

CHAPTER VII: COMPLIANCE AUDIT OF EXPENDITURE SECTOR

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 non-observance of the norms of regularity, propriety and economy, which have been presented in the succeeding paragraphs.

Department of Personnel

7.1 Irregularities in procurement of Frisking Services by Rajasthan Staff Selection Board

Between September and October 2021, the Rajasthan Staff Selection Board awarded two frisking service contracts to the same firm, Innovatiview, for the Agriculture Supervisor and Patwar Examinations. Audit revealed multiple irregularities in both procurements, including collusive bidding, ineligible qualification, and procedural lapses. This indicated systemic weaknesses in the Board's procurement practices.

The Government of Rajasthan established the Rajasthan Staff Selection Board¹ (the Board) in 2014 to recruit candidates for various subordinate services across the State. The Board is responsible for conducting fair examinations and preventing malpractice. To facilitate the smooth conduct of examinations, it outsources critical services such as, candidate frisking, biometric attendance, invigilation, security, and CCTV surveillance to external agencies through a tendering process governed by the Rajasthan Transparency in Public Procurement (RTPP) Act, 2012.

An audit was conducted in January 2024 covering two cases of frisking services outsourced to a private firm between September and October 2021. Audit revealed several irregularities and deficiencies that compromised the integrity of the procurement process. The Board did not exercise due diligence during bid evaluation, neglecting to thoroughly verify the documents submitted by the bidders.

The following two sections detail these cases.

Section A: Procurement of Frisking Services for Junior Engineer (Civil) and Agriculture Supervisor Examinations – September 2021

The Board planned to conduct direct recruitment examinations for the posts of Junior Engineer (Civil) and Agriculture Supervisor on 12 September 2021 and 18 September 2021, respectively. For these examinations, it estimated the cost of frisking services at ₹ 32 lakh, calculated at ₹ 15 per candidate. A proposal

¹ Rajasthan Subordinate and Ministerial Services Selection Board renamed as Rajasthan Staff Selection Board from 12 June 2018.

seeking financial sanction was submitted to the State Government on 25 August 2021, just 17 days before the first examination.

Despite the pending financial approval, the Board proceeded to invite *e*-tenders for the frisking services on 27 August 2021. By the tender submission deadline of 03 September 2021, three² bids had been received. One of the bidders, AVA Systems, was disqualified during the technical evaluation (06 September 2021) for not meeting the past experience criteria specified in the Notice Inviting Tender (NIT).

The financial bids of the remaining two firms were opened, and Innovatiview emerged as the lowest bidder with a quote of ₹ 39.90 per candidate, which was subsequently negotiated (08 September 2021) down to ₹ 35.99 per candidate. The State Government granted the financial sanction on 10 September 2021, just two days before the scheduled Junior Engineer (Civil) Examination (12 September 2021). However, Innovatiview informed (08 September 2021) the Board of its inability to provide frisking services for the 12 September examination.

Consequently, the Board conducted the Junior Engineer (Civil) Examination on 12 September 2021 without any frisking arrangements.

Subsequently, the Board issued a work order to Innovatiview on 13 September 2021 for frisking services for the Agriculture Supervisor Examination, scheduled on 18 September 2021. The services were to cover 1,67,502 candidates across 488 centres, at a total cost of ₹ 60.28 lakh. A payment of ₹ 58.21 lakh was made to the firm after receiving Centre Satisfactory Reports.

An audit review of the related documents maintained by the Board revealed the following:

(i) The NIT issued by the Board specified that firms must have an average annual turnover of ₹ five crore in any three of the last five financial years. This requirement was disproportionately high compared to the estimated cost of the work, which was ₹ 32 lakh, making the turnover threshold nearly 15 times the estimated contract value. Such a high benchmark was unjustified and amounted to an overly restrictive condition that limited the competition.

The State Government stated (November 2024) that the RTPP Rules, 2013 do not specify a fixed standard for turnover requirements. However, it acknowledged the issue and informed that to encourage broader participation by capable and reputable firms, the turnover criterion was reduced to twice the estimated contract value or even less in subsequent tenders.

(ii) According to Rule 80 of the RTPP Rules, 2013, which outlines the Code of Integrity, bidders are prohibited from engaging in collusion, bid rigging, or any anti-competitive practices that could compromise the transparency, fairness, and integrity of the procurement process.

² Innovatiview, AVA Systems and Roman Networks Private Limited.

Audit found that two of the participating firms –Innovatiview and AVA Systems were related parties. Shri Ankit Agarwal, the founder and Director of Innovatiview India Private Limited (third party), submitted the bid of Innovatiview as its proprietor, while Shri Vishal Mittal, also a Director in Innovatiview India Private Limited, submitted the bid of AVA Systems as its proprietor. This close association between the bidders raises serious concerns about the genuineness and integrity of the competitive bidding process, potentially violating the RTPP Rules and principles of fair competition.

Additionally, Audit observed that the demand drafts submitted by Innovatiview and Roman Networks Private Limited (the two technically qualified bidders) for the tender and processing fees were issued from the same bank branch, on the same date, and had consecutive serial numbers. It is highly unusual for competing firms to procure payment instruments at the same time and place, and the presence of consecutive serial numbers further indicates that these drafts may have been obtained in a single transaction or as part of a coordinated effort.

These audit findings point to a likely attempt to manipulate the bidding process through collusion.

In its response dated November 2024, the State Government stated that each bidder had submitted the mandatory declaration affirming adherence to the Code of Integrity. It added that the observed similarities could be coincidental, possibly resulting from the firms being located in the same area. It further acknowledged that the Board had not examined the issues raised by the audit and confirmed that explanations have since been sought from the concerned bidders.

The explanation given by the State Government is not convincing. In fact, the registered offices of participating firms are located in entirely different areas of New Delhi –Innovatiview is based in Karkardooma, East Delhi; AVA Systems is located in Naraina Industrial Area, South West Delhi; while Roman Networks Private Limited operates from Nehru Place, South Delhi.

As per the minimum qualification criteria outlined in the NIT, participating firms were required to have prior experience in frisking at least 10,000 candidates using Hand Held Metal Detectors (HHMD) during a single examination shift within the past five years. However, a detailed audit of the bid documents submitted by the selected firm (Innovatiview) revealed that it did not meet this requirement. The specific details of the firm’s claimed experience are presented in **Table 7.1** below:

Table 7.1: Details of past experience claimed by Innovatiview

S. No.	Name of firm	Date of examination	Name of examination	Number of candidates frisked	Audit observations
1.	Innovatiview	05.05 2019	Professional Entrance and Eligibility Examination conducted by National Testing Agency	Approximately 15 lakh	Work order was issued only for frisking of candidates at the examination centres. Frisking through HHMD was not mentioned in the work order.

S. No.	Name of firm	Date of examination	Name of examination	Number of candidates frisked	Audit observations
2.	Innovatiview	15.04. 2017	Dental Surgeon class II conducted by Haryana Public Service Commission	One day in single shift	Number of candidates was not mentioned in the work order.
3.	Innovatiview India Private Limited	16.08.2019 to 22.08.2019	HSC and Other Allied Services Examination conducted by Haryana Public Service Commission	10,019 (seven days; number of shifts not mentioned)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
4.	Innovatiview India Private Limited	03.10.2019 & 04.10.2019	Various posts in Colleges conducted by Haryana Public Service Commission	12,696 (two days in single shift)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
5.	Innovatiview India Private Limited	27.01.2020	Various posts conducted by Haryana Public Service Commission	15,778 (one day in two shifts)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
6.	Innovatiview	20.08.2021	Preliminary Eligibility Test conducted by UP Subordinate Services Selection Commission	One day in two shifts	Work order was issued only for frisking of candidates at the examination centres. Frisking through HHMD was not mentioned in the work order.

