

**CHAPTER-IV
AUDIT OF TRANSACTIONS**

4.1 Fraudulent drawal/misappropriation/embezzlement/losses

Education Department

4.1.1 Excess consumption of wheat under Mid Day Meal Scheme and other irregularities

In Mid Day Meal Scheme irregularities such as excess consumption of wheat valuing Rs 2.37 crore, short supply of wheat by transporters (Rs 96.27 lakh), non-recovery of cost of wheat from contractors and excess payment towards cooking charges, etc. were noticed.

Pursuant to the directions given by the Supreme Court of India in November 2001, exhaustive guidelines/directions were issued by the State Government in May 2002 for distribution of wheat for Mid Day Meal Scheme (MDMS). The guidelines stipulated for providing prepared/cooked meal from July 2002 to every child in Government and Government assisted primary schools of all the 32 districts with meal prepared with 100 gms wheat for each student per school day.

Test-check (July 2003) of records of the District Education Officer (DEO), Bharatpur, and detailed scrutiny (July to October 2004) of five DEOs (Jaipur, Jodhpur, Bikaner, Kota and Nagaur) and their Block Education Officers (BEOs) alongwith information provided by the four DEOs (Jaisalmer, Udaipur, Banswara and Jhalawar) as regards number of students and consumption of wheat during July 2002 to June 2004 revealed the following:

(i) Calculated with reference to the stipulation of providing prepared meal of 100 gms wheat to each student for school day, an excess utilisation of 35880 quintals of wheat (cost: Rs 2.37 crore at Rs 660 per quintal) was noticed in 10 DEOs as detailed below:

| | DEO | Period | Total number of students | Total wheat consumption (in quintals) | | Total excess consumption in quintals (excluding short utilisation in some months) |
|--|-----|--------|--------------------------|---------------------------------------|-------------------------------------|---|
| | | | | Actual | As per norms of 100 gms per student | |
| | | | | | | |

| S.No. | Macro View | | | | | |
|--------------|------------------|------------------------|-----------------|-----------------|-----------------|---------------|
| 1. | Bharatpur | July 2002 to June 2003 | 5,26,00,430 | 57,990 | 52,600 | 5,390 |
| 2. | Jaisalmer | -do- | 1,40,50,552 | 14,677 | 14,051 | 626 |
| 3. | Jhalawar | -do- | 3,12,13,916 | 38,129 | 31,214 | 6,915 |
| 4. | Banswara | -do- | 4,20,81,245 | 52,585 | 42,081 | 10,504 |
| 5. | Udaipur | -do- | 8,29,83,084 | 87,848 | 82,983 | 4,865 |
| Micro View | | | | | | |
| 6. | Jodhpur (1 BEO) | July 2002 to June 2003 | 75,01,350 | 8,748 | 7,501 | 1,247 |
| 7. | Jaipur (3 BEOs) | July 2002 to June 2004 | 91,57,434 | 10,209 | 9,157 | 1,052 |
| 8. | Nagaur (3 BEOs) | -do- | 3,25,70,300 | 35,759 | 32,570 | 3,189 |
| 9. | Bikaner (2 BEOs) | -do- | 1,50,61,927 | 16,865 | 15,062 | 1,803 |
| 10. | Kota (1 BEO) | -do- | NA | 6,025 | 5,736 | 289 |
| Total | | | 3,28,835 | 3,28,835 | 2,92,955 | 35,880 |

An analysis of the information regarding number of students and consumption of wheat per student present per day as furnished by DEOs further revealed that:

- In DEO, Bharatpur, no records of lifting and transportation of allotted wheat was maintained. No record of enrolled students was maintained at district level. The information received from subordinate offices was forwarded by DEO to District Collector for allocation of wheat without verification of authenticity of such information.
- In DEO, Udaipur, the monthwise average of number of students attended schools per day remained constant at 304064 during July 2002 to February 2003 but it increased to 365342 during April to June 2003 and no student in March 2003.
- In DEO, Jaisalmer, the number of students decreased from 53500 in July 2002 to 48889 in February 2003 and extraordinarily increased to 71620 in April 2003. During May 2003 and June 2003, it was shown constant at 62578.
- In DEO, Banswara, the number of students decreased from 196714 in July 2002 to 146315 in April 2003 and to no student in March 2003.
- In DEOs, Udaipur and Jaisalmer the number of students during the vacations of May –June 2003 exceeded the number of students in July 2002.
- In all the DEOs between July 2002 to June 2003, the month-wise average number of students showed substantial variations.
- The percentage of students attending school to those enrolled was 79 (BEO, Didwana-DEO, Nagaur), 71 (BEO, Kolayat- DEO, Bikaner) during July 2002 to June 2003, 69 (BEO, Loonkaransar-DEO, Bikaner) and 64 (BEO, Kolayat-DEO, Bikaner) during July 2003 to June 2004.

The above analysis indicates that (i) DEOs did not maintain proper records and (ii) they allowed distribution of wheat without verification of the information received from subordinate offices. Thus, the record of utilisation of the wheat is not reliable and the possibility of misutilisation thereof cannot be ruled out.

(ii) Lifting, transportation and distribution of wheat was done by various contractors who claimed their payments after distribution of wheat from DEO/BEO concerned. It was noticed that as against distribution of 48025.04 quintals of wheat by contractors during July 2002 to June 2004 as per records of DEOs, Jodhpur, Jaipur and Nagaur actual distribution as per school records was 33439.37 quintals

only resulting in short receipt of 14585.67 quintals wheat costing Rs 96.27 lakh by the schools as detailed below:

| S.No. | DEO | BEO | Period | Wheat distributed (in quintals) | | |
|--------------|---------|---------------|--------------|---|-----------------|-----------------|
| | | | | As per DEO/BEO | As per schools | Short supplied |
| 1. | Jodhpur | Osian | 7/02 to 6/03 | 18643.39 | 15352.00 | 3291.39 |
| | | -do- | 7/03 to 6/04 | 15293 (including opening balance with contractor) | 6316.11 | 8976.89 |
| 2. | Jaipur | Jaipur (West) | 7/02 to 6/04 | 5093.03 | 3779.23 | 1313.80 |
| | | Dudu | -do- | 156.66 | 141.26 | 15.40 |
| | | Sambhar | -do- | 278.61 | 96.19 | 182.42 |
| 3. | Nagaur | Jayal | 7/02 to 6/03 | 7477.35 | 7059.20 | 418.15 |
| | | Mundwa | 5/03 | 380.65 | 314.73 | 65.92 |
| | | | 6/03 | 702.35 | 380.65 | 321.70 |
| Total | | | | 48025.04 | 33439.37 | 14585.67 |

This indicated that department had no system for reconciliation of actual distribution and distribution claimed by contractor, which led to misappropriation of 14585.67 quintals of wheat valuing Rs 96.27 lakh.

(iii) Three BEOs of DEO, Nagaur¹ neither carried forward the balance of 1939.19 quintals of undistributed wheat lying with contractors as of 30 June 2003 and 30 June 2004 to next year nor its value was recovered from the defaulting contractors.

Thus, failure of departmental officers in conducting physical verification resulted in non-accountal of 1939.19 quintals wheat leading to possible misappropriation of wheat valuing Rs 12.80 lakh.

(iv) BEO, Mandore of DEO, Jodhpur, who had a stock of 685.88 quintals wheat as on 1 July 2002, further received 10289.54 quintals and utilised 9156.36 quintals wheat during July 2002 to June 2004. The closing balance of wheat as on 30 June 2004 was taken as 1496.20 quintals as against 1819.06 quintals resulting in short exhibiting of stock by 322.86 quintals (value: Rs 2.13 lakh). As no physical verification was conducted by the department, the possibility of misappropriation of this wheat cannot be ruled out.

(v) Seven schools each under BEO, Kolayat and Nokha of DEO, Bikaner accounted for 77.50 quintals wheat in their books against receipt of 118.78 quintals thereby taking wheat short by 41.28 quintals valuing Rs 0.27 lakh. Neither reasons for taking wheat short in books were investigated nor the loss was made good.

(vi) Guidelines provide payment of Rs 5 per kg of wheat to cooks for preparing cooked meal through the *Gram Panchayat*/Urban executing agencies.

Cooking charges of Rs 130.51 lakh were paid through *Gram Panchayats*/ executing agencies by two BEOs under DEO, Jodhpur and Jaipur as against actual payable charges of Rs 111.41 lakh for 22283 quintals² of wheat utilised during July 2002 to June 2004. The balance amount Rs 19.10 lakh was lying with the *Gram Panchayats*/Executing agencies.

Audit observed that cooking charges were paid for the quantity of wheat lifted from Food Corporation of India instead of the actual quantity utilised for cooking.

(vii) DEO, Jodhpur remitted Rs 6.14 lakh to BEO, Mandore for paying cooking charges for the months of December 2003 and January 2004. This amount was not found entered in books of BEO, Mandore. Possibility of its embezzlement cannot be ruled out.

(viii) As against the average monthly consumption of 402.55 to 552.21 quintals, wheat in schools under BEO Balesar (DEO, Jodhpur) the corresponding closing balances with schools at the end of each month during November 2003 to June 2004 ranged from 3759.95 to 4481.23 quintals (nine times of actual monthly consumption). Possibility of theft, misappropriation of the wheat and the wheat being unsuitable for human consumption due to longer storage without adequate storage facilities cannot be

ruled out. Issuing of wheat on the basis of number of enrolled students instead of actual beneficiaries indicated lack of system control.

(ix) The quantity of wheat lifted, distributed and utilised by DEOs Jodhpur and Nagaur differed from the quantities of BEO(s) as follows :

| DEO | BEO | Period | Wheat distributed (quintals) | | | Utilisation (quintals) | | |
|---------|---------------|-------------|------------------------------|------------|------------|------------------------|------------|------------|
| | | | As per DEO | As per BEO | Difference | As per DEO | As per BEO | Difference |
| Jodhpur | Luni | 10/02-01/03 | 2941.66 | 2626.07 | 315.59 | - | - | - |
| | Bap | 10/02-01/03 | 13276.08 | 10038.49 | 3237.59 | - | - | - |
| Nagaur | Ladnu | 07/02-06/04 | 9403.01 | 9303.64 | 99.37 | 8726.22 | 8575.02 | 151.20 |
| | Kuchaman City | 07/02-06/04 | 16620.86 | 17290.81 | (-) 669.95 | - | - | - |
| | Jayal | 07/02-06/04 | 10779.69 | 11750.08 | (-) 970.39 | 11485.52 | 11245.05 | 240.47 |

This indicated lack of coordination and non-existence of system of reconciliation. DEO, Nagaur furnished nil information of closing stock at the close of each month but as per school and BEO records, there was closing balance at the end of each month.

