Chapter III
Compliance Audit

Audit of transactions of the Government Departments, their field formations as well as audit of the autonomous bodies brought out lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy, which have been presented in the succeeding paragraphs under broad objective heads.

3.1 Non-compliance with rules and regulations

Agriculture Department

3.1.1 Non-implementation of Agriculture Resource Information System Network in Rajasthan

3.1.1.1 Introduction

The Department of Agriculture and Cooperation (DAC), Ministry of Agriculture (MoA), Government of India (GoI), launched (April 2005) a scheme called 'Agriculture Resource Information System Network (AGRISNET)', a mission mode project, to provide improved services to the farming community through use of Information and Communication Technology (ICT). Since the scheme was going to be implemented in the projectised mode, the State Governments were to determine the output and deliverables for each project in terms of government to citizen (G2C) services. Provisions of government to government (G2G) services would be treated as an intermediate output. The project also envisaged covering G2B, G2E and G2F services[1] using AGRISNET portal, video conferencing, mobile based system, citizen service centres, knowledge hub *etc.* It aimed to assess the farmers' information needs, build a system using ICT in agriculture technology, empower farmers in the use of ICT and make available information on resources relevant to farmers, like seed certification, fertilizers, pesticides *etc.*

In order to ensure that the benefits of the scheme were visible before the end of Tenth Five Year Plan (2002- 2007), GoI conceived (May 2005) the implementation period of AGRISNET Project in about one year time (mid 2006). Considering the transformational potential of the Scheme, audit conducted a study (April-May 2013) of the progress and achievements of the scheme. It was observed that though a Detailed Project Report (DPR) was submitted (November 2009) by the Department, prescribing one year period for completion of the project, no services under AGRISNET have been launched in Rajasthan till date (July 2013) *i.e.* seven years after the due date. Hence no benefits envisaged under the Scheme were visible either in the Tenth or Eleventh Five Year Plans (2007-12). The details of analysis of the factors responsible for this complete failure, based on the records of 106

1. Government to business, government to employee and government to farmers.

units/offices in 9 (out of 33) test checked districts[2], are enumerated in following paragraphs:

3.1.1.2 Lackadaisical approach of the Department towards implementation of the project

Approval cum Monitoring Committee (AMC) of DAC, called for proposals (17 May 2005) from the State Governments seeking project preparation assistance by 15 June 2005 and project proposals for funding before 31 July 2005 with a view that the project could be completed in about one year's time.

Lackadaisical approach of the Department of Agriculture (DoA) towards implementation of the project is indicated in the table below:

Sl. No.	Activities of the project	Due date	Actual date of completion	Delay
1	Submission of proposal to AMC of DAC, GoI	15 June 2005	April 2006	10 months
2	Submission of project proposals to AMC for funding and subsequent DPR	31 July 2005	November 2009	4 years and 4 months
3	Proposals approved by AMC	------------	December 2009	-
4	Completion of project	Before the end of the Tenth Five Year Plan (March 2007)	Work under progress (September 2013)	7 years

Delay in submission and approval of proposals

The Agriculture Department approached (July 2005) RajCOMP, a Government of Rajasthan Undertaking, for the cost estimates for preparation of proposals of AGRISNET. As no response was received from RajCOMP, the Department sent its proposals (April 2006) to DAC, GoI, which were not accepted by AMC, DAC, GoI (14 June 2006) on the ground that the proposal was in initial stage and it did not indicate the module to be used for implementation of the project.

The Department thereafter, approached (September 2006) National Informatics Centre (NIC) for preparation of the proposal. The proposal was prepared and submitted by NIC (March 2007) to the Department but it remained under deliberations between the Department and NIC for more than two years due to non-response by NIC for one year and additional demand for preparation of DPR. Meanwhile, validity period of sanction of ₹ 5 lakh released (30 June 2006) for preparation of project proposal by GoI lapsed which was revalidated in January 2009.

Finally NIC issued a work order of ₹ 4.32 lakh (July 2009) to M/s Infogain, for preparation of DPR, which was submitted in November 2009 to the Department.

2. Bhilwara, Bikaner, Chittorgarh, Dausa, Karauli, Kota, Jhalawar, Rajsamand and Sikar.

The Department submitted (November 2009) the project proposal of ₹ 7.95 crore. GoI approved (16 December 2009) the proposal for ₹ 5.60 crore, disallowing activities amounting to ₹ 2.35 crore[3].

The lackadaisical approach of the Department towards implementing the scheme as per the DPR projections shown in the Table above was evident as it took four and half years to obtain approval of GoI.

Government admitted the facts and stated (January 2014) that in the absence of any response from RajCOMP and NIC, the Department prepared project proposal at its own level.

The reply is not correct as the Department should have taken steps within the stipulated time for preparation of the proposals to send to GoI.

Inordinate delay in preparation of DPR and implementation of project

After seven months of the GoI approval (December 2009), the Department approached (July 2010) NIC and Department of Information Technology and Communication (DoIT&C), for obtaining their consent for implementation of the project. DoIT&C submitted an approach note (July 2010) for the job, and the Department issued (October 2010) approval for implementation of the project to DoIT&C, directing them to prepare software by December 2010. DoIT&C, while considering the proposal for preparation of RFP bid document, pointed out (28 January 2011) that the DPR prepared by NIC (Infogain), did not cover scope of application development and ICT deployment for preparation of RFP. Hardware requirement had also not been mapped with the application requirement and costing of hardware was also not proper. The Department agreed (February 2011) for redrafting the DPR and accordingly, DoIT&C issued work order (28 February 2011) to PricewaterhouseCoopers (PWC), a consulting agency, for redrafting the DPR.

However, in contravention of the above decision, the Department assigned NIC (July 2011) to implement the NIC application prepared for other States, after customising the same as per their requirement and informed DoIT&C that services of the consultant (PWC) were no more required. In the process, the Department lost two years (November 2009 to August 2011). It was, however observed that the Department paid and advance of ₹ 2.49 crore (March 2012) to NIC against total cost of ₹ 4.05 crore, without executing any agreement. The work which was scheduled to be completed before the end of Tenth Five Year Plan was not completed (March 2013).

The Department stated (June 2013) that due to slow progress by the consultant, the project work was allotted to NIC and the portal could not be activated because all the applications were still under process of completion.

3. Hand handling cost (₹ 1.09 crore), Misc. expenditure (₹ 0.10 crore), Site preparation (₹ 0.73 crore), Laptop to various offices (₹ 0.38 crore), Seminars, Workshops (₹ 0.05 crore)

The Department further intimated (June 2013) that eight software applications[4] would be completed by April 2014.

Government admitted (January 2014) the facts and stated that NIC is a GoI undertaking and GoI has given approval to NIC to implement the AGRISNET project in the State.

3.1.1.3 Non-utilisation of grants

GoI sanctioned grant (17 February 2010) of ₹ 5.60 crore for implementation of the scheme. Additional funds of ₹ 5.11 crore for strengthening of IT apparatus was sanctioned out of which ₹ 1.78 crore was released (30 March 2011). Interest of ₹ 0.12 crore was also earned by Department on these grants during 2010-13. Thus, total funds available with the Department were ₹ 7.50 crore.

- Additional grant of ₹ 1.78 crore (March 2011) released for installation of computers in the 463 offices of Assistant Agriculture Officers (AAOs) and networking/broadband connectivity in 700 AAO offices was not utilised, leading to non-release of remaining grant of ₹ 3.33 crore. This deprived the State from the benefits of this grant on developing infrastructure for the scheme. Reasons for non-utilising the grant were not furnished by the Department (January 2014).

Government stated (January 2014) that due to non-availability of government building, electrical connections and safety arrangements in these AAOs offices, computer hardware in 463 AAO offices could not be utilised.