As evident from the **Table 7.1**, in three of the six cited cases (S. No. 1, 2, and 6), the work orders either did not mention the number of candidates frisked or did not confirm the use of HHMDs. In the remaining three cases (S. No. 3, 4, and 5), Innovatiview presented the past experience that pertained to a different legal entity (Innovatiview India Private Limited) as its own, indicating serious lapses in the bid evaluation process and negligence of the Board to enforce the eligibility criteria.

In May 2024, the Board acknowledged that it was unable to verify the authenticity of the past work orders and experience documents submitted by Innovatiview due to time constraints. Subsequently, in its response submitted in November 2024, the State Government provided documents to Audit indicating that the Board had sought clarification from Innovatiview on 23 September 2024. In response, Innovatiview submitted an alliance agreement dated 15 November 2018, executed between Innovatiview (a sole proprietorship) and Innovatiview India Private Limited, suggesting that the two entities had agreed to collaborate on various works, contracts, and tenders related to examination security services.

This clearly indicates that the alliance agreement was not available to the Board at the time of the technical evaluation of bids for conducting direct recruitment examinations for the posts of Junior Engineer (Civil) and Agriculture Supervisor.

Thus, there was a significant oversight on the part of the Board, which did not exercise due diligence in verifying and evaluating the qualification documents.

As a result, Innovatiview was wrongly technically qualified based on the work experience of Innovatiview India Private Limited.

As detailed in earlier paragraphs, the Board adopted unusually tight timelines throughout the pre-contract phase, including the submission of proposals to the State Government, invitation of tenders, evaluation of bids, price negotiations, and issuance of the work order. These compressed timelines were inexplicable and had significant adverse outcomes. These actions also undermined transparency, limited competition, and compromised the integrity of the overall procurement process.

Section B: Procurement of Frisking Services for Patwar Examination - October 2021

The Board scheduled the direct recruitment examination for the post of Patwaris on 23 and 24 October 2021. While the examination notification was issued on 17 January 2020, the NIT was published only on 08 October 2021, more than 20 months later. The same three firms namely, Innovatiview, AVA Systems and Roman Networks Private Limited submitted bids. Following the technical evaluation, AVA Systems was disqualified for not meeting the required past experience criteria. Among the remaining two, Innovatiview emerged as the lowest bidder with a quote of ₹ 38 per candidate, which was later negotiated to ₹ 35. Accordingly, a work order was issued to Innovatiview on 18 October 2021 for providing frisking services to 15,63,000 candidates across 4,674 examination centres, at a total contract value of ₹ 5.47 crore. A payment of ₹ 5.40 crore was made to the firm upon receipt of Centre Satisfactory reports from the centres.

Scrutiny of records revealed the following inadequacies:

(i) The participating firms were given only eight days to submit their bids, contrary to the 20 days required under Rule 43 of the RTPP Rules, 2013. The State Government, in its response (November 2024) stated that as the time available before the examination was limited, only eight days were given for bid submission.

However, this explanation is unconvincing, given the substantial 20 month gap between the notification of the examination and the publication of the NIT. Had the NIT been issued earlier, the Board would have had ample time to plan effectively and ensure a transparent procurement process for all services related to the examination.

(ii) Internet Protocol (IP) address is a unique number assigned to every device connected to the internet, allowing them to communicate with one another. Audit observed that Innovatiview and AVA Systems submitted the bids from same IP address (14.99.59.158). The submission of bids by Innovatiview and AVA Systems, two entities registered at different addresses within New Delhi, from the same IP address strongly indicates that these two entities were not operating independently but potentially coordinating their bids to manipulate the outcome of the tendering process. Also, given the fact that Innovatiview and AVA Systems were related parties, as mentioned in paragraph (i) of Section A, further reinforces the possibility of collusion and raises serious

concerns about the integrity and fairness of the bidding process. It also reflects a significant lapse on the part of the Board, which did not detect the identical IP address on the system-generated bid acknowledgment documents submitted by both entities.

The Board stated in June 2024 that verifying the IP addresses was not within their mandate. However, given the importance of ensuring the integrity of the bidding process, the Board should have considered such checks an essential part of their responsibilities to prevent any potential manipulation.

The demand drafts submitted by all the three participating firms for the tender and processing fees were issued by the same bank branch (Axis Bank, Sector 44, Noida) on the same date and at the same time, as evidenced by the continuous serial numbers on the drafts. Considering that the firms are based in entirely different locations in New Delhi, as detailed in paragraph (ii) of Section A, the procurement of demand drafts with consecutive serial numbers from the same branch on the same day strongly suggests a coordinated effort among the bidders. This indicates serious concerns about collusion among the bidders and constitutes a violation of Rule 80 of the RTPP Rules, 2013, regarding the Code of Integrity in the procurement process.

Conclusion

The audit findings revealed significant lapses in the procurement processes for frisking services, marked by inadequate planning, procedural violations, and indication of bidder collusion. The Board did not ensure to enforce key safeguards such as, verifying bidder eligibility, ensuring fair competition, and detecting coordinated behaviour undermined the transparency, integrity, and fairness of the tendering process.

Urban Development and Housing Department

7.2 Short recovery of ₹ 1.17 crore of urban assessment from a firm by Urban Improvement Trust (UIT), Jaisalmer

Urban Improvement Trust (UIT), Jaisalmer recovered less amount of urban assessment of ₹ 1.17 crore from the firm on a commercial plot auctioned on lease of 99 years for construction of a hotel. The UIT calculated urban assessment at the 2.5 per cent for all the years was the violation of the condition of the auction of plot issued by the UIT as it provided that urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of five per cent.

According to Rules 7 (1) and (3) of the Rajasthan Improvement Trust (Disposal of Urban Land) Rules 1974, urban assessment³ (Lease money) was to be

³ Urban assessment means annual charges recoverable from the lessee or sub-lessee for the grant of lease hold rights.

charged at 2.5 per cent of reserve price⁴ in case of land given on lease for residential, educational, social and charitable institutions, medical clinic and nursing homes, tourist unit and five per cent of reserve price in case of land given on lease for commercial and other purposes. For the first five years only half of the urban assessment and thereafter full urban assessment on the plots was to be charged. The urban assessment was to be charged from the date on which the possession of the plot was given.

During examination of records of Urban Improvement Trust (UIT), Jaisalmer in January 2023 and collection of further information in May 2024, audit noted that the UIT auctioned (21 March 2013) a commercial plot measuring 15,425 square meter (sq.m.) under a Hotel Complex Scheme⁵ on lease of 99 years to a firm (Amit Mittal & Party) for construction of a hotel and urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of 5 per cent as per the condition of the auction of plot issued by the UIT. The UIT handed over possession of the plot to the firm on 09 March 2015.

The UIT charged (December 2016) urban assessment of the plot for the first two years (09 March 2015 to 08 March 2017) as ₹ 9,12,774⁶ per year calculated at the rate of 2.5 per cent of the reserve price of ₹ 2,367 per sq.m.

In order to resolve the difficulties of urban citizen and for quick resolution of their problem, the State Government started (02 October 2021) “Prashasan Shahron ke Sang Abhiyan-2021⁷”. It provided that in cases where lease money of previous years is outstanding, a free hold lease deed can be given by depositing 40 per cent of the outstanding lease amount and depositing the 10 years lease amount in advance. Also, on depositing outstanding lease amount, 100 per cent rebate was provided on the interest by an order issued in May 2021 and the same was also allowed during “Prashasan Shahron ke Sang Abhiyan-2021”.

Further, the firm applied (27 March 2024) for issue of free hold lease deed of the plot under Prashasan Shahron ke Sang Abhiyan-2021. The UIT issued (03 April 2024) free hold lease deed of the plot by recovering urban assessment of ₹ 1,05,88,180 arrived at by calculating outstanding urban assessment of ₹14,60,440⁸ of the previous four years (09 March 2017 to 08 March 2021) and advance urban assessment of ₹ 91,27,740⁹ for next 10 years. The urban

4 Reserve price means sanctioned reserve price or the scheme price at which the land shall be disposed off by the trust.

5 Hotel Complex Scheme was developed by UIT, Jaisalmer at Jodhpur Road in Golden and Tourist City Jaisalmer. This scheme was developed for construction of hotels for better view of Jaisalmer Fort and at prime location of the city.

