SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
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Report of the Comptroller and Auditor General of India on Welfare of Building and Other Construction Workers

Government of Rajasthan

Report No. 3 of 2025

(Performance Audit-Civil)

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Comptroller and Auditor General of India
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Preface

This Report for the year ended 31 March 2022 has been prepared for submission to the Governor of Rajasthan under Article 151 of the Constitution of India.

The Report covering the period 2017-18 to 2021-22 contains the results of the performance audit on "Welfare of Building and Other Construction Workers"- Government of Rajasthan.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

Government of India enacted (August 1996) the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures. A person in the age group of 18 to 60 years and engaged in any building or other construction work for a period not less than ninety days during the preceding twelve months was eligible for registration as a beneficiary under the BOCW Act.

In the exercise of the powers conferred under the BOCW Act, the Labour Department, Government of Rajasthan (Department) constituted (July 2009) the Rajasthan Building and Other Construction Workers' Welfare Board (RBOCW Board) to manage the welfare fund and implement welfare schemes for construction workers. The Department also notified (April 2009) the Rajasthan Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2009 (RBOCW Rules).

To augment the resources of the Building and Other Construction Workers' Welfare Boards, Government of India (GoI) also enacted (August 1996) the Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) for levy and collection of cess on the cost of construction incurred by the employers. The cess collected was deposited in the revenue head of the State Government and then transferred to the 'Rajasthan Building and Other Construction Workers' Welfare Fund' (Fund).

A Performance Audit on 'Welfare of Building and Other Construction Workers' was conducted to assess whether the rules notified by the State Government under the Act were consistent with the spirit of the Act and the existing set up was adequate to ensure compliance with the provisions of Act. Audit checked whether there was an effective system for registration of establishments and beneficiaries. The efficiency of cess assessment, collection and transfer to the Fund was assessed in audit. Audit also assessed the existence of appropriate health and safety norms for the workers and its compliance environment through inspection. The efficiency and effectiveness in the administration and utilisation of funds on the implementation of welfare schemes by the Board were also assessed.

Audit observed that the State Government did not include some of the major provisions of the BOCW Act while framing RBOCW Rules. Also, there was shortage of manpower at RBOCW Board and Labour Department which affected the inspection of establishments and compliance with the provisions of the Act including registration of BOC workers and collection of cess.

Audit identified significant gaps in the registration of establishments and BOC workers under the relevant legal framework. Between 2017 and 2022, only 2,464 establishments were registered in the State with 40.18 *per cent* of them applied for registration beyond the stipulated timeline. The Labour department did not obtain lists of civil works from works executing departments and

planning authorities which led to incomplete coverage of establishments required to register under the Act.

As of March 2022, 30.10 lakh BOC workers were registered in Rajasthan. Physical verification of 27 establishments across five selected districts showed that only six *per cent* of the employed workers were actually registered highlighting inadequacy in system for registration of all eligible workers.

Audit observed that labour department did not ensure the conduct of targeted surveys aimed at identifying establishments falling under the purview of the Act. During 2019-22, against the target of 1,74,000 surveys, only 60,590 (34.82 *per cent*) surveys were conducted at the State level. Assessment orders for the works covered under the Act after determining the final cost of construction were issued to only five *per cent* of the registered establishments in selected five districts by the Assessing Officers. Further, there was non-compliance with key provisions related to Cess collection including the absence of assessment order and lack of clearly defined methodology for calculation of construction cost for assessment of cess.

Instances of non-collection and short recovery of Cess indicate towards inadequate monitoring by department to ensure effective Cess collection. Additionally, delays ranging from three to 22 months were noticed in transferring the Cess of ₹ 1,789 crore collected under the revenue head of State Government to the welfare fund.

