CHAPTER-III: Expenditure Audit

Forest Department

3.1 Avoidable expenditure on maintenance of plants

Growing seedlings/plants without proper survey of the actual requirement resulted in an avoidable expenditure of ₹ 1.12 crore on maintenance of plants during the year 2019-20.

As per the provisions contained in the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) notification dated 12 November 2009, the State CAMPA shall consist of a Steering Committee which shall lay down and/or approve rules and procedures for the functioning of the body and its Executive Committee and also approve the Annual Plan of Operation prepared by the Executive Committee. The Steering Committee recommended (14 September 2016) raising of two crore plants/seedlings in nursery for better planting stock. Later on, depending on the number of seedlings that may be maintained for the production of tall seedlings in subsequent years, the budget provision from State CAMPA was to be made for 2nd and 3rd years. The Steering Committee also suggested that the seedlings raised should be used for the restoration, rehabilitation and plantations in forest land and not for distribution or planting in non-forest land. However, as limited forest land was available in that area, for full utilisation of raised plants, the committee decided (July 2018) to use plants on forest land as well as on other Government land on payment basis.

Initially, the department allocated (4 November 2016) the budget of ₹ 11.12 crore for two crore plants/seedlings to 44 forest offices. However, in August 2017, the Department allocated the fund of ₹ 15.78 crore for 1.51 crore plants only.

During scrutiny (April 2018 to March 2019) of the records of Principal Chief Conservator of Forests (Head of Forest Force), Jaipur it was observed that Department raised 1.51 crore seedlings in 35 forest offices. These seedlings were transferred to large pouch to develop into tall plants. The Department could distribute only 1.38 crore seedlings by December 2020 leaving a balance of 12.50 lakh seedlings (8.30 *per cent*) undistributed. Audit further observed that out of total distribution of 1.38 crore seedlings, 96.24 lakh seedlings were used in forest land and remaining were used in non-forest land on payment basis. Furthermore, the Department could distribute less than 50 *per cent* seedlings in eight offices and in three offices, percentage of distribution ranged from two to 20 *per cent* only.

Additional Principal Chief Conservator of Forests, CAMPA allotted (04 November 2016) the budget subject to the condition that the separate record of raised seedlings/plants prepared under the CAMPA was also to be maintained. An analysis of information of raising of seedling and distribution furnished by the Department (August 2019) revealed that:

- There was discrepancy of 7.79 lakh seedlings/plants in the closing stock figures of nine units[1] involving value of 35.86 lakh.
- In six units[2], the closing balance of seedlings was shown in excess than actual closing stock.
- In three units[3], number of seedlings shown to be distributed for departmental planting was more than that raised by the Department.
- In four units[4], the cost of seedling/plant incurred was more than the per unit rate fixed by the Department.

The Department informed (June 2021) that above shortcomings have been rectified. However, no document in support of this claim had been furnished to Audit. It indicates that the Department did not maintain proper record of inventories. Thus, there is no assurance that the objective of the scheme of raising the plantation on the forest land was fulfilled as recommended by the Steering Committee of the State CAMPA.

Further, in respect of non-distributed seedlings, the Department also had to incur an avoidable expenditure of ₹ 1.12 crore[5] on the maintenance of stock during 2019-20. The Department could have avoided maintenance expenditure of ₹ 1.12 crore on 50.44 lakh seedlings (closing stock as of 31-03-2020) during 2019-20, had it been able to distribute the plants by the third year, in line with the decision taken by the committee in July 2018. Avoidable maintenance expenditure incurred during the year 2020-21 has been called for and is awaited (August 2021).

The matter was pointed out to the Department and reported to the Government (November 2020). The Government accepted the fact and replied (June 2021) that as on 31 December 2020, only 12.50 lakh plants are remaining and that they would be distributed by March 2021 and no amount will be spent on maintenance of these plants in next year. The reply of Department is not convincing as the Department could not provide figures of distributed plants upto March 2021 in the month of June 2021. Further progress is awaited (August 2021).