6 $15,425 \text{ sq.m} \times ₹ 2,367 \text{ per sq.m} \times 2.5\% = ₹ 9,12,774$.

7 The period of Prashasan Shahron ke Sang Abhiyan-2021 was further extended (September 2023) up to 31 March 2024.

8 Urban assessment of one year = ₹ 9,12,774, Outstanding urban assessment of one year = 40 per cent of ₹ 9,12,774 = ₹ 3,65,110. Therefore, outstanding urban assessment of four years (period 09.03.2017 to 08.03.2021) = ₹ 3,65,110 x 4 = ₹14,60,440.

9 Urban assessment of one year = ₹ 9,12,774, Advance urban assessment of 10 years (from 09.03.2021) = ₹ 9,12,774 x 10 = ₹ 91,27,740.

assessment was calculated at the rate of 2.5 per cent of the reserve price of ₹ 2,367 per sqm and after allowing rebate of 60 per cent for the period 09 March 2017 to 08 March 2021.

Audit observed that charging urban assessment at 2.5 per cent for all the years was the violation of the condition of the auction of the plot issued by the UIT as it provided that urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of 5 per cent. Therefore, urban assessment should have been recovered at the rate of five per cent from March 2020 onwards. Since the firm applied for issue of free hold lease deed in March 2024, therefore, outstanding urban assessment should have been calculated till March 2024. However, the UIT, Jaisalmer issued free hold lease deed of the plot without recovering the urban assessment of ₹ 21,90,660 for the period 09.03.2021 to 08.03.2024. Calculation of urban assessment is given in the **Table 7.2** below:

Table 7.2: Calculation of urban assessment (Amount in ₹)

Period	Urban assessment to be recovered			Urban assessment recovered by the UIT			Amount of short recovery of the urban assessment
	Rate (%)	Yearly amount	Actual amount to be recovered*	Rate	Yearly amount	Actual amount recovered*	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=4-7)
09.03.2015 to 08.03.2016	2.5	9,12,774	9,12,774	2.5	9,12,774	9,12,774	0.00
09.03.2016 to 08.03.2017	2.5	9,12,774	9,12,774	2.5	9,12,774	9,12,774	0.00
09.03.2017 to 08.03.2018	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2018 to 08.03.2019	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2019 to 08.03.2020	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2020 to 08.03.2021	5	18,25,549	7,30,220	2.5	9,12,774	3,65,110	3,65,110
09.03.2021 to 08.03.2022	5	18,25,549	7,30,220	-	-	0	7,30,220
09.03.2022 to 08.03.2023	5	18,25,549	7,30,220	-	-	0	7,30,220
09.03.2023 to 08.03.2024	5	18,25,549	7,30,220	-	-	0	7,30,220
Advance for 10 years	5	18,25,549	1,82,55,490	2.5	9,12,774	91,27,740	91,27,740
Total			2,40,97,248			1,24,13,728	1,16,83,510

* 40 per cent of yearly amount of urban assessment after allowing rebate of 60 per cent for the period 09.03.2017 to 08.03.2024 as per the provisions of the *Prashasan Shahron ke Sang Abhiyan-2021*.

Thus, the UIT recovered urban assessment of ₹ 1.24 crore against the recoverable amount of ₹ 2.41 crore which resulted in short recovery of urban assessment of ₹ 1.17 crore from the firm.

The matter was brought to the notice of the State Government in December 2024 for their comments; their reply is awaited.

Medical, Health and Family Welfare Department

7.3 Delay in Construction of Auxiliary Nurse and Midwife Training Centre hostel building in Jhalawar, Rajasthan

Department did not provide land and approved drawings before award of contract and despite the slow progress of contractor, the Department did not take any action to terminate the contract or take any penal action against the contractor as per the terms of conditions of the contract agreement. As a result, the construction work could not be completed even after a lapse of six years after incurring an expenditure of ₹ 3.04 crore.

The Government of India (GoI) approved (June 2018) ₹ 4.07 crore for construction of Auxiliary Nurse and Midwife Training Centre (ANMTC) Hostel building in Jhalawar, under State Programme Implementation Plan (SPIP) of National Health Mission (NHM) for the year 2018-19.

Rule 298 of the Public Works Financial & Accounts Rules (PWF&AR), Part-I provides that availability of land is a pre-requisite for planning. Also, Section-II of Appendix XIII of PWF&AR, Part-II stipulates that extension of time for the execution of works of the contract is to be granted on recorded reasons.

Further, Clause 27A of contract agreement provided that Engineer-in-charge was to supervise the work and if pro rata progress of the work is not achieved, the work shall be withdrawn (Clause 32) from the firm, by serving notice in writing to that effect and another agency can be engaged for completing the work. Compensation was to be levied for delay in progress in accordance with Clause 2 of the contract agreement.

National Health Mission, Government of Rajasthan (GoR) issued (June 2018) Administrative and Financial (A&F) sanction of ₹ 4.07 crore for construction of ANMTC hostel building. The work was awarded (December 2018) to the lowest bidder at ₹ 3.49 crore (7 per cent above estimated cost) with the stipulated date of completion as 28 August 2019. Further, electric work contract was awarded (November 2019) at an estimated cost of ₹ 0.31 crore with stipulated date of completion as July 2020.

Audit noted that land for construction of hostel was allotted in February 2019 after a lapse of more than seven months of issuance of A&F sanction (June 2018). This was in contravention of Rule 298 of the Public Works Financial & Accounts Rules, Part-I which provides that availability of land is a prerequisite for planning. Thereafter, the Chief Medical & Health Officer (CM&HO) approved the drawings after three more months i.e. on 21 June 2019. Executive Engineer, M&H, Kota granted extensions two times i.e. upto 27 December 2019 and upto 30 November 2020 without citing any reason for extension which was in contravention to the PWF&AR. Executive Engineer M&H Kota had issued various notices (December 2020, February 2021, April 2021, June 2021) to the contractor for slow progress of work. It was noticed that no further extension was granted for execution of work by the competent authority (after 30 November 2020) but the contractor executed the work till December 2024 and

as per financial progress' payment of ₹ 2.20 crore¹⁰ (58 per cent work) was made till May 2025. As per the monthly progress report (August 2025) provided by the department, the painting work was in progress in construction of the ANMTC and an expenditure of ₹ 3.04 crore has been made.

The Executive Engineer, M&H, Kota issued various notices to the contractor on the extremely slow pace of work and also repeatedly requested (June, July 2021 and January, March 2022) Chief/Superintendent Engineer, M&H, Jaipur to take action against the firm. No action was however, initiated to close the contract and engage another agency for completing the work as per Clause 32 of the contract agreement.

The State Government stated (December 2023 and November 2024) that the land was allotted late by Revenue Authority and it involves detailed discussions and holding of meetings with client (user department), architect and CM&HO concerned for approval of map. It was also intimated that an amount of ₹ 2.25 lakh has been deducted from the running bill on account of delay on the part of the contractor. The department further stated that the finishing work is in progress and amount of Liquidated Damages (LD) finalised by Administrative Department shall be recovered from the contractor.

Audit is of view that there is huge negligence of the part of Department. Despite the fact the department was aware that contractor was executing the work without extension for the period after 30 November 2020, no action was initiated by the department either to extend the contract or terminate it. It is clear from the records of the department that the work was being done at a very slow pace (more than four years on the part of contractor) and no action has been initiated by the department to take penal action against the contractor. Thus, lack of monitoring and inaction at the part of department in taking action, resulted in an incomplete work despite lapse of six years and after incurring an expenditure of ₹ 3.04 crore.