Audit also observed that none of the establishments, though liable under the Act submitted written statement of policy on health and safety of building workers to the Chief Inspector. Targeted number of inspections were not carried out by the Factories and Boilers Inspection Department (FBID) and Labour department. Of 553 inspections conducted during 2019-22, the FBID noticed shortcomings in 387 cases. However, it did not issue notices for compliance in case of 148 (38 *per cent*) establishments. Further, of 239 establishments to which notices were issued, 212 establishments (89 *per cent*) did not furnish compliance. Joint inspection of registered establishments further revealed lapses in adherence to the prescribed safety and health norms at construction sites.

Audit has highlighted gaps in fund utilization by RBOCW Board. During the period 2017-18 to 2021-22, the expenditure ranged only 21.16 *per cent* to 51.06 *per cent* of the available funds. Against the amount of ₹ 1,788.99 crore received as Cess, only ₹ 1,659.22 crore was expended towards welfare schemes. Moreover, the RBOCW Board did not submit its audited Annual Accounts for the years 2018-19 to 2021-22 to the State Government and Annual Reports for the period 2017-18 to 2021-22 were also not submitted to the Government of India.

Of 25.89 lakh applications received during 2017-22, 7.49 lakh applications (29 *per cent*) were approved, 10.61 lakh applications (41 *per cent*) were rejected and the remaining 7.79 lakh applications (30 *per cent*) were pending for disposal. In fact, 1.86 lakh applications were pending for more than two years. Audit noticed instances of inadequate document verification in cases of Schemes i.e. *Prasuti Sahayta Yojana* and Assistance to Silicosis affected

construction workers, indicating a lack of due diligence of the department while processing the applications.

Recommendations:

1. ***The GoR may take effective action to strengthen existing set up by filling up the vacant posts at RBOCW Board and Labour Department on priority to ensure effective implementation of provisions of BOCW Act.***

2. ***The Labour department may proactively coordinate with all works executing departments and planning authorities to obtain timely and complete information regarding ongoing and completed works to ensure that all eligible establishments are identified and registered under the Act.***

3. ***The Labour Department may formulate and adopt comprehensive, measurable and verifiable criteria for determining construction costs to ensure uniformity and objectivity in assessment of Cess.***

4. ***The Labour Department may strengthen the existing mechanism to ensure timely and accurate collection of cess as per assessment orders by cess collecting authorities.***

5. ***The Labour Department may take appropriate steps to ensure inspections as per prescribed targets and strengthen enforcement mechanism, thereby promoting compliance with safety and health norms at construction sites to mitigate the risk of accidents and enhance protection of BOC workers.***

6. ***The State Government may consider recruiting dedicated inspectors exclusively for monitoring compliance under BOCW Act to enhance the welfare of BOC workers.***

7. ***The labour department may streamline the mechanism of applications processing to ensure timely delivery of benefits to the BOC workers.***

8. ***The existing system of documents verification at various level may be strengthened to ensure compliance with the prescribed eligibility condition before releasing benefits to the workers under various schemes.***

CHAPTER I
Introduction

Chapter I

Introduction

1.1 Introduction

Government of India (GoI) enacted (August 1996) the 'Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996' (BOCW Act) with a view to regulate employment, working conditions, safety, health and welfare of the construction workers. The BOCW Act provides for establishment of Building and Other Construction Workers' Welfare Board and the framing of rules by every State Government to exercise the powers conferred under the Act. The BOCW Act applies to every establishment employing ten or more workers in any work site[1]. The BOCW Act stipulated that every building worker in the age group of eighteen and sixty years who is employed on a building or other construction work for a period of not less than ninety days during the preceding twelve months can register himself as beneficiary with the Board.

To augment the resources of the Building and Other Construction Workers' Welfare Boards, the GoI also enacted (August 1996) the 'Building and Other Construction Workers' Welfare Cess Act, 1996' (Cess Act) for levy and collection of cess on the cost of construction incurred by the employers. Further, GoI framed (March 1998) 'Building and Other Construction Workers' Welfare Cess Rules, 1998' (Cess Rules) thereunder. GoI notified (September 1996) the levy of cess at the rate of one *per cent* of the cost of construction incurred by the employers.