1 Chartargarh, Churu, Sri Ganganagar, Barmer, Sirohi, Alwar, Bundi, Chittorgarh, Jaipur wild.
2 Ajmer, Tonk, Sawai Madhopur, Jaipur, Baran, Jaipur zoo.
3 Ajmer, Baran, Jaipur zoo.
4 Shri Ganganagar, Jaipur, Banswara, Jaipur Anusandhan.
5 Maintenance expenditure (2019-20) = ₹ 1.89 crore for 84.71 lakh seedlings, Maintenance cost per seedling: ₹ 1.89 crore/0.85 crore= ₹ 2.23, Balance of seedlings as on 31 March 2020 = 50,43,767
Avoidable expenditure on maintenance in 2019-20: ₹ 1.12 crore (50,43,767 X ₹ 2.23).

Public Works Department

3.2 Irregular expenditure under Central Road Fund

In three divisions of Public Works Department, an expenditure of ₹ 11.06 crore was incurred from Central Road Fund on excess/extra items of road works without approval of the Ministry of Road Transport and Highways.

The Central Road Fund (CRF) was established for the (i) development and maintenance of national highways; (ii) development of the rural roads; (iii) development and maintenance of other State roads including roads of inter-State and economic importance; (iv) construction of roads either under or over the railways by means of bridges and erection of safety works at unmanned rail-road crossings and (v) such projects as may be prescribed. The CRF is centrally sponsored non-lapsable scheme.

Rule 7 (3) of the Central Road Fund Rules 2014 stipulates that the technical and financial sanction of the work shall be accorded by the executive agency concerned and there shall not be any change in scope of work from those as per administrative approval.

Ministry of Road Transport and Highways (MoRTH), Government of India (GoI) directed (February 2013 and September 2016) that Regional Offices of the Ministry are empowered to accept variations in the Bill of Quantities (BoQ) items and to permit extra items up to five *per cent* over the amount for works plus the amount for contingencies provided in the sanctioned estimate. The proposals for such variations and/or extra items are to be submitted by the Chief Engineer (CE), National Highways (NH) of the State. Proposals, if any, beyond the delegation shall be prepared by the concerned CE and forwarded to the Ministry. The Public Works Department (PWD) instructed (March 2016) all field divisions that no extra items in CRF scheme will be considered.

Rule 352 of the Public Works Finance & Accounts Rules (PWF&AR) defines the scope of sanction wherein authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

During the scrutiny of the records of PWD Divisions, following cases of irregular expenditures under CRF were noticed:

3.2.1 The MoRTH, GoI issued (March 2017) Administrative and Financial (A&F) sanction of ₹ 47.78 crore for Rehabilitation of Raipur-Mundla-Garwara-Dubliya-Karodiya-Sunel-Sirpoi road upto Bhawanimandi Border[6]. PWD, Zone Kota issued (April 2017) technical sanction for ₹ 47.78 crore.

6 (MDR-214) km 0/00 to 20/00 (Job No. CRF/892/RJ/2016-17).

PWD (NH), Jaipur conveyed (July 2017) the sanction of Empowered Board for ₹ 36.29 crore (19.24 *per cent* below Schedule 'G'). PWD Division-I, Jhalawar issued (July 2017) work order with stipulated date of commencement and completion as 28 August 2017 and 27 November 2018 respectively. The Contractor had been paid ₹ 41.43 crore (October 2019).

Test check (December 2019) of records of PWD-I, Jhalawar revealed that the Division executed additional work (construction of bypass in Sirpoi village), which was not contemplated in the original A&F sanction, from the savings achieved due to tender discount. This has resulted in irregular expenditure of ₹ 5.14 crore[7] as excess items without approval of MoRTH.

On being pointed out (April 2020), the State Government accepted the facts and stated (August 2020 and March 2021) that sanction for extra items has been received from State Government. This is not tenable in view of CRF Rules and MoRTH guidelines which require sanction of the MoRTH before execution of work whereas the State Government took decision at its own level.

3.2.2 MoRTH, GoI issued (December 2015) administrative sanction for construction and upgradation to 10m wide Cement Concrete (CC) Pavement on Suratgarh-Srivijaynagar-Anupgarh Road 56.450/00-96.00 km and link road to Jaitsar (3 km) in District Sri Ganganagar.