The reply is not acceptable because Department should have created infrastructure before installation of computers in AAOs offices.

- The Department incurred an expenditure to ₹ 2.31 crore[5] on purchase of hardware and training during 2010-11 and paid advance of ₹ 2.49 crore (March 2012) to NIC. No other activity was undertaken during 2011-13. The Department stated (June 2013) that delay in implementation was due to late receipt of grant. The reply was not acceptable as the Department applied for the grant on 4 February 2010 though the project was approved on 16 December 2009. Grant was sanctioned by GoI on 17 February 2010 and there was no delay in receipt of grant.

3.1.1.4 Avoidable expenditure

Premature purchase of computers

The Department incurred an expenditure of ₹ 2.27 crore for procurement of hardware equipment (456 computers, 471 printers[6] and 441 UPS) during 2010-11 against the grant of ₹ 5.60 crore.

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4. Monthly progress report (MPR); Budget; demand, supply and monitoring of fertilizers; monitoring of seed demands and availability; weekly information of sowing, weather, pest management; monitoring of soil testing programmes; PIS and monitoring of quality of quality control agriculture inputs.
5. Purchase of hardware ₹ 2.27 crore, ₹ 0.04 crore transferred for training of employees of Agriculture Department to State Institute of Agriculture Management (SIAM), Durgapura, Jaipur.
6. 30 printers were provided by supplier on free of cost against the purchases.

The equipment could not be utilised as the application software and infrastucture were not available and had to be diverted to other offices, though such diversion was not provided under the scheme. During scrutiny of records of 106 test checked units under 9 districts, it was noticed that 30 computers were diverted to offices other than those to which these were to be allotted ***(Appendix 3.1)*** and 10 were lying unutilised. Four computer sets[7] were found seal packed and four sets[8] were not handed over to the present incumbents by their predecessors and 58 sets were being utilised by the officers for doing routine office work.

It was also observed during field visit that poor condition of building, non-availability of office, absence of electricity connection, lack of safety measures, and absence of computer trained staff and posts lying vacant were some of the reasons for diversion or non-utilisation of computers. Considering the high rate of obsolescence and the drastic cut in price of older models, the premature purchase of hardware at ₹ 2.27 crore, without ensuring software application and creating infrastructure for providing AGRISNET services to farmers proved unproductive.

Government admitted (January 2014) the facts and stated that in the first phase, Kisan Seva Kendra are being constructed at 248 Panchayat Samitis under RIDF with the help of NABARD which are likely to be completed within financial year 2013-14. Establishment of the basic infrastructure is under process at those centres through Rashtriya Krishi Vikas Yojana. Reply is not acceptable because in the absence of software the computer hardware was not being utilised for the scheme.

Avoidable expenditure on Soil Health Card Application

The advance of ₹ 2.49 crore paid to NIC (March 2012) for implementing the AGRISNET project included cost of soil health card application. It was observed that a separate project named "Online soil health card" was also sanctioned in May 2012 by the Department and an expenditure of ₹ 6.30 lakh was incurred from it. As this work was already covered under the AGRISNET scheme, an avoidable expenditure of ₹ 6.30 lakh was incurred on the same item of work from two different schemes/projects.

Government admitted the facts and stated (January 2014) that for the AGRISNET project, software is also to be prepared by NIC. Therefore amount of ₹ 6.30 lakh will be adjusted when the other software is developed by NIC.

3.1.1.5 Critical components not covered

Non-establishment of "Kisan Suchana Sampreshan Kendra"

For proper implementation and providing infrastructure for AGRISNET project, 'Kisan Suchana Sampreshan Kendras' (KSSK) were to be established

7. Assistant Director-Jhalawar; AAO-Fatehpur, Bandikui, Nadoti.
8. AAO-Barisadri, Sapotara, Mahuwa, Gangrar.

in the offices of AAOs at Panchayat level from Rashtriya Krishi Vikas Yojana (RKVY) or National Food Security Mission (NFSM) funds. The Department issued (April 2010) instructions for making arrangements of safe building, site development and hiring of the building where it was necessary or renovating the existing government building, up to 15 May 2010, for establishment of KSSK.

It was observed that Deputy Directors, Agriculture (DD) Dausa and Sikar submitted proposals (8 July 2010 and 2 December 2010) for expenditure on building, computers table, toners and electricity *etc.* to Commissioner, Agriculture but no budget was released from the Head Office. Assistant Director (AD), Hindaun City, Karauli did not submit the required proposal for release of funds. DD, Agriculture (Extension), Bikaner could not furnish information regarding submission of budget proposals. It confirmed (May 2013) that office building, electricity connection and security of computers were not available which indicated that no infrastructure was developed for KSSKs. Thus, the Department was not prepared for implementation of the project. Reasons for non-providing of funds under the budget were not furnished (June 2013).

Government stated (January 2014) that @ ₹ 10,000 each for 250 AAOs offices a sum of ₹ 25 lakh was sanctioned in 2010-11 so that AGRISNET project at preliminary level may be started after strengthening of these offices. As the construction process of Kisan Suchana Sampreshan Kendras for 249 Panchayat Samitis and 3000 Gram Panchayats has been started as declared by GoR in the financial year 2011-12 budget, separate budget for these offices was not provided.

Reply was not acceptable because budget was not sanctioned for the offices mentioned in the para despite receipt of proposals as intimated to audit.

Insufficient capacity building

The grant (February 2010) of ₹ 5.60 crore for AGRISNET included a provision of ₹ 0.68 crore under capacity building for training in two phases. In the first phase training was to be given on computer awareness (introduction to computers, Windows, operations, email, MS office, basics *etc.*) and in the second phase on Relational Database Management System (RDBMS) and application software (AGRISNET Portal) to 456 officers/officials at a rate of ₹ 15,000 each. An advance of ₹ 4 lakh was sanctioned to the State Institute of Agriculture Management (SIAM), Durgapura for this purpose. It was, however, noticed that only 196 AAOs were imparted training in 10 programmes of five days each, by incurring an expenditure of ₹ 3.05 lakh against ₹ 29.40 lakh. Thus, while training was not imparted to 260 officials, the average expenditure incurred on training was only ₹1,556 per person.

Government admitted the facts and intimated (January 2014) that after developing software, remaining amount out of the provision of ₹ 0.68 crore will be utilised on capacity building of officials/officers of the headquarters, regional offices and sub offices.

3.1.1.6 Lack of monitoring and evaluation

The Department did not form State Level Steering Committee, Project Implementation Committee, Committee for Monitoring and Evaluation and District Level Implementation Committees *etc.* as envisaged in the guidelines for monitoring the work. Monthly physical and financial progress reports (MPRs) have also not been submitted by State Government to GoI, as directed by AMC (May 2005).

Government stated (January 2014) that in view of the lack of officials in the Department for handling computer cell for AGRISNET project, Project e-Governance Mission Team and e-Governance cell has been constituted (March 2012) under the mission leader and information of this project relating to receipt and expenditure was sent to GoI from time to time.

Reply is not acceptable as committees required in the guidelines were not constituted and information sent and utilisation certificate cannot serve the purpose of monthly progress reports.

Thus, a project which was conceived for completion by the end of Tenth Five Year Plan (March 2007), was approved by GoI for Rajasthan, only in December 2009. The slow progress and the poor monitoring resulted in failure of the scheme and deprived farmers of the benefits from use of ICT.

Public Works Department

3.1.2 Unauthorised utilisation of funds received from National Bank for Agriculture and Rural Development under Rural Infrastructure Development Fund

Unauthorised utilisation of rural road funds of ₹ 2.75 crore for construction of roads in municipal corporation area violating Rural Infrastructure Development Fund guidelines

The guidelines of National Bank for Agriculture and Rural Development (NABARD) provide that funds available under Rural Infrastructure Development Fund (RIDF) shall be utilised only for rural roads and bridges.