(x) Mid Day Meal is being given to students attending the school i.e. to beneficiary students. DEO, Nagaur furnished uniform number of 260186 and 292035 of beneficiary students every month during academic year 2002-03 and 2003-04 respectively. Uniform number of students each month attending schools is not realistic. This indicates the possibility of fabrication of figures.

(xi) Test-check of schools records of six BEOs of DEO Jaipur and two BEOs of DEO, Bikaner revealed that the number of beneficiary students exceeded the number of students attending the schools as detailed below:

| S. No. | DEO | BEO | Number of schools | Period | Number of students | | |
|------------------|-----------------|-------------|-------------------|---------------|--------------------|--------|--------------|
| Extended benefit | Attended school | Excess | | | | | |
| 1. | Jaipur | Kotputli | 26 | 7/02 to 6/04 | 248936 | 240810 | 8126 |
| | | Shahpura | 18 | 7/02 to 6/04 | 82749 | 80739 | 2010 |
| | | Govindgarh | 12 | 7/02 to 6/04 | 62106 | 60389 | 1717 |
| | | Jhotwara | 2 | 7/02 to 6/04 | 16973 | 16692 | 281 |
| | | Bassi | 17 | 7/02 to 6/04 | 44540 | 41126 | 3414 |
| | | Virat Nagar | 4 | 7/02 to 6/04 | 15742 | 15368 | 374 |
| 2. | Bikaner | Nokha | 4 | 9/02 and 9/03 | 13207 | 12689 | 518 |
| | | Kolayat | 3 | 9/02 and 9/03 | 13161 | 12161 | 1000 |
| Total | | | | | | | 17440 |

This indicated that numbers of beneficiary students were calculated on the basis of actual consumption of wheat. This fact was confirmed by BEO, Ladnu (DEO, Nagaur) and BEO, Govindgarh (DEO, Jaipur). In this process, possibility of misutilisation of wheat cannot be ruled out.

(xii) Despite Supreme Court's order and Government instructions to provide cooked food to every child attending Government and Government assisted primary school every day, no meal was provided at Loharpura Nagaur (July 2002 to January 2004) School No. 10 Nagaur (July 2002 to June 2004), Rathori Kua Nagaur (January 2003 to September 2003 and April and May 2004), and No.8 Nagaur (July 2002 to August 2002, February 2003 to October 2003 and March 2004 to May 2004) schools under DEO, Nagaur.

Conclusion

Department has not evolved any system for proper accounting, physical verification, mid term appraisal of the scheme at BEO/DEO level and relied on information furnished by contractors, instead of collecting of information from field formations. Wheat was issued to contractors, on the basis of number of enrolled students which was far from authentic, instead of beneficiaries of previous month that too without examining the position of utilisation of previously issued quantity. Thus, possibility of

misappropriation of wheat could not be ruled out.

The matter was referred to the Government in December 2003, June 2004 and November 2004; their reply has not been received.

Public Health Engineering Department

4.1.2 Non-availing of the benefits of exemption of excise duty

Department's failure to monitor and to take prompt action for obtaining benefit of ED exemption resulted in loss of Rs 9.11 crore to Government.

Government of India (GOI), Ministry of Finance and Company Affairs, through a Notification dated 6 September 2002 announced exemption from Central Excise Duty (ED) on pipes required for obtaining untreated (raw) water from its sources to the plant and for supplying the treated (potable drinking) water to the storage place. The notification was intended to reduce the cost of water supply schemes and thus provide safe drinking water to the masses. The exemption was available subject to issue of a certificate to this effect by the Collector of the district in which the plant (filter) was located. Government of India, asked in October 2002 Chief Secretary to the Government of Rajasthan to formulate schemes to take advantage of the exemption notification.

In a meeting held (July 2003) among Public Health Engineering Department (PHED), Finance Department of Rajasthan and Central Excise Department, Jaipur it was decided that the Chief Engineer (CE) (Hqrs.), PHED, Rajasthan, Jaipur would issue detailed procedure and instructions to the Drawing and Disbursing Officer (DDO) and the consignees separately for implementation of the above notification. CE issued detailed instructions on the subject only in March 2004.

Scrutiny of records in 20³ PHED Divisions (14 districts) revealed that Executive Engineers (EEs) procured 16,53,120.87 metres pipes between October 2002 and March 2004 for obtaining untreated water from its source to the plant and supply of treated water after issue of notification (September 2002) but did not avail the benefit of exemption envisaged in the notification and paid Rs 9.11 crore as ED. The benefit of providing drinking water at a reduced cost was not availed by the Department.

It was further observed that:

- Though the notification was issued in September 2002 meeting was convened by the PHED in July 2003 (nine months later). Further, CE (Headquarters) took another eight months (July 2003 to March 2004) in issuing the detailed procedures and instructions.
- EE, PHED, Division Jhalawar and Phalodi, did not deduct the amount of ED from payments made to the contractors though some of the supply orders placed with the firms explicitly provided for availing of ED exemption benefit. EE, PHED Phalodi stated in January 2004 that since the rates approved in the rate contract with firms were inclusive of ED, full payment was made to the firms. EEs contention was not tenable because the supplier firms were bound to pass on the ED exemption benefit to the department.
- CE, PHED even after issue of ED notification (September 2002) executed (between January and March 2003) three rate contracts for supply of pipes with rates inclusive of ED. This resulted into excess/extra payment of Rs 2.09 crore as per information supplied by the EEs.
- In case of ongoing turnkey project (Churu-Bissau Project), the department failed to deduct the amount (Rs 2.46 crore) of ED from payments made to the contractor firms on account of exemption availed of by them. EE contended (March 2004) that the agreement executed with the firm did not

contain any such clause, so no deductions were made on account of ED exemption. This resulted in loss of Rs 2.46 crore to Government.

Thus, department's failure to monitor and to take prompt action for obtaining benefit of ED exemption resulted in loss of Rs 9.11 crore to Government.

The Government while accepting the facts (October 2004) stated that NITs were called before the issuance of notification and that the condition of the contract could not be changed at the time of issuance of rate contract/execution of agreement. The reply was not tenable as the department had to simply avail of the benefit of exemption which could be ensured even without changing the conditions.

Rural Development and Panchayati Raj Department

4.1.3 Loss due to non-levy of surcharge on stamp duty on sale of properties in rural areas and on mandi fees

Failure of the Government to make specific rules/procedures relating to fixation of rate structure etc. resulted in loss of revenue to the tune of Rs 9.89 crore during 2002-04, while PRIs were divested of power to mobilise their own resources.

Pursuant to 73rd Constitutional Amendment 1992 for decentralising powers and strengthening of Panchayati Raj Institutions (PRIs), the Government of Rajasthan enacted Rajasthan Panchayati Raj Act, 1994. The Article 243 (G) envisaged the PRI to function as an 'Institution of self-Government' having funds, functionaries and freedom in decision making. Keeping this in view, Section 69 of the Act the Government empowered *Zila Parishads* to impose certain taxes and fees viz. surcharge upto 5 per cent on stamp duty on sale of property in rural areas to be collected by Sub-Registrar and upto ½ per cent surcharge on Mandi fees to be collected by Mandi Samitis and credited to Personal Deposit (PD) Account of *Zila Parishads*. Eleventh Finance Commission observed in June 2000 that though the State legislature provided for levy and collection of certain taxes, fees, tolls etc. rules relating to fixation of rates structure were not made/reviewed periodically. Second State Finance Commission further observed (August 2001) that the recoveries of such taxes could not be made for want of rules relating to fixation of rate structure etc. and recommended (August 2001) to sort out the issue of levying and collection of surcharge on stamp duty at State level as per procedure laid down by the State Finance Department. Subsequently, the Government of Rajasthan vide an order dated 19 June 2003 devolved powers and works to PRIs which *inter-alia*, empowered PRIs to raise and utilise their own revenues. Despite recommendations by the Finance Commission from time to time and devolution of power in June 2003, the Government however, did not make rules/procedures relating to fixation of rate structure etc. to generate their own revenues so far (June 2004).

During the audit of PRIs, it was noticed that PRIs were not in a position to collect surcharge/cess on Stamp duty on sale of properties in absence of respective rules and procedures, relating to fixation of rate structure etc. (excepting in an isolated case in Sikar District (November 1997) where the two Sub-Registrars⁴ made one time collection and deposited Rs 0.20 lakh in January 1998). It was observed that the total sale of stamps on registration of documents relating to sale of buildings during 2002-03 and 2003-04 was Rs 110.47 crore and Rs 109.69 crore respectively. Had the surcharge/cess been imposed PRIs would have got a revenue of Rs 8.43 crore (76.6 per cent⁵ of 5 per cent of Rs 220.16 crore).

Similarly, in absence of specific rules and procedure relating to fixation of rate structure etc. an amount of Rs 1.46 crore being ½ per cent surcharge on mandi fees of Rs 291.77 crore during 2002-04 could not be recovered.

Thus, failure of the Government to make specific rules relating to fixation of rate structure etc. resulted in foregoing potential revenue to the tune of Rs 9.89 crore during 2002-04, while PRIs were not enabled

to mobilise their own resources.

The State Government while accepting the facts stated (October 2004) that efforts are being made to get the Stamp Act and Rajasthan Agricultural Produce Market Act amended and recovery will be affected when the procedure of recovery is finalised by the Finance Department. The reply was not tenable as there was no need to amend Stamp Act/Rajasthan Agricultural Produce Market Act when there existed a provision in Rajasthan Panchayati Raj Act for levy of such tax. Only the rules and procedures for collecting such taxes was to be finalised by the Department. Failure of the department in finalising the rules/procedure for collecting such taxes resulted in loss of revenue to the tune of Rs 9.89 crore during 2002-04, while PRIs were divested of power to mobilise their own resources.

