subsidies to power sector increased by Rs 1,801 crore during the current year mainly due to enhanced subsidies of Rs 1,666 crore to erstwhile Rajasthan State Electricity Board (RSEB) adjusted against the recovery of outstanding loans from Power Projects during the year. The subsidy of power sector during the year 2007-08 was Rs 2,024 crore higher than the assessment made by the State Government in FCP for 2007-08 (Rs 1,011 crore).

1.5 Expenditure by Allocative Priorities

1.5.1 Quality of Expenditure

The availability of better social and physical infrastructure in the State reflects its quality of expenditure. Therefore, ratio of capital expenditure to total expenditure as well as to GSDP and proportion of revenue expenditure being spent on running efficiently and effectively the existing social and economic services would determine the quality of expenditure. Higher the ratio of these components to total expenditure and GSDP better the quality of expenditure. Table-17 gives these ratios during 2002-08.

Table-17: Indicators of Quality of Expenditure

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Capital Expenditure	2,027	3,181	3,488	4,295	4,809	6,555
Revenue Expenditure	17,016	18,848	19,906	21,499	24,954	29,128
<i>Of which</i>						
Social and Economic Services with	9,371	10,399	11,253	12,677	14,597	18,189
(i) Salary and Wage Component*	3,988 (42.6)	4,347 (41.8)	4,569 (40.6)	5,176 (40.8)	5,536 (37.9)	6,059 (33.3)
(ii) Non-Salary and Wage Component	5,383 (57.4)	6,052 (58.2)	6,684 (59.4)	7,501 (59.2)	9,061 (62.1)	12,130 (66.7)
As per cent of Total Expenditure **						
Capital Expenditure	10.5	13.9	14.5	16.4	16.0	18.2
Revenue Expenditure	88.1	82.1	82.8	82.0	83.0	81.0
As per cent of GSDP						
Capital Expenditure	2.3	2.9	3.0	3.5	3.4	4.1
Revenue Expenditure	19.2	16.9	17.3	17.3	17.6	18.3

* Excluding salary and wage component of Grant-in-aid.

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

The capital and revenue expenditure of the State for the year 2007-08 were Rs 6,555 crore and Rs 29,128 crore respectively constituting 18 per cent and

81 per cent of the total expenditure. The capital expenditure exhibited an increasing trend during the period 2003-08 and increased by 36 per cent during 2007-08. The sharp increase in current year was however on account of transfer of Rs 822 crore from the Consolidated Fund of the State to Rajasthan State Investment Fund created in Public Account which was classified as capital expenditure in Finance Accounts of the State. However, within the revenue expenditure incurred on social and economic services, the share of salary and wage component declined from 43 per cent in 2002-03 to 33 per cent in 2007-08 while the share of non-salary components has exhibited the increasing trend during the period. As major part of incremental capital and non-salary component of revenue expenditure during the current year was observed to be on account of book adjustments under various heads, it is difficult to make an observation on the quality of expenditure on the basis of trends emerging from Table-17.

1.5.2 Expenditure on Social Services

Given the fact that the human development indicators such as access to basic education, health services and drinking water and sanitation facilities etc. have a strong linkage with eradication of poverty and economic progress, it would be prudent to make an assessment with regard to the expansion and efficient provision of these services in the State. Table-18 summarises the expenditure incurred by the State Government in expanding and strengthening of social services in the State during 2002-08.

Table-18: Expenditure on Social Services

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Education						
Revenue Expenditure	3,242	3,565	3,870	4,565	4,828	5,310
Of which						
(a) Salary and Wage Component*	2,125	2,328	2,454	2,867	3,068	3,337
(b) Non-Salary and Wage Component	1,117	1,237	1,416	1,698	1,760	1,973
Capital Expenditure	19	16	11	23	26	33
Total	3,261	3,581	3,881	4,588	4,854	5,343
Health and Family Welfare						
Revenue Expenditure	899	1,014	1,049	1,137	1,246	1,429
Of which						
(a) Salary and Wage Component*	720	780	839	921	984	1,088
(b) Non-Salary and Wage Component	179	234	210	216	262	341
Capital Expenditure	14	19	29	66	67	96
Total	913	1,033	1,078	1,203	1,313	1,525
Water Supply, Sanitation, Housing and Urban Development						
Revenue Expenditure	1,399	952	1,023	1,071	1,096	1,747
Of which						
(a) Salary and Wage Component*	323	357	383	422	456	510
(b) Non-Salary and Wage Component	1,076	595	640	649	640	1,237
Capital Expenditure	652	1,236	1,439	1,552	2,110	2,475
Total	2,051	2,188	2,462	2,623	3,206	4,222
Other Social Services						
Revenue Expenditure	1,046	1,611	1,206	1,221	1,764	1,714
Of which						
(a) Salary and Wage Component*	205	223	235	252	269	302
(b) Non-Salary and Wage Component	841	1,388	971	969	1,495	1,412
Capital Expenditure	66	66	69	98	176	196
Total	1,112	1,677	1,275	1,319	1,940	1,910

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total (Social Services)						
Revenue Expenditure	6,586	7,142	7,148	7,994	8,934	10,200
Of which						
(a) Salary and Wage Component*	3,373	3,688	3,911	4,462	4,777	5,237
(b) Non-Salary and Wage Component	3,213	3,454	3,237	3,532	4,157	4,963
Capital Expenditure	751	1,337	1,548	1,739	2,379	2,800
Grand Total	7,337	8,479	8,696	9,733	11,313	13,000

* Excluding salary and wage component of Grant-in-aid.

The allocation to social sector increased from Rs 7,337 crore in 2002-03 to Rs 13,000 crore in 2007-08 indicating the Government commitment to improve social well being of the society. Expenditure on Social Sector during current year (Rs 13,000 crore) accounted for 36 *per cent* of total expenditure and 55 *per cent* of developmental expenditure⁴. Expenditure on General Education increased by Rs 489 crore over the previous year mainly due to increased expenditure in Assistance to Local Bodies for Primary Education (Rs 110 crore), Government Primary Schools, Non-Formal Education and Government Secondary Schools while the increase in expenditure on Health and Family Welfare (Rs 212 crore) was mainly under Urban Health Services-Allopathy (Hospital and Dispensaries) and Public Health (Prevention and Control of Diseases). Non-salary and wages component on Water Supply and Sanitation, Housing and Urban Development increased by Rs 597 crore over the previous year mainly due to increase in special grants to Municipalities/Municipal Councils and Municipal Corporations.

Recognising the need to improve the quality of education and health services, TFC recommended that the Non-Plan salary expenditure under education and health and family welfare should increase by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period. However, trends in expenditure (taking under both the Plan and Non-Plan heads) revealed that the salary and wage component and non-salary component under education increased by nine *per cent* and 12 *per cent* respectively over 2006-07 while under Health and Family Welfare sector, these components increased by 11 *per cent* and 30 *per cent* respectively.

1.5.3 Expenditure on Economic Services

The expenditure on economic services includes all such expenditures as to promote directly or indirectly, productive capacity within the States' economy. The expenditure on Economic Services (Rs 10,760 crore) accounted for 30 *per cent* of the total expenditure and 45 *per cent* of developmental expenditure (Table-19). Of this, Irrigation and Flood Control and Power and Energy consumed nearly 56 *per cent* of the expenditure under economic sector.

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

Table-19: Expenditure on Economic Sector

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Agriculture, Allied Activities						
Revenue Expenditure	507	556	622	851	883	946
Of which						
(a) Salary and Wage Component*	342	366	353	408	434	478
(b) Non-Salary and Wage Component	165	190	269	443	449	468
Capital Expenditure	12	48	90	113	102	85
Total	519	604	712	964	985	1,031
Irrigation and Flood Control						
Revenue Expenditure	750	824	891	928	994	1,051
Of which						
(a) Salary and Wage Component*	155	165	166	156	167	177
(b) Non-Salary and Wage Component	595	659	725	772	827	874
Capital Expenditure	380	891	830	991	756	878
Total	1,130	1,715	1,721	1,919	1,750	1,929
Power & Energy						
Revenue Expenditure	663	943	1,186	1,200	1,743	3,064
Of which						
(a) Salary and Wage Component*	5	5	5	5	5	5
(b) Non-Salary and Wage Component	663	943	1,186	1,200	1,743	3,064
Capital Expenditure	333	283	350	631	699	1,063
Total	996	1,226	1,536	1,831	2,442	4,127
Transport						
Revenue Expenditure	257	273	279	507	689	658
Of which						
(a) Salary and Wage Component*	40	45	50	51	53	56
(b) Non-Salary and Wage Component	217	228	229	456	636	602
Capital Expenditure	291	253	264	300	281	355
Total	548	526	543	807	970	1,013
Other Economic Services						
Revenue Expenditure	608	661	1,127	1,197	1,354	2,270
Of which						
(a) Salary and Wage Component*	78	83	89	99	105	111
(b) Non-Salary and Wage Component	530	578	1,038	1,098	1,249	2,159
Capital Expenditure	219	319	324	406	406	390
Total	827	980	1,451	1,603	1,760	2,660
Total (Economic Services)						
Revenue Expenditure	2,785	3,257	4,105	4,683	5,663	7,989
Of which						
(a) Salary and Wage Component*	615	659	658	714	759	822
(b) Non-Salary and Wage Component	2,170	2,598	3,447	3,969	4,904	7,167
Capital Expenditure	1,235	1,794	1,858	2,441	2,244	2,771
Grand Total	4,020	5,051	5,963	7,124	7,907	10,760

* Excluding salary and wage component of Grant-in-aid.

Out of total expenditure on Economic Services during 2007-08, 38 per cent on Power and Energy, 18 per cent on Irrigation and Flood Control and nine per cent on Transport and 10 per cent on Agriculture and allied activities was incurred. As compared to 2002-03, significant increases in 2007-08 were observed in Power and Energy (314 per cent) mainly to book adjustment of outstanding loan amount of Rs 1,666 crore against erstwhile RSEB transferred to the revenue account, Agriculture and allied activities (99 per cent), Transport services (85 per cent) and Irrigation and Flood Control (71 per cent).

5. 2002-03: Rs 0.20 crore, 2003-04: Rs 0.20 crore, 2004-05: Rs 0.22 crore, 2005-06: Rs 0.26 crore, 2006-07: Rs 0.28 crore and 2007-08: Rs 0.35 crore.

The trends in revenue and capital expenditure on Economic Services indicate that the capital expenditure increased by 124 *per cent* from Rs 1,235 crore in 2002-03 to Rs 2,771 crore in 2007-08, while the revenue expenditure increased by 187 *per cent* from Rs 2,785 crore in 2002-03 to Rs 7,989 crore in 2007-08. Within the revenue expenditure, the salary and wage component and non-salary and wage component increased by eight *per cent* and 46 *per cent* respectively over the previous year.

1.5.4 Financial Assistance by the State Government to Local Bodies and Others

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

The quantum of assistance provided to various bodies during 2003-08 was as follows:

(Rupees in crore)

S. No.	Bodies/authorities etc.	2003-04	2004-05	2005-06	2006-07	2007-08
1.	Universities and Educational Institutions	196.48	201.14	214.26	209.23	202.27
2.	Municipal Corporations and Municipalities	501.39	615.20	678.20	720.21	793.82
3.	Zila Parishads and Panchayati Raj Institutions	1,172.21	1,885.82	2,112.38	2,050.78	2,651.43 [#]
4.	Development Agencies	275.13	68.82	4.88	48.41	49.72
5.	Hospitals and other Charitable Institutions	31.07	34.05	193.97	86.50	135.63
6.	Other Institutions	1,191.98	1,522.30	1,806.80	2,738.66	1,402.86 ^{\$}
	Total	3,368.26	4,327.33	5,010.49	5,853.79	5,235.73
	Percentage increase (+)/ decrease (-) over previous year	18	28	16	17	(-)11
	Assistance as a percentage of revenue receipts	22	24	24	23	17
	Percentage of assistance to revenue expenditure	18	22	23	23	18

[#] Includes General Education: Rs 1,167 crore, Other Rural Development Programmes: Rs 1,138 crore and Rural Employment: Rs 224 crore

^{\$} Includes General Education: Rs 568 crore, Relief on account of Natural Calamities: Rs 189 crore, Crop Husbandry: Rs 184 crore and Taxes on Sales, Trade etc.: Rs 100 crore.

Financial Assistance to Local Bodies and other institutions increased by 55 *per cent* from Rs 3,368.26 crore in 2003-04 to Rs 5,235.73 crore in 2007-08 and ranged between 18 to 23 *per cent* of revenue expenditure during the period 2003-08. The sharp decrease in financial assistance to other institutions during the year was mainly on account of exclusion of subsidy to power sector from the financial assistance from 2007-08 which was included in previous years.

1.5.5 Delay in furnishing of Utilisation Certificates

Out of 14,887 Utilisation Certificates (UCs) due in respect of grants aggregating Rs 2,838.07 crore paid during April 1994 to March 2007, 14,127 UCs for Rs 2,807.35 crore had been furnished by 31 March 2008. Thus, 760

UCs for Rs 30.72 crore were in arrears. Department-wise break-up of outstanding UCs is given in **Appendix- 1.7**.

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

1.6 Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.3** gives an abstract of such liabilities and the assets as on 31 March 2008, compared with the corresponding position on 31 March 2007. While the liabilities consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances. The assets grew by Rs 8,656 crore (19 per cent) while the liabilities grew by Rs 7,003 crore (10 per cent) over the previous year. High priority on capital outlay and increased expenditure on developmental activities have very good impact on asset formation. Though during the current year the assets have increased substantially, the ratio of liabilities to assets remained at 0.69. Thus, 31 per cent liabilities did not have asset back up. **Appendix-1.6** depicts the time series data on State Government finances for the period 2002-08.

1.6.1 Lack of accountability of departmental commercial undertakings

Activities of quasi-commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit. As of March 2008, there were 12 such undertakings⁶, out of which only *Tendu Patta* Scheme of Forest Department had not prepared accounts from 2006-07. An amount of Rs 6,268.64 crore had been invested by the State Government in these 12 undertakings at the end of financial year upto which their accounts were finalized as detailed in **Appendix 1.8**. Points of interest noticed during the course of audit were as under:

- Of the 12 undertakings, seven undertakings were incurring losses continuously for more than five years and one undertaking (Jail Manufacture, Udaipur) for two years. The accumulated losses of these eight departmental

6. This does not include:

Scheme for purchase and sale of pumping sets and Rajasthan Ground Water Department, Jodhpur which were declared non-commercial with effect from December 1987. However, the *pro forma* accounts of these departmental undertakings from 1975-76 to 1987-88 and 1974-75 to 1987-88 respectively, were pending.

undertakings⁷ were Rs 4,975.19 crore as against the total investment of Rs 6,268.64 crore.

• Despite being pointed out in the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2007, Rajasthan Water Supply and Sewerage Management Board, Jaipur did not maintain essential Ledgers/Reports⁸. The year-wise break-up of Sundry debtors of Rs 164.33 crore was also not available. In absence of Fixed Assets schedules and their physical verification, the existence of Fixed Assets (Rs 1,224.16 crore) could not be verified in audit.

In view of the heavy losses of some of the undertakings, Government should review their working so as to wipe out their losses in the short run and to make them self-sustaining in medium to long term.

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2008 is given in the Table-20.

Table-20: Department-wise Profile of Incomplete Projects

(Rupees in crore)						
Department	Number of Incomplete Projects	Initial Budgeted Cost	No. of Projects where cost revised	Revised Total Cost of Projects*	Cost over-runs	Actual Expenditure Upto 31.03.2008
Irrigation Works/Projects	177	1,343.87	36	1,882.88	1,239.15	1,779.94
Public Works Department/ Project	306	808.51	16	41.72	11.38	333.72
Bisalpur Drinking Water Cum Irrigation Project	2	2.74	2	3.49	0.75	2.91
Public Health Engineering Department	131	3,766.76	9	92.09	24.67	1,159.31
Total	616	5,921.88⁹	63	2,020.18	1,275.95	3,275.88

* Pertaining to 63 incomplete projects.

As per information received from the State Government, as of 31 March 2008, there were 616 incomplete projects (total cost more than Rs 1 crore of each project) in which Rs 3,276 crore were blocked. Of these, 540 projects involving Rs 1,070 crore remained incomplete for less than five years, 76 projects involving an amount of Rs 2,206 crore remained incomplete for periods ranging from five to 20 years. The revised cost of 63 incomplete projects increased by 171 *per cent* from Rs 744 crore (initial budgeted cost) to Rs 2,020 crore (total revised cost). Out of the total cost overrun of Rs 1,276 crore, Rs 1,239 crore pertain to Irrigation Works/Projects which was 92 *per cent* of initial budgeted cost. The cost over-run is mainly under Narmada Jalore Project Rs 1,074 crore (84 *per cent* of total cost overrun).

7. Jail Manufacture, Ajmer (Rs 1.09 crore), Alwar (Rs 0.38 crore), Bikaner (Rs 0.82 crore), Jaipur (Rs 1.45 crore), Jodhpur (Rs 1.17 crore), Kota (Rs 0.27 crore), Udaipur (Rs 0.63 crore) and Rajasthan Water Supply and Sewerage Management Board, Jaipur (Rs 4,969.38 crore).

8. Material at site account, Work completion reports, Works Abstract, Journal Vouchers, General Ledgers, Subsidiary registers, Trial Balance and Docket vouchers.

9. Initial budgeted cost of two projects not received.

1.6.3 Financial Results of Irrigation Works

The financial results of six major and 11 medium irrigation projects with a capital outlay of Rs 4,104 crore at the end of March 2008 showed that revenue realised (Rs 51 crore) from these projects during 2007-08 was only 1.2 *per cent* of the capital expenditure which was not sufficient to cover the direct working expenses. After meeting the working and maintenance expenditure (Rs 98 crore) and interest charges (Rs 397 crore), the projects suffered a net loss of Rs 444 crore.

Indira Gandhi Nahar Project (IGNP) is the largest irrigation project under execution in Rajasthan and various stages of it have been completed over the years. At the end of March 2008 the capital expenditure on IGNP was Rs 3,232.97 crore. During 2007-08 the revenue realised from IGNP was Rs 12.86 crore comprising just 0.4 *per cent* of the capital expenditure. This revenue was negligible (3.52 *per cent*) even with reference to total working and maintenance expenditure (Rs 50.46 crore) incurred and the interest charges of (Rs 314.41 crore) relating to 2007-08.

1.6.4 Government investments and returns

As of 31 March 2008, Government invested Rs 6,576 crore in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies and Co-operatives Bank/Societies (Table-21). The return on this investment was 0.1 to 0.9 *per cent* during 2002-08 while Government paid interest at the average rate of eight *per cent* to 10 *per cent* on its borrowings.

Table-21: Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on Government borrowing	Difference between interest rate and return
	(Rupees in crore)			(per cent)	
2002-03	3,268.03	8.26	0.3	10.0	9.7
2003-04	3,700.96	2.44	0.1	9.6	9.5
2004-05	4,092.60	37.19	0.9	9.1	8.2
2005-06	4,770.43	22.57	0.5	8.2	7.7
2006-07	5,485.26	9.62	0.2	8.3	8.1
2007-08	6,575.97	12.67	0.2	8.0	7.8

The investment of State Government included Rs 5,857 crore in 32 Government Companies, of which only four companies declared dividend aggregating to Rs 11.61 crore. During 2007-08, the State Government has invested Rs 1,090.71 crore in Government Companies and Co-operative Banks and Societies. The sectors/companies where major investments were made during 2007-08 were (i) Co-operative Banks and Societies (Gross Rs 20.61 crore), (ii) Rajasthan *Rajya Vidyut Utpadan Nigam Limited* (Rs 658 crore), (iii) Rajasthan *Rajya Vidyut Prasaran Nigam Limited* (Rs 125 crore) (iv) Jaipur *Vidyut Vitran Nigam Limited* (Rs 80 crore), (v) Jodhpur *Vidyut Vitran Nigam Limited* (Rs 80 crore) and (vi) Ajmer *Vidyut Vitran Nigam Limited* (Rs 120 crore). As on 31 March 2008, five power companies in which

Government had invested Rs 5,487.09 crore (83 *per cent* of total investment) showed nil Profit/Loss in their accounts and no dividend paid to Government. These companies were not showing any accumulated losses in their accounts.

1.6.5 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Total outstanding loans and advances as on 31 March 2008, were Rs 2,738 crore (Table-22). Interest received against these loans advanced was four *per cent* during 2007-08 as against three *per cent* in previous year.

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

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Opening Balance	2,801	2,954	3,721	4,236	4,432	4,231
Amount advanced during the year	278	926	640	434	313	288
Amount repaid during the year	125	159	125	238	514	1,781
Closing Balance	2,954	3,721	4,236	4,432	4,231	2,738
Net addition	153	767	515	196	(-) 201	(-) 1,493
Interest Received	85	115	114	119	128	140
Interest received as <i>per cent</i> to outstanding Loans and advances	3.0	3.4	2.9	2.7	3.0	4.0
Average interest rate (in <i>per cent</i>) paid on borrowings by State Government.	10.0	9.6	9.1	8.2	8.3	8.0
Difference between average interest paid and received (<i>per cent</i>)	(-) 7.0	(-) 6.2	(-) 6.2	(-) 5.5	(-) 5.3	(-) 4.0

During the current year major portion of loan was advanced to Jaipur Vidyut Vitran Nigam Limited (Rs 57 crore), Jodhpur Vidyut Vitran Nigam Limited (Rs 54 crore), Ajmer Vidyut Vitran Nigam Limited (Rs 57 crore), Rajasthan Pensioner Medical Fund for Indoor Medical facility Scheme to Pensioners (Rs 10 crore), Loan to Rajasthan Agriculture Marketing Board (Rs 40 crore), Macro Co-operative Development Project (Rs 13 crore) and Government Companies (Rs 34 crore).

During 2007-08, the recovery of Loans and Advances increased by Rs 1,267 crore mainly due to enhanced recoveries of outstanding loans from the power projects. The recovery of loans from Power Projects was however only a book adjustment as loan amount of Rs 1,666 crore outstanding against erstwhile Rajasthan State Electricity Board (RSEB) was adjusted as subsidies to erstwhile RSEB during the year.

1.6.6 Management of cash balances

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

The limit of the State Government was fixed at Rs 505 crore for Normal Ways and Means advances and Special Ways and Means advances revised by the Bank from time to time during 2007-08.

Ways and Means Advances and Overdrafts availed, the number of occasions it was availed and interest paid by the State during 2003-08 is detailed in Table-23.

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

(Rupees in crore)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Ways and Means Advances						
Availed in the Year	4,893.81	5,870.88	1,808.96	-	59.21	-
Outstanding WMAs, if any	235.70	-	-	-	59.21	-
Interest Paid	23.68	24.59	1.45	-	-	0.02
Number of Day(s)	206	213	89	-	1	-
Overdraft						
Availed in the year	4,656.06	3,708.40	-	-	-	-
Outstanding	-	-	-	-	-	-
Interest Paid	6.19	6.33	-	-	-	-
Number of Day(s)	150	93	-	-	-	-

The State Government's cash balances at the end of current year amounted to Rs 5,293 crore. It was observed that Rs 5,839 crore were invested in Government of India Securities and earned an interest of Rs 177 crore during the year. Further, Rs 348.47 crore was invested in earmarked funds. However, balances with Reserve Bank of India were (-) Rs 912.41 crore during the year.

1.7 Undischarged Liabilities

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

1.7.1 Fiscal Liabilities – Public Debt and Guarantees

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

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

Table-24: Fiscal Liabilities – Basic Parameters

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Fiscal Liabilities ¹⁰	45,871	53,361	60,134	66,407	71,146	77,138
Rate of Growth	14.8	16.3	12.7	10.4	7.1	8.4
Ratio of Fiscal Liabilities to						
GSDP	51.8	47.8	52.2	53.5	50.1	48.4
Revenue Receipts	350.6	346.0	338.5	318.7	278.0	250.6
Own Resources	586.4	572.7	569.4	526.3	473.1	445.1
Buoyancy of Fiscal Liabilities to						
GSDP (ratio)	(-) 7.4*	0.6	3.8	1.3	0.5	0.7
Revenue Receipts (ratio)	1.9	0.9	0.8	0.6	0.3	0.4
Own Resources (ratio)	1.6	0.9	1.0	0.5	0.4	0.5

* Rate of growth of GSDP was negative.

Overall fiscal liabilities of the State have increased by 68 per cent from Rs 45,871 crore in 2002-03 to Rs 77,138 crore in 2007-08. Fiscal Liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. The Consolidated Fund Liability (Rs 53,721 crore) comprised of market loan (Rs 19,303 crore), loans from Government of India (Rs 7,683 crore) and other loans (Rs 26,735 crore). The Public Account liabilities (Rs 23,417 crore) comprise of Small Saving, Provident Fund (Rs 15,422 crore), interest bearing obligations (Rs 2,369 crore) and non-interest bearing obligations like deposits and other earmarked funds (Rs 5,626 crore). The growth rate of fiscal liability was 8.4 per cent during 2007-08 over previous year. The ratio of fiscal liabilities to GSDP was 48 per cent in 2007-08 and was higher than the norm of 30 per cent recommended by the TFC for the terminal year (2009-10). These liabilities stood at 2.51 times of revenue receipts and 4.45 times of the States own resources at the end of 2007-08. The State's GSDP had grown faster than the fiscal liabilities. The buoyancy of these liabilities with respect to GSDP during the year was 0.7.

1.7.2 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of year since 2002-08 is given in Table 25.

Table-25: Guarantees given by the Government of Rajasthan

(Rupees in crore)

Year	Maximum amount guaranteed	Outstanding amount of guarantees	Revenue receipts	Percentage of outstanding amount guaranteed to revenue receipt
2002-03	21,887	14,968	13,082	114.4
2003-04	24,585	17,239	15,424	111.8
2004-05	20,457	12,703	17,763	71.5
2005-06	21,342	13,171	20,839	63.2
2006-07	27,402	14,709	25,592	57.5
2007-08	37,029	19,770	30,781	64.2

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

The outstanding guarantees increased by 34 *per cent* from Rs 14,709 crore in 2006-07 to Rs 19,770 crore in 2007-08. The outstanding guarantees of Rs 19,770 crore are given mainly to Government Companies (Rs 18,016 crore: 91 *per cent*).

According to FRBM Act, State Government shall ensure that the total outstanding debt, excluding Public Account, and risk weighted outstanding guarantees in a year shall not exceed twice of the estimated receipts in the Consolidated Fund of the State at the close of the Financial Year. The outstanding guarantees were 64 *per cent* of the revenue receipts of the Government which were well within the ceiling limit prescribed by the FRBM Act. The Government set up a Guarantee Redemption Fund in 1999-2000 and as on 31 March 2008, there were Rs 121.99 crore under this Fund. During the year the Government received Rs 17.49 crore as guarantee commission.

1.7.3 Off-Budget Borrowings

The borrowings of a State are governed under Article 293(1) of the Constitution of India. In addition to the liabilities shown in Table-24, the State guaranteed loans availed of by Government companies/corporations. These companies/corporations borrowed funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the estimates of the plan programmes of the State Government project that funds for these programmes would be met out of the resources of the companies/corporations outside the State budget, however, in reality the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Though off-budget borrowings are not permissible under Article 293 (3), the State continues to undertake such off-budget borrowings as per the data furnished by the Finance Department (July 2008). Table-26 captures the trends in the off-budget borrowings by the State during 2002-08.

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

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Outstanding Balance as on 31.03.2008
Power Utilities	476.79	359.69	337.12	605.12	877.26	3,751.94 ¹¹	6,918.85 ¹¹
Rajasthan State Road Transport Corporation	51.46	62.29	74.31	95.43	68.98	59.82	149.21
Rajasthan State Road Development and Construction Corporation Limited	20.39	1.93	31.75	15.80	6.67	-	25.17
Public Health Engineering Department	18.21	-	-	-	-	-	66.62
Rajasthan State Mines and Minerals Limited	29.86	-	-	-	-	-	5.71
Rajasthan Housing Board	18.19	8.57	9.31	0.40	-	-	30.60
Total	614.90	432.48	452.49	716.75	952.91	3,811.76	7,196.19

11. The bifurcation of repayment made in respect of Renewable Energy Corporation (REC) loans under Plan and Non Plan is not available. Hence the total repayment figures have been taken in to account and the closing balance is inclusive of both.

It is pertinent to note that if the liabilities arising out of the outstanding guarantees and off-budget borrowings are added to the fiscal liabilities of the State Government at the close of the current year, the total liabilities to GSDP ratio would increase to 65 per cent from 48 per cent estimated with fiscal liabilities only.

1.8 Debt Sustainability

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

1.8.1 Debt Stabilization

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

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

	(in per cent)					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Average Interest Rate	10.0	9.6	9.1	8.2	8.3	8.0
GSDP Growth	(-) 2.0	26.0	3.3	7.8	14.3	12.3
Interest spread	(-) 12.0	16.4	(-) 5.8	(-) 0.4	6.0	4.3
Outstanding Debt (Rs in crore)	39,970	45,871	53,361	60,134	66,407	71,146
Quantum Spread (Rs in crore)	(-) 4,796	7,523	(-) 3,095	(-) 241	3,984	3,059
Primary Surplus (+)/ Deficit (-) (Rs in crore)	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+) 1,732	(+) 2,535

The sum of Quantum spread and Primary deficit was negative during the period 2002-06 except in the year 2003-04 in which debt-GSDP ratio marginally declined. This sum however continued to remain positive during the last two years (2006-07 to 2007-08) resulting in declining trend in debt-GSDP ratio. These trends indicate that the State is moving towards the debt stabilization which if continued would eventually improve the debt sustainability position of the State.

1.8.2 Sufficiency of Non-debt Receipts

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Table-28 indicates the resource gap as defined for the period 2002-08.

Table-28: Incremental revenue receipts and revenue expenditure

Period	Incremental				Resource Gap
	Non-debt Receipts	Primary Expenditure	Interest Payments	Total Expenditure	
1	2	3	4	5 (3+4)	6 (2-5)
2002-03	985	928	422	1,350	(-) 365
2003-04	2,381	3,157	477	3,634	(-) 1,253
2004-05	2,300	684	395	1,079	1,221
2005-06	3,190	2,156	38	2,194	996
2006-07	5,028	3,356	492	3,848	1,180
2007-08	6,457	5,654	241	5,895	562

The trends in Table-28 reveal that the debt sustainability of the State in terms of the resource gap oscillated between the negative and positive phases during the period 2002-08. The incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure since 2004-05. Moreover, the persistent positive resource gap during the last four years (2004-08) is a pointer towards the fiscal and debt sustainability of the State.

1.8.3 Net availability of Borrowed Funds

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

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

Table-29: Net Availability of Borrowed Funds

(Rupees in crore)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Internal Debt*						
Receipt	2,701	3,263	3,460	24,144	3,822	4,636
Repayment (Principal + Interest)	1,436	1,789	2,817	4,137	5,019	5,436
Net Fund Available	1,265	1,474	643	20,007	(-) 1,197	(-) 800
Net Fund Available (<i>per cent</i>)	46.8	45.2	18.6	82.9	-	-

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Loans and Advances from GOI*						
Receipt	4,787	5,762	6,522	(-) 18,649	341	427
Repayment (Principal + Interest)	3,757	4,994	6,234	989	1,267	995
Net Fund Available	1,030	768	288	(-) 19,638	(-) 926	(-) 568
Net Fund Available (<i>per cent</i>)	21.5	13.3	4.4	-	-	-
Other obligations						
Receipt	32,519	36,888	41,481	45,974	54,611	72,244
Repayment (Principal + Interest)	32,158	36,151	40,810	45,281	53,510	70,768
Net Fund Available	361	737	671	693	1,101	1,476
Net Fund Available (<i>per cent</i>)	1.1	2.0	1.6	1.5	2.0	2.0
Total liabilities*						
Receipt	40,007	45,913	51,463	51,469	58,774	77,307
Repayment (Principal + Interest)	37,351	42,934	49,861	50,407	59,796	77,199
Net Fund Available	2,656	2,979	1,602	1,062	(-) 1,022	108
Net Fund Available (<i>per cent</i>)	6.6	6.5	3.1	2.1	-	0.1

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

The net funds available on account of the internal debt and loans and advances from Government of India and other obligations after providing for the interest and repayment declined from 6.6 *per cent* in 2002-03 to only 0.1 *per cent* in 2007-08. During the current year the Government repaid internal debt of Rs 1,405 crore; Government of India loans of Rs 382 crore and also discharged other obligations of Rs 69,469 crore along with interest of Rs 5,943 crore as a result only Rs 108 crore were available on account of borrowed funds. During the year, in view of the large cash balances, the focus of the Government seems to be on discharging the past debt obligations both on account of principal and interest payments on loans raised from the market as well as from the Government of India.

1.9 Management of Deficits

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

1.9.1 Trends in Deficits

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

Table-30: Fiscal Imbalances: Basic Parameters

(Rupees in crore)						
Parameters	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Surplus (+)/Deficit (-)	(-)3,934	(-)3,424	(-)2,143	(-)660	(+) 638	(+)1,653
Fiscal Surplus (+)/Deficit (-)	(-)6,114	(-)7,367	(-)6,146	(-)5,150	(-)3,970	(-)3,408
Primary Surplus (+)/Deficit (-)	(-)1,814	(-)2,590	(-)974	(+)60	(+)1,732	(+)2,535
RD/GSDP (<i>per cent</i>)	(-) 4.4	(-) 3.1	(-) 1.9	(-) 0.5	-	-
FD/GSDP (<i>per cent</i>)	(-) 6.9	(-) 6.6	(-) 5.3	(-) 4.1	(-) 2.8	(-) 2.1
PD/GSDP (<i>per cent</i>)	(-) 2.0	(-) 2.3	(-) 0.8	-	-	-
RD/FD (<i>per cent</i>)	64.3	46.5	34.9	12.8	-	-

Table-30 reveals that the revenue account experienced a situation of huge deficit during the period 2002-05 which hovered around an average of Rs 3,167 crore during these years. The deficit was reduced sharply to Rs 660 crore during 2005-06 and thereafter turned into a surplus of Rs 638 crore during 2006-07 which increased to Rs 1,653 crore in the current year. The increase of Rs 1,015 crore in revenue surplus during the current year was mainly on account of an increase of Rs 5,189 crore in revenue receipts (20 *per cent*) against the increase of Rs 4,174 crore in revenue expenditure (17 *per cent*). It may however be observed that 56 *per cent* of the incremental revenue receipts (Rs 5,189 crore) is contributed by central transfers comprising State's share in Union taxes and duties and grants-in-aid from GOI. Moreover, 17 *per cent* of the incremental State's own resources (Rs 2290 crore) during the year were on account of book adjustments only, i.e. transfer of Rs 350 crore from Public Account under Miscellaneous General Services on account of winding up of Sinking Fund and classified as non-tax receipts of the State.

The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, decreased from Rs 6,114 crore in 2002-03 to Rs 3,408 crore in 2007-08 with inter-year variations prior to 2004-05 and declined continuously hereafter. With a cushion of Rs 1,015 crore in the form of revenue surplus and an increase of Rs 1,268 crore in non-debt capital receipts during 2007-08 over the previous year, fiscal deficit was reduced by Rs 562 crore despite an increase of Rs 1,746 crore in capital expenditure during 2007-08 over the previous year. Fiscal deficit relative to GSDP decreased from 2.8 *per cent* in 2006-07 to 2.1 *per cent* in 2007-08 which was within the target of three *per cent* as prescribed by FRBM Act for 2008-09.

The primary deficit¹² which persisted in the State budget till 2004-05 also took a turnaround and resulted into a primary surplus in 2005-06 which increased sharply and consistently thereafter. A decline of Rs 562 crore in fiscal deficit and an increase of Rs 241 crore in interest payments resulted in an increase of Rs 803 crore in primary surplus in 2007-08 over the previous year.

1.9.2 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of Primary deficit into primary revenue deficit¹³ and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. The ratio of RD to FD which moderately declined during 2002-05 was reduced very steeply during 2005-06 and RD was wiped out and turned into surplus during the last two years. This trajectory shows a consistent improvement in the quality of the deficit and

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

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

during 2006-08 all borrowings (fiscal liabilities) were used in activities resulting in expansion in the asset backup of the State.

The bifurcation of the factors resulting into primary deficit or surplus of the State during the period from 2002-03 to 2007-08 reveals (Table-31) that throughout this period, the primary deficit was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were enough to meet the primary expenditure¹⁴ requirements in the revenue account, rather spread some receipts to meet the expenditure under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirement under capital account resulting in primary deficit till 2004-05 and thereafter the non-debt receipts were sufficient to meet the primary expenditure requirement leading to emergence of primary surplus since 2005-06. This indicates the extent to which the primary deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

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

(Rupees in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and Advances	Primary Expenditure	Primary Revenue deficit(-)/surplus (+)	Primary deficit(-)/surplus (+)
1	2	3	4	5	6(3+4+5)	7(2-3)	8(2-6)
2002-03	13,207	12,716	2,027	278	15,021	(+) 491	(-) 1,814
2003-04	15,588	14,071	3,181	926	18,178	(+) 1,517	(-) 2,590
2004-05	17,888	14,734	3,488	640	18,862	(+) 3,154	(-) 974
2005-06	21,078	16,289	4,295	434	21,018	(+) 4,789	(+) 60
2006-07	26,106	19,252	4,809	313	24,374	(+) 6,854	(+) 1,732
2007-08	32,563	23,185	6,555	288	30,028	(+) 9,378	(+) 2,535

1.10 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table-32 below presents a summarised position of Government finances over 2002-08, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and captures its important facts.

Table-32: Indicators of Fiscal Health

(in per cent)

Fiscal Indicators	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I Resource Mobilization						
Revenue Receipt/GSDP	14.8	13.8	15.4	16.8	18.0	19.3
Revenue Buoyancy	(-) 3.8*	0.7	4.6	2.2	1.6	1.7
Own Tax/GSDP	7.1	6.5	7.3	8.0	8.2	8.3
Own Taxes Buoyancy	(-) 5.2	0.6	4.9	2.2	1.2	1.2
II Expenditure Management						
Total Expenditure/GSDP	21.8	20.6	20.8	21.1	21.2	22.6
Revenue Receipts/Total Expenditure	67.7	67.2	73.9	79.5	85.1	85.6

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

(in per cent)

Fiscal Indicators	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Expenditure/Total Expenditure	88.1	82.1	82.8	82.0	83.0	81.0
Capital Expenditure/Total Expenditure	10.5	13.9	14.5	16.4	16.0	18.2
Development Expenditure/Total Expenditure	58.8	58.9	61.0	64.3	63.9	66.1
Buoyancy of TE with RR	1.0	1.1	0.3	0.5	0.6	1.0
Buoyancy of RE with RR	0.9	0.6	0.4	0.5	0.7	0.8
III Management of Fiscal Imbalances						
Revenue surplus (+)/deficit (-) (Rs in crore)	(-) 3,934	(-) 3,424	(-) 2,143	(-) 660	(+) 638	(+) 1,653
Fiscal surplus (+)/deficit (-) (Rs in crore)	(-) 6,114	(-) 7,367	(-) 6,146	(-) 5,150	(-) 3,970	(-) 3,408
Primary surplus (+)/deficit (-) (Rs in crore)	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+) 1,732	(+) 2,535
Revenue Deficit/Fiscal Deficit	64.3	46.5	34.9	12.8	**	**
Sum of Primary Deficit/Surplus and Quantum Spread (Rs in crore)	(-) 4,796	7,523	(-) 3,095	(-) 241	(-) 3,984	3,059
IV Management of Fiscal Liabilities						
Fiscal Liabilities/GSDP	51.8	47.8	52.2	53.5	50.1	48.4
Fiscal Liabilities/RR	350.6	346.0	338.5	318.7	278.0	250.6
Buoyancy of FL with RR	1.9	0.9	0.8	0.6	0.3	0.4
Buoyancy of FL with Own Receipts	1.6	0.9	1.0	0.5	0.4	0.6
Interest spread	(-) 12.0	16.4	(-) 5.8	(-) 0.4	6.0	4.3
Net Funds Available	6.6	6.5	3.1	2.1	#	0.1
V Other Fiscal Health Indicators						
Return on Investment	0.3	0.1	0.9	0.5	0.2	0.2
Balance from Current Revenue (Rs in crore)	(-) 3,045	(-) 2,948	(-) 1,368	405	2,204	2,914
Financial Assets/Liabilities	0.56	0.56	0.57	0.60	0.64	0.69

* Rate of growth of GSDP was negative.

** Revenue surplus.

Net funds available are negative.

The ratio of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources and accessibility of the State to them. Revenue receipts are comprised not only of the tax and non-tax resources of the State but also the transfers from Union Government. The ratio of revenue receipts to GSDP during the current year was 19 *per cent*, an increase of one percentage points over the previous year. During 2002-08, the ratio of own taxes to GSDP showed continued improvement except in 2003-04 when it declined marginally.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilization efforts. The ratio of revenue expenditure to total expenditure during the current year was 81 *per cent*, a decrease of two percentage points over the previous year. Increasing reliance on revenue receipts to finance the total expenditure which was 86 *per cent* during 2007-08 indicated decreasing dependence on borrowed funds, which is also reflected by the decreasing ratio of financial liabilities to revenue receipts. The ratio of capital expenditure to total expenditure during the current year was 18 *per cent*, an increase of two percentage points over the previous year. The buoyancy of revenue expenditure and total expenditure with reference to revenue receipts are in increasing trend over the previous year.

Revenue surplus and significant decline in fiscal deficit during 2007-08 indicated an improvement in fiscal position of the State. The Balance from Current Revenue which became positive during 2005-06 was Rs 2,914 crore during 2007-08 as compared to Rs 2,204 crore in 2006-07 indicating ample funds were available for creation of assets and to meet State plan schemes.

1.11 Conclusion

The key fiscal parameters – revenue, fiscal and primary deficits – reveal a significant improvement in the fiscal situation of the State during 2007-08 over the previous year. An increase of Rs 1,015 crore in revenue surplus in 2007-08 relative to the previous year may however be assessed in view of the fact that 56 *per cent* of the incremental revenue receipts (Rs 5,189 crore) is contributed by central transfers comprising State's share in Union taxes and duties and grants-in-aid from GOI. Moreover, 17 *per cent* of the incremental State's own resources (Rs 2,290 crore) during the year were on account of book adjustments only, i.e. transfer of Rs 350 crore from Public Account under Miscellaneous General Services on account of winding up of Sinking Fund and classified as non-tax receipts of the State. The expenditure pattern of the state reveals that the revenue expenditure as a percentage to total expenditure although indicated declining trends but it still constitutes 81 *per cent* of the total expenditure during 2007-08. The non-plan revenue expenditure (NPRE) at Rs 23,994 crore during 2007-08 was higher than both the normatively assessed level of Rs 19,889 crore by the TFC and the projected level of Rs 22,263 crore by the State Government in MTFPS/FCP for the 2007-08. Moreover, within the NPRE four components – Salary expenditure, pension liabilities, interest payment and subsidies constitute about 77 *per cent* of NPRE during 2007-08. It is further revealed that 47 *per cent* (Rs 822 crore) of the total increase of Rs 1,746 crore in capital expenditure over the previous year was on account of transfer from the Consolidated Fund of the State to Rajasthan State Investment Fund created under Public Account and classified as capital expenditure during the year. Moreover, of the total recovery of loans from power projects amounting to Rs 1,730 crore, Rs 1,666 crore was adjusted against the enhanced subsidies to erstwhile Rajasthan State Electricity Board (RSEB) during the year which notionally increased both the non-debt capital receipts and NPRE of the State Government during the year. The increasing fiscal liabilities accompanied with negligible rate of return on government investments and inadequate interest cost recovery on loans and advances continued to be a cause of concern. Moreover, although the fiscal liabilities relative to GSDP ratio exhibited a declining trends since 2005-06 and reached the level of 48 *per cent* in 2007-08 but if the contingent liabilities and off budget borrowings are also included in the total liabilities of the State, this ratio exceeds 65 *per cent* indicating the significance of the latter from the point of view of the fiscal and debt sustainability of the State.

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2007-08 against 51 grants and four appropriations was as follows:

(Rupees in crore)						
	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Saving (-)/Excess (+)
Voted	I. Revenue	23,029.46	3,219.86	26,249.32	23,835.88	(-) 2,413.44
	II. Capital	6,067.66	1,999.65	8,067.31	7,347.33	(-) 719.98
	III. Loans and Advances	339.12	78.12	417.24	287.69	(-) 129.55
Total Voted		29,436.24	5,297.63	34,733.87	31,470.90	(-) 3,262.97
Charged	IV. Revenue	6,157.88	9.46	6,167.34	5,983.90	(-) 183.44
	V. Capital	0.02	0.66	0.68	0.69	(+) 0.01
	VI. Public Debt-Repayment	2,029.64	-	2,029.64	1,845.81	(-) 183.83
Total Charged		8,187.54	10.12	8,197.66	7,830.40	(-) 367.26
Grand Total		37,623.78	5,307.75	42,931.53	39,301.30¹	(-) 3,630.23

Note: The figures of actual expenditure are gross figures and exclude the recoveries adjusted as reduction of expenditure under revenue (Rs 692.14 crore) and capital (Rs 792.47 crore).

The overall savings of Rs 3,630.23 crore as mentioned above was the net result of savings of Rs 3,649.73 crore in 51 grants and four appropriations offset by excess of Rs 19.50 crore in nine cases of grants and appropriations.

1. The total actual expenditure stands inflated to the extent of Rs 10,429.57 crore transferred to 8443-Civil Deposits and other Deposit heads.

The savings/excesses (Detailed Appropriation Accounts) were intimated to the Controlling Officers requesting them to explain the significant variations. Explanations for savings/excesses in respect of 148 sub-heads out of 511 sub-heads commented upon in Appropriation Accounts (29 *per cent*) were not received (August 2008).

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

Against the total savings of Rs 3,649.73 crore, savings of Rs 3,147.80 crore (86.2 *per cent*)² occurred in 13 cases relating to 11 grants and two appropriations as indicated below:

(Rupees in crore)						
S. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	3-Secretariat	1,621.99	A	1,621.99	673.35	948.64
2.	15-Pensions and other Retirement Benefits	2,654.42	-	2,654.42	2,564.10	90.32
3.	21-Roads and Bridges	729.98	-	729.98	665.89	64.09
4.	24-Education, Art and Culture	4,968.21	318.73	5,286.94	5,141.80	145.14
5.	26-Medical and Public Health and Sanitation	1,437.31	4.93	1,442.24	1,382.01	60.23
6.	34-Relief from Natural Calamities	688.81	53.04	741.85	638.81	103.04
7.	35-Miscellaneous Community and Economic Services	623.75	-	623.75	19.42	604.33
8.	41-Community Development	817.21	152.67	969.88	844.78	125.10
Capital-Voted						
9.	27-Drinking Water Scheme	2,010.86	624.13	2,634.99	2,284.14	350.85
10.	46-Irrigation	937.61	49.85	987.46	814.92	172.54
11.	48-Power	1,351.00	-	1,351.00	1,233.95	117.05
Revenue-Charged						
12.	Interest Payments	6,125.63	B	6,125.63	5,942.99	182.64
Capital-Charged						
13.	Public Debt	2,029.64	-	2,029.64	1,845.81	183.83
	TOTAL	25,996.42	1,203.35	27,199.77	24,051.97	3,147.80

A: Rs 4000; B: Rs 2000

The heads of account under which huge savings occurred in the above 13 cases are given in **Appendix-2.1**.

The savings under "Secretariat" was mainly due to non-implementation of Innovative Scheme during the year. The savings under "Drinking Water Scheme" and "Irrigation" was mainly due to less execution of works. The savings under "Education, Art and Culture" was mainly due to posts

2. Exceeding Rs 50 crore in each case.

remaining vacant and non-receipt of funds from Government of India. The savings under "Relief from Natural Calamities" was mainly due to non-incurring of expenditure on Other Special Relief Works. The savings under "Miscellaneous Community and Economic Services" was mainly due to winding up the Redemption Fund for interest payment as per the post budget decision.

The savings under "Community Development" was mainly due to less receipt of Central assistance and release of fewer grants to *Gram Panchayats*. The savings under "Power" was mainly due to less receipt of funds from Government of India. The savings under "Public Debt" was mainly due to non-payment of interest bearing market loans and non-requirement of ways and means advances during the year.

In 18 cases involving 16 grants there were savings of Rs 2,506.35 crore which exceeded Rs 1 crore in each case and also by more than 10 *per cent* of total provision as indicated in *Appendix-2.2*.