Administrative approval and financial sanction of ₹ 4.00 crore was conveyed (September 2011) by Deputy Secretary (Roads), Public Works Department, Rajasthan, Jaipur for the construction of 12 rural roads[9] in Kota North and South Constituencies.

Superintending Engineer (SE) Circle, Kota/Executive Engineer (EE) City Division, Kota issued (September 2011) technical sanctions and the EE, City Division, Kota issued work orders (22 September 2011) in favour of

9. Four roads in package RJ-23-09: Badgaon to Gordhanpura, NH-76 Railway crossing to NH-12 along Canal, Balita to Dhan Dhan Satguru Ashram, Balita to Girdharpura. Eight roads in package RJ 23-10: Missing Link Ghoda Basti, Missing Link Shrinathpuram, Missing Link Balakund Road, Missing Link Santoshi Nagar, Link Road Mahaveer Nagar, Link Road Talwandi, Link Road Shivpura, Link Road Deen Dayal Nagar.

M/s Amrit Construction for package RJ-23-09 for ₹ 1.68 crore and M/s Pareta Associates for package RJ-23-10 for ₹ 1.52 crore and the stipulated date of completion was fixed as 29 February 2012. The works were in progress and the total expenditure incurred was ₹ 2.75 crore (₹ 1.40 crore on package RJ- 23-09 and ₹ 1.35 crore on package RJ- 23-10) up to March 2013.

Test check (April 2012) of records of City Division, Kota disclosed that all these roads were constructed in the Kota Municipal Corporation area utilising RIDF funds which were meant only for construction of rural roads and bridges as per provisions of guidelines *ibid.*

The State Government while accepting the facts stated (May 2013) that these roads were within the Municipal limits of Kota Nagar Nigam but status of these roads was rural. The reply was not acceptable as the roads constructed in the Municipal area were not rural roads as per information provided by the Kota Nagar Nigam of the areas falling in the Municipal limits. Hence, the funds under RIDF utilised for construction of these roads violated the guidelines of RIDF.

3.1.3 Unauthorised payment from Pradhan Mantri Gram Sadak Yojana funds

Unauthorised payment of ₹ 1.64 crore from Pradhan Mantri Gram Sadak Yojana funds to Railways

Para 11.1 of Pradhan Mantri Gram Sadak Yojana (PMGSY) guidelines provides that all the projects scrutinised by the State Technical Agency (STA) and cleared by the Ministry of Rural Development will be tendered as such and no changes shall be made in the work without prior approval of the National Rural Road Development Agency (NRRDA).

Deputy Secretary (Roads), PWD, Rajasthan, Jaipur conveyed (April 2006) administrative sanction of ₹ 1.76 crore for construction of four roads[10] under package no RJ-BN-11-05 of PMGSY after scrutiny of the proposals by STA and approval by Government of India. Chief Engineer (CE), PWD, Jaipur approved (November 2006) the work in favour of M/s Om Construction Company at 22.83 *per cent* above 'G' schedule aggregating to ₹ 2.33 crore ('G' schedule amount was ₹ 1.83 crore) including maintenance charges of ₹ 0.8 crore for five years. The Executive Engineer, PWD Division, Churu issued (December 2006) work order for ₹ 2.33 crore stipulating the dates of commencement and completion as 1 January 2007 and 30 September 2007 respectively. The works of all the roads were completed in June 2009 and final payment of ₹ 2.04 crore was made to the contractor in November 2012.

During test check (March 2012) of records of SE, PWD Circle, Churu, it was noticed that the road 'NH 65 KM 80/0 to Jaipuriya Khalsa' included in the above package was passing through the railway track on which 'C' class manned level crossing[11] was constructed by Railways. The Department paid

10. Bairasar Bada to Kanawasi, NH-65 to Jhanbar, Noohand to Bas Mamraj, NH-65 km 80/0 to Jaipuriya Khalsa.

11. Manually controlled full width lifting barrier/mechanical full width swinging barrier.

₹ 1.64 crore to the Railways from PMGSY funds (November 2008 and January 2010) which included cost of work, wages of gateman for 30 years, consumable store and maintenance charges for 30 years. It was observed that in the Detailed Project Report (DPR) proposed for the road and approved by STA, no provision for the railway crossing and payment to be made to the Railways was made. Hence, the amount of ₹ 1.64 crore paid to the Railways was in contravention to the provisions of PMGSY guidelines *ibid.*

SE, Churu stated (March 2012) that the DPR included provision of railway crossing but the same was not approved by STA. State Government stated (July 2013) that sanction for payment to the Railways from PMGSY funds was issued after approval of the Minister of PWD. The replies were not acceptable as the payment made to the Railways was unauthorised and contrary to the provisions of the PMGSY guidelines.

Thus, the unauthorised payment of ₹ 1.64 crore made from the PMGSY funds to the Railways was required to be refunded to PMGSY account.

3.1.4 Unauthorised expenditure on construction of road works

Non-adherence to the provisions of Pradhan Mantri Gram Sadak Yojana guidelines and Rural Road Manual resulted in unauthorised expenditure of ₹ 1.28 crore on construction of road works

Para 8.5 (ii) of Pradhan Mantri Gram Sadak Yojana (PMGSY) guidelines provides that in new construction, to connect habitations with population below 500, where the projected traffic growth is likely to be very low, the carriageway width may be restricted to 3 metres. Further, clause 2.6.4 of Rural Road Manual (RRM) stipulates that rural road carriageway width may be restricted to 3 metres where the traffic density is less than 100 Motorised Vehicles Per Day (MVPD) and where the traffic is not likely to increase due to situation like dead end, low habitation and terrain condition.

State Government issued (July 2007 and February 2008) administrative sanction of ₹ 9.24 crore for construction of 16 new rural roads (65.32 km) in Jalore district with width of 3.75 metres under PMGSY (***Appendix 3.2***). Technical sanctions of the works were issued by Superintending Engineer (SE), PWD, Jalore and Executive Engineers (EEs) Jalore, Bhinmal and Sanchore in July 2007 and February 2008 for ₹ 8.92 crore. Works were awarded to various contractors in October-November 2007 and May-June 2008 by EEs, PWD Jalore, Sanchore and Bhinmal. Works of ₹ 8.71 crore were executed by the contractors up to May 2011.

Test check (May 2011) of records of SE, PWD Circle, Jalore disclosed that as per Detailed Project Reports (DPRs) of the above roads, the population of the habitations was below 500 and traffic density was between 16 and 40 MVPD which was below 100 MVPD. Based on all these conditions, the roads proposed to be constructed should have been of 3 metre width, but the roads approved by State Technical Agency (STA) were executed with width of 3.75 metres which resulted in unauthorised expenditure of ₹ 1.28 crore ***(Appendix 3.3)***.

The State Government stated (July 2013) that road works with width of 3.75 metres were proposed in view of the possibility of increase in traffic density of more than 100 motorised vehicles per day in future and accordingly technical estimates were sanctioned by the competent authority. The reply was not acceptable due to the fact that at the time of proposing these road works, traffic density was between 16 and 40 MVPD and will remain between 30 and 76 MVPD even after ten years design life period of roads based on the projected growth rate of six percent per year as mentioned in the Detailed Project Report. The non-adherence to the laid down norms thus resulted in unauthorised expenditure of ₹ 1.28 crore.