4.2 Avoidable/excess/unfruitful expenditure

Command Area Development and Water Utilisation Department

4.2.1 Unfruitful expenditure/blocking of funds on construction of water courses

Non-utilisation of water courses and construction of water courses in areas having water table between two to 10 m bgl resulted in blocking of funds of Rs 24.81 crore and unfruitful expenditure of Rs 69.94 lakh.

(a) The Command Area Development Programme started in 1974 with the objective of optimum utilisation of irrigation water for maximising agricultural production and productivity through a multi-disciplinary approach, which included construction of lined water courses from the channel to the field and finally promote settlement in the difficult terrain. The Area Development Commissioner (ADC), Bikaner monitors and coordinates irrigation activities through Chief Engineer (CE), Indira Gandhi Nahar Pariyojana, Bikaner/Jaisalmer and land allotment activities through Commissioner, Colonisation Department, Bikaner.

During 1996-2001, 177 water courses were constructed by four divisions⁶ of CAD in Jaisalmer district at a cost of Rs 24.81 crore and a Culturable Command Area (CCA) of 42,259 hectare was created as detailed below:

| Period of completion | Number of water courses | Culturable Command Area (In hectare) | Cost (Rupees in crore) |
|----------------------|-------------------------|--------------------------------------|------------------------|
| 1996-97 | 18 | 3988 | 2.15 |
| 1997-98 | 40 | 9266 | 5.07 |
| 1998-99 | 29 | 6869 | 3.79 |
| 1999-2000 | 43 | 10482 | 5.95 |
| 2000-2001 | 47 | 11654 | 7.85 |
| | 177 | 42259 | 24.81 |

For providing water to cultivators for irrigation purpose *Nakas* were constructed on all the water courses and the *Naka* shutters⁷ were to be handed over to cultivators through Settlement Motivation Officer/District Extension Officer.

Audit observed that these water courses were lying unutilised due to (i) construction of water courses in the tail or remote area, (ii) non-availability of basic facilities in the area, (iii) less availability of irrigable water and (iv) non-settlement of cultivators in nearby areas for which the ADC, Bikaner was responsible, which is indicative of departmental failure in planning and coordination.

In reply, Superintending Engineer, CAD, Bikaner stated (December 2003) that the main reason for non-settlement of cultivators was their non-availability in the areas of stage-II due to different geographical

conditions. This is not tenable as the department has failed in achieving the laid down objective of promoting settlement in difficult terrain through a multi-disciplinary approach.

Thus, lack of proper planning of the department and its failure to ensure co-ordination with the Colonisation Department resulted in blocking of Rs 24.81 crore on water courses lying unutilised.

The matter was brought to the notice of Government/Department in February 2004; reply was awaited (November 2004).

(b) To solve the water logging problem in Indira Gandhi Nahar Pariyojana (IGNP) Stage-II Command, the State Level Anti Water Logging Committee⁸ headed by Secretary, Command Area Development and Water Utilisation Department and having some technical experts decided (February 1997) that (i) areas having water table more than 10 metres (m) below ground levels (bgl) be cleared for land allotment and construction of canal/water courses, (ii) areas having water table between 2m to 10m bgl should be reserved for allottees adopting sprinkler/drip irrigation systems and no flow irrigation will be allowed and (iii) areas having water table within 2m bgl, land should not be allotted and canal/water courses not constructed.

Based on the extensive tests conducted in April 1996 by officers of Ground Water Department (GWD) and IGNP Department, 65 *chaks* were identified in July 1997 as having water table more than 10m bgl. These 65 *chaks* were cleared by the Commissioner, Command Area Development (CAD), IGNP, Bikaner for allotment of land and construction of canal/water courses for flow irrigation. The construction of water courses in nine *chaks*⁹ (having Culturable Command Area (CCA) of 1613 hectares) was awarded (December 1998 to December 1999) to various contractors and completed (June 1999 to April 2002) at a cost of Rs 69.94 lakh. Meanwhile, a Committee constituted (August 1999) by the Government to identify the specific areas to be reserved for afforestation in its report of November 1999 indicated that the above areas of 1613 hectares as having water table between two to 10m bgl were reserved for drip irrigation only. Subsequently, a Committee headed by the Chief Secretary, Rajasthan decided in April 2001 to transfer 22000 hectare of waste land, including the above nine *chaks* of 1613 hectares to Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) for allotment to the agro based projects in private sector.

It was observed that constructing water courses for flow irrigation in an area having water table between two to 10m bgl itself was *ab-initio* wrong. Expenditure of Rs 69.94 lakh on construction of water courses on 1613 hectares for flow irrigation, therefore, became unfruitful. Secondly, decision of the Government to hand over area, where water courses had already been constructed and also fit for drip irrigation due to water table being closer to surface was not only imprudent but it also would deprive the Government of the benefit of developed CCA as well as the farmers in rain scarce areas.

While accepting the facts, State Government stated (January 2004) that irrigation in these *chaks* was being done and only the irrigation procedure has been changed from flow irrigation to sprinkler/drip irrigation method. The reply was not tenable because the Government had already spent Rs 69.94 lakh on construction of water courses for flow irrigation and it would have to spend further on developing sprinkler/drip irrigation. Further, it is illogical to hand over an irrigable developed command area for the purpose of industry.

4.2.2 Avoidable expenditure due to imprudent change in decision

Imprudent change in decision, improper handling of tenders and rescinding of old contract/tender led to avoidable expenditure of Rs 38.75 lakh.

Executive Engineer (EE), Command Area Development (CAD), Bandhela Division Bikaner, Biradhwal Division, Bikaner and Sakaria Division-II, Bikaner (now merged with Phalodi Division, Jaisalmer)

invited tenders (August to November 1992) for construction of *Pucca* water courses in 6 *chaks* (71,72,77,79-82 SLD, 19-21 SLM and 1-2 HTM) on labour and carriage rate basis¹⁰ even before approval of proposals and accord of technical sanction. The proposals of these water courses were approved (January 1993) by Advisory Committee and the estimates were sanctioned (January 1993) by the Chief Engineer (CE), CAD, Indira Gandhi Nahar Pariyojana (IGNP), Bikaner. Works in respect of 3 *chaks* 77, 79-82 SLD and 1-2 HTM were allotted (February 1993) to contractors 'A','B' and 'C' for Rs 3.59 lakh, Rs 3.81 lakh and Rs 5.45 lakh (excluding material Rs 24.78 lakh) respectively with the scheduled date of start in February 1993 to be completed within nine months. No work orders were issued in respect of the remaining 3 *chaks*.

After a visit in February 1993 to the area by Secretary, CAD alongwith CE and Area Development Commissioner (ADC) an order was issued by CE in February 1993 to stop the ongoing works and switch over the working of the organisation from *labour and carriage* to *through rate basis*¹¹ without assigning any reasons. Contractors 'A' and 'C' were paid in July 1993 Rs 1.17 lakh and Rs 0.45 lakh against the work executed. Contractor 'B' did not, however, commence the work. Hence, no payment was made to him. Subsequently EE, Phalodi Division, CAD, IGNP, Jaisalmer invited tenders in November and December 1993 on *through rate basis* but the same were rejected (August 1994) by Superintending Engineer, CAD, IGNP, Jaisalmer being costly. The earlier contractors, when contacted by EE, refused (August to October 1994) to execute works as per rates of old agreements due to hike in prices/ expiry of the stipulated period of completion/ contractors demand to execute work at 50 per cent extra rate.

Details of the tenders invited/re-invited and cancelled after switching back (May 1994) to labour and carriage rate are given below:

| S.No. | Name of <i>chak</i> | Tender invited for the 1st time | Date of cancellation | Tender invited for the II nd time | Date of cancellation | Tender invited for the III rd time | Date of cancellation | Date of award of work | Reason for cancellation |
|-------|---------------------|---------------------------------|----------------------|--|----------------------|---|----------------------|-----------------------|---|
| 1. | 71 SLD | 22.7.1994 | 15.11.1996 | 29.11.1996 | 20.7.1999 | 26.9.2000 | 12.2.2002 | 9.4.2002 | (i) Contractor's refusal to extend the validity period, (ii) Non-receipt of approval of higher rate from Advisory Committee and (iii) Non-cancellation of previous tenders and old agreement. |
| 2. | 72 SLD | 12.8.1994 | 15.11.1996 | 29.11.1996 | 20.7.1999 | 26.9.2000 | - | 28.11.2002 | |
| 3. | 77 SLD | 28.2.1995 | 11.11.1999 | 29.11.1996 | NA | 18.8.2001 | - | 25.10.2001 | |
| 4. | 79-82 SLD | 28.2.1995 | 8.12.1999 | 29.11.1996 | NA | 18.8.2001 | - | 25.10.2001 | |
| 5. | 19-21 SLM | 26.8.1994 | 4.7.1996 | 29.11.1996 | 20.7.1999 | 29.11.2000 | - | 16.2.2001 | |
| 6. | 1-2 HTM | 6.2.1997 | 25.9.1998 | Not invited | - | 18.8.2001 | - | 9.11.2001 | |

A perusal of the above table would reveal that department invited tenders again and again and took 19-58 months in cancelling and re-awarding the tender. The work of 6 *chaks* were finally allotted (February 2001 to November 2002) to various contractors for Rs 110.72 lakh and paid Rs 100.22 lakh to contractors as of August 2003. The work of 4 *chaks* were completed (October 2002 to August 2003) and 2 *chaks* were in progress (May 2004).

It was observed that (i) analysis of rates was not done before switching over from one procedure to the other and (ii) tender cases/rescinding of old contract agreement were not handled properly which resulted in inordinate delay of seven years for re-awarding of the works. The imprudent action of CE, improper handling of tenders and rescinding of old contract/tender led to avoidable excess expenditure of Rs 38.75 lakh as of August 2003 on re-tendering. This would further increase on completion of two works (71 and 72 SLD) under progress (May 2004).

The CE in his reply (March 2004) stated that the decision to change from *labour and carriage rate basis* to *through rate basis* was taken as a policy matter to execute the work at a lower cost. But the fact

remains that the department had to sustain avoidable expenditure of Rs 38.75 lakh due to indecision of the CE on rate and failure of the department to initiate timely action in handling of tenders.

The matter was referred to the State Government in November 2003; reply is still awaited (November 2004).