2.3.2 Persistent savings

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

Besides, in 12 cases there were persistent savings from 2003-04 to 2007-08 as indicated below:

(Rupees in crore)						
S. No.	No. and Name of the grant	Amount of savings				
		2003-04	2004-05	2005-06	2006-07	2007-08
Revenue-Voted						
1.	9-Forest	10.15	11.17	21.86	14.53	12.56
2.	14-Sales Tax	4.93	7.19	34.34	9.76	18.38
3.	29-Urban Plan and Regional Development	462.62	25.81	7.76	66.97	49.69
4.	38-Minor Irrigation and Soil Conservation	16.77	8.13	47.33	28.77	43.33
5.	51-Special Organisational Plan for Welfare of Scheduled Castes	4.30	12.47	37.52	19.82	12.17
Capital-Voted						
6.	9-Forest	28.49	6.92	5.70	5.95	1.03
7.	19-Public Works	24.15	9.59	61.71	31.96	13.72
8.	24-Education, Art and Culture	16.99	13.35	10.27	19.97	12.78
9.	27-Drinking Water Scheme	253.31	452.81	308.47	199.57	350.85
10.	29-Urban Plan and Regional Development	35.67	51.43	214.43	288.08	23.59
11.	46-Irrigation	56.75	92.62	131.18	249.24	172.54
12.	51- Special Organisational Plan for Welfare of Scheduled Castes	31.98	3.54	4.90	5.16	2.97

The main reasons of persistent savings during 2003-08 were posts remaining vacant in various cadres (Grant No. 14), less receipt of funds from

Government of India (Grant No. 9, 38 and 51), less release of grants to Municipalities/Municipal councils (Grant No. 29) and economy measures and less execution of works (Grant No. 19, 24, 27 and 46).

2.3.3 Excess requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs 49.75 crore for the years 2005-06 and 2006-07 as detailed below had not been regularised so far (August 2008).

Year	Number of Grants/Appropriations	Grant/Appropriation No.(s)	Amount of excess (Rs in crore)
2005-06	5/6	8, 15, 18, 21, 24, 27, 42, 43, 45	49.33
2006-07	3/3	4, 13, 17, 31, 43, 45	0.42
Total	8/9		49.75

Excess over provision during 2007-08 requiring regularisation

The excess of Rs 19.50 crore in nine cases relating to four grants and four appropriations during the year requires regularisation under Article 205 of the Constitution of India. The excess was mainly under Revenue (Voted) Section amounting to Rs 19.27 crore (98.8 per cent) as indicated below:

(Rupees in lakh)				
S. No.	Number and name of the Grant/Appropriation	Provision (Original + Supplementary)	Expenditure	Excess
Voted: Revenue Section				
1.	17-Jails	4,621.28	4,639.99	18.71
2.	22-Area Development	4,667.96	4,670.19	2.23
3.	27-Drinking Water Scheme	1,13,329.82	1,14,201.70	871.88
4.	33-Social Security and Welfare	86,072.15	87,105.93	1,033.78
Charged: Revenue Section				
5.	13-Excise	4.23	4.86	0.63
6.	21-Roads and Bridges	22.80	35.45	12.65
7.	38-Minor Irrigation and Soil Conservation	3.45	9.30	5.85
8.	46-Irrigation	33.41	34.56	1.15
Charged: Capital Section				
9.	46-Irrigation	3.83	6.81	2.98
	Total	2,08,758.93	2,10,708.79	1,949.86

Government did not furnish any reason for the excess expenditure (August 2008).

2.3.4 Original budget and supplementary provisions

Supplementary provisions (September 2007: Rs 137.43 crore and March 2008: Rs 5,170.32 crore) amounting to Rs 5,307.75 crore made during the year constituted 14.1 *per cent* of the original provision (Rs 37,623.78 crore) as against nine *per cent* in the previous year. During the year supplementary provisions of Rs 3,229.32 crore and Rs 2,078.43 crore were obtained to augment revenue expenditure and capital expenditure respectively.

2.3.5 Unnecessary/excessive supplementary provisions

Supplementary provisions of Rs 198.66 crore made in 12 cases (each exceeding Rs 1 crore) during the year proved unnecessary as the expenditure did not come up to the level of original provisions in view of saving of Rs 507.19 crore as detailed in *Appendix-2.4*.

In 24 cases, supplementary grants of Rs 3,028.54 crore were obtained against additional requirement of Rs 2,216.91 crore, resulting in savings in each case exceeding Rs 1 crore, aggregating Rs 811.63 crore. Details of these cases are given in *Appendix-2.5*.

2.3.6 Persistent/substantial excesses

- Significant excesses were persistent in one grant as detailed below:

S. No.	Grant No., name and Head of account	(Rupees in crore)		
		Amount of excess (percentage of excess in parenthesis)		
		2005-06	2006-07	2007-08
27-Drinking Water Scheme (Revenue-Voted)				
1.	2215-01-102(01)	18.42 (5.6)	2.08 (0.6)	8.62 (2.2)

- In five cases involving two grants and one appropriation, expenditure in each case exceeded by Rs 5 crore or more of the total provision aggregating to Rs 66.58 crore. Excess indicate poor budgeting and weak expenditure control. Details are given in *Appendix-2.6*.

2.3.7 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases where re-appropriations of Rs 1 crore or more which proved injudicious are detailed as under:

- In nine cases, additional funds of Rs 255.84 crore provided through re-appropriation proved unnecessary in view of final savings of Rs 79.21 crore as indicated in *Appendix-2.7*.
- In 10 cases, withdrawal of Rs 158.46 crore through re-appropriation proved excessive as the final expenditure exceeded the reduced Head by Rs 43.77 crore as indicated in *Appendix-2.8*.

- In three cases, additional funds of Rs 17.99 crore provided through re-appropriation proved insufficient as the final expenditure exceeded the augmented Head by Rs 25.71 crore as indicated in **Appendix-2.9**.
- In 14 cases, the savings were not properly assessed as even after the withdrawal of Rs 409.14 crore through re-appropriation there was a final saving of Rs 105.28 crore as indicated in **Appendix-2.10**.

2.3.8 Expenditure without provision

As envisaged in the State Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that in the following cases expenditure of Rs 19.10 crore was incurred without making provisions in the original estimates/supplementary demand or through re-appropriation.

S. No.	Number and name of the grant	Head of Account	Expenditure (Rupees in crore)
1.	Public Debt	6003-Internal Debt of the State Government 106-Compensation and Other Bonds 02-Special Bonds (Power Bonds) 04-8.5% Tax free Rajasthan State Special Bonds, 2008	18.44
2.	46-Irrigation	4700-Capital Outlay on Major Irrigation 01-Bhakra Nangal Project (Commercial) (BBMB) through the Chief Engineer, Hanumangarh 799-Suspense 01-Suspense	0.66
Total			19.10

2.3.9 Anticipated savings not surrendered

As per the State Budget Manual, all anticipated savings should be surrendered to the Government, immediately the moment they are foreseen, without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were seven cases in which after partial surrenders, savings of Rs 1 crore and above in each case aggregating Rs 83.79 crore (21.7 per cent of savings) remained un-surrendered. Details are given in **Appendix-2.11**.

Besides, in 19 cases of 15 grants and two appropriations, Rs 3,253.66 crore (92.8 per cent) were surrendered (exceeding Rs 20 crore in each case) on the last working day of March 2008, out of total surrender of Rs 3,505.01 crore, indicating inadequate financial control over expenditure. Details are given in **Appendix- 2.12**.

2.3.10 Injudicious surrender of funds

In five cases, the amount surrendered (atleast Rs 1 crore) was in excess, which indicated inefficient budgetary control. It was noticed that as against the total

available savings of Rs 387.70 crore, the amount surrendered was Rs 417.25 crore, resulting in excess surrender of Rs 29.55 crore as detailed below:

(Rupees in crore)				
S. No.	Number and name of the grant	Savings	Amount surrendered	Excess surrendered
Revenue-Voted				
1.	30-Tribal Area Development	15.22	16.78	1.56
Capital-Voted				
2.	24-Education, Art and Culture	12.78	14.76	1.98
3.	30-Tribal Area Development	3.33	6.58	3.25
4.	46-Irrigation	172.54	176.92	4.38
Capital-Charged				
5.	Public Debt	183.83	202.21	18.38
	TOTAL	387.70	417.25	29.55

Under Grant No. 27, Rs 3.21 crore (Revenue) were surrendered though the expenditure had actually exceeded the budget provision by Rs 8.72 crore.

2.3.11 Defective/inaccurate budgeting

Full or substantial portions (more than 50 *per cent* of total provision) of the supplementary provisions obtained under the various Heads of Account in September 2007 and March 2008 were surrendered/re-appropriated on 31 March 2008 indicating inaccurate budgeting as shown in *Appendix-2.13*. In four cases (Grant Nos. 27, 34 and 36) entire provisions were re-appropriated/surrendered.

2.4 Rush of expenditure

State Budget Manual envisages that Government expenditure should be evenly distributed throughout the year. Rush of expenditure particularly in the closing month of a financial year shall be regarded as breach of financial regularity and should be avoided. Contrary to this, in respect of 19 Heads of Account, expenditure exceeding Rs 4,288 crore ranging between 77.2 and 100 *per cent* of the total expenditure for the year was incurred in March 2008. This includes eight cases where entire expenditure was incurred during March 2008. Details are given in *Appendix-2.14*.

2.5 Unnecessary withdrawal of funds

Rule 8 (2&3) of General Financial and Accounts Rules prohibits drawal of funds without immediate requirement.

For setting up of two Hostels-cum-Rehabilitation Centres (Centres) for war widows at Jhunjhunu and Sikar the Director, *Sainik Kalyan Vibhag* (SKV) released Rs 0.83 crore and Rs 3.30 crore in February 2006 and March 2008 respectively to *Zila Sainik Kalyan Adhikari* (ZSKA), Jhunjhunu and Sikar. The ZSKAs deposited the amounts with the concerned Executive Engineers of

the Public Works Department (PWD) Divisions in the same month for execution of the works.

Test check (April 2008) of records of the ZSKAs, Jhunjhunu and Sikar revealed that despite availability of land and funds (Rs 2.13 crore) the construction of Centre at Sikar was not got started by ZSKA, Sikar through the PWD, Division Sikar as of July 2008. In Jhunjhunu, funds of Rs 2 crore released to PWD, Division Jhunjhunu were also lying unused due to non-availability of land.

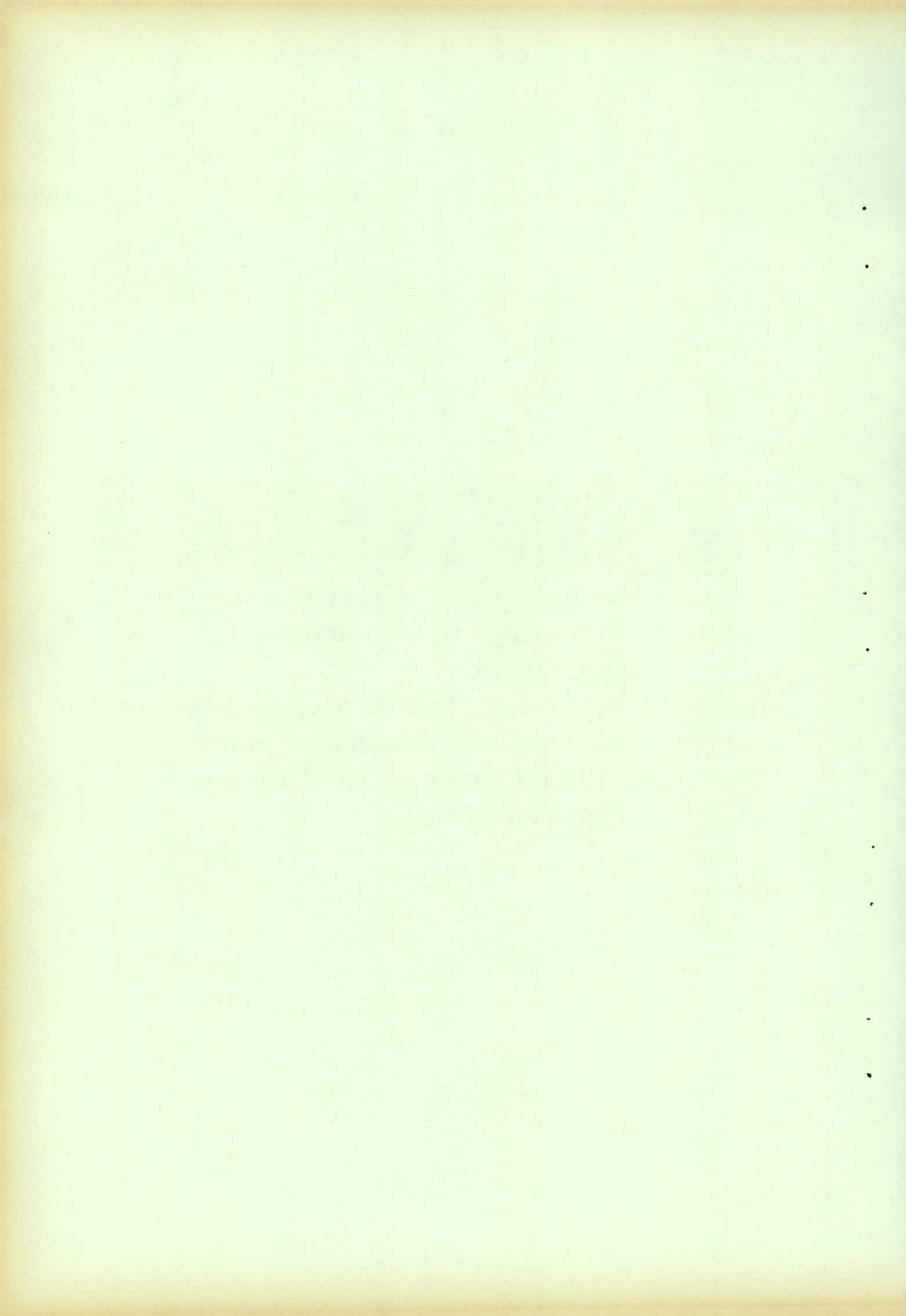
Thus, Rs 4.13 crore had been withdrawn without immediate requirement just to avoid lapse of grant.

Department stated (June 2008) that efforts were being made to get allotment of suitable land for Centre at Jhunjhunu and work at Sikar would be started shortly. Reply of the Government was awaited (August 2008).

CHAPTER-III

PERFORMANCE AUDIT

3.1	National Rural Health Mission
3.2	Accelerated Irrigation Benefits Programme
3.3	Integrated Child Development Services
3.4	Information Technology Audit of Citizen Centric Service Delivery Project (<i>e-Mitra</i>)



CHAPTER-III PERFORMANCE AUDIT

This Chapter presents performance audit of the National Rural Health Mission, Accelerated Irrigation Benefits Programme, Integrated Child Development Services and Information Technology Audit of Citizen Centric Service Delivery Project (*e-Mitra*).

MEDICAL AND HEALTH DEPARTMENT

3.1 National Rural Health Mission (NRHM)

Highlights

Government of India launched the National Rural Health Mission in April 2005 throughout the country for providing accessible, affordable, accountable, effective and reliable health care facilities in rural areas. In Rajasthan, household survey and facility survey were not done adequately. Large number of building construction works was incomplete/ not started. Mobile Medical Units were not in operation. Blood storage units were not started. There were cases of denial and delayed payment of cash assistance to the beneficiaries under Janani Suraksha Yojana. The important findings are indicated below:

During 2005-08, only 65 per cent of the total available funds were utilised. Three District Health Societies had taken three to thirty months in transferring funds of Rs 16.87 crore to the implementing agencies.

(Paragraph 3.1.7)

Household survey and facility survey required to identify the health care needs of the rural areas were not conducted adequately. The test checked District Health Societies did not prepare Perspective Plan for the Mission period. Health Action Plan was not prepared in most of the villages, blocks and districts. Village Health and Sanitation Committees were formed in 16 per cent villages against the targets of 30 per cent upto 2007.

(Paragraphs 3.1.8 and 3.1.9)

While 493 residential buildings completed at a cost of Rs 24.81 crore were not taken over even after two to ten months of their completion, 565 buildings were incomplete after incurring an expenditure of Rs 19.34 crore. Construction of 364 new sub-centre buildings was not started.

(Paragraphs 3.1.10.1 and 3.1.10.2)

Against 46,624 Accredited Social Health Activists required to be selected by December 2007, 39,325 were selected by March 2008. Eighty *per cent* medical staff and 60 *per cent* para-medical staff were not imparted necessary training. There were gross deficiencies in upgradation of Community Health Centers in respect of manpower, infrastructure and equipment, as compared to Indian Public Health Standards norms.

(Paragraphs 3.1.10.3, 3.1.10.4 and 3.1.10.6)

Fifty-two Mobile Medical Units could not be made operational for want of vehicles for carrying equipment and diagnostic facilities.

(Paragraph 3.1.11.1)

Out of 137 blood storage units, 126 could not be set up as the generator sets and other equipment (Rs 2.56 crore) were not installed/utilised for want of copper cable, earthing pits and construction of platforms.

(Paragraph 3.1.11.2)

There was significant shortfall (48 to 64 *per cent*) in DT and TT immunisation. Male participation in family planning was poor (24 *per cent* of targets).

(Paragraphs 3.1.12.2 and 3.1.12.3)

Though there was an increasing trend in institutional delivery, shortfall was 45 *per cent* of the targets in 2007-08. Under Janani Suraksha Yojana, 2.78 lakh women were not provided cash assistance during 2006-08. In 614 cases, payment of cash assistance delayed by one to 18 months.

(Paragraphs 3.1.12.4 and 3.1.12.5)

3.1.1 Introduction

The National Rural Health Mission (NRHM) was launched by the Government of India (GOI) on 12 April 2005 throughout the country with special focus on 18 States including Rajasthan. The mission aimed at providing accessible, affordable, accountable, effective and reliable health care facilities in the rural areas. The Mission also aimed at an architectural correction in the health care delivery system by converging various stand alone existing National Disease Control Programmes (NDCP) of the Ministry of Health and Family Welfare, viz. Reproductive and Child Health-II, Vector Borne Disease Control Programme, Tuberculosis, Leprosy and Blindness Control Programmes and Integrated Disease Surveillance Project with the exception of the National AIDS Control and Cancer Control Programmes. The new components of the NRHM include bridging gaps in health care facilities, facilitating decentralised planning in health sector and addressing the issue of health in context of a sector-wise approach encompassing sanitation, hygiene, nutrition, etc. as basic determinants of good health and advocate convergence

with related social sector Departments like Women and Child Development, *Panchayati Raj* etc.

In Rajasthan, the mission was operationalised with effect from September 2005 and the formation and registration of State Health Society (SHS) was done in April 2006.

3.1.2 Organisational set up

At the State level, the NRHM functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister for providing health system oversight, consideration of policy matters in health sector, review of progress in implementation of NRHM and inter-sectoral co-ordination etc. The State Programme Management Support Unit (SPMSU) headed by Mission Director (MD) acts as the Secretariat to the SHM as well as the State Health Society. The Governing Body of the Mission headed by the Chief Secretary exercises power to approve the Annual State Action Plan for the NRHM, review of implementation of the Annual Action Plan and the status of follow up action on decisions of the SHM etc. The Principal Secretary, Medical and Health Department is the Head of the Executive Committee constituted for review of detailed expenditure and implementation, approval of proposals from districts and other implementing agencies, execution of the approved State Action Plan including release of funds for programmes at State level. In each of the 32 districts, there is a District Health Society (DHS) headed by District Collector. Its Executive Committee headed by Chief Medical & Health Officer (CM&HO) is responsible for planning, monitoring, evaluation, accounting, database management and release of funds to health centers at sub-district level, *Panchayat* bodies, Medicare Relief Society etc.

The implementation of various disease control programmes was being supervised by the respective heads of the Disease Control Programme. Various components/ activities of NRHM are implemented through 349 Community Health Centers (CHCs), 1,503 Primary Health Centers (PHCs) and 10,742 Sub-Centers (SCs) headed by Medical Officer-in-charge.

3.1.3 Mission objectives

The objectives of the Mission for 2005-12 were as under:

- Reduction in infant and maternal mortality rate;
- universal access to public services for food and nutrition, sanitation, hygiene and public health care services with emphasis on services addressing women and child health and universal immunisation;
- prevention and control of communicable and non-communicable diseases, including locally endemic diseases;
- access to integrated comprehensive primary health care;

- population stabilization and control on gender and demographic imbalances and
- revitalize local health traditions and mainstream AYUSH.

3.1.4 Audit objectives

The objectives of performance audit were to assess whether:

- planning, monitoring and evaluation procedures at the levels of Village, Block, District and State achieved its principal objective of ensuring accessible, effective and reliable health care to rural population;
- public spending on health sector over the years 2005-08 increased to the desired level and assessment, release of funds in the decentralised set up and utilisation of funds released and accounting thereof was adequate;
- the Mission achieved capacity building and strengthening of physical and human infrastructure at different levels as planned and targeted;
- the systems and procedures of procurement management and equipment were cost effective and efficient; and
- the performance indicators and targets fixed specially in respect of reproductive and child health care, immunisation and disease control programmes were achieved.

3.1.5 Scope and methodology of audit

The performance audit was conducted (March-May 2008) covering the period from 2005-06 to 2007-08 by test check of records in the Mission Directorate, six DHS (out of 32) alongwith 18 (out of 349) CHCs, 36 (out of 1,503) PHCs and 72 (out of 10,742) SCs (*Appendix-3.1*). An entry conference with the Principal Secretary was held on 27 February 2008 wherein the audit objectives and criteria were discussed. Audit findings were discussed at an exit conference on 18 September 2008 with the Principal Secretary.

3.1.6 Audit criteria

The audit was conducted with reference to the records maintained for implementation of NRHM in the Mission Directorate. The audit criteria adopted were:

- Government of India guidelines on the scheme and instructions issued from time to time;
- State Programme Implementation Plan (PIP) approved by GOI;
- Memorandum of Understanding between the GOI and State Government;
- Indian Public Health Standards (IPHS) for upgradation of CHCs and PHCs.

Audit Findings

3.1.7 Financial management

The GOI provided 100 *per cent* grant-in-aid to the State Government for the years 2005-06 and 2006-07 (ending Tenth Five-year Plan period). During 2007-08, the Central and State Governments funded the Mission in the ratio of 85:15. Against the approved PIP for Rs 1,440.50 crore for the period 2005-08, GOI released Rs 1,376.26 crore. With inclusion of opening balance of Rs 26.03 crore and State's share of Rs 45 crore, total funds available were Rs 1,447.29 crore. Of these, total expenditure incurred was Rs 945.43 crore (65 *per cent*). Year-wise details are given in **Appendix 3.2**. The following observations were made:

3.1.7.1 The total available funds (Rs 1,447.29 crore) were released to the Director, Family Welfare (Rs 473.60 crore) through State budget and to the Mission Director (Rs 905.78 crore) and the heads of the NDCP (Rs 67.91 crore) directly from GOI. Under-utilisation of funds by them was Rs 67.99 crore (14 *per cent*), Rs 418.52 crore (46 *per cent*) and Rs 15.35 crore (23 *per cent*) respectively. Component-wise details of funds received and expenditure incurred during 2005-08 are given in **Appendix 3.3**.

3.1.7.2 Scrutiny of records of MD revealed that Mission Director, SPMSU allocated Rs 185.71 crore under 28 activities in 2006-07 and Rs 90.68 crore under 41 activities in 2007-08. The amounts were under-utilised to the extent of 75 to 100 *per cent* as shown in **Appendix 3.3**. Reasons for under-utilisation were awaited from MD (August 2008).

3.1.7.3 After approval of the PIP, the funds are routed through State to districts and ultimately to the hospitals/CHCs/PHCs/SCs/ other implementing agencies. Scrutiny of records in District Programme Management Units (DPMU) at Jaipur, Ajmer and Udaipur, however, revealed that the DPMUs took three to thirty months in transferring scheme funds of Rs 16.87 crore¹ during 2005-08 to the field units. Reasons for the delay in transferring NRHM funds to the subsidiary units were not stated (August 2008) by the CMHOs.

The delays defeated the purpose to switch over to fund transfer arrangement through banking operations to hasten flow of funds.

3.1.8 Planning

The NRHM strives for decentralised planning and implementation arrangements to ensure that need based and community owned District Health Action Plans become the basis for interventions in the health sector. The districts are, thus, required to prepare perspective plans for the entire Mission period. Household survey and facility survey at the levels of Village, Block and district were to be conducted for comprehensive district planning and assessing the progress of the Mission.

1. Jaipur: Rs 5.01 crore for 3 to 19 months, Ajmer: Rs 5.69 crore for 3 to 30 months and Udaipur: Rs 6.17 crore for 3 to 24 months.

3.1.8.1 Scrutiny of records in Mission Directorate revealed that the PIP for 2005-06 was prepared indicating only the major components of NRHM. Activity-wise detailed plan was not prepared. Funds for 2005-06 were released by the GOI accordingly and utilised by the State Government without activity-wise detailed plan. The PIPs for 2006-07 and 2007-08 were submitted by the State Government to the GOI with delays ranging from 137 to 141 days as detailed below:

Year	Scheduled date of PIP submission by the State Government	Actual date of submission	Delay (in days)
2006-07	15 December 2005	2 May 2006	137
2007-08	15 December 2006	5 May 2007	141

3.1.8.2 The NRHM aimed at an architectural correction in the health care delivery system by converging various existing stand-alone National Disease Control Programmes (NDCP) of the Ministry of Health and Family Welfare. The funds for the NDCP were to be followed-up through the SHS of NRHM from April 2007. Scrutiny of records revealed that the funds were being released to the respective programme officer direct from GOI and not through the SHS of NRHM. It was also noticed that the MD was not involved in planning and monitoring of the NDCP. Thus, the guidelines of the NRHM were not adhered to. The MD confirmed (August 2008) that funds for these NDCP were received directly by respective programme officers.

3.1.8.3 Household survey

Inadequate household survey.

The household survey, to be carried out in each and every district of the State (50 *per cent* by December 2007 and 100 *per cent* by December 2008), was aimed at understanding the health care needs of the rural population, resource mapping and also assessing as to how other determinants of health influenced health of households such as drinking water, sanitary latrine, employment and access to other requirements. Out of six districts test checked, household survey was conducted (2005-06 to 2007-08) in Jaipur District covering all the 2,131 villages. Survey was not conducted at all in Pali (936 villages), Ajmer (1,024 villages) and Udaipur (2,339 villages) as of March 2008. Survey was conducted in 15 out of 2,890 villages in Sriganganagar and only 16 out of 939 villages in Bundi.

3.1.8.4 Facility survey

In order to set up benchmark for quality of service and utilisation and identify input needs facility² survey was to be conducted in each facility i.e. CHC, PHC and SC. These surveys were to provide critical information in terms of infrastructure and gaps in human resources which needed to be addressed through planning process.

2. Specialist services, manpower, investigating facilities, equipment, other infrastructure etc.

It was noticed that facility survey was conducted in Jaipur, Sriganganagar, Udaipur and Bundi. Survey was not conducted at all in Pali (SCs: 425, PHCs: 68 and CHCs: 15) and Ajmer (SCs: 285, PHCs: 43 and CHCs: 11) Districts.

Due to non-conducting of facility survey deficiencies in the facilities in the health institutions were not identified.

3.1.8.5 Perspective Plan for the Mission period not prepared by the DHS

The NRHM has a seven year time frame (2005-12). The Perspective Plan was required to be prepared by each DHS for the entire Mission period outlining the year-wise resource and activity needs of the District. The annual plan was to be based on resource availability and a prioritisation exercise.

No perspective plan was, however, prepared by the DHSs, Pali and Udaipur. The Plans prepared by DHSs, Sriganganagar and Bundi were only District Health Action Plans (DHAP). Further, the Perspective Plans stated (April-May 2008) to have been prepared by the DHSs, Jaipur and Ajmer could not be produced to Audit for verification and scrutiny.

3.1.8.6 Village, Block and District Health Action Plans not prepared at all levels

Health Action Plans were not prepared in most of the villages, blocks and districts.

In order to make NRHM fully accountable, the DHAP is made the principal instrument for planning, implementation and monitoring formulation through a participatory and bottom up planning process. The DHAP was to aggregate and consolidate the village and the block health plan.

Scrutiny of records revealed that Village Level Health Action Plans (VLHAP) were not prepared in all the villages in five³ of the six districts test checked. In Sriganganagar, only one village out of 2,890 prepared VLHAP.

While action plan at block level was prepared in all the blocks in three test checked districts, it was not prepared in 29 blocks of the three other districts⁴ test checked.

As per information collected from MD, the work orders were issued (June 2006) by the MD to six Non-Government Organisations (NGOs) to prepare DHAPs of 32 districts at a cost of Rs 2.04 crore. It was noticed that DHAPs of 26 districts were prepared. Of these, DHAPs of 13⁵ districts were approved (February 2008) by SHM. The DHAPs of 13 districts were found unsatisfactory and DHAPs of six⁶ districts were not prepared by NGOs. As such, advance payment of Rs 0.32 crore made to five NGOs for the 19 DHAPs (13 unsatisfactory and six not started) was recoverable. The MD admitted the facts and stated (September 2008) that NGOs concerned have been asked to

3. Ajmer (1,024 villages), Bundi (939 villages), Jaipur (2,131 villages), Pali (936 villages) and Udaipur (2,339 villages).
4. Ajmer (8), Pali (10) and Udaipur (11).
5. Baran, Barmer, Bharatpur, Bikaner, Dausa, Dholpur, Dungarpur, Hanumangarh, Jaisalmer, Jhalawar, Nagaur, Sikar and Sriganganagar.
6. Bhilwara, Churu, Jaipur, Jalore, Pali and Sirohi.

remove the deficiencies in DHAPs of 13 districts and that the work of preparation of DHAPs of five districts not done by the NGO was being allotted to another NGO. The MD was silent about Jaipur District.

3.1.9 Village Health and Sanitation Committees in each village not formed

In six districts test checked Village Health and Sanitation Committees were formed in 16 per cent villages against the targets of 30 per cent.

Village Health and Sanitation Committee (VHSC) was required to be formed (30 per cent by December 2007 and 100 per cent by December 2008) in each village. Apart from work related to sanitation and water, the VHSCs were to carry out various health care activities like generating public awareness, motivation to avail medical facilities available at village level etc. As village is an important unit for planning, the VHSC is responsible for conducting household survey for preparation of village health registers and the village health plans.

Examination of records, however, revealed that VHSCs were constituted only in 1,623⁷ (16 per cent) out of 10,259 villages in six districts test checked though VHSCs were targeted to be formed in 30 per cent villages by December 2007. Thus, due to shortfall in formation of VHSCs, the objectives of generating public awareness and motivation were not fulfilled.

3.1.10 Upgradation of health care infrastructure and capacity building

The NRHM envisaged support for upgradation of all health institutions in the State to the IPHS norms including construction of residences for Medical Officers (MOs) and para-medical staff and strengthening programme management structure to make health institutions functional from human resource point of view.

3.1.10.1 Delay in construction of buildings

During examination of records in the Mission Directorate it was observed that out of 1,625 residential building works sanctioned (2006-07 and 2007-08), 724 works costing Rs 47.99 crore were allotted to Public Works Department (PWD), 894 works for Rs 59.29 crore to Rajasthan Health System Development Project (RHSDP) and seven works for Rs 0.55 crore to Avas Vikas Limited (AVL). The status as of March 2008 is given in **Appendix 3.4**.

565 buildings remained incomplete after spending Rs 19.34 crore.

It was noticed that out of 791 buildings completed (cost: Rs 41.86 crore) as of June 2008, 493 buildings (cost: Rs 24.81 crore) were not taken over by the Department even after two to ten months of completion. Further, construction of 565 buildings remained incomplete after spending Rs 19.34 crore and construction of 269 buildings was not started as of June 2008 due to land disputes. MD, however, did not furnish reasons for not taking over the completed buildings.

Delays in construction/taking over of the buildings affected the smooth functioning of the health institutions.

7. Sriganganagar VHSCs formed in 320 villages/out of 2,890 villages, Pali 422/936, Jaipur 1/2,131, Ajmer 207/1,024, Udaipur 492/2,339 and Bundi 181/939.

3.1.10.2 Construction of new Sub-Centers not yet started

Construction work of 364 new Sub-Center buildings was not started.

Sub-Centers are the first point of contact for most of rural population, especially for preventive and promotive services. The Mission Directorate conveyed (November 2007) administrative approval for construction of 364 new SCs in the State for Rs 18.20 crore. Financial sanction of first instalment of Rs 7.28 crore at the rate of Rs 2 lakh per SCs was issued in November 2007. Accordingly, funds were transferred in December 2007 to the CMHOs with directions to get the works executed through concerned *Gram Panchayats* and completed within four months i.e. by February 2008. Scrutiny of records in the Mission Directorate revealed that the construction of the SCs had not been started as of July 2008. This resulted in non-implementation of the mission activities of creating new infrastructure at SCs level. Besides, funds of Rs 7.28 crore remained blocked. The MD attributed (July 2008) this to internal policy of the Rural Development Department. In the absence of the required buildings, the facilities viz. clinical facilitation, labour room facilities, residential facilities, etc. would not be adequate.

3.1.10.3 Selection and training of Accredited Social Health Activist (ASHAs) not done as per the norms

The PIP for the year 2005-12 envisages provision of a trained female ASHA chosen by and accountable to the *Panchayat* to act as an interface between the community and the public health system. ASHA was also to act as a bridge between the Auxiliary Nurse-cum-Midwife and the village. As per NRHM norms, 51,804 ASHAs were required in the State. Of these, 46,624 (90 per cent of the requirement) were to be selected during 2007. Sixty per cent of the selected ASHAs were to be imparted 23 days induction training in four rounds (10+4+4+5 days) by 2007-08.

Scrutiny of records in the Mission Directorate revealed that during 2007-08, only 39,325 ASHAs were selected upto March 2008 resulting in shortfall of 7,299 ASHAs.

As per NRHM norms, 27,974 ASHAs were to be imparted training during 2007. However, training was imparted to 29,689 ASHAs. It was noticed that only two rounds of training of 14 days was imparted to 29,689 ASHAs, as of March 2008.

Thus, there was a shortfall in the achievement of selection and training to ASHAs which affected the programme implementation.

The MD stated (July 2008) that the training to selected ASHAs was in progress.

3.1.10.4 Training not imparted to medical and para-medical staff as per PIP

Training was not imparted to 80 per cent medical staff and 60 per cent para-medical staff.

Capacity building through regular training and exposure of MOs, various specialists, Lady Health Visitors (LHVs), ANMs, Multi Purpose Workers (MPWs) and *Dais* was to be done according to the needs as well as upgradation of their skills. Analysis of data obtained from Mission

Directorate, however, revealed that out of 1,566 medical and 28,669 para-medical staff to be trained during 2005-08, 318 (20 *per cent*) medical and 11,427 (40 *per cent*) para-medical staff were imparted training in medical termination of pregnancy (MTP), laparoscopic sterilisation, basic/comprehensive emergency obstetric care and Intra Uterine Device (IUD), leading to shortfall of 80 *per cent* and 60 *per cent* medical and para-medical staff respectively, as of March 2008.

The MD stated (July 2008) that shortfall in training to *Dais* was due to non-availability of untrained *Dais*. Shortfall in training to ANMs was attributed to lack of essential training material in theoretical training for examination of advanced child birth simulator mannequin. It indicated that provision for training of 16,000 *Dais* during 2006-08 as reflected in PIPs was not worked out after proper survey.

3.1.10.5 Sanctioned strength and men in position in field units

The sanctioned strength of medical and para-medical staff and men in position at SCs, PHCs, CHCs, BHEIO and Districts health institutions in six district test checked during 2005-06 and 2007-08 were as follows:

District	2005-06				2007-08			
	Manpower Sanctioned	Men in Position	Vacancies	Percentage of vacancies	Manpower Sanctioned	Men in Position	Vacancies	Percentage of vacancies
Sriganganagar	706	593	113	16	839	676	163	19
Pali	1,076	888	188	17	1,039	943	96	9
Jaipur	1,382	1,284	98	7	1,601	1,447	154	10
Ajmer	825	619	206	25	888	748	140	16
Udaipur	1,612	1,376	236	15	1,706	1,434	272	16
Bundi	294	272	22	7	301	278	23	8
Total	5,895	5,032	863	15	6,374	5,526	848	13

It would be seen that there was increase in shortage of manpower from 16 to 19 *per cent* in Sriganganagar, seven to 10 *per cent* in Jaipur, 15 to 16 *per cent* in Udaipur and seven to eight *per cent* in Bundi. Different cadre-wise position is in *Appendix 3.5*.

There were gross deficiencies in upgradation of CHCs in respect of manpower, infrastructure and equipment, compared to IPHS norms.

3.1.10.6 Deficiencies in upgradation of CHCs compared to IPHS norms

The NRHM envisages to bring the health institutions at par with the IPHS to provide round the clock services. Deficiencies in upgradation of CHCs in terms of manpower, infrastructure and equipment etc. were, however, noticed as detailed below:

• Manpower

As per IPHS norms, 13 posts of medical officers/specialists⁸ were required in each CHC. It was, however, noticed that against the requirement of 234

8. One post each of General Surgeon, Physician, Obstetrician Gynecologist, Paediatric, Anesthetist, Eye surgeon, Public Health Programme Manager and six posts of medical officers (General duty officer).

doctors in 18 CHCs in six districts test checked, there were only 71 doctors as of March 2008. Thus, there was shortfall of 164 doctors⁹.

Similarly, 18 para-medical¹⁰ staff were required per CHC. Against the total need of 324 para-medical staff in 18 CHCs test checked, there were 237 staff and the shortfall was 154¹¹ as of March 2008. On the other hand, 14 and 15 nurses were in position in CHC, Bali (District Pali) and Amber (Jaipur) respectively as against the requirement of seven in each CHC.

• *Availability of services*

Scrutiny of records further revealed that X-ray facility was not available in eight¹² of the 18 CHCs test checked. X-ray machines were lying without use in four¹³ CHCs in the absence of posting of Radiographer, while two Radiographers were sitting idle at CHCs, Chunawad and Paota where no X-ray machine was available.

Ultra Sound machine was not available, in any of the 18 CHCs during 2005-08, while ECG facilities were not available in seven¹⁴ of the 18 CHCs, during 2005-08.

• *Infrastructure*

Separate utilities for men and women were not available in six¹⁵ out of 18 CHCs, sewerage connection was available in utilities of 15 CHCs and three¹⁶ CHCs were not having any connectivity with the sewerage system.

Despite irregular electricity supply to the CHCs, generator sets were not provided in 10¹⁷ out of 18 CHCs and there were no Operation Theatres (OT) in CHCs, Manoharpur, Paota and Masuda.

9. **General surgeon:**8 (one each in CHC, Chunawad, Kharchee, Rohat, Hindoli, Talera, Jawaza, Kherwara and Mavli); **Physician:**8 (one each in CHC, Chunawad, Sadulshahar, Kharchee, Rohat, Talera, Paota, Jawaza and Masuda); **Obstetrician/Gynecologists:**10 (one each in CHC, Chunawad, Gharsana, Kharchee, Rohat, Nainwa, Hindoli, Talera, Manoharpur, Paota and Mavli); **Paediatric:**15 (one each in CHC, Chunawad, Gharsana, Kharchee, Rohat, Nainwa, Hindoli, Talera, Manoharpur, Paota, Jawaza, Masuda, Pushkar, Badgaon, Kherwara and Mavli); **Anaesthetist:**18 (one each in all the 18 CHCs test checked); **Eye Surgeon:**16 (one each in 18 CHCs except CHC, Bali and Amber); **Public Health Programme Manager:** 18 (one each in all the 18 CHCs test checked) and **Medical Officer:** 71 (CHC, Chunawad:4, Gharsana:5, Sadulshahar:5, Kharchee:2, Rohat:4, Nainwa:3, Hindoli:4, Talera:4, Amber:3, Manoharpur:4, Paota:5, Jawaza:6, Masuda:6, Pushkar:5, Badgaon:4, Kherwara:4 and Mavli:3)
10. Staff nurse: 7, ANM:1, Public Health Nurse:1, Dresser:1, Pharmacist/Compounder: 1, Laboratory Technician: 1, Radiographer:1, Ophthalmic Assistant:1, Ward boys:2, Outpatient department Attendant:1 and OT attendant :1.
11. Staff nurse:39, Public Health Nurse:14, Dresser:18, Pharmacists:14, Laboratory Technician:2, Radiographer:10, Ophthalmic Assistant:17, Ward boy:5, OPD attendant:18 and OT attendant:17..
12. CHC, Chunawad, Rohat, Manoharpur, Paota, Jawaza, Masuda, Badgaon and Kherwara.
13. CHC, Gharsana, Nainwa, Hindoli and Mavli.
14. CHC, Gharsana, Kharchee, Hindoli, Manoharpur, Paota, Jawaza and Kherwara.
15. CHC, Rohat, Amber, Manoharpur, Jawaza, Masuda and Pushkar.
16. CHC, Rohat, Paota and Masuda.
17. CHC, Chunawad, Sadulshahar, Kharchee, Rohat, Amber, Manoharpur, Paota, Jawaza, Pushkar and Mavli.

- **Equipment**

According to IPHS norms, 10 major equipments¹⁸ are necessary to make an OT operational. Scrutiny of records revealed that in 15 CHCs¹⁹ (out of 18) had only one to seven major equipments in the OTs. The OTs in the 15 CHCs were, thus, not fully equipped. Although OT did not exist in CHC, Masuda yet five equipments²⁰ were found in stock.

- **Availability of drugs**

Two months advance stock of drugs as per essential drugs list (400) was to be maintained as per IPHS norms. Audit scrutiny revealed that necessary stock was available only in five CHCs. The required stock was not available in 12 CHCs²¹. Information was not supplied by Sr. Medical Officer-in-charge, CHC, Paota (Jaipur).

3.1.11 Procurement of Mobile Medical Units and equipment

3.1.11.1 Inordinate delay in procurement of vehicles for Mobile Medical Units

Fifty two vehicles (cost : Rs 2.02 crore) for Mobile Medical Units were lying idle.

With the objective to make health care available at the doorstep of the public in the rural areas, the GOI sanctioned (September 2006) Rs 22.33 crore for procurement of 52 Mobile Medical Units²² (MMUs) each comprising of one vehicle for mobility of staff, one for equipment and one vehicle for diagnostic facilities. The MD purchased (July 2007) four TATA SUMO vehicles at a cost Rs 0.18 crore and 48 vehicles (10 seater) at a cost of Rs 1.84 crore for only mobility of MMU staff.

Though the funds had been released by the GOI in the year 2006-07, the State Government procured 52 vehicles as of March 2007 only for transportation of staff and not for carrying equipment and diagnostic facilities. Thus, the defective planning and imprudent use of funds deprived the public of the intended medical facilities. Besides, funds of Rs 2.02 crore spent on procurement of vehicles only for mobility of staff remained blocked due to non-procurement of the other vehicles of MMU.

Scrutiny of records in six selected districts revealed that MDs despatched two vehicles each to Sriganganagar, Pali and Jaipur and one each to Ajmer, Udaipur and Bundi. The vehicles were lying idle and the MMUs were non-functional for want of procurement of other two vehicles for equipment and diagnostic facilities.

18. Boiler apparatus, Cardiac Monitor, Ventilator, Vertical High Pressure sterilizer, Shadow less lamp, Gloves and dusting machine, Nitrus oxide cylinder, EMO machine, Defibrillator and Horizontal high pressure stabilizer.

19. CHC, Chunawad (2), Gharsana (3), Sadulshahar (5), Bali (7), Kharchee (2), Rohat (5), Amber (3), Jawaja (1), Pushkar (4), Badgaon (3), Mavli (3), Kherwara (2), Nainwa (4), Hindoli (3) and Talera (4).

20. Boiler apparatus, Vertical high pressure stabilizer, Shadow less lamp, Gloves and dusting machine and Nitrus oxide cylinder.

21. CHC, Bali, Kharchee, Rohat, Nainwa, Hindoli, Talera, Amber, Jawaza, Masuda, Pushkar, Badgaon and Kherwara.

22. For 32 districts (two each to 20 tribal and dang district and one each for 12 districts).

3.1.11.2 Lack of establishment/utilisation of machineries and equipment

Generator sets and other equipment purchased at a cost of Rs 2.56 crore for setting up blood storage units remained unutilised.

For setting up blood storage units at 137 CHCs (First Referral Unit) in all the 32 districts, Director (RCH) purchased (October-November 2006) 137 generator sets (5 KVA) at a cost of Rs 2.41 crore plus Rs 6,000 as installation charges per set. Purchase of 137 binocular microscopes for Rs 0.23 crore and 137 Centrifuge machines for Rs 0.14 crore was also made during May to July 2006). Scrutiny of records in Mission Directorate revealed that the generator sets were not installed/utilised for want of construction of platforms, availability of earthing pits, copper cable, etc. The MD stated (August 2008) that 11 blood storage units have been started by using one unit each of generator set, binocular and centrifuge machine.

Due to non-establishment of 126 blood storage units, funds of Rs 2.56 crore²³ spent on purchase of 126 generator sets, binocular microscope and centrifuge machines were blocked. Besides, the patients were deprived of the benefit of blood storage at First Referral Units.

3.1.12 Disease control programme, immunisation and reproductive and child health care

Targets of Health Indicators fixed by the GOI under NRHM for the country and achievement there against in the State for the years 2006-2010/2012 were as in *Appendix 3.6*.

Scrutiny of records in Mission Directorate revealed the following:

3.1.12.1 As per NRHM guidelines, targets for all health indicators were to be fixed for 2005-2010/2012 based on the status of 2005. State Government, however, targeted 50 *per cent* reduction of mortality due to malaria and dengue based on the number of deaths in 2006 (instead of for the year 2005). Thus, targets were wrongly fixed as number of deaths during the years 2006 to 2010.

Further, in order to prevent transmission of malaria, DDT and anti larvae solution (ALS) spray was required to be done. The position of DDT and ALS spray in 10,259 villages in six districts test checked was as follows:

S.No.	Name of district	Number of Villages	Number of villages where DDT and ALS sprayed					
			2005-06		2006-07		2007-08	
			DDT	ALS	DDT	ALS	DDT	ALS
1	Ajmer	1,024	-	-	-	-	105	1,024
2	Udaipur	2,339	990	1,268	142	1,556	-	-
3	Sriganganagar	2,890	-	595	6	618	-	711
4	Pali	936	43	984*	30	1,012*	48	998*
5	Bundi	939	98	849	139	849	70	849
6	Jaipur	2,131	NA	NA	NA	NA	NA	NA
	Total	10,259	1,131	3,696	317	4,035	223	3,582

* Includes helmets also.

23. Rs 2.22 crore of Generator sets, Rs 0.21 crore of Binoculars microscopes and Rs 0.13 crore of centrifuge machines.

In Pali, there were two deaths each during 2006-07 and 2007-08 and in Ajmer seven and three deaths during 2006-07 and 2007-08 respectively, due to malaria.

3.1.12.2 Immunisation

Vaccines like BCG, OPV, TT, DPT, DT and Measles under Universal immunisation programme were provided under RCH Programme. Pulse Polio immunisation campaigns were taken up for eradicating polio. Immunisation Strengthening Project is aimed at achieving complete vaccination of 80 per cent infants by strengthening routine immunisation to realise desired reduction in infant morbidity and mortality rate. Following deficiencies were noticed in audit:

- The targets and achievements of DT and TT immunisation carried out in the State during 2005-08 were as follows:

(Number in lakh)

Year	DT			TT(16)			TT(10)		
	Target	Achievement	Shortfall and Percentage	Target	Achievement	Shortfall and Percentage	Target	Achievement	Shortfall and Percentage
2005-06	16.74	8.74	8.00 (48)	13.64	5.15	8.49 (62)	16.74	6.53	10.21 (61)
2006-07	16.86	8.27	8.59(51)	13.51	5.20	8.31 (62)	16.23	6.57	9.66 (60)
2007-08	17.61	8.72	8.89 (50)	14.35	5.20	9.15 (64)	16.76	6.80	9.96 (59)

The reasons for the shortfall in the DT and TT immunisation programme were not on record.

- Scrutiny of records in six districts test checked revealed that in Jaipur, against the target of 1.64 lakh in 2005-06 and 1.70 lakh in 2006-07, 1.21 lakh (74 per cent) and 1.25 lakh (73 per cent) children were immunised for DT and TT in 2005-06 and 2006-07 respectively. The reasons for the shortfall were not on record.
- Vitamin 'A' dose not administered to children as per Plan**

As envisaged in the PIP of the State for the years 2005-07, all children of the age of nine months to five years were planned to be covered with Vitamin 'A' dose. The targets of administering vitamin 'A' dose to children vis-à-vis achievement in the State during 2005-08 were as follows:

(Number in lakh)

Year	Targets fixed	Achievement	Shortfall	Percentage of shortfall
2005-06	17.49	15.00	2.49	14
2006-07	17.70	13.56	4.14	23
2007-08	17.38	13.59	3.79	22
Total	52.57	42.15	10.42	

Thus, intended benefits of administering vitamin 'A' dose were not extended to all children of targeted age group.

3.1.12.3 Family welfare activities not carried out effectively

The NRHM provides a thrust for reduction of child and maternal mortality and fertility rate as well as involvement of male participation in family welfare programme.

- Targets vis-à-vis achievement during 2005-08 of family planning operations and use of contraceptives in six districts test checked were as per details in *Appendix 3.7*.
- Against the target of 28,510 Vasectomy (male family planning) operations, the achievement was only 6,814 leading to a shortfall of 21,696 (76 per cent) while, in Tubectomy and Laparoscopy operations there was a shortfall of 83,753 (25 per cent) only. This showed that male participation in family planning did not come up to the targets of NRHM.
- Targets of Vasectomy operations in Pali and Bundi Districts suffered heavy shortfall to the extent of 93 and 91 per cent respectively.
- Against the targets of 1,91,704 set for IUD, only 1,57,559 devices were inserted resulting in shortfall of 34,145 (18 per cent) devices in five test checked districts. Information was not provided by DPMU, Pali.