3.1.5 Irregular utilisation of Pradhan Mantri Gram Sadak Yojana funds

Irregular utilisation of funds of ₹ 9.74 crore of Pradhan Mantri Gram Sadak Yojana on additional works

Para 11.5 of Pradhan Mantri Gram Sadak Yojana (PMGSY) guidelines provides adjustment of excess/deficit up to 10 *per cent* of any package under intimation to National Rural Road Development Agency (NRRDA). However, in all other cases including material changes in the scope of work or quantities, prior approval of NRRDA is required to be taken. Rule 286 (2) of Rajasthan Public Works Financial and Accounts Rules (PWF&AR) also provides that where there are material deviations from the original proposals, even though the cost of the same may possibly be covered by savings on other items, revised administrative approval must be obtained from the authority competent to approve the cost. Rule 352 further states that any anticipated or actual savings on a sanctioned estimate for definite project should not, without special authority, be applied, to carry out additional work not contemplated in the original project.

In accordance with the approval issued (July 2007) by the Government of India (GoI), Deputy Secretary (Roads), Public Works Department (PWD), Rajasthan, Jaipur conveyed administrative sanction of ₹ 14.68 crore for upgradation of roads under four[12] packages in July 2007 and of ₹ 31.41 crore under ten[13] packages in February 2009 of PMGSY in Sriganganagar district. After sanction of the tender of works by Additional Chief Engineer, Bikaner Zone, Executive Engineers (EEs), PWD Division, Suratgarh and Sriganganagar issued the work orders in September 2007 for four packages and during May to December 2009 for the remaining ten packages. The work for upgradation of roads relating to all the packages were completed by incurring an expenditure of ₹31.22 crore between April 2008 and May 2010.

During test check (April 2012) of records of Superintending Engineer, PWD Circle, Sriganganagar, it was observed that in the 14 packages, there were savings between 13.32 and 45.61 *per cent*. Audit further noticed that the concerned EEs issued new work orders (October 2010 to December 2010) for additional works and included the cost of these new works in the same 14 packages and incurred an expenditure of ₹ 6.67 crore without obtaining revised administrative approval from the NRRDA.

12. BNUG-03, 04, 06, 07.
13 . BNUG-23, 24, 26, 29, 30, 33, 36, 38, 45 and 46.

Similarly, in another case, in accordance with the approval issued (October 2009) by the Government of India (GoI), Deputy Secretary (Roads), Public Works Department (PWD) Rajasthan, Jaipur conveyed (October 2009) the administrative sanction of ₹ 18.55 crore for upgradation of roads under five packages viz. RJ01-BNUG-08 to 12 of PMGSY in Ajmer district. After sanction of the tender of works by Additional Chief Engineer, Ajmer Zone, EEs PWD Division, Beawar and District Division, Ajmer issued the work orders in April 2010. Work of all packages except package no RJ01-BNUG-12 had been completed by incurring an expenditure of ₹ 12.31 crore (December 2010 to October 2011).

During test check (January 2012) of records of Superintending Engineer, PWD, Ajmer, it was noticed that in all the five packages, savings would range between 26 and 51 *per cent*. Audit further noticed that concerned EEs issued new work orders (October 2010) for additional works and included the cost of these new works in the same five packages and incurred an expenditure of ₹ 3.07 crore up to January 2013 without obtaining revised administrative approval from the NRRDA.

While accepting the facts in both the above cases, State Government replied (June-July 2013) that additional works were executed in compliance of the order issued by CE, PWD, Rajasthan, Jaipur for utilisation of savings of PMGSY funds and the total expenditure including the additional works was within the administrative approval issued by the State Government. The reply is not acceptable as the order of utilisation of savings issued by CE, PWD was contrary to the PMGSY guidelines issued by the Government of India.

Thus, the utilisation of savings of ₹ 9.74 crore for additional items of work without obtaining prior approval from NRRDA was in contravention of provision of PMGSY guidelines and rules of PWF&AR.

3.2 Audit against propriety and cases of expenditure without adequate justification

Public Works Department

3.2.1 Injudicious expenditure on improvement of road

Injudicious expenditure of ₹ 1.81 crore on improvement of riding quality of pavement between km 4/0 and 22/0 of National Highway 11-A extension (Dausa-Lalsot-Kothun Road)

The Indian Road Congress in 2001 (IRC:37-2001) recommended that pavement for National Highways (NH) should be designed for a life period of 15 years by considering the California Bearing Ratio[14] (CBR) value of crust and calculating the design traffic in terms of million standard axle[15] (msa).

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14. The California Bearing Ratio (CBR) is a penetration test for evaluation of the mechanical strength of road sub grades and base courses.
15. It is a unit of design traffic on the basis of which the design of flexible pavement of road is considered.

To improve existing surface in km 4/0 to 22/0 of NH 11-A Extension (Dausa-Lalsot-Kothun Road) as the crust had failed completely the Chief Engineer (CE) NH, Public Works Department (PWD), Rajasthan submitted (July 2009) proposals for ₹ 6.37 crore to the Ministry of Road Transport & Highways (MORT&H), Government of India (GoI). After approval of the proposals, MORT&H issued administrative and financial sanction of ₹ 6.10 crore on 22 October 2009. The work was awarded (February 2010) in favour of M/s Rajendra Singh Bhamboo for ₹ 4.23 crore the scheduled date of completion as 3 November 2010. The work was completed by 22 January 2011 after incurring an expenditure of ₹ 4.37 crore.

During test check (March 2012) of records of EE, NH Division-I, Jaipur, it was noticed that CBR value of crust in the above stretch of NH was six *per cent* and design traffic in terms of million standard axle based on commercial vehicle per day was 69. Even if msa was reckoned to be 50 on the lower side, the bituminous surface of the pavement was to be adopted as 165 mm. The department, however, executed the work by taking bituminous surface as 20 mm on which an expenditure of ₹ 1.81 crore was incurred. Due to wrong adoption of the thickness of the bituminous surface, the road could not bear the traffic intensity and wore out within a period of two years. In view of the distressed state of the pavement, the department again sent proposals for improvement of riding quality of this stretch, which were approved (December 2012) by GoI for ₹ 9.92 crore considering bituminous surface of 100 mm. The work was in progress (May 2013). Thus, the original execution of bituminous surface of 20 mm was not technically justified and the expenditure of ₹ 1.81 crore incurred thereon proved injudicious and wasteful.

The State Government stated (July 2013) that provision for bituminous surface of 20 mm was taken as per circular issued (September 2002) by MORT&H. The reply is not acceptable as this circular was applicable where existing crust had not failed while in this case the crust had totally failed completely.

Cooperative Department

3.2.2 Avoidable loss

Lack of proper planning, coordination among different agencies and storage facilities, forced the Department to dispose of garlic at throw away prices under Market Intervention Scheme, resulting in loss of ₹ 6.99 crore

The Government of India (GoI), Ministry of Agriculture, Department of Agriculture and Cooperation approved (June 2012) the proposal of the State Government (SG) for procurement of garlic, under Market Intervention Scheme (MIS) for the crop season 2011-12 to protect the growers from marketing distress sale. The scheme envisaged procurement of fair acceptable quality at a Market intervention price of ₹ 1,700/- per quintal with overhead expenses of ₹ 425 per quintal or actual price whichever is less, from cooperative societies, farmers' organisations or directly from genuine farmers of State at different centres/areas as decided by the State Government. The procured stock was to be disposed off through sale in open market to processing units (within the State) or local market to ensure maximum realisable price.

For effective implementation of the scheme, SG decided (June 2012) to procure 30,000 MT garlic of fair acceptable quality, through Rajasthan State Co-operative Marketing Federation (RAJFED) in the districts of Kota and Jodhpur and through Tilam Sangh in the districts of Jhalawar, Bundi and Baran.