4.2.3 Avoidable payment of escalation charges due to delay in acceptance of tenders

Abnormal delay in sanction of tender by the State Government resulted in avoidable payment of escalation charges of Rs 1.12 crore to the contractor.

Public Works Financial and Accounts Rules, 1997 provide that tenders exceeding Rs one crore should be sanctioned by the Government within 120 days from the receipt/opening of tenders. Tenders for manufacturing and supplying of 2.50 crore *pucca* bricks by installing Semi Mechanical Kiln (SMK) at Deva village, were invited in July-August 1994 and a single tender from M/s Goel Bricks Industries, New Delhi for Rs 4.18 crore was received in February 1995 which was 45.45 *per cent* above Basic Schedule of Rates (BSR).

Scrutiny of records revealed the following:

(i) The tender received by the Executive Engineer, Command Area Development (CAD), Jaisalmer in February 1995 was sanctioned (June 1997) by the Officer on Special Duty, CAD and Water Utilisation Department, Rajasthan after 28 months (instead of 120 days) mainly due to delay in recommendation of case at the level of Chief Engineer, CAD, IGNP (17 months) and ADC, Bikaner (seven months). The work order was issued in October 1997 to M/s Goel Bricks Industries for supply of 2.50 crore bricks at Rs 1366 per thousand bricks, which led to payment of escalation charges of Rs 29.10 lakh for the period from 6 February 1995 (from the date of opening the tender) to 28 June 1997 (the date of sanctioning the tender) during which no work was actually executed.

(ii) While sanctioning work order to M/s Goel Bricks Industries in June 1997, the department did not consider the fixed rate of Rs 1251.58 per thousand bricks at which the same work was allotted to contractor 'B' in May 1997 and being executed in another unit of SMK at Deva village. This led to avoidable payment of Rs 28.60 lakh on manufacturing of 2.50 crore bricks at Rs 114.42 per thousand.

(iii) The Department awarded manufacturing of additional bricks (1,78,27,775) in November 2001 to M/s Goel Bricks Industries at the rate of Rs 1555.89 per thousand after allowing escalation charges as against the rate of Rs 1251.58 per thousand bricks being manufactured by another firm in another unit. This resulted in avoidable payment of Rs 54.25 lakh.

The aforementioned action of the department led to avoidable expenditure of Rs 1.12 crore.

The Government intimated (April 2004) that delay was due to negotiation with the contractor during March 1995 to May 1997 and due to negotiations the rates were reduced from Rs 1882 to Rs 1366 per thousand bricks resulting in saving of Rs 68.88 lakh even after paying escalation of Rs 29.10 lakh. The reply of Government was not acceptable because (i) the argument of the department about saving of Rs 68.88 lakh was misleading as the department was getting the work executed at further lower rate of Rs 1251.58 per thousand bricks manufactured and supplied (between May 1997 and May 2000) by another contractor at SMK Unit-II at the same village Deva and (ii) the contractor had been paid escalation for the period during which no work was done by him.

Education Department

4.2.4 Excess payment of Grant-in-aid to Non-Government Educational Institutions

Release of grant-in-aid without revision of posts resulted in excess payment of grant-in-aid of Rs 4.44 crore.

Government of Rajasthan laid down norms for teacher-student ratio and for the staff in June 1998 (postponed upto March 2000) for determination of number of posts in Non-Government Educational Institutions (NGEIs) of all categories (Primary, Higher Primary and Secondary School) for the purpose of grant-in-aid. In March 2000, Education Department issued further revised norms and stipulated that the existing strength of teachers/staff in NGEIs was to be reviewed by Divisional Deputy Directors of Education annually and final strength got sanctioned by the Government. Pending sanction of posts as per revised norms grants-in-aid was to be released provisionally subject to adjustment on finalisation of sanctioned posts. Rule 13 of NGEIs Rules, 1993 further envisaged that grant to NGEIs would be sanctioned during a year on the basis of current year's estimated expenditure (salary of staff and other charges) and be subject to adjustment from grants payable in the next year, on the basis of actual admissible expenditure.

Scrutiny of the records of District Education Officer (Primary), Jaipur and further information provided by Deputy Directors of Primary Education, Ajmer, Churu, Kota, Jaipur, Jodhpur and Udaipur revealed that grant-in-aid for 2000-01 released provisionally to NGEIs was not adjusted during 2001-02 according to the revised strength of staff as per norms on the basis of students' strength due to non-sanction of revised posts. In subsequent years i.e. 2002-03 and 2003-04 also, the payment of grant provisionally continued for want of revision/final sanction of posts of teachers/staff as per revised norms as of March 2004. Non-sanction of posts on the basis of students' strength during 2001-02 and non-review of posts during 2002-03 led to payment of excess grant of Rs 4.44 crore to NGEIs during 2000-2003 for staff in excess of norms

as detailed below:

| Year | Total Number of schools | Actual working strength on which grants-in-aid was released | | Strength worked out by Audit as per norms (on the basis of students' strength) | | Excess strength | | Amount of grant paid in excess (Rs in lakh) ¹² |
|--------------|-------------------------|---|--------------------|--|----------------------------------|-------------------|--------------------|---|
| | | Teachers | Class IV employees | Teachers ¹³ | Class IV employees ¹⁴ | Teachers | Class IV employees | |
| 2000-01 | 119 | 996 ¹⁵ | 166 | 845 | 59 | 151 ¹⁵ | 107 | 140.31 |
| 2001-02 | 113 | 1056 ¹⁵ | 163 | 885 | 67 | 171 ¹⁵ | 96 | 149.14 |
| 2002-03 | 118 | 1078 ¹⁵ | 183 | 922 | 76 | 156 ¹⁵ | 107 | 154.33 |
| Total | | | | | | | | 443.78 (Rs 4.44 crore) |

Thus, releasing of grants-in-aid to NGEIs without reviewing the number of posts as per norms even after lapse of four years resulted in excess payment of grant-in-aid of Rs 4.44 crore.

The Government while admitting the facts stated (October 2004) that the grants paid were provisional and are adjustable on revisions/final sanctions of posts. The fact remains that releasing of grants without sanctioning/reviewing the posts, even after lapse of two to four years, cost Government *exchequer* heavily and the adjustment of the excess payment may be difficult in coming years due to closure/adverse financial position of some schools.

Finance Department

4.2.5 Excess payment of pension

Failure of the Treasury Officers to exercise prescribed checks led to excess payment of pension/family pension amounting to Rs 40.94 lakh.

Government of Rajasthan (Government) introduced the scheme of payment of pension to State Pensioners through Public Sector Banks (Banks)¹⁶ from 1 July 1977. Government instructions flowing from the provisions of the scheme mandates that Treasury Officers (TOs) should maintain a register in the prescribed format for keeping a comprehensive record of pension payments made by the Banks to each pensioner. In token of having applied the required checks, each entry of monthly payments in the register was to be attested by the Assistant Treasury Officers. This scheme was to be implemented under the overall supervision of Director, Treasury and Accounts, Rajasthan.

Mention has also been made in previous Audit Reports (Civil)¹⁷ about the excess payment made to State Pensioners by Banks because of non-observance of the provisions of the scheme and instructions of State Government. Treasury Officers failed to apply proper checks to prevent excess payments.

Test-check of records of pension payments made by the Banks conducted between April 2003 to March 2004 revealed that the irregularities had not only persisted but enhanced and continued and excess payments were made to pensioners in 268 cases aggregating Rs 40.94 lakh between January 1996 to February 2004 as detailed below:

| S. No. | Particulars | Number of cases | Excess payment (Rupees in lakh) |
|--------|---|-----------------|---------------------------------|
| 1. | Non-reduction of Family pension to lower rate after expiry of the prescribed period | 194 | 27.43 |
| 2. | Pension and Relief wrongly paid at higher rates than admissible | 48 | 7.08 |
| 3. | Non-payment of pension at reduced rates after its commutation | 24 | 3.20 |
| 4. | Pension payment made without Pension Payment Order | 2 | 3.23 |
| | Total | 268 | 40.94 |

This indicated that TOs were not maintaining proper records and exercising prescribed checks.

Besides, contrary to the instructions, in 42 cases pension was paid/credited to Saving Bank (SB) account without obtaining the required life certificates from the pensioners.

While accepting the facts, the Government stated (September 2004) that a sum of Rs 15.67 lakh have been recovered and TOs have been instructed to recover the balance amount. Facts remains that TOs were not maintaining proper records and exercising prescribed checks. However, the recovery of Rs 15.67 lakh was made at the instance of audit and Rs 25.27 lakh was yet to be recovered.

Higher Education Department

4.2.6 Excess payment of grant to aided institutions

Non-adherence of the instructions to include total tuition fees charged by aided colleges in total income for calculating admissible grant led to excess payment of grant of Rs 1.30 crore to six institutions.

Rajasthan Non-Government Educational Institutions Rules, 1993 envisaged that the fees (tuition fee, admission fee, re-admission fee, etc.) charged from the students, by the institutions would be treated as income while computing the admissible grant. The amount of fees charged in excess of Government norms was excluded while calculating the income for sanctioning Grant-in-aid. As the Non-Government Educational Institutions (NGEIs) was charging substantially higher fees from the students in comparison to fees fixed by Government and availing undue financial benefit, it was decided in the meeting held on 5 July 2003, under the chairmanship of the Education Minister, that the actual tuition fee being collected by the institution from the students should be included in the income for the purpose of computation of grant for the year 2003-04. And for the years 1998-2003, the quantum of admissible grant be re-calculated considering the total tuition fees being collected by the institutions. Accordingly, the Finance Department (FD) instructed (August 2003) the department to recalculate the admissible grants after taking into account the actual tuition fees collected by the institutions during 1998-2003.

During test-check (May-June 2004) of the records of Commissioner, College Education, Rajasthan, Jaipur, it was observed that these instructions were not adhered to by the Commissioner, College Education at the time of issuing grant to the institutions. Neither, the admissible grant was re-calculated nor was the position intimated to the FD. Non-adherence of the instructions resulted in excess payment of grant amounting to Rs 1.30 crore (details in [Appendix- XXIV](#)) to six aided institutions¹⁸ during 1999-2003.