7.4 Unfruitful expenditure of ₹ 8.35 crore on construction of 12 DEICs due to non-recruitment of manpower and non-procurement of equipment of ₹ 21.87 crore even after a lapse of more than 3 to 5 years

During 2016-17 to 2017-18, the Department of Medical Health & Family Welfare spent ₹ 8.35 crore on constructing 12 District Early Intervention Centres (DEICs). However, the Centres remained non-functional as of June 2025 due to critical gaps in operational readiness such as no staff was recruited. Additionally, no essential diagnostic or medical equipment was provided, despite ₹ 22.91 crore sanctioned by GoI, of which ₹ 21.87 crore remained unutilized. As a result, the core objective of early detection and intervention for childhood developmental disorders and disabilities remains unfulfilled, indicating serious lapses in planning and implementation.

10 ₹ 2.03 crore on civil works + ₹ 0.17 crore on electrical works upto May 2025 = ₹ 2.20 crore.

In February 2013, the Ministry of Health & Family Welfare, GoI, issued the Child Health Screening and Early Intervention Services operational guidelines under National Rural Health Mission (NRHM), aimed at establishing a District Early Intervention Centre (DEIC) in each District Hospital. The key objectives of establishing DEICs were to identify children (birth to 18 years, with special emphasis on 0–6 years) who have or are at risk of developmental delays, disabilities, congenital anomalies, or other health conditions, and to facilitate their timely referral and linkage to tertiary-level healthcare institutions.

In June 2015, GoI sanctioned the construction of 34 DEICs in Rajasthan at an estimated cost of ₹ 0.75 crore per Centre. However, due to non-availability of land in nine districts, the Mission Director, National Health Mission (NHM), Jaipur, sanctioned (December 2015) construction of 25 DEICs. Later in November 2017, the sanction for a DEIC in Jodhpur was also withdrawn due to persistent land issues.

Between 2016-17 and 2019-20, 24 DEICs were constructed at a total cost of ₹ 16.55 crore. In June 2023, four additional DEICs were approved at a revised cost of ₹ 1.30 crore each. Of these, one was completed (October 2024) at the cost of ₹ 1.21 crore and three were under construction as of July 2025.

Audit observed that out of these 24 DEICs, 12 DEICs constructed at a cost of ₹ 8.35 crore remained non-functional as of June 2025 due to following critical gaps in operational readiness identified during the compliance audit of the department.

i. Acute Shortage of Manpower

The operational guidelines issued by the Ministry of Health & Family Welfare, GoI, in February 2013 for Child Health Screening and Early Intervention Services under NRHM specified that each DEIC should have a 13-member¹¹ medical team to ensure smooth operations.

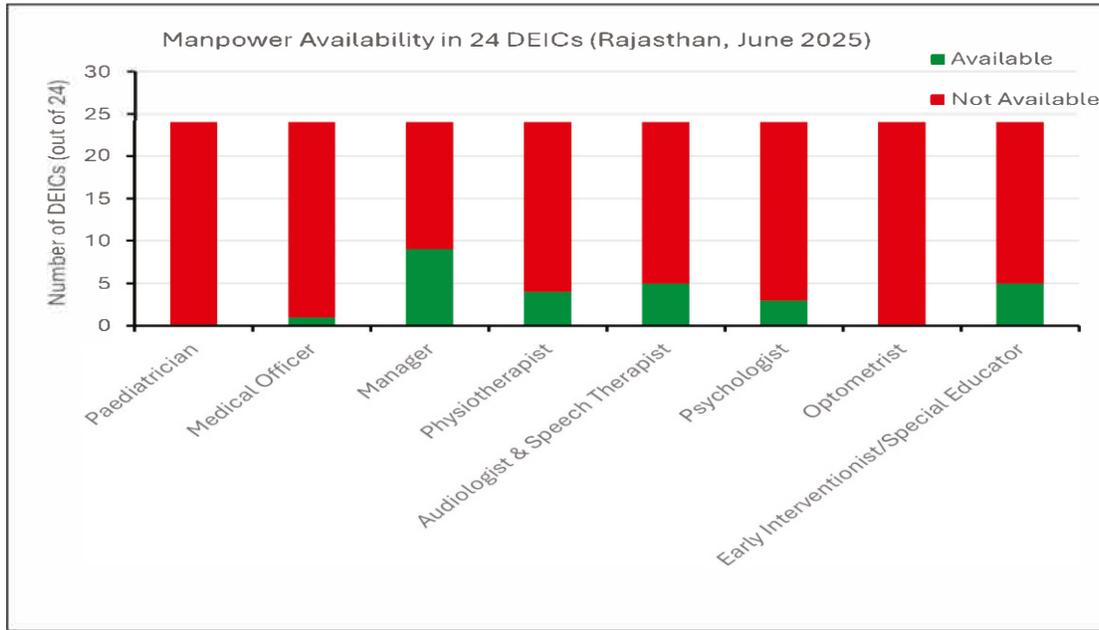
The State Government, during 2018-21, submitted proposals to the GoI for the sanction of only eight¹² posts per DEIC, and that too for just 12 DEICs. Proposals for all the 29 DEICs (including five operating from District Hospitals and Medical College attached Hospitals) were submitted from 2021-22 onwards, and the GoI approved them in the respective years. However, as of January 2025, proposals for the sanction of the remaining five¹³ posts per DEIC had not been submitted to the GoI. The details of manpower posted in the 24 DEICs as of June 2025 are presented in following bar **Chart-I** and further detailed in *Appendix-7.1*.

11 Paediatrician:01, Medical Officer:01, Dentist:01, Physiotherapist:01, Audiologist & Speech Therapist:01, Psychologist:01, Optometrist:01, Early Interventionist cum Special Educator cum Social Worker:01, Lab Technician:02, Dental Technician:01, Manager:01 and Data Entry Operator:01

12 Paediatrician:01, Medical Officer:01, Manager:01, Physiotherapist:01, Audiologist & Speech Therapist:01, Psychologist:01, Optometrist:01 and Early Interventionist cum Special Educator cum Social Worker:01

13 Dentist:01, Lab Technician:02, Dental Technician:01 and Data Entry Operator:01

Chart-I: Manpower Availability in 24 DEICs as of June 2025



The data reveals that not a single DEIC had all eight-member medical team as of June 2025, despite the fact that all the 24 DEICs were completed between 2016-17 and 2019-20. Significantly, 12¹⁴ out of the 24 DEICs (50 per cent) had no staff deployed as of June 2025, rendering them entirely non-functional.

Audit observed that none of the 24 DEICs had a Paediatrician or an Optometrist, while the remaining six¹⁵ medical posts remained unfilled in 63 to 96 per cent of the DEICs. Consequently, the DEICs were largely non-functional in providing comprehensive early intervention services.

In its response, the State Government acknowledged the facts and stated (January 2025) that the positions remained unfilled due to the non-availability of suitable personnel for various posts. It further informed that the recruitment process was currently in progress.

ii. Critical lapses in procurement of equipment

In May 2014, the Ministry of Health & Family Welfare, GoI, issued operational guidelines for setting up DIECs, which, among other provisions, included a comprehensive inventory¹⁶ of diagnostic and medical equipment, tools, consumables, lab equipment required for the diagnosis and treatment of a range of health conditions within these Centres.

14 Banswara, Bhilwara, Dausa, Dungarpur, Jaisalmer, Jalore, Jhalawar, Pratapgarh, Rajsamand, Sawai Madhopur, Sirohi and Sri Ganganagar.

15 Posts remained unfilled: Medical Officer: 96 per cent (Out of 24 only one was posted) and Manager: 63 per cent (Out of 24, only nine were posted).

16 Otoacoustic Emissions (OAE) Screener, Audiometer, Infantometer, Paediatric Stethoscope, Sphygmomanometer, Stadiometer, Ophthalmoscope, Hearing and Vision Impairment Equipment, Equipment for Physiotherapy/Occupation Therapy, Dental Chair with all attachments, Wall-mounted Dental X-Ray, Medical equipment (Adult Weighing Machine and digital Hemoglobinometer) etc.