Financial sanction of ₹ 166.02 crore was issued (December 2015) under CRF. Technical sanction was accorded (April 2016) by the PWD, Zone Bikaner for ₹ 166.02 crore. Empowered Board sanctioned the work of ₹ 160.25 crore @ 2.29 *per cent* below Schedule 'G'. PWD, Division Suratgarh issued (August, 2016) the work order to a contractor with the stipulated date of commencement and completion as 12 August 2016 and 11 February 2018 respectively. The contractor had been paid ₹ 149.68 crore.

The contractor carried out the work of Suratgarh to Srivijaynagar road only and consented to be paid for the work he had completed by de-scoping Jaitsar (three km) road as the land was under the General Reserve Engineer Force (GREF) Department and was not released by the GREF. During the stipulated period of this work, the Jaitsar link road of three km was constructed and maintained by the GREF. Thus, this Jaitsar link road was de-scoped from the work.

Due to de-scoping of the link road to Jaitsar, the quantities of works in technical estimates were required to be revised. However, the deviation statement was prepared without recasting the estimates and un-executed items/less executed items were shown as savings, without considering the fact that Jaitsar road (three km) was not constructed/executed and these savings were utilised for widening of road at 90/500 to 95 km and ramp work at 94/0 to 95/0 km in Srivijaynagar.

7 ₹ 41.43 crore (paid to contractor *vide* 13th Running and Final bill) (-) ₹ 36.29 crore (Work Order amount) = ₹ 5.14 crore.

On being pointed out (September, 2020) the State Government stated (March, 2021) that the works of widening of road at 90/500 to 95 Km and ramp work at 94/0 to 95/0 in Srivijaynagar were carried out because of the necessity of these works. Reply is not tenable as the scope of the work cannot be changed.

Thus, the savings due to non-execution of Jaitsar road work was utilised for executing excess quantities amounting to ₹ 4.32 crore. The expenditure incurred on excess quantities was irregular in the absence of competent approval.

3.2.3 The MoRTH, GoI, issued (September 2016) Administrative and Financial (A&F) sanction of ₹ 28.98 crore for construction of 4-lane cement concrete road for SH-7D km. 115/550 (Hospital Choraha) to km. 119/050 (Ladnu Phatak) and SH-60 km. 162/200 (Nagaur Phatak) to km. 164/0 (Madina Masjid) in Deedwana. PWD (Technical), Zone Ajmer issued (January 2017) technical sanction for ₹ 28.98 crore. PWD (NH), Jaipur conveyed (March 2017) the sanction of Empowered Board for ₹ 25.44 crore @11.13 *per cent* below Schedule "G" in favour of the contractor. PWD, Division Deedwana issued (April 2017) work order with stipulated date of commencement and completion as 23 April 2017 and 22 July 2018 respectively. The contractor had been paid ₹ 26.00 crore[8].

Test check (October 2019) of records of the PWD, Division Deedwana revealed that the division executed additional work, which was not contemplated in the original A&F sanction and incurred irregular expenditure of ₹ 1.60 crore without approval of MoRTH as detail in **Table 3.1:**

Table 3.1

Sl. No.	Name of roads	Item of work	Quantity executed (cum)	Rate (in ₹)	Expenditure (in ₹) (column 5x4)
1	**2**	**3**	**4**	**5**	**6**
1.	Ram Mandir to Fuwara Circle Road	Granular Sub-Base: Road Ramps Shoulders	 929.96 66.82 324.57 1,321.35	250	3,30,338
		Plain Cement Concrete: Road Ramps	 929.96 269.49 1,199.45	2,900	34,78,405
		Cement Concrete: Road Ramps	 1,205.44 310.36 1,515.8	5,032.27	76,27,915
2.	Baliya Road Ramps	Granular Sub-Base	445.77	250	1,11,443
		Plain Cement Concrete	446.45	2900	12,94,705
		Cement Concrete	618.29	5,032.27	31,11,402
Total					**1,59,54,208**

8 ₹ 24.90 crore upto final bill and ₹ 1.10 crore for Price Escalation Bill

On being pointed out (February 2021), the State Government stated (July 2021) that the additional works were executed to solve the problem of water logging in the area after approval by the State Government. This is not tenable, as approval of MoRTH was not taken for the additional works as required under CRF Rules, 2014.