Thus, use of contraceptives for family planning and male participation in the family planning was not encouraged.

3.1.12.4 Institutional deliveries

The NRHM provides for strengthening of maternal health services to ensure safe delivery by promoting institutional delivery.

Analysis of data obtained from Mission Directorate revealed that as against the target of 55.35 lakh²⁴ institutional deliveries in 2005-08 in the State, the achievement was only 22.78 lakh²⁵ leading to shortfall during 2005-06 (71 per cent), 2006-07 (60 per cent) and 2007-08 (45 per cent) in achieving targets of institutional deliveries.

There was large variation in number of pregnant women receiving check up at around 36th week and number of institutional deliveries during 2005-08 in six districts test checked as given in *Appendix-3.8*.

It was noticed that the number of institutional deliveries was much less compared to the number of pregnant women who received check up at around 36th weeks in 2005-06, 2006-07 and 2007-08 in six districts test checked. The shortfall during the years was 27 to 68 per cent, 17 and 77 per cent and 16 to 74 per cent respectively. In Pali District the shortfall (68 per cent) in 2005-06 in institutional deliveries increased to 74 per cent in 2007-08.

24. 2005-06: 18.78 lakh; 2006-07: 18.13 lakh and 2007-08: 18.44 lakh.

25. 2005-06: 5.36 lakh (29 per cent); 2006-07: 7.23 lakh (40 per cent) and 2007-08: 10.19 lakh (55 per cent).

More efforts need to be made to maintain the increasing trend in institutional deliveries so as to reduce infant mortality rate of 65 per thousand live births and maternal mortality rate of 445 mothers per one lakh in 2005-06.

3.1.12.5 Janani Suraksha Yojana

In Rajasthan, the Janani Suraksha Yojana (JSY) was introduced in September 2005 with cash assistance of Rs 700 for rural and Rs 600 for urban areas to the BPL and the certified poor women. From 1 April 2006, the Government extended the cash assistance to the BPL/ certified poor women and women below poverty line (APL) women. Cash assistance was further increased (October 2006) to Rs 1400 for rural areas and Rs 1,000 for urban areas to all women coming for delivery to any Government/accredited private health institution. The cash assistance was to be paid to the women within seven days of the date of delivery.

Scrutiny of records in Mission Directorate and six districts test checked revealed the following:

- **Denial of cash assistance for Institutional deliveries**

Cash assistance was not provided to 2.78 lakh women availing institutional delivery.

During test check of records in Mission Directorate, it was observed that of 13.70 lakh institutional deliveries in the State during 2006-07 (5.20 lakh) and 2007-08 (8.50 lakh), cash assistance was provided to 10.92 lakh women during 2006-07 (3.33 lakh) and 2007-08 (7.59 lakh). Thus, cash assistance was not provided to 2.78 lakh women availing institutional delivery during 2006-07 (1.87 lakh) and 2007-08 (0.91 lakh) in the State.

Reasons for not providing cash assistance were awaited (July 2008).

- **Abnormal delay in payment of cash assistance to the beneficiaries**

Payment of cash assistance delayed by one to 18 months.

Contrary to the time limit of seven days from the date of delivery fixed for payment of cash assistances through cheque, abnormal delay ranging between one and 18 months in payment of cash assistance of Rs 3.91 lakh to 10 beneficiaries in 11 CHCs²⁶ and 10 PHCs²⁷ was noticed during test check of record in six districts.

The CMHO, Sriganganagar attributed (May 2008) the delay in payment of cash assistance to beneficiaries to difficulties in completing required identification documents, cards etc. The reply was not tenable as the CMHO should have got the formalities completed within seven days.

26. CHC, Badgaon (16 beneficiaries), Mavli (33), Masuda (16), Jawaza (69), Raisin (9), Gharsana (14), Chunawad (30), Galsinghpur (6), Sumerpur (3), Talera (71), Pali (15).

27. PHC, Manpur Macheri (6), Losing (17), Kharwa (89), Rojdi (25), Sardargarh (71), Phakirwali (50), 365 RD (14) Kharda (12), Matunda (46) and Namana (55).

3.1.13 Internal audit mechanism

Although the NRHM was introduced in the State in September 2005, it had no internal audit mechanism upto July 2008. However, the State Government issued (February 2008) guidelines to the DHS to get the annual accounts audited by appointing internal auditors from a Chartered Accountant firm. Scrutiny of the records of the Mission Directorate revealed that out of 32 DHSs, the internal audit of only seven DHSs²⁸ was got conducted by the MD during January-February 2008. Internal audit of other 25 DHSs for the years 2005-08 was pending. Thus, internal audit was not adequate.

3.1.14 Monitoring and Evaluation

For reviewing the State Health Plan and NRHM implementation plan, instituting a health rights redressal mechanism and sharing of information received from GOI, a State Health Monitoring and Planning committee was to be constituted. However, scrutiny of records revealed that such committee was not constituted (July 2008). The activities of the NRHM were not properly monitored and periodical performance of health activities was not ensured and proper interaction with GOI as well as District Health Committees was not done. Thus, the provisions of the framework for implementation of NRHM were not complied with by the State Government.

Independent evaluation of the implementation of NRHM during the period 2005-08 was neither conducted by the planning commission nor it was got conducted (July 2008) through independent agency.

3.1.15 Conclusion

Under utilisation of Central funds resulted in huge savings. Household survey and facility survey for understanding and identifying the health care needs of the rural people were not done adequately. Perspective Plan for the mission period was not prepared by the District Health Societies. Large number of building works were either incomplete, not started or not taken over. Mobile Medical Units were not in operation in any of the 32 districts. Machineries and equipment purchased in the year 2006 were lying unutilised in all the 32 districts. Blood storage units were not started in most of the CHCs. There was shortfall in achieving targets of institutional deliveries. The implementation of the Mission activities was not monitored effectively.

3.1.16 Recommendations

- Perspective Plan for each district should be prepared for the period 2008-12. Health Action Plan should be prepared at all levels.
- Completed residential buildings should be taken over immediately and completion of the others should be expedited.

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

- Procurement of required vehicles for Mobile Medical Units should be done immediately so as to make the MMUs operational.
- Installation, commissioning and utilisation of the equipment purchased should be expedited.
- Documentation formalities for identification of *Janani Suraksha Yojana* beneficiary should be minimised so as to avoid delay in payment of cash assistance.
- Monitoring and evaluation mechanism should be made more effective.

The matter was reported to Government in August 2008; reply had not been received so far (September 2008).

WATER RESOURCES AND INDIRA GANDHI NAHAR DEPARTMENTS

3.2 Accelerated Irrigation Benefits Programme

Highlights

Accelerated Irrigation Benefits Programme (AIBP) was launched (1996-97) with the objective to accelerate the completion of ongoing selected irrigation projects on which substantial investment had already been made and which were beyond the State's resource capability. Of the five projects under AIBP reviewed in audit one project was completed in August 2007 and two projects were excluded from the scope of AIBP after 2005-06. Remaining two projects were in progress as of March 2008. Significant points noticed in audit were as follows:

State Government would have to refund the additional Central Loan Assistance (CLA) of Rs 129.39 crore with interest due to non-revision of water rates and the opportunity of conversion of loan of Rs 175.23 crore (2004-06) into grant was not availed. Due to non-completion of the projects within stipulated period Central grant of Rs 202.65 crore (2005-08) was treated as refundable loan.

(Paragraph 3.2.8)

Irrigation potential created (88.09 thousand hectare) through construction of *diggis* could not be utilised as only 60 Water User Associations were formed against the requirement of 2,240. None of them took power connection on the *diggi*.

(Paragraph 3.2.9)

The AIBP funds of Rs 182.25 crore were diverted on activities not covered under the programme. Delayed execution of projects resulted in time and cost overrun of Rs 670.20 crore.

(Paragraphs 3.2.10 and 3.2.12)

During construction of syphon on Luni river Rs 72.32 lakh were paid in excess to the contractor. Compensation of Rs 5.30 crore was recoverable from the contractors due to delay in execution of works by them.

(Paragraphs 3.2.13 and 3.2.14)

Unfruitful/infructuous expenditure of Rs 11.70 crore was incurred on works which could not be completed/were not required.

(Paragraphs 3.2.7 and 3.2.16)

3.2.1 Introduction

Government of India (GOI) launched Accelerated Irrigation Benefits Programme (AIBP) in 1996-97 with the objective to accelerate the completion of ongoing selected major and medium irrigation projects, which were in an advanced stage of completion to yield bulk benefits by assisting the Government of Rajasthan (GOR) through Central Loan Assistance (CLA).

GOI approved financial assistance under AIBP for the 10 ongoing projects²⁹ in the State so that the envisaged irrigation potential (IP) could be created. In 2000-01, Jaisamand and Gambhiri Modernisation projects were completed and Bisalpur Project was excluded from AIBP due to assistance from National Bank for Agriculture and Rural Development (NABARD) loan, remaining seven projects were under implementation during 2003-08. A review (paragraph 3.1) of performance of the AIBP during the period 1996-2003 was included in the Report of the Comptroller and Auditor General of India (Civil) for the year ending 31 March 2003-Government of Rajasthan which was yet to be taken up for discussion by the Public Accounts Committee.

3.2.2 Programme objectives

The main objectives of the AIBP are:

- to accelerate the completion of ongoing major and medium irrigation projects; and
- to realise bulk benefits from the completed projects.

3.2.3 Organisational set up

The Principal Secretary is the administrative head of Water Resources Department (WRD). The Additional Secretary-cum-Chief Engineer (AS), WRD and Indira Gandhi Nahar Board were responsible for overall planning, implementation, monitoring and evaluation of the programme of all the Projects and Indira Gandhi Nahar Project (IGNP) Stage-II respectively. The Additional Secretary is supported by Chief Engineers (CEs) of the Projects and Additional Chief Engineer (ACE), Jaipur Zone alongwith 16 circle offices headed by Superintending Engineers (SEs). The programme was implemented by 43 Executive Engineers (EEs). The Monitoring and Appraisal Directorate, Central Water Commission (CWC), GOI, Jaipur examined the project proposals forwarded by the State Government and monitors the project implementation. There is a Chief Accounts Officer/Senior Accounts Officer at project level, Assistant Accounts Officers at Circle level and Divisional Accounts Officers at Divisional level who are responsible for Accounts and Audit of the projects.

29. Chhapi and Jaisamand modernisation in 1996-97, Indira Gandhi Nahar Pariyojana Stage-II and Panchana in 1997-98. Bisalpur, Chauli, Gambhiri modernisation and Narmada in 1998-99, Mahi in 1999-2000 and Gang Canal (modernisation) in 2000-01.

3.2.4 Audit objectives

The audit objectives were to assess whether:

- adequate funds were released in time and utilised properly;
- the programme had achieved the objective of acceleration to complete ongoing irrigation projects and created adequate and targeted irrigation potential;
- individual projects were executed in an economic, efficient and effective manner;
- the monitoring mechanism was adequate and effective.

3.2.5 Audit criteria

The criteria adopted for performance audit were:

- AIBP Guidelines;
- Detailed Project Reports of selected projects;
- Other circulars/instructions issued by Ministry of Water Resources (GOI), Central Water Commission and State Government; and
- Financial and Accounting rules and procedure.

3.2.6 Audit coverage and methodology

A performance audit of the programme was conducted (February - June 2008) covering the period 2003-08 by test check of the records of five projects viz. IGNP Stage-II³⁰, Chauli Project³¹, Gang Canal (Modernisation) Project³², Mahi³³ Bajajisagar Project and Narmada Canal Project³⁴ (NCP). The records at the office of the Additional Secretary cum Chief Engineer, WRD and Regional Office of CWC at Jaipur were also test checked. Selection of projects for audit was done under Simple Random Sampling without Replacement method. The scope of the performance audit, audit objectives, audit criteria and important aspects of the projects were discussed in entry conference held (April 2008) with the Principal Secretary, WRD.

30. (i) Chief Engineer, IGNP Bikaner, (ii) Kolayat Lift Division, Bikaner, (iii) 28th Division, Phalodi, (iv) 24th Division, Phalodi, (v) 14th Division, Bikampur, (vi) 20th Division, Bikaner, (vii) 18th Division, Bikaner, (viii) Chief Engineer, IGNP, Jaisalmer, (ix) 23rd Division, Mohangarh, (x) Water Courses Division-II, Jaisalmer, (xi) 29th Division, Jaisalmer and (xii) 15th Division, Jaisalmer.

31. Chauli Project Division and Chauli Canal Division, Jhalawar.

32. Chief Engineer (North), Hanumangarh, Water Resources Circle, Sriganganagar, Water Resources Divisions, North and South, Gang Canal (Link Channel) Division and RWSRP Divisions at Sriganganagar

33. Chief Engineer, Mahi, Mahi Dam Division-I, Building and Right Main Canal Division, Mechanical Division-I at Banswara Distribution Division (Left Main Canal), Garhi and Bhikha Bhai, Sagwara.

34. Chief Engineer, Circle-I and II and Divisions-I to V at Santhore.

Audit Findings

3.2.7 Planning

Expenditure of Rs 10.54 crore was rendered unfruitful as portion of distributary remained incomplete for want of approval for use of forest land.

Bhikha Bhai Sagwara Canal (BBSC) System with Nithauwa distribution system (4,956 ha CCA) under the revised Mahi Bajajisagar Project was cleared by CWC in June 2002. The works of Nithauwa distributary (off taking from BBSC) 0 to 2.50 km, 6.48 to 21.54 km and nine minors were completed between March 2005 and March 2006. But the work in reaches of 2.50 to 6.48 km was not taken up as the approval for use of forest land in this reach was not obtained. Thus, due to lack of planning and co-ordination by BBSC Division, Sagwara and Building and Right Main Canal Division, Banswara, the water did not reach in the down stream portion of Nithauwa distributary beyond 2.5 km and an area of 3,445 ha did not receive the benefits of the canal. Thus, expenditure of Rs 10.54 crore incurred on reaches 6.48 to 21.54 km and nine minors of this reach remained unfruitful as of March 2008.

3.2.8 Financial management

The State Government provides the budget to the project authorities in the Annual Plan. Proposals were being submitted to GOI through CWC as per ratio of Central share fixed in AIBP guidelines (modified from time to time). Central Assistance (CA) was provided in the form of loan or grant as under:

Year	Mode of Central assistance
2003-04	As loan only.
2004-05	70 per cent as loan and 30 per cent as grant.
2005-06	As grant only.
2006-07 and 2007-08	As grant only

On the recommendations of CWC, Central assistance was released on annual basis in two instalments subject to the ceiling fixed by the Planning Commission for it under AIBP. The difference of actual expenditure and Central assistance received was borne by the State Government from its plan funds. During 2003-08, expenditure of Rs 1,879.15 crore was incurred on the five projects as shown in the following table:

Budget provision, Central assistance received and expenditure incurred

(Rupees in crore)

Year	Irrigation Projects	Chauli	Gang Canal (Mod.)	IGNP Stage-II	Mahi	Narmada	Grand Total
2003-04	Budget Provision made	13.77	100.03	173.80	29.35	370.69	687.64
	CA received	8.23	69.78	111.06	11.22	291.13	491.42
	Expenditure incurred	14.33	99.89	147.23	23.24	367.71	652.40
2004-05	Budget Provision made	13.51	71.73	185.98	54.35	160.52	486.09
	CA received	8.83	69.78	116.47	37.98	119.85	352.91
	Expenditure incurred	13.94	57.67	175.51	43.43	165.82	456.37

Year	Irrigation Projects	Chauli	Gang Canal (Mod.)	IGNP Stage-II	Mahi	Narmada	Grand Total
2005-06	Budget Provision made	8.60	40.41	140.20	56.70	200.46	446.37
	CA received	1.96	6.89	23.80	10.89	46.75	90.29
	Expenditure incurred	8.95	29.31	124.89	54.80	198.92	416.87
2006-07	Budget Provision made	6.65	37.02	-	-	127.27	170.94
	CA received	1.13	0.80	-	-	9.67	11.60
	Expenditure incurred	6.87	37.00	-	-	127.76	171.63
2007-08	Budget Provision made	0.82	40.00	-	-	140.02	180.84
	CA received	-	16.03	-	-	140.50	156.53
	Expenditure incurred	0.82	40.27	-	-	140.79	181.88
Total 2003-08							
Budget Provision made		43.35	289.19	499.98	140.40	998.96	1,971.88
CA received		20.15	163.28	251.33	60.09	607.90	1,102.75
Expenditure incurred		44.91	264.14	447.63	121.47	1,001.00	1,879.15 ³⁵

The following observations were made:

- **Reforming States**

Government of India introduced (1 February 2002) the concept of "Reforming States" by linking creation of infrastructure with reforms and encouraging better asset management and maintenance through rational cost recovery mechanism. The Rajasthan State was categorised as a "Reforming State" during 2002-03 based on Memorandum of Understanding (MoU) signed by the GOR with GOI on 24 May 2002 which envisaged rationalisation of water rates to cover full operation and maintenance (O&M) cost of irrigation projects in next five years.

CLA of Rs 129.39 crore could not be availed due to non-revision of water rates.

Government of India paid CLA in the ratio of 4:1 (Center: State). Thirty *per cent* CLA as grant was released in 2005-06 to Rajasthan State for five projects under reforming State category. State Government, however, did not fulfill the condition of increasing the water rates to meet the full O&M cost as committed in MoU. Therefore, the State has to refund the difference (Rs 129.39 crore) of grant meant for reforming States and the normal grant³⁶ to GOI with interest in lump-sum as detailed in **Appendix-3.9**. The WRD stated that the water rates were not increased as proposals of increase in rates sent (December 2006) by them were not approved by the State Cabinet till date (August 2008).

- Accelerated Irrigation Benefits Programme guidelines (effective from 1 April 2004), envisaged that, on timely completion of the project as per MoU³⁷ the CLA extended for the project with effect from 1 April 2004 was to

35. Expenditure for project period 1996-2008: Rs 2,922.16 crore.

36. General category states got CLA in the ratio of 2:1.

37. As per MoU of the GOR, the projects to be completed were: Chauli and Mahi upto 2005-06, NCP and IGNP Stage-II upto 2007-08 and Gang Canal (Modernisation) under Fast Track upto 2004-05.

be converted into 30 *per cent* grant and 70 *per cent* loan, or else the entire CLA would be converted to loan. Similarly, the guidelines effective from 1 April 2005 envisaged that, if the GOR failed to comply with the agreed target date for completion of project, the grant released would be treated as loan and recovered as per usual terms of recovery of Central loans. The GOR could not complete the projects within the prescribed period and thus, could not get the above benefits resulting in avoidable loan liability of Rs 175.23 crore³⁸.

- ***Conversion of grant into loan***

Delay in execution of projects led to extra loan liability of Rs 168.13 crore.

In the years 2006-08, the Central assistance was admissible in the form of grant at 90 *per cent* of project cost for NCP and 25 *per cent* for Chauli and Gang Canal Modernisation Projects. Due to non-completion of these projects within the agreed period of two/four years for completion, grant of Rs 168.13 crore released during 2006-08 was to be converted into loan and refundable by the State, as per terms of AIBP guidelines (modified in December 2006).

- ***Fast Track Projects***

The concept of fast track was introduced (2002-03) by GOI with a view to reduce the financial burden of the State. *Cent per cent* loan on expenditure (excluding establishment) was to be provided during 2003-04 and 70 *per cent* loan with 30 *per cent* grant during 2004-05 subject to furnishing MoU in prescribed form. The Gang Canal Modernisation Project was approved (2003-04) under this concept. It was observed that due to non-completion of the project within the period stipulated in MoU (June 2004), CLA of Rs 139.56 crore released under this concept was convertible to normal AIBP funding assistance of 2:1. Therefore, on the basis of expenditure of Rs 157.56 crore (including establishment) CLA of Rs 105.04 crore only was admissible and remaining CLA of Rs 34.52 crore was refundable with interest to GOI, which was not refunded as of August 2008.

- ***Rush of expenditure***

As per State Budget Manual, the expenditure should be evenly distributed throughout the year. Contrary to these provisions the expenditure incurred in 52 cases ranged between 48 and 96 *per cent* during the last quarters and between 18 and 61 *per cent* in the last month of the financial years (**Appendix-3.10**). This was due to increased budget allotment by the CE, WRD to the concerned divisions during the last months (February and March) of the financial years.

- ***Excess expenditure on work charged establishment***

As per instructions issued (April 1998) by the State Finance Department the permissible expenditure on work charged establishment was three *per cent* of works expenditure. In 10 divisions of IGNP (out of 25) there was an excess

38. 30 *per cent* of Rs 283.13 crore (IGNP-II: Rs 116.47 crore, Mahi: Rs 37.98 crore, Narmada Canal: Rs 119.85 crore and Chauli: Rs 8.83 crore) = Rs 84.94 crore for the year 2004-05 + Rs 90.29 crore for the year 2005-06.

expenditure of Rs 3.96 crore (expenditure ranged between 3.62 *per cent* and 215.77 *per cent*) during 2003-06 on work charged establishment under AIBP as compared to the prescribed norms.

3.2.9 Physical performance

- ***Created irrigation potential not utilised due to non-involvement of WUAs in Narmada Canal Project***

Available irrigation potential could not be utilised due to non-involvement of WUAs.

In order to control the water utilisation, the total responsibility of on-farm irrigation on the project was of the farmers through Water Users Associations (WUAs). The project report envisaged responsibility of WUAs for management, distribution of water, collection of funds/water charges and maintenance of the entire sprinkler system. The WUAs were to be involved at the levels of planning and policy formation. Communication between water users and water suppliers as a part of common system was an important aspect to be emphasized. Thus, performance of WUAs was the key-indicator for the success of the project. Test check of records relating to physical performance revealed that 662³⁹ *diggis* (open shallow water tanks) were constructed and 60 WUAs were formed as of March 2008 against the required 2,240⁴⁰ *diggis* to be constructed and equal number of WUAs to be formed as per project report. Not a single WUA took power connection on the *diggi* due to non-ensuring involvement of WUAs by the project authorities. Therefore, irrigation potential created (88.09 thousand ha) through construction of *diggis* could not be utilised. Further, capacity building through training of WUA members was very important to get results. However, training related to management, distribution of water and collection of water charges, etc. was not given to them. The mechanism of recovery of irrigation water charges by WUAs for carrying out maintenance and its sharing with the State Government was not decided by the State Government as of March 2008.

Execution

3.2.10 Diversion of funds beyond the scope of the Projects

Diversion of funds of Rs 182.25 crore on activities not covered under the programme.

- A sum of Rs 143.13 crore was paid to Jodhpur Vidyut Vitran Nigam Limited (JVNL) by the EE, Narmada Canal Project Division-I, Santhore during 2005-08 for 33/11 Kilowatt power line and sub-station, etc. and the expenditure was booked irregularly on the NCP though no provision for such expenditure was made in the Project. Similarly, according to the project report entire cost of sprinkler system including pump house and pumps to be installed at *diggis* was to be borne by the WUAs along with the O&M cost. Audit observed that Rs 28.52 crore was paid to the contractors for the above works under the project during 2006-08. Thus, Rs 171.65 crore (Rs 143.13 crore + Rs 28.52 crore) were spent by the GOR beyond the scope of the project cost.

39. 543 in flow area and 119 in lift area.

40. 1,130 in flow area and 1,110 in lift area.

- Rupees 52.54 lakh was deposited (February and March 2004) in court by EE, Water Resources (South) Division, Sriganganagar for payment to eight contractors for re-sectioning of Lalgah Non-Perennial (LNP) distributary completed in September 1996 (prior to inclusion of the Gang Canal Project under AIBP) as per court decision (22 November 2002). The amount was irregularly booked on AIBP component of Gang Canal Project. Similarly, Rs 49.23 lakh spent on rehabilitation works of LNP, Pawasar (PS) and Rai Bahadur (RB) distributaries taken up under World Bank funded "Rajasthan Water Sector Restructuring Project (RWSRP)" during 2003-07 were booked irregularly on AIBP component of Gang Canal Project.

- Scrutiny of records of test checked divisions of IGNP Stage-II revealed that an expenditure of Rs 9.58 crore was irregularly incurred during 2003-06 on maintenance and repair works such as silt clearance, dismantling of pipe lines, special and ordinary repair and annual maintenance of roads, colonies and canals at the cost of AIBP.

3.2.11 Drawal of funds to avoid lapse and booking of expenditure without actual expenditure

To avoid lapse of funds Rs 5.39 crore was withdrawn and booked under NCP without actual expenditure.

Rule 8 of General Financial & Accounts Rules of GOR prescribes that funds shall be withdrawn only if required for immediate payment and the practice of withdrawing funds with a view to avoiding lapse of budget grant is forbidden. Audit scrutiny revealed that to avoid lapse of funds, Rs 5.39 crore towards payment of land compensation were drawn and booked (Rs 4 crore without sanction of Collector and Rs 1.39 crore without disbursement of compensation to land owners) under NCP during 2004-08.

3.2.12 Time and cost overrun

There were instances of time and cost overrun in respect of four projects/works completed/under execution as detailed below:

Name of the Project/ works	Stipulated date of completion	Actual date of completion (Time overrun in years)	Rupees in crore		Reasons
			Estimated cost/ allotted amount	Revised estimated cost/Actual cost of completion (Cost overrun)	
Narmada Canal Project	March 2003	Under progress (5 years upto March 2008)	467.53	1,541.36 (530.22)	<ul style="list-style-type: none"> Increase in rate of land compensation (Rs 3.91 crore). Increase in time period of completion and cost of works in Rajasthan (Rs 37.92 crore) and Gujarat portion (Rs 488.39 crore).
Mahi Bajaj Sagar Project (Unit-II)	March 2005	Under progress (3 years upto March 2008)	538.58	657.00 (118.42)	<ul style="list-style-type: none"> Non-completion of canal works due to inadequate budget allotment during 2002-04. Slow tender process and delay in land acquisition/clearance of forest land.

Name of the Project/ works	Stipulated date of completion	Actual date of completion (Time overrun in years)	Rupees in crore		Reasons
			Estimated cost/ allotted amount	Revised estimated cost/Actual cost of completion (Cost overrun)	
Chauli Project (Construction work of overflow portion – RD 1,290M to 1,690M and non-overflow portion of main dam).	July 2000	July 2004 (4 years)	13.11	16.60 (3.49)	<ul style="list-style-type: none"> Time extension for completion of works was granted by the Government thrice⁴¹ on the grounds of non-availability/ short supply of cement by the Department. Non-payment of compensation to land owners. Paucity of funds.
Gang Canal System (Work of rehabilitation of F-Branch- RD 0.00 to RD 145.00)	Recomm -ended for sanction in January 2005.	39 works under progress out of 43 works (More than 3 years).	21.64 (qualified bid price)	39.71 (18.07)	<ul style="list-style-type: none"> Delay in tender process and mismanagement in planning led to cost overrun as compared to the cost of Rs 21.64 crore quoted by the previous qualifying contractor.
Total cost overrun				670.20	

3.2.13 Financial irregularities on construction of Narmada Main Canal syphon

Extra payment of Rs 29.37 lakh made to contractor in violation of the conditions of BSR.

- Work for construction of Narmada Main Canal (NMC) syphon at Luni river was allotted (15 October 2004) to contractor 'A' to be completed in April 2006 for Rs 11.39 crore. The work was actually completed in December 2006. Audit scrutiny of work executed by contractor 'A' revealed the following:

(i) According to note 7 of Chapter VII in Basic Schedule of Rates (BSR), 2000 in case the payment is being made to contractor on BSR rates and if approved mix design of concrete in any agreement provides for less cement to be used than the prescribed BSR ratio then the recovery at Rs 105 per bag of cement should be made from the contractor. But this condition was not inserted in the tender documents for this contract. The contractor utilised 6.80 cement bags per cum as per mix design in place of 8.60 bags/cum required in the Schedule-G item of cement concrete (1:1½:3) as per BSR, 2000. Therefore, the cost of cement at the rate of Rs 189 per cum (Rs 105 x 1.8 bags per cum) was to be recovered. However, this was not done which resulted in extra expenditure of Rs 29.37 lakh (worked out on 13,228.43 cum at Rs 189 per cum plus 17.48 per cent tender premium). The Department stated (June 2008) that in accordance with para 2.2 (h) of the agreement part-2, payment of various classes of concrete was to be made on the basis of unit rate per cum entered in the items in Schedule-G, hence any recovery of cement due to excess/lesser consumption does not seem justified. Reply was not tenable as the specification of item executed by the contractor was cement concrete (1:1.80:3.44) in place of BSR prescribed ratio of cement concrete (1:1½:3).

41. Time extensions granted upto 31 December 2001, upto 31 December 2002 and upto 31 July 2004.

Rs 42.95 lakh was paid to contractor against the provision of technical specification of tender documents.

(ii) According to para 1.7 (technical specifications) of the tender document of this contract the Department was not to pay the charges of dewatering required for enabling work to be carried out. Moreover, it was also certified by the contractor that he had visited the site of work and was fully aware of all the difficulties and conditions likely to affect carrying out the work. Further, while justifying the rates offered by contractor 'A' the ACE, Jodhpur had already intimated (22 July 2004) to Government that cost of dewatering would involve additional expenditure of Rs 1.15 crore on the contractor. Hence, dewatering was to be done by the contractor at his own cost. Audit observed that the Department paid Rs 42.95 lakh (for 1,65,189 KW Hours) to the contractor for dewatering of flood water pooled at the work site due to rains during June to September 2006. In reply to an audit enquiry, the EE stated (July 2008) that there was unprecedented flood due to heavy rainfall of 746 mm (during 2006) against average annual rainfall of 349 mm in Sanchore Tehsil. Therefore, dewatering charges were paid as per the Force Majeure clause under the agreement. The reply was not tenable in view of para 1.7 of the tender documents and certificate of visit of site given by the contractor. Further, the amount of rainfall in 2006 was not unprecedented as there was 840 mm rainfall in Sanchore Tehsil during 2003 also. Moreover, under Force Majeure neither of the parties was liable for reimbursement of expenditure incurred by either of them in case of loss due to 'Act of God' e.g. floods.

3.2.14 Non-recovery of compensation and risk and cost

Compensation of Rs 5.30 crore due to delay in works was not recovered from the defaulting contractors.

- Of the works of 74 agreements exceeding Rs 1 crore executed under NCP, 12 works were completed, 59 were in progress, one was not started and two were withdrawn (August and September 2007) by the CE, WRD, and not re-allotted as of March 2008. Of 59 works in progress, compensation of Rs 3.79 crore under clause 2⁴² of the agreements for delays was not recovered in 13 works (*Appendix-3.11*).

- Chief Engineer, WRD allotted (8 June 2005) the earthwork, single PCC block lining and *pucca* structure works of Vank Distributary for Rs 5.48 crore and the work of Isrol Distributary for Rs 5.91 crore in NCP to contractor 'B', which were to be completed by 17 December 2006. The CE, WRD withdrew the works on 17 August 2007 and 5 September 2007 respectively under clause 2 of the agreement. The compensation from the contractor amounting to Rs 1.14 crore (Rs 0.55 crore + Rs 0.59 crore) for delay in execution has not been recovered so far (May 2008).

- Compensation of Rs 36.98 lakh leviable as per clause 2 of agreement in six cases of IGNP stage -II, Gang Canal Modernisation and Mahi projects was also not recovered (*Appendix-3.12*).

3.2.15 Unauthorised aid to contractor

Contrary to special condition of agreement, Department spent Rs 13.11 lakh for carriage of water to work site and charged to AIBP funds.

As per special condition (16) of the agreement executed by the EE, Water Courses Division-II, IGNP, Jaisalmer for the work of manufacturing and supply of PCC blocks at RD 193 of Gadra Road Sub Branch (GRSB), the

42. Levy of compensation for not maintaining *pro rata* progress.

contractor was liable to make arrangement at his own cost for carriage of water from water supply channel (WSC) to work site. If due to unexpected reasons water was not made available to the contractor in WSC then the contractor was liable to make his own arrangement for carriage of water for adequate curing and also for drinking for which no payment was to be made to contractor. As such, water was to be carried by the contractor from WSC located along GRSB, at his own cost. Contrary to this, the Department constructed a water feeding channel to feed water from RD 193 of WSC along GRSB to PCC blocks workshops and incurred an expenditure of Rs 13.11 lakh during 2004-05 and charged to AIBP funds. This resulted in undue financial aid to the contractor. The Department stated (May 2008) that the Link Channel was constructed to provide water for construction purpose to Dhanana and Bhuwana distributaries. Reply was not correct as water feeding channel from RD 193 WSC (GRSB) is upto PCC block factory and does not feed Dhanana and Bhuwana distributaries.

3.2.16 Unfruitful/infructuous expenditure

Contracts for construction of surface drains between RD 40 to 42.5 and RD 42.5 to 45 of GRSB were allotted (May 2002) by the CE, IGNP, Jaisalmer for Rs 57.15 lakh and Rs 53.89 lakh respectively. Audit observed that despite the observation of SE, Vigilance (15 April 2003) that there was no justification to construct the surface drains, as there was already a provision to take the rain water through pipes and that the estimates were not based on site condition, the construction work of drains continued and was finally abandoned (July 2005) on technical ground after execution of half of the estimated quantity and incurring an expenditure of Rs 58.41 lakh and Rs 57.81 lakh respectively. Thus, the expenditure of Rs 1.16 crore incurred on earthwork and surface drains became infructuous.

3.2.17 Irregular/extra expenditure

- The water for compaction and construction purposes was to be supplied by the Department free of cost either at suitable hydrant point or through canal/pipeline running parallel to the canal. Further, the carriage/pumping of water, was required to be done by the contractor at his own cost. Review of records of test checked divisions revealed that pumping charges of Rs 10.38 lakh⁴³ were paid to the contractors in four divisions in contravention of the above condition.

3.2.18 Monitoring and evaluation

AIBP guidelines envisaged a comprehensive physical and financial monitoring of major/medium projects periodically by the Director, CWC, Jaipur, to ensure quality control. The status reports through his inspections were to be submitted to project authorities atleast twice a year for the period ending March and

43. (i) 14th Division, IGNP, Bikampur: Rs 3.67 lakh, (ii) 29th Division, IGNP, Jaisalmer: Rs 1.61 lakh, (iii) 15th Division, IGNP, Jaisalmer: Rs 2.75 lakh and (iv) Water Courses Division-II, IGNP, Jailsamer: Rs 2.35 lakh.

September of the year. The Director, CWC did not supply the information of visits and status reports though called for (June 2008).

State level and project level monitoring committees were not formed except in Narmada Canal Project.

- As per AIBP guidelines, the State Level Monitoring Committee was required to meet once every quarter. The Project level committee was to meet every month. Test check of records revealed that the State level and Project level committees were not formed in the State as of August 2008. In Narmada Canal Project a Task Force Committee was formed to review the progress and for better coordination. Only six meetings were held between June 2006 and May 2007 and thereafter no meeting was held. This indicated ineffective monitoring of progress of works and consequent unplanned and adhoc execution of work on the projects.
- Review of the records of four divisions of vigilance, quality control and technical examination wing revealed that the observations communicated through technical audit reports involving recovery of Rs 70.97 lakh against contractor due to deficiencies in the works, poor performance/below specification, etc. pertaining to period between 1982-83 and 2007-08 were not complied with as of June 2008.
- The GOR did not conduct any performance evaluation/impact assessment of the AIBP in the State. In absence of any such exercise the extent of socio-economic benefits accruing from the programme can not be assessed.

3.2.19 Conclusion

Though the programme was implemented in Rajasthan since 1996-97 the intended objectives of accelerating irrigation benefit by ensuring completion of ongoing major/medium projects languishing for funds could not be achieved. State Government could not avail Central assistance of Rs 507.27 crore due to non-rationalisation of water rates and non-completion of the projects within the prescribed period. Lack of proper monitoring and periodic evaluation led to time and cost overrun of Rs 670.20 crores. Compensation of Rs 5.30 crore due to be recovered from the contractors for delays and incomplete works was not recovered. The Department provided undue benefit to contractors in violation of terms of contract. Expenditure incurred (Rs 11.70 crore) on two works under Mahi Bajaj Sagar and IGNP was rendered unfruitful. State Level and Project Level Monitoring Committees were not formed except in Narmada Canal Project.

3.2.20 Recommendations

- Government should ensure timely progress of work so as to avoid loss of Central Loan Assistance.
- Proper and effective monitoring mechanism needs to be put in place to avoid irregularities in projects execution and their timely completion.
- Proper initiative should be taken to form WUA for equitable distribution, proper utilisation and maintenance of the irrigation system on Narmada Canal Project.

- Comprehensive physical and financial monitoring of the projects should be ensured.
- An effective control system needs to be put in place to avoid violation of financial rules.

The matter was reported to Government in August 2008; reply had not been received so far (September 2008).

WOMEN AND CHILD DEVELOPMENT DEPARTMENT

3.3 Integrated Child Development Services

Highlights

The 'Integrated Child Development Services' (ICDS) Scheme is a Centrally sponsored scheme meant for delivery of health services, nutrition and education to expectant and lactating mothers, adolescent girls and children in the age group of 0-6 years. The implementation of the scheme in the State suffered from several deficiencies such as, underutilisation of funds, non-creation of required infrastructure and large scale vacancies of ICDS functionaries. Besides, nutritional support could not be provided to large number of identified beneficiaries.

Against the original budget provision of Rs 1,641.74 crore for the period 2003-08, savings amounted to Rs 238.31 crore. The saving ranged upto to 30 per cent. A sum of Rs 1.15 crore was lying unutilised in Personal Deposit account for two years.

(Paragraphs 3.3.6.2 and 3.3.6.3)

Due to delay in responding to Government of India proposal, State Government could not avail Central assistance of Rs 0.94 crore for construction of 100 Anganwadi Center buildings.

(Paragraph 3.3.7.1)

The benefit of supplementary nutrition was extended to 40 to 42 per cent children in tribal areas and only 29 to 35 per cent children in other rural areas.

(Paragraph 3.3.9)

The State Level Co-ordination Committee for monitoring and evaluation of the implementation of the scheme though constituted, no meetings were held since October 2002. Three out of seven districts test checked did not have any District Level Co-ordination Committee to monitor the ICDS activities.

(Paragraph 3.3.15)

3.3.1 Introduction

The Integrated Child Development Services (ICDS) is a Centrally sponsored scheme (CSS) launched throughout the State in October 1975. It is designed to promote the holistic development of children in the age group of 0-6 years, expectant and lactating mothers and adolescent girls of 11-18 years through

supplementary nutrition, immunisation, health check-up, nutrition and health education and non-formal pre-school education of children of 3-6 years.

The objectives of the ICDS are (i) to improve the nutritional and health status of children in the age group of 0-6 years, (ii) to lay the foundation for proper psychological, physical and social development of the child, (iii) to reduce the incidence of mortality, morbidity, malnutrition and school drop-out, (iv) to achieve effective co-ordination of policy and implementation among the various Departments to promote child development and (v) to enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education. The scheme covered 86.78 lakh children in the age group 0 to 6 years and 15.36 lakh expectant and lactating mothers.

3.3.2 Organisational set up

At State level, Principal Secretary, Government of Rajasthan (GOR), is the administrative head of Women and Child Development (WCD) Department. The executive powers in implementing ICDS vests with the Director, ICDS, who is assisted by 32 Regional Deputy Directors (DDs)-cum-Project Directors at district level. DDs co-ordinate the work of projects under their jurisdiction. The ICDS package of services are delivered through *Anganwadi* Centres (AWCs) set up in a village or a ward of urban slum area with population of about 400 to 800 (300 to 800 in tribal area) and are attended by *Anganwadi* worker. In the State there are 48,354 AWCs and 2,619 mini AWCs which are supervised by 278 Child Development Project Officers (CDPOs) at the block level with the help of 1,457 Lady Supervisors.

3.3.3 Audit objectives

The audit objectives were to assess whether:

- allocation and use of funds were sufficient for achieving the programme objectives i.e. supplementary nutrition, medical and education kit at each AWC, improving health status of adolescent girls, etc.;
- required infrastructure like buildings for AWCs, project offices, drinking water, etc. were created for the projects for efficient and smooth delivery of quality services;
- implementation of various packages i.e. nutrition, immunisation, health and education, etc. of the scheme within the project was efficient;
- availability and deployment of man power was sufficient for proper implementation of the scheme; and
- there was an effective system of monitoring and evaluation of the programmes.

3.3.4 Audit criteria

The following audit criteria were adopted for the performance audit:

- Budgetary and expenditure control system as prescribed in budget manual and General Financial and Accounts Rules of the State;
- Scheme guidelines for selection of beneficiaries, opening of AWCs, prescription of norms for Supplementary Nutrition Programme (SNP) and delivery of various service packages;
- Norms prescribed for staffing and skill upgradation;
- Infrastructure of ICDS Projects and training programmes guidelines; and
- Monitoring mechanism instituted by the Government, as per guidelines.

3.3.5 Audit coverage and methodology

The implementation of the ICDS scheme for the period 2003-08 was reviewed (January to June 2008) by test check of records of the Director, ICDS, seven DDs⁴⁴, 36 CDPOs⁴⁵, 353 AWCs and one training center (Jodhpur). Selection of units was made by stratified random sampling method (except Tonk which was selected to examine the unique activity of locally made baby mix). Audit objectives, audit criteria and performance indicators were discussed with the Principal Secretary, WCD Department at an entry conference held in November 2007. The exit conference with the administrative head as well as head of department was held on 8 September 2008 in which audit observations were discussed.

Audit findings

3.3.6 Financial management

3.3.6.1 Funding arrangement

Expenditure on various components to be borne by State Government and Government of India (GOI) were as follows:

44. DDs: Ajmer, Barmer, Chittorgarh, Hanumangarh, Jaipur, Rajsamand and Tonk.

45. Ajmer: Ajmer, Kishangarh (City), Kishangarh (Rural), Beawar, Jawaja and Srinagar (6); Barmer: Siwana, Dhorimanna, Balotra (Pachpadra) and Sindhari (4); Chittorgarh: Chittorgarh (City), Nimbahera, Chhoti Sadri, Pratapgarh and Arnod (5); Hanumangarh: Hanumangarh (City), Hanmangarh (Rural), Nohar and Bhadra (4); Rajsamand: Rajsamand (Rural), Amet, Devgarh and Bhim (4); Tonk: Tonk (City), Tonk (Rural), Newai and Malpura information collected from Deoli, Todaraisingh and Aligarh (7); Jaipur: Amber, Govindgarh, Jhotwara and Sambher (4); NGO: Rajgarh (Churu) and Kolayat (Bikaner) (2)

Table 1: Percentage of expenditure borne by Central and State Governments

State Government	Percentage of share	Government of India	Percentage of share
Directorate (Hqrs.) expenses Supplementary nutrition	100 100 upto 2004-05 50 from 2005-06	All expenses of DD and CDPO offices and KSY ⁴⁶	100
Administration, transportation and distribution of CARE ⁴⁷ commodities	100	Education kits and medicine kits	100
Stationery at AWCs	100	Supplementary nutrition	50 from 2005-06
		Honorarium to Anganwadi workers (AWWs)	100
		Training	100
		Information education and communication (IEC)	100

3.3.6.2 Budget and expenditure

The position of budget allotted and expenditure incurred during the period 2003-08 was as under:

Table 2: Position of original budget allocation and expenditure

(Rupees in crore)

Year	Original allocation	Expenditure	Savings	Percentage of savings
2003-04	253.07	230.56	22.51	9
2004-05	249.41	243.46	5.95	2
2005-06	378.85	266.47	112.38	30
2006-07	367.53	300.16	67.37	18
2007-08	392.88	362.78	30.10	8
	1,641.74	1,403.43	238.31	15

Out of
Rs 1,641.74 crore
allocated
Rs 1,403.43 crore
could be utilised
during 2003-08.

It would be seen from the above that there were savings of Rs 238.31 crore during 2003-08. The main reasons for savings were (i) delay in receipt of last instalment under plan (2003-04), (ii) vacant posts, non-purchase of medicine kits and education kits, non-approval of *Kishori Shakti Yojana* (KSY) by GOI (2004-05), (iii) vacant posts of Lady Supervisors, non-selection of AWWs and helpers, etc.

Short utilisation of funds was pointed out in Para 3.4.6.1 of the Report of Comptroller and Auditor General of India for the year ended 31 March 1999 (Civil)- Government of Rajasthan. The Public Accounts Committee while discussing the para recommended (159th report of 11th Vidhan Sabha) to avoid recurrence of such irregularities in future and to initiate appropriate action against defaulting officials. However, the funds were not utilised fully during 2003-08.

46. *Kishori Shakti Yojana* (Scheme for adolescent girls).

47. Cooperative for Relief and Development Everywhere.

3.3.6.3 Parking of funds

Unutilised funds received back from *Zila Parishads* (ZPs) out of advance given to them for construction of buildings for CDPO offices and AWCs and fund received from Non Government Organisations (NGOs) such as United Nations International Children Emergency Fund (UNICEF), CARE for execution of various activities were parked in Personal Deposit (PD) account of the Department maintained at Directorate. As on 31 March 2008, a sum of Rs 1.15 crore was lying unutilised/unadjusted for over two years. The amount was neither utilised nor refunded back by the Directorate to Government/concerned NGOs. Government stated (September 2008) that regular transactions of receipt and payment were made in the PD account and action would be initiated for refund of GOI funds.

3.3.6.4 Component-wise expenditure of GOI funds

The components financed by GOI and the expenditure thereagainst during 2003-08 were as under:

Table 3: Component-wise expenditure of GOI funds

(Rupees in crore)						
Expenditure head	2003-04	2004-05	2005-06	2006-07	2007-08	Total
Salary	22.79	24.33	26.67	36.72	40.62	150.63
Office expenses	6.77	7.17	7.40	10.63	12.67	44.64
Honorarium to AWWs	47.17	47.43	47.52	65.09	77.36	284.57
Total	76.73	78.93	81.59	111.94	130.65	479.84
IEC ⁴⁸	0.16	0.16	0.17	0.22	0.61	1.32
Medicine kits	0.71	0.73	0.90	2.08	2.32	6.74
KSY	0.57	0.88	0.56	1.26	1.97	5.24
Pre-school education kits	0.31	0.73	0.90	2.08	2.32	6.34
Supplementary nutrition	Nil	Nil	6.66	78.60	101.05	241.31
Total	1.75	2.5	64.19	84.24	108.27	260.95
Grand Total	78.48	81.43	145.78	196.18	238.92	740.79

Only 35 per cent of total expenditure was utilised on schemes, benefit of which would directly pass on to target group.

The expenditure on the schemes (KSY, pre-school education kits, medicine kits and supplementary nutrition), benefits of which would directly pass on to the target groups, was only 35 per cent (Rs 260.95 crore) and expenditure on salary, honorarium and office expenditure was 65 per cent (Rs 479.84 crore) of total expenditure of Rs 740.79 crore during the period 2003-08.

3.3.7 Construction of Anganwadi Center buildings

3.3.7.1 Delay in decision resulted in deprivation of Central assistance

Delay in responding to GOI proposal led to denial of Central assistance of Rs 0.94 crore.

The GOI sanctioned (July 2005) 100 model AWC buildings and offered to release 75 per cent of cost at Rs 1.25 lakh per unit. Excess cost, if any, was to be borne by the State Government. As the State Government did not respond to the GOI offer, the GOI withdrew the offer in October 2005. Thus, departmental delay in responding to the proposal led to denial of benefit of

48. IEC: Information, Education and Communication.

Central assistance of Rs 0.94 crore. No reasons were furnished for the delay in responding to the proposal.

3.3.7.2 Construction of AWC buildings by State Government from its own resources

State Government issued (2005-08) sanctions for construction of 4,459 AWC buildings from its own resources, through ZPs. No scheduled date of completion was indicated in sanction. Year-wise position of AWC buildings sanctioned, funds transferred to PD accounts of ZPs, and buildings completed was as under:

Table 4: Construction status of AWC buildings

S. No	Year	Number of AWC buildings		Funding			
		Sanctioned	Completed (percentage)	Cost of each building (Rs in lakh)	Departmental share and amount (Rs in crore)	Other Departments' share	Transferred to ZPs (Rs in crore)
1.	2005-06	1,010	652 (65)	1.65	60 per cent Rs 10.00	40 per cent (famine relief)	10.00
2.	2006-07	1,878	365 (19)	1.65	100 per cent Rs 30.99	Nil	30.99
3.	2007-08	1,571	Nil	2.00	100 per cent for 1,308 AWCs	-	14.76
					50 per cent for 263 AWCs; Total Rs 28.79	50 per cent of 263 AWCs by tribal area development	
Total		4,459	1,017 (23)		69.78		55.75

The above table indicated that even after transferring Rs 55.75 crore to the ZPs for construction of 4,459 AWC buildings, only 1,017 buildings (23 per cent) could be completed (August 2008). The work of remaining 3,442 buildings could not be taken up mainly due to inability of ZPs to complete the works within the allotted amount of Rs 1.65 lakh per unit.