As per information provided to Audit by the Project Director, Rashtriya Bal Swasthya Karyakram (RBSK), NHM, Jaipur in June 2024, the GoI sanctioned ₹ 22.91 crore between 2013-14 and 2021-22 for procurement of medical equipment for 29¹⁷ DEICs. Of this amount, the State Government sanctioned ₹ 20.61 crore, comprising:

- ₹ 18.36 crore (sanctioned between July 2018 and July 2022) for procurement of equipment¹⁸ through Rajasthan Medical Services Corporation Limited (RMSCL)¹⁹, and
- ₹ 2.25 crore (sanctioned between July 2017 and March 2020) for procurement through District Health Societies, headed by the District Collectors.

Audit scrutiny revealed that out of ₹ 18.36 crore, RMSCL procured (October 2024) 29 Otoacoustic Emission (OAE) Analyzers at a total cost of ₹ 0.83 crore. Despite several reminders sent by the Mission Director, NHM, Jaipur to the Managing Director/Executive Director of RMSCL in May, June and October 2023, and again in January 2024, no response or clarification was received regarding the reasons for non-procurement of medical equipment.

Further, it was also observed that only ₹ 0.21 crore²⁰ of ₹ 2.25 crore, allocated through District Health Societies, was spent during 2018-20, and that too on non-core items such as computers, printers, UPS systems, and other equipment for seven DEICs. No key diagnostic or medical equipment was procured. As of July 2025, no medical equipment had been purchased from the remaining ₹ 21.87 crore (₹ 22.91 crore - ₹ 0.83 crore - ₹ 0.21 crore) of the total ₹ 22.91 crore sanctioned by the GoI.

Additionally, of the unutilized sanctioned amount of ₹ 2.30 crore (₹ 22.91 crore - ₹ 20.61 crore) sanctioned by the GoI, ₹ 1.95 crore remained with the Mission

17 This includes five DEICs operating from the District Hospitals and Medical College attached Hospitals.

18 ₹ 18.36 crore for procurement of equipments: **₹ 1.45 crore (July 2018):** Oto acoustic emission (OAE) instrument, impedance audiometer, Pediatric Auroscope (Otoscope), Speech & Language Assessment Kit, Streak Retinoscope, Lea Grating Paddles, Vineland Adaptive Behaviour Scales, Bayler-III Screening Test Complete Kit Includes : Manual , Stim Book, Picture Book, Record Forms 25 packs, Dyslexia Early Screening Test 4-6 Years (DEST) and Dyslexia Screening Test Junior (6-11 years)), **₹ 1.25 crore (December 2020):** Speech & Language Assessment Kit, Streak Retinoscope, Lea Grating Paddles, Vineland Adaptive Behaviour Scales, Bayler-III Screening Test Complete Kit Includes : Manual , Stim Book, Picture Book, Record Forms 25 packs, Dyslexia Early Screening Test 4-6 Years (DEST) and Dyslexia Screening Test Junior (6-11 years) **₹ 15.66 crore (July 2022):** Equipment for Physiotherapy/Occupational Therapy, Diagnostic Equipment/Tools for Vision, Hearing and Speech (**OAE Screener**), Intellectual, Emotional and Behavioral Assessment, Dental Equipment and Medical Equipment (**Adult Weighing Machine and digital Hemoglobinometer**) and furniture etc.

19 A State Public Sector Undertaking responsible for procurement of drugs, surgical items and medical equipment for all Government healthcare institutions in the State.

20 Bhilwara: ₹ 2.51 lakh; Chittorgarh: ₹ 4.40 lakh; Jalore: ₹ 1.99 lakh; Jodhpur: ₹ 2.87 lakh; Pali: ₹ 1.93 lakh, Sawai Madhopur: ₹ 2.23 lakh and Sirohi: ₹ 5.44 lakh.

Director, NHM, Jaipur since 2018-19, while the status of the remaining ₹ 0.35 crore was not available with the Project Director, RBSK.

In response, the State Government stated in January 2025 that purchase orders were being placed for 29 Digital Hemoglobin Meters (strip-based) and 58 Adult Weighing Scales, and the procurement of the remaining equipment was underway.

Clearly, none of the 24 DEICs established between 2016 and 2020 had been equipped with any diagnostic or medical equipment, even after more than five years of their establishment.

As a result, the 12 DEICs remained non-functional and 12 DEICs remained partially functional, defeating the very purpose of their establishment. The investment of ₹ 8.35 crore has thus resulted in unfruitful expenditure, reflecting systemic deficiencies in planning, coordination, and execution by the Department of Medical Health & Family Welfare.

The State Government needs to take immediate corrective actions to operationalize these Centres and prevent further wastage of public resources.

Higher Education Department

7.5 Unwarranted advantage to a firm

In October 2021 Jai Narain Vyas University, Jodhpur awarded a contract for maintenance of University Management System to a firm that did not meet key financial and technical eligibility norms. The firm did not fulfil contractual obligations, with only six out of 25 modules operational, and the system remained underutilized due to a persistent shortage of trained personnel even after 43 months. Despite these deficiencies, the university paid ₹ 18.44 crore to the firm. Monitoring committee recommendations for payment recovery and retendering were ignored, indicating serious lapses in contract management.

A University Management System (UMS) is a software platform designed to streamline academic and administrative processes within a university. It facilitates the management of student records, course schedules, faculty details, financial transactions, and other essential university functions. After deployment, ongoing maintenance is required to ensure the system continues to operate effectively.

The current UMS at Jai Narain Vyas University, Jodhpur (the university) was developed, implemented and maintained by ITI Limited²¹, New Delhi, from 2016 to 2021. To extend the maintenance support contract for another three years (2021-2024), the university issued an open invitation for bids through the e-procurement process on 04 August 2021. The estimated value of the work was

21 A Central Public Sector Undertaking in the telecommunications technology segment.

₹ 16 crore. By the bid closing date of 23 August 2021, three²² firms had submitted their proposals. The evaluation of these bids was to be conducted using the Quality and Cost Based Selection (QCBS)²³ method.

Audit scrutiny of the relevant documents maintained by the university revealed the following discrepancies:

(i) Rule 59 (5) of the Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 states that a bid should be deemed responsive if it meets all the requirements of the Notice Inviting Tender (NIT), and minor or non-material deviations, errors, or oversights that do not affect the essence of the bid should be ignored.

During bid evaluation on 25 August 2021, the university's bid evaluation committee rejected the bid submitted by Transit Electronics Limited on relatively minor grounds. The committee cited that the earnest money deposit receipt, along with other documents such as the affidavit regarding delisting/blacklisting and the authority letter authorising a representative to sign on behalf of the firm, were submitted in an online format instead of the mandated physical format.

On the same day, the committee opened the technical bids of the remaining two firms – ITI Limited and Expedien eSolutions Limited. The bid submitted by ITI Limited was declared non-responsive due to a minor discrepancy in the affidavit regarding blacklisting, where the address was mistakenly stated as Jaipur, Rajasthan, instead of New Delhi. This decision by the university appeared inappropriate, given that ITI Limited had already been providing maintenance support for the university's existing UMS over the previous five years (2016-2021).

The rejection of the bids of Transit Electronics Limited and ITI Limited was unjustified and contravened Rule 59 (5) of the RTPP Rules, which permits acceptance of minor deviations that do not materially affect the bid's validity.

(ii) The QCBS method intended for bid evaluation effectively lost its relevance in this case, as the unsolicited disqualification of other bidders left no opportunity to assess and compare the technical competence and price reasonableness of competing proposals. Consequently, Expedien eSolutions Limited emerged as the sole remaining bidder.