In exercise of the powers conferred under the BOCW Act, Government of Rajasthan (GoR) framed (April 2009) the Rajasthan Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2009 (RBOCW Rules) after a lapse of more than 12 years from the enactment of the BOCW Act. The GoR constituted (July 2009) the Rajasthan Building and Other Construction Workers' Welfare Board (RBOCW Board) to manage the welfare fund and implement welfare schemes for the construction workers.

The functions of the Board, *inter alia*, included providing immediate assistance to a beneficiary in case of accident, payment of pension to beneficiaries who have completed the age of 60 years, sanction of loans and advances for construction of house, payment of premia for Group Insurance Scheme for the beneficiaries, financial assistance to the beneficiaries for the education of children, medical expenses for treatment of major ailments, and maternity benefits to female beneficiaries.

The GoR adopted the Cess Rules, 1998 in July 2009 to levy cess at the rate of one *per cent* of the total cost of construction. The cess collected is to be credited

[1] Ten or more workers should have been employed on any day in the last 12 months. Workers who come under Factories Act, 1948 or the Mines Act, 1952 are excluded.

to the Building and Other Construction Workers' Welfare Fund (Fund). Benefits to the registered beneficiaries under the Act are provided from this Fund. The major source of funds of the Board is collection of cess from employers.

During the audit period from 2017-18 to 2021-22, there were nine schemes in existence for providing benefits to the BOC Workers. However, one scheme i.e. Health Insurance Scheme for BOC Workers was closed in June 2017. Remaining eight schemes involving *Shiksha and Kaushal Vikas Yojana, Sulabhya Awas Yojana, Jeevan and Bhavishya Suraksha Yojana, Shubh Shakti Yojana, Prasuti Sahayta Yojana*, Natural or Accidental Death/Injury Assistance Scheme, *Silicosis Yojana and Nirman Shramik Tool Kit Yojana* were implemented by the Board for welfare of the beneficiaries. Further, five[2] more schemes were also implemented from December 2020.

As of March 2022, there were 30.10 lakh construction workers registered as beneficiaries with the Board. Opening balance of Welfare fund lying with the Board was ₹ 946.24 crore as of April 2017. The total receipts of the Board from 2017-18 to 2021-22 were ₹ 1,919.96 crore which included cess collection of ₹ 1,788.99 crore[3] and interest on investment and other receipts of ₹ 130.97 crore. The expenditure was ₹ 2,036.93 crore out of which the expenditure on various schemes implemented by the Board was ₹ 1,659.22 crore during 2017-18 to 2021-22 and had a balance of ₹ 829.27 crore as of March 2022.

1.2 Organizational set-up

The Labour department headed by the Secretary, Labour Department GoR is responsible for the implementation of the BOCW Act and Cess Act in the State. Besides, there are seven divisional offices headed by Divisonal Joint Labour Commissioners in the department. At the district level, Dy. Labour Commissioners/ Labour officers are designated as Registering Officers for the registration of establishments and as 'Cess Collector' and 'Assessing Officer' for collection and assessment of Labour cess. The Labour Commissioner was also notified (July 2009) as the Chief Inspector for inspection of building and other construction works. At district level, Dy. Labour Commissioners/Labour officers were notified as Inspectors for inspection of any premises or place where building or other construction work is carried out under the Section 43 of the BOCW Act.

The RBOCW Board is responsible for management of the welfare fund, registration of workers as beneficiaries, formulation of welfare schemes and disbursement of benefits to the beneficiaries. The Chairman of the RBOCW Board is Labour Minister, GoR and the Commissioner, Labour Department is the ex-officio Secretary of the Board. The Board consisted of 10 members

[2] Reimbursement of interest on loan for business, Incentive scheme for BOC Worker or his dependent on passing of Indian/Rajasthan Administrative Services preliminary examination, Reimbursement of tuition fees on admission in IIT/IIM, Reimbursement of expenditure incurred to obtain visa for employment in abroad and Incentive scheme for International Sports Competition.