On being pointed out the Commissioner, College Education stated (May 2004) that the decision was applicable from 2003-04 only. The contention of the Commissioner is not correct in view of FD's clarification of August 2003, which clearly stated that the grants for the years 1998-99 to 2002-03 may be re-calculated.

In response, Government stated (September 2004) that the payment of grant has been made in accordance with the rules in force and were provisional (except in respect of S. S. Jain Subodh College, Jaipur) and the grant would be reassessed in terms of Finance Department order dated August 2003 and adjusted on payment of final grants. Facts remained that despite issue of instructions by the Finance Department in August 2003 the grants due during 1998-2003 were not reassessed which led to payment of excess grant of Rs 1.30 crore to six institutions.

Irrigation Department

4.2.7 Excess payment of land compensation

Due to wrong classification of land by the Land Acquisition Officer an excess payment of Rs 52.18 lakh was made to the land owners towards land compensation.

State Government, Irrigation Department, Rajasthan accorded (July 1999) administrative and financial sanction of Rs 13.97 crore for construction of Amarpura Minor Irrigation Project (District Dungarpur). The sanction included provision of Rs 1.77 crore for payment of compensation of 164 hectare (ha) land (tentative) pertaining to six villages¹⁹ coming under submergence of the dam. In the administrative estimate, out of total 164 ha land, 33 ha was shown as well irrigated, 82 ha as Barani (uncommand), 33 ha as Bid/Padat (waste land) and 16 ha as unculturable (Banjar) private land.

It was observed (August 2003) that while the gazette notification (published on 18 March 2000) under Section 4 of Land Acquisition Act for acquisition of land for construction of the above project included 720 Bigha (182 ha) unirrigated /Padat/Rakadi²⁰ etc. land but, as per award passed (March 2002) by the Land Acquisition Officer (LAO), Dungarpur the above land was categorised as irrigated land. Payment of compensation for such land was also made at the rate applicable for irrigated land, despite the fact that no source of irrigation was shown available on such lands. This resulted in excess payment of Rs 52.18 lakh including 30 *per cent* solatium²¹ (Rs 10.30 lakh) and interest (Rs 7.55 lakh) at the rate 12 *per cent* per annum on compensation for 22 months (March 2000 to March 2002) to the land owners. On being enquired about land rent being recovered for such land, *Tehsildar*, Simalwara intimated (May 2004) that as per revenue records the land in question was unirrigated and land rent (lagan) was also being recovered at rates applicable for unirrigated land.

Thus, due to wrong classification of land by the LAO an excess payment of Rs 52.18 lakh was made to the land owners towards land compensation.

The matter was referred to the Government in December 2003; reply has not been received (November 2004).

Public Health Engineering Department

4.2.8 Unproductive expenditure due to non-commissioning of water supply scheme

Unproductive expenditure of Rs 4.38 crore due to non-commissioning of rising main and avoidable expenditure of Rs 81 lakh on transportation of water.

Policy Planning Committee (PPC) of Rajasthan Water Supply and Sewerage Management Board (RWSSMB), Jaipur sanctioned (September/November 1993) Rs 3.52 crore for Urban Water Supply Scheme, Bhawani Mandi (Jhalawar district) which *inter-alia* provided to create a source at Sagariya Deh across the Ahu River for storage of 10.80 lakh cubic metre water to meet the requirement of water from 15 February to 31 July as the flow in the river was estimated to fulfill the need upto 15 February. The scheme was targeted to be completed by September 1995 and illegal lift irrigation from Deh was to be banned. An expenditure of Rs 3.96 crore was incurred on the scheme as of April 2004.

It was observed that:

(i) A gated pick-up weir to store water for the scheme at 'Sagariya Deh' of Ahu River was completed in 1999 at an expenditure of Rs 74.29 lakh. An additional source (cost Rs 78.47 lakh), a water harvesting structure with capacity of 419757 KL near village Bhagwatipura 7.5 km from 'Sagariya Deh'

sanctioned (June 2002) by the PPC to further augment the existing source and to raise ground water table was lying incomplete as of March 2004 with expenditure of Rs 42.24 lakh due to slow progress by the contractor and frequent changes in drawing.

Both the sources could not be used as the flowing of water in River Ahu stopped in September/October²² as against its proposed continuation upto 15 February and water stored in pick up weir was being illegally lifted by farmers for irrigation purposes.

This indicated that selection of source for the water supply was not proper. Resultantly, to maintain water supply, water was transported during 2001-05 (upto May 2004) at a cost of Rs 81 lakh.

(ii) Further, the laying and jointing of rising main pipeline to carry water from Sagariya Deh was completed only upto 14.120 km (against total of 17 km) at a cost of Rs 1.39 crore. Subsequently, the contractor left the work in June 1997, due to standing crop and fodder on the cultivators land through which the pipeline was to be laid. Despite notices served to the contractor by the department the work could not be restarted by him. As a result, laying of 2.380 km pipeline was subsequently done departmentally but 500 m pipeline still remained to be laid (May 2004). The pipeline could not be tested since 1997 due to being choked, dismantled by the villagers at number of places, not laid initially at many places and for want of adequate water in source.

Thus, the water supply scheme, which was to be completed and commissioned by September 1995, had not been commissioned as of May 2004 even after spending Rs 4.38 crore. Its use in future is also remote due to drying of source and expenditure of Rs 4.38 crore may be rendered unproductive. Besides, an avoidable expenditure of Rs 81 lakh was incurred on transportation of drinking water through tankers for the population due to non-commissioning the above scheme.

In response, the Government stated (September 2003) that the scheme would be commissioned by September 2003 but the same was lying still incomplete (May 2004) with remote chances of commissioning due to selection of inadequate source.

The Government again replied (October 2004) that since Rana Pratap Sagar Dam, the best of all the available alternatives was 80 km away, it had no option but to depend on the nearby Ahu river. The contention is not tenable as the same dam has now been chosen as a source under another scheme sanctioned for the neighbouring villages of Bhawani Mandi. By choosing Rana Pratap Sagar Dam as the source earlier also instead of Ahu river the Government could have ensured the timely commissioning of the scheme.

Public Works Department

4.2.9 Avoidable extra expenditure due to execution of pre-mix patch work in deviation of rates approved

Execution of pre-mix patching work at the rates and specification other than that approved by the CE in December 2001, resulted into avoidable extra expenditure of Rs 27.30 lakh.

In December 2001 the Chief Engineer (CE), National Highways, Public Works Department (PWD), Rajasthan, Jaipur by an order inserted a new item in Basic Schedule of Rates (BSR), 1998 and fixed Rs 39 per sqm for patch repair of roads. The specification envisaged for providing and laying pre-mix patching with 0.27 cum of stone chipping mixed with 14.6 kg of straight run bitumen per 10 sqm of road surface, heating of binder application of tack coat at 2.25 kg per 10 sqm etc. including cost of bitumen's aggregate, fuel, lubrication, binder, hire charges of Machinery, T&P etc.

Audit scrutiny of records of seven PWD divisions²³ of Kota Zone headed by Additional Chief Engineer

(ACE), PWD, Kota Zone revealed that the patch repair of road works was got done during the period from January 2002 to November 2002 (work order issued during December 2001 to February 2002) at a higher rate of Rs 44.47 per sqm. Though in these works the tack coat used was 3.75 kg per 10 sqm against BSR prescribed quantum of 2.25 kg per 10 sqm, the increase in quantum would account for an increase of Rs 1.35²⁴ per sqm and the contractor at best would have been given at the rate of Rs 40.35 per sqm. The rate of Rs 44.47 per sqm given to the contractor beyond the schedule rate in the BSR was thus unjustified.

It was also observed that as the rate of Rs 44.47 was not existing in the BSR, this item should have been treated as 'Non-BSR' item and hence tender premium thereon was not required to be allowed to the contractor.

Thus, execution of pre-mix patching work at the rates and specification other than that approved by the CE resulted into avoidable extra expenditure of Rs 27.30 lakh and undue benefit to the contractors.

The matter was referred to the Government in November 2003. Government stated (January 2004 and August 2004) that the item not being available in the BSR, 1998, was included in Schedule 'G' of the tenders invited (3 December 2001) of the respective works before issue (12 December 2001) of the corrigendum inserting the new item by the CE. The reply of the Government was not tenable as the fact remains that rate of Rs 44.47 per sqm for pre-mix patching was not approved by the ACE, PWD, Kota as had been accepted by his office (August 2003). Further, the rates approved by CE were also not kept in view at the stage of approval of these works.

4.2.10 Avoidable extra expenditure due to imprudent action of the department

Imprudent action of the department burdened the State *exchequer* with avoidable payment of interest of Rs 1.42 crore on land acquisition for construction of roads.

Section 34 of Land Acquisition Act, 1894 stipulated that payment of compensation is required to be made to the persons entitled after passing of the award or before taking possession of the land and in case the payment of such compensation is not made immediately, interest thereon from the date of taking possession until it is paid, is payable at the rate of 9 *per cent* per annum for the first year and at 15 *per cent* per annum thereafter. In other words if possession of land is taken without making payment of compensation Government will have to make payment of interest till compensation is paid.

During test-check (March 2003 and June 2004) of records of Public Works Department (PWD), Division-II, Alwar and PWD, Division Jhunjhunu it was noticed that out of 19 roads construction of 14 roads were undertaken between 1971-72 to 1989-90 without acquiring land and another five roads between July 1993 to September 1995 after acquiring land but without payment of compensation. The land was subsequently acquired after observing due formalities prescribed under the Land Acquisition Act during 1991-94 in respect of 14 roads. Analysis of taking possession of land and passing of awards revealed that of the 19 roads awards were declared after a delay of two to 10 years of taking possession of land in case of eight roads and 11 to 20 years in case of six roads. The total compensation for land acquisition for all 19 roads worked out to be Rs 2.87 crore. Payment should have been made immediately after acquisition of land but the department made part payments after a delay of nearly seven to 10 years during March 2002 (18 roads) and March 2003 (one road) though the possession of land was taken between 1971-72 to 1989-90 (13 roads), 1993-94 (one road) and 1992-95 (five roads) which resulted in payment of Rs 1.42 crore for the period ranging between one and half year to 22 years towards interest under Section 34 of the Act so far. Further, since the department made only part payments the liability of interest burden would continue to be with the Government till full compensation is paid to the entitled persons.