The university proceeded to select Expedien eSolutions Limited on the basis of a technical presentation conducted on 02 September 2021. The financial bid was opened the following day, on 03 September 2021, revealing a quoted rate of ₹ 250 per student per examination. This was later negotiated down to ₹ 240 per student per examination on 20 September 2021. Subsequently, the university entered into an agreement with Expedien eSolutions Limited on 06 October

22 Transit Electronics Limited, Ahmedabad, Gujarat; ITI Limited, New Delhi; and Expedien eSolutions Limited, Noida.

23 QCBS is a method used in bid evaluation, especially for hiring of consultants or services in which predetermined weightage is assigned to both technical and financial components.

2021 at the final rate of ₹ 240 per student per examination, with the contract period spanning three years, from 13 October 2021 to 12 October 2024.

(iii) Expedien eSolutions Limited was declared qualified despite not meeting the minimum pre-qualification (PQ) or eligibility criteria related to financial turnover and technical capability. These are detailed below in **Table 7.3**:

Table 7.3: Lack of fulfillment of PQ criteria by Expedien eSolutions Limited

PQ Criteria	Specifications in NIT	Audit observation
Financial: Turnover from IT/ITeS	As per published audited balance sheets, average annual turnover of the bidder from IT/ITeS for last three financial years <i>i.e.</i> 2018-19 to 2020-21 should be at least ₹ 25 crore.	As per the audited financial statements, the turnover of Expedien eSolutions Limited was only ₹ 21.48 crore in 2018-19 and ₹ 22.41 crore in 2019-20. The financial statement for 2020-21, which was unaudited, reflected a turnover of ₹ 69.08 crore. Moreover, the financial statements did not clarify whether the average annual turnover was specifically derived from IT/ITeS or from the firm's overall business activities, as the bid documents did not include any schedules to support this information.
Technical capability	The bidder must have successfully completed at least the following number of similar projects for software deployment, customization, implementation and maintenance & support for an Indian Central/State Government University, during the last five years: 1. Two projects of not less than ₹ 10 crore each; or 2. Three projects of not less than ₹ five crore each; or 3. Four projects of not less than ₹ four crore each.	Expedien eSolutions Limited submitted work orders, purportedly issued by 11 universities (Appendix 7.2), to demonstrate its technical capabilities. Audit, however, observed that all the work orders had originally been issued to ITI Limited and were subsequently subcontracted to Expedien eSolutions Limited for execution. This indicates that Expedien eSolutions Limited was not the primary vendor in any of the cases it cited.

The university stated in July 2024 that the turnover certificates were provided in the prescribed format and certified by a Chartered Accountant, which, according to them, met the tender requirements. Additionally, the bid evaluation committee accepted the work orders submitted by Expedien eSolutions Limited as valid proof of technical capability.

The university's response is not acceptable, as the audited turnover of Expedien eSolutions Limited for the years 2018-19 and 2019-20, as could be seen from the **Table 7.3** above, was below ₹ 25 crore, and the firm submitted unaudited financial statements for 2020-21, which did not comply with the specifications outlined in the NIT, as indicated in the **Table 7.3** above. Furthermore, the committee's acceptance of work orders originally issued to another firm – ITI Limited – as valid experience for Expedien eSolutions Limited was also improper. Consequently, the selection process lacked the required fairness and transparency.

(iv) According to the tender conditions, the selected firm was required to provide a performance guarantee amounting to 2.5 per cent (₹ 0.40 crore) of the estimated project cost (₹ 16 crore) immediately after signing the contract. However, the selected firm initially submitted only ₹ 0.10 crore in the form of a bank guarantee on 12 November 2021. The remaining ₹ 0.30 crore was submitted much later, after a delay of approximately 26 months, on 23 January 2024.

In its response (July 2024), the university claimed that since the contract was for a three-year period, a performance guarantee of ₹ 0.10 crore was taken for the first year of operations. However, this explanation is not acceptable, as the tender conditions clearly required performance guarantee to be provided immediately upon contract signing. This constituted a clear violation of the tender terms and amounted to an undue advantage being extended to the firm.

(v) In its meeting held on 03 July 2023, the monitoring committee of the university expressed dissatisfaction with the performance of Expedien eSolutions Limited under the contract. The committee made the following key observations:

- Of the 25 contracted services/modules, 18 (72 per cent) were not being delivered by the firm.
- A physical verification conducted by the administrative heads of various departments revealed that only nine personnel had been deployed (53 per cent), against the contractual commitment of 17 personnel.
- Since July 2022, MBM University²⁴ began independently managing its own online functions through the UMS, following its separation from Jai Narain Vyas University. As MBM University accounted for approximately 33 per cent of the total workload, the volume of work under the contract for Jai Narain Vyas University had proportionately decreased. Therefore, continuing full payments under the original contract terms was no longer deemed justifiable.

Following detailed deliberations, the committee recommended the following actions:

- In light of the service deficiencies, at least 50 per cent of the payments made to the firm so far should be recovered and deposited back into the university's bank account.
- Given the reduced scope of work after MBM University's separation, the firm may be allowed to continue only if it agrees to execute the remaining services at 40 per cent of the original rates.
- The university should reassess and redefine the scope of work in view of the new institutional structure and invite fresh tenders to assign the UMS responsibilities accordingly.

24 MBM Engineering College, which was previously operating under the administrative control of Jai Narain Vyas University, was separated and established as an independent State University by the Government of Rajasthan in September 2021.

Audit, however, noted that none of these recommendations were acted upon. Instead, the university extended the firm's contract until July 2025 on the original terms and conditions. A total of ₹ 18.44 crore was paid to the firm up to January 2025.

In July 2024, the university claimed that the deficiencies had been addressed by the firm, thereby justifying the continuation of periodic payments. However, this claim of the university was not supported by facts. As per university's own admission in January 2025, out of the 25 developed UMS modules, only six were operational, nine were partially in use and 10 modules remained unused (*Appendix 7.3*).

In May 2025, the university further stated that efforts were being made to utilise the modules to the extent possible, but acknowledged that some modules remained unused due to a shortage of trained personnel.

However, as per the agreement signed on 06 October 2021, Expedien eSolutions Limited was responsible for providing training to university staff across various user domains, as well as offering on-demand training for all official users. Given that 43 months have passed (October 2021 to May 2025) since the commencement of the contract, it was matter of concern that the university continues to face a shortage of trained personnel.

Thus, the university awarded the contract to a firm that did not meet the pre-qualification criteria of the NIT. Moreover, despite clear recommendations from the monitoring committee to recover payments and redefine the scope of work, the university neither took corrective action nor reassessed performance before extending the contract and made the full payment of the contract *i.e.* ₹ 18.44 crore.

The matter was reported to the State Government in June 2024, their reply was awaited as of May 2025.

7.6 Idle investment of ₹ 1.85 crore

The construction of the Centre for Entrepreneurship and Small Business Management building at Jai Narain Vyas University (JNVU), Jodhpur, remains non-functional despite an expenditure of ₹ 1.85 crore and a delay of six years. The building is still without critical facilities such as furniture, library, computers, and essential utilities like water and electricity.

As per Rule 298 of the Public Works Financial & Accounts Rules (Part-I), availability of the site is a pre-requisite for planning and designing of a work and as such no department of the Government should initiate planning until the site is physically in its possession.

The Ministry of Micro, Small & Medium Enterprises, GoI sanctioned (18 January 2017) setting up of a Centre for Entrepreneurship and Small Business Management (CESBM) within the campus of Jai Narain Vyas University,

Jodhpur (the university), at an estimated cost of ₹ 3.15 crore²⁵. Of this, ₹ 1.50 crore was to be provided by the GoI, while the remaining ₹ 1.65 crore was to be contributed by the university to the project account.

In March 2018, the University's Building Cell invited tenders for the construction of the CESBM building, at an estimated cost of ₹ 1.74 crore. The contract was awarded on 28 May 2018 for ₹ 1.67 crore, with a stipulated completion period of 12 months ending on 27 May 2019. However, audit scrutiny revealed that the contract was awarded without ensuring site availability. The site was handed over to the contractor only on 26 February 2019, just three months before the scheduled completion date. Consequently, the university had to revise the construction timeline, setting new commencement and completion dates as 02 March 2019 and 01 March 2020, respectively.