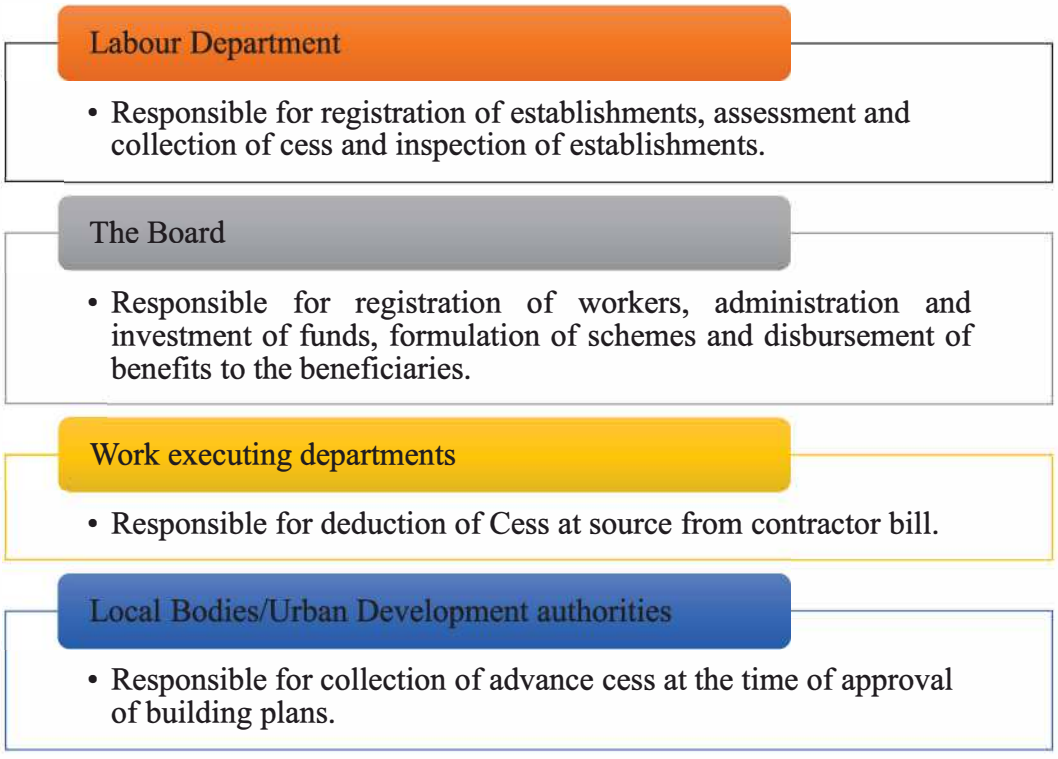
[3] Excluding ₹ 55.26 crore deducted by Finance Department on account of expenditure on BOC workers during covid-19 in 2020-21.

including three representatives each of the BOC workers/establishments and two special invitees, one from the Centre for Indian Trade Union (CITU) and a woman from Indian National Trade Union Congress (INTUC). The Board performs its functions of registration of building workers and processing of applications for benefits under welfare schemes at district level through officials of Labour Department.

Further, as per the GoR notification (January 2015), officers of Local Bodies/Urban Development authorities (planning authorities) and works executing departments[4] are also empowered for collection and assessment of Cess as Assessing Officers.

The responsibility of various agencies involved in implementation of the BOCW Act and the Cess Act are described in **Chart 1.1**

Chart 1.1



Further, Deputy Chief Inspector/Senior Inspector/Inspector of Factories and Boilers Inspection Department were entrusted (November 2010) with ensuring provisions related to safety and health under BOCW Act as per their jurisdiction.

[4] Public Works Department, Water Resource Department, Public Health and Engineering Department, Panchayati Raj Department, Ground Water Department and Horticulture Department.