Test check (May 2013) of records of Deputy Secretary, Cooperative Department, Jaipur, revealed that RAJFED procured 3,711.5 MT garlic (₹ 7.27 crore) and 2,569.9 MT (₹ 4.67 crore) was procured by Tilam Sangh between 6 June and 6 July 2012. The Department decided (7 June 2012) to store the garlic in tent houses in respective *mandis* till the arrangement of its storage was made. RAJFED and Tilam Sangh approached (2 June, 4 June and 6 June 2012) the Director, Horticulture, Manager, Central Warehouse Corporation (CWC), Kota and Executive Director, Rajasthan State Warehousing Corporation (RSWC) for storage in warehouse but all these authorities refused (6 June and 7 June 2012) to provide any storage facility suitable for this perishable commodity. RAJFED entered into an agreement (20 June 2012) with National Agricultural Co operative Marketing Federation (NAFED), for selling garlic at the prevailing market rates in various *mandis*/centres through brokers. Hence RAJFED/NAFED and Tilam Sangh were forced to dispose of garlic (22 June 2012 to 24 July 2012), in *mandis* of Delhi, Neemach, Jaipur, Tonk and Chandigarh at a price ranging between ₹ 5.25 and ₹ 11 per kg. This resulted in net loss of ₹ 6.99 crore, as detailed below:

Name of Institutions	Quantity procured (in qtl.)	Purchase cost including overhead charges	Amount realised from sale	Loss incurred
		(₹ in crore)		
Tilam Sangh	25,699	4.67	1.98	2.69
RAJFED	37,115	7.27	2.97	4.30
Total	**62,814**	**11.94**	**4.95**	**6.99**

It was observed that RAJFED, in its progress report (12 June 2012) of procurement of garlic had shown nil arrival in Mathania (Jodhpur) *mandi* for the reason that purchase price outside Mathania *mandi* was ₹ 25 per kg. This indicated that higher rates were available in other *mandis* where local growers were selling their product. This was further confirmed from the per kg rates available in other *mandis* like Jawara (up to ₹ 47), Mandsor (up to ₹ 18), Ratlam (up to ₹ 18.50), Sailana (up to ₹ 15) and Sumerpur (up to ₹ 25) during 19 July to 23 August 2012.

State Government stated (August 2013) that since RSWC and CWC had expressed their inability to provide storage facility, there was no option but to dispose of the stock at the prevailing market prices in the respective *mandis*. It was further stated that the higher rates of ₹ 25 per kg in Jodhpur/Mathania region was because of its good quality, but the quality of garlic purchased from Kota region was inferior.

The reply confirms the Department's failure to make necessary arrangements for storage of garlic before submitting the proposal to GoI and commencement of the purchase process. Because of this, RAJFED/NAFED and Tilam Sangh were forced to dispose of the stock at throw away prices (₹ 5.25 to ₹ 11 per kg). Had the Department made necessary arrangements for proper storage, these agencies could have retained the stock for a longer period and reduced the loss by selling it at comparatively higher rates.

Lack of proper planning and storage facilities, led to distress of sales which resulted in a loss of ₹ 6.99 crore.

Animal Husbandry, Dairying and Fisheries Department

3.2.3 Underutilisation of Germ Plasma Station

Establishment of Germ Plasma Station without procuring required numbers of bulls and without ascertaining the clients for supply of frozen semen doses, resulted in under utilisation of the plant costing ₹ 7.28 crore

Rajasthan Cooperative Dairy Federation Limited, Jaipur (RCDF) submitted (January 2008) a proposal to Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India (GoI) for establishing a Germ Plasma Station (GPS) at Narwa Khichayan (Jodhpur), with a production capacity of 10 lakh semen dose per annum with 50 bulls, so as to cover around 30 *per cent* (around 31 lakh) of the indigenous cattle population in western Rajasthan. GoI approved the proposal and sanctioned (April 2008) ₹ 6.33 crore under Phase II of the National Project for Cattle and Buffalo Breeding, a centrally sponsored scheme. RCDF was entrusted with execution of the project work and Rajasthan Livestock Development Board (RLDB) was made the coordinating agency. The new semen bank was projected to be commercially viable since its operation. It was to meet the demand of Department of Animal Husbandry (AHD) on priority and of the state-run Artificial Insemination (AI) centres. Additional production was to be supplied to other agencies *viz* private breeders, Agriculture Universities, Central Units, NGOs and nearby states. The project was to be completed within three years from the date of sanction (May 2008 to May 2011).

Test check of records (July 2012) of Managing Director, RCDF, Jaipur and further information collected (November 2012 and January 2013) revealed that the financial sanctions amounting to ₹ 6.80 crore were issued by RLDB (July 2008 to April 2012) against which an expenditure of ₹ 7.28 crore[16] was incurred on civil and mechanical works and procurement of equipment. The

16. By RCDF: ₹ 6.77 crore and Rajasthan State Agriculture Marketing Board: ₹ 0.51 crore.

performance of the Germ Plasma Station (GPS) for the year 2012-13 is shown in the following table:

Table 4: Performance of the Germ Plasma Station

Sl. No.	Activity	Target as per scheme	Achievement	Percentage achievement
1	Completion of project	May 2011	October 2012	Completed with a delay of 17 months
2	No. of bulls reared	50	21[17]	42
3	Commencement of production	June 2011	June 2012	Commenced with a delay of 12 months
4	No. of doses per bull (per month)	1667	692	42
5	No. of production of semen doses (in lakh)	10	1.45	14.5
6	Target for production fixed in Annual Plan (in lakh)	5	1.45	29
7	Target of sales (in lakh)	1.45	0.20	14

Source: Departmental Documents

The above table clearly depicts that the GPS was not able to achieve any of its targets. It procured only 21 bulls (42 *per cent*) in August 2011 and the production of semen could start only in June 2012. There was not only a short production of semen doses (71 *per cent*) but also short production of doses per bull (58 *per cent*). A meagre sale of 20,000 doses during 2012-13 also shows insufficient effort towards disposal of the product. The plant was thus under-utilised for want of required number of bulls, low production of semen doses per bull and low demand.

State Government stated (September 2013) that the civil work was completed in October 2012 but work of bulls shed was completed much earlier. Therefore 21 bulls were transferred (August 2011) to Narwa Khichayan and training was started. However, the production of semen started from June 2012, after purchase of necessary lab equipment. As the RLDB had authorised (up to December 2012) the Frozen Semen Bank, Bassi for supply of frozen semen to Animal Husbandry Department and Cooperative Dairies, demand of semen doses from GPS, Narwa was not possible. RLDB approved the GPS for supply of semen doses in January 2013. However, Central Monitoring Unit evaluated the GPS and graded in May 2013, due to which the supply of doses was less even after January 2013.

The reply was not acceptable as the project was to be completed by May 2011 and production was to start soon after. Delay in production of semen doses, authorisation for supply of semen doses and grading of the Station were indicative of inadequate planning.

Thus, establishment of GPS without procuring required numbers of bulls and without ascertaining the clients for supply of frozen semen doses, resulted in gross under utilisation of the plant costing ₹ 7.28 crore.

17 . 10 bulls procured in March 2013.

3.2.4 Blockage and idling of funds on new bypass protein plant

Blockage and idling of funds on new bypass protein plant established at a cost of ₹ 1.31 crore even after lapse of more than two years

With a view to achieving improvement in milk production and thereby increasing net daily income from milk producing animals in the State, the Rajasthan Co-operative Dairy Federation (RCDF) Limited, Jaipur entered into an agreement (December 2008) with National Dairy Development Board (NDDB), Anand (Gujarat), to establish a 'Bypass Protein Supplement Plant' at Cattle Feed Plant (CFP), Jodhpur. NDDB agreed to provide the know-how to RCDF for manufacture of the product and to grant right of marketing the product subject to certain terms and conditions. As per the project proposal the production capacity of the plant was 50 metric tonne per day and it was suppose to produce 50, 75 and 100 *per cent* of its capacity (15,000 MT per annum) during the first, second and third year of operation. However, no survey was conducted for likely sales or action plan prepared for smooth running of the plant, by CFP, Jodhpur.