Thus, the expenditure of ₹ 1.60 crore incurred on excess/extra items without approval of the MoRTH was irregular.

3.2.4 Conclusion

As per the CRF guidelines, the sanction for the excess/extra items to be executed was to be taken from MoRTH. However, as evident from the cases above, the State Government took decisions at its own level. It reflects the lack of internal controls on the part of Department to ensure compliance with the procedure prescribed for CRF fund. This was not in line with the objective of utilising the fund on targeted items.

The State Government should ensure that excess/extra items may be allowed only after the approval of MoRTH in future.

Industries Department

3.3 Blocking of funds due to laxity of decision

Failure of Government and Urban Improvement Trust to ensure timely action at various stages resulted in blocking of ₹ 2.09 crore which deprived the beneficiaries of the intended benefit.

To provide residences to economically weaker section (EWS) and Lower Income Group (LIG) in Bhiwadi area, Urban Improvement Trust (UIT) proposed and approved (September 2009) Rajeev Gandhi Enclave Residential Scheme. Administrative and Financial sanction of ₹ 30.90 crore for construction of 1,000 dwelling units (DUs) {700 DUs for economically weaker section (EWS) and 300 DUs for Lower Income Group (LIG)} at Bhiwadi was issued (November 2009) by Urban Development Department (UDD) Government of Rajasthan.

The work order for construction of 224 DUs out of 700 DUs for EWS was awarded (May 2010) in favour of M/s Divija Infrastructure Private Limited (contractor) at the rate of 7.5 *per cent* above Basic Schedule of Rates amounting to ₹ 6.12 crore with the stipulated dates of commencement and completion as 5 June 2010 and 4 September 2011 respectively. The contractor started the work after four months (October 2010) due to delay in the supply of structural and working drawings by the department.

During scrutiny (August 2019) of records of Bhiwadi Integrated Development Authority (BIDA), Bhiwadi (erstwhile UIT Bhiwadi) it was noticed that due to non-availability of approach road and other hindrances at the site, the contractor stopped the work in September 2011. The contractor again started the work in March 2012 but stopped in the same month (after executing work to the tune of ₹ 2.09 crore) citing non-cooperation from UIT Bhiwadi. Instead of resolving the issue, UIT Bhiwadi issued (October 2012) a show-cause notice under clause 2 of the contract to the contractor to comply with the conditions of the contract. However, the contractor did not start the work. The UIT Bhiwadi sought permission (July 2013) from the Government to rescind the work after 14 months. On approval (February 2015) from the Government (after 18 months), the UIT Bhiwadi invited fresh tenders (May 2016) after 15 months (from the Government permission) for the execution of the remaining work. As per tender condition, the bid was valid only for 120 days *i.e.* upto 5 November 2016. However, the UIT Bhiwadi awarded the work only in April 2017, and the contractor refused to execute the tendered work after the bid validity date. As such, the remaining work could not be completed and even already completed work was subject to wear and tear with the passage of time.

Thus, the failure of the Government and UIT Bhiwadi to ensure timely action at various stages resulted in blocking of ₹ 2.09 crore and also deprived the beneficiaries of the intended benefit.

The matter was reported to the Government (February 2020). The Government replied (July 2020) that fresh tenders for execution of remaining work were also invited in October 2017 and October 2019 respectively but remaining work could not be started as the single bid received was considered higher in the first tender. It was also stated that Chief Engineer was not posted in the BIDA and Schedule of power, Rules, and Regulation of BIDA were also not framed, therefore, procedures could not be completed with the bidder in the second tender. It was further stated (February 2021) that delegation of power of BIDA has been framed (August 2020) and online tender of the work has been again invited (December 2020). The reply is not tenable as the BIDA and Government did not adhere to the time line at every stage of decision making and also invited the second tender without framing delegation of power. Further, the fact remains that due to laxity in decision making, the project could not be completed till date.