1.3 Audit objectives

This performance audit was conducted to ascertain whether:

1. the rules notified by the State Government under the Act are consistent with the spirit of the BOCW Act and existing set up was adequate for compliance of provisions of the Act?
2. there was an effective system for registration of establishments and beneficiaries?
3. the cess assessment, collection, and transfer of collected cess to the Fund was efficient?
4. the State Government prescribed appropriate health and safety norms and could ensure an environment of compliance to those norms by the Employers?
5. the administration and utilization of fund on implementation of welfare scheme by the Board was efficient and effective and as per Act and rules framed by the State Government?

1.4 Audit Criteria

The audit findings were benchmarked against the following criteria:

- Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996.
- Rajasthan Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2009.
- Building and Other Construction Workers' Welfare Cess Act 1996 and Cess Rules, 1998.
- Circulars and orders issued by GoI/GoR and RBOCW Board.
- Model Welfare Scheme based on Supreme Court Judgement in respect of the BOCW Act, Cess Act and Cess Rules.

1.5 Scope of Audit and Sampling Methodology

The performance Audit was conducted from September 2022 to May 2023 covering the period of five years from 2017-18 to 2021-22. Records of the Office of the Commissionerate, Labour Department, the RBOCW Board and selected district offices involved in implementation of the Acts were examined. Further, records of the Factories and Boilers Inspection Department alongwith 55 inspection reports were also scrutinised to assess compliance to health and safety provisions.

For comprehensive and holistic coverage of implementation of both the Acts, five out of 33 districts, having maximum amount of benefits disbursed (three[5] districts) under welfare schemes as well as having maximum contribution in cess (two[6] districts) were selected as sample for audit. In each selected district, records of district level office of the Labour Department (for assessing the efficacy of registration of BOC workers and implementation of welfare schemes) were test-checked.

With a view to ascertain assessment, collection and deposit of Cess into the Government Account, records of 10 works executing departments, 10 local bodies and 157 Assessment files pertaining to six Assessing officers of Labour Department were examined in the selected five districts.

To ascertain compliance of norms prescribed under the BOCW Act, 1996 for registration of establishments and workers along with safety and health of BOC workers at worksites, joint physical inspection of 27[7] establishments in selected five districts was conducted.

For evaluation of welfare schemes, 520 applications[8] of beneficiaries for the eight welfare schemes were examined in the selected five districts. Audit conducted a survey of 305[9] workers out of the above 520 beneficiaries to assess the feedback from BOC workers regarding welfare schemes. Also, survey of 447 workers employed in above 27 selected establishments was conducted to assess the extent of awareness among BOC workers regarding welfare schemes.

Details of the number of units examined in selected districts for the performance audit is given in ***Appendix 1.1***.

An Entry Conference was held in September 2022 with the Secretary, Labour Department, GoR wherein audit objectives, audit criteria, audit scope and methodology were discussed. Exit conference was held in June 2024 with the Special Secretary, Labour Department, GoR to discuss the audit findings. The views of the department were considered while drafting this Report.

1.6 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Labour Department, the Board and selected units in providing records, information and clarifications sought from time to time for the smooth conduct of this Performance Audit.

[5] Jaipur, Dholpur and Karauli.
[6] Kota and Jodhpur.
[7] 12 registered and 15 unregistered establishments.
[8] Dholpur: 105, Jaipur: 105, Jodhpur: 103, Karauli: 103 and Kota: 104.
[9] All 520 applicants could not be surveyed as some cases pertained to accidental death and death due to silicosis. Additionally, some mobile numbers were also not accessible.

CHAPTER II

Institutional Arrangements for Implementation of the BOCW Act

Chapter II

Institutional Arrangements for Implementation of the BOCW Act

2.1 Enabling provisions of the BOCW Act in RBOCW Rules

Section 62 of the BOCW Act, 1996 provides that State Government should make rules for carrying out the provisions of the Act. During Audit it has been observed that following provisions of the BOCW Act were not incorporated by the State Government while framing RBOCW Rules:

(i) Section 24(3) of the BOCW Act stipulates that no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration of its members, officers and other employees and for meeting other administrative expenses exceeding five *per cent* of its total expenses during that financial year. Audit noted that the ceiling limit of five *per cent* for administrative expenses was not incorporated in the RBOCW Rules. Though, administrative expense remained within five *per cent* of the total expenses during audit period, ceiling limit should have been incorporated in RBOCW Rules to ensure compliance in future also.