Despite the extension, the construction was completed only on 30 August 2020, at a cost of ₹ 1.85 crore, representing a delay of 15 months from the original timeline and six months from the revised schedule.

Audit further observed that although the university was required to contribute ₹ 1.65 crore to the project, it contributed only ₹ 1.50 crore in March 2017. Out of this, ₹ 1.25 crore was diverted in June 2017 to meet pension liabilities of retired university employees. Consequently, key infrastructure components such as furniture, furnishings, library resources, computers and equipment could not be procured, rendering the building non-functional despite its completion in August 2020. The university further deposited ₹ 1.30 crore in instalments between July 2020 and November 2023, of which ₹ 0.96 crore was again diverted in September 2022 for use by the Department of Management Studies of the university.

The University stated in July 2024 that it would deposit the diverted amount to the project account and the building would be made functional after procuring the pending facilities. However, the CESBM building remains non-functional as of May 2025, despite an expenditure of ₹ 1.85 crore and passage of six years since the originally stipulated completion date of May 2019.

The building continues to lack essential facilities such as furniture, library, computers, water, and electricity connections, rendering it unusable for its intended purpose.

The matter was reported to the State Government in June 2024; their reply was awaited as of May 2025.

25 Infrastructure: ₹ 1.86 crore; Furniture, furnishing and equipment: ₹ 0.85 crore; Library: ₹ 0.17 crore; Computers: ₹ 0.07 crore; and Miscellaneous: ₹ 0.20 crore.

Local Self Government Department

7.7 Cancellation of contract due to non-transparent and irregular working of JCTSL

Cancellation of a contract to procure e-buses from a reputed supplier due to non-transparent and irregular working of JCTSL resulting into non-utilisation of GoI funds and loss of opportunity to provide environment friendly buses to the common public of Jaipur city.

Government of India (GoI), Ministry of Heavy Industries in April 2019 launched the phase-II of “Faster Adoption and Manufacturing of (Hybrid&) Electric Vehicles in India” (FAME India Scheme) for a period of three years. Under this scheme proposals were invited (June 2019) from State/City Transport undertaking for deployment of e-buses.

In response, Jaipur City Transport Services Limited (JCTSL) submitted (June 2019) a proposal for 300 e-buses in Jaipur city. GoI accorded (August 2019) approval for deployment of 100 e-buses in Jaipur city. The operator (private concessionaire) was to be selected through open competitive bidding according to the procedure laid down by the Ministry. Procurement process and issue of supply order were to be completed by the JCTSL within three months from the issue of sanction order and all buses were to be put into operation within 12 months from the date of issue of supply order.

JCTSL issued (October 2019) Notice Inviting Bid (NIB) for supply cum operation and maintenance of 100 fully built air-conditioned pure electric midi buses in Jaipur city. Buses were to be operated from four depots along the prescribed routes. The operator was assured a minimum coverage of 160 kms per day per bus. In response to this, two firms²⁶ M/s Evey Trans Private Ltd and M/s Tata Motors Limited submitted their bids and both the firms were technically qualified. However, bids were cancelled in November 2019 citing the reason that rate offered by the lowest bidder was higher than the rates paid in other states like Uttar Pradesh and Gujarat.

Further, JCTSL issued fresh NIB in November 2019 with increased minimum assured coverage from 160 to 200 km per day per bus and the number of depots to be operated were reduced from four to three. Based on the recommendation of technical and financial evaluation committee, M/s Tata Motors Ltd was selected with the lowest quote of ₹ 66.50 per km per bus and JCTSL issued Letter of Acceptance (LoA), to M/s Tata Motors Ltd. on 13.12.2019.

The contract with M/s Tata Motors Ltd. was to be executed within 30 days of issue of Letter of Acceptance (December 2019), however, it was executed on 25.06.2020.

²⁶ M/s Evey Trans Private Ltd. offered ₹ 85.95 per km per bus excluding GST and M/s Tata Motors Ltd. offered ₹ 89.10 per km per bus excluding GST.

Request for Proposal (RFP) specified that the operator will supply the prototype of the e-bus for approval of JCTSL, within 90 days from date of issue of LoA. Against deadline of 13 March 2020, M/s Tata Motors Ltd supplied the prototype of e-bus in September 2020. Inspection of the prototype was conducted by a Joint Committee of JCTSL which submitted its report in October 2020. A mobilization advance of ₹ 9.00 crore was paid to the firm in January 2021. This was paid from the first installment of the demand incentive of ₹ 9.00 crore²⁷ received from GoI.

During scrutiny of documents, it was observed that:-

- JCTSL did not evaluate the prototype with reference to the specifications detailed in the fresh NIB (November 2019) and after receiving prototype in September 2020, it pointed out (October 2020) shortcomings in the prototype suggesting changes not envisaged in the NIB. These included incorrect positioning of rear door, low height of front door/exit door, no separate driver cabin, no seat for conductor, no provision for hydraulic ramp for disabled person/senior citizens, small size of fire instruments installed in the bus.

It was noticed that M/s Tata Motors Ltd. accepted (November 2020) some suggestion of JCTSL and agreed to modify the bus accordingly. However, the main point of contention was the position of rear door of the bus. JCTSL wanted it to be behind the rear wheels, instead of being in the middle of the bus. M/s Tata Motors Ltd. argued that the prototype of e-bus was made as per the specifications notified in the NIB. Moreover, the firm was required to submit the prototype according to the specifications stipulated in the NIB and the inspection committee was to conduct the inspection in accordance to these specifications. Changing the specification by JCTSL after the award of contract was irregular.

- Meanwhile, JCTSL referred (August 2021) the matter for clarification to Central Institute of Road Transport (CIRT) which did not agree (September 2021) to the change proposed by JCTSL. Based on this report, JCTSL Inspection committee approved the prototype in March 2022 after a delay of 17 months²⁸. Instead of endorsing the communication of the prototype's approval to the firm, MD, JCTSL, issued (April 2022) written instructions to examine the contract signed with M/s Tata Motors Ltd. afresh and to point out all those provisions in the contract which are against the interest of JCTSL. A report was presented (April 2022) by Chief Financial Officer of JCTSL pointing out seven issues in the contract which were renegotiated (May 2022) with M/s Tata Motors Ltd. M/s Tata Motors Ltd was fully or

27 As per the expression of interest, 20% of demand incentive to be released to the JCTSL by the GoI after the issue of supply order and signing of the agreement by JCTSL with M/s Tata Motors Ltd. Total incentive amount was ₹ 45 crore.

28 17 months: from 13.10.2020 (date of inspection) to 16.03.2022 (approval of prototype by Inspection Committee).

conditionally²⁹ agreed (June/July 2022) on four issues and disagreed³⁰ on the remaining issues where modification required change in costing or were not feasible at that stage of contract. Audit found that issues raised by JCTSL were unjustified and indicated that JCTSL did not honor contractual obligations as these issues were in contravention to the original contract.

- After many rounds of discussions and meetings between JCTSL and the firm for amendment in the original contract, finally, in December 2022, JCTSL sent a note to the Government of Rajasthan (GoR) for guidance stating that M/s Tata Motors Ltd. had refused to modify the bus structure (rear door positioning) and the prototype submitted by the firm had been inspected by the third party (CIRT), but omitted the fact that CIRT had approved the prototype. From December 2022 to June 2023, JCTSL and the GoR were engaged in correspondence, but no decision was taken on procurement of e-buses.
- Since JCTSL had not made any progress in procurement of 100 e-buses sanctioned under FAME-II scheme after lapse of four years, Government of India cancelled the project in June 2023. Further, GoI directed JCTSL to refund ₹ 9.00 crore paid by GoI along with interest and also directed to submit the reasons for non-procurement of the e-buses, as per the Government of India's directions. Subsequently, in August 2023, Government of Rajasthan cancelled the PPP contract with M/s Tata Motors Ltd.