Thus, the imprudent action of the department burdened the State *exchequer* with avoidable payment of huge interest on land acquisition for construction of roads. Further, the trend of payment of

compensation in bits and pieces over so many years did not rule out the possibility of giving undue benefits to the land owners.

In response, the Government while accepting the facts stated (October 2003 and August 2004) that the payment of interest was made as per provision of Land Acquisition Act. The reply was not tenable because as per provision of the Act had the compensation been made immediately on possession of land the payment of interest (equal to almost 50 per cent of total compensation as of now) would have been avoided. Government further intimated (October 2004) that in order to avoid interest liability in future, instructions have been issued to ensure payment of compensation immediately after passing of awards.

4.2.11 Unfruitful expenditure on incomplete roads

Failure of the department to acquire land before awarding the work resulted in unfruitful expenditure of Rs 47.03 lakh on roads lying incomplete.

The guidelines for the works to be executed with the loan assistance from NABARD²⁵ provide (November 1996) for selection of alignments for road constructions in which land is already available or is likely to be acquired without any problem. Public Works Financial and Accounts Rules (PWF & AR) also lay down that no works should commence on land which has not been duly made over by a responsible Civil Officer.

During scrutiny of records of the Executive Engineer (EE), Public Works Department (PWD) Division, Gangapur City it was observed (July-August 2003) that the works of construction of following two black-topped approach roads were sanctioned (January 1997) by the State Government under NABARD assistance scheme with the objective of connecting the villages having the population of above 1000 (1991 census) to State Highways²⁶. The above mentioned roads were however left incomplete by the contractors due to non-acquisition of land/hindrances created by affected land owners, after incurring an expenditure of Rs 47.03 lakh as detailed below:

| Name of work | Amount of administrative sanction (Rs in lakh) | Date of allotment (and stipulated date of completion of work) | Date from which work is lying incomplete | Length of roads (In km) | | Expenditure incurred on the work (Rupees in lakh) |
|--|--|---|--|-------------------------|-----------------|---|
| | | | | To be constructed | Left incomplete | |
| (i) Construction of black topped Approach Road (A/R) to Hingotia | 35.25 | 7 June 1997 (21 May 1998) | 26 June 2002 | 6.00 | 1.50 | 25.75 |
| (ii) Construction of black topped A/R to Bhalpur | 27.38 | 9 April 1997 (23 March 1998) | 29 May 2002 | 3.20 | 1.00 | 21.28 |
| Total | | | | 9.20 | 2.50 | 47.03 |

(a) The work of A/R to Hingotia was allotted in June 1997 to contractor 'A' for Rs 23.84 lakh. Since the land owners did not allow the construction of road on their land, the contractor left the work in April 1998 after executing work worth Rs 4.09 lakh only. While the issue of land acquisition was hanging fire, the remaining work was allotted (December 1998) to contractor 'B' for Rs 21.67 lakh. The contractor 'B' executed work worth Rs 6.76 lakh only and abandoned in October 1999 due to problems in acquisition of land. The work was again allotted (October 2001) to contractor 'C' for Rs 20.65 lakh. The work was left incomplete by the contractor 'C' after executing the work amounting to Rs 14.02 lakh due to the same reason. Thus, the work was allotted to the contractors time and again without ensuring availability of land/acquiring of land due to which the work could not be completed and expenditure of Rs 25.75 lakh²⁷ incurred up to August 2003 on the incomplete road proved unfruitful.

(b) Similarly, construction of A/R to Bhalpur was allotted in April 1997 by the Executive Engineer, PWD, Division Karauli to contractor 'D' for Rs 16.16 lakh with stipulated date of completion as 23

March 1998. The contractor executed the work worth Rs 7.80 lakh only uptill May 1998 and could not execute the work further due to non-availability of site. The remaining work was allotted (December 1998) to contractor 'E' for Rs 9.33 lakh without withdrawing the work from contractor 'D'. However, after executing the work worth Rs 7.35 lakh the work was again withdrawn in May 2002 due to non-availability of land as per design standard. An expenditure of Rs 21.28 lakh²⁸ was incurred on incomplete road as of August 2003.

Thus, due to failure of the department to acquire land before awarding the works the construction of roads remained incomplete. Lack of budget provision for land to complete these roads also betrayed inaction of the Government to acquire land for construction of road. The expenditure of Rs 47.03 lakh incurred on two approach roads as a result remained unfruitful.

In response, the State Government while accepting the facts stated (March 2004) that road works could not be completed due to non-provision for land acquisition in the NABARD II scheme and land dispute. It was also contended that the road was being used by the local villagers. Government's contention was not acceptable, as the primary aim of construction of black topped roads was to make villagers available of the better approach to the State Highways for socio-economic development. Incomplete roads had defeated the aim.

4.2.12 Unfruitful expenditure on works lying incomplete

Failure of the department in handing over structural drawings to contractor, lack of coordination in planning and irregular diversion of funds resulted in unfruitful expenditure of Rs 1.71 crore on works lying incomplete, adversely affecting the promotion of tourism.

To promote tourism, Tourism Department entrusted (May 1998) the execution of Haldighati Development Works at Mewar Complex in Rajsamand district to Chief Engineer (CE), Public Works Department (PWD), Rajasthan, Jaipur as a deposit work at an estimated cost of Rs 165.30 lakh. The CE accorded administrative and financial sanction for Rs 165.30 lakh in May 1998 for four works viz. (i) landscaping at statue (Rs 56.96 lakh), (ii) open air theatre (Rs 45.63 lakh), (iii) landscaping at *Chetak Samadhithal* (Rs 31.88 lakh) and (iv) approach road/stone pavement (Rs 14.47 lakh). Rupees 16.36 lakh was for electric works, contingencies and quality assurance.

Executive Engineer (EE), PWD, Rajsamand awarded the works of landscaping at *Chetak Samadhithal* to M/s Jain Construction Company, Ajmer (Rs 45.28 lakh) and work of landscaping at statue (Rs 57.32 lakh) and open air theatre (Rs 42.92 lakh) to M/s Krishna Enterprises, Udaipur in September 1998 and November 1998 respectively for completion by July-October 1999. During execution of works, the level of *samadhithal* rose in March 1999 due to change in design of elevation. Consequently, the Tourism Department decided in November 2001 to provide additional funds of Rs 72 lakh for the increased cost of landscaping at statue and approach road. As of February 2002, Tourism Department provided Rs 2.18 crore²⁹ to PWD. The PWD incurred Rs 1.71 crore up to February 2003³⁰ and all the works were lying incomplete as of April 2004.

Scrutiny of records showed that:

(i) Against the work order of Rs. 145.52 lakh, though the Tourism Department provided funds amounting to Rs 101.33 lakh till October 1999, the scheduled date of completion of works, the PWD incurred only Rs 78.99 lakh till March 2000. Tourism Department further provided funds of Rs 44.77 lakh during September 2000 to May 2001. Thereafter the Tourism Department provided additional funds of Rs 72 lakh required as a result of changes in elevation level in February 2002. Thus, despite availability of total funds of Rs 2.18 crore, PWD could spend Rs 1.71 crore only till May 2003³⁰.

(ii) Though change in design of elevation was finalised in March 1999 and the Architect of the

Tourism Department made the revised structural drawings available in August 1999, the PWD did not complete the work even after February 2002 when the full funds were provided by the Tourism Department.

(iii) PWD also did not provide the drawings of water tanks to contractors till February 1999.

Thus lack of monitoring and coordination contributed to the delay and non-completion of work as of November 2004. Further the EE, PWD irregularly diverted Rs 22.34 lakh on works (old liabilities of Haldighati by-pass: Rs 11.04 lakh; Chawanda Project: Rs 11.30 lakh) not pertaining to the project and kept Rs 47 lakh unutilised with the PWD.

In response, the Secretary, PWD stated (April 2004 and August 2004) that works could not be completed in time due to change in drawing and design by the Architect and non-receipt of funds from Rajasthan Tourism Development Corporation in time. The contention was not tenable because all the changes in drawing and design were suggested by the Architect during 1998-99 only and there was no shortage of funds rather the EE mis-utilised Rs 22.34 lakh on old liabilities and other project.

Rural Development and Panchayati Raj Department

4.2.13 Unfruitful expenditure on works lying incomplete and non-recovery of excess expenditure

While Panchayat Samitis failed to recover Rs 84.72 lakh from Sarpanchs, 59 works remained incomplete despite Rs 58.40 lakh spent on these works.

As per *Gramin Karya Nirdeshika*³¹-1997/2000, the utilisation certificate (UC) in respect of works executed by *Gram Panchayat* should be issued by *Sarpanch* within 14 days of incurring expenditure and completion certificate (CC) within 10 days after completion of the work with all measurement and evaluation. The payment is to be made on the basis of the amount on evaluation of the work or expenditure incurred whichever is less. Hence expenditure incurred in excess of evaluated amount was required to be recovered from the *Sarpanch*. Funds are to be released in two or three instalments after verifying utilisation of funds of previous sanction.

The Chief Executive Officer, *Zila Parishad*, Jaisalmer sanctioned 59 works (1993-1998) under various schemes. The works were executed by *Gram Panchayat*, Ramgarh between 1995 and 2000 at Rs 58.40 lakh and were partly incomplete. As no final UCs/CCs were received, the works were evaluated for adjustment in accounts in July 2001.

Out of 59 partly incomplete works, only 20 works were got revaluated (April 2002) for Rs 17.08 lakh against the expenditure of Rs 25.24 lakh pointing out a recovery of Rs 8.16 lakh. The remaining 39 works had not been evaluated as of May 2004 due to non-cooperation of *Ex-Sarpanch* as Executive Engineer, Public Works Department was asked (December 2001) to do the evaluation only in presence of *Sarpanch* or its nominee. Issue of recovery of Rs 8.16 lakh from *Ex-Sarpanch* was pending with Divisional Commissioner as of May 2004.

It was noticed in audit that:

(i) The department neither evaluated remaining 39 works (expenditure booked: Rs 33.16 lakh) nor the recovery of Rs 8.16 lakh was affected from the *Ex-Sarpanch* (presently a Government servant). Of 39 works, 12 works (expenditure booked: Rs 4.93 lakh) were not executed at all and two works (expenditure booked: Rs 3.41 lakh) were cancelled.