The plant was commissioned for production in October 2010 at a total cost of ₹ 1.31 crore (civil and electric works: ₹ 37.78 lakh and machinery: ₹ 93.31 lakh).

Test check (July 2012) of records of RCDF, Jaipur and further information collected (October 2012 and May 2013) revealed that production did not start even after a lapse of more than two years after commissioning of the plant, till the end of December 2012, because RCDF failed to procure some of the crucial ingredients for manufacture of bypass protein. Moreover, the Department could produce only 144 MT (5.76 *per cent* of first year rated capacity) of bypass protein, during the period December 2012 to March 2013 against the targeted quantity of 2,500 MT (proportionate for four months). The plant ran for three days[18] only. This inadequate work plan and improper monitoring of the production process resulted in non-operation of plant for more than two years after commissioning and its near zero utilisation after start of commercial production.

The State Government stated (September 2013) that delay in production of bypass protein was due to non- communication by NDDB about arrangement of 'mineral mixture[19]' and vitamin 'E', and though RCDF initiated the process of procurement of ingredients immediately after commissioning of the project, yet three ingredients of mineral mixture (Di-calcium phosphate, magnesium oxide and calcite powder) proved difficult to arrange due to frequent failures of tenders floated for these items. It was further stated that the production has since been started and it would take time to run the plant to full capacity.

18. 29 December 2012: 63.55 MT; 5 February 2013: 20.00 MT and 18 February 2013: 60.50 MT.
19. Composition formulated with Di calcium Phosphate, Lime stone powder, Magnesium Oxide/ Sulphate, Ferrous Sulphate, Copper Sulphate, Manganese Sulphate, Zinc Oxide, Cobalt Sulphate, Potassium iodide, Sodium thiosulphate.

The reply was not acceptable as it was decided in General Manager's Committee meeting (February 2011) that to start the production, CFP may buy 1-2 trucks of mineral mixture from AMUL, Anand, if required. Apart from this, the project proposal itself mentioned seven bypass protein plants which were running successfully in different States. No efforts were found to have been made by CFP to procure mineral mixture or seek guidance from other states, despite the continued failure of the tendering process. Not making necessary arrangements for availability of raw materials to start production indicated poor planning.

The objective of increasing milk production has not been achieved even after more than three years of commissioning of plant for which an expenditure of ₹ 1.31 crore was incurred.

Agriculture Department

3.2.5 Unfruitful expenditure

Unfruitful expenditure of ₹ 1.50 crore on establishment of tissue culture laboratory

State Government in a Budget declaration (April 2005) proposed establishment of Tissue Culture Laboratory (TCL) at College of Horticulture & Forestry (CH&F), Jhalawar at a cost of ₹ 0.96 crore. In compliance to this, the Dean, CH&F, Jhalawar submitted (May 2005) a proposal and the Director, Horticulture, Government of Rajasthan issued (July 2005) administrative sanction for establishment of TCL for developing disease-free high quality planting material, at an estimated cost of ₹ 0.96 crore. As per the project plan, one lakh plants of Nagpur Mandarin, Mosambi, Bamboo and Safed Musli were to be prepared every year and made available to the farmers of Jhalawar by 2009-10. For implementation of the project a Memorandum of Understanding (MoU) was signed (May 2007) between Maharana Pratap University of Agriculture & Technology (MPUAT), Udaipur and the Government of Rajasthan. Accordingly, the plants were to be made available in five to six years after establishment of TCL and demand was to be raised by the Agriculture Department (foresting species) and Horticulture Department (horticulture species). Funds of ₹ 0.96 crore were released by the State Government to Controller, MPUAT, during August 2005 to February 2009. Additional funds of ₹ 0.65 crore were also sanctioned (March 2008) by MPUAT under Rashtriya Krishi Vikas Yojana for strengthening the lab. Against this, an expenditure of ₹ 1.50 crore[20] was incurred. Initially, the lab was established (2005-06) in the old forest Department building after carrying out necessary renovations and the work of standardisation of protocol was started. Simultaneously, construction work of new lab was started and the building was finally taken over in January 2009. The lab was shifted to the new TCL in 2009-10.

20. ₹ 0.85 crore (civil work, equipments, glassware and chemicals, green house electric connection, furniture and fixtures *etc.*) and ₹ 0.65 crore (equipment, chemicals, glassware and plastic wares, poly carbonated, green house and net house *etc.*)

Test check (February-March 2013) of records of MPUAT, Udaipur, revealed that protocol for mass multiplication of teak and bamboo were established and 1,000 bamboo plants and 800 teak plants were raised in 2010-11. The refinements of protocol of Nagpur Mandarin and Mosambi were also completed in 2011-12. Plants of Safed Musli were not processed in the tissue lab. There has been no further production of plants and in the absence of demand from the Agriculture and Horticulture Departments there was no supply of plants to farmers till date (March 2013).

Against the target of annual production of one lakh plants of Nagpur Mandarin, Mosambi, Bamboo and Safed Musli, only 1,000 bamboo plants and 800 teak plants were produced in eight years (2005-13). The objective of the MoU (May 2007) for setting up the TCL to develop planting material to be made available to farmers was defeated.

The Department stated (July 2013) that TCL was established for developing disease free plants for distribution to Agriculture and Horticulture Departments on their demand. Thus, 1,000 plants of bamboo and 800 plants of Teak were raised in 2010-11 but could not be distributed in the absence of demand of such plants. Therefore, 300 bamboo plants and 200 teak plants were planted in the college campus (MPUAT). The Department further stated that the laboratory is being used by students and scientists for research. The reply is not acceptable because the objective of developing disease-free high quality plants for distribution to Agriculture and Horticulture Departments was not achieved. The investment of ₹ 1.50 crore was thus wasteful.

The matter was referred to State Government in June 2013, its reply is still awaited (December 2013).

3.3 Persistent and pervasive irregularities

Public Works Department

3.3.1 Award of work without acquisition of forest land

Proposing and awarding of road through forest land led to road work remaining incomplete even after incurring an expenditure of ₹ 84.26 lakh

Rule 351 of Public Works Financial and Accounts Rules (PWF&AR) lays down that no work should be commenced on land which has not been duly made over by responsible civil officer. Section 2 of Forest (Conservation) Act, 1980 also prohibits the use of forest land for other purposes without prior approval of Government of India (GOI).

The Deputy Secretary (Roads), Public Works Department (PWD), Rajasthan, Jaipur, conveyed (September 2008) administrative and financial sanction of ₹ 1.42 crore for construction of road (2 km) from Kanwarpura to Bankeshwar Mahadev Mandir under Rural Infrastructure Development Fund (RIDF) for connecting religious places. The Executive Engineer (EE), PWD Division, Lakheri issued work order of ₹ 92.65 lakh to M/s Shiv Raj at 21.23 *per cent* below 'G' schedule on 14 October 2008. The work scheduled to be completed by 23 April 2009 was lying incomplete after incurring an expenditure of ₹84.26 lakh up to March 2013.

Scrutiny of records (April 2012) of EE, PWD Division, Lakheri disclosed that road work had been completed by the contractor in km 0/000 to 1/500 only. In the remaining stretch (km 1/500 to 2/000) work could not start as this alignment was falling in forest area and the Forest Department had objected to the construction of the road. The Department in February 2009 sent proposals for obtaining permission for conversion of the forest land. The proposal remained under process till April 2012. The CE (Roads) stated (October 2012) that there was no necessity of the road in the stretch km 1/500 to 2/000 as the whole project had been treated as complete and project completion report had been sent to National Bank for Agriculture and Rural Development (NABARD). Hence, proposals sent earlier for conversion of land to Forest Department were withdrawn.