(ii) Section 46 of the BOCW Act stipulated that an employer shall submit a notice containing eight kinds of information to the jurisdictional Inspector before 30 days of the commencement of work. While framing RBOCW Rules, one such information *viz.* details of number of workers likely to be employed during the various stages of work was not incorporated in RBOCW Rules.

(iii) As per the Section 48 of the BOCW Act, if an employer fails to give notice of the commencement of the building or other construction work under Section 46, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to two thousand rupees, or with both. It was noticed that no such provision was incorporated in RBOCW Rules.

This was pointed out (November 2024) to the department, however, reply was awaited (February 2025).

Audit is of the view that provisions of the BOCW Act are necessary to create enabling environment for welfare of BOC workers.

2.2 Institutional Framework

The State BOCW Board, State Advisory Committee and expert committee are the institutional framework stipulated in the BOCW Act. Audit observations pertaining to manpower, implementation of the decisions taken by the Board and constitution of State Advisory Committee are discussed in the succeeding paragraphs.

2.2.1 Shortage of manpower

The GoR sanctioned 12[1] posts for the RBOCW Board. Out of these, 11 posts were sanctioned in October 2011 and one post of Junior Accountant was sanctioned in April 2016. Audit observed that eight[2] of the 12 posts were vacant during the entire audit period of 2018-22.

At district level various functions of Board are being performed by Labour Inspectors in addition to their regular duties of implementation and monitoring of various labour Acts. There was shortage against the sanctioned strength at the State level and in selected districts also. The number of Labour Inspectors posted in the Labour Department against the sanctioned strength in the State during 2017-22 is given **Table 2.1** below :

Table 2.1: Position of Labour Inspectors posted against sanctioned strength

Year	State		Jaipur		Dholpur		Karauli		Kota		Jodhpur	
	SS	PIP (in *per cent*)	SS	PIP (in *per cent*)	SS	PIP (in *per cent*)	SS	PIP (in *per cent*)	SS	PIP (in *per cent*)	SS	PIP (in *per cent*)
2017-18	181	95(52)	20	3 (15)	3	2 (67)	3	1 (33)	10	4 (40)	12	4 (33)
2018-19	181	118 (65)	20	20 (100)	3	2 (67)	3	1 (33)	10	6 (60)	12	8 (67)
2019-20	181	111 (61)	20	14 (70)	3	1 (33)	3	1 (33)	10	5(50)	12	8 (67)
2020-21	181	90 (50)	20	17 (85)	3	1 (33)	3	1 (33)	10	4(40)	12	3(25)
2021-22	181	89 (49)	20	19 (95)	3	1(33)	3	1 (33)	10	3(30)	12	7 (58)

SS-Sanctioned strength; PIP-Person in position.

The above table shows shortage of Inspectors in Labour Department in the State ranging between 35 *per cent* to 51 *per cent* during 2017-22. Similarly, in the test checked five districts the shortage of inspectors ranged between 5 *per cent* to 85 *per cent* during 2017-22 (except Jaipur in 2018-19). This shortage affected inspection of establishments (Refer **Paragraph 5.4.2**) and collection of cess (Refer **Paragraph 4.2**).

2.2.2 Non-implementation of Board's decisions

Rule 40 of the RBOCW Rules stipulates that the Secretary of the Board shall take necessary steps for carrying out the decisions of the Board. Board is empowered to make amendments in the scheme after taking decisions in its meeting and approval of the Hon'ble Labour Minister. Thereafter, the Secretary of the Board was required to issue instructions for implementation of the decision/amendments in the guidelines of the scheme.