3.3.8 Inadequate facilities in AWCs

Anganwadi center is the main delivery point of ICDS services like pre-school education, health check-up, immunisation, etc. In order to discharge the functions effectively, the AWCs require basic infrastructure facilities, such as spacious buildings with store, kitchen and toilets, drinking water, utensils, furniture (chairs), etc.

As on 30 June 2008, out of 44,888 AWCs in operation (other than mini AWCs), 24,999 (56 per cent) were running in government buildings, 17,912 in rented, 1,894 in rent-free government buildings and 83 were functioning in open space. The shortfall in facilities noticed during test check of 352 AWCs

Rs 55.75 crore was unnecessarily parked in PD account of ZPs.

Out of 44,888 AWCs, 17,912 were operated in rented accommodation and 83 were running in open space.

was as follows:

Table 5: Facilities at AWCs

Facility (Shortfall)	Number of AWCs	Percentage of shortfall
Drinking water	205	58
Separate kitchen and store room	223	69
Toilet and bathroom	174	49
Darri Patties	79	22
Indoor games	206	59
Weighing machines	41	12
Buckets	81	23
Utensils	34	10

This showed that required necessary facilities had not been provided in AWCs. The Government stated (September 2008) that efforts were being made for providing proper facilities.

3.3.9 Implementation of Supplementary Nutrition Programme (SNP)

SNP was provided from 29 to 72 per cent beneficiaries only.

Supplementary Nutrition Programme (SNP) is a food based scheme which offers nutrition prepared of wheat, soya, vitamins, sugar or salt and edible oil named as baby mix, Rajasthan mix, *murmure* or India mix. The supplementary nutrition was to be provided for 300 days in a year. Daily package of supplementary nutrition was to contain at least eight to ten grams of protein and 300 calories in case of malnourished children, 16 to 20 grams of protein and 600 calories for severely malnourished children and 20 to 25 grams of protein and 500 calories for expectant and lactating mothers and adolescent girls.

The number of beneficiaries identified by the Department during the survey of areas covered by ICDS and the number actually covered under SNP during the years 2003-08 is given in **Appendix-3.13**.

As per ICDS guidelines, 40 per cent of the identified children, expectant and lactating mothers in rural areas and 75 per cent of the identified beneficiaries in tribal areas were to be covered. Against this, actual beneficiaries covered under SNP ranged between 40 to 42 per cent (children) and 60 to 72 per cent (women) in tribal areas. In other areas (mostly rural) the percentage of beneficiaries ranged between 29 to 35 (children) and 46 to 54 (women). The Government stated (September 2008) that all the children and expectant and lactating mothers in areas covered by ICDS were identified in compliance with Supreme Court instructions (2001) and supplementary nutrition was made available to beneficiaries who approached the AWCs. This indicated improper monitoring and implementation by the Department as large number of identified beneficiaries could not avail the benefit of supplementary nutrition.

Large number of AWCs distributed nutrition less than 300 days a year.

3.3.9.1 Distribution of nutrition for lesser days

As per norms, nutrition⁴⁹ for at least 300 days in a year was to be provided to beneficiaries of ICDS. The Department, however, provided nutrition for 263, 267, 268, 278 and 262 days during 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 respectively. Test check of information made available by 339 AWCs revealed the position of AWCs where nutrition was provided below 300 days during 2003-08 was as follows:

Table 6: Distribution of Supplementary Nutrition for lesser days

Nutrition days	Number of AWCs				
	2003-04	2004-05	2005-06	2006-07	2007-08
145 to 200	5	3	7	13	17
201 to 250	48	30	45	40	132
251 to 280	63	54	99	55	73
281 to 299	145	176	143	163	105
Total	261	263	294	271	327

Thus, 261 (77 per cent) to 327 (96 per cent) AWCs failed to provide nutrition for 300 days. Reasons for distribution of nutrition for lesser days as attributed (September 2008) by the Department were (i) delay in procurement of supplementary nutrition during 2005-06 and 2007-08, (ii) delay in transportation of nutrition from CDPO godown to AWCs and (iii) availing of leave intermittently by AWWs.

3.3.9.2 Shortage of supplementary nutrition

Shortage of 5,138 bags of Supplementary nutrition valuing Rs 0.20 crore.

Supplementary nutrition (baby mix/India mix/*Panjiri*) received at godown of CDPOs from manufacturers was to be stored for further distribution to beneficiaries. Every CDPO was required to maintain proper receipt and distribution records of supplementary nutrition distributed.

Audit observed that at CDPOs, Durgam (District Rajasamand) and Nimbahera (District Chittorgarh) no receipt and distribution registers of nutrition were maintained during 2005-08. Scrutiny of the receipt challans and monthly progress reports revealed shortages of Supplementary nutrition, as follows:

Table 7: Shortage of supplementary nutrition

Year	Date	Opening balance	Receipt	Issue as per records available	(Number of bags)		Date	Shortage
					Closing balance			
					Date	Quantity		
CDPO, Durgam								
2006-07	1.4.06	1,520	5,186	2,781	31.3.07	Nil	31.3.07	3,925
2007-08	1.4.07	Nil	3,626	2,275	31.3.08	194	31.3.08	1,157
Total		1,520	8,812	5,056		194		5,082
CDPO, Nimbahera								
2005-06	21.10.05	1,374	2,250	3,568	5.5.06	Nil	5.5.06	56

49. Ready to eat food

There was a shortage of 5,138⁵⁰ (5,082 + 56) bags of Supplementary nutrition (value: Rs 0.20 crore) as indicated above. The shortage could be due to pilferage of Supplementary nutrition. The Department agreed (September 2008) to investigate the matter.

3.3.10 Packages of Health Services

3.3.10.1 Short supply of medicine kits

Supply of medicine kits ranged between 56 and 74 per cent of requirement.

As a vital input to provide the essential service of health check up, each AWC was to be provided every year with a medicine kit consisting of easy to use and dispensable medicines to remedy common ailments like cough and common cold, skin infections, etc. Medicine kits were procured by Directorate and distributed among AWCs through CDPOs once in a year. The year-wise position of purchase and distribution of medicine kits was as follows:

Table 8: Distribution of Medicine Kits

Year	No. of operational AWCs	No. of kits distributed	Shortfall (Nos.)
2003-04	35,686	17,541	18,145
2004-05	35,781	17,541	18,240
2005-06	35,817	35,821	Nil
2006-07	41,985	39,370	2,615
2007-08	48,354	46,862	1,492

Thus, shortfall in distribution of medicine kits ranged between 1,492 (2007-08) and 18,240 (2004-05), despite the fact that there was no shortage of GOI funds. The Department stated (September 2008) that the kits purchased in last month of 2003-04 were supplied in 2003-04 and 2004-05. There were no purchases during 2004-05. Scrutiny of information made available by 353 AWCs of 36 CDPOs revealed that the availability of medicine kits during 2003-08 ranged from 196 (56 per cent in 2003-04) to 261 (74 per cent in 2005-06) against total requirement of 353. The above position indicated that the AWCs were not equipped with medicine kits.

3.3.10.2 Short distribution of Iron Folic Acid Tablets (IFAT)

Distribution of IFAT to expectant mothers less than the prescribed norms.

Expectant mothers were to be given IFAT through AWCs. As per NHFS-III only 12.8 per cent of eligible women against all India figure of 22.3 per cent were given IFAT in the State. Scrutiny of information made available by 332 AWCs (of 36 CDPOs) revealed that on an average every expectant mother was given 54 IFAT against the prescribed norm of 90 IFAT during the period 2003-08. The Department stated (September 2008) that IFAT could not be purchased due to lack of budget provision.

50.

2005-06:	56 bags <i>murmure</i> weight 1.4 MT (value: Rs 0.24 lakh)
2006-07:	546 bags baby mix weight 13.65 MT (value: Rs 2.39 lakh)
2006-07:	3,379 bags India mix weight 84.475 MT (value: Rs 10.07 lakh)
2007-08:	672 bags baby mix weight 20.966 MT (value: Rs 4.77 lakh)
2007-08:	485 bags <i>panjiri</i> weight 12.004 MT (value: Rs 2.94 lakh)
Total :	5,138 bags (value: Rs 20.41 lakh)

3.3.11. Information, Education and Communication (IEC) and Community Participation

IEC activities not executed.

The main objective of the IEC was to bring out behavioral changes related to child caring and rearing practices, preventing malnutrition, adoption of appropriate nutrition and health practices for adolescent girls, expectant and lactating mothers and children under three years of age. IEC activities were to be carried out through workshops and seminars at districts, projects (block) and AWC levels through printed booklets, folders, charts, handbills, magazines, dissemination of messages through celebration of issue based *Jan-Jagran* weeks/months, etc.

Scrutiny revealed that no budget was allotted for IEC activities during 2004-05 and 2006-07 and no seminars/workshops were organised at field levels by LS during the period 2004-08.

Further, it was noticed that all the 66 over head projectors purchased by UNICEF during 2001-02 and supplied to CDPOs for IEC activities were lying idle. The Department attributed non-availability of operators to be the reason for their idling.

Similarly, 10,000 cassettes (value: Rs. 0.03 crore) and 297 compact discs (CDs) (value: Rs. 0.01 crore) of *Chetna Geet* purchased by the Director during 2005-06, could not be put to use due to non-purchase of VCD (CD Players) proving the expenditure on cassette, etc. wasteful.

As per GOI guidelines (12 October 2004) for wide publicity of ICDS, women groups (*Mahila mandals*) were to be constituted at each AWC. Out of 353 AWCs test checked *mahila mandals* were not constituted in 116 AWCs as of March 2008. Reasons for non constitution of women group were neither intimated nor were on record. Thus, the objective of IEC could not be achieved fully.

3.3.12 Adolescent Girls' Scheme (Kishori Shakti Yojana)

The *Kishori Shakti Yojana* (KSY) was a Centrally sponsored scheme for adolescent girls (11 to 18 years) under ICDS. This was being implemented from September 2000 through AWCs with the objectives to (i) improve the nutritional and health status of girls, (ii) provide the required literacy and numerical skills through non-formal stream of education, (iii) improve/upgrade home-based and vocational skills; and (iv) to encourage adolescent girls to initiate various activities to be proved as productive and useful members of the society. Under KSY, the unmarried girls of poor families and school dropouts were selected and attached to the local AWC for learning and training activities. At each project twenty batches of 30 girls each from 20 villages (total 600 girls) were to be selected for implementation of the scheme. Training camps were to be organised by CDPOs/DDs.

The position of budget allocation, utilisation and the number of girls benefited under the scheme during the period 2003-08 was as given in **Appendix-3.14**.

There were savings ranging between 30 and 69 *per cent* during the period 2003-08. The shortfall in the girls actually covered as against eligible ranged from 11 to 47 *per cent* as shown in **Appendix 3.14**. The Department had also not evaluated the effects of implementation of the scheme.

3.3.13 Manpower management

3.3.13.1 Shortage of staff

Manpower was deployed in excess/shortage as per GOI norms.

The GOI, revised (April and August 2003) the staffing pattern of ICDS implementing offices at State, District and Project level. Year-wise position of manpower at district and project level for the years 2003-08 is given in **Appendix-3.15** and **3.16**. A summary of manpower position is given in **Appendix-3.17**.

As may be seen from **Appendix-3.17** the number of vacant posts at project level increased from 65 in January 2004 to 623 in January 2008. At the district level the vacancies increased from 49 in January 2004 to 82 in January 2008. However, there was an excess of LDCs/UDCs at the project level.

Further, during test check of records of CDPO offices, it was observed that during 2003-08 in four⁵¹ Project Offices, no regular CDPOs were posted for three to five years. As per norms there should be one Lady Supervisor for 25 AWCs. Whereas in Devgarh (District Rajsamand), one Lady Supervisor was looking after the work of 97 AWCs since July 2004. Department stated (September 2008) that efforts were being made to fill up the vacant posts through recruitment and deputation from other departments.

On the other hand 16 officials were posted in excess of sanctioned strength at Headquarters office (Directorate) during the period 2005-08. A sum of Rs 56.81 lakh was paid to the excess staff on pay and allowances against vacant field office posts. It was further noticed that although 76 Project Offices were running without CDPOs, two ACDPOs remained posted at Directorate without any sanctioned post. Department stated (September 2008) that work load at Directorate increased due to merger of 66 ICDS-III projects in general ICDS, for this additional work there was no corresponding increase in sanctioned strength.

3.3.13.2 Training

Shortfall in training ranged between 41 and 26 *per cent* and capacity of training centers under utilised.

Training is key element for capacity building of all the functionaries of ICDS at all levels. The GOI, WCD Department, formulated (May 1999) an ICDS training programme called UDISHA (division for social and health awareness) to impart training to ICDS functionaries. Training of Lady Supervisor, AWWs and Anganwadi Helpers (AWHs) were organised at Anganwadi Training Centers. Training for CDPOs was organised by National Institute of Public Cooperation and Child Development (NIPCCD), New Delhi.

51. Amet, Bhadra, Bhim and Devgarh

A sum of Rs 4.31 crore was available on 31 March 2003 for training under UDISHA. During the period 2003-08, further grant of Rs 4.85 crore (2003-04) was received from GOI. Out of total available amount of Rs 9.16 crore, Rs 6.49 crore was spent and Rs 2.67 crore were surrendered (March 2007).

It was noticed that though Department failed to meet its own target of training 46,187 persons by leaving 14,379 persons (31 *per cent*) untrained, it had sought to surrender Rs 2.67 crore meant for training. Details of targets and achievement are given in *Appendix-3.18*.

The reasons given for non-achievement of target were (i) delay in implementation of programme during 2003-04 and (ii) non-attending of training due to family and domestic problems of AWWs and AWHs.

3.3.14 Inadequate visits to AWCs by CDPOs and DDs

Shortfall in visits of AWCs by CDPOs/DDs affected the working of AWCs.

As per the departmental circular (July 2003), each CDPO was to visit 45 AWCs in a month or undertake 540 visits in a year to ensure continuous availability of ICDS services to beneficiaries. From the information furnished by 37 CDPOs, it was seen that except CDPOs, Aligarh and Malpura (Tonk) and Chhoti Sadri (Chittorgarh), no CDPO carried out prescribed number of visits. CDPOs, Newai and Nohar did not visit any AWC. The percentage of shortfall ranged between one to 25 in three CDPOs, 26 to 50 in four CDPOs, 51 to 75 in four CDPOs and 76 to 99 in 11 CDPOs during the period 2003-08.

Similarly, each DD was required to visit 30 AWCs in a month or 360 visits during the year. As per the information made available by five⁵² DDs (out of seven test checked) none of the DDs visited AWCs as per prescribed norms during the period 2003-08. Percentage of average shortfall in visits of AWCs was 11, 34, 42, 50 and 57 in case of DDs, Chittorgarh, Rajsamand, Barmer, Hanumangarh and Jaipur respectively. Thus, due to shortfall in visit of AWCs by the CDPOs and DDs, adequate supervision of their activities could not be ensured. Department stated (September 2008) that owing to excessive work load, officers could not visit AWCs upto the prescribed norms.

3.3.15 Monitoring and Evaluation

The State Government was required to form a Co-ordination Committee of related Departments, viz. Education, Health, Social Welfare, Water Supply, Agriculture and Rural Development at State Level, to facilitate planning, monitoring and evaluation of the projects. Similar committees at the districts and block levels were also to be formed.

Though, State Level Co-ordination Committee with Medical and Health Department was constituted, no meetings were held since October 2002. District level and Block level Co-ordination Committees were not constituted

52. Barmer, Chittorgarh, Hanumangarh, Jaipur and Rajsamand.

at three⁵³ districts test checked. District Deputy Directors intimated that departmental officers attended meetings held by District Collectors from time to time. Similarly, meetings of WCD Departmental officers/officials were organised at all projects during each month and implementation of scheme was reviewed. Replies were not furnished by DDs Ajmer, Jaipur and Rajsamand. Thus, Department did not co-ordinate with other Departments for effective implementation of the scheme.

3.3.16 Conclusion

The ICDS scheme being implemented in the State failed to achieve fully the objectives of providing basic services in critical areas like nutrition, health check up and education to pre-school children. Number of *Anganwadi* centers in operation fell short of prescribed norms. Minimum amenities like proper accommodation and basic facilities of safe drinking water, toilets, etc. were not available in most of the AWCs. Staff availability at project and district level was not adequate. Supplementary nutrition could not reach the targeted beneficiaries fully. Capacity utilisation of the training centers was poor.

3.3.17 Recommendations

- Department should make special efforts to cover all the targeted 75 per cent (in tribal areas) and 40 per cent (in rural areas) of identified beneficiaries under SNP.
- CDPOs and DDs should regularly visit AWCs for effective supervision of ICDS activities.
- Monitoring at Government, district and block levels should be strengthened by regularly holding of inter-departmental meetings for effective implementation of various components of the scheme.
- Sanctioned posts at Directorate should be revised so that expenditure on pay and allowances could be correctly charged to Non-Plan (State) instead of CSS.

53. Barmer, Hanumangarh and Tonk.

DEPARTMENT OF INFORMATION TECHNOLOGY AND COMMUNICATION

3.4 Information Technology Audit of Citizen Centric Service Delivery Project (*e-Mitra*)

Highlights

Government integrated both Lok Mitra and Jan Mitra under new title e-Mitra which started operating in October 2005 in Jaipur City. The Primary objective of the e-Mitra was to provide integrated services pertaining to Government Departments to the public in an efficient, transparent, convenient and friendly manner using Information Technology (IT) to maximise speed, accountability, objectivity, affordability and accessibility from the perspective of the citizens. Under the e-Mitra project, citizens were supposed to avail three types of services from any e-Mitra kiosk. Information Technology Audit was conducted to assess the planning process, convenience, affordability, accessibility, speed of the services provided, system security and monitoring and evaluation of the project.

The Directorate of Information Technology and Communication had prepared a project report without conducting a feasibility study and there was no documented disaster recovery and business continuity plan.

(Paragraph 3.4.6.1)

All the Departments were not within the ambit of the e-Mitra project. Those within ambit were not fully prepared as they lagged in computerisation.

(Paragraph 3.4.6.2)

The Local Service Providers (LSPs) provided limited services of bill collection only to the citizen and none of the LSPs provided the public information services, application and grievance related services to the citizen. Only the Government run e-Mitra centers provided these services.

(Paragraph 3.4.6.2)

Kiosks were not opened in rural areas in Sawaimadhopur District, normal working hours were not followed and hygienic facilities were not provided to the citizen in violation of Service Level Agreement.

(Paragraph 3.4.6.4)

Penal provisions for delayed deposit of the amounts collected and deficient performance were not imposed on the LSPs.

(Paragraphs 3.4.6.5 and 3.4.6.6)

3.4.1 Introduction

Government of Rajasthan launched two-citizen centric service delivery projects namely *Lok Mitra* in Jaipur and *Jan Mitra* in Jhalawar Districts (March 2002). *Lok Mitra* was basically an urban centric project with more thrust on utility payments, *Jan Mitra* was an integrated e-platform to deliver desired information and services related to various Government Departments at kiosks in villages. Government integrated both *Lok Mitra* and *Jan Mitra* under new title *e-Mitra* which started operating in October 2005 (Jaipur City). The Primary objective of the *e-Mitra* was to provide integrated services pertaining to Government Departments to the public in an efficient, transparent, convenient and friendly manner using IT to maximise speed, accountability, objectivity, affordability and accessibility from the perspective of the citizens. Under the *e-Mitra* project, citizens were supposed to avail three types of services from any *e-Mitra* kiosks across the State viz.

- Utility bill payment services,
- Submission of application forms/ grievances for various Government Departments, and
- Providing information related to various Government Departments.

3.4.2 Organisational set up

The Department of Information Technology and Communications (DoIT&C) issues necessary guidelines and provides technical support to run the *e-Mitra* Project in the State. District *e-Mitra* Societies headed by the District Collector as Chairman were formed (January 2008) in 32 districts to look after the implementation and day-to-day operation of the Project in the districts.

Local Service Providers (LSPs) namely (i) CMC Computers Ltd, (ii) Easy Bill Ltd. and (iii) Aksh are private partners providing services in Jaipur District and CMC Computers Ltd. in Sawaimadhopur District, by setting up the infrastructure and operating 176 *e-Mitra* centers/kiosks in Jaipur and six centers/kiosks in Sawaimadhopur District.

The DoIT&C signed Memorandum of Understanding (MoU) with various Departments to access their data and to collect bill payments on behalf of Departments. Similarly, the District *e-Mitra* Societies signed MoUs with LSP(s) authorising them to access departmental data and receive payments of bills/dues from the citizen by setting up *e-Mitra* centers/kiosks. The list of services, which were to be provided at *e-Mitra* centers, is given in **Appendix 3.19**. Several other services i.e. Railway and Air reservation, payment of Mobile bills of BSNL and other private players and financial services of private bank (ICICI), etc. are also provided at these kiosks. The

number of transactions carried out by the citizens through *e-Mitra* was as under:

District	Year	No. of Transactions		Amount (Rupees in lakh)
Jaipur	2006-07	Bills	22,64,677	26,090.28
		Applications	45 ⁵⁴	-
	2007-08	Bills	32,33,055	39,693.47
		Applications	20,714	-
Sawaimadhopur	2006-07	Bills	58,761	324.89
		Applications	Nil	-
	2007-08	Bills	31,110 ⁵⁵	201.67
		Applications	Nil	-

In Jaipur City the services like payment of water, electricity and telephone bills was also available through Internet from 1 December 2007. Only 147 transactions were carried out using this facility and bills of amount Rs 1.45 lakh were deposited up to 31 March 2008.

3.4.3 Audit objectives

The audit objectives were to assess the following:

- the planning process for the project;
- convenience, affordability, accessibility and speed of the services provided through *e-Mitra*;
- the system security –physical and logical; and
- the monitoring and evaluation of the system.

3.4.4 Audit scope and methodology

The audit was conducted through test check of records of Director, DoIT&C, *e-Mitra* Societies of Jaipur and Sawaimadhopur Districts for the period 2006-08 and verification of the general and application controls operating in the IT environment. Data from the Data Centers of Jaipur and Sawaimadhopur were analysed using Computer Assisted Audit Techniques (CAATs).

An entry conference with Additional Director, Department of Information Technology and Communications was held on 27 February 2008. The observations were discussed with the System Analyst of the Department in September 2008. However, exit conference with the Director of the Department could not materialise.

54. During 2006-07 the service was operational during 31 May 2006 to 8 June 2006 only.

55. The reduction in the number of transactions in Sawaimadhopur was due to non operation of services during 17 July 2007 to 6 November 2007 as LSP (M/s R2R) refused to continue its services.

3.4.5 Technical architecture of e-Mitra

As per the Project Report, *e-Mitra* technical architecture consists of: (i) District *e-Mitra* data center (owned by State Government, operated and managed by a private sector partner as Total Solution Provider (TSP)), (ii) *Lok Mitra* Center (built, owned and operated by private partners as LSP) and (iii) Kiosks (built, owned and operated by individual entrepreneurs through LSPs). DoIT&C has developed the application software for *e-Mitra* project. The duties and responsibilities of different role players is available in **Appendix 3.20**.

The system was using Client Server architecture for *e-Mitra* Centers and Kiosks and Web server architecture for Internet based services. The first tier consists of counter terminals and printers located at *e-Mitra* counters and the second tier consists of web servers and data base servers at Data center. The application software developed by the DoIT&C was on Visual Basic, RMI-Remote Method Invocation (Core Java) with Linux AS-4.2 as operating system and Oracle 10g and MS Access databases. The web portal is on J2EE, Core Java with Oracle 10g data base and Linux (Red Hat) operating software.

3.4.6 Audit Findings

3.4.6.1 Project planning

Project report was prepared without conducting a feasibility study; no URS, SRS and Change Management Policy were prepared.

There was no documented disaster recovery and business continuity plan for the project.

- The DoIT&C had prepared a project report without conducting a feasibility study. Further, no User Requirement Survey (URS), System Requirement Specifications (SRS) and Change Management Policy were prepared. The DoIT&C carried out the changes in the software as and when requested by the LSPs. There was no prescribed system of receiving change requests, authorising them, testing and acceptance by the users before implementing.
- There was no documented disaster recovery and business continuity plan for the project. The study of the system at Jaipur revealed that except taking the backup of the data, no other measures like testing for disaster recovery were taken. The CDs containing the backups were also stored in the District Data Centers housing all hardware of the project. In Sawaimadhopur District the LSP did not have adequate facilities for taking the data backup and the backup was taken only at Data center.
- The security of data and system at the District Data centers was outsourced to private firms. There was no documented password policy prescribing the length of password, pattern and schedule of change and debarring a user on maximum number of wrong entries of password. No log of the changed password was maintained. Further, though error logs were generated by the system there was no record of reviewing the logs and suggesting action on it.

3.4.6.2 Project Implementation

- The computerisation of the State Government offices (backend) was one of the major components of the project. The information available in the Departments was to be computerised and a data base was to be maintained at each Department, to be updated regularly. The server of the Department was to be linked with the server of District Data Center and the data was to be made available to the kiosks through their respective LSPs. But, the study of the system and analysis of data revealed that out of the integrated services pertaining to Government Departments required to be provided only the services like receiving applications for ration card, caste certificate and income certificates on behalf of Collectorate and collection of water bills of Public Health Engineering Department (PHED), telephone bills of BSNL, electricity bills were actually provided through *e-Mitra* (**Appendix 3.19**). Further, the user Departments were also lagging behind in computerisation.

- Even the information which was available online was also not available on *e-Mitra* kiosks. For instance, the daily updated rates of commodities in 66 *mandis* in the State were available online on the website of Rajasthan Agriculture Marketing Board but this service was not available on the *e-Mitra* kiosks despite the signing of MoU with the Agriculture Department, depriving the farmers of the information which could help them in getting profitable rates for their agriculture commodities.

Similarly, the information regarding voters' list and status of verification of passport applications was also not available on *e-Mitra* counters which were otherwise available online on respective websites.

- The LSPs at Jaipur and Sawaimadhopur provided services relating to collection of dues only and none of the LSPs provided application/ grievances and public information services. Only the Government run *e-Mitra* center provided the application services at Jaipur.

- The study of the system revealed that in Jaipur after receiving applications from the citizen, the system captured basic information like name of user, designation office/officer, type of document and enclosures with date and time of receiving it from the user, etc., but once the application was handed over to the concerned Department there was no system to track it. During 2006-08, 20,759 applications relating to ration card, caste certificate and income certificate were received at the kiosk run by the State Government in Jaipur Collectorate campus, out of which only in 9,053 cases the replies were received from the concerned Department(s). There was no follow up for cases where replies were not received.

- The analysis of the data of PHED bills for the month of May 2008 received by the District *e-Mitra* Society Jaipur revealed that out of 1,56,660 bills amounting to Rs 6.15 crore, payment of only 94,266 (60.17 per cent) bills

of Rs 1.71 crore (27.74 per cent) was received through *e-Mitra* kiosks which showed that despite setting up kiosks in all major areas of Jaipur city, *e-Mitra* failed to attract all consumers and major portion of the amount was still being collected outside *e-Mitra*. The bills beyond the last date of payment were also not paid at *e-Mitra* kiosks.

3.4.6.3 Arbitrary fixation of user charges

According to the project report the cost of the services was to be borne by the citizen in case of application/grievances and information services and by the Government Departments for payment services on the rates decided by the Government for the services to be provided through *e-Mitra*. The rates of services circulated vide *e-Mitra* Circular 2 dated 4 July 2005, applicable for an initial period of three years were as under:

S.No.	Category of service	Rate in rupees per transaction	To be charged from
1.	Deposition of utility bills and Government levies	3.95	Department/Organisation concerned
2.	Application for availing various services	9.00	Applicant
3.	Public Information Service	5.00	Applicant

The PHED objected to the high collection charges for water bill (PHED was paying Re 0.60 to Rs 1.60 per bill to the Pensioners Society for collection of dues), the DoIT&C had to reduce the charges to Rs 2 for urban area and Re 1 for rural area. But the collection charges remained the same for electricity bills.

Government did not conduct any business study to arrive at the rates to be paid to the LSPs for providing various services. There was no justification available for the rates decided and other modalities.

The Government did not conduct any business study to arrive at the rates to be paid to the LSPs for providing various services. There was no justification available for the rates decided and other modalities. Meanwhile, the Jaipur Vidyut Vitran Nigam Ltd. (JVVNL) a partner company of the project had set up its own collection centers in Jaipur City to receive the payment of electricity bills.

Thus, the service of the bill payment through *e-Mitra* was provided without appropriate business study and subjected Departments to pay more on the collection of the bills even though some of them had their own mechanism to collect the bills.

3.4.6.4 Violation of Service Level Agreement (SLA)

There was no direct penalty for failing to achieve the optimum level of quantifiable services.

In order to ensure continuity and quality of services to the citizen through *e-Mitra* centers/kiosks, the DoIT&C had drafted a Service Level Agreement (SLA) to be executed between the District *e-Mitra* Societies and the selected LSP(s). The Service Levels were categorised as mandatory and desirable with

corresponding penalty clauses to be invoked in the case of non-fulfillment of the SLA. The analysis of the SLA revealed that there was no direct penalty for failing to achieve the optimum level of quantifiable services like LSP Main center server uptime, LAN uptime, WAN uptime and Kiosk center technical uptime. In the absence of any direct penalty the District *e-Mitra* Society was unable to ensure optimum level of the services delivered by the LSPs.

Analysis of the data relating to 2006-08 revealed the following cases of non-observance of the SLA:

- As per the MoU signed between the District *e-Mitra* Society, Sawaimadhopur and LSP, the LSP was required to open kiosks both in urban and rural areas of the district in same proportion. The scrutiny of the record revealed that the LSP did not open even a single kiosk in the rural area in Sawaimadhopur District depriving the rural population of the facility.

In Jaipur, in 45,047 cases the working hours were short of the normal working hours and a penalty of Rs 4.50 crore was recoverable from the defaulter kiosks through the LSP.

- According to the SLA, the LSP's center and kiosks should remain open from 8.00 Hr to 20.00 Hr on normal working days and from 10.00 Hr to 17.00 Hr on holidays/Sundays. Non-adherence to the working hours attracts a penalty of Rs 1,000 for each complaint. The analysis of data revealed that in Jaipur in 45,047 cases the working hours were short of the normal working hours and a penalty of Rs 4.50 crore was recoverable from the defaulter kiosks through the LSP.

Similarly, in Sawaimadhopur District only in 51 cases (out of 1,129) the time schedule was followed.

- It was seen in Jaipur that in 84 cases, kiosks started operation after 20.00 Hr and remained logged in through out night. This indicated that the kiosks were at their liberty to log on at any time beyond the prescribed time limit posing a serious threat to the security of data and system. This was necessitated by the practice that the kiosks were taking the bills and the amount from the citizens and then calling them again next day to collect the receipt as in 34 cases a sum of Rs 12.82 lakh was shown received after 20.00 Hr. Thus, the very purpose of user's convenience was not achieved.

Many centers/ kiosks remained closed on days other than the National Holidays.

- Appendix B of SLA provides that except three National Holidays the *e-Mitra* centers/kiosks will remain open on all working days and public holidays. But the analysis of data revealed that the centers and kiosks did not follow this and many centers/kiosks remained closed on days other than the National Holidays.

The examination of the documents did not show any action initiated by the District *e-Mitra* Societies to inspect the centers/kiosks and make the LSPs to ensure the compliance of the provisions in the SLA.

- As per SLA on Hygiene Service Level, the LSP will make necessary arrangement to provide help and guidance to visitors, making sitting arrangement and arrangement of shed and drinking water. It was observed during visits to some of the kiosks in Jaipur and Sawaimadhopur except at two centers run by the Government at Jaipur, none of the centers/kiosks under all three LSPs in Jaipur and the LSP in Sawaimadhopur were providing any facilities enlisted in the SLA. As the centers/kiosks were running in small shops or built in existing shops by putting small cabins, there was not enough space to provide shelter for users standing in queue in front of a small window

during hot summer and rains. The examination of the documents did not show any action initiated by the District *e-Mitra* Societies to inspect the centers/kiosks and make the LSPs to ensure the compliance of the provisions in the SLA.

Thus, the District *e-Mitra* societies or the District Collectors did not monitor the functioning of the LSPs leading to deficient services to the citizen.

3.4.6.5 Non-imposition of penalty on account of late deposit of amount collected by the LSP

M/s Easy Bill limited did not deposit the amount collected during May 2007 to March 2008 in prescribed time and a penalty of Rs 1.31 crore was recoverable from the firm.

As per clause five of Non quantifiable Service Levels of Operational Service Level of SLA, all payments received by the LSP were to be deposited within 24 hours of the days' business failing which penalty of one *per cent* of collected amount per day was to be levied for delays upto three days. For delay of more than three days legal action was to be taken against defaulting LSP. It was observed during the scrutiny of the record of *e-Mitra* Society, Jaipur that M/s Easy Bill limited did not deposit the amount collected during May 2007 to March 2008 in prescribed time and a penalty of Rs 1.31 crore was recoverable from the firm. As the firm took more than three days in depositing the payment in the Government Account, the Chairman, District *e-Mitra* Society, Jaipur decided (January 2008) not to extend the term of the firm beyond March 2008. Despite serving of a notice to the firm to terminate its services from 1 April 2008, the contract of the firm was extended upto June 2008. No legal action had been taken against the firm.

3.4.6.6 Non-imposition of penalty for late despatch/receipt of documents

As per a clause of Non quantifiable Service Levels under Operational Service Levels of the SLA the documents (applications/grievances) have to be despatched/received (in one go) to the District *e-Mitra* Society office before 4.30 PM of the next business day. If delayed beyond two business days, penalty of Rs 1,000 per day of delay was to be levied from the LSP. But the analysis of the data of Jaipur District for the period 2006-08 revealed that the field meant for recording the date of despatch was not made mandatory and was left blank in all 20,759 cases. It was also seen that all 20,759 transactions were carried out at the kiosk number one and three run by the Government. Thus, no penalty was imposed by the District *e-Mitra* Society for late despatch/receipt of documents. Audit was not able to ascertain the delay in absence of relevant data in the data base.

3.4.6.7 Non-utilisation of hardware

The District *e-Mitra* Society Sawaimadhopur purchased (November 2005) hardware costing Rs 16.83 lakh to establish *e-Mitra* District Data Center. Out of the hardware procured, server, computers, peripherals and accessories worth Rs 6.34 lakh were lying unutilised. The DoIT&C also sent (November 2006) two servers valued Rs 8.83 lakh for District Data Center, which were also lying unutilised (July 2008). Thus, hardware worth Rs 0.15 crore was not put to use.

3.4.6.8 Monitoring and Training

- The *e-Mitra* Society officials were required to visit the LSP/kiosks once in a month to collect the complaints and take remedial action to ensure quality services. But the scrutiny of the record revealed that no visits of LSP/kiosks was made by District *e-Mitra* Societies, resulting into non-redressal of complaints.
- DoIT&C paid an amount of Rs 3 lakh to District *e-Mitra* Society, Sawaimadhopur for imparting basic training to the staff of backend offices (Government Departments) under *e-Mitra* project. In turn, District *e-Mitra* Society paid entire amount to Ranthambore Science College to conduct a computer awareness course. The college conducted 15-day-long courses during March 2006 to June 2006 for the 265 staff of various Departments. As none of the offices located at Sawaimadhopur was computerised (July 2008), the expenditure on training was unfruitful.

3.4.7 Conclusion

Though the *e-Mitra* project was launched to provide a large number of services to the citizens on one stop basis, it suffered from inefficient and ineffective implementation as many of the participating Departments were not fully prepared to implement it. The project resulted in centers being run as mere bill collection points and that too not effectively. However, they were not providing requisite services relating to collection of application and grievances to the citizen. Even the services provided were deficient in view of the untimely offs, non working of the *e-Mitra* kiosks even on the days other than the national holidays, non-provision of hygiene facilities at the kiosks. They were also not providing one stop service to the citizen and were making them make one more trip to the center to collect receipts. The Government extended undue benefits to the private players by not imposing the penalties for violation of provisions of the agreement. There was no disaster management, change management or monitoring and supervision mechanism in place to ensure the envisaged services to the citizen.

3.4.8 Recommendations

- All intended services should be provided through the *e-Mitra* Kiosks.
- It should be ensured that even private kiosks also provide most of the frequently demanded services
- All backend offices should be computerised and all relevant information should be digitised.
- The forms for various applications and grievances should be standardised and available in electronic format. Instead of collecting applications and

grievances on paper from citizen, the same may be submitted online, to be forwarded to the concerned officer in the Department on the same day.

- The District *e-Mitra* Societies should inspect LSPs/Kiosks on regular basis to make sure that appropriate services are provided by the LSPs/Kiosks.
- Evaluation should be conducted by the State Government to assess the benefits accruing to the public and steps needed for effective use of *e-Mitra* Project in e-governance.

CHAPTER-IV

AUDIT OF TRANSACTIONS

CHAPTER-IV

AUDIT OF TRANSACTIONS

4.1 Infuctuous/wasteful expenditure and overpayment

DEPARTMENT OF ELEMENTARY EDUCATION

4.1.1 Nugatory expenditure on pay and allowances of idle teachers

Non-implementation of the State Government decision to close paper schools by the Department resulted in nugatory expenditure of Rs 81.15 lakh on pay and allowances of idle teachers. Besides, services of 192 teachers posted in uneconomical schools were grossly underutilised.

Pursuant to decision taken (September 1999) by the Coordination Committee of Director Elementary Education, Rajasthan, Bikaner, the Directorate of Elementary Education (Department) initiated (October 1999) action to close the schools having 'nil' enrolment of children (paper schools) and to merge the schools having less than 20 students enrolled (uneconomical schools) with the schools located nearby.

Test check (March 2008) of the records of Commissioner, Primary Education, Bikaner revealed that after October 1999 no periodical review of the position was conducted. State Government reiterating (February 2007) the above instructions clarified that the schools would be considered as paper/uneconomical depending upon the strength of students on 30 September 2006. Accordingly, the Additional Director, Primary Education sent (September 2007) a proposal to close 110 paper schools and merging of 129 uneconomical schools to the State Government. State Government conveyed (March 2008) acceptance of the proposal with the instruction to adjust staff of these schools against vacant posts in the same District. Adjustment/posting of idle staff was awaited (July 2008).

Meanwhile, Government of India, Ministry of Human Resource Development, Department of School Education and Literacy, New Delhi observed (August 2007) that a large number of schools¹ in Rajasthan did not have a single student and asked the State Government for a status report by 16 August 2007 with reasons for existence of the schools without enrolment. No further follow up was available on the records. Neither the schools were identified nor were the reasons for running such paper schools investigated. Of 1381 schools, only 110 paper schools were identified. It was noticed that an expenditure of Rs 81.15 lakh was incurred during April 2007 to June 2008 on pay and allowances of 55 idle teachers (II grade: 3, III grade: 45 and 7 para-teachers) in 37 paper schools, which proved nugatory. There were no teachers in remaining schools. Besides, services of 192 teachers posted in 129 uneconomical schools were being grossly underutilised.

1. 711 schools during 2005-06 and 1381 schools during 2006-07.

Government stated (June 2008) that the proposal to close 110 paper schools and merging of 129 uneconomical schools had been accepted (March 2008) and directions have been issued for adjusting teachers of these schools against vacant posts. Follow up on these orders was awaited (July 2008).

HIGHER EDUCATION DEPARTMENT

4.1.2 Excess release of grant for reimbursement of tuition fees

Non-deduction of the inadmissible expenditure of Rs 43.59 lakh towards reimbursement of tuition fees to the staff, resulted in excess payment of regular grant to two Universities to that extent.

Maharana Pratap University of Agriculture and Technology (MPUAT), Udaipur and Mohan Lal Sukhadia University (MLSU), Udaipur executed Memorandum of Understanding (MoU) with State Government in January 2000 and November 2000 respectively, *inter alia*, providing that all allowances and other perks paid to the University employees should not be more than the entitlements of similarly placed Government employees. The allowances paid in excess should be revised within four months of signing the MoUs failing which the Government would deduct the amount paid in excess of the entitlements for Government employees from the regular grant.

Scrutiny (February 2007 to August 2007) of the records of the Vice-Chancellor (VC), MLSU, Udaipur and VC, MPUAT, Udaipur and further information collected (April 2008) revealed that the Universities did not adhere to the conditions of the MoU and continued reimbursing the tuition fees of the children of their employees though such benefit was not available to similarly placed Government employees. The Finance Committee and Board of Management of the Universities were required to ensure compliance with the terms of MoU by issuing appropriate orders. It was noticed that Universities wrongly extended the benefit amounting to Rs 43.59 lakh² on the ground that this scheme was for welfare of the staff and the expenditure incurred would be met out from other source of the Universities income viz. sale proceeds of publication and interest receipts etc. Thus, non-deduction of this inadmissible amount of tuition fees by the Government from the regular grant of Universities resulted in excess reimbursement of Rs 43.59 lakh.

Government stated (January 2008 and March 2008) that reimbursement of tuition fees by the Universities was irregular and directed Universities to stop reimbursement of tuition fees. The Government has not given any reason for not deducting the amount from the regular grant.

2.

	Period	Amount (Rupees in lakh)
MLSU	April 2001 to March 2008	16.50
MPUAT	April 2000 to March 2008	27.09
Total		43.59

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

4.1.3 Excess reimbursement of scholarship

Failure of the Department in limiting the fees of the students as prescribed resulted in excess reimbursement of scholarship amounting to Rs 58 lakh.

Government of India (GOI), Ministry of Tribal Affairs and Ministry of Social Justice and Empowerment, New Delhi introduced (April 2003) the Post Matric Scholarship Scheme (Scheme) for students belonging to Scheduled Tribes and Scheduled Castes respectively for studies in India. The guidelines of the scheme stipulated providing financial assistance to students whose parents'/guardians' annual income was below Rs one lakh to enable them to complete their post matric education. Para-V of the regulation governing the award of scholarship prescribed that the scholars would be reimbursed fees compulsorily payable by them to the Institution or University/Board. Fees for students admitted in private colleges would be limited to fees prescribed in government colleges/institutions and extra fees, if any, would have to be borne by the students.

Scrutiny (May - August 2007) of the records of the seven³ offices of Social Justice and Empowerment Department revealed that during September 2004 to February 2007, 1161 students⁴ of 19 private colleges/ institutions pertaining to various courses⁵ were reimbursed by the Department the fees of Rs 2.01 crore as actually charged by the respective private colleges/ institutions, without limiting it to the fees prescribed in government colleges/institutions. As per the fees prescribed by Government in government colleges/institutions, the students were eligible for reimbursement of fees amounting to Rs 1.43 crore only. Thus, the Department paid scholarship amounting to Rs 58 lakh in excess to the institutions as it failed to scrutinise the reimbursement claims.

While accepting the facts, the Government stated (July 2008) that GOI instructions of May 2006 limiting reimbursement of tuition fee to fee prescribed in government colleges/institutions had been withdrawn in March 2008. Further, an amount of Rs 1.75 lakh had been recovered. However, the remaining amount of Rs 56.25 lakh was yet to be recovered.

3. District Probation and Social Welfare Officers, Bundi, Dholpur, Nagaur; Assistant Directors, Banswara, Jhunjhunu, Sawaimadhopur and Deputy Director, Bharatpur

4. Banswara: 115, Bharatpur: 63, Bundi: 106, Dholpur: 210, Jhunjhunu: 131, Nagaur: 80 and Sawaimadhopur: 456.

5. Post Graduate Diploma in Computer Applications/Diploma in Computer Software Technology/Diploma in Computer Applications (1084), General Nursing and Midwifery (22), Veterinary Assistant (3), Fitter (29), Electricians (14), Diesel Mechanic (4) and Insurance Agent (5)

WATER RESOURCES DEPARTMENT

4.1.4 Infertuous expenditure on Irrigation Project

Projection of wrong catchment area/selection of wrong site for dam besides using unsuitable soil in construction of dam led to infertuous expenditure of Rs 5.77 crore defeating the very objective of providing irrigation.

Rule 289 of Public Works Financial and Accounts Rules requires detailed survey and investigation to be carried out before preparation of detailed estimate.

Government accorded (September 1996) administrative and financial sanction of Rs 5.71 crore for Dharia Irrigation Project, Tehsil Desuri (District Pali) for irrigating 1137 hectare land. The construction of dam and canal system was completed in August 2002 and March 2005 respectively. Upto 31 March 2006, Rs 5.77 crore had been spent on construction of dam, canal and allied works. No irrigation was provided due to zero inflow in the dam during 2002-06, despite adequate rainfall. The dam, however, breached on 19 August 2006 only at 0.70 metre (m) against the designed flood lift of 1.20 m in the upstream of dam due to one day's rainfall of 120 millimeter (mm) and inflow received from two breached dams lying in upstream of the dam.

Test check (September-October 2006) of records of Executive Engineer (EE), Water Resources Division, Pali and further collection (November 2007) of information revealed the following:

- Proper study of hydrology of the dam catchment was not conducted as evident from the fact that the dam was proposed on the basis of free and average type catchment area of 71.50 square mile to store 307.30 million cubic feet (mcft) water against expected yield of 474.116 mcft at 22 inch (545 mm) average rainfall. Despite rainfall of 343 mm (2002-03), 728 mm (2003-04), 448 mm (2004-05) and 473 mm (2005-06) there was zero inflow in the dam and no irrigation activities could be carried out. Thus, Rs 5.77 crore incurred on construction of dam and canal system proved infertuous.
- Further, on 19 August 2006 the dam breached even at 0.70 m above full tank level of the dam as against the designed maximum overflow of 1.20 m due to receiving heavy inflow from two breached tanks lying in its upstream besides, 120 mm rainfall on the very day due to use of dispersive soil.

Thus, projection of wrong catchment area/selection of wrong site for dam besides using unsuitable soil in construction of dam led to infertuous expenditure of Rs 5.77 crore defeating the very objective of providing irrigation.

Government stated (February-May 2008) that zero inflow despite substantial rainfall was due to low intensity of rainfall which did not generate sufficient

runoff and soil used was suitable for construction of earthen dam. The reply was not tenable as the proposals of inflow in dam were based on inadequate hydrology of the area. Besides, soil was used in construction of dam without investigation of property of dispersiveness of soil.

4.2 Avoidable/excess/unfruitful expenditure

CIVIL AVIATION DEPARTMENT

4.2.1 Avoidable expenditure on hiring/maintenance of helicopter

Lack of planning, arranging qualified manpower (pilots as well as technicians) and infrastructure (Workshop) before committing a huge expenditure on the purchase of helicopter led to avoidable expenditure of Rs 1.14 crore on its maintenance and hiring of other helicopters.

For movement of Very Important Persons (VIPs), State Government entered into a contract (July 2004) with Agusta, an Italian Helicopter Company for purchase of Agusta A-109E Power Helicopter at Rs 20.01 crore (USD 4.55 million). As per terms and conditions of the contract, the Company was required to impart ground and flight training to two pilots, additional flight training to one pilot and three weeks maintenance training to two technicians designated by the State Government at Company's facilities in Italy. The training was to be harmonized with the delivery of helicopter. The helicopter was to be delivered at seller's facility in Italy within 10 months from contract effective date. Accordingly, the helicopter accepted by the team on 23 May 2005 in Italy, reached Delhi on 29 July 2005 and at Jaipur base on 22 September 2005.

Test check (March-May 2007) of records of Deputy Secretary, Civil Aviation Department (Department) and further information collected in December 2007 revealed that though the helicopter had arrived at Jaipur base on 22 September 2005, it could not be utilised as the requisite training was provided to one pilot only in January 2006 almost five months after the arrival of the helicopter. Consequently, the State Government had to hire the services of chartered helicopters on six occasions during 10 November 2005 to 28 January 2006 by paying Rs 45.65 lakh.

Of the two technicians designated (May 2005) by the State Government for imparting airframe maintenance course at the Company in Italy, Shri 'X' was appointed only on 13 June 2005 as Aircraft Maintenance Engineer with the condition that he would have to obtain desired licence for maintenance of all helicopters available at present in the State within one year of his appointment. Though Shri 'X' completed airframe maintenance course in July 2005 in Italy and engine course in March 2007 at Singapore, Shri 'X' failed to get the requisite licence endorsement as of July 2007 even after lapse of two years from his appointment. Meanwhile, the State Government had entered (October 2005) into an agreement with M/s OSS Air Management Private

Limited (an Agusta Service Centre in India) for the maintenance and for keeping the helicopter airworthy and paid Rs 68.37 lakh to OSS during the period 22 September 2005 to 26 October 2007. Had a trained Aircraft Maintenance Engineer been appointed in time, the expenditure incurred on maintenance of helicopter could have been avoided.

Government admitted (July 2008) that as Agusta A 109E was introduced first time in September 2005, no experienced pilot on type was available in India at that time. Due to this helicopter was chartered at the prevailing market rate. Further, as the Company provided the required training to technician Shri 'X' under Category 'A' and Category 'C' in July 2005 and March 2007, he could not appear before the Director General Civil Aviation for an oral examination upto March 2007 and the maintenance of helicopter had to be entrusted to an outside agency. The fact remained that due to lack of planning, positioning qualified pilots and technicians, the Department had to spend Rs 1.14 crore on maintenance of the helicopter and hire charges on other helicopters.