(ii) Even after spending Rs 58.40 lakh all the works remained incomplete due to pendency in evaluation of works rendering the whole expenditure unfruitful.

(iii) Further, in 49 other *Panchayat Samitis* of 18 districts³², Rs 76.56 lakh (578 works) representing excess expenditure over the valuation cost of the works sanctioned during April 1984 to February 2003 was not recovered for more than one to 19 years.

Thus, while *Panchayat Samitis* failed to recover Rs 84.72 lakh from *Sarpanchs*, 59 works remained incomplete despite Rs 58.40 lakh spent on these works.

While accepting the facts the Government stated (January 2005) that out of 59 works evaluation/revaluation of 40 works has been completed pointing out a recovery of Rs 15.64 lakh³³ and directions to effect recovery (Rs 15.64 lakh (+) Rs 76.56 lakh) have been issued (December 2004).

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| 4.3 Idle investment/idle establishment/blockage of funds |
| Public Works Department |
| 4.3.1 Blocking of funds and cost overrun |
| Failure of the department to complete the quarters within the stipulated period resulted in blocking of funds of Rs 32.33 lakh incurred on quarters lying incomplete. Besides, Government had to incur avoidable expenditure of Rs 7.99 lakh on house rent allowance to RAC staff. |

State Government accorded (May 1994) administrative and financial sanction of Rs 50.80 lakh for the construction of 10 upper subordinate and 28 lower subordinate quarters for 6th RAC Battalion, Dholpur under Police Residential Building Scheme (1994-95).

Executive Engineer, Public Works Department (PWD) Division-I, Dholpur awarded (January 1995) the work to contractor 'A' at 6.95 *per cent* above Schedule 'G'³⁴ (Rs 42.89 lakh) amounting to Rs 45.87 lakh with stipulated date of completion as July 1996. As the contractor failed to maintain *pro-rata* progress of work, the Additional Chief Engineer (ACE), PWD Zone II, Jaipur rescinded the work in July 1997 (after one year from the stipulated date of completion) and imposed a penalty of 10 *per cent*³⁵ of the contract value on the contractor as per contractual agreement. The balance work was awarded in November 1997 to contractor 'B' at 64.99 *per cent* above Schedule 'G' amounting to Rs 30.22 lakh with stipulated date of completion as September 1998. Considering the position of balance funds, only eight upper and 22 lower subordinate quarters were taken up under this contract. The contractor executed work worth Rs 20.44 lakh as of April 2001. Meanwhile, Superintending Engineer, PWD, Circle Bharatpur's request (September 1998) to issue revised administrative and financial sanction of Rs 74 lakh necessitated due to cost overrun was not acceded (April 1999) to by the Chief Engineer, PWD, Rajasthan, Jaipur. Only two upper and eight lower subordinate quarters were completed/handed over to the Police Department and consequently, the work was finalised (April 2001) at incomplete stage. A total expenditure of Rs 48.73 lakh was incurred upto August 2003.

During test-check (December 1999 and September 2003) of the records of PWD Division I, Dholpur it was observed that:

- (i) the department failed in taking timely action against first contractor for not maintaining *pro-rata* progress as it took one year in rescinding the first contract;
- (ii) the department did not intimate the Home Department about increase in cost of construction of quarters due to time overrun when the second contractor was awarded work with 64.99 *per cent* premium in November 1997. It asked for the revised sanction only when the scheduled period of contract of the second contractor was expiring in September 1998;

(iii) though department subsequently decreased the number of quarters during execution of the second contract considering increase in cost and availability of funds, the matter was not taken up with the Home Department. This led to blocking of Rs 32.33 lakh on quarters lying incomplete for want of additional funds and

(iv) due to non-completion of quarters in time Government has to make avoidable payment of house rent allowance of Rs 7.99 lakh to the RAC staff.

Thus, while the construction of quarters was hanging fire due to the failure of the Department in planning and execution, an amount of Rs 32.33 lakh remained blocked on incomplete works. An avoidable expenditure of Rs 7.99 lakh was also incurred on payment of house rent allowance to the RAC staff.

In response, while accepting the facts, the Secretary, PWD stated (February 2004) that Deputy Inspector General of Police, RAC, Range Jaipur had been asked to get the sanction of additional funds amounting to Rs 42.22 lakh expedited for completion of the work.

4.4 Regulatory issues and other points

Relief Department

4.4.1 Irregular utilisation of relief funds

Relief funds amounting to Rs 73.83 lakh were irregularly diverted on purchase of material for building works depriving the drought affected people of the benefits towards labour component to that extent.

Government of Rajasthan, Relief Department issued in August 2002 guidelines for execution of relief works under Rajasthan Affected Areas (Suspension of Proceedings) Act, 1952, which stipulates that works which help in rain water harvesting, ground water recharging and augmentation of agricultural productivity should be given top priority. Further, no expenditure should be incurred on material for building construction unconnected with relief works. If any department/institute/donor provides building material, the Relief Department should incur expenditure on labour component provided the works be completed before 30 June 2003.

Audit scrutiny revealed that Collectors (Relief), Bundi and Chittorgarh in violation of the aforesaid guidelines irregularly diverted the relief funds amounting to Rs 73.83 lakh³⁶ for purchasing material for construction of 67 building works during the period from 17 May to 30 June 2003 depriving the drought affected people of the benefits towards labour component to that extent.

In response, Government stated (November 2004) that essential building works, with quality were executed with 10 *per cent* of total expenditure, allowed for purchases of material. The reply was not tenable because 10 *per cent* of total expenditure admissible for purchase of material was for works covered under the scheme such as gravel roads, ponds, *pucca* work, anicuts, canal works etc. and not for building works.

Urban Development and Housing Department

4.4.2 Inadmissible re-imbursement of remuneration of secretarial/ clerical staff

Non-execution of contract with firms in accordance with ADB guidelines resulted in inadmissible re-imburement of remuneration of Rs 78.43 lakh of secretarial/clerical staff.

For development of six major Cities³⁷ of Rajasthan, the Rajasthan Urban Infrastructure Development Project (RUIDP)³⁸ was launched in December 1999, covering various sectors viz., water supply, sewerage, roads and bridges, construction of city drains, Fire Stations and area development works in residential colonies etc. For design and construction supervision of various works RUIDP executed contract agreements with three consulting firms³⁹ in June 2001.

As per item No. 5G(1) of Chapter-6 of Hand Book for Users of Consulting Services Vol.-I issued by Asian Development Bank (ADB), 'overhead' cost included consulting firm's cost of doing its own business viz., rent, office supplies, secretarial and clerical staff, travelling expenses, communication cost, technical staff, data processing cost, miscellaneous expenditure etc. Such overhead cost was charged by the firm in the form of multiplier.

Audit scrutiny (October 2003 to March 2004) of the contract agreements revealed that the agreements executed by RUIDP in June 2001 with three firms to provide consulting services for effective implementation of RUIDP were not according to ADB Guidelines which specifically provided that overhead cost include cost of secretarial/clerical staff.

Non-execution of contract with firms as per ADB guidelines resulted in inadmissible reimbursement of remuneration of Rs 78.43 lakh of secretarial/clerical staff.

In response, the State Government stated (July 2004) that the overhead cost does not include any project specific cost and the persons engaged in the project under consultancy services as support staff for carrying out project activities are not included in the firm's cost of doing business and as such these costs were to be paid to consultancy firm. Reply was not tenable as cost of secretarial and clerical staff was already covered under multiplier being charged as 'overhead cost' by the consulting firms.

General

4.4.3 Delay in submission of accounts

Government/Heads of Departments were required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose for which the assistance was sanctioned and the actual expenditure incurred by the institutions. Information for the years 1999-2004 called for during May 2003 to June 2004 was awaited (November 2004) from Heads of Departments/Offices as detailed in [Appendix-XXV](#).

Audit of accounts of following bodies had been entrusted to the Comptroller and Auditor General of India for the period mentioned against each:

| S. No. | Name of Body | Period of entrustment | Remarks |
|--------|--|--|--|
| 1. | Rajasthan Khadi and Village Industries Board, Jaipur | 1996-97 to 2000-01 | For further entrustment a reference to State Government has been made. |
| 2. | Kota Open University, Kota | 1998-99 to 2002-03 | Audit completed upto 2001-02. |
| 3. | Rajasthan State Legal Services Authority, Jaipur | Audit entrusted under Section 19 (2) of CAG's (DPCS) Act, 1971 | Audit completed upto 2002-03. |
| 4. | Rajasthan State Human Rights Commission | Audit entrusted under Section 19(2) of CAG's (DPCS) Act, 1971 | Audit completed upto 2002-2003 |

4.4.4 Audit arrangements

Various authorities who conducted primary audit of local bodies, educational institutions and others were as detailed below:

| S. No. | Name of Institutions | Name of authority conducting audit |
|--------|---|--|
| 1. | Panchayati Raj Institutions | Director, Local Fund Audit |
| 2. | Co-operative Institutions | The Registrar, Co-operative Societies or an officer nominated by him |
| 3. | Municipalities | Examiner of Local Fund Audit |
| 4. | Educational Institutions (a) Schools (b) Colleges (c) Universities | A person authorised by the Government or Director, Local Fund Audit -do- Chartered Accountants |

During 2003-04, audit of 352 institutions was conducted under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 and of 17 institutions under Section 15 of the said Act.