Audit observed that during 2017 and 2021, important decisions were taken in the meetings of the Board chaired by Hon'ble Labour Minister as cited in **Table 2.2** below:

---

[1] Assistant Labour Commissioner:1, Accounts officer:1, Accountant:1, Junior Accountant:1, Labour Inspector:2, Personal Assistant:1, Upper Division Clerk:1, Lower Division Clerk:2 and Group D:2.

[2] Assistant Labour Commissioner:1, Accountant:1, Personal Assistant:1, Upper Division Clerk:1, Lower Division Clerk:2 (2017-18: 1 post) and Group D:2.

Table 2.2: Decisions of the Board taken in its meetings

Board meeting	Date of meeting	Decisions
26th	11 August 2017	The amount of assistance given under death or injury assistance scheme in cases where accident disables a BOC worker from doing his work is meagre. Therefore, it was decided that in case the accident results in permanent disability (partial/ complete) of workers, the benefit should be given without adjusting the amount of assistance provided earlier.
31st	06 July 2021	Assistance under death or injury assistance scheme was being provided in case of permanent disability (partial/complete) due to an accident. The assistance should also be provided in case of permanent disability (partial/complete) due to any illness or other reasons.

However, it was noticed that the Board did not initiate any further action for implementation of its above decisions.

The Secretary, Board replied (October 2024) that implementation of the schemes was done only after approval in the Board meeting and approval of the Hon'ble Labour Minister. Also, amendments are made in the provisions of the scheme as and when required.

The fact remains the same as these decisions were approved by competent authorities during meetings itself, however, no further action was taken by the board to implement the decisions.

2.2.3 Constitution of State Advisory Committee

Section 4 of the BOCW Act provides that the State Government shall constitute a State Advisory Committee (SAC). As per Rule 4 of RBOCW Rules, the SAC shall consist of a chairperson and 13 members[3] including representatives of employers and building workers. Rule 5 of the RBOCW Rules also provides that the term of the SAC shall be three years. Rule 14 of the RBOCW Rules provides that SAC shall meet at least once in three months to advise the State Government on such matters arising out of the administration of the Act as per Section 4 of the BOCW Act.

Audit observed that the SAC was last reconstituted in September 2015. Moreover, during 2017-18 to 2021-22, only one meeting of SAC was held (28 April 2017) as against the prescribed 20 meetings, resulting in non-discharge of the mandated functions as contemplated in the Act. The department did not provide any specific reply in this regard.

[3] (i) Two Members of the State Legislature; (ii) one member nominated by the Central Government; (iii) Chief Inspector; (iv) four representatives of employers connected with BOC work; (v) four representatives of building workers; (vi) one representative of accident insurance institution.

Conclusion

Audit observed that the State Government did not include some of the major provisions of the BOCW Act while framing RBOCW Rules. Also, there was shortage of manpower at RBOCW Board and Labour Department which affected the inspection of establishments and compliance with the provisions of the Act including registration of BOC workers and collection of cess.

Recommendation 1: The GoR may take effective action to strengthen existing set up by filling up the vacant posts at RBOCW Board and Labour Department on priority to ensure effective implementation of provisions of BOCW Act.

CHAPTER III
Registration of Establishments and Workers

Chapter III

Registration of Establishments and Workers

3.1 Registration of Establishments

The provisions of the BOCW Act applied to 'every establishment' which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work[1]. Establishment under the BOCW Act means any establishment belonging to or under the control of Government, any body corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work and includes an establishment belonging to a contractor.

As per Section 7 of the BOCW Act, every employer[2] in relation to an establishment to which the act is applicable shall make an application within a period of 60 days of commencement of work to the Registering Officer of the area in which the building or other construction work is to be carried out for the registration of such establishment. The entire process of submission of application by the employer, payment of fees by the employer and issue of certificate of registration by the Labour Department was done through a web-based online system 'Labour Department Management System (LDMS)'. While making the application for registration of establishment, the employer is required to mention the details such as name and location of establishment where building and other construction work is to be carried out, nature of work, maximum number of building workers proposed to be employed on any day, estimated date of commencement and completion of work *etc.*

Audit observations related to registration of establishments, are discussed in the succeeding paragraphs.