FOREST DEPARTMENT

4.2.2 Undue benefit to a firm

Failure of the Department in recovering Net Present Value and taking preventive action against mining activities in the forest land led to undue benefit of Rs 59.05 crore to the firm.

Pursuant to the orders of Supreme Court (30 October 2002 and 01 August 2003) Government of India, Ministry of Environment and Forests (MoEF) issued (September 2003) guidelines for collection of Net Present Value (NPV) of forest land diverted for non-forest use from the user agency where 'in-principle' approval was granted after 30 October 2002. Compensatory Afforestation Fund Management and Planning Authority (CAMPA), New Delhi further clarified (October 2006) that recovery of NPV of the forest land so diverted should be made in all cases for which final approval had either already been granted on or after 30 October 2002 or shall be granted thereafter irrespective of the date of issue of in-principle approval. CAMPA further instructed (September 2007) that in such cases where the NPV has not been recovered, project activities in the forest land should be stopped.

Test check of the records (April 2008) of the Deputy Conservator of Forests (DCF), Social Forestry, Bhilwara revealed that MoEF granted (June 1998) in-principle approval for diversion of 641.86 hectare (ha) of forest land for mining of soap-stone in favour of Udaipur Mineral Development Syndicate (UMDS) Private Limited in Bhilwara District. The final approval for such diversion was granted by the MoEF on 7 January 2003. The DCF, Social Forestry, Bhilwara issued (December 2006) order to recover the NPV amounting to Rs 59.05 crore from UMDS at Rs 9.20 lakh per ha but the firm

did not deposit the same despite eight demand notices issued from December 2006 to April 2008. The Department failed to stop the mining activities of UMDS as of April 2008.

The Department stated (April 2008) that action under Forest (Conservation) Act would be taken against the firm for its failure to deposit NPV. The reply indicated Department's failure as neither the NPV could be recovered from the UMDS nor any action was initiated to stop mining activities in the forest land despite lapse of 16 months.

Thus, failure of the Department in recovering NPV and taking preventive action against mining activities in the forest land led to undue benefit of Rs 59.05 crore to the firm. Besides, CAMPA suffered loss of Rs 14.17 crore towards interest on NPV of Rs 59.05 crore at 18 *per cent* per annum for the period January 2007 to April 2008.

The matter was referred to Government in May 2008, their reply has not been received (August 2008)

GENERAL ADMINISTRATION DEPARTMENT

4.2.3 Blocking of funds and avoidable expenditure on payment of additional lease

Failure of the Government in planning and finalising bid documents in time led to avoidable payment of additional lease of Rs 20.27 lakh to CIDCO. Besides, Rs 1.38 crore was blocked on land for 15 years.

State Government requested (September 1988) Maharashtra Government for allotment of land in Mumbai for construction of a Complex (Rajasthan Bhawan) to accommodate various Government offices at one place to provide information regarding Industrial, Commercial and Tourism of Rajasthan State. Accordingly, City and Industrial Development Corporation of Maharashtra Limited, Mumbai (CIDCO) allotted (November 1992 and February 1993) two commercial cum residential plots⁶ at Vashi, Navi Mumbai on 90 years' lease for which State Government deposited (May 1992 to May 1993) Rs 1.47 crore towards lease premium etc. with CIDCO. Possession of plots was taken by the Executive Engineer, Public Works Department Construction Division, Jaipur only in February 2001 after executing a lease agreement with the CIDCO. Clause 3(a) and (d) of the lease agreement provided for submission of plans, etc. of the buildings to be erected to Town Planning Officer of CIDCO within six months for approval and completion of work within five years from the date of agreement i.e. by 26 February 2006.

Scrutiny (December 2005 and September 2007) of records of General Administration Department revealed that despite depositing Rs 1.47 crore in May 1993 the possession of the plots was belatedly taken (February 2001)

6. Plot No. 22: 3,765.69 square metre (sqm); Plot No. 21: 2009.10 sqm.

after more than seven years. The Department took no action to construct the proposed complex within the stipulated period of five years and only appointed (October 2005) a legal consultant for preparation of bid documents for construction of Rajasthan Bhawan. In December 2006, the Government constituted a committee for examining the bid documents prepared by the legal consultant and inviting tenders. The approval of bid documents was still awaited (April 2008). Since the Department could not adhere to the provisions of clause 3(a) and (d) of agreement it had to pay (January 2006) additional lease amount of Rs 20.27 lakh to CIDCO for granting extension of the construction period upto 26 February 2009.

Since the preliminary proposals like bid documents, estimates, administrative and financial sanction for construction works have not been finalised even as of April 2008, the possibility of construction of building by the extended target date of 26 February 2009 is remote and possibility to pay extra lease to CIDCO for further extension as per agreement can not be ruled out.

Government accepted (January and April 2008) that construction of building had been delayed as the issue regarding land allotment in Central Mumbai in place of Navi Mumbai remained under correspondence with CIDCO and bid documents for building construction prepared by legal consultant were under finalisation with the committee and stated that payment of additional lease for granting extension in construction period was not an avoidable expenditure in view of appreciation in cost of plots. The reply was not tenable as defective planning of the Government had led to blocking of Rs 1.38 crore⁷ for more than 15 years and avoidable expenditure on payment of additional lease of Rs 20.27 lakh.

PUBLIC WORKS DEPARTMENT

4.2.4 Unfruitful expenditure on rural roads lying incomplete due to land dispute

Proposing roads having alignment through private lands/forest land without acquisition/approval of Forest Department led to roads lying incomplete rendering the expenditure of Rs 9.82 crore as unfruitful.

Rule 351 of Public Works Financial and Accounts Rules lays down that no work should be commenced on land which has not been duly made over by responsible Civil Officer. The Forest (Conservation) Act, 1980 also prohibits use of forest land for other purposes without prior approval of Government of India.

State Government accorded (February 2004 to April 2006) administrative and financial sanction of Rs 18.36 crore for 17 approach roads under *Pradhan Mantri Gram Sadak Yojana* (PMGSY) and Rural Infrastructure Development

7. Rs 9.42 lakh was refunded by CIDCO at the time of handing over possession of a plot short in area by 369.60 sqm.

Fund-XI (RIDF-XI) with the objective of providing connectivity by all weather roads and upgradation of rural roads.

Scrutiny (June 2007 to March 2008) of records of three Circles and four Divisions⁸ of Public Works Department (PWD) revealed that the Department awarded (June 2004 to September 2006) construction works of 17 rural roads to contractors without ensuring availability of dispute free private land and without prior permission from Forest Department for forest land required. Consequently, the works were stopped during the period from April 2005 to March 2008 by the contractors midway due to objections raised by land owners and the Forest Department during execution of road works after incurring expenditure of Rs 9.82 crore (53.5 per cent) (**Appendix-4.1**) as of July 2008. Thus, expenditure incurred on incomplete roads proved unfruitful and also defeated the very objective of providing connectivity.

Thus, proposing roads having alignment through private lands/forest land without acquisition/approval of Forest Department led to roads lying incomplete rendering the expenditure of Rs 9.82 crore as unfruitful.

Government while accepting the facts stated (November 2007 and July 2008) that efforts were being made to get clearance of the Forest Department and to solve the disputes with land owners for completion of these approach roads. The fact remained that the Department failed to ascertain clear title/availability of land before commencement of the works.

WATER RESOURCES DEPARTMENT

4.2.5 Unfruitful expenditure on Mamer Irrigation Project

Award of the work before obtaining clearance from the Forest Department for dereservation of land led to non-completion of the dam rendering the expenditure of Rs 29.04 lakh unfruitful. The beneficiaries were also deprived of drinking water and irrigation facilities.

Public Works Financial and Accounts Rules lay down that clear title to land is a pre-requisite for planning and designing any work and no work should be commenced on land which has not been duly made over by the responsible Civil Officer.

Government accorded (July 1999) administrative and financial sanction of Rs 2.95 crore for construction of Mamer Irrigation Project at Tehsil Kotra (District Udaipur) to cater to irrigation in 336 hectare (ha) area alongwith drinking water facility to people living in tribal areas. The Additional Chief Engineer, Water Resources Department (WRD), Udaipur Zone issued

8. Superintending Engineer (SE), PWD, Circle-Alwar; SE, PWD, Circle-Rural-I, Jaipur; SE, PWD, Circle-Sawaimadhopur; Executive Engineer (EE), PWD Division-I, Jhalawar; EE, PWD, Division-Karauli; EE, PWD, Division-Karauli/Sapotra and EE, PWD, Division-Sardarshahar.

(October 2004) technical sanction of Rs 1.87 crore. As per the estimates, no area of the project was falling in the forest land.

Test check (July-August 2007) of the records of Executive Engineer (EE), WRD, Division Udaipur disclosed that Deputy Chief Warden (Wild life), Udaipur intimated (24 January 2005) EE, WRD, Udaipur that the area proposed for construction of Mamer Irrigation Project was coming in forest sanctuary as such non-forestry work should not be started without the prior approval of the Supreme Court. Even then, the work of the project was awarded (February 2005) to a contractor for Rs 2.17 crore with the stipulated date of completion as 14 August 2006. Assistant Conservator of Forests, Kotra alongwith the Assistant Engineer, WRD, Sub-Division, Kotra (Udaipur) visited the site on 11 March 2005 and confirmed that 31 ha forest land was coming in the submergence of the dam. Forest Department again objected (5 April 2005) to the construction work. Consequently, the work was stopped (11 April 2005) and the proposal for dereservation of forest land was sent (11 April 2005) to Central Empowered Committee, New Delhi by the Additional Chief Engineer, WRD, Udaipur Zone.

Thus, award of the work before obtaining clearance from the Forest Department for dereservation of land led to non-completion of the project rendering the expenditure of Rs 29.04 lakh unfruitful. Besides, the beneficiaries were also deprived of drinking water and irrigation facilities.

Government stated (May 2008) that the work was started after obtaining (May 2004) 'No objection certificate' from the Sub-Divisional Officer, Kotra (Revenue Department) and no objection was raised by the Forest Department. The reply was not tenable as the fact of forest land coming in the submergence of Mamer Irrigation Project had been brought (January 2005) to the notice of WRD by the Forest Department before awarding (February 2005) the work to contractor.

4.2.6 Avoidable extra expenditure

Department's failure to provide dispute free land to contractor 'A' and arranging adequate funds led to abandonment of work by him and re-allotment of work to other contractor at higher cost resulted in avoidable extra expenditure of Rs 25.59 lakh.

Public Works Financial and Accounts Rules (PWF&ARs) provide that no work should commence on land which has not been duly made over by the responsible Civil officer.

Test check (October 2006) of the records of Executive Engineer (EE), Water Resources Department (WRD), Division-I, Chittorgarh revealed that Superintending Engineer (SE), WRD, Circle Bhilwara sanctioned (August 2002) the technical estimate of Rs.88.83 lakh for construction of the main dam of Guner Minor Irrigation Project (MIP) in Chittorgarh District. EE, WRD, Division-I, Chittorgarh issued (October 2002) work order to contractor 'A' at 23.68 per cent below Schedule 'G' (Rs.86.24 lakh) for Rs.65.82 lakh

with completion of main dam by 13 October 2003. The contractor 'A' stopped (October 2003) the work after executing work worth Rs 6.55 lakh due to objections raised by the land owners whose land was coming in submergence/ borrow area and also due to not getting timely payment for the work. SE, WRD, Circle Bhilwara granted extension of time of 316 days (i.e. up to 24 August 2004) in December 2003 which was further extended (August 2004) up to 17 April 2005 on the aforesaid grounds. Despite this, the contractor after executing work worth Rs 13.19 lakh finally left (March 2005) the work incomplete due to non-availability of dispute free land. The SE, WRD, Circle Bhilwara ordered (April 2005) withdrawal of the work from the contractor 'A' levying 10 *per cent* compensation under clause 2 of the agreement and getting the remaining work executed at the risk and cost of the contractor 'A' under clause 3 (c) *ibid*.

Aggrieved by the order, the contractor 'A' represented (May 2005) that he could not complete the work due to objections raised by land owners and not getting timely payments and requested (August 2005) for review of the order. Additional Chief Engineer (ACE), WRD, Zone Udaipur while admitting (September 2005) departmental failure in providing dispute free site to the contractor until July 2005 and also failure to arrange adequate funds, recommended (September 2005) withdrawal of action proposed under clause 2 and 3(c) of the agreement.

For the balance work, tenders were re-invited (November 2005) and work was allotted (November 2005) to contractor 'B' at 18 *per cent* above Schedule 'G' (Rs 68.92 lakh) aggregating to Rs 81.33 lakh with scheduled date of completion as 19 September 2006. Contractor 'B' executed work worth Rs 72.44 lakh (Schedule 'G' amount: Rs 61.39 lakh) as of July 2008 and the work was in progress.

Thus, Department's failure to provide dispute free land to contractor 'A' and arranging adequate funds led to abandonment of work by him and re-allotment of work to other contractor at higher cost resulted in avoidable extra expenditure of Rs 25.59 lakh⁹.

Government stated (July 2007) that as no decision for withdrawal of action under clause 3 (c) of agreement against contractor had been taken, it was still operative and recovery towards risk and cost would be effected from the contractor 'A'. The reply was not tenable as the contractor had not been found at fault by the ACE and CE and action under clause 2 against him was withdrawn on the grounds of non- providing dispute free site to contractor and on the same ground action under clause 3(c) was also proposed for withdrawal. Thus, there were no grounds for recovery under clause 3(c) of agreement and Government would have to bear the extra expenditure.

9. 41.68 *per cent* of Rs 61.39 lakh.

4.3 Blocking of funds/idle investment

MEDICAL AND HEALTH DEPARTMENT

4.3.1 Blocking of funds and unfruitful expenditure on incomplete buildings

Failure of the Department in monitoring the progress of work resulted in blocking of funds of Rs 5.93 crore, unfruitful expenditure of Rs 1.36 crore on 22 buildings lying incomplete and a loss of Rs 4.09 crore towards interest on Rs 5.93 crore.

State Government transferred (January and November 1996) Rs 16.42 crore in the Personal Deposit (PD) account of Rajasthan Housing Board (RHB), Jaipur with the instruction to transfer the funds to *Avas Vikas Sansthan* (AVS) immediately for construction of 31 Community Health Centres (CHCs), 54 Primary Health Centres (PHCs) and 43 Doctor's quarters under Minimum Needs Programme. Of Rs 16.42 crore lodged in PD account, RHB transferred (February 1996-February 1998) Rs 15.41 crore to AVS and retained Rs 1.01 crore as of August 2008. AVS spent Rs 10.49 crore¹⁰ on construction of these buildings as of March 1999 (went into liquidation thereafter).

Test check (May-June 2007) of the records of Director, Medical and Health Services, Rajasthan, Jaipur revealed the following:

- Out of 128 buildings, 22 buildings were lying incomplete after spending Rs 1.36 crore as the AVS went into liquidation in March 1999. The works of 12 buildings¹¹ were not taken up by the AVS due to non-availability of the site. Unspent balance of Rs 4.92 crore was not recovered (August 2008) from AVS. The leftover works were not got completed by RHB. Thus, the expenditure of Rs 1.36 crore incurred on buildings lying incomplete since March 1999 proved unfruitful.
- Further, Rs 4.92 crore remained blocked for more than nine years with AVS. As the Department did not include any condition in the sanctions for obtaining bank guarantee from AVS towards the amount released to it, the possibility of recovery of Rs 4.92 crore from RHB, which owns all the assets and liabilities of AVS after its liquidation is remote. RHB also unauthorisedly retained Rs 1.01 crore since November 1996.
- The Department took-up the matter regarding incomplete works with RHB only in July 2003 (after more than four years) and in August 2006 (after further three years). Though in the meeting held under the chairmanship of Principal Secretary, Medical and Health Department, it was decided

10. Completed buildings-CHCs: 29 out of 31; PHCs: 34 out of 54 and Doctor's quarters: 31 out of 43 : (Rs 9.13 crore); Incomplete buildings- CHCs: 2; PHCs: 13 and Doctor's quarters: 7: (Rs 1.36 crore).

11. PHCs: 7 and Doctor's quarters: 5.

(August 2006) that the incomplete buildings would be completed by RHB and handed over by 31 March 2007 to the Department alongwith the balance amount, no progress in the works was made by RHB as of July 2008. No action was initiated by the Department against RHB for non-completion of the buildings or to recover the amount of Rs 5.93 crore from RHB indicating lack of monitoring at the Department's level.

Thus, failure of the Department in monitoring the progress of work resulted in blocking of funds of Rs 5.93 crore as well as unfruitful expenditure of Rs 1.36 crore on 22 buildings lying incomplete for more than nine years. Besides, Government also suffered a loss of Rs 4.09 crore towards interest (at the prevailing rates on PD Accounts) on Rs 5.93 crore lying with RHB/AVS for nine years.

Government while accepting the facts stated (August 2008) that the matter regarding completion of remaining works and refund of balance amount has been taken-up with RHB. The fact remained that the works were still incomplete and unutilised balance was not refunded by RHB as of August 2008.

TRIBAL AREA DEVELOPMENT DEPARTMENT

4.3.2 Blocking of funds in an incomplete project for Tourism Development

Failure of the Department in obtaining clearance of Forest Department before getting the work executed and defective planning led to blocking of funds of Rs 90.33 lakh in a Tourism Development Project.

Tribal Area Development (TAD) Department of the State Government accorded (October 2002) administrative and financial sanction of Rs 2.24 crore for construction of a *Shaheed Smarak at Mangarh Dham (Smarak)* in Banswara District for development of tourism. For this, forest land of 20 acre was required. Simultaneously, Public Works Department (PWD), sanctioned (January 2003) an estimate of Rs 2.25 crore for execution of BT road, *Smarak*, water and electric works, development of lawn/garden, cement concrete (CC) chairs, recreation shed, retaining wall and other works for development of *Smarak*. Government, TAD Department released Rs 1.10 crore between March 2003 and January 2004 to Commissioner, TAD. The Commissioner, TAD, Udaipur released (May 2003 to February 2004) a total amount of Rs 91.45 lakh to three agencies¹². Since the land on which *Smarak* was constructed belonged to Forest Department, Collector, Banswara identified and proposed (December 2002) to transfer 55 acre of revenue land to Forest

12. Executive Engineer (EE), PWD, Division-II, Banswara (subsequently transferred to EE, PWD, Division-I, Banswara due to transferring the work to this Division): Rs 50 lakh (May 2003); EE, Public Health Engineering Department Division, Banswara: Rs 35 lakh (June 2003 and February 2004) and *Ajmer Vidyut Vitran Nigam Limited*, Banswara : Rs 6.45 lakh (July 2003).

Department in lieu of 20 acre forest land needed for the project. The Divisional Forest Officer, Banswara also agreed to it and accordingly forwarded (January 2003) the proposal for dereservation of forest land to Conservator of Forests, Western Circle, Udaipur. The work of *Smarak* was lying incomplete¹³ since March 2004 after spending Rs 90.33 lakh (PWD: Rs 49.51 lakh, Public Health Engineering Department: Rs 34.37 lakh and *Ajmer Vidyut Vitran Nigam Limited*: Rs 6.45 lakh).

Scrutiny (October 2007) of the records of Project Officer, TAD Department, Banswara revealed that though the Department was aware that the *Smarak* was to be constructed on forest land and action (January 2003) for dereservation of 20 acre forest land was in progress, the Commissioner released the funds to executing agencies to begin the works. As the work was started on forest land without obtaining clearance of the Forest Department, the Forest Department stopped the work in March 2004 and the same was lying incomplete¹⁴ since then.

Thus, failure of the Department in obtaining clearance of Forest Department before getting the work executed led to blocking of funds of Rs 90.33 lakh. The permission for dereservation was yet to be received and the *Smarak* has been lying incomplete over four years.

Government accepted (September 2008) that the proposals for dereservation of forest land were under consideration, clearance for starting the work again was still not obtained from Forest Department. Whenever, it would be received the work would be completed by providing the balance amount required to complete remaining work.

4.4 Regularity issues and other points

AGRICULTURE DEPARTMENT

4.4.1 Unnecessary liability on the State ex-chequer

Failure of the Department in preparing single series of crop yield estimates led to unnecessary burden of Rs 32.60 crore.

The National Agriculture Insurance Scheme (NAIS) was introduced by Government of India (GOI) in Rajasthan State from *Kharif* 2003 season with the main objective of providing insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and diseases. The scheme guidelines, *inter alia*, stipulate that in case of failure of crops due to natural calamities, pests and

13. Road, overhead tank, pipeline work and electric work were at incomplete stage and work of development of garden/lawn, CC chairs, recreation shed and retaining wall were not taken up.

14. Roads upto WBM stage without bitumen, incomplete over head tank with loose pipes lying along the road side.

diseases, the farmers whose crops were insured were to be compensated by NAIS upto 100 *per cent* (food crops and oilseeds) and 150 *per cent* (commercial/horticulture crops) of premium. The compensation for the remaining amount of losses was to be paid by the Department and the expenditure was to be shared equally by State Government and GOI. Further, the State Government was required to plan and conduct a requisite number of Crop Cutting Experiments (CCEs) of all notified crops for estimation of crops yield in the notified insurance units and to maintain a single series of CCEs conducted at *Tehsil, Mandal* and *Gram Panchayat* level and resultant yield estimates both for crop production and crop insurance. The claims were to be worked out and settled by the implementing agencies on the basis of yield data furnished by State Government as per the cut-off dates.

Scrutiny (May-June 2007) of records of Director, Agriculture, Jaipur revealed that during 2003 *Kharif* (October-December) to 2005-06 *Rabi* (May-July), net claims for crop compensation amounting to Rs 324.74 crore were to be paid to 11.53 lakh beneficiaries after adjusting premium of Rs 119.26 crore. The State Government and GOI were to share this equally i.e. Rs 162.37 crore each. The State Government was supposed to maintain data for estimated crop production and crop yield for insurance, if any, at single level i.e. District/*Tehsil, Mandal*, etc., which was not maintained in all cases. GOI while considering the claim stated that keeping in view the interest of farmers of Rajasthan and also the norm and practice followed in other States, the claims of Rajasthan for *Kharif* 2005 season may be settled by taking yield estimates at original unit area level i.e. *Tehsil* level. However, the GOI would share claims worked out on the basis of yield estimates at District level (single series) and the difference in two amounts (i.e. claims amount at *Tehsil* and District levels) is to be met by the State Government themselves. Consequently, GOI contributed Rs 129.77 crore only as against Rs 162.37 crore. Resultantly, the State Government had to bear an extra liability of Rs 32.60¹⁵ crore due to non-observing the provisions of the NAIS regarding preparation of single series of data.

Thus, failure of the Department in preparing single series of crop yield estimates led to unnecessary burden of Rs 32.60 crore on the State ex-chequer.

Government stated (February-July 2008) that single series of data could not be maintained earlier due to non-receipt of directions in this regard from GOI and the same was being maintained since *Kharif* 2006. The reply was not tenable as the required single series of data were now being maintained by the Department at its own by conducting required CCEs since *Kharif* 2006. This indicated that the State Government could have maintained the single series at its own level earlier also. Had this been done earlier, State Government could have escaped from bearing unnecessary burden.

15. This includes Rs 4.45 crore which are yet to be paid by State Government.

DISASTER MANAGEMENT AND RELIEF DEPARTMENT

4.4.2 Inadmissible expenditure

Non-adherence to the norms prescribed by Government of India led to inadmissible expenditure of Rs 3.91 crore on payment of assistance out of Calamity Relief Fund to farmers for removal of crop waste.

As per Government of India (GOI) modified (April 2003) eligibility criteria for assistance from the Calamity Relief Fund (CRF)/National Calamity Contingency Fund (NCCF), removal of crop wasted due to natural calamities from farmers land was not eligible for assistance.

However, Secretary, Disaster Management and Relief Department permitted (March 2005) District Collector (DC) (Relief), Sriganganagar to sanction assistance for removal of crop wasted due to hailstorms under relief works. Accordingly, DC paid (March-October 2005) assistance of Rs 3.91 crore out of CRF to 8,426 farmers for removing crop waste from their fields generated due to hailstorm in Ghadsana (Rs 1.59 crore) and Anoopgarh (Rs 2.32 crore) Tehsils. The action of the Government to allow assistance out of CRF on this item without prior approval of GOI tantamount to inadmissible expenditure of Rs 3.91 crore.

Government stated (March 2008) that assistance for removing crop waste was provided out of CRF considering to the possibility of outbreak of epidemic from decay of crop waste, as there was no provision for removal of crop waste under other schemes. The reply was not tenable as the assistance for removal of crop waste did not qualify for expenditure under CRF/NCCF.

FINANCE DEPARTMENT

4.4.3 Excess payment of pension

Failure of the treasury officers to exercise prescribed checks led to excess/irregular payment of pension/family pension amounting to Rs 1.22 crore.

Treasury Officers (TOs) are responsible for checking the accuracy of pension payment, family pension and other retirement benefits made by the banks with reference to the records maintained by them, before incorporating the transactions in their accounts.

Cases of excess payments to pensioners also featured in the earlier Audit Reports (Civil)¹⁶. The Public Accounts Committee recommended (2001-02) that recoveries of excess payment be effected, responsibility fixed against

16. Para 3.2 of 1997-98, Para 3.7 of 1999-2000, Para 4.4.1 of 2002-03, Para 4.2.5 of 2003-04, Para 4.4.1 of 2004-05, Para 4.1.3 of 2005-06 and Para 4.5.7 of 2006-07.

defaulting officers and the administrative inspection of treasuries be strengthened to avoid recurrence of such irregularities in future. The Department issued (16 August 2002) necessary instructions to the TOs for verification of pension payments by visiting the banks. While examining para 4.2.5 of Report of the Comptroller and Auditor General of India for the year ending 31 March 2004 (Civil)-Government of Rajasthan, Public Accounts Committee (2006-07) again viewed it seriously.

Test check (April 2007 to March 2008) of the records of pension payments made by the Banks involving 24 TOs, however, disclosed that excess/irregular payment of superannuation/family pensions was made to 287 pensioners¹⁷ amounting to Rs 1.22 crore as of June 2008 as detailed below:

S. No.	Particulars	Excess/irregular payments	
		Number of cases	Amount (Rupees in lakh)
1.	Non-reduction of family pension after expiry of the prescribed period (Rule 62 of Pension Rules, 1996 ¹⁸).	100	23.70
2.	Family pension not stopped after attaining the age of 25 years/marriage/employment of dependents (Rule 67).	1	0.10
3.	Non-reduction of pension after its commutation (Rule 28).	23	5.19
4.	Pension credited in Bank Accounts without receipt of life certificates (Rule 134).	37	52.90
5.	Pensions not stopped even after death of pensioners (Rule 136).	7	0.82
6.	Dearness relief paid to pensioners during the period of their re-employment (Rule 164).	2	0.91
7.	Excess payment of dearness relief due to erroneous re-merger of dearness pay in pension	50	21.46
8.	Pension and dearness relief paid at higher rate than admissible.	15	3.72
9.	Non-recovery of dues from Gratuity payments (Rule 92).	23	4.33
10.	Miscellaneous.	29	8.88
Total		287	122.01

It would be seen that the irregularities had persisted due to failure of the TOs in conducting concurrent checks of payments made by banks, despite the recommendations of the Public Accounts Committee.

The Government accepted (July 2008) the facts and recovered Rs 1.07 crore at the instance of audit.

17. Ajmer: 25; Alwar: 34; Banswara: 2; Baran: 1; Bikaner: 9; Bharatpur: 5; Bhilwara: 20; Bundi: 23; Chittorgarh: 31; Dausa: 3; Ganganagar: 2; Jaipur: 17; Jaisalmer: 13; Jhalawar: 2; Jhunjhunu: 1; Jodhpur: 26; Karauli: 3; Kota: 6; Nagaur: 2; Pratapgarh: 1; Rajsamand: 5; Sikar: 9; Tonk: 8 and Udaipur: 39.

18. Rajasthan Civil Services (Pension) Rules, 1996.

FOREST DEPARTMENT

4.4.4 Irregular retention of funds

Compensatory Afforestation Fund Management and Planning Authority funds of Rs 3.95 crore were unauthorisedly retained by the Department in violation of orders of Supreme Court/instructions of Government of India.

Ministry of Environment and Forest (MoEF), Government of India (GOI) constituted (April 2004) Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in pursuance of Supreme Court's order dated 30 October 2002. Money recoverable as per conditions of GOI stipulated in its approval granting use of forest land for non-forestry purposes under Forest (Conservation) Act, 1980 has to be deposited in CAMPA. The MoEF directed (May 2006) that all funds received by the State Government from the user agencies towards compensatory afforestation, Net Present Value (NPV) of forest land, catchment area treatment plan, protection of national parks/sanctuaries etc. on account of diversion of forest land for non-forestry purposes and were lying unspent as fixed deposit or in any other form with the State Government should immediately be transferred to CAMPA.

Scrutiny (March-April 2007) of records of Conservator of Forests, Kota revealed that MoEF accorded in principle/final approval on 8 September 2005/2 March 2006 for diversion of 58.51 hectare (ha) forest land required for widening of National Highway No. 76 in between km 397 to km 579 subject to deposition of cost of compensatory afforestation by the user agency. Accordingly, the user agency, National Highways Authority of India (NHAI) deposited (October-November 2005) Rs 15.53 crore¹⁹ with Divisional Forest Officer, Baran. The Department transferred (February-April 2007) Rs 11.92 crore (principal) with interest of Rs 0.95 crore only to CAMPA. Contrary to orders of Supreme Court/GOI to deposit all funds received from user agency into CAMPA, Rs 3.61 crore (cost of fallen trees: Rs 61.47 lakh and protection wall: Rs 3 crore) and interest of Rs 0.34 crore was not transferred to CAMPA as of February 2008.

Thus, CAMPA funds of Rs 3.95 crore were unauthorisedly retained by the Department in violation of orders of Supreme Court/instructions of GOI.

Government stated (February 2008) that these funds were not transferred to CAMPA as these were not recovered as per terms and conditions of the approval issued by GOI. The reply was not tenable as all money deposited by user agency on account of diversion of forest land for non-forestry purposes should have been transferred immediately to CAMPA as per instructions (May 2006) of GOI. Further, on a clarification sought by Audit (April 2008)

19. Road side plantation: Rs 6.12 crore; compensatory afforestation: Rs 0.41 crore; NPV: Rs 5.39 crore; cost of trees: Rs 0.61 crore and protection wall: Rs 3 crore.

from MoEF it was clarified that the amount collected from the user agencies has to be deposited in full in ad-hoc CAMPA. It was further stated that the Rajasthan State Government will have to deposit back the balance amount of Rs 3.61 crore.

HIGHER EDUCATION DEPARTMENT

4.4.5 Non/short recovery of rent from commercial establishment

Failure of the University in revising rent and inaction to recover the outstanding rent from five commercial establishments resulted in non/short recovery of rent amounting to Rs 87.58 lakh.

Mention was made in para 6.1.9 (iv) of the Report of the Comptroller and Auditor General of India (Civil) for the year ended March 2001- Government of Rajasthan regarding non-revision of rent of commercial establishments let out on rent about 22 years back by University of Rajasthan (University), Jaipur and non-recovery of rent from them at rates revised (4 to 174 times) since April 2000. During examination (December 2004) of the case by Public Accounts Committee (PAC), the Government intimated to PAC that instructions had been issued to University for immediate recovery of rent at revised rates.

Memorandum of Understanding (MoU) executed by the University with the State Government in December 1999 provide for increase of rent of shops in the University campus let out by the University as per Government norms.

Test check (February-December 2007) of the records of Vice-Chancellor, University of Rajasthan revealed that despite issuance of standing orders (eight times between 1973-1997) by the Public Works Department (PWD) for determining the value of buildings to assess the rent of Government buildings rented to Central Government/State Government/ other officers and private parties, University did not revise/enhance monthly rent of its buildings upto March 2000. The monthly rent of five commercial establishments²⁰ was raised²¹ only in April 2000 as per the rates based on PWD BSR Standing Order No. X-3/1997. The revised rent was not accepted by the allottees. Consequently, University reduced (Bank of Rajasthan: August 2003 and other four establishments: November 2001) the rent²² without the approval of the State Government. This was in violation of the clause 10 of the condition attached to release of grant by Government which stipulated that the

20. Cooperative Store (May 1964), Bank of Rajasthan (February 1975), Post Office (NA), Hair Dresser (May 1979) and Best Book Company (September 1979).

21. Cooperative Store: from Rs one to Rs 13,800 per month, Bank of Rajasthan: from Rs 3000 to Rs 64,300 per month, Post Office: from Rs 125 to Rs 21,800 per month, Hair Dresser: Rs 60 to Rs 3,720 per month and Best Book Company: Rs 200 to Rs 10,533 per month.

22. Cooperative Store: Rs 6,000; Bank of Rajasthan: Rs 45,000; Post Office: Rs 5,400; Hair Dresser: Rs 1,000 and Best Book Company: Rs 4,500.

University would not take any decision which might reduce its income without the Government's prior approval. Even the reduced rent was not paid by four commercial establishments (Bank of Rajasthan deposited the reduced rent at Rs 45,000 per month). No action was initiated for eviction of the defaulters.

Consequent upon further issuance of similar instructions to revise rent by PWD in 2006, the University Engineer re-assessed (November 2006), the rent²³. As these rates were yet to be approved by the Syndicate, these could not be made applicable as of December 2007. This indicated inaction on the part of the University and led to non/short-recovery of rent amounting to Rs 87.58 lakh²⁴ pertaining to the period from May 2000 to December 2007.

Thus, failure of the University in revising rent and inaction to recover the outstanding rent from five commercial establishments resulted in non/short recovery of rent amounting to Rs 87.58 lakh.

While accepting the fact the Government stated (May 2008 and August 2008) that directions have been issued to the University for immediate recovery of enhanced rent and for initiating legal action against the defaulting commercial establishments.

4.4.6 Short recovery of examination fees

Non-observance of the provision of the ordinance by the Principal led to loss of Rs 33.87 lakh towards balance examination fees.

Ordinance 0.144 of the University of Rajasthan (University) provides that candidates who fail to put in minimum 75 per cent attendance shall be detained from appearing in the examination as regular candidates. Ordinance 0.145A(i) permits such candidates to get their candidature converted as non-collegiate candidates on payment of balance amount of fees (difference²⁵ in the fees of collegiate and non-collegiate candidates). Enforcing minimum 75 per cent attendance by the candidates in the colleges was also stressed by the Rajasthan High Court²⁶ (December 1995 and October 1997) and by the University (September 1996 and February 2003). For ensuring attendance of students, the High Court also directed the Head of the Department or Principal of the Colleges to prepare the attendance registers regularly and properly and to send the said information to University monthly within 10 days from the end of each month, otherwise he would be liable for departmental inquiry and disciplinary action.

Test check (February to December 2007) of the records of the Rajasthan University revealed that in constituent Commerce College, Jaipur out of

23. Cooperative Store: Rs 20,806; Bank of Rajasthan: Rs 97,418; Post Office: Rs 28,683, Hair Dresser: Rs 5,620; and Best Book Company: Rs 15,745.

24. The Bank of Rajasthan: Rs 38.77 lakh; Post Office: Rs 21.02 lakh; Cooperative Store: Rs 13.68 lakh; Hair Dresser: Rs 3.69 lakh and Best Book Company: Rs 10.42 lakh.

25. Rs 480 for B.Com. Part-I and Rs 405 for B.Com. Part-II and III.

26. SB civil writ petition dated 5 December 1995 filed in public interest on the ground that guidelines issued by University Grant Commission pertaining to minimum attendance of the students were not being followed by the Colleges affiliated to the University.

10,829 candidates permitted to appear as regular candidates during 2003-06, 7,857 candidates (72.6 per cent) had attendance less than 75 per cent²⁷ during sessions.

Thus, 7,857 candidates were irregularly permitted to appear as regular candidates during 2003-06 by the University contrary to the provisions of ordinances as well as the directions of Rajasthan High Court. Further, non-treating of such candidates as non-collegiate candidates deprived the University from collection of balance examination fees of Rs 33.87 lakh being the difference of prescribed examination fees of the non-collegiate candidate and the regular candidate.

Government stated (August 2008) that candidates who failed to attain 75 per cent attendance initially obtained the required percentage of attendance by attending extra classes run by the college at the request of the students. Reply of the Government was not tenable as no record of conducting extra classes was maintained and furnished by the college. Besides, obtaining 75 per cent attendance in a short period of about two months was not feasible as attendance of 5,987 candidates (out of 7,857 candidates) was below 40 per cent. Of this, 1,294 candidates attended classes for one to ten days only during the sessions.

4.4.7 Short realisation of affiliation fees from private colleges

Non-adherence to the provisions of the Ordinance of the Rajasthan University led to short realisation of Rs 3.27 crore towards affiliation fee from 43 private engineering colleges.

Ordinance 80 of University of Rajasthan (University) (Hand Book Part-II) provides that college applying for affiliation for one or more courses of study or in additional subject or for permanent affiliation should remit fee alongwith the application. University notified (July 2000) an affiliation fee of Rs 50,000 for every under-graduate Engineering course²⁸ or additional subjects²⁹. In July 2003, fee for fresh provisional affiliation for additional subject was revised to Rs 10,000.

Scrutiny (February 2007 to December 2007) of the records of the University revealed that during 2000-07, University charged Rs 1.09 crore from 43 private engineering colleges for granting provisional/permanent affiliation for 947 under-graduate engineering courses at Rs 50,000 per college for all initial courses and Rs 10,000 for each additional courses during the year of proposals.

27. Out of 202 to 405 number of classes for different sections held during the session, attendance of regular candidates were in the range between minimum one and maximum 293 classes.

28. B.E. Computer Science, B.E. Electronics and Communication, B.E. Electrical, B.E. Information Technology, B.E. Mechanical, B.E. Instrumentation, B.E. Bio-Technology, B.E. Automobile, etc.

29. Courses subsequently added after getting affiliation of courses initially.

In view of the provisions of the Ordinance 80, the provisional affiliation fee of Rs 50,000 was to be charged for each course (initial and additional) upto 2002-03 and thereafter Rs 10,000 for every additional courses every year in addition to affiliation fee of Rs 50,000 per course existing already. Accordingly, affiliation fee of Rs 4.36 crore (Rs 4.26 crore at Rs 50,000 for 852 initial courses and Rs 0.10 crore at Rs 10,000 for 95 addition in subjects) was chargeable as against Rs 1.09 crore actually charged. No action has been initiated by the University for effecting the due affiliation fees despite lapse of more than eight years extending undue benefits to the private colleges.

Thus, non-adherence to the provisions of the Ordinance of the Rajasthan University led to short realisation of Rs 3.27 crore³⁰ towards affiliation fee from 43 private engineering colleges.

Government stated (May 2008) that the University has been directed to furnish reply early. Further reply has not been received (August 2008).

SCHOOL EDUCATION AND SANSKRIT EDUCATION DEPARTMENTS

4.4.8 Excess payment of grant-in-aid (GIA) to aided institutions

Non-observance of instructions issued by the Finance Department of the Government led to excess payment of grants-in-aid amounting to Rs 7.61 crore to 91 non-Government Educational Institutions.

Rule 13(4) of the Rajasthan Non-Government Educational Institutions Rules 1993 provides that total recurring Grant-in-Aid (GIA) in any year shall not exceed the difference between the total approved expenditure taking into account and the income³¹ from the fees and other recurring sources during that year. Despite these instructions in place, the School Education and Sanskrit Education Departments of Government relaxed (March 1994) this rule to the extent that fees charged over and above the prescribed norms of the State Government may not be included in the income of the non-Government

30. Year-wise details of affiliation fee to be charged, actually charged and short charged:

Year	Affiliation fee (Rupees in lakh)		
	To be charged	Actually charged	Short charged
2000-01	25.00	7.50	17.50
2001-02	40.50	10.60	29.90
2002-03	59.00	14.60	44.40
2003-04	66.20	16.90	49.30
2004-05	79.20	19.90	59.30
2005-06	82.90	19.50	63.40
2006-07	82.70	19.60	63.10
Total	435.50	108.60	326.90

31. Income from the fees includes tuition fees, tutorial fees, admission fees, transfer certificate fees and any other fees except subject fees e.g. commerce fees, science fees, agriculture fees, etc.

Educational Institutions (NGEIs). In order to ensure that the GIA does not become the source of income to the institutions, Finance Department of the Government issued (August 2003) instructions that the actual tuition fees collected by the non-Government Educational Institutions (NGEIs) from the students should be included in the income for the purpose of computation of admissible grant from 2003-04 onward. The School Education and Sanskrit Education Departments had withdrawn their orders of March 1994 belatedly in June 2005.

Scrutiny (November 2007-March 2008) revealed that eight assessing authorities³² neither complied with the Finance Department instructions of August 2003 nor followed the Department's orders of June 2005 and did not consider the total fees (development fees, annual fees, consolidate fees etc.) for computing the GIA of the NGEIs. Thus, the GIA was assessed incorrectly and sanctioned without considering their entire income including total fees, which led to excess payment of GIA of Rs 7.61 crore to 91 NGEIs during 2003-04 to 2006-07 as shown in *Appendix- 4.2*.

Government while accepting the facts stated (September 2008) that as the relaxation was withdrawn in June 2005, income from total fees charged by NGEIs was to be considered from 2004-05 only. Reply was not acceptable because excess GIA paid during 2003-2007 was recoverable from the NGEIs, as the instructions were issued by Finance Department in August 2003 to all Departments concerned.

DEPARTMENT OF PERSONNEL

4.4.9 Non-recovery of electricity charges and non-revision of rents

Poor estate management of the Department led to non-recovery of Rs 30.89 lakh towards electricity charges and failure to re-determine, the value of properties and revise rent accordingly led to loss of revised rent from the tenants.

Rule 7 of General Financial and Accounts Rules (GF&ARs) stipulates that it is the duty of the Administrative Department concerned to see that the dues of Government are correctly and promptly assessed, collected, accounted for and paid into the treasury.

Scrutiny (May-September 2007) of the records of the Deputy Secretary, Department of Personnel and further information collected (June 2008) revealed that the Registrar³³, Government Secretariat, Jaipur let out some portion of Secretariat to State Bank of Bikaner and Jaipur (Bank) and *Lok mitra*. The Department spent Rs 30.89 lakh towards electricity charges consumed by these institutions during the period from January 2005 to

32. Director, Sanskrit Education; Commissioner, Secondary Education; Dy. Directors, Elementary Education, Ajmer, Churu, Jaipur, Jodhpur, Kota and Udaipur.

33. The Registrar is the Caretaker of the Government Secretariat properties and his duties also include House Keeping jobs.

January 2008 and except issuing demand notices, took no action to recover the electricity charges from these institutions or to disconnect the power supply of defaulting tenants.

Further, State Government in Public Works Department revised rates from time to time (1984-2006) for re-determining the value of land/building with a view to assess the present day fair rent of the rented buildings. However, the fair rent of properties rented to Bank (Rs 1,005 per month), two shops viz. *Sachivalaya Sandesh* and Yash Communications and thirteen carts (Rs 200 per month) was not revised after 1981 (Bank) and 1994 (Shops/cart holders) by the Department. Records pertaining to allotment, assessment of rent and recovery thereof could not be produced to Audit as these were stated to have been found missing. Thus, lack of pursuance on the part of Department and poor estate management led to non-recovery of the electricity charges of Rs 30.89 lakh³⁴ and loss of revised rent.

Government stated (June 2008) that action for recovery of electricity charges and re-assessment of rent by Executive Engineer, Public Works Department, *Sachivalaya* (Division), Jaipur has been started now. No reasons, however, have been furnished by Government for non-recovery of electricity charges since January 2005 to date and for not making periodical re-assessment of rents of the rented properties.

GENERAL

4.4.10 Recovery at the instance of Audit

As per Rule 8(1) of Government and aided hostels operation Rules, 1982 regulating running of Government and aided hostels established for students of Scheduled Castes, Scheduled Tribes, nomadic tribes and other backward classes studying in class VI to class XII by Social Justice and Empowerment Department (SJED), the hostels are to run for 10½ months per session i.e. from 1 July to 15 May and grant at Rs 675³⁵ per student per month is payable towards food, clothes, uniform, shoes, hair oil and soaps, etc. for 9½ months after taking into account Winter, Deepawali, Dussehra and other vacations of 30 days. Thus, hostels were to be run for 10½ months out of grant of 9½ months.

Test check (May-June 2007) of the records of Assistant Directors (AD), SJED, Banswara, Pali and District Probation and Social Welfare Officer (DPSWO), Nagaur, revealed that during the education session 2005-06 and 2006-07, 134 Government and aided hostels in Banswara (80) and Pali (54) Districts were operated upto 10-12 April every year i.e. only for 9½ months instead of prescribed 10½ months and were paid excess grant of Rs 20.26 lakh (Banswara: Rs 13.13 lakh, Pali: Rs 7.13 lakh). Besides, excess grant of Rs 2.28 lakh was paid for education session 2005-06 for 20 hostels running in Nagaur District due

34. State Bank of Bikaner and Jaipur: Rs 29.34 lakh and *Lok mitra*: Rs 1.55 lakh.

35. Applicable from session 1999-2000 was subsequently raised to Rs 725 per student per month from session 2006-07.

to sanctioning grant for 10½ months instead of the prescribed maximum 9½ months.

Government stated (July 2008) that as of July 2008, Rs 11.18 lakh have been recovered at the instance of Audit.

4.4.11 Lack of response to Audit

For early settlement of outstanding Inspection Reports (IRs) and paragraphs, the Government issued (August 1969) instructions to all departmental officers for sending the first reply to IRs within a month and replies to further audit observations within a fortnight. These instructions were reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance to all the matters relating to audit. Latest instructions were issued in November 2006.

As of 31 March 2008, there were 7,542 IRs containing 27,148 paragraphs issued during the period 1982-83 to 2007-08 (upto September 2007) pertaining to 80 Civil and 7 Works Departments pending for settlement, as under:

Year	Numbers pending	
	IRs	Paragraphs
Upto 2001-02	1,993	5,170
2002-03	602	1,997
2003-04	808	2,550
2004-05	1,093	3,639
2005-06	862	3,939
2006-07	1,434	6,108
2007-08 (upto September 2007)	750	3,745
Total	7,542	27,148

An analysis of 1,554 IRs relating to Food, Civil Supply and Consumer Affairs Department (46 IRs), Mines and Geology Department (31 IRs), Medical and Health Department (900 IRs), Medical Education Department (108 IRs) and Water Resources Department (469 IRs) revealed that 4,771 paragraphs (*Appendix-4.3*) were outstanding as of 31 March 2008. It was further noticed that first reply of the 18 IRs of the Food, Civil Supply and Consumer Affairs Department, 16 IRs of Mines and Geology Department, 197 IRs of Medical and Health Department and 11 IRs of Medical Education Department were pending for six months to 10 years³⁶.

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

36. Food, Civil Supply and Consumer Affairs Department: 9 months to 17 months; Mines and Geology Department: 12 months to 120 months; Medical and Health Department: 7 months to 112 months and Medical Education Department: 6 months to 25 months.

Audit Committees comprising the Principal Secretary/Secretary of the Department and representatives of the Finance Department and Principal Accountant General were formed in 36 Departments out of 87 Departments for taking speedy action on pending audit matters. Finance Department issued (November 2004) instructions for conducting four meetings per year but not a single Department adhered to the instructions of Finance Department. Only 47 Audit Committee meetings were held by 24 Departments during the year.