Thus, the contract was cancelled due to non-transparent and irregular working of JCTSL.

In reply, the MD, JCTSL mentioned (July 2024) that JCTSL had written to M/s Tata Motors Ltd. regarding change in positioning of door behind the rear door wheels 'as per the provision of contract' but no action was taken by M/s Tata Motors Ltd. It was also stated that the advance of ₹ 9 crore has been recovered from M/s Tata Motors Ltd. without interest and has been refunded (November 2024) to GoI. The reply is not tenable as the firm submitted the prototype according to the specifications stipulated in the NIB and proposal of JCTSL in changing of door position was also not accepted by CIRT.

Thus, despite receiving funds from the Government of India, JCTSL was unable to proceed with the procurement of e-buses under the FAME-II scheme due to irregularity, lack of transparent processing and the introduction of inconsistent contractual conditions which ultimately resulted in lapse of the intended opportunity.

29 To increase time limit for payment to M/s Tata Motors Ltd from 15 days to two months, to increase changes in electricity charges from six monthly to annually, Revision of time line in submitting the bills by the firm from 15 days to 30 days, Adherence to timeline for supply of e-buses. M/s Tata Motors Ltd agreed subject to the approval of prototype of bus by JCTSL within 60 days from the date of the renegotiation meeting.

30 Amend the contract to exclude the dead mileage from cost per km per bus and require the dead mileage to be borne by the firm, Change the location of one of the three depots from that designated in the contract. Cost of electricity connection of two out of three depots should be borne by M/s Tata Motors Ltd. The firm disagreed on these issues.

The matter was reported to the State Government in December 2024, their reply was awaited as of August 2025.

Sainik Kalyan Vibhag

7.8 Improper planning resulted in non-utilisation of Veerangana Hostel cum Rehabilitation Centre, Jodhpur

Construction of Veerangana Hostel cum Rehabilitation Centre, Jodhpur at the cost of ₹ 5.51 crore without conducting feasibility study remained unutilised even after lapse of more than five years.

Sainik Kalyan Vibhag (SKV), Government of Rajasthan (GoR) established four³¹ Veerangana Hostel cum Rehabilitation Centres (VHRC)³² with an objective to provide rehabilitation facilities to war widows by imparting training to improve technical skills and provide academic education to dependent children and make them self-dependent. Audit noticed non-utilisation of VHRC and Residential Flats³³ at Jodhpur as discussed below:

In compliance of budget announcement for the year 2012-13, GoR made a provision of ₹ 6.45 crore for construction of VHRC at Jodhpur. Against this provision, GoR issued (June 2012) sanction of ₹ 1.50 crore for expenditure on the work. Further, an additional sanction of ₹ 4.95 crore was issued in May 2013. Work was to be executed by Public Works Department (PWD).

Scrutiny of records (April 2022 and August 2024) of Director, SKV revealed that Zila Sainik Kalyan Adhikari (ZSKA), Jodhpur on the directions of Director, SKV had sent (February 2006) a proposal for allotment of land to Jodhpur Development Authority (JDA), then Urban Improvement Trust, Jodhpur for construction of VHRC. After five years, the JDA, Jodhpur allotted (April 2011) 2,000 sq.mt. land for the purpose.

During construction of second floor of the residential flats, the work was stopped (December 2013) by Air Force Station, Jodhpur directing ZSKA, Jodhpur for want of 'No Objection Certificate' (NOC) from Ministry of Defence (MoD) as the site was in close vicinity of Air Force Station. Thereafter, ZSKA, Jodhpur applied (October 2014) for NOC and subsequently MoD issued (March 2015) NOC for construction of the building.

Audit noticed that neither SKV nor the PWD was aware of the requirement of obtaining the NOC and it was only upon receiving the notice that the procedure of applying for NOC was undertaken. Even after receipt of NOC, the work was completed after four years in March 2019 due to delay in water pipeline connection and work related to furniture. An expenditure of ₹ 5.51 crore was incurred on the construction work. ZSKA, Jodhpur did not take over the

31 Four VHRCs established during September 2005 to September 2019: (i) Jaipur – 17 September 2005; (ii) Jhunjhunu – 16 September 2010; (iii) Sikar – 1st phase: 21 October 2011 & 2nd phase: 28 October 2016 and (iv) Jodhpur – 07 September 2019.

32 The Veerangana Hostel and residential flats are the components of VHRC.

33 The hostels are meant for children of Veeranganas who are more than of 18 years of age, whereas the residential flats are for Veeranganas living alone or with her children.

building from PWD owing to certain deficiencies³⁴ but consequent upon verbal instruction of District Magistrate (DM), Jodhpur, ZSKA, Jodhpur, took over the buildings in September 2019.

It was also observed that the hostel and rehabilitation centre is located at a far flung and an isolated location, 12 and 15 kms from the railway station and bus stand respectively with no public conveyance available for 1.5 kms from the main road to the hostel and rehabilitation centre.

With a view to utilise the facilities, personal letters were to be written to the probable beneficiaries as well as all ZSKAs. Also, the information was to be promulgated in Sainik rallies and through pamphlets and newspapers. SKV wrote to all ZSKAs in January, March, and June 2020 to publicise and encourage the intended beneficiaries. However, no eligible widows or dependents of martyrs or ex-servicemen has shown interest in applying for the flats or hostel facilities. The construction of VHRC was taken up without conducting any feasibility study for assessing the actual requirement of a VHRC in Jodhpur. Moreover, no record was found in support of conducting any feasibility study as regard to location of the Hostel. Consequently, ZSKA, Jodhpur recommended (December 2021) SKV to explore possibilities for alternative usage of the constructed building and sent (December 2021 and December 2022) a proposal to utilise the existing infrastructure for handed over to any Government department like Social Welfare Department or imparting skill development and academic coaching to the ex-servicemen, widows and their dependents. This exhibits that there was no specific plan for alternate utilisation of the asset created.

Joint physical verification conducted (April 2023) by audit with ZSKA official revealed that the hostel and rehabilitation centre was lying unutilized since its handing over of the building and electricity connection was temporarily disconnected as shown below:



Photographs showing building and facilities lying idle at Rehabilitation Centre, Jodhpur

The GoR stated (January 2025) that no consent was taken from SKV for allotment of land. Despite adequate publicity and efforts, no applications were received due to peculiar social background and customs in the area. It was further stated that the proposal for alternate utilisation of the non-functional

³⁴ Pipe for removal of rainy water, breaking of handles of windows, non-installation of light in bathrooms, broken of plaster, cracks in walls, tube light/blub/exhaust fan not fitted in latrines, pelmet not fitted on windows and rooms etc.

buildings is under consideration at the State Government level and ₹ 0.59 crore have been approved for repair work of the rehabilitation centre.

The reply of the department establishes that there was no coordination between the SKV and local administration in deciding the location of the site for hostel and rehabilitation centre. Further, allotment of land at isolated location by authorities concerned shows the insensitivity towards war-widows. It also shows that in addition to non-achieving the primary objective, the prolonged non-utilisation has resulted in an avoidable burden of ₹ 0.59 crore on repair works of the unutilised buildings. With regard to proposal for alternate utilisation of the non-functional building, it was observed that the proposal was sent to State Government in December 2022, but no decision has been made even after lapse of more than two years.

Due to non-conduct of any feasibility study and improper selection of site in consonance with the desired purpose, VHRC Jodhpur remained unutilised even after more than five years of its completion. Moreover, the Government has not made alternative use of property despite the proposal submitted two years ago.

JAIPUR,
The 20 January 2026


(SATISH KUMAR GARG)
Principal Accountant General
(Audit-I), Rajasthan

Countersigned

NEW DELHI,
The 27 January 2026


(K. SANJAY MURTHY)
Comptroller and Auditor General of India