This indicated that proper survey was not conducted by the Department before sanctioning the road and title of the land was not verified before taking up the work.

State Government stated (August 2013) that Department was not aware about forest land before starting the work as no demarcation of forest land was made by Forest Department. It was also stated that constructed portion of the road was being used by the public. The reply was not acceptable as the clear title of land was not ensured prior to commencement of work which resulted in non-achievement of objective of providing connectivity to the *mandir* as 500 metres of road has not been constructed and the pilgrims have to still use the *pagdandi* (foot track) to reach the *mandir*.

3.4 Failure in implementation, monitoring and governance

Agriculture Department

3.4.1 Infructuous investment on experiential learning

Expenditure of ₹ 2.50 crore incurred on creation of assets under experiential learning for Vermiculture, Micro propagation, Bio-agents projects and processing and value addition of agriculture products was infructuous

A scheme on experiential learning (EL) was sponsored by Indian Council of Agriculture Research (ICAR) during the Tenth Five Year Plan. The major intent of the scheme was to involve students in learning in the life size environment of experimental farms, model plants and engineering work shops. The scheme was to induct hands-on training for undergraduate students in agriculture and allied sciences as part of the course curriculum. The course was designed to cultivate capabilities suiting emerging job markets and build entrepreneurship spirit and business management competence among students so that they may be able to create employment for themselves and others. The hands-on training were to be offered during third year (fifth and sixth semester) of the four year undergraduate (UG) programme.

As per guidelines projected for experiential learning, twenty students were to be recommended for each EL programme of 180 days duration. The students were expected to gain adequate experience in planning and managing an enterprise in totality starting from procurement of raw material to processing, productions, packing, storage of products, sale of products, maintain accounts and analyse profits *etc.* It was envisaged that the EL programme should continue for 180 days without any break. The sales part of all units in the college were to be continuously monitored by CEO and arranged in the most prominent place in the college or in the market to attract the customers. The profit on sales was to be shared by the students (75 *per cent*), Departments (10 *per cent*) and the faculty involved in the programme (15 *per cent*). The general guidelines also laid down that if the unit was found to register loss, remedial measures were to be taken by the monitoring team and if it could not be rectified, the unit was to be closed immediately. It was to be ensured that the units so established were financially viable after they were fully operational and were able to meet their running cost.

- Dean, College of Agriculture (CoA), Rajasthan Agriculture University (RAU), Bikaner, submitted (July 2007) proposals for five projects of ₹ 2.55 crore[21]. Of these, three projects involving ₹ 1.82 crore[22], were approved by ICAR during the period 2007-11 and funds were released in September 2007 (₹ 0.50 crore), January 2009 (₹ 0.80 crore) and December 2010 (₹ 0.52 crore) with the stipulation that the projects be implemented by March 2008, March 2009 and March 2011 respectively. An expenditure of ₹ 1.84 crore[23] was incurred on civil works and procurement of equipment *etc.*, on these three projects by CoA.

Test check (October 2012 to January 2013) of the records of Swami Keshwanand Rajasthan Agriculture University (SKRAU), Bikaner revealed that under EL projects, training was imparted only to 56 students in 'vermi-composting and organic farming and soil management in vermiculture' (2008-09 to 2011-12), to 48 students in 'tissue culture and micro-propagation techniques in micro propagation' (2010-11 to 2011-12) and to 30 students in 'bio-agents and integrated disease management' (2011-12). No sale of the products produced during hands-on training was made, except sale of ₹ 3.77 lakh during 2008-13 under vermi-composting. Plants prepared under tissue culture technique in micro propagation unit were not transferred from the laboratory to green net for hardening[24], and thus no plants could be sold.

21. Protected Cultivation of flowers and vegetables: ₹ 0.50 crore; Seed Production: ₹ 0.40 crore; Bioagents Production: ₹ 0.45 crore; Vermiculture and vermicomposting: 0.40 crore and quality, sanitary and phytosanitary aspects: ₹ 0.80 crore.
22. Vermiculture and vermicomposting: ₹ 0.50 crore; tissue culture lab: ₹ 0.80 crore and bioagents production ₹0. 52 crore.
23. Vermiculture and vermicomposting 2007-08: ₹ 0.51 crore; Micro propagation Tissue culture lab, 2008-09: ₹ 0.80 crore; Mass production of Bio-agents, 2010-11: ₹ 0.53 crore.
24. Tissue cultures are hardened in polythene bags containing soil and Farmyard Manure mixture in green house before planting in fields.

Construction work of laboratory for mass production of bio-agents was not completed. No further progress under any of the three projects was made thereafter.

The State Government, in respect of SKRAU, stated (September 2013) that the difficulties in meeting the objectives of full time involvement of students and product development and further sale in the market existed in many of the experiential learning units (ELUs) across the country. Taking note of this, ICAR recommended that the fourth year study schedule of B.Sc. (Agriculture) should be formulated in such a way that students get opportunity to work in one ELU for the full semester (180 days) and SKRAU had accepted to operate on these recommendations.

- Similarly, the proposal of Maharana Pratap University of Agriculture and Technology (MPUAT), Udaipur, for processing and value addition of agricultural products was approved (December 2008) by ICAR and ₹ 80 lakh was sanctioned to start EL for hands on training centre in the area of food processing by establishment of advanced facilities for thermal processing of food, dehydration and processing and packaging for locally grown products (potato, ginger, onion, garlic *etc.*). MPUAT incurred an expenditure of ₹ 66.47 lakh on this project which was completed in March 2010 and became fully functional in February 2011.

Test check of the records of MPUAT revealed that only two training programmes of duration of two months were imparted to 41 students (2010-11) and 33 students (2011-12), without covering all the essential activities. No sales were made of the product produced during these trainings, though the proposal submitted (May 2008) by MPUAT for the EL project, expected 15-20 *per cent* profit on the sale price of production.

MPUAT stated (September 2013) that materials could not be procured in bulk, the system could not be run on commercial basis in absence of boiler operator and that the unit was run only with a teaching perspective. This indicated that the plant could not run properly, all activities could not be performed during training and the objectives of the ELU were not achieved. The expenditure of ₹ 2.50 crore incurred on these ELUs was thus rendered infructuous.

Reply of the State Government was awaited (September 2013).

3.4.2 Unfruitful expenditure

Failure of the Department in multiplication of bio-agents in bio-control lab established under National Horticulture Mission resulted in unfruitful expenditure of ₹ 80 lakh

In biological control, use of natural enemies through inoculative and inundative release requires live natural enemies in adequate numbers. Multiplication of need-based and location-specific bio-agents is therefore needed to maintain the natural balance and to reduce the pesticide residue in environment.

With the objective of multiplication of egg parasitoids[25], bio-agents[26] and formulation of nucleus polihedrosis virus (NPV)[27], a proposal for establishment of biological control laboratory under National Horticulture Mission 2008-09, at Department of Entomology (DoE), Rajasthan College of Agriculture (RCA), Maharana Pratap University of Agriculture and Technology (MPUAT), Udaipur was sent (July 2008) to Director, Rajasthan Horticulture Development Society (RHDS) through the Director of Research (DoR), MPUAT. The augmentation of bio-agents was stated to be helpful in the management of various insect pests in grown crops (fruits, vegetables, cotton, pulses and others) and thus benefit the farmers.