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

4.4.12 Action taken by Government on PAC recommendation

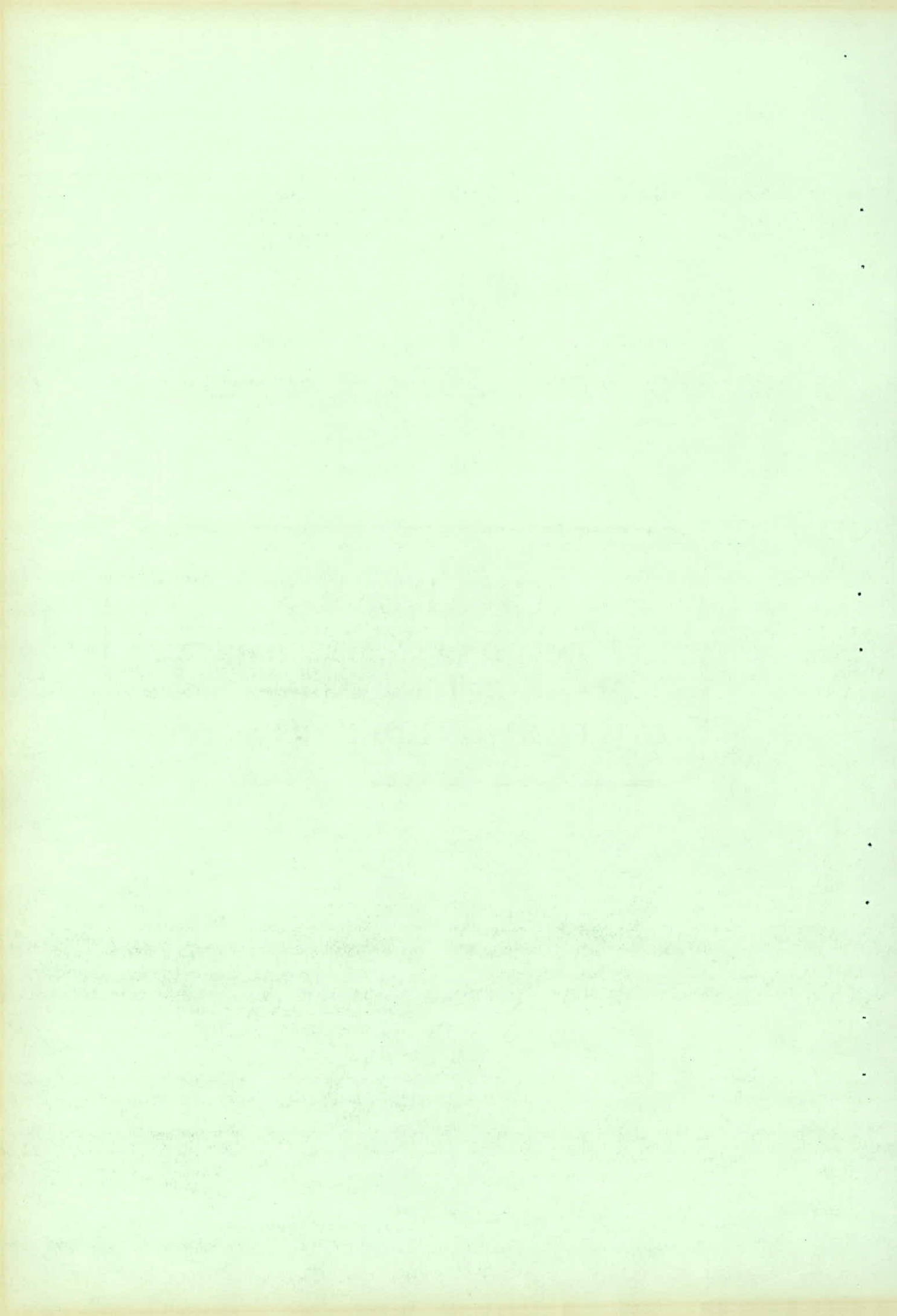
Government/Heads of Departments have to take necessary remedial action on the points mentioned in the Reports of the Comptroller and Auditor General of India. Test checked of compliance of some of the crucial issues/system deficiencies pointed out in the Audit Reports of previous years by revisiting the audited units concerned.

Scrutiny of compliance of the action taken on the irregularities/system deficiencies in one case in a Department pointed out in the Audit Report for the year 2000-01 disclosed that shortcomings/deficiencies were not rectified and the irregularities persisted as follows:

The Public Accounts Committee of the 12th *Vidhan Sabha* (2004-05) while examining para 3.8.3 of the Report of Comptroller and Auditor General of India (Civil) for the year ended 31 March 2001-Government of Rajasthan regarding uneconomic running of Government presses recommended to intimate the progress to the committee. In turn, the Government intimated (March 2006) that due to non-availability of finances there was no progress in the status of presses and the proposals for closing of three presses (Alwar, Udaipur and Bikaner) were still on the way for submission to Cabinet. Further scrutiny (August 2007) of the records of Director, Printing and Stationery, Rajasthan, Jaipur revealed that the financial position of five presses³⁷ could not be improved as these could not be modernised till date. During the years 2002-07, the excess of expenditure over the revenue in these presses ranged between Rs 6.80 crore and Rs 10.43 crore mainly due to the machines/equipment being too old.

37. Alwar, Bikaner, Jaipur, Jodhpur and Udaipur.

CHAPTER-V
INTERNAL CONTROL
MECHANISM IN
GOVERNMENT DEPARTMENTS



CHAPTER-V INTERNAL CONTROL MECHANISM IN GOVERNMENT DEPARTMENTS

AGRICULTURE DEPARTMENT

5.1 Internal Control Mechanism in Agriculture Department

Highlights

Internal Control Mechanism is an integral part of an organisation's operations to promote operational efficiency and effectiveness. It encompasses budgetary, expenditure, operational and administrative controls laid down in the departmental rules and procedures. A review of Internal Control Mechanism in Agriculture Department revealed deficiencies in observance of budgetary control, inventory control as well as operational controls leading to excess provision of funds in budget estimates and in supplementary grants, irregularities in maintenance of cash and the relevant records, improper seeds management, irregularities in procurement and improper implementation of Crop Insurance Scheme. Internal audit was inadequate and ineffective.

Departmental Manual published in July 1997 has not been revised/updated despite transfer of works of various schemes to Panchayati Raj.

(Paragraph 5.1.6)

Supplementary grants were obtained without requirement. Central assistance was not utilised to the extent of 6 to 51 per cent during 2003-08. Prescribed rules for maintenance of cash were not observed by the DDOs.

(Paragraphs 5.1.7.2, 5.1.7.3 and 5.1.7.6)

The machinery, equipment and other items worth Rs 0.52 crore were lying idle in 14 test checked units for period ranging from two to 13 years.

(Paragraph 5.1.9)

Subsidy of Rs 88.80 crore was provided on purchase and distribution of seeds without verifying the genetic purity. Non-loanee farmers did not get the benefit of National Agriculture Insurance Scheme.

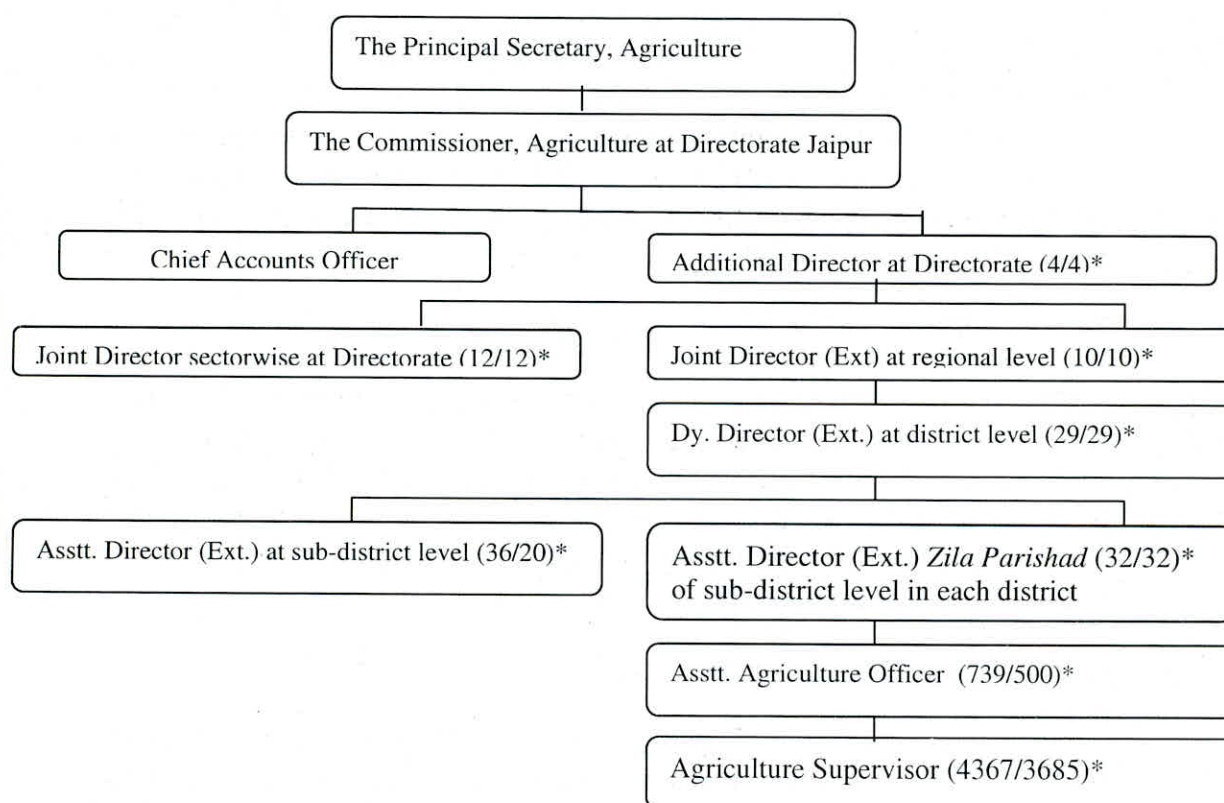
(Paragraphs 5.1.10.2 and 5.1.10.4)

5.1.1 Introduction

Internal Control Mechanism (ICM) is a process meant to ensure that there are laws and regulations regarding the working of the Department and the departmental operations are carried out according to the applicable laws and regulations in an economical, efficient and effective manner.

The Agriculture Department (Department) is responsible mainly for dissemination of latest technical know-how termed 'extension services' (Ext) besides, ensuring timely supply of quality inputs to the farming community. The objectives of the Department are to improve the production and productivity of food grains and other agricultural products for sustainable growth of the State economy.

5.1.2 Organisational set up



* The figure in bracket denote sanctioned/ working strength

The Principal Secretary, Agriculture is the administrative head and the Commissioner, Agriculture is head of the Department. He is assisted by Chief Accounts Officer, Additional Directors, Joint Directors (JD), Deputy Directors (DD), and Assistant Directors (AD) at Headquarter and field as per above organogram.

5.1.3 Audit objectives

The audit objectives were to assess whether:

- budgetary, expenditure and cash controls were adequate and effective;
- administrative controls including establishment and inventory controls were complied with;
- operational and quality controls were adequate to achieve the objectives of the Department in an economic, efficient and effective manner;
- monitoring was adequate and effective; and
- Internal Audit arrangement was effective.

5.1.4 Audit criteria

The audit was conducted through test check of records with reference to the provisions of the Departmental Manual, Rajasthan Budget Manual, General Financial and Accounts Rules (GF&ARs), Rajasthan Treasury Rules, Government orders and guidelines/directions issued for implementation of various schemes. An entry conference with the Commissioner, Agriculture Department was held (November 2007) in which the audit objectives and methodology were discussed.

5.1.5 Audit scope

Audit of Internal Control Mechanism (ICM) in the Department for the period 2003-08 was conducted during December 2007 to May 2008 through test check of the records at the Directorate and offices of four¹ JDs, eight² DDs (Ext), and eight³ ADs (Ext) at *Zila Parishad*. The records of the selected laboratories (9 out of 52), training centres⁴ (2 out of 3) and Adaptive Trial Centres⁵ (ATC) (3 out of 9) were also test checked.

5.1.6 Non revision/updation of manual

The present Manual of the Department was published in July 1997. Despite transfer of implementation of various schemes to *Panchayati Raj* Institutions in July 2003 and introduction of the new schemes, the Manual has not been revised/updated. Besides, the Manual does not contain instructions for financial control, asset management, manpower management, technical guidance, stores and stores management and Internal Audit (IA).

1. JDs, Bhilwara, Jaipur, Sriganganagar and Udaipur.

2. DDs, Ajmer, Bhilwara, Chittorgarh, Hanumangarh, Jaipur, Sriganganagar, Tonk and Udaipur.

3. ADs (Ext) Ajmer, Bhilwara, Chittorgarh, Hanumangarh, Jaipur, Sriganganagar, Tonk and Udaipur.

4. Training Centres - Jaipur and Tonk.

5. ATCs - Ajmer, Chittorgarh and Hanumangarh.

Audit Findings

5.1.7 Budgetary and Expenditure Control

The control over budget preparation and expenditure was essential for optimum utilisation of limited resources to achieve the objectives of the Department. Against the total budget of Rs 1,476 crore during 2003-08, expenditure was Rs 1,475 crore, as shown in the following table:

Year	Budget Estimates (available funds)			Actual Expenditure			(Rupees in crore) Savings (-)/Excess (+)		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
2003-04	49.05	102.58	151.63	49.03	102.53	151.56	(-) 0.02	(-)0.05	(-)0.07
2004-05	54.92	106.78	161.70	54.90	107.14	162.04	(-) 0.02	0.36	0.34
2005-06	246.20	118.79	364.99	244.72	118.73	363.45	(-) 1.48	(-)0.06	(-)1.54
2006-07	247.93	127.90	375.83	248.03	128.02	376.05	0.10	0.12	0.22
2007-08	281.91	139.60	421.51	282.30	139.58	421.88	0.39	(-)0.02	0.37
Total	880.01	595.65	1475.66	878.98	596.00	1474.98	(-)1.03	0.35	(-)0.68

5.1.7.1 Original Budget Estimates

The Budget Manual provides that the budget estimates should be as close and accurate as possible. The position of budget provision, surrender/ re-appropriation and actual expenditure is tabulated in *Appendix-5.1* which would reveal that in most of the cases, the original budget was surrendered to the extent of 5 to 27 *per cent* whereas in the remaining cases the additional budget was provided through re-appropriation/ supplementary grant. This indicated that preparation of original budget estimates was not realistic.

5.1.7.2 Excess Supplementary Grants

33 to 100 *per cent* supplementary grants were not utilised.

As per para 197-198 of Budget Manual the supplementary grants are permissible only when necessity was clearly established and requirement was unavoidable. Scrutiny of records revealed that 33 to 100 *per cent* of the additional budget provided under certain minor heads through supplementary grant during the years 2005-08 remained unutilised at the end of the financial years (*Appendix-5.2*). This indicated that supplementary grant (Rs 6.63 crore) was obtained without assessing the actual requirement, in contravention to the provision of Budget Manual.

5.1.7.3 Under-utilisation of Central Assistance

Central assistance of Rs 29.04 crore remained unutilised.

Government of India (GOI) provided (2003-08) assistance of Rs 169.03 crore under two Integrated Schemes of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) and Integrated Cotton Development Programme Mini Mission (*Appendix-5.3*). The Central assistance of Rs 29.04 crore was not spent. Underutilisation ranged between 6 and 51 *per cent* of available funds during the period.

Similarly, funds for infrastructure (Major head-4401) to the extent of Rs 13.60 crore (ranged between 16 and 100 *per cent* during 2003-08) were not utilised, reasons for which were neither on records nor made available to Audit.

The above position indicated deficiency in planning, implementation of programmes and control of expenditure.

5.1.7.4 Rush of expenditure

47 to 59 *per cent* of total expenditure incurred in March indicating rush of expenditure.

As per para 139 of Budget Manual expenditure should be evenly managed and rush of expenditure particularly in the closing month of the financial year would ordinarily be regarded as a breach of financial regularity. The position of total plan expenditure vis-a-vis expenditure during the last month and on the last day of the financial years 2003-07 in 13 test checked units was as follows:

(Rupees in crore)					
Year	Total expenditure	Expenditure during March	Percentage	Expenditure on last day	Percentage
2003-04	4.77	2.58	54	1.39	29
2004-05	6.80	4.01	59	1.23	18
2005-06	25.85	13.29	51	1.80	7
2006-07	27.72	12.89	47	2.85	10

Large expenditure in the last month and on the last day of the financial year was indicative of imprudent financial management and violation of codal provisions.

5.1.7.5 Irregular utilisation of financial powers

Item No. 30 of delegation of financial powers under section-I, Part III of GF&ARs authorises the Head of Department to give advance for purchase from public sector undertaking as per terms of contract. The Commissioner, Agriculture Department made an advance payment of Rs 25.16 lakh on 31 March 2008 to Rajasthan State Seeds Corporation (RSSC) under above delegation for purchase of vehicles from firm as per rate contract under Director General of Supply and Disposal. The action of the Department was irregular as the RSSC was not a supplier of vehicle and the contract of purchase along with quantity, make and specification of vehicles had not been decided. The amount was drawn and advance made to avoid lapse of budget.

5.1.7.6 Cash management

- Rule 46 of GF&ARs provides for issue of a proper receipt by the Head of Office or other Government servant duly authorised by him while receiving money. Scrutiny revealed that Assistant Agriculture Officers (AAOs)/ Agriculture Supervisors (ASs) were receiving money from farmers on account of testing fee, farmers' share of crop demonstration, etc. under various

Receipts were not issued to actual payees.

schemes. The money so collected was deposited with the cashier of respective controlling office without mention of date of receipt of money from the farmers. The cashier was issuing single receipt to the concerned AAO/AS instead of issuing receipt to individual farmers who deposited the money. Thus, the actual payer of money was not getting any receipt. There were no individual receipts for Rs 43 lakh so collected⁶ during 2003-08. In the absence of a system of individual receipts being issued, Audit could not ensure whether entire money collected by the AAOs/ ASs was deposited in full in Government account.

- Cash balances in cash book were not verified physically at the end of each month in 11 to 58 months. Besides, the Head of Office was required to make a surprise verification of cash once a month and certify that cash balance with cashier was in order. Of 35 units covered, monthly verification of cash balances was not conducted in 14 to 58 months during 2003-08 in 28 test checked units.
- In seven⁷ test checked units, cash/ demand draft/ cheques received by cashier were deposited into treasury with delays ranging from four to 27 months.
- All money transactions as soon as they are recorded in the cash book, were to be checked and attested by the Head of Office under Rule 48 (ii) of GF&ARs. But the cash book was not checked and attested by Head of Office for the periods ranging between 29 and 220 days in four⁸ test checked units.
- As per Rule 59 of GF&ARs all Drawing and Disbursing Officers had to arrange reconciliation of remittances made into treasury with the records of Treasury Officer (TO) and get it certified every month from the TO. Audit observed that remittances of Rs 90.16 lakh during the period 2003-08 in 13 units were not reconciled and got certified (June 2008). It was also observed that non-verification of remittances into treasury for the period July 1999 to July 2005 in AD (Ext) ZP, Sawaimadhopur amounting to Rs 3.03 lakh was pointed out (September 2005) by special IA. Thereafter verification of remittances was conducted in May 2008. Even then remittances of Rs 0.23 lakh for the years 2000-01 and 2001-02 remained unverified as of June 2008 for which no action was taken as required under codal provisions of GF&ARs. It was indicative of lack of monitoring to ensure correctness of amount remitted into treasury.

6. Assistant Directors (ZP) and Soil testing labs : Ajmer, Bhilwara, Chittorgarh, Hanumangarh, Jaipur, Sriganganagar, Tonk and Udaipur

7. JD, Sriganganagar; JD (Plant Protection), Durgapura (Jaipur); DDs, Ajmer, Hanumangarh, Sriganganagar; State Institute of Agriculture Management (SIAM), Jaipur and AD (ZP), Hanumangarh.

8. DDs (Ext.), Ajmer and Tonk, Deputy Director (Training Centre), Tonk and AD (Ext.), Udaipur.

5.1.8. Asset management

During the scrutiny of records of all the 35 test checked units it was noticed that records of assets under their control was not maintained. The Secretary, Agriculture Department directed (August 1999) the Director, Agriculture to compile details of assets viz. office building, agriculture farms, training hall, godowns, store, garage, residential quarters (constructed, allotted and lying vacant), etc. acquired and utilised in the Department. As per details made available and compiled at Directorate level there were 1,468 staff quarters (including 328 unusable), 523 office buildings and 262.80 hectare land as of 31 March 2001. Even after the expiry of more than seven years complete details of assets were not compiled. Moreover, 241 staff quarters (out of 328 unusable and vacant staff quarters), which were in repairable condition were not repaired and put to use. No measures were also taken to dispose of the remaining 87 irreparable quarters. Thus, proper utilisation of assets and maintenance of its record was not ensured.

5.1.9 Inventory Control

Non-conducting physical verification and inspection of stores indicated ineffective inventory control.

- Rules 10 and 12 of GF&ARs prescribe procedures for issue of stores and its physical verification (PV). Scrutiny of store accounts in test checked units revealed that store items were issued without obtaining any indent and acknowledgement in most cases. The dates of receipt and issue were generally not recorded. In the absence of proper entries in stock registers the period and quantity of actual receipt and issue of items could not be verified in audit.
- It was noticed that officers deputed by Joint Director for conducting PV of stores of DD/AD, were conducting PV of only stock registers pertaining to one or two items out of stock registers for four to 23 items being maintained in the test checked units. Thus, PV of stock was inadequate.
- In 14 test-checked units the machinery, equipment and other items worth Rs 0.52 crore were lying idle for period ranging from two to 13 years. The annual inspection of store was to be arranged by the Head of Office as per Rule 16 of GF&ARs to ensure that balances were not held in excess of requirements for a reasonable period. However, annual inspections were not conducted in all the test checked units. Thus, Head of Office had no knowledge about the items lying unutilised/ unserviceable/ obsolete.

Thus, lack of control over material management resulted into incomplete stock accounts and blocking of funds on unusable/obsolete stores.

5.1.10 Operational Control

5.1.10.1 Quality control of agriculture inputs

The supply of quality agriculture inputs to farmers was the endeavour of the Government as quality of inputs has a direct bearing on agriculture

productivity and development for which rules and regulations were prescribed. State Government nominated officers of the Department as inspectors to ensure the enforcement of provisions prescribed by the GOI under various Acts and orders for seeds, fertilizers and pesticides. The targets were fixed for inspectors to take samples of seeds (46,000), fertilizers (48,000) and pesticides (8,000) during 2003-08. Against the above targets 22,752 samples of seeds, 25,986 samples of fertilizers and 8468 samples of pesticides were drawn by the inspectors resulting in shortfall of targets of 51 *per cent* (seeds) and 46 *per cent* (fertilizers). The reasons for shortfall were attributed to shortage of manpower, as there were no designated inspectors. The departmental officers were asked to attend to this work in addition to their regular duties. The reply only indicated that while fixing annual targets the Department failed to take into account the manpower available with them for inspection.

5.1.10.2 Improper Seed Management

Subsidy of
Rs 88.80 crore
paid without
verifying genetic
purity of seeds/old
seeds.

As per para 13.3 of Departmental Manual, the assessment of requirement and planning for procurement of seeds, arrangements for supply of higher quality seeds to the farmers before sowing and overall monitoring of excess seed production were the main functions of the Department for which an action plan was to be prepared. Scrutiny revealed the following:

- Though GOI circulated the National Seed Plan in December 2005, the draft seed plan prepared by the State Government in February 2008 was not finalised as of June 2008.
- Para 13.5 of Departmental Manual provides that Breeder Seeds of 100 *per cent* genetic purity only were to be used. Further, Department was also to prescribe minimum limits of germination and purity of seeds with reference to the notified seeds. But the Department did not formulate any mechanism to ensure genetic purity of seeds at departmental level and left this responsibility on the seed-supplying agency. The Department provided subsidy of Rs 88.80 crore on purchase and distribution of 1.12 lakh MT of seeds during 2003-08 without verifying the genetic purity. Thus, the quality of seeds provided to the farmers on subsidised rates was not ensured.

5.1.10.3 Irregular disbursement of subsidy for Promotion of Agricultural Mechanisation

Para 16.13 of Departmental Manual provides payment of subsidy to promote use of tractor-operated farm implements to enhance agricultural productivity. State Government offered a subsidy of 30 *per cent* of the cost of tractor and implements subject to a maximum of Rs 30,000 to farmers provided a tractor is purchased along with three other farm implements. During 2003-07, subsidy of Rs 12.26 crore was allowed on purchase of 4,087 tractors. None of these beneficiaries had purchased the prescribed three farm implements along with the tractors. Thus, even after spending Rs 12.26 crore as subsidy to farmers, the objective of enhancing agricultural productivity could not be achieved.

Irregularities in crop insurance scheme.

5.1.10.4 Crop Insurance Scheme

To compensate farmers for their damaged crops due to natural calamities, pests, etc. the GOI launched (June 1999) National Agriculture Insurance Scheme (NAIS). The scheme aimed at mitigating losses on account of crop damage due to natural and non-preventable risks. The scheme was compulsory for loanee farmers and optional for non-loanee farmers. The premium payable by farmers is a certain percentage of sum insured.

Audit scrutiny revealed that as against cut off dates (for *Kharif*: 31 July and for *Rabi*: 31 December) for receipt of application forms from the non-loanee farmers for coverage under the Scheme, Department issued notification belatedly⁹ one day before the target dates or after the target dates, inviting farmers to submit proposals for coverage under NAIS. Consequently, the non-loanee farmers could not apply to get insurance cover for crops *Kharif* 2003 and 2006 and *Rabi* 2003-04 and 2006-07. Thus, due to slackness on the part of departmental authorities in issue of timely notification, the scheme was not implemented effectively and the farmers were deprived of the insurance facility.

5.1.10.5 Ineffective crop demonstrations

Effective crop demonstration plays a significant role in promoting adoption of improved production technology by the cultivators. During 2003-08, Rs 12.81 crore was incurred on 1.55 lakh demonstrations organised by the Department.

Scrutiny of records of 237 ASs in eight test checked districts revealed the following :

- In 80 *per cent* demonstrations, soil testing was not done by ASs though it was necessary for use of micronutrient and fertilizers in accordance with guidelines for crop demonstrations.
- A control plot (traditional technique adopted by farmer) was necessary at demonstration field so that farmers could compare the modern technique with traditional technique. Scrutiny of records revealed that 134 ASs (57 *per cent*) did not maintain the details of control plot.
- The ADs and AAOs were to supervise crop demonstrations of 10 *per cent* and 50 *per cent* respectively. But, no supervision was conducted by the officers. Resultantly, proper demonstration was not monitored.

9. *Rabi* 2003-04: 04 February 2004; *Kharif* 2006: 31 July 2006 and *Rabi* 2006-07: 30 December 2006.

5.1.10.6 Irregularities in publication of materials

Unfruitful expenditure of Rs 1.26 crore on practice books.

For dissemination of latest knowledge of agriculture techniques in easy language to farmers for *Kharif* and *Rabi* crops a package of practice books was to be published district-wise twice a year before start of respective crop season. These books were to be distributed to the farmers free of cost. Scrutiny of records of six test checked Districts¹⁰ revealed that the books, which were got printed during 2005-08 by the DDs at a cost of Rs 1.26 crore, were handed over to ADs under their jurisdiction one to six months after the start of crop seasons. No record specifying the dates of distribution to farmers was maintained at AAO/ AS level. In the absence of such records, the actual distribution and delays, if any, in distribution could not be ascertained. Besides, the books were issued for distribution to farmers after sowing of crops and they could not be benefited by the latest technique.

5.1.11 Internal Audit System

Internal Audit was inadequate and in arrears.

- Internal Audit (IA) is a part of the Internal Control System and said to be control of controls. The IA must be independent and impartial. It was noticed in audit that the IA staff was engaged in regular operational duties, which affected their independence and impartiality. Against sanction of three IA parties, each consisting of one AAO and one Junior Accountant, only two were in operation. No targets were fixed for the parties for IA. Out of 139 units, only 14 units (average) were audited each year during 2003-08.

- No periodicity of IA was fixed by the Directorate. Units were audited covering a period of one to 16 years at a time. Inspection Reports (IRs) were issued with delay from two to six months in seven cases after completion of IA. The first compliance in eight cases was pending for six to 70 months and compliance was received with delay by more than three months to 59 months in 44 cases out of 87 cases (as of 31 March 2008). There was a pendency of 237 IRs and 1,347 paragraphs at the end of March 2008, 429 paras were more than 10 years old due to lack of remedial action.

5.1.12 Monitoring controls

5.1.12.1 Lack of departmental inspection

Departmental inspection was lacking.

Para 7.18.1 of the Departmental Manual provides for annual inspection of subordinate offices. Scrutiny of records at Directorate revealed that the shortfall in inspections by JDs at regional level ranged between 43 to 100 per cent and 23 to 100 per cent during 2005-06 and 2006-07 respectively. The details of inspections conducted by the JDs during 2003-05 and 2007-08 and by all the subordinate officers (DDs and ADs) for the period 2003-08 were not available though it was mandatory for the field staff to submit the details of inspection to the Directorate. Scrutiny of the records of 12 test

10. Ajmer, Hanumangarh, Jaipur, Sriganganagar, Tonk and Udaipur.

checked units¹¹ revealed that none of the officers had conducted inspections of their subordinate offices. The Department attributed it to excessive workload and shortage of time. The argument was not convincing as inspections were essential to check and improve the working of subordinate officers.

5.1.12.2 Verification of utilisation of subsidised inputs

Despite GOI instructions (August 2002) to adopt a well considered system for thorough verification of fertilizers sales to farmers, no mechanism was evolved. Only the distribution statements received from field offices were being verified by DDs/ADs in routine manner without any linkage of demands/ supply to farmers.

5.1.12.3 Lack of response to CAG audit

Poor response to CAG Audit.

The Principal Accountant General (Civil Audit), Rajasthan conducts periodical inspection of all Government transactions and communicates the audit findings through IRs to the Head of Office/Department for compliance. The Department was required to comply with the audit observations and rectify the irregularities noticed during audit.

There was a pendency of 194 IRs containing 436 paragraphs at the end of March 2008. Of these, 76 paragraphs of 47 IRs were pending for more than five years. First compliance of 27 IRs issued during 2006-08 was pending as of March 2008 although it was required to be sent within one month from the date of issue of IRs.

It was noticed that during 2003-08 four meetings were held against 18 prescribed. This showed lack of response to control mechanism prescribed for close monitoring and timely action on audit objections.

5.1.12.4 Concurrent Evaluation

Concurrent evaluation not done.

The GOI directed (October 2002) to conduct every year concurrent evaluation by the State Agriculture University or any other independent agency of the Centrally assisted schemes implemented by six¹² State Government Departments. The Department awarded (June 2007) the work to SIAM¹³, in respect of schemes implemented during 2005-06 only. Thus, the objective of carrying out independent evaluation of the scheme remained unachieved.

5.1.12.5 District Level Monitoring Committee

Under the NAIS guidelines (1999) District Level Monitoring Committee (under the chairmanship of Collector) was required to meet once in every

11. ADs (Ext.), ZP: Ajmer, Bhilwara, Chittorgarh, Hanumangarh, Jaipur, Sriganganagar, Tonk and Udaipur. DDs (Ext.): Hanumangarh, Jaipur, Sriganganagar and Tonk.

12. Agriculture, Soil Conservation and Watershed Development, Horticulture, Forest, State Land and Water Use Board and Cooperative Department.

13. Under control of Agriculture Department.

month for effective monitoring and co-ordination among different Departments on proper implementation of crop insurance scheme. It was noticed that against total 420 meetings required to be held, only 67 meetings were held in seven districts during 2003-08. The DD, Hanumangarh did not provide information regarding the meetings held.

Thus, mechanism for monitoring the Scheme was not followed effectively.

5.1.13 Ineffective Vigilance Cell

The Head of the Department was responsible to maintain honest, transparent and corruption-free administration. For this purpose, Chief Vigilance Officer (CVO) was to be appointed in every Department. It was observed that the CVO was not appointed for the period from May 2003 to February 2008, which indicated that there was no effective vigilance cell in the Department for most of the period. The information regarding working of vigilance cell and the cases dealt was not furnished to Audit (July 2008). As such, effectiveness of CVO during its period of working could not be ascertained in audit.

5.1.14 Conclusions

The Internal Controls in the Department were not working effectively. The Departmental Manual published in 1997 was not revised/updated. It also did not contain prescribed procedure for ensuring the application of rules. Budgetary and expenditure controls were weak as reflected from excess provision of funds made in both original and supplementary budget, rush of expenditure at the close of the financial year and underutilisation of Central assistance. Cash management was deficient, as the prescribed rules to prevent fraud and misappropriation of cash were not strictly followed. Inventory controls were ineffective as receipt and issue of stores was not recorded properly, physical verification of all available stores was not conducted and utilisation of idle equipment and machineries was not ensured. The quality testing laboratories of seeds, fertilizers and pesticides were underutilised. Internal Audit was inadequate and ineffective. The monitoring was poor as prescribed departmental inspections were not conducted and evaluation was not got conducted concurrently and through an independent agency.

5.1.15 Recommendations

- The Department should periodically revise its manual so that dynamics of agriculture extension services are effectively reached to the targeted community.
- The Department should ensure that the procedures for preparation of budget estimates are strictly followed and the rules and procedures for maintenance of cash are strictly observed by the DDOs.

- The Department should ensure procurement and distribution of high quality seeds to farmers with genetic purity.
- The Department should strengthen the internal audit unit and arrear of internal audit should be cleared.

The matter was referred to the Government in July 2008; reply had not been received (September 2008).



JAIPUR,
The

(SANJEEV SALUJA)
Principal Accountant General (Civil Audit), Rajasthan

01 December 2008

Countersigned



NEW DELHI,
The

(VINOD RAI)

Comptroller and Auditor General of India

03 December 2008

APPENDICES

APPENDIX-1.1-Part -A

(Refer paragraph 1.1; page 1)

Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund

Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

APPENDIX-1.1-Part-B

(Refer paragraph 1.1; page 1)

Layout of Finance Accounts

Statement	Lay Out
Statement No.1	Presents the summary of transactions of the State Government –receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and Public Account of the State.
Statement No.2	Contains the summarized statement of capital outlay showing progressive expenditure to the end of 2007-08.
Statement No.3	Gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.
Statement No.4	Indicates the summary of debt position of the State which includes borrowing from internal debt, Government of India, other obligations and servicing of debt.
Statement No.5	Gives the summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears etc.
Statement No.6	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No.7	Gives the summary of cash balances and investments made out of such balances.
Statement No.8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2008.
Statement No.9	Shows the revenue and expenditure under different heads for the year 2007-08 as a percentage of total revenue/expenditure.
Statement No.10	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No.11	Indicates the detailed account of revenue receipts by minor heads.
Statement No.12	Provides accounts of revenue expenditure by minor heads under Non-Plan and Plan separately and capital expenditure by major head wise.
Statement No.13	Depicts the detailed capital expenditure incurred during and to the end of 2007-08.
Statement No.14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc. up to the end of 2007-08.
Statement No.15	Depicts the capital and other expenditure to the end of 2007-08 and the principal sources from which the funds were provided for that expenditure.
Statement No.16	Gives the detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
Statement No.17	Presents detailed account of debt and other interest bearing obligations of the Government of Rajasthan.
Statement No.18	Provides the detailed account of loans and advances given by the Government of Rajasthan, the amount of loan repaid during the year, the balance as on 31 March 2008.
Statement No.19	Gives the details of earmarked balances of Reserve Funds.

APPENDIX-1.1-Part-C

(Refer paragraph 1.2; page 4)

List of Terms Used in the Chapter I and basis of their calculation

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/ GSDP Growth Rate.
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment / $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth rate – Weighted Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received $[(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction or Avoidance of debt
Non-debt receipts	Revenue receipts + Miscellaneous capital receipts + Recovery of loans and advances
Primary Revenue Expenditure	Revenue expenditure – Interest payments

APPENDIX-1.2

(Refer paragraph 1.2.1.1; page 5)

Outcome Indicators of the States' Own Fiscal Correction Path

(Rupees in crore)

	Base Year 2003-04 Actuals	2004-05 Pre- Actuals	2005-06 Latest Estimates	2006-07 Estimates	2007-08 Estimates	2008-09 Estimates	2009-10 Estimates
1	2	3	4	5	6	7	8
A. STATE REVENUE ACCOUNT:							
1. Own Tax Revenue	7,246.19	8,414.82	9,598.83	10,923.47	12,430.91	14,146.37	16,098.57
2. Own Non-tax Revenue	2,071.64	2,146.15	2,461.57	2,609.26	2,765.82	2,931.77	3,107.68
3. Own Tax + Non-tax Revenue(1+2)	9,317.83	10,560.97	12,060.40	13,532.73	15,196.73	17,078.14	19,206.25
4. Share in Central Taxes & Duties	3,602.21	4,305.61	5,330.15	5,872.21	6,738.05	7,748.73	8,930.46
5. (a) Plan Grants	924.20	1,018.88	1,023.84	1,075.03	1,128.78	1,185.22	1,244.48
(b) CSS, CPS Grants	830.66	948.13	1,431.41	1,502.98	1,578.13	1,657.04	1,739.89
6. Non-Plan Grants	748.95	930.00	657.13	978.92	995.28	1,012.47	1,031.51
7. Total Central Transfer (4 to 6)	6,106.02	7,202.62	8,442.53	9,429.14	10,440.24	11,603.46	12,946.34
8. Total Revenue Receipts (3+7)	15,423.85	17,763.59	20,502.93	22,961.88	25,636.97	28,681.60	32,152.59
9. (a) Plan Expenditure	1,698.15	2,236.95	3,063.28	3,308.34	3,308.34	3,573.01	3,858.85
(b) CSS, CPS Expenditure	533.02	505.28	727.08	763.43	801.61	841.69	883.77
10. Non-Plan Expenditure	16,617.12	17,163.95	18,279.78	19,924.96	22,263.21	24,266.90	26,450.92
11. Salary Expenditure	5,516.44	5,797.55	6,897.35	7,311.19	7,749.86	8,214.85	8,707.75
12. Pension	1,841.96	1,626.06	1,619.12	2,325.45	2,558.00	2,813.79	3,095.17
13. Interest Payments	4,777.15	5,172.00	5,187.25	5,654.10	6,162.97	6,717.64	7,322.23
14. Subsidies – General*	2,042.15	2,616.39	3,260.53	3,456.16	3,663.53	3,883.34	4,116.34
15. Subsidies - Power	943.14	1,185.29	1,080.72	978.00	1,011.00	1,044.00	1,083.00
16. Total Revenue Expenditure (9+10)	18,848.29	19,906.18	22,070.14	23,996.74	26,373.15	28,681.59	31,193.54
17. Salary + Interest + Pensions (11+12+13)	12,135.55	12,595.61	13,703.72	15,290.74	16,470.83	17,746.29	19,125.15
18. as % of Revenue Receipts (17/8)	78.68	70.91	66.84	66.59	64.25	61.87	59.48
19. Revenue Surplus/Deficit (8-16)	- 3,424.44	- 2,142.59	- 1,567.21	- 1,034.86	- 736.18	0.01	959.05
B. CONSOLIDATED REVENUE ACCOUNT:							
1. Power Sector loss/profit net of actual subsidy transfer	-	- 963.79	- 760.00	- 227.00	270.00	487.00	1,107.00
2. Increase in debtors during the year in power utility accounts (Increase(-))	-	- 199.16	- 67.00	- 92.00	- 115.00	- 123.00	- 220.00
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget.	-	-	-	-	-	-	-
4. Total (1 to 3)	-	- 1,162.95	- 827.00	- 319.00	- 155.00	- 364.00	- 887.00
5. Consolidated Revenue Deficit (A19 + B4)	- 3,424.44	- 3,505.54	- 2,394.21	- 1,353.86	- 581.18	364.01	1 846.05
C. CONSOLIDATED DEBT:							
1. Outstanding debt and liability	53,361.21	60,134.40	66,280.38	72,426.36	78,572.34	83,853.42	89,810.48
2. Total Outstanding guarantee of which (a) guarantee on account of off budgeted borrowing and SPV borrowing	12,454.72	12,703.05	13,336.51	14,003.34	14,703.51	15,438.69	16,210.62
D. CAPITAL ACCOUNT:							
1. Capital Outlay	3,180.99	3,488.30	4,296.08	4,811.10	5,091.52	4,943.58	6,558.34
2. Disbursement of Loans and Advances	925.36	639.72	389.12	408.58	429.00	450.46	472.98
3. Recovery of Loans and Advances	158.98	124.63	106.43	108.56	110.73	112.94	115.20
4. Other Capital Receipts	4.68	-	-	-	-	-	-
E. GROSS FISCAL DEFICIT (GFD)	- 7,367.13	- 6,145.98	- 6,145.98	- 6,145.98	- 6,145.98	- 5,281.08	- 5,957.06
GSDP at current prices	1,04,483	1,08,734	1,22,652	1,38,351	1,56,060	1,76,036	1,98,569
Actual/Assumed Nominal Growth Rate (%)		4.07%	12.80 %	12.80 %	12.80 %	12.80 %	12.80 %

* Subsidies-General – includes Grant-in-aid to various institutions i.e. aided Educational institution, Local Bodies etc.

APPENDIX-1.3

(Refer paragraphs 1.2 and 1.6; pages 4 and 21)

Summarised Financial position of the Government of Rajasthan

(Rupees in crore)

As on 31 March 2007	Liabilities		As on 31 March 2008
42,866.90	Internal Debt		46,038.12
	16,070.34	Market Loans bearing interest	19,303.35
	1.09	Market Loans not bearing interest	0.88
	798.78	Loans from Life Insurance Corporation of India	613.61
	80.18	Loans from the General Insurance Corporation of India	75.40
	926.93	Loans from the National Bank for Agriculture and Rural Development	1368.71
	55.55	Loans from the National Cooperative Development Corporation	91.78
	449.20	Loans from other Institutions, etc.	381.45
	24,425.62	Special Securities issued to National Small Saving Fund of the Central Government	24,202.94
	59.21	Ways and Means Advances from Reserve Bank of India	-
7,636.56	Loans and Advances from Central Government		7,682.87
	5.40	Pre 1984-85 Loans	5.40
	91.73	Non-Plan Loans	85.41
	7,356.20	Loans for State Plan Schemes	7,405.77
	0.80	Loans for Central Plan Schemes	0.75
	182.43	Loans for Centrally Sponsored Plan Schemes	185.54
35.00	Contingency Fund		35.00
14,303.59	Small Savings, Provident Funds, etc.		15,422.01
4,999.26	Deposits		5,556.25
1,589.07	Reserve Funds		2,787.10
-	Deposits with Reserve Bank¹		912.41
71,430.38	Total		78,433.76
As on 31 March 2007	Assets		As on 31 March 2008
38,596.69	Gross Capital Expenditure		45,151.08 ²
	5,485.26	Investments in shares of Companies, Corporations, etc.	6,575.97
	33,111.43	Other Capital Expenditure	38,575.11
4,230.96	Loans and Advances		2,737.92
	3,739.09	Loans for Power Projects	2,179.73 ³
	484.25	Other Development Loans	553.91
	7.62	Loans to Government Servants and Miscellaneous loans	4.28
1.57	Advances		1.45
27.22	Remittance Balances		41.23
22.19	Suspense and Miscellaneous Balances		19.87
8.79	Deposits with Reserve Bank of India		-
2,613.57	Cash		6,205.80
	0.94	Cash in Treasuries and Local Remittances	0.85
	1.50	Departmental Cash Balance	4.14
	11.24	Permanent Advances	12.74
	2,350.17	Cash Balance Investments	5,839.60
	249.72	Earmarked Investment Funds	348.47
25,929.39	Deficit on Government Accounts		24,276.41
	-	(i) Revenue Deficit of the Current Year	-
	26,567.77	(ii) Accumulated deficit upto preceding year	25,929.39
	-	Less : Capital Receipts of current year	- ²
	638.38	Less : Revenue Surplus of the Current Year	1,652.98
71,430.38	Total		78,433.76

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

2. Capital receipts of current year has been shown as 'Nil' due to proforma reduction of Rs 1.16 crore (Capital disinvestment) from Gross Capital Expenditure to end of the year.

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

APPENDIX-1.4

(Refer paragraph 1.2; page 4)

Abstract of Receipts and Disbursements for the year 2007-08

(Rupees in crore)

2006-07	Receipts		2007-08	2006-07	Disbursements	2007-08		
						Non-Plan	Plan	Total
25,592.18	Section-A: Revenue							
	I. Revenues				I. Revenue			
11,608.24	receipts		30,780.62	24,953.80	Expenditure	23,993.97	5,133.67	29,127.64
3,430.61	Tax revenue	13,274.73		10,348.78	General Services	10,779.68	142.59	10,922.27
				8,934.53	Social Services	8,280.89	1,919.13	10,200.02
6,760.37	Non-tax revenue	4,053.93		4,917.34	Education, Sports, Art and Culture	4,828.30	594.85	5,423.15
				1,245.47	Health and Family Welfare	1,012.71	416.76	1,429.47
	State's share of Union Taxes and Duties	8,527.60		1,096.47	Water Supply, Sanitation, Housing and Urban Development	1,609.09	137.39	1,746.48
				16.38	Information and Broadcasting	22.87	0.17	23.04
1,208.70	Non-Plan grants	1,050.68		243.14	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	48.00	265.93	313.93
				50.71	Labour and Labour Welfare	51.38	9.04	60.42
1,128.53	Grants for State Plan Schemes	1,768.61		1,351.47	Social Welfare and Nutrition	694.17	494.23	1,188.40
				13.55	Others	14.37	0.76	15.13
1,455.73	Grants for Central, Centrally Sponsored Plan Schemes and Special Plan Schemes	2,105.07		5,662.93	Economic Services	4,916.85	3,071.95	7,988.80
				883.46	Agriculture and Allied Activities	565.51	380.11	945.62
				961.21	Rural Development	337.08	1,098.38	1,435.46
				-	Special Areas Programmes	-	0.19	0.19
				993.80	Irrigation and Flood Control	1,033.90	17.48	1,051.38
				1,742.63	Energy	2,475.70	588.11	3,063.81
				100.12	Industry and Minerals	73.18	30.80	103.98
				688.68	Transport	368.23	290.22	658.45
				3.90	Science, Technology and Environment	2.87	3.25	6.12
				289.13	General Economic Services	60.38	663.41	723.79
				7.56	Grants-in-aid and Contributions	16.55	-	16.55
-	II. Revenue deficit carried over to Section-B			638.38	II. Revenue Surplus Carried over to Section-B	-	-	1,652.98
25,592.18	Total		30,780.62	25,592.18	Total			30,780.62

(Rupees in crore)							
2006-07	Receipts	2007-08	2006-07	Disbursements	2007-08		
					Non-Plan	Plan	Total
1,552.76	Section-B : Others III. Opening Cash balance including Permanent Advances and Cash Balance Investment	2,622.36	4,809.37	III. Capital Expenditure General Services Social Services	944.28 919.29 24.98	5,611.27 65.18 2,775.33	6,555.55 984.47 2,800.31
	IV. Miscellaneous Capital Receipts	1.16	55.51	Education, Sports, Art and Culture	-	71.29	71.29
			67.33	Health and Family Welfare	-	95.68	95.68
			2,109.72	Water Supply, Sanitation, Housing and Urban Development	24.98	2,450.28	2,475.26
			0.10	Information and Broadcasting	-	0.07	0.07
			85.10	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	113.51	113.51
			39.80	Social Welfare and Nutrition	-	26.66	26.66
			21.30	Others	-	17.84	17.84
			2,244.37	Economic Services	0.01	2,770.76	2,770.77
			101.80	Agriculture and Allied Activities	-	85.44	85.44
			275.84	Rural Development	-	230.33	230.33
			72.98	Special Areas Programmes	-	91.53	91.53
			756.22	Irrigation and Flood Control	-	878.06	878.06
			698.93	Energy	-	1,063.00	1,063.00
			15.15	Industry and Minerals	-	21.62	21.62
			281.19	Transport	-	354.56	354.56
			0.36	Science, Technology and Environment	-	0.13	0.13
			41.90	General Economic Services	0.01	46.09	46.10

(Rupees in crore)							
2006-07	Receipts		2007-08	2006-07	Disbursements		2007-08
513.90	V.	Recoveries of Loans and Advances	1,780.73	312.64	IV.	Loans and Advances disbursed	287.69
142.38		From Power Projects 1,730.31		275.00		For Power projects 170.95	
293.67		From Government Servants 3.34		0.01		To Government Servants -	
77.85		From Others 47.08		37.63		To Others 116.74	
638.38	VI.	Revenue surplus brought down	1,652.98	-	V.	Revenue deficit brought down	-
4,222.14	VII.	Public Debt Receipts	5,063.34	1,780.42	VI.	Repayment of Public Debt	1,845.81
3,821.70		Internal debt other than Ways and Means Advances and Overdraft 4,635.78		1,144.63		Internal debt other than Ways and Means Advances and Overdraft 1,405.35	
59.21		Net transaction under Ways and Means Advances including Overdraft -		-		Net transaction under Ways and Means Advances including Overdraft 59.21	
341.23		Loans and Advances from Central Government 427.56		635.79		Repayment of Loans and Advances to Central Government 381.25	
58,456.69	VIII.	Public Account Receipts	77,596.56	55,859.08	VII.	Public Account disbursements	74,734.69
2,611.27		Small Savings, Provident Funds, etc. 2,843.55		1,366.18		Small Savings, Provident Funds, etc. 1,725.13	
1,446.17		Reserve Funds 2,148.13		736.46		Reserve Funds 950.10	
74.16		Suspense and Miscellaneous 159.16		23.13		Suspense and Miscellaneous 156.84	
3,738.52		Remittances 5,166.54		3,738.81		Remittances 5,180.55	
50,586.57		Deposits and Advances 67,279.18		49,994.50		Deposits and Advances 66,722.07	
				2,622.36	VIII.	Cash Balance at end	5,293.39
				0.94		Cash in Treasuries and Local 0.85	
				8.79		Remittances Deposits with Reserve Bank (-) 912.41	
				12.74		Departmental Cash Balance including permanent Advances 16.88	
				2,350.17		Cash Balance 5,839.60	
				249.72		Investment Earmarked 348.47	
						Investment Funds	
65,383.87	Total		88,717.13	65,383.87	Total		88,717.13

APPENDIX-1.5

(Refer paragraph 1.2; page 4)

Sources and Application of Funds

		(Rupees in crore)
2006-07	Sources	2007-08
25,592.18	Revenue receipts	30,780.62
-	Miscellaneous Capital Receipts	1.16
513.90	Recoveries of Loans and Advances	1,780.73
2,441.72	Increase in Public Debt	3,217.53
2,597.61	Net receipts from Public Account	2,861.87
1,245.09	Increase in Small Savings, Provident Funds, etc.	1,118.42
592.07	Net effect in Deposits and Advances	557.11
709.71	Net effect in Reserve Funds	1,198.03
51.03	Net effect of Suspense and Miscellaneous transactions	2.32
(-) 0.29	Net effect of Remittance transaction	(-) 14.01
31,145.41	Total	38,641.91
2006-07	Application	2007-08
24,953.80	Revenue expenditure	29,127.64
312.64	Lending for development and other purposes	287.69
4,809.37	Capital expenditure	6,555.55
1,069.60	Increase in closing cash balance	2,671.03
31,145.41	Total	38,641.91

Explanatory Notes for Appendix- 1.3, 1.4 and 1.5:

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix-1.3, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs 0.21 crore (net Credit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". Following reconciliation and subsequent adjustments, a difference of only Rs 31 (net Debit) remained to be reconciled as of May 2008.