Test-check of three departments viz. College Education, Secondary Education and Devasthan conducted under Section 15 of the said Act during April to June 2004 revealed the following:

| Name of the Department | Money value (Rupees in crore) | Nature of irregularities |
|------------------------|-------------------------------|---|
| College Education | 1.21 | (i) Rajasthan Non-Government Educational Institutions (Rules), 1993 provide that grants-in-aid in excess of 80 <i>per cent</i> could be granted to institutions carrying on the work of education on experimental and pioneering lines. Grant-in-aid Committee was to review the position after three years. It was observed that grant-in-aid to 20 institutions finalised during 1994-2001 at 90 <i>per cent</i> of approved expenditure continued without ensuring as to whether the institutions actually carried out the education work on experimental and pioneering lines. This led to irregular payment of grant of Rs 1.21 crore. |
| | 2.01 | (ii) Rule <i>ibid</i> further provide that institutions will have to submit an application for finalisation of previous years grants alongwith audited annual accounts to Director, College Education by 31 August every year failing which the grant can be stopped/reduced. Though the Vinodini College, Khetri did not submit the application for finalisation of grant and audited annual accounts for 2000-2001 to 2002-2003 the grant of Rs 2.01 crore was irregularly sanctioned. |
| Secondary Education | 3.49 | (i) Of Rs 7.00 crore released by Government of India during 1990-95 for providing colour TVs/Radio Cassette players to upper primary/primary schools under Education Technology Scheme, Rs 3.49 crore could not be utilised despite granting permission to utilise the funds upto 31 March 2003 and funds lying unutilised since 1995 were not refunded to GOI. |
| | 2.28 | (ii) Of Rs 21.16 crore sanctioned by GOI in December 2001 for payment of salary etc. to 1903 additional teachers of upper primary schools under Operation Black Board Extension Scheme, Rs 2.28 crore lying unutilised since September 2003 were not refunded to GOI contrary to conditions of the sanctions to refund unutilised amount after close of the year. |
| | 0.24 | (iii) Of Rs 0.92 crore sanctioned and released by GOI during 1993-94 for environmental orientation to school education, Rs 0.24 crore lying unspent were not refunded to GOI though the State Government's request of October 1998 and June 2003 for revalidation has not been accepted by GOI as of May 2004. |
| | 3.77 | (iv) Contrary to conditions of GOI sanction releasing Rs 3.20 crore in March 2002 for the project-Sarva Shiksha Abhiyan (SSA) for 2001-02 to release funds to SSA Society within one month alongwith State share of Rs 0.57 crore, the funds were released to Personal Deposit accounts of SSA Society in March 2003 belatedly. |
| Devasthan | 0.60 | Rajasthan Devasthan Fund Budget and Accounts Rules, 1997 provide that after meeting all expenses to perform functions, surplus money and additional income from |

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|--|--|---|
| | | fares, other sales be invested. Contrary to this, Rs 0.60 crore out of surplus funds of the department were irregularly transferred to Chief Minister Relief Fund during 2001-2005. |
|--|--|---|

The matter was referred to the Government during July-August 2004; reply has not been received (November 2004).

4.4.5 Lack of responsiveness to audit findings and observations resulting in erosion of accountability

For early settlement of outstanding Inspection Reports (IRs) and paragraphs, Government issued (August 1969) instructions to all departmental officers for sending the first reply to IRs within a month and replies to further observations from audit within a fortnight. These instructions were reiterated from time to time and the latest instructions issued in March 2002 further envisaged appointment of nodal officers for ensuring compliance to all the matters relating to audit.

At the end of March 2004, there were 8589 IRs containing 36726 paragraphs relating to Civil and Works departments issued during the period from 1982-83 to 2003-04 (reports issued upto September 2003) pending settlement as detailed below:

| Year | IRs | Paragraphs |
|-------------------------------|-------------|-------------------|
| Upto 1998-99 | 2597 | 5526 |
| 1999-2000 | 968 | 3375 |
| 2000-01 | 1020 | 4198 |
| 2001-02 | 1229 | 6392 |
| 2002-03 | 1681 | 10502 |
| 2003-04 (upto September 2003) | 1094 | 6733 |
| Total | 8589 | 36726 |

A review of outstanding IRs relating to following four departments revealed that 570 IRs containing 3362 paragraphs were outstanding as of March 2004. It was further noticed that first reply to 14 IRs containing 77 paragraphs had not been replied to and are pending for one to five years:

| Department | Outstanding | | First reply not received | | Reply pending for |
|-------------------------------------|--------------------|-------------------|---------------------------------|-------------------|--------------------------|
| | IRs | Paragraphs | IRs | Paragraphs | |
| Irrigation | 303 | 1323 | - | - | Nil |
| District Rural Development Agencies | 140 | 1694 | - | - | Nil |
| Industries | 41 | 97 | - | - | Nil |
| College Education | 86 | 248 | 14 | 77 | 1 to 5 years |
| Total | 570 | 3362 | 14 | 77 | |

As a result, serious irregularities (details in [Appendix-XXVI](#)) commented in these IRs had not been settled as of March 2004.

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. As the departmental officers failed to comply with observations in IRs within the prescribed retention period of records, the possibility of their settlement in future appeared to be bleak due to non-availability of records.

The Government should look into the matter and ensure that procedures exist for (a) action against the officials who failed to send replies to IRs/paragraphs as per time schedule, (b) action to recover loss/outstanding advances/ overpayment in time bound manner and (c) revamping the system to ensure prompt and proper response to audit observations.

1. Didwana: 800 quintals; Ladnu: 1080.84 quintals and Kuchaman city: 58.35 quintals.
2. DEO, Jodhpur (BEO, Shergarh: 11414 quintals) DEO, Jaipur (BEO Jamwa Ramgarh: 10869 quintals).
3. Ajmer, Balotra, Bhilwara, Bikaner, Churu, Dausa, Dungarpur, Jalore, Jhalawar, Jodhpur Division-II, Jodhpur

- Division-III, Kota, Phalodi, Rajsamand, Salumber, Sardarshahar, Udaipur District Division, Udaipur (P&D), Bharatpur and Deeg Division.
4. Laxmangarh and Dantaramgarh Tehsil
 5. Percentage share - Rural : 76.6 per cent and Urban : 23.4 per cent.
 6. Ramgarh Division-I, CAD, Jaisalmer; Ramgarh Division-II, CAD, Jaisalmer; Jaisalmer Division-IV, CAD, Jaisalmer; and Mohangarh Division-IV, Jaisalmer.
 7. Denotes the Water Control System. *Naka* is a feeding point and shutter is a sheet of iron, put in the frame of *Naka* shutter. The sheet is removed/placed for flow/closure of water to various *chaks* (squares) for irrigation.
 8. Constituted by the Department of Personnel and Administrative Reforms in July 1992.
 9. 1 TBM, 2 TBM, 3 TBM, 4 TBM, 5 TBM, 6 TBM, 7 TBM, 8 TBM and 9 TBM.
 10. Labour and carriage rate basis - Material supplied by department.
 11. Through rate basis - Material arranged by contractor himself.
 12. The salary paid to Junior most teacher (averaging to Rs 62421, Rs 61,666 and Rs 98,985 during 2000-01, 2001-02 and 2002-03 respectively) /class IV employees (averaging to Rs 32,783, Rs 35,968 and Rs 46,968 during 2000-01, 2001-02 and 2002-03 respectively) has been taken into account while calculating excess payments.
 13. Primary schools: upto 50 students- one third grade teacher and thereafter one teacher for every addition of 20 students. Upper primary schools: one second grade teacher and three third grade teachers (for class 6, 7 and 8) and for every additional section of 20 students- one teacher.
 14. Class-IV: one for every upper primary school only.
 15. Includes one LDC at Jodhpur.
 16. State Bank of India, State Bank of Bikaner and Jaipur, Bank of Baroda, Central Bank of India, Punjab National Bank, UCO Bank and Union Bank of India.
 17. Para 3.9 of Audit Report (Civil) for the year 1984-85, para 3.1 of Audit Report (Civil) for the year 1990-91, para 3.4 of Audit Report (Civil) for the year 1993-94, para 3.2 of Audit Report (Civil) for the year 1997-98, para 3.7 of Audit Report (Civil) for the year 1999-2000 and para 4.4.1 of Audit Report (Civil) for the year 2002-03.
 18. J.B. Shah (Girls) P.G. College, Jhunjhunu: 1999-2003 - Rs 58.28 lakh; Seth G.B. Poddar College, Nawalgarh: 2000-01-Rs 11.37 lakh; Chirawa College, Chirawa: 1999-2003-Rs 34.57 lakh; Kanoria College, Mukundgarh: 1999-2003-Rs 9.37 lakh; S.S. Jain Subodh College, Jaipur: 1999-2000-Rs 6.26 lakh; B.N. College, Udaipur: 2000-01-Rs 10.16 lakh.
 19. Kanba, Negaria, Kheer Khaiya, Khumanpur, Chandiyala and Jorawarpura
 20. Padat: The land which has remained uncultivated for long time.
Rakadi: Uncultivable land.
 21. Solatium: Solatium is a payment made in consideration of the compulsory nature of the acquisition.
 22. September/October of each year during 2000 to 2003.
 23. PWD Division Baran, Gangapur City, Hindaun City, Jhalawar, City Division Kota, District Division, Kota and Sawaimadhopur.
 24. $3.75 \text{ kg} - 2.25 \text{ kg} = 1.5 \text{ kg} @ \text{Rs } 9 \text{ per kg} = 13.50/10 = \text{Rs } 1.35 \text{ per sqm.}$
 25. National Bank for Agriculture and Rural Development
 26. For agriculture, commerce, transport, education, health and social welfare of the villagers.
 27. Includes other expenditure (Rs 0.88 lakh) booked on the work.
 28. Includes other expenditure (Rs 6.13 lakh) booked on the work.
 29. April 1998: Rs 41.33 lakh, October 1998: Rs 60 lakh, September 2000: Rs 24.77 lakh, May 2001: Rs 20 lakh and February 2002: Rs 72 lakh.
 30. Rupees one lakh only spent during 2003-04.
 31. Guidelines for rural works.
 32. Alwar, Banswara, Baran, Barmer, Bharatpur, Bhilwara, Bundi, Chittorgarh, Dausa, Dholpur, Hanumangarh, Jaipur, Jalore, Jhalawar, Jhunjhunu, Jodhpur, Kota and Sriranganagar.
 33. 20 works –recovery Rs 7.58 lakh; 20 works – recovery Rs 8.06 lakh.
 34. Schedule 'G'- contains items, rate, quantity and total amount of works to be executed.
 35. 5 per cent Performance Guarantee and 5 per cent Security Deposit.
 36. Bundi: Building works (16): Rs 34.58 lakh, Boundary wall (28): Rs 21.66 lakh, Addition/alteration of Government Buildings (18): Rs 13.88 lakh; Chittorgarh: Boundary wall (5): Rs 3.71 lakh.
 37. Ajmer, Bikaner, Jaipur, Jodhpur, Kota and Udaipur
 38. Project funded by ADB loan.
 39. M/s Shah Technical Consultants Private Limited, M/s TCE Consulting Engineers Limited and M/s Consulting Engineering Services (India) Limited.