Test check of the records (February-March 2013) of DoR, MPUAT, revealed that the RHDS released (March 2009) ₹ 80 lakh to the Head of Department of Entomology (HoDE), RCA, for establishing Bio-control Laboratory. It was found that the Head, DoE, RCA observed (April 2009) that as two bio-control labs were already existing, the newly proposed lab might be a duplicity. Project In-charges of Bio-Control Projects, in their meeting (July 2009) also concluded that as the DoE, RCA already had a functional laboratory and one more laboratory had been sanctioned (July 2008) under Rashtriya Krishi Vikas Yojana for production of microbial pathogens, it would be better to strengthen two existing/under establishment laboratories instead of establishing a new one. Despite the existing recommendations, DoR, MPUAT went ahead with the project, arguing that the existing labs were limited to egg parasitoids while the proposed lab was meant for multiplication of other bio-agents along with production of NPV and spent the funds of ₹ 80 lakh[28] on establishment of the new lab during 2009-10 to 2010-11. The performance of the newly established lab during 2010-11 to 2012-13 is shown below:

S. No	Activities	Targets (per annum) *	Total achievements		
			2010-11	2011-12	2012-13
1	Multiplication of egg parasitoids (a) *Tricnogrammatids* (b) *Scelionids*	 1,00,000 cards 1,00,000 cards	1000 cards Nil	1000 cards Nil	Nil Nil
2	Multiplication of *Cotesia plutellae* for *Plutellae xylostella*.	50,000 adults	20,000 adults	20,000 adults	Nil
3	Multiplication of predators (a) *Coccinellids* (b) *Anthocorids*	 50,000 adults 1,00,000 individuals	 Nil Nil	 Nil Nil	 Nil Nil
4	Formulation of NPV (a) *Spodoptera litura* (b) *Helicoverpa armigera*	 1,000 litre 500 litre	 Nil Nil	 Nil 20 Bottles (one litre per bottle)	 Nil Nil

* Fixed in January 2009 by the Director Research, MPUAT, Udaipur in the project proposal
Source: Departmental Documents

25. Tricnogrammatids and Scelionids to reduce the egg population of insect, multiplication of Cotesia flavipes and Cotesia plutellae for the management of Chilo partellus and Plutella xylostella.
26. Coccinellids and anthocorids for the management of sucking insect pests in various crop ecosystems.
27. Spodoptera litura and Helicoverpa armigera.
28. Equipments: ₹ 69.96 lakh; renovation: ₹ 4.39 lakh; furniture *etc.*: ₹ 2.65 lakh and glassware and chemicals: ₹ 3 lakh.

The very negligible production as shown above proved that the Department completely failed in its objective of multiplication of bio-agents thereby rendering the expenditure of ₹ 80 lakh wasteful.

In reply, State Government stated (October 2013) that the works of renovation of lab and purchase of equipment were completed in 2011. Moreover, targets of bio-agents could only be met on farmers demand as the bio-agents could not be kept in store for a long time. This indicated that the required demand did not exist. The establishment of this new laboratory was not necessary as the two existing laboratories could have been strengthened / upgraded based on the recommendation of the meeting of July 2009. This resulted in wasteful expenditure of ₹ 80 lakh.

Public Works Department

3.4.3 Avoidable payment of interest and pro rata charges

Avoidable payment of interest and pro rata charge of ₹ 73 lakh on acquisition of land

According to Section 34 of Land Acquisition Act 1894, if there is delay in payment of compensation beyond one year from the date on which possession is taken, interest at the rate of 15 *per cent* per annum shall be payable from the date of expiry of the said period of one year on the outstanding amount of compensation until the date of payment.

The Land Acquisition Officer (LAO), Public Works Department (PWD) Circle, Sawai Madhopur, after approval communicated by Additional Secretary, PWD, Rajasthan, Jaipur passed final award on 13 October 2008 for acquisition of land for construction of Alwar-Rajgarh-Mahuva-Hindaun-Karauli-Mandrail road (Hindaun By-Pass) for ₹ 3.88 crore (₹ 1.19 crore was paid and ₹ 2.69 crore was to be paid to the LAO as per the final award).

Deputy Secretary (Road), PWD, Rajasthan issued (20 December 2011) administrative sanction of ₹ 3.34 crore (₹ 2.69 crore award amount plus ₹ 0.65 crore interest) and financial releases of ₹ 3 crore and ₹ 33.77 lakh were made in 2011-12 and 2012-13 respectively. The administrative sanction was further revised to ₹ 3.77 crore in January 2013 to include the amount of pro rata charges[29] of 13 *per cent* charged by the PWD.

During scrutiny of records (April 2012 and June 2013) of Executive Engineer (EE), PWD Division, Hindaun City, it was observed that EE submitted the proposal to State Government in January 2009 for issuing the sanction for payment of compensation of land. However, the sanction was issued by the State Government in December 2011. Due to delay in release of funds, the

29. Rule 5(a) to (e) of Appendix V of PWF&AR (part-II) provides for recovery of cost of establishment and tools and plants at percentage rate (pro rata) by the Division operating the capital major head of expenditure and for work done for other departments of the same or the other Government.

department had to bear interest payment of ₹ 64.60 lakh and *pro rata* charges of ₹ 8.40 lakh which were avoidable.

State Government in its reply (August 2013) did not furnish any specific reason for delay in issue of sanction and release of funds.

General

3.4.4 Lack of response to audit observations

Audit is an aid to management in upgrading the quality of governance and promoting accountability. The failure of the Government in taking proper corrective action on audit findings indicated weak governance

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

For early settlement of outstanding Inspection Reports (IRs) and paragraphs, the State Government issued instructions (August 1969) to all Departmental officers for sending the first reply of IRs within a month, and replies to further audit observations within a fortnight. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointing of nodal officers and Departmental Committee in each of the Administrative Departments to ensure compliance to all the matters relating to audit. Latest instructions have been issued in January 2010.

An analysis of outstanding IRs of Public Works Department revealed that 3,854 paragraphs relating to 882 IRs remained outstanding at the end of March 2013. Out of these, 64 IRs containing 102 paragraphs were outstanding for more than 10 years. Category-wise detail of irregularities commented in IRs is given below:

S. No.	Nature of Irregularities	No. of Paras	Amount (₹ in crore)
1.	Fraud/misappropriation/embezzlement/losses	92	20.62
2.	Recoveries made at the instance of audit & over payment	586	59.17
3.	Violation of contractual obligations & undue favour to contractors	1099	203.06
4.	Avoidable/excess expenditure	496	196.10
5.	Wasteful/infructuous expenditure	273	250.10
6.	Regulatory issues	646	525.22
7.	Idle investment/establishment/blocking of funds	100	99.32
8.	Delay in commissioning of equipments	18	7.62
9.	Non-achievement of objectives	53	49.67
10.	Miscellaneous	491	261.06
	Total	**3854**	**1,671.94**

Audit Committee comprising of the Principal Secretary/Secretary of the Department and representative of the Finance Department and the Office of the Accountant General was formed for taking speedy action on pending audit matters. The Finance Department issued instructions (November 2004) for conducting four meetings per year, but the instructions of the Finance Department was not adhered to and only one Audit Committee meeting was held by Department during 2012-13. State Government in its reply stated (July 2013) that Department was taking necessary action to settle maximum number of paras and making arrangement for recovery of dues.

Audit is an aid to management in upgrading the quality of governance and promoting accountability in Government spending. The Government should look into the matter and ensure that procedures are put in place to ensure submission of prompt and proper response to the audit observations and that corrective action is taken for recovery of losses/outstanding advances/ overpayments in a time bound manner.

S. Alok

JAIPUR, **(S. ALOK)**
The **Accountant General**
(Economic & Revenue Sector Audit), Rajasthan

Countersigned

NEW DELHI, **(SHASHI KANT SHARMA)**
The **Comptroller and Auditor General of India**