APPENDIX-1.6

(Refer paragraphs 1.2 and 1.6; pages 4 and 21)

Time Series Data on State Government finances

(Rupees in crore)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Part A. Receipts						
1. Revenue Receipts	13,082	15,424	17,763	20,839	25,592	30,781
(i) Tax Revenue	6,253(48)	7,246(47)	8,415(47)	9,880(48)	11,608(45)	13,275(43)
Taxes on Sales, Trade, etc.	3,438(55)	3,986(55)	4,798(57)	5,594(57)	6,721(58)	7,751(58)
State Excise	1,142(18)	1,163(16)	1,276(15)	1,522(15)	1,591(14)	1,805(14)
Taxes on Vehicles	646(10)	904(13)	817(10)	908(9)	1,024(9)	1,164(9)
Other Taxes	1,027(17)	1,193(16)	1,524(18)	1,856(19)	2,272(19)	2,555(19)
(ii) Non-Tax Revenue	1,569(12)	2,072(13)	2,146(12)	2,738(13)	3,431(13)	4,054(13)
(iii) State's share of Union taxes and duties	3,063(23)	3,602(24)	4,305(24)	5,300(25)	6,760(27)	8,528(28)
(iv) Grants-in-aid from GOI	2,197(17)	2,504(16)	2,897(17)	2,921(14)	3,793(15)	4,924(16)
2. Miscellaneous Capital Receipts	-	5	-	1	-	1
3. Total revenue and Non-debt Capital Receipts ⁴ (1+2)	13,082	15,429	17,763	20,840	25,592	30,782
4. Recoveries of Loans and Advances	125	159	125	238	514	1,781
5. Public Debt Receipts	7,686	9,025	9,982	5,495	4,222	5,063
Internal Debt (excluding Ways and Means Advances and Overdraft)	2,701(35)	3,263(36)	3,460(35)	24,144(-)	3,822(91)	4,635
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	59(1)	-
Loans and Advances from Government of India ⁵	4,985(65)	5,762(64)	6,522(65)	(-)18,649(-) ⁶	341(8)	428
6. Total receipts in the Consolidated Fund (3+4+5)	20,893	24,613	27,870	26,573	30,328	37,626
7. Contingency Fund Receipts	-	-	-	-	-	-
8. Public Account Receipts	34,592	39,459	44,156	49,189	58,457	77,596
9. Total receipts of the State (6+7+8)	55,485	64,072	72,026	75,762	88,785	1,15,222
Part B. Expenditure/Disbursement						
10. Revenue Expenditure	17,016	18,848	19,906	21,499	24,954	29,128
Plan	2,272(13)	2,231(12)	2,742(14)	3,131(15)	3,800(15)	5,134(18)
Non-Plan	14,744(87)	16,617(88)	17,164(86)	18,368(85)	21,154(85)	23,994(82)
General Services (excluding Interest payments)	3,345(20)	3,667(20)	3,480(17)	3,610(17)	4,647(18)	4,979(17)
Interest Payments	4,300(25)	4,777(25)	5,172(26)	5,210(24)	5,702(23)	5,943(20)
Social Services	6,586(39)	7,142(38)	7,148(36)	7,994(37)	8,934(36)	10,200(35)
Economic Services	2,785(16)	3,257(17)	4,105(21)	4,683(22)	5,663(23)	7,989(28)
Grants-in-aid and Contributions	-	5(-)	1(-)	2(-)	8(-)	17(-)
11. Capital Expenditure	2,027	3,181	3,488	4,295	4,809	6,555
Plan	1,956(96)	3,117(98)	3,420(98)	4,233(99)	4,667(97)	5,611(86)
Non-Plan	71(4)	64(2)	68(2)	62(1)	142(3)	944(14)
General Services	41(2)	50(2)	82(2)	115(3)	186(4)	984(15)
Social Services	751(37)	1,337(42)	1,548(45)	1,739(40)	2,379(49)	2,800(43)
Economic Services	1,235(61)	1,794(56)	1,858(53)	2,441(57)	2,244(47)	2,771(42)
12. Disbursement of Loans and Advances	278	926	640	434	313	288
13. Total (10+11+12)	19,321	22,955	24,034	26,228	30,076	35,971
14. Repayments of Public Debt	3,056	3,150	4,873	992	1,780	1,846
Internal Debt (excluding Ways and Means Advances and Overdraft)	281(9)	407(13)	1,342(28)	629(63)	1,144(64)	1,406(76)
Net transactions under Ways and Means Advances and Overdraft	836(27)	236(7)	-	-	-	59(3)
Loans and Advances from Government of India ⁵	1,939(64)	2,507(80)	3,531(72)	363(37)	636(36)	381(21)
15. Appropriation to Contingency Fund	-	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	22,377	26,105	28,907	27,220	31,856	37,817
17. Contingency Fund disbursements	-	-	-	-	-	-
18. Public Account disbursements	33,315	37,844	42,494	47,452	55,859	74,735
19. Total disbursement by the State (16+17+18)	55,692	63,949	71,401	74,672	87,715	1,12,552
Part C. Surplus/ Deficits						
20. Revenue Surplus (+)/Deficit (-) (1-10)	(-) 3,934	(-) 3,424	(-) 2,143	(-) 660	(+) 638	(+) 1,653
21. Fiscal Surplus (+)/Deficit (-) (3+4-13)	(-) 6,114	(-) 7,367	(-) 6,146	(-) 5,150	(-) 3,970	(-) 3,408
22. Primary Surplus (+)/Deficit (-) (Interest Payment-21)	(-) 1,814	(-) 2,590	(-) 974	(+) 60	(+) 1,732	(+) 2,535
Part D. Other data						
23. Balance from Current Revenues (BCR)	(-) 3,045	(-) 2,948	(-) 1,368	405	2204	2,914
24. Arrears of Revenue	2,249(29)	2,409(26)	2,978(28)	2,985(24)	3,323(22)	4,024(23)
25. Ways and Means Advances/Overdraft availed (days)	356	306	89	-	1	-
26. Interest on Ways and Means Advances/Overdraft	30	31	1	-	-	-
27. Gross State Domestic Product (GSDP)⁸	88,550	1,11,606	1,15,288	1,24,224	1,42,036	1,59,515
28. Outstanding Debt (year end)	45,871	53,361	60,134	66,407	71,146	77,138
29. Outstanding guarantees including interest (year end)	14,968	17,239	12,703	13,171	14,709	19,770
30. Maximum amount guaranteed (year end)	21,887	24,585	20,457	21,342	27,402	37,029
31. Number of incomplete projects	531	374	373	472	445	616
32. Capital blocked in incomplete projects	2,277	2,559	2,877	3,449	2,777	3,276

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

4. Excluding recoveries of loans and advances.

5. Includes Ways and Means Advances from GOI.

6. Minus figure is due to transfer of Rs 19,028.59 crore to Internal Debt.

7. Only Rs 11,85,105.

8. Source: Economic Review- 2007-08. Changes due to adoption of revised GSDP figures.

APPENDIX-1.7

(Refer paragraph 1.5.5; page 21)

Statement showing pending Utilisation Certificates as on 31 March 2008

Department	Period	Number of outstanding Utilisation Certificates	Amount (Rupees in crore)
Social Welfare	1995-2007	496	7.71
Women and Child Development	2006-2007	12	0.43
Tourism	2006-2007	1	0.004
Public Health Engineering	2006-2007	1	0.002
Science and Technology	1998-2007	200	0.58
Environment	1997-2006	12	0.30
Animal Husbandry	1994-2006	5	2.81
Dairy Development	2005-2007	3	2.91
Industries	1998-2007	18	15.30
Co-operative	2005-2007	12	0.67
Total		760	30.716 (say Rupees 30.72 crore)

APPENDIX-1.8

(Refer paragraph 1.6.1; page 21)

Statement showing the position of financial accounts of the State Undertakings

Departments	Number of Undertakings	Name of Undertakings	Investment as per last audited account ⁹ (Rs in crore)	Year of Pro-forma Account last audited	Year of finalisation/ Audit of accounts
Home	7	Jail Manufacture, Ajmer	1.28	2006-07	2007-08
		Jail Manufacture, Alwar	0.43	2006-07	2007-08
		Jail Manufacture, Bikaner	0.87	2006-07	2007-08
		Jail Manufacture, Jaipur	1.91	2006-07	2007-08
		Jail Manufacture, Jodhpur	1.54	2006-07	2007-08
		Jail Manufacture, Kota	0.33	2006-07	2007-08
		Jail Manufacture, Udaipur	1.02	2006-07	2007-08
Forest	2	Departmental Trading of Forest Coupes	- ¹⁰	2006-07	2007-08
		<i>Patta Tendu</i> Scheme	- ¹⁰	2005-06	2007-08
State Enterprises	2	Sodium Sulphate Works, Deedwana	- ¹⁰	2006-07	2007-08
		Government Salt Works, Deedwana	- ¹⁰	2006-07	2007-08
Public Health Engineering	1	Rajasthan Water Supply and Sewerage Management Board, Jaipur	6261.26	2006-07	2007-08
	12	Total	6268.64		

9. Investment represents balance of fixed capital account and current account of the Government on the last day of the financial year upto which accounts had been finalised.
10. Capital investment of the Government is Nil as the remittances from the undertakings were more than the amount invested by the Government.

APPENDIX-2.1

(Refer paragraph 2.3.1; page 36)

Statement showing areas in which major savings occurred

		(Rupees in crore)
Grant No.	Head of account	Savings
3-Secretariat		
	3451-Secretariat-Economic Services-Attached Offices-Economic Policy and Reform Council-Innovative Scheme	1,251.00
	District Planning Machinery-Expenditure for District Poverty Eradication Project under World Bank Assistance	26.03
15-Pensions and Other Retirement Benefits		
	2071-Pensions and Other retirement Benefits-Civil-Commuted value of Pensions	56.57
	Gratuities-Gratuity to State employees	120.86
21-Roads and Bridges		
	3054-Roads and Bridges-Strategic and Border Roads-Road Works-Through the Border Road Development Board-Maintenance and Restoration	34.42
	State Highways-Road Works-Maintenance and Restoration-Grant on the recommendation of XII Finance Commission	23.27
	General-Transfer to/from Reserve Fund/Deposit Account-Transfer to State Road Development Fund	43.24
24-Education, Art and Culture		
	2202-General Education-Elementary Education-Government Primary Schools-Upper Primary Schools for Boys	36.96
	Upper Primary Schools for Girls	19.32
	Primary Schools for Boys	11.37
	Primary Schools (through the Director, Sanskrit Education)	7.35
	Secondary Education-Inspection-General Expenditure	4.36
	Government Secondary Schools- Boys School	15.72
	University and Higher Education-Assistance to Universities-Grants to Rajasthan University	28.00
	Government Colleges and Institutes-Government College (for men)	8.54
26-Medical and Public Health and Sanitation		
	2210-Medical and Public Health-Public Health-Prevention and Control of Diseases-External Aided Scheme-Health Development Programme-State Level	50.46
	2211-Family Welfare-Rural Family Welfare Services-Rural Sub Centre	13.15
	Maternity and Child Health-Externally aided CSSM Project	18.00
27-Drinking Water Scheme		
	4215-Capital Outlay on Water Supply and Sanitation-Water Supply-Urban Water Supply-General Urban Water Supply Schemes-Water Supply to Jaipur from Bisalpur Project	68.29
	Chambal-Baler-Sawai Madhopur Water Supply Scheme	11.50
	Rural Water Supply-Accelerated Rural Water Supply Scheme-Desertation	49.23
	Fluoride Project for 61 villages of Nasirabad	9.93
	Jawai-Pali-Jalore Water Supply Scheme (Jawai-Jodhpur Pipe line Project)	25.00
	Fluoride Control Project, Chambal-Baler-Sawai Madhopur	16.65
	Indroka-Manaklav-Dantiwada Water Supply Scheme	24.42
	Bungi-Rajgarh Water Supply Scheme	19.83
	Maintenance Percentage Charges (O & M) transferred from 2215-Water Supply and Sanitation-01-102 for Rural Water Supply Schemes	18.54
	Churu-Jhunjhunu Water Supply Scheme	60.00

Grant No.	Head of account	Savings
	Narmada Project	37.82
	Projects based on XII Finance Commission	17.50
	Nagaur Lift Canal	45.00
	Pokaran-Phalasund Water Supply Scheme	24.41
	Urban Water Supply- Project based on XII Finance Commission	20.00
34-Relief from Natural Calamities		
	2245-Relief on account of Natural Calamities-Drought-Other expenditure-Expenditure on relief works-Other Special Relief Works	151.10
35-Miscellaneous Community and Economic Services		
	2048-Appropriation for reduction or avoidance of debt-Sinking Fund-Transfer to 8222-101 Sinking Fund for reduction or avoidance of debt	600.00
41-Community Development		
	2515-Other Rural Development Programmes-Assistance to Gram Panchayats-National Nutritious Assistance Programme under Mid day Meal Assistance (for the students of Elementary Schools of Gram Panchayat)-Functional/Activities	35.60
	Grants-in-aid for Gram Panchayats under the recommendations of XII Finance Commission-Functional/Activities	99.94
46-Irrigation		
	4700-Capital Outlay on Major Irrigation-Indira Gandhi Nahar Project (Commercial)-Direction and Administration-Second Stage-Through the Chief Engineer, Indira Gandhi Nahar Project, Bikaner	24.88
	Amount received from Government of India under XII Finance Commission-Through the Chief Engineer, Indira Gandhi Nahar Project, Jaisalmer	19.47
	Suspense-Stage Second-Through the Chief Engineer, Indira Gandhi Nahar Project, Bikaner	24.05
	General-Other Expenditure-Rajasthan Water Sector Restructuring Project-Execution (through the Chief Engineer, Irrigation)	96.99
	Through the Chief Engineer, Ground Water Department	21.88
	4702-Capital Outlay on Minor Irrigation-Other expenditure-Restoration of Minor Irrigation Schemes (JBIC)-Execution	16.98
48-Power		
	6801-Loans for Power Project-Other Loans to Electricity Boards-Loan to Rajasthan Rajya Vidyut Prasaran Nigam Limited-Other Loans	44.83
	Loan to Jaipur Vidyut Vitran Nigam Limited-Other Loans	37.13
	Loan to Jodhpur Vidyut Vitran Nigam Limited-Other Loans	28.11
	Loan to Ajmer Vidyut Vitran Nigam Limited-Other Loans	156.99
Interest Payments		
	2049-Interest Payments-Interest on Internal Debt-Interest on Market Loans-Interest on Current Loans-New Loan	113.70
	Interest on Special Securities issued to National Small Saving Fund of the Central Government by State Government-Interest on loans from National Small Saving Fund	47.02
	Interest on Loans and Advances from Central Government-Interest on Loans for State/Union Territory Plan Schemes	12.21
	Interest on Plan Loans Consolidated in terms of recommendations of XII Finance Commission	19.74
Public Debt		
	6003-Internal Debt of the State Government-Market Loans-Interest Bearing Market Loan-11.5% Rajasthan State Development Loan, 2008	158.82
	Ways and Means Advances from the Reserve Bank of India	40.79

APPENDIX-2.2

(Refer paragraph 2.3.1; page 37)

Grants/appropriations where the savings exceeded more than Rs 1 crore in each case and also 10 per cent of the total grant/appropriation

(Rupees in crore)					
S. No.	Number and Name of the grant	Total grant	Expenditure	Savings	Percentage of savings to total grant
Revenue-Voted					
1	3-Secretariat	1,621.99	673.35	948.64	58.5
2	13-Excise	59.03	48.46	10.57	17.9
3	25-Treasury and Accounts Administration	69.91	58.78	11.13	15.9
4	34-Relief from Natural Calamities	741.85	638.81	103.04	13.9
5	35-Miscellaneous Community and Economic Services	623.75	19.42	604.33	96.9
6	36-Co-operation	62.10	42.47	19.63	31.6
7	38-Minor Irrigation and Soil Conservation	112.74	69.41	43.33	38.4
8	41-Community Development	969.88	844.78	125.10	12.9
9	42-Industries	68.35	60.58	7.77	11.4
Capital- Voted					
10	20-Housing	18.13	10.59	7.54	41.6
11	22-Area Development	178.70	142.61	36.09	20.2
12	24-Education, Art and Culture	67.15	54.37	12.78	19.0
13	27-Drinking Water Scheme	2,634.99	2,284.14	350.85	13.3
14	33-Social Security and Welfare	51.85	35.27	16.58	32.0
15	34-Relief from Natural Calamities	2.00	(-) 0.04	2.04	102.0
16	36-Co-operation	74.66	48.50	26.16	35.0
17	46-Irrigation	987.46	814.92	172.54	17.5
18	47-Tourism	18.76	10.53	8.23	43.9
	Total	8,363.30	5,856.95	2,506.35	

APPENDIX-2.3

(Refer paragraph 2.3.2; page 37)

Persistent savings more than Rs 1 crore in each case and in excess of 10 per cent of the total grant

(Rupees in crore)

S.No.	Number and name of the grant	Amount of savings (Percentage)		
		2005-06	2006-07	2007-08
Revenue-Voted				
1.	36-Co-operation	8.96 (23.2)	17.40 (31.5)	19.63 (31.6)
2.	38-Minor Irrigation and Soil Conservation	47.33 (33.2)	28.77 (23.2)	43.33 (38.4)
Capital-Voted				
3.	20-Housing	10.25 (40.1)	4.23 (22.4)	7.54 (41.6)
4.	22-Area Development	32.77 (15.6)	36.60 (18.8)	36.09 (20.2)
5.	24-Education, Art and Culture	10.27 (32.6)	19.97 (27.4)	12.78 (19.0)
6.	27-Drinking Water Scheme	308.47 (22.4)	199.57 (11.7)	350.85 (13.3)
7.	36-Co-operation	15.76 (22.8)	16.23 (27.7)	26.16 (35.0)
8.	46-Irrigation	131.18 (12.1)	249.24 (26.1)	172.54 (17.5)

APPENDIX-2.4

(Refer paragraph 2.3.5; page 39)

Cases of unnecessary supplementary grants/appropriations (Savings in excess of Rs 1 crore in each case)

(Rupees in crore)

S. No.	Number and name of the grant	Amount of grant/appropriation			
		Original	Supplementary	Actual expenditure	Savings
Revenue-Voted					
1	26-Medical and Public Health and Sanitation	1,437.31	4.93	1,382.01	60.23
2	29-Urban Plan and Regional Development	797.41	28.78	776.50	49.69
3	32-Civil Supplies	43.28	1.75	41.82	3.21
4	34-Relief from Natural Calamities	688.81	53.04	638.81	103.04
5	36-Co-operation	55.48	6.62	42.47	19.63
6	42-Industries	64.14	4.21	60.58	7.77
Capital-Voted					
7	22-Area Development	166.70	12.00	142.61	36.09
8	24-Education, Art and Culture	58.19	8.96	54.37	12.78
9	29-Urban Plan and Regional Development	537.35	15.89	529.65	23.59
10	33-Social Security and Welfare	41.22	10.63	35.27	16.58
11	34-Relief from Natural Calamities	11	2.00	(-) 0.04	2.04
12	46-Irrigation	937.61	49.85	814.92	172.54
	Total	4,827.50	198.66	4,518.97	507.19

11. Only Rs 7000.

APPENDIX-2.5

(Refer paragraph 2.3.5; page 39)

Excessive supplementary grants/appropriations (Savings of Rs 1 crore and above in each case)

(Rupees in crore)

S. No.	Number and name of the grant	Amount of grant/appropriation				
		Original	Supple- mentary	Total	Actual expenditure	Savings
Revenue-Voted						
1	5-Administrative Services	54.53	8.30	62.83	61.77	1.06
2	12-Other Taxes	55.41	21.30	76.71	74.07	2.64
3	14-Sales Tax	104.31	102.59	206.90	188.52	18.38
4	16-Police	1,047.14	71.53	1,118.67	1,089.86	28.81
5	19-Public works	234.56	7.22	241.78	236.43	5.35
6	23-Labour and Employment	63.75	24.52	88.27	85.70	2.57
7	24-Education, Art and Culture	4,968.21	318.73	5,286.94	5,141.80	145.14
8	28-Special Programmes for Rural Development	42.80	8.74	51.54	46.97	4.57
9	30-Tribal Area Development	710.28	226.93	937.21	921.99	15.22
10	37-Agriculture	295.42	140.22	435.64	425.36	10.28
11	39-Animal Husbandry and Medical	172.30	10.81	183.11	176.17	6.94
12	41-Community Development	817.21	152.67	969.88	844.78	125.10
13	43-Minerals	38.57	5.62	44.19	42.10	2.09
14	46-Irrigation	972.36	20.00	992.36	985.82	6.54
15	50-Rural Employment	62.89	21.92	84.81	82.28	2.53
16	51-Special Organisational Scheme for Welfare of Scheduled Castes	255.23	39.33	294.56	282.40	12.16
Capital-Voted						
17	19-Public Works	137.56	25.69	163.25	149.53	13.72
18	21-Roads and Bridges	580.38	132.22	712.60	671.09	41.51
19	27-Drinking Water Scheme	2,010.86	624.13	2,634.99	2,284.14	350.85
20	28-Special Programmes for Rural Development	88.58	28.19	116.77	114.43	2.34
21	30-Tribal Area Development	183.09	79.62	262.71	259.38	3.33
22	35-Miscellaneous Community and Economic Services	48.84	889.34	938.18	931.94	6.24
23	37-Agriculture	7.83	40.24	48.07	46.79	1.28
24	51-Special Organisational Scheme for Welfare of Scheduled Castes	49.60	28.68	78.28	75.30	2.98
	Total	13,001.71	3,028.54	16,030.25	15,218.62	811.63

APPENDIX-2.6

(Refer paragraph 2.3.6; page 39)

Cases involving substantial excesses under the scheme (Rs 5 crore and above)

(Rupees in crore)						
S. No.	Grant No. and Name	Head of Account	Total Provision	Actual Expenditure	Amount of excess	Percentage of excess to total provision
Revenue-Voted						
1.	27-Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	388.56	397.18	8.62	2.2
2.	33-Social Security and Welfare	2235-Social Security and Welfare 60-Other Social Security and Welfare Programmes 102-Pensions under Social Security Schemes 01-Through the Social Welfare Department 01-Pension to old aged persons	82.32	94.10	11.78	14.3
Capital-Voted						
3.	27-Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 05-Maintenance Percentage Charges (O & M) for Rural Schemes transferred from Major Head 2215-Water Supply and Sanitation-01-102	30.61	45.54	14.93	48.8
4.	---do---	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 01-General	343.93	356.74	12.81	3.7
Capital-Charged						
5.	Public Debt	6003-Internal Debt of the State Government 106-Compensation and Other Bonds 02-Special Bonds (Power Bonds) 04-8.50% Tax free Rajasthan State Special Bonds, 2008	-	18.44	18.44	-
Total			845.42	912.00	66.58	

APPENDIX-2.7

(Refer paragraph 2.3.7; page 39)

Significant cases of major re-appropriation which were injudicious on account of non-utilisation

(Rupees in crore)							
S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of final savings
1.	Interest Payments	2049-Interest Payments 03-Interest on Small Savings, Provident Funds etc. 108-Interest on Insurance and Pension Fund 23-Interest relating to State Government Employees Personal Accident Insurance Scheme	1.50	(+) 1.83	3.33	1.72	(-) 1.61
2.	15	2071-Pensions and Other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances 01-Pensions to State employees	1,321.00	(+) 148.60	1,469.60	1,425.92	(-) 43.68
3.	15	2071-Pensions and Other Retirement Benefits 01-Civil 105-Family Pensions	345.00	(+) 25.00	370.00	348.92	(-) 21.08
4.	24	2202-General Education 02-Secondary Education 109-Government Secondary Schools 02-Girls School	218.08	(+) 3.94	222.02	217.83	(-) 4.19
5.	24	2203-Technical Education 104-Assistance to Non Government Technical Colleges and Institutes 08-Engineering College, Jhalawar	12	(+) 2.50	2.50	-	(-) 2.50
6.	24	2203-Technical Education 104-Assistance to Non Government Technical Colleges and Institutes 09-Engineering College, Bharatpur	12	(+) 2.50	2.50	-	(-) 2.50

12. Only Rs 1000.

(Rupees in crore)							
S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of final savings
7.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 02-Other Urban Water Supply Schemes	161.21	(+) 6.26	167.47	165.95	(-) 1.52
8.	30	2202-General Education 01-Elementary Education 796-Tribal Area Sub-plan 04-Upper Primary Boys School	78.94	(+) 1.64	80.58	79.54	(-) 1.04
9.	34	2245-Relief on account of Natural Calamities 02-Floods, Cyclones etc. 106-Repairs and restoration of damaged roads and bridges 01-Repairs and restoration of damaged roads and bridges	5.02	(+) 63.57	68.59	67.50	(-) 1.09
		Total	2,130.75	(+) 255.84	2,386.59	2,307.38	(-) 79.21

APPENDIX-2.8

(Refer paragraph 2.3.7; page 39)

Cases of re-appropriation under which the expenditure finally showed excess over the balance provision

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	24	2203-Technical Education 104-Assistance to Non Government Technical Colleges and Institutes 06-Engineering College, Ajmer	4.17	(-) 2.50	1.67	4.17	(+) 2.50
2.	24	2203-Technical Education 104-Assistance to Non Government Technical Colleges and Institutes 07-Engineering College, Bikaner	2.95	(-) 2.50	0.45	2.95	(+) 2.50
3.	24	4202-Capital Outlay on Education, Sports, Art and Culture 01-General Education 202-Secondary Education 09-Construction work through NABARD RIDF-XI	30.00	(-) 11.10	18.90	20.61	(+) 1.71
4.	27	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 001-Direction and Administration 04-Shilp Shala	37.20	(-) 2.61	34.59	36.66	(+) 2.07
5.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes	200.00	(-) 71.11	128.89	131.71	(+) 2.82
6.	27	12-Water Supply to Jaipur from Bisalpur Project 4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 24-Indroka-Manaklav-Dantiwada Water Supply Scheme	30.00	(-) 25.43	4.57	5.58	(+) 1.01

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
7.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 01-General	366.05	(-) 22.12	343.93	356.74	(+) 12.81
8.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 04-Water Supply Schemes with the assistance from KFW Germany 01-Project Management Cell, Churu/Jhalawar	1.50	(-) 1.50	-	3.99	(+) 3.99
9.	30	4700-Capital Outlay on Major Irrigation 27-Mahi Project (Commercial) 796-Tribal Area Sub-plan 01-Direction and Administration 05-Unit No. 2 Canals	19.11	(-) 1.91	17.20	19.78	(+) 2.58
10.	33	2235-Social Security and Welfare 60-Other Social Security and Welfare Programmes 102-Pensions under Social Security Schemes 01-Through the Social Welfare Department 01-Pension to old aged persons	100.00	(-) 17.68	82.32	94.10	(+) 11.78
		Total	790.98	(-) 158.46	632.52	676.29	(+) 43.77

APPENDIX-2.9

(Refer paragraph 2.3.7; page 40)

Cases of re-appropriation under which the expenditure finally showed excess over the increased provision

(Rupees in crore)							
S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of excess after re-appropriation
1.	27	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	381.71	(+) 6.85	388.56	397.18	(+) 8.62
2.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 05-Maintenance Percentage Charges (O & M) for Rural Schemes transferred from Major Head 2215-Water Supply and Sanitation-01-102	20.84	(+) 9.77	30.61	45.54	(+) 14.93
3.	46	2700-Major Irrigation 03-Beas Project (Commercial) 001-Direction and Administration 01-Irrigation Schemes (Expenditure through Bhakra Beas Management Board) 01-Irrigation general construction works	24.50	(+) 1.37	25.87	28.03	(+) 2.16
		Total	427.05	(+) 17.99	445.04	470.75	(+) 25.71

APPENDIX-2.10

(Refer paragraph 2.3.7; page 40)

Cases of less re-appropriation of funds

(Rupees in crore)							
S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
1.	15	2071-Pensions and Other Retirement Benefits 01-Civil 102-Commuted value of Pensions	320.00	(-) 48.00	272.00	263.43	(-) 8.57
2.	15	2071-Pensions and Other Retirement Benefits 01-Civil 104-Gratuities 01-Gratuity to State employees	450.00	(-) 109.05	340.95	329.14	(-) 11.81
3.	15	2071-Pensions and Other Retirement Benefits 01-Civil 110-Pensions of employees of Local Bodies 01-Pension to employees of Zila Parishads and Panchayat Samitis	35.00	(-) 7.00	28.00	26.58	(-) 1.42
4.	15	2071-Pensions and Other Retirement Benefits 01-Civil 115-Leave Encashment Benefits	179.00	(-) 10.00	169.00	166.30	(-) 2.70
5.	19	2059-Public Works 80-General 001-Direction and Administration 01-Direction 03-Execution	88.66	(-) 3.07	85.59	84.50	(-) 1.09
6.	21	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Proportionate expenditure exhibited under Major head "2059 Public Works" 01-Establishment	44.15	(-) 3.45	40.70	34.83	(-) 5.87
7.	24	2202-General Education 01-Elementary Education 101-Government Primary Schools 01-Upper Primary Schools for Boys	1,060.53	(-) 32.51	1,028.02	1,023.58	(-) 4.44

(Rupees in crore)

S. No.	Grant No.	Major head affecting the grant	Original + Supplementary	Re-appropriation	Total grant	Expenditure	Amount of savings
8.	24	2202-General Education 01-Elementary Education 101-Government Primary Schools 02-Upper Primary Schools for Girls	144.91	(-) 2.36	142.55	125.60	(-) 16.95
9.	24	2202-General Education 02-Secondary Education 109-Government Secondary Schools	1,360.64	(-) 13.87	1,346.77	1,344.91	(-) 1.86
10.	24	01-Boys School 2202-General Education 05-Language Development 103-Sanskrit Education 03-Sanskrit School	35.59	(-) 1.94	33.65	28.42	(-) 5.23
11.	26	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of Diseases 01-National Malaria Eradication Programme	32.00	(-) 3.14	28.86	27.65	(-) 1.21
12.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Schemes 02-Desertation	105.50	(-) 33.32	72.18	56.27	(-) 15.91
13.	27	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Schemes 99-Maintenance Percentage Charges (O & M) transferred from Major Head 2215-Water Supply and Sanitation-01-102 for Rural Water Supply Schemes	143.86	(-) 11.97	131.89	125.32	(-) 6.57
14.	34	2245-Relief on account of Natural Calamities 01-Drought 800-Other expenditure 01-Expenditure on relief works 08-Other Special Relief Works	129.46	(-) 129.46	-	(-) 21.65	(-) 21.65
		Total	4,129.30	(-) 409.14	3,720.16	3,614.88	(-) 105.28

APPENDIX-2.11

(Refer paragraph 2.3.9; page 40)

Anticipated savings not surrendered (Rs 1 crore and above)

(Rupees in crore)					
S. No.	Number and name of the grant	Savings	Amount surrendered	Amount not surrendered	Percentage not surrendered
Revenue- Voted					
1	6-Administration of Justice	2.10	0.65	1.45	69.0
2	19-Public Works	5.35	3.39	1.96	36.6
3	21-Road and Bridges	64.09	58.55	5.54	8.6
4	24-Education, Art and Culture	145.14	102.34	42.80	29.5
5	26-Medical and Public Health and Sanitation	60.23	58.01	2.22	3.7
6	34-Relief from Natural Calamities	103.04	78.99	24.05	23.3
7	46-Irrigation	6.54	0.77	5.77	88.2
	Total	386.49	302.70	83.79	

APPENDIX-2.12

(Refer paragraph 2.3.9; page 40)

Amount surrendered on the last day of March 2008 (Rs 20 crore and above)

S. No.	Number and name of the grant	Grant/ Appropriation	(Rupees in crore)
			Amount surrendered
1	Interest Payments	Revenue-Charged	181.90
2	Public Debt	Capital-Charged	202.21
3	3-Secretariat	Revenue-Voted	948.48
4	16-Police	Revenue-Voted	28.22
5	21-Roads and Bridges	Revenue-Voted	58.55
6	21-Roads and Bridges	Capital-Voted	42.35
7	22-Area Development	Capital-Voted	36.18
8	24-Education, Art and Culture	Revenue-Voted	102.34
9	26-Medical and Public Health and Sanitation	Revenue-Voted	58.01
10	27-Drinking Water Scheme	Capital-Voted	350.45
11	29-Urban Plan and Regional Development	Revenue-Voted	49.98
12	29-Urban Plan and Regional Development	Capital-Voted	23.97
13	34-Relief from Natural Calamities	Revenue-Voted	78.99
14	35-Miscellaneous Community and Economic Services	Revenue-Voted	604.25
15	36-Co-operation	Capital-Voted	26.17
16	38-Minor Irrigation and Soil Conservation	Revenue-Voted	43.36
17	41-Community Development	Revenue-Voted	124.28
18	46-Irrigation	Capital-Voted	176.92
19	48-Power	Capital-Voted	117.05
	Total		3,253.66

APPENDIX-2.13

(Refer paragraph 2.3.11; page 41)

Statement showing the cases of defective and inaccurate budgeting

(Rupees in crore)

S. No.	Grant No.	Head of Account	Original provision	Supplementary provision	Total provision	Surrender/Re-appropriation to other heads
1.	22	4705-106(01)[02]	16.00	¹³	16.00	15.98
2.	24	4202-01-203(04)[01]	0.91	2.70	3.61	2.02
3.		4202-02-104(02)	7.99	0.75	8.74	4.70
4.	27	4215-01-102(01)[32]	-	2.99	2.99	2.99
5.		4215-01-102(01)[33]	-	2.00	2.00	2.00
6.		4215-01-102(36)	40.00	1.50	41.50	37.82
7.	29	2217-80-192(23)	-	1.43	1.43	1.09
8.		4217-60-050(03)	25.00	¹⁴	25.00	20.91
9.	34	6245-01-800(07)	¹⁴	2.00	2.00	2.00
10.	36	2425-107(21)	¹⁴	6.62	6.62	6.62
11.	42	2851-110(01)	0.40	4.21	4.61	3.36
12.	46	4702-800(06)[04]	17.01	¹⁵	17.01	16.98

13. Only Rs 3000.

14. Only Rs 1000.

15. Only Rs 2000.

APPENDIX-2.14

(Refer paragraph 2.4; page 41)

Statement showing flow of expenditure during the four quarters of 2007-08

Head	Description	Expenditure incurred during						Percentage of expenditure in March 2008 to total expenditure of 2007-08
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	March 2008	
2075	Miscellaneous General Services	0.02	0.05	0.03	15.59	15.69	15.54	99.0
2404	Dairy Development	-	0.70	-	2.87	3.57	2.87	80.4
2408	Food Storage and Warehousing	-	-	-	0.65	0.65	0.65	100.0
2801	Power	99.99	242.34	254.53	2,466.34	3,063.20	2,364.71	77.2
3055	Road Transport	-	-	-	12.26	12.26	12.26	100.0
3451	Secretariat-Economic Services	3.43	73.74	3.57	535.97	616.72	533.63	86.5
3475	Other General Economic Services	0.52	0.72	3.56	24.80	29.60	24.32	82.2
4047	Capital Outlay on other Fiscal Services	-	-	-	900.00	900.00	900.00	100.00
4236	Capital Outlay on Nutrition	-	-	-	14.88	14.88	14.83	99.7
4405	Capital Outlay on Fisheries	0.01	-	(-) 0.01	0.36	0.36	0.35	97.2
4408	Capital Outlay on Food Storage and Warehousing	-	-	-	0.49	0.49	0.49	100.0
4425	Capital Outlay on Co-operation	1.16	(-) 0.05	(-) 0.04	17.88	18.95	17.82	94.0
4860	Capital Outlay on Consumer Industries	-	-	0.02	0.09	0.11	0.09	81.8
5425	Capital Outlay on Other Scientific and Environmental Research	-	-	-	0.12	0.12	0.12	100.0
6004	Loans and Advances from the Central Government	6.29	20.40	20.42	334.14	381.25	318.45	83.5

Head	Description	Expenditure incurred during						Percentage of expenditure in March 2008 to total expenditure of 2007-08
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	March 2008	
6235	Loans for Social Security and Welfare	-	-	-	10.00	10.00	10.00	100.0
6401	Loans for Crop Husbandry	-	-	-	40.06	40.06	40.06	100.0
6408	Loans for Food Storage and Warehousing	-	-	-	1.83	1.83	1.83	100.0
6860	Loans for Consumer Industries	-	0.11	4.40	29.50	34.01	29.50	86.7
Grand Total						5,143.75	4,287.52	

APPENDIX-3.1

(Refer paragraph 3.1.5; page 46)

Details of units selected for sample testing

S. No.	District	Selected		
		3 CHCs in each district	2 PHCs in each CHC	2 SCs in each PHC
1.	Sriganganagar	1. Chunawad	1. Mirzewala	1. 5 B Chhoti
				2. Sangatpura
			2. Shivpur	1. Kairi
				2. Khattlabana
		2. Gharsana	1. Rawala	1. Kundal (2 RKM)
				2. 9 PSDA
			2. 365 RD	1. 10 DOL
				2. 13 DOL
		3. Sadulshahar	1. Chak Maharaj ka	1. Doliyawali
				2. Kaluwala
2.	Pali	1. Bali	1. Bisalpur	1. Bedal
				2. Perwa
			2. Phalna	1. Phalnagaon
				2. Khimel
		2. Kharchee	1. Jojawar	1. Bhagora
				2. Bogala
			2. Ranawas	1. Manda
				2. Nimbali
		3. Rohat	1. Jaitpur	1. Dholeriya sasan
				2. Kulthana
3.	Jaipur	1. Amber	1. Achrol	1. Chapardi
				2. Labana
			2. Manpur macheri	1. Beelpur
				2. Sirohi
		2. Manoharpur	1. Dhanota	1. Jagatpura
				2. Murlipura
			2. Dhawli	1. Maharkhurd
				2. Gonakasar
		3. Paota	1. Badnagar	1. Bhankri
				2. Tulsipura
4.	Ajmer	1. Jawaza	1. Kishanpura	1. Sarmaliya
				2. Seliwari
			2. Rajiyawas	1. Balad
				2. Suradia

S. No.	District	Selected		
		3 CHCs in each district	2 PHCs in each CHC	2 SCs in each PHC
		2. Masuda	1. Kharwa	1. Kanakhera
				2. Rampura
			2. Kirap	1. Herajpura
				2. Mayla
		3. Pushkar	1. Kadel	1. Khor
				2. Tilora
			2. Saradhana	1. Hatundi
				2. Tabizi
5.	Udaipur	1. Badgaon	1. Bedla	1. Bhuwana
				2. Rama
			2. Losing	1. Kadmal
				2. Vati
		2. Mavli	1. Dabok	1. Dhanoli
				2. Tulsidas ki sarai
			2. Khemli	1. Rakhyawal
				2. Sangwa
		3. Kherwara	1. Kalyanpur	1. Pandyawada
				2. Rajol
			2. Pipli B	1. Pipli A
				2. Ugmana kotda
6.	Bundi	1. Nainwa	1. Bansi	1. Dodi
				2. Sadara
			2. Bamangaon	1. Samidhi
				2. Balapura
		2. Hindoli	1. Alod	1. Aakoda
				2. Thikarda
			2. Bada nayagaon	1. Badodiya
				2. Chatarganj
		3. Talera	1. Dabi	1. Khadipur
				2. Sutada
			2. Khatkhad	1. Bherupura ojha
				2. Jawara

APPENDIX-3.2

(Refer paragraph 3.1.7; page 47)

Statement showing approved PIP, fund released by GOI and State Government and expenditure incurred during 2005-08

(Rupees in crore)

Year	Approved PIP	Opening balance	Amount released by GOI	State share	Total amount available for the year	Expenditure incurred during the year	Balance amount	Percentage of balance amount to total amount available
2005-06	337.32	26.03	256.14	-	282.17	147.18	134.99	48
2006-07	370.81	134.99	466.08	-	601.07	253.02	348.05	58
2007-08	732.37	348.05	654.04	45.00	1,047.09	545.23	501.86	48
Total	1,440.50		1,376.26	45.00		945.43		35

APPENDIX- 3.3

(Refer Paragraphs 3.1.7.1 and 3.1.7.2; page 47)

Statement showing component-wise receipt and expenditure under NRHM during 2005-06 to 2007-08

(Rupees in crore)									
S. No.	Components	2005-06		2006-07		2007-08		Total	
		Receipt	Expenditure	Receipt	Expenditure	Receipt	Expenditure	Receipt	Expenditure
1.	Family Welfare	167.19	115.86	132.02	124.57	174.39	165.18	473.60	405.61
	Total	167.19	115.86	132.02	124.57	174.39	165.18	473.60	405.61
2.	State Programme Management Unit (SPMU)								
	(a) Routine Immunisation and Pulse Polio Immunisation	18.64	1.34	13.29	9.82	16.46	12.05	48.39	23.21
	(b) Information, Education and Communication (IEC)	0.10	-	6.24	-	16.22	6.19	22.56	6.19
	(c) RCH Flexible Pool	40.00	11.27	105.22	55.74	157.07	200.86	302.29	267.87
	(d) Mission Flexible Pool	33.55	2.20	187.63	42.35	266.36	145.44	487.54	189.99
	(e) State Share	-	-	-	-	45.00	-	45.00	-
	Total	92.29	14.81	312.38	107.91	501.11	364.54	905.78	487.26
3.	Disease								
	(a) National Vector Borne Disease Control	2.97	2.42	2.21	0.46	4.07	2.13	9.25	5.01
	(b) National TB Control Programme	6.57	5.95	6.00	4.90	10.41	4.59	22.98	15.44
	(c) National Leprosy Eradication Programme	1.24	0.88	1.07	0.83	0.52	1.07	2.83	2.78
	(d) National Programme for Control of Blindness	7.09	6.80	12.40	12.36	8.29	5.22	27.78	24.38
	(e) Integrated Disease Surveillance Programme	4.82	0.40	-	1.92	0.25	2.39	5.07	4.71
	(f) Iodine Deficiency Disorder Disease Control Programme	-	0.06	-	0.07	-	0.11	-	0.24
	Total	22.69	16.51	21.68	20.54	23.54	15.51	67.91	52.56
	Grand Total	282.17	147.18	466.08	253.02	699.04	545.23	1447.29¹⁶	945.43

16. Includes opening balance Rs 26.03 crore as of April 2005, receipts from GOI: Rs 1,376.26 crore and state share: Rs 45.00 crore.

APPENDIX-3.4

(Refer paragraph 3.1.10.1; page 50)

Statement showing details of residential building construction works sanctioned, completed, incomplete works, etc.

(Rupees in crore)

Name of Department	No. of works allotted	Sanctioned amount	Works completed and handed over			Works completed but not handed over				Works remaining incomplete				Not started		
			No. of works	Sanctioned amount	Expenditure	No. of works	Sanctioned amount	Expenditure	Period (as on June 2008)	No. of works	Sanctioned amount	Expenditure	Period (as on June 2008)	No. of works	Sanctioned amount	Period (as on June 2008)
1. PWD	724	47.99	269	18.34	15.47	-	-	-	-	272	17.61	10.60	-	183	12.05	-
2. RHSDP	894	59.29	22	1.33	1.16	493	32.77	24.81	2 to 10 Months	293	19.31	8.75	11 days to 10 months	86	5.87	7 to 19 months
3. AVL	7	0.55	7	0.55	0.42	-	-	-	-	-	-	-	-	-	-	-
Total	1,625	107.83	298	20.22	17.05	493	32.77	24.81	-	565	36.92	19.35	-	269	17.92	-

APPENDIX-3.5

(Refer paragraph 3.1.10.5; page 52)

Statement showing sanctioned strength and Men in position as of 2005-06 and 2007-08 in field units of six test checked districts

Name of the post	Sriganganagar				Pali				Jaipur			
	Sanctioned Strength		Men in position		Sanctioned Strength		Men in position		Sanctioned Strength		Men in position	
	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08
1. SC level												
ANM	350	350	300	331	524	533	472	500	631	740	628	720
ANM(Regular)	298	252	202	233	419	428	422	451	523	593	520	582
ANM(Contractual)	-	-	-	-	105	105	50	49	108	147	108	138
MPW-Male	122	97	67	32	143	50	60	46	210	210	147	136
MPW- Female (R)	-	46	46	46	-	-	-	-	-	-	-	-
MPW- Female(C)	52	52	52	52	-	-	-	-	-	-	-	-
2. PHC level												
Medical Officer-Allopathic	NA	41	NA	41	8	53	8	53	168	183	166	179
Medical Officer-AYUSH	-	-	-	-	-	33	-	33	-	44	-	34
Staff Nurse-Regular	41	45	19	15	270	238	210	190	8	10	8	10
Staff Nurse-Contractual	27	27	27	27	-	-	29	29	-	-	-	-
Nurse Mid wife	-	-	-	-	-	-	-	-	11	13	11	13
Lab Assistant	-	-	-	-	85	85	73	63	123	131	113	123
Lady Health Visitor	22	51	22	44	-	-	-	-	76	92	73	89
Pharmacist	-	-	-	-	1	1	1	1	1	2	1	2
3. BHEIO	-	-	-	-	-	-	-	-	26	26	26	8
Statistical Assistant	2	2	2	2	-	-	-	-	3	3	3	3
4. CHC level												
Surgeon	NA	11	NA	5	15	15	9	7	21	26	19	23
Anesthetists	NA	3	NA	2	-	-	2	0	3	3	1	1
Gynecologist	NA	5	NA	4	4	4	2	2	15	18	9	9
Pediatrician	NA	4	NA	2	4	4	-	-	5	7	5	7

Name of the post	Sriganganagar				Pali				Jaipur			
	Sanctioned Strength		Men in position		Sanctioned Strength		Men in position		Sanctioned Strength		Men in position	
	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08
Pathologist	-	-	-	-	1	2	-	-	-	-	-	-
General physician	NA	11	NA	7	15	15	15	15	15	21	15	19
Pharmacist	1	3	1	1	1	1	1	1	-	-	-	-
Radiologist	-	-	-	-	-	-	1	1	-	-	-	-
Staff Nurse-Regular	61	67	29	41	-	-	-	-	15	18	15	18
Staff Nurse contractual	15	15	15	15	-	-	-	-	9	9	9	9
Public Health Nurse	-	-	-	-	-	-	-	-	8	8	4	8
Lab Technician	7	7	7	7	-	-	-	-	24	27	21	27
Statistical Assistant	NA	NA	NA	NA	-	-	-	-	-	-	-	-
5. District level												
CMO	1	1	1	1	1	1	1	1	2	2	2	1
Deputy CMO	4	-	4	-	3	3	3	-	5	4	5	4
District Immunisation Officer	1	1	1	1	1	1	1	1	1	2	1	2
DHEIO	-	-	-	-	-	-	-	-	2	2	2	2
	706	839	593	676	1,076	1,039	888	943	1,382	1,601	1,284	1,447

Name of the post	Ajmer				Udaipur				Bundi			
	Sanctioned Strength		Men in position		Sanctioned Strength		Men in position		Sanctioned Strength		Men in position	
	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08
1. SC level												
ANM	276	286	273	261	660	660	594	594	171	174	168	172
(i) ANM(Regular)	276	286	273	261	605	605	539	539	-	-	-	-
(ii) ANM(Contractual)	-	-	-	-	55	55	55	55	-	-	-	-
MPW-Male	92	72	64	47	225	225	110	110	50	50	38	38
MPW- Female (R)	-	-	-	-	Included	In	ANM	Numbers				
MPW- Female(C)	-	-	-	-	-	-	-	-	-	-	-	-
2. PHC level												
Medical Officer- Allopathic	96	102	-	72	140	149	140	140	40	43	34	40

Name of the post	Ajmer				Udaipur				Bundi			
	Sanctioned Strength		Men in position		Sanctioned Strength		Men in position		Sanctioned Strength		Men in position	
	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08	As on 31.3.06	As on 31.3.08
Medical Officer-AYUSH	-	22	-	8	-	37	-	36	-	-	-	-
Staff Nurse-Regular	157	171	128	187	201	201	201	201	2	2	2	2
Staff Nurse-Contractual	10	10	10	10	55	66	66	66	-	-	-	-
Nurse Mid wife	-	-	-	-	-	-	-	-	-	-	-	-
Lab Assistant	62	62	44	48	2	2	2	2	-	-	-	-
Lady Health Visitor	32	57	32	41	55	89	47	69	-	-	-	-
Pharmacist	-	-	-	-	-	2	-	-	1	-	1	-
3. BHEIO												
Statistical Assistant	-	-	-	-	2	2	-	-	-	-	-	-
4. CHC level												
Surgeon	12	12	8	8	18	18	10	10	5	6	5	5
Anesthetists	-	-	-	-	3	3	3	3	-	-	-	-
Gynecologist	6	6	6	6	10	10	6	6	3	3	2	1
Pediatrician	2	2	2	2	6	6	2	2	2	2	2	2
Pathologist	-	-	-	-	1	1	1	1	-	-	-	-
General physician	4	5	3	5	19	19	10	10	5	6	5	4
Pharmacist	-	-	-	-	-	-	-	-	-	1	-	-
Radiologist	-	-	-	-	-	-	-	-	-	-	-	-
Staff Nurse-Regular	56	56	31	31	82	82	82	82	9	9	9	9
Staff Nurse contractual	-	-	-	-	13	13	13	13	-	-	-	-
Public Health Nurse	4	4	4	4	4	4	1	1	-	-	-	-
Lab Technician	10	10	8	7	114	114	85	85	3	3	3	3
Statistical Assistant	-	-	-	-	-	-	-	-	-	-	-	-
5. District level												
CMO	1	1	1	1	1	1	1	1	1	1	1	1
Deputy CMO	4	9	4	9	-	1	1	1	1	-	1	-
District immunization Officer	1	1	1	1	1	1	1	1	1	1	1	1
DHEIO	-	-	-	-	-	-	-	-	-	-	-	-
	825	888	619	748	1,612	1,706	1,376	1,434	294	301	272	278

APPENDIX-3.6

(Refer paragraph 3.1.12; page 55)

Statement showing details of targets of health indicators fixed by GOI under NRHM for the State

S. No.	Particulars of indicators	Targets to be achieved as per NRHM	Targets fixed by/for the State		Achievement	Outcome
			Year	Target		
1.	Infant Mortality Rate (IMR)	30/1000 live births upto 2012	2005	Not fixed	65	
			2006	Not fixed	Not compiled	
			2007	51	Not compiled	
2.	Maternal Mortality Rate (MMR)	100/100000 live births upto 2012	2005	Not fixed	445	
			2006	Not fixed	Not compiled	
			2007	285	Not compiled	
3.	Total Fertility Rate (TFR)	2.1 upto 2012	2005	Not fixed	3.2	
			2006	Not fixed	Not compiled	
			2007	2.6	Not compiled	
4.	Malaria Mortality Reduction Rate	50% upto 2010 and additional reduction 10% upto 2012	2005	Not fixed	22	Target achieved
			2006	58	58	
			2007	48	46	
5.	Dengue Mortality Reduction Rate	50% upto 2010 and additional reduce 10% upto 2012	2005	Not fixed	6	Target achieved
			2006	26	26	
			2007	22	10	
6.	Cataract Operation	Increase to 46 lakh upto 2012	2005	230000	271215	Target achieved
			2006	230000	265950	
			2007	325000	316676	Slight shortfall
7.	Leprosy Prevalence Rate	Less than one per ten thousand	2005	Not fixed	0.24	Target achieved
			2006	Not fixed	0.21	
			2007	Not fixed	0.20	
8.	Tuberculosis cure rate	85%	2005	85%	87%	Target achieved
			2006	85%	87%	
			2007	85%	89%	

APPENDIX-3.7

(Refer paragraph 3.1.12.3; page 57)

Statement showing details of targets vis-a-vis achievement of family planning operations and IUD insertion during 2005-08

Name of District	Vasectomy			Tubectomy and Laparoscopy			IUD insertion		
	Target	Achievement	Shortfall (percentage)	Target	Achievement	Shortfall (percentage)	Target	Achievement	Shortfall (percentage)
Sriganganagar	4,799	1,647	3,152 (66)	43,202	31,909	11,293 (26)	37,142	36,894	248 (1)
Pali	4,697	326	4,371 (93)	42,814	31,969	10,845 (25)	-	-	-
Jaipur	8,307	2,688	5,619 (68)	1,31,624	1,11,583	20,041 (15)	53,646	39,547	14,099 (26)
Ajmer	6,420	1,526	4,894 (76)	57,755	28,618	29,137 (50)	34,783	22,654	12,129 (35)
Udaipur	1,610	393	1,217 (76)	30,137	27,269	2,868 (10)	49,631	42,237	7,394 (15)
Bundi	2,677	234	2,443 (91)	24,104	14,535	9,569 (40)	16,502	16,227	275 (2)
Total	28,510	6,814	21,696 (76)	3,29,636	2,45,883	83,753 (25)	1,91,704	1,57,559	34,145 (18)

APPENDIX-3.8

(Refer paragraph 3.1.12.4; page 57)

Statement showing details of pregnant women receiving check up at around 36th weeks and institutional deliveries during 2005-06 to 2007-08

S No.	Name of District	2005-06			2006-07			2007-08			Total		
		Number of pregnant women receiving check up at around 36 th week	Number of institutional deliveries	Shortfall (percentage)	Number of pregnant women receiving check up at around 36 th week	Number of institutional deliveries	Shortfall (percentage)	Number of pregnant women receiving check up at around 36 th week	Number of institutional deliveries	Shortfall (percentage)	Number of pregnant women receiving check up at around 36 th week	Number of institutional deliveries	Shortfall (percentage)
1.	Sriganganagar	30,215	11,409	18,806 (62)	34,439	21,870	12,569 (36)	41,848	29,326	12,522 (30)	1,06,502	62,605	43,897 (41)
2.	Pali	38,205	12,000	26,205 (68)	37,551	8,794	28,757 (77)	49,763	12,832	36,931 (74)	1,25,519	33,626	91,893 (73)
3.	Jaipur	96,529	60,135	36,394 (38)	2,08,318	1,10,135	98,183 (47)	1,03,045	81,718	21,327 (21)	4,07,892	2,51,988	1,55,904 (38)
4.	Ajmer	45,236	23,670	21,566 (48)	39,631	25,205	14,426 (36)	50,604	39,391	11,213 (22)	1,35,471	88,266	47,205 (35)
5.	Udaipur	56,940	26,246	30,694 (54)	67,673	39,542	28,131 (42)	65,114	51,096	14,018 (22)	1,89,727	1,16,884	72,843 (38)
6.	Bundi	18,494*	13,459	5,035 (27)	17,878*	14,799	3,079 (17)	20,187*	17,000	3,187 (16)	56,559	45,258	11,301 (20)
	Total	2,85,619	1,46,919	1,38,700 (49)	4,05,490	2,20,345	1,85,145 (46)	3,30,561	2,31,363	99,198 (30)	10,21,670	5,98,627	4,23,043 (41)

* Figures incorporated as targeted for institutional deliveries.

APPENDIX-3.9

(Refer paragraph 3.2.8; page 65)

Statement of Central Loan Assistance received by the State Government under AIBP

(Rupees in crore)									
S. No.	Project	Years	Expenditure on			CLA admissible under relaxed norms of reforming State	CLA received by the State	CLA admissible under General Category of State (2 : 1)	Additional CLA to be recovered in lump sum
			Works	Admissible Estt. (upto 15% of CLA)	Total				
1.	Chauli	2002-05	31.51	3.62	35.13	28.10	26.66	23.41	3.25
		2005-06	7.42	0.85	8.27	1.98	1.96	1.65	0.31
			38.93	4.47	43.40	30.08	28.62	25.06	3.56
2.	Gang Canal (Modernisation) ¹⁷	2002-03	31.57	3.50	35.07	28.06	28.50	23.38	5.12
		2005-06	27.06	2.25	29.31	7.03	6.89	5.86	1.03
			58.63	5.75	64.38	35.09	35.39	29.24	6.15
3.	IGNP-II	2002-05	354.67	40.79	395.46	316.37	303.63	263.63	40.00
		2005-06	93.03	10.70	103.73	24.89	23.80	20.75	3.05
			447.70	51.49	499.19	341.26	327.43	284.38	43.05
4.	Mahi	2002-05	71.81	8.25	80.06	64.05	57.96	53.38	4.58
		2005-06	49.44	5.69	55.13	13.23	10.89	11.03	(-) 0.14
			121.25	13.94	135.19	77.28	68.85	64.41	4.44
5.	NCP	2002-05	542.17	6.47	548.64	438.91	430.98	565.76	65.22
		2005-06	195.89	3.03	198.92	47.74	46.75	39.78	6.97
			738.06	9.50	747.56	486.65	477.73	405.54	72.19
	Total		1,404.57	85.15	1,489.72	970.36	938.02	808.63	129.39

17. Gang Canal (Modernisation) project was covered under Fast Track (FT) project during 2003-04 and 2004-05.

APPENDIX-3.10

(Refer paragraph 3.2.8; page 66)

Statement of rush of expenditure in last quarter/month

(Rupees in crore)

Year	Chauli				Gang Canal (Modernisation)				IGNP-II				Mahi Bajaj Sagar				Narmada Canal Project			
	No. of Divisions	Expenditure during the			No. of Divisions	Expenditure during the			No. of Divisions	Expenditure during the			No. of Divisions	Expenditure during the			No. of Divisions	Expenditure during the		
		year	Last quarter (%)	Last month (%)		year	Last quarter (%)	Last month (%)		year	Last quarter (%)	Last month (%)		year	Last quarter (%)	Last month (%)		year	Last quarter (%)	Last month (%)
2003-04	2	10.38	5.26 (50.67)	-	3	98.17	59.57 (60.68)	27.30 (27.81)	1	95.23	65.79 (69.08)	NA	4	15.52	7.82 (50.39)	3.04 (19.59)	2	365.03	351.18 (96.21)	-
2004-05	2	9.70	-	1.87 (19.28)	4	55.62	27.33 (49.14)	12.58 (22.61)	1	116.53	60.54 (51.95)	NA	4	29.29	17.60 (60.09)	9.91 (33.83)	2	158.03	119.56 (75.66)	97.04 (61.41)
2005-06	2	7.03	3.61 (51.35)	1.61 (22.90)	4	26.89	13.16 (48.94)	8.14 (30.27)	1	78.35	-	NA	4	40.39	-	7.28 (18.02)	5	195.77	105.75 (54.02)	48.64 (24.85)
2006-07	2	5.05	2.40 (47.52)	1.77 (35.05)	-	-	-	-	-	-	-	-	-	-	-	-	5	113.71	69.88 (61.45)	56.07 (49.41)
2007-08	2	0.51	0.32 (62.75)	0.17 (33.33)	4	36.99	28.05 (75.83)	20.20 (54.61)	-	-	-	-	-	-	-	-	5	136.25	63.33 (48.48)	33.88 (24.87)
No. of cases		8		8			15	15			2	-			8	12			19	17

APPENDIX-3.11

(Refer paragraph 3.2.14; page 70)

Statement of works in which either time not extended or extended on unjustified grounds

S.No.	Agreement No.	Contractor	Work order amount (Rupees in crore)	Stipulated dates of commencement and completion	Total period with condition, if any	Tender accepted by	Work executed and paid		Time extension			Reasons for delay	Audit comments	Compensation recoverable (Rupees in lakh)
							Upto	Rupees in crore	By	On	Upto			
Division-I														
Work : Supplying, jointing, commissioning of Monoblock Pump-sets with all electric and mechanical fittings on various diggis of Jaisla and Vank Distributaries														
1	16/2007-08	HEC Infra Projects Pvt. Ltd.	2.21	5.8.07 & 4.11.07	3 months including rainy season	CE, NCP	25.1.08	0.44	-	-		Non-availability of raw material, Navratra, Deepawali festivals and non-availability of labour due to election in Gujarat.	Reasons for delay indicated were attributed to contractor. As the contractor did not start work upto the stipulated date of completion, compensation at 10 per cent of the agreement amount was recoverable from the contractor.	22.10
2	3/2005-06	Goodwill Advance Const. Co.	13.41	11.12.05 & 10.6.07	18 months including rainy season	Government	3/08	9.19	Government	7.2.08	18.3.08 revising last three spans (282 days)	Floods in the area due to heavy rainfall in 2006 (78 days), delay in decision for treatment of expensive soil in Km 21 to 25 (99 days) and floods in the area due to excess water received from Jaswant Sagar alongwith rainfall during 2007 (105 days).	As the stipulated period of completion was including rainy season, contractor was supposed to prepare working plan in such a way as to complete the work within stipulated period. Rainfall of 2007 was started from 7 July 2007, which was after the stipulated date of completion. Contractor was executing the work in other reaches during 30.3.07 to 6.7.07 when hindrance of delay in deciding treatment of expensive soil was shown. Extra payment towards price escalation was also involved though not paid till March 2008 and due to non-completion of head regulator, the expenditure of Rs 9.19 crore on Distributary was blocked.	117.64
													</	

S.No.	Agreement No.	Contractor	Work order amount (Rupees in crore)	Stipulated dates of commencement and completion	Total period with condition, if any	Tender accepted by	Work executed and paid		Time extension			Reasons for delay	Audit comments	Compensation recoverable (Rupees in lakh)
							Upto	Rupees in crore	By	On	Upto			
Division : II- Work : Earthwork, pucca structure and PCC Block Lining of Ratoda 'A' & 'B', Goni, Galifa and Marathwa minors of Ratoda Distributary														
3	9/2006-07	Krishna & Co.	1.77	3.12.06 and 2.10.07	10 months including rainy season	CE, NCP	29.3.08	1.49	CE, NCP	29.1.08	5.4.08 (186 days) revision in IVth span	Flood in Luni River due to heavy rains.	The contractor did not maintain span-wise <i>pro rata</i> progress. Moreover, completion period was including rainy season. Therefore, contractor was supposed to prepare working plan in such a way as to complete the work in stipulated period because heavy rains were started from August 2007.	13.69 span-wise
Division-II- Work : Earthwork, pucca structure and PCC Block Lining of Ratoda 'D' Minor and Bhadarun Minor of Ratoda Distributary														
4	10/2006-07	Krishna & Co.	1.35	7.12.06 and 6.10.07	-do-	CE, NCP	23.6.07	1.03	-do-	25.1.08	6.3.08 (152 days)	-do-	Completion period was including rainy season therefore, contractor was supposed to prepare working plan in such a way as to complete the work in stipulated period because heavy rains were started from August 2007.	3.24 in fourth span
Division-II- Work : Supplying, jointing, commissioning of Monoblock Pump-sets and their maintenance on Keriya Distributary														
5	13/2007-08	HEC Infra Projects Pvt. Ltd.,	1.71	3.12.07 and 2.3.08	3 months	CE, NCP	27.11.07	0.48	CE, NCP			Nil	After lapse of the stipulated date of completion the contractor proposed the date of inspection of pump sets between 25.3.2008 and 27.3.2008. Thus, 10 <i>per cent</i> compensation was recoverable. Though Rs 8.00 lakh was kept in Deposit-V, recovery of compensation not effected.	17.06
Division-II Work : Earthwork, pucca structure and PCC Block Lining of Ranodar minor of Ratoda Distributary														
6	6/2007-08	M/s Saran Construc-tion Co.	3.03	3.7.07 and 2.4.08	9 months including rainy season	-do-	28.3.08	2.45	-do-			Nil	Contractor represented delay due to non-acquisition of land in required width for disposal of excavated soil which was not tenable because it was declared by the contractor in tender documents that he has visited the site of work and was fully aware of all the difficulties and conditions likely to affect carrying out the work	11.37 span-wise

Sl. No.	Agreement No.	Contractor	Work order amount (Rupees in crore)	Stipulated dates of commencement and completion	Total period with condition, if any	Tender accepted by	Work executed and paid		Time extension			Reasons for delay	Audit comments	Compensation recoverable (Rupees in lakh)
							Upto	Rupees in crore	By	On	Upto			
Division-II- Work : Earthwork, pucca structure and PCC Block Lining of Shivpura Sub-Distributary Km 0 to 11.665 of Ratoda Distributary														
7	3/2007-08	M/s Saran Construction Co.	4.88	3.7.07 and 2.4.08	9 months including rainy season	CE, NCP	29.3.08	1.91	CE, NCP	29.1.08	12.7.08 (102 days)	Flood in working area due to excess water received from Jaswant Sagar at the initial stage of the stipulated period of commencement.	As the period of completion was including rainy season, the contractor was supposed to prepare working plan in such a way as to complete the work within stipulated period. Reason of extension was not tenable.	14.03 span-wise upto 3rd span (4.5.06)
Division-II- Works : Supplying, laying, jointing, commissioning of distribution network of HDPE pipe for sprinkler system of command area of Keriya Disty. Km 0 to tail and its minors and sub-minors														
8	17/2006-07	Krishna Corp.	5.60	9.4.07 and 8.8.07	4 months including rainy season	CE, WRD	23.1.08	4.95				Protest from farmers due to standing crop (10.4.07 to 30.4.07: 21 days), heavy rainfall and flood situation (8.6.07 to 18.10.07 : 133 days) and testing not done due to non-supply of water in canal.	As evident from the notice dated 24.7.07 from CE, NCP to the contractor, the contractor did not start the work till 24.7.07. Whereas in proposal of time extension sent to CE, WR by the CE, NCP it was indicated that the contractor started the work from 10.4.07, which was not correct in view of notice to the contractor. Moreover, 10.4.07 to 30.4.07 was not cropping season and completion period was including rainy season. Therefore, grounds for extension were not tenable.	55.96
Division-III- Works : Earthwork, pucca structure and PCC Block Lining of Silu, Achalpur and Jaisla Minor of Jaisla Distributary														
9	3/2005-06	Mohan Construction Co.	1.55	9.3.06 and 8.3.07	12 months including rainy season	ACE, Jodhpur	23.6.07	1.12	Not sanctioned			Non acquisition of land (36 days) rains (47 days), slow progress by contractor (54 days).	Even after considering extension of 36 days due to non-acquisition of land by the department <i>pro rata</i> progress not maintained as the contractor was supposed to prepare working plan in such a way as to complete the work in stipulated period, hindrance for rainy season was not tenable.	14.56 span-wise
Division-IV- Work : Earthwork, pucca structure and PCC Block Lining of Guda Malani Lift Minor Km 0 to 17.100 of Bhadrai Lift Distributary														
10	3/2006-07	Manda Developers & Builders Pvt. Ltd.	5.68	18.11.06 and 17.2.08	15 months including rainy season	Government	14.2.08	3.97	Not sanctioned			Not mentioned.	Action for span-wise extension at time or recovery of compensation required to be taken under clause 2 of the agreement was not taken.	28.97 span-wise

S.No.	Agreement No.	Contractor	Work order amount (Rupees in crore)	Stipulated dates of commencement and completion	Total period with condition, if any	Tender accepted by	Work executed and paid		Time extension			Reasons for delay	Audit comments	Compensation recoverable (Rupees in lakh)
							Upto	Rupees in crore	By	On	Upto			
Division-IV- Work : Construction of pump room, sump well and boundary wall for diggis of Manki Distributary System														
11	5/2006-07	Uma Const. Co., Barmer	1.51	5.3.07 and 4.7.07	4 months including rainy season	CE, NCP	28.3.08	1.33				Not mentioned.	The contractor did not maintain <i>pro rata</i> progress.	12.83 span-wise
Division-V- Work : Earthwork, Pucca Structure on Bhimguda Distributary														
12	1/2005-06	Mepabhai Mandan	19.67	19.12.05 and 18.6.07	18 months including rainy season	Government	17.3.08	15.46	Government	4.10.07	28.2.08 revising all spans (255 days)	Non-removal of electric pole, pipe line and school (4.4.06 to 30.7.06 : 118 days) Heavy rains (14.9.06 to 12.11.06:60 days) Non-acquisition of land (15.5.07 to 25.7.07: 77 days)	As the contractor completed the work of Rs 7.40 crore against required Rs 7.37 crore upto 18.9.06 (second span); there was no justification of extending 1st and IInd span. The completion period was including rainy season therefore extension of 60 days was also not tenable. Therefore, after considering extension of 77 days attributed to department, compensation of Rs 59.23 lakh was recoverable from the contractor out of Rs 63.64 lakh. Thus, there was a loss of Rs 4.41 lakh due to delay attributed to Government besides payment of extra price escalation from 7/2007 to 10/2007 though not paid till May 2008.	59.23 span-wise
Division-V- Work : Construction of pump house, sump well and boundary wall for diggis of Bhimguda Distributary System														
13	4/2006-07	Manohar Const. Co.	1.13	17.2.07 and 16.6.07	4 months including rainy season	CE, NCP	24.12.07	0.99	CE NCP	25.1.08	8.2.08 revising all the spans (237 days)	Standing of crops (1.3.07 to 30.3.07: 30 days), shifting of place of diggis and construction contractor M/s Mepabhai Mandan did not construct the diggis 2.4.07 to 10.6.07 : 70 days) and Non-payment of land compensation (14.6.07 to 18.11.07 : 137 days)	As of March 2007 was not cropping season, the construction contractor did not mention hindrance for construction of diggis and there was no evidence for non-acquisition of land for construction of pump house, reasons for delay were not tenable.	8.10 span-wise
	Total													378.78

APPENDIX-3.12

(Refer paragraph 3.2.14; page 70)

Statement of leviabale compensation under Clause-2 of agreement

(Rupees in lakh)

S.No.	Name of Division	Name of Work	Name of contractor	Sanctioning authority	Schedule 'G' amount	Tender premium	Tendered Amount (Rs in lakh)	Stipulated date of		Status on 3/2008	Leviabale compensation (10% of the tendered amount)
								Commence-ment	Comple-tion		
1.	EE, WC Dn., IGNP, Jaisalmer	Earthwork, excavation & CC lining of GRSB RD 205 to 210	M/s Hissaria Const. Co., Bikaner	CE, IGNP, Jaisalmer	47.96	27.99% above	61.38	22.6.02	21.2.03	Work in progress	6.14
2.	EE, Gang Canal Link Channel Dn. Sriganganagar	Lining of Gang Canal Feeder (i) RD 37 to 43	M/s Mangat Ram	EE, Gang Canal Link Channel Dn., Sriganganagar	91.60	16.50% above	106.72	14.11.04	13.5.05	Work not started.	21.00
3.	-do-	(ii) RD 43 to 49	M/s MR Construction Co.	-do-	90.01	14.84% above	103.37	8.11.04	7.5.05		
4.	Distributary (LMC) Division, Garhi, Mahi Project, Banswara	Construction of : (i) Valai Minor I RD 0 to 4230 M	M/s Wagad Const. Co., Banswara	CE, Mahi, Banswara.	47.61	29.50% above	61.66	28.1.05	27.7.05	Work lying incomplete	6.17
5.	-do-	(ii) Dodia Minor RD 0 to Tail	M/s Hema Const., Udaipur	XEN, Garhi	18.76	4.60% below	17.90	11.8.01	10.6.02	-do-	1.79
6.	Dam Division-I, Mahi, Banswara	(iii) Balance work of Anandpuri Canal RD 31 to 34	M/s Singh & Associates, Udaipur	XEN, Dam Division-I	15.03	25% above	18.79	16.8.05	15.5.06	-do-	1.88
Total										36.98	

APPENDIX-3.13

(Refer paragraph 3.3.9; page 80)

Beneficiaries identified and covered

Year	Beneficiaries identified				Beneficiaries Covered				Percentage of beneficiaries covered to those identified			
	Children		Women		Children		Women		Children		Women	
	Tribal	Others	Tribal	Others	Tribal	Others	Tribal	Others	Tribal	Others	Tribal	Others
2003-04	11.63	62.85	1.69	10.94	4.68	21.3	1.08	5.35	40	34	64	49
2004-05	11.1	61.86	1.65	10.38	4.71	21.5	1.18	5.63	42	35	72	54
2005-06	8.46	63.70	1.24	11.17	3.53	22.34	0.87	8.76	42	35	70	52
2006-07	12.55	65.35	2.12	11.64	4.96	20.56	1.27	5.78	40	31	60	50
2007-08	13.59	71.59	2.37	13.02	5.68	20.74	1.54	6.04	42	29	65	46

APPENDIX-3.14

(Refer paragraph 3.3.12; page 83)

Statement showing utilisation of funds under KSY

Year	Allotment (Rs in crore)	Expenditure (Rs in crore)	Savings (Rs in crore)	Percentage savings	No. of blocks	Target at the rate of 600 girls/block	Actual beneficiaries	Shortfall (per cent)
2003-04	1.82	0.57	1.25	69	257	1,54,200	82,271	71,929 (47)
2004-05	1.82	0.87	0.95	48	257	1,54,200	92,321	65,939 (43)
2005-06	1.82	0.57	1.25	69	257	1,54,200	91,728	62,472 (41)
2006-07	2.83	1.26	1.57	55	274	1,64,400	1,25,373	39,027 (24)
2007-08	2.83	1.97	0.86	30	278	1,66,800	1,48,913	17,887 (11)
Total	11.12	5.24	5.88					

APPENDIX-3.15

(Refer paragraph 3.3.13.1; page 84)

Year-wise position of sanctioned and working manpower (At district level) (DD Office)

S. No.	Designation	Per project staff as per GOI	January 2004			January 2005			January 2006			January 2007			January 2008		
			Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)
1.	Dy. Director	32	31	30	(-)1	31	28	(-)3	31	31	Nil	31	29	(-)2	31	20	(-)11
2.	Statistical Assistant	32	31	16	(-)15	31	18	(-)13	31	19	(-)12	31	19	(-)12	31	20	(-)11
3.	Office Assistant	32	31	20	(-)11	31	19	(-)12	31	19	(-)12	31	20	(-)11	31	16	(-)15
4.	UDC/LDC	32	62	53	(-)9	62	53	(-)9	62	54	(-)8	62	50	(-)12	62	47	(-)15
5.	Driver	32	31	31	Nil	31	17	(-)14	31	18	(-)13	31	18	(-)13	31	18	(-)13
6.	Peon	32	31	18	(-)13	31	17	(-)14	31	16	(-)15	31	12	(-)19	31	14	(-)17
	Total				(-)49			(-)65			(-)60			(-)69			(-)82

APPENDIX-3.16

(Refer paragraph 3.3.13.1; page 84)

Year-wise position of sanctioned and working manpower (At project level)

S. No.	Designation	Per project staff as per GOI	January 2004			January 2005			January 2006			January 2007			January 2008		
			Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)	Sanctioned manpower	Actual	Excess (+)/ Shortage (-)
1.	CDPO/ ACDPO	01	257	152	(-) 105	257	152	(-)105	257	195	(-)62	274	198	(-)76	278	226	(-)52
2.	Supervisors	01	1735	1436	(-)299	1735	1436	(-)299	2176	1331	(-)845	21376	1395	(-)781	2236	1457	(-)779
3.	Junior Accountant and Statistical Assistant	01	257	174	(-)83	257	193	(-)64	257	169	(-)88	274	167	(-)107	278	165	(-)113
4.	UDC/LDC	01	257	598	(+)341	257	563	(+)306	257	555	(+)298	274	591	(+)317	278	590	312
5.	Driver	01	257	164	(-)93	257	155	(-)102	257	156	(-)101	274	156	(-)118	278	154	(-)124
6.	Peon	01	257	431	(+)174	257	426	(+)169	257	422	(+)165	274	415	(+)141	278	411	(+)133
	Total				(-)65			(-)95			(-)633			(-)624			623

APPENDIX-3.17

(Refer paragraph 3.3.13.1; page 84)

Summary of manpower position**Excess (+) and Shortage (-) of manpower at project and district level offices**

S.No.	Designation	January 2004	January 2005	January 2006	January 2007	January 2008
At project level						
1.	CDPO/ACDPOs	(-) 105	(-) 105	(-) 62	(-) 76	(-) 52
2.	LS	(-) 299	(-) 299	(-) 845	(-) 781	(-) 779
3.	Junior Accountant and Statistical Assistant	(-) 83	(-) 64	(-) 88	(-) 107	(-) 113
4.	LDC/UDC	(+) 341	(+) 306	(+) 298	(+) 317	(+) 312
5.	Driver	(-) 93	(-) 102	(-) 101	(-) 118	(-) 124
6.	Peon	(+) 174	(+) 169	(+) 165	(+) 141	(+) 133
	Total	(-) 65	(-) 95	(-) 633	(-) 624	(-) 623
At district level						
1.	Dy. Director	(-) 1	(-) 3	Nil	(-) 2	(-) 11
2.	S.A.	(-) 15	(-) 13	(-) 12	(-) 12	(-) 11
3.	Office Assistant	(-) 11	(-) 12	(-) 12	(-) 11	(-) 15
4.	LDC/UDC	(-) 9	(-) 9	(-) 8	(-) 12	(-) 15
5.	Driver	Nil	(-) 14	(-) 13	(-) 13	(-) 13
6.	Peon	(-) 13	(-) 14	(-) 15	(-) 19	(-) 17
	Total	(-) 49	(-) 62	(-) 60	(-) 69	(-) 82

APPENDIX-3.18

(Refer paragraph 3.3.13.2; page 85)

Statement showing training of ICDS functionaries

Year	Targets					Achievement					Percentage
	AWWs	AWHs	LSs	CDPOs	Total	AWWs	AWHs	LSs	CDPOs	Total	
2003-04	5,116	2,459	868	Nil	8,443	3,376	1,733	632	Nil	5,741	68
2004-05	2,741	3,564	835	Nil	7,140	1,493	1,962	775	Nil	4,230	59
2005-06	10,605	1,757	701	30	13,093	7,390	1,035	495	28	8,948	68
2006-07	9,371	Nil	598	30	9,999	7,026	Nil	340	21	7,387	74
2007-08	6,377	160	797	178	7,512	4,897	107	433	65	5,502	73
Total	34,210	7,940	3,799	238	46,187	24,182	4,837	2,675	114	31,808	69

APPENDIX-3.19

(Refer paragraphs 3.4.2 and 3.4.6.2; page 88 and 91)

Services of different Departments to be provided at e-Mitra

S. No.	Department	Service
1.	Collectorate	
1.1		Bonafide Certificate (Urban)
1.2		Bonafide Certificate (Rural)
1.3		Marriage Certificate
1.4		Ration Card
1.5		Name addition / Deletion / Correction in Voter List
1.6		New / Old <i>Jamabandi</i>
1.7		Application to open Mutation
1.8		Relief against accidental death / Wounded
1.9		Relief against fire case
1.10		Relief against heavy rainfall
1.11		Sanction amount from CM relief fund
1.12		Pension for old age / widow / physical handicap
1.13		Procedure of tree cutting Permission
1.14		Income Certificate
1.15		Character Certificate by Police
1.16		Caste Certificate
1.17		Allotment of Land for Public use
1.18		<i>Gair-Khatedar</i> to <i>Khatedar</i>
1.19		Demarcation
1.20		Conversion of agriculture land
2.	Zila Parishad/DRDA	
2.1		Loan sanction under <i>Swarn Jayanti Gram Swarojgar Yojana</i>
3.	Transport	
3.1		Driving Learner License
3.2		Permanent License
3.3		Renewal of License
3.4		Duplicate License
4.	Jaipur Municipal Corporation	
4.1		House Tax Deposition
4.2		Payment of Lease Money
4.3		Birth and Death Registration

S. No.	Department	Service
4.4		Rent for Hoardings
4.5		Hotel License
4.6		Grievances for Dead and Stray Animals
4.7		Grievances for Street Light
4.8		Grievances for Sewerage Line
5.	RSRTC	
5.1		Issue of Bus Passes
6.	PHED	
6.1		New Connection
6.2		Meter Change
6.3		Complaint Regarding Billing Issue
7.	Registration and Stamps	
7.1		Document Registration
7.2		Copy of Documents
7.3		Inspection & Search
7.4		License to stamp vendor & deed writer
8.	DISCOM	
8.1		New Connection
8.2		Meter Change
8.3		Complaint Regarding Billing Issue
9.	Rajasthan Housing Board	
9.1		No Dues Certificate
9.2		Transfer of Name
9.3		Change in Registration Details
9.4		payments of Dues under various heads
10.	Agriculture Department	
10.1		Mandi Rates
11.	Medical	
11.1		Pulse Polio
12.	Seeds Corporation	
12.1		Details/Sale of seeds
13.	Horticulture Department	
13.1		Details of Nurseries

APPENDIX-3.20

(Refer paragraph 3.4.5; page 90)

Duties and Responsibilities of different role players

S.No.	Role player	Relationship
1.	District <i>e-Mitra</i> Society	<ul style="list-style-type: none"> - Main owner and driver of <i>e-Mitra</i> project in a district - Appointing authority of LSP - Will sign the SLA with the LSP - Will coordinate and monitor the functioning of LSP - Will be the owner of <i>e-Mitra</i>'s main bank account. LSP will deposit all cash/cheques collected from citizens in this account. Society will thereafter forward the amount due to the concerned department. - Can inspect LSP's centers and authorised kiosks - Will issue guidelines for publicity material, uniform of LSP's counter personnel, etc. - Will vet all MIS reports generated by the LSP
2.	District Administration	<ul style="list-style-type: none"> - District Collector will be the chairperson of <i>e-Mitra</i> Society - Will identify and provide space for <i>Lok Mitra</i> Centers in Government owned premises - Will allow and finalise conditions in case LSP wants to open <i>Lok Mitra</i> Center at any place other than Government building - Will address all issues related to grievance redressal
3.	Participating Departments	<ul style="list-style-type: none"> - Will provide base information in the form of printed manual data and in electronic format like master files, forms, procedures, etc. - LSP has to reconcile accounts with the participating departments - LSP will send the applications and related documents to the concerned participating department and follow up for any action required - Will ensure timely disposal of cases referred
4.	Department of Information Technology and Communication	<ul style="list-style-type: none"> - Main trustee of the <i>e-Mitra</i> project - Developer of the <i>e-Mitra</i> application software including database structures - In case of any modification/enhancement required in <i>e-Mitra</i> application software, LSP will request <i>e-Mitra</i> Society which in turn will forward the same to DoIT&C.
5.	<i>e-Mitra</i> Data Center	<ul style="list-style-type: none"> - Main hub for recording of all electronic transactions - LSP's centers and authorised kiosks will hook on to the <i>e-Mitra</i> Data Center through appropriate medium for all transactions, data transmission, generation of MIS

S.No.	Role player	Relationship
		<ul style="list-style-type: none"> - All logins, passwords, authorisations for LSP and for its authorised counters will be maintained at <i>e-Mitra</i> Data Centers. - <i>E-Mitra</i> Data Center will be under the control of district collector and will be governed by the policies laid out by DoIT&C.
6.	Counters (<i>Lok Mitra</i> Centers/<i>Jan Mitra</i> kiosks)	<ul style="list-style-type: none"> - Owned or authorised by LSP - Will be set up by LSP or local entrepreneurs selected and authorised by the LSP - LSP will be accountable for working of its authorised counters in terms of SLA, security of financial transactions, document receipt and transmission, etc.

APPENDIX-4.1

(Refer paragraph 4.2.4; page 105)

Statement showing roads lying incomplete due to proposing execution of work on private/forest land

S.No	Name of Division	Name of road and name of scheme	Sanction			Name of contractor	Month and year of work order	Disputed length of road	Expenditure		Month and year of work lying incomplete with reasons for dispute
			Month and year	Amount (Rs in lakh)	Length (in km)				Amount (Rs in lakh)	Month	
1.	SE, PWD, Circle-Alwar	Duharchangan to Duharmala (PMGSY)	January 2006	57.98	2.25	M/s R.K. const. co. Gurgaon	March 2006	1/425 to 2/250 km (825m)	33.00	October 2007	June 2006-Alignment through private land
2.	SE, PWD, Circle Rural-I, Jaipur	(i) Bhawni to Pawata (PMGSY)	September 2005	33.48	1.98	M/s B.P.Modi Jaipur	December 2005	0/765 to 0/930 km (165m)	25.94	July 2007	February 2006-Alignment through private land
		(ii) Kaladera-Hasteda Badahal to Baga Ka Bas (PMGSY)		21.05	1.05	M/s Jagdish Prasad Agarwal	December 2005	0.32 km	8.42	January 2008	January 2008-Alignment through private land
3.	SE, PWD, Circle-Swaimadhopur	(i) Meena Koleta to Gujar Koleta	August 2005	62.86	2.70	M/s Mishra Brothers	October 2005	0/250 to 0/900 km (650m)	36.33	November 2007	July 2006-Alignment through forest land
		(ii) Piplai to Badmohanpur		75.76	4.25	M/s Ghosi Const. Co.	October 2005	0/600 to 1/100 km (500m)	76.34	September 2007	December 2005-Dispute of land
		(iii) Gujarbaroda to Akodia		59.32	4.00	- do -	- do -	2/600 to 4/000 km (1400m)			December 2005-Dispute of land

S.No	Name of Division	Name of road and name of scheme	Sanction			Name of contractor	Month and year of work order	Disputed length of road	Expenditure		Month and year of work lying incomplete with reasons for dispute
			Month and year	Amount (Rs in lakh)	Length (in km)				Amount (Rs in lakh)	Month	
4.	EE, PWD, Division-Jhalawar	(i) Dewalkhera to Borband (PMGSY)	April 2006	42.13	1.90	M/s S.K. Chopra Con. Co.	July 2006	0/300 to 0/900 km (600m)	4.60	-	December 2006- Alignment through private land
		(ii) Gagraon to Nolav (PMGSY)		106.51	5.00	M/s Prem Chand Suman Contractor	June 2006	Complete 5km (only EW)	10.51	-	August 2006- Alignment through forest land
		(iii) A/R to Barbeli (PMGSY)		81.88	3.95	M/s Manoj Suppliers	July 2006	0/150 to 0/850 km (700m)	19.57	July 2007	August 2006- Dispute of land
5.	EE, PWD, Division-Karauli	(i) SH 25 to Agarri (PMGSY)	August 2005	60.30	3.00	M/s Mahiya Bros, Bikaner	November 2005	0/775 to 0/1300 km (525m)	24.03	August 2006	August 2006- Alignment through private land
		(ii) NH - 11B Km 69 to Madhai (PMGSY)	-do-	54.94	2.50	"	"	1/800 to 2/500 km (700m)	43.64	August 2006	November 2006- Alignment through private land
6.	EE, PWD, Division-Karauli/Sapotra	1. MDR 3A Kari to Garhi Ka Gaon (PMGSY)	August 2005	70.78	3.10	M/s Bhagat Contractor	November 2005	0/ 250 to 0/925 km (675m) Gravel Road	44.15	August 2007	December 2006- Alignment through forest land
		2. Kalaguda to Daulatpura (PMGSY)		222.19	12.80	M/s Meenesh Const.	November 2005	1/200 to 6/800 km (5600m) (Metal road)	143.53	March 2008	March 2008- Alignment through forest land

S.No	Name of Division	Name of road and name of scheme	Sanction			Name of contractor	Month and year of work order	Disputed length of road	Expenditure		Month and year of work lying incomplete with reasons for dispute
			Month and year	Amount (Rs in lakh)	Length (in km)				Amount (Rs in lakh)	Month	
		3. MDR 3 to Rahir (PMGSY)		359.82	20.80	M/s Meenesh Const.	November 2005	12/800 to 20/800 km (No work done)	156.53	December 2007	December 2007-Alignment through forest land
		4. Daulatpura Nanai Ki Guwori (PMGSY)		186.99	10.80	M/s Meenesh Const.	November 2005	1/800 to 2/500 km (700 m) (Gravel road)	92.92	December 2007	November 2006-Alignment through forest land
		5. Keladevi to Naroli (PMGSY)	February 2004	259.95	15.00	M/s Yogendra Kumar	June 2004	1/436 to 1/550 km (114m), 3/786 to 5/660 km (1884m) (Gravel road)	203.60	February 2007	April 2005-Alignment through forest land
7.	EE, PWD, Division-Sardarshahar	Rajpura to Dudwakhara (RIDF-XI and State Plan)	September 2005	64.00 <u>16.00</u> <u>80.00</u>	8.00	(i) M/s Sihag Const. Co.	September 2005	0/0 to 1/300 km (1300m)	28.49-4.92 =23.57	September 2006	December 2006-Alignment through private land
						(ii) M/s Tak Builder Co.	September 2006		35.21	March 2007	-do-
	Total	17		1835.94					981.89		

APPENDIX- 4.2

(Refer paragraph 4.4.8; page 119)

Statement showing payment of excess grants-in-aid to NGEIs

(Rupees in lakh)

Name of Department	Year	Number of NGEIs	Approved expenditure	Actual income	Grant-in-aid		
					Admissible	Paid	Excess
Sanskrit Education	2003-04	4	73.46	17.03	56.43	61.38	4.95
	2004-05	3	73.35	16.10	57.25	62.19	4.94
	2005-06	2	63.79	8.40	55.39	57.41	2.02
	2006-07	2	63.79	8.40	55.39	57.41	2.02
Secondary Education	2003-04	40	1,204.46	385.49	818.97	1,002.30	183.33
	2004-05	32	969.50	286.65	682.85	813.40	130.55
	2005-06	32	969.50	286.65	682.85	770.68	87.83
	2006-07	32	969.50	286.65	682.85	794.90	112.05
Elementary Education	2003-04	33	387.92	114.87	273.05	335.83	62.78
	2004-05	30	363.02	105.04	257.98	320.84	62.86
	2005-06	29	398.00	104.19	293.81	348.18	54.37
	2006-07	32	434.52	119.64	314.88	368.30	53.42
Total			5,970.81	1,739.11	4,231.70	4,992.82	761.12

APPENDIX-4.3

(Refer paragraph 4.4.11; page 121)

Statement showing the details of irregularities commented in Inspection Reports pending as of March 2008

(Rupees in crore)

S.No.	Nature of irregularity	Food, Civil Supply and Consumer Affairs Department		Mines and Geology Department		Medical and Health Department		Medical Education Department		Water Resources Department	
		Number of paragraph	Amount	Number of paragraph	Amount	Number of paragraph	Amount	Number of paragraph	Amount	Number of paragraph	Amount
1.	Fraud/ misappropriation/ embezzlement/losses	6	0.40	-	-	8	0.03	1	0.01	31	2.65
2.	Recoveries pointed out by audit and over payments	61	8.26	13	3.87	221	2.37	64	1.92	132	21.68
3.	Violation of contractual obligation and undue favours to contractors	11	0.77	1	0.51	75	0.91	45	0.84	308	52.56
4.	Avoidable/excess expenditure	-	-	-	-	118	2.60	54	7.42	147	95.72
5.	Wasteful/ infructuous expenditure	6	0.15	-	-	118	14.13	23	6.38	153	105.58
6.	Regulatory issues	22	5.72	5	8.25	589	58.30	80	31.23	173	99.52
7.	Idle investment/ establishment/ blocking of funds	2	29.43	2	8.85	138	41.27	30	11.76	45	67.98
8.	Delay in commissioning equipment	1	0.14	-	-	1	1.90	-	-	17	8.90
9.	Non-achievements of objects	15	2.81	-	-	18	9.79	1	0.80	20	6.72
10.	Miscellaneous	46	101.77	38	118.60	1011	276.52	303	95.25	618	484.73
	Total	170	149.45	59	140.08	2,297	407.82	601	155.61	1,644	946.04

APPENDIX 5.1

(Refer paragraph 5.1.7.1; page 126)

Statement showing position of budget provision and actual expenditure incurred during 2003-08

(Major Head 2401)

(Rupees in crore)

S. No.	Year	Category CNP	Original Budget	Supplementary	Total (4+5)	Surrender/ Re-appropriation		Total available funds	Actual Expenditure	Excess (+) Saving (-)
						Amount	Percentage total			
1	2	3	4	5	6	7	8	9	10	11
1	2003-04	C	52.78	-	52.78	(-)14.32	27	38.46	38.45	(-)0.01
		N	101.87	0.01	101.88	0.70	1	102.58	102.53	(-)0.05
		P	13.73	-	13.73	(-)3.14	23	10.59	10.58	(-)0.01
		Total	168.38	0.01	168.39	(-)16.76	10	151.63	151.56	(-)0.07
2	2004-05	C	51.00	0.35	51.35	(-)10.26	20	41.09	41.07	(-)0.02
		N	104.43	1.69	106.12	0.67	1	106.78	107.14	0.36
		P	16.73	0.01	16.74	(-)2.91	17	13.83	13.83	-
		Total	172.16	2.05	174.21	(-)12.50	7	161.70	162.04	0.34
3.	2005-06	C	94.39	1.79	96.18	(-)16.45	17	79.74	78.21	(-)1.53
		N	109.95	0.01	109.96	8.83	8	118.79	118.73	(-)0.06
		P	76.05	98.52	174.57	(-)8.11	5	166.46	166.51	0.05
		Total	280.39	100.32	380.71	(-)15.73	4	364.99	363.45	(-)1.54
4.	2006-07	C	85.84	2.60	88.44	(-)21.78	25	66.66	66.76	0.10
		N	120.33	3.51	123.84	4.06	3	127.90	128.02	0.12
		P	73.44	101.17	174.61	6.66	4	181.27	181.27	-
		Total	279.61	107.28	386.89	(-)11.06	3	375.83	376.05	0.22
5.	2007-08	C	77.13	4.95	82.08	(-)16.36	20	65.72	65.55	(-)0.17
		N	137.63	0.02	137.65	1.96	1	139.60	139.58	(-)0.02
		P	76.15	137.68	213.83	2.37	1	216.19	216.75	0.56
		Total	290.91	142.65	433.56	(-)12.03	3	421.51	421.88	0.37
	2003-08	C	361.14	9.69	370.83	(-) 79.17	21	291.67	290.04	(-) 1.63
		N	574.21	5.24	579.45	16.22	3	595.65	596.00	0.35
		P	256.10	337.38	593.48	(-) 5.13	1	588.34	588.94	0.60
		Grand Total	1,191.45	352.31	1,543.76	(-) 68.08		1,475.66	1,474.98	(-) 0.68

C- Centrally sponsored scheme, N- Non-Plan, P- Plan Based: Appropriation Account.

APPENDIX-5.2

(Refer paragraph 5.1.7.2; page 126)

Statement showing the details of supplementary grant released but remained unutilised

Major Head 2401

(Rupees in crore)

S. No.	Category C/P	GN	MH	SH	Year	Original budget	Supplementary grant	Total available funds (7+8)	Actual Expenditure	Excess (+) Saving (-) (unutilised amount)	Percentage of supplementary grant not utilised (8 to 11)
1	2	3	4	5	6	7	8	9	10	11	12
1	C	037	109	15	2005-06	0.00	1.71	1.71	0.76	(-)0.95	56
2	C	037	113	03	2005-06	0.00	0.05	0.05	-	(-)0.05	100
3	C	037	001	01	2006-07	0.00	1.00	1.00	-	(-)1.00	100
4	C	037	103	15	2006-07	0.00	1.15	1.15	0.06	(-)1.09	95
5	C	037	105	08	2006-07	0.00	0.15	0.15	0.10	(-)0.05	33
6	C	037	109	13	2006-07	0.00	0.18	0.18	0.04	(-)0.14	78
7	C	037	110	03	2006-07	0.00	0.05	0.05	-	(-)0.05	100
8	P	037	105	08	2006-07	0.00	0.10	0.10	-	(-)0.10	100
9	P	037	108	17	2007-08	8.50	2.24	10.74	8.47	(-)2.27	100
	TOTAL					8.50	6.63	15.13	9.43	(-) 5.70	86

C- Centrally sponsored scheme

P- Plan

GN- Grant No.

MH - Minor Head

SH - Sub-Head

001: Operations

103: Grant for seed development

105: Assistance for use of bio-fertilizer

108: ISOPOM

109(13): Navachar programme

109(15): Extension of farmer's training

110: Navachar schemes

113: Agriculture Equipment

APPENDIX-5.3

(Refer paragraph 5.1.7.3; page 126)

Statement showing position of non-utilisation of Central Assistance during 2003-08

S. No.	Year	Name of Scheme	Final outlay by GOI	Funds released by GOI	Actual utilisation (Amount)	(Rupees in crore)	
						Funds not utilised	
						Amount (5-6)	Percentage of non utilisation (7 to 5)
1	2	3	4	5	6	7	8
1	2003-04	ISOPOM ¹⁸	15.35	16.04	13.95	2.09	13
2		ICDP	2.84	2.73	2.08	0.65	24
		TOTAL	18.19	18.77	16.03	2.74	
3	2004-05	ISOPOM	30.15	22.09	16.09	6.00	27
4		ICDP	7.19	2.97	1.90	1.07	36
		TOTAL	37.34	25.06	17.99	7.07	
5	2005-06	ISOPOM	29.46	34.40	29.07	5.33	15
6		ICDP	5.05	5.00	4.68	0.32	6
		TOTAL	34.51	39.40	33.75	5.65	
7	2006-07	ISOPOM	29.84	34.67	28.29	6.38	18
8		ICDP	5.90	5.80	2.85	2.95	51
		TOTAL	35.74	40.47	31.14	9.33	
9	2007-08	ISOPOM	40.60	42.38	39.07	3.31	8
10		ICDP	4.29	2.95	2.00	0.94	32
		TOTAL	44.89	45.33	41.07	4.25	
		GRAND TOTAL	170.67	169.03	139.98	29.04	

ISOPOM -Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize

ICDP- Integrated Cotton Development Programme Mini Mission-II of Technological Mission on Cotton (TMC)

WORK PLAN -Macro Management of Agriculture

18. ISOPOM (2003-04) includes the budget figures of OPP, NPDP and AMDP. These schemes were merged in ISOPOM from 2004-05.