3.1.1 Registration of establishments in the State and in selected districts

Registration of establishment brings the employer under the ambit of the BOCW Act and RBOCW Rules, thereby ensuring compliance with the safety, health and welfare measures of workers.

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1 Building or other construction work is defined under the BOCW Act as any construction, alteration, repairs, maintenance or demolition of or in relation to buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, *etc.*, and such other works as notified by the State Government.

2 As per Section 2 (1) (i) of the BOCW Act, employer in relation to an establishment, means the owner thereof, and includes (i) in relation to a building or other construction work carried on by or under the authority of any department of the government, directly without any contractor, the authority specified in this behalf, or where no authority is specified, the Head of the department; (ii) in relation to a building or other construction work carried on by or on behalf of a local authority or other establishment, directly without any contractor, the Chief Executive Officer of that authority or establishment; (iii) in relation to a building or other construction work carried on by or through a contractor, or by the employment of building workers supplied by a contractor, the contractor.

Audit observed that only 2,949 establishments were registered in the State as of March 2022. Year-wise registration of establishments in the State and the five test checked districts during the audit period from 2017-18 to 2021-22 is shown in **Table 3.1** below.

Table 3.1: Number of Registered establishments in the State and test checked districts

Annual registration	Number of establishments registered					
	State	Jaipur	Dholpur	Karauli	Jodhpur	Kota
Number of establishments registered as on 31.03.2017	485	171	0	7	12	44
2017-18	478	179	0	55	14	23
2018-19	458	111	0	10	19	36
2019-20	696	325	0	4	12	36
2020-21	456	140	0	3	10	62
2021-22	376	77	2	0	5	30
Total	**2,949**	**1,003**	**2**	**79**	**72**	**231**

Source: As per Labour Department Management System (LDMS).

As seen from **Table 3.1**, the number of registered establishments in the State were 2,949 and in five test-checked districts were 1,387 as of March 2022.

To further verify if all the construction establishments were registering themselves, Audit test checked the status of registration in selected sample of (i) 44 construction works executed during 2017-22 by works executing departments, (ii) 40 construction projects registered with Real Estate Regulatory Authority[3] (RERA) during 2017-22, (iii) 15 unregistered establishments, (iv) 55 inspection reports of Factories and Boilers Inspection Department (FBID), (v) 157 assessment files and (vi) 78 building plans approved by Planning Authorities in five test checked districts. Audit observations noticed are given below:

- The works executing departments did not have any information regarding the number of construction workers employed in selected 44 construction works. In absence of this, the requirement of registration of these works could not be verified in the test checked five districts. However, on correlating the data with Labour department, it was observed that 42 of these selected 44 works were not registered under BOCW Act.

- Out of 40 test checked RERA registered Projects[4], 32 (80 *per cent*) projects were not registered under the BOCW Act. On being pointed out, the Department stated (July 2024) that information regarding RERA registered projects is not available with the Labour Department.

- During field visit of 15 selected unregistered establishments with representatives of Labour department, it was observed that eight (53 *per*

[3] RERA was established for regulation and promotion of the real estate sector in the State. All real estate projects where area of land proposed to be developed exceed five hundred square meters and number of apartments proposed to be developed exceed eight will have to register with RERA.

[4] Dholpur:5; Jaipur:4; Jodhpur:14; Karauli:1 and Kota:16.

cent) of them had employed more than 10 BOC workers and therefore, these establishments should have been registered.

- The Labour department had entrusted the inspection of health and safety conditions at the construction sites to Factories and Boilers Inspection Department (FBID), GoR. Audit test checked 55 Inspection Reports of FBID, GoR in selected districts and found that out of 26 establishments having 10 or more BOC workers, only three were registered under the BOCW Act. On being pointed out, Department stated (July 2024) that directions will be issued to district offices for registration of these establishments.

- During review of selected 157 Assessment Files[5] of selected five districts, it was observed that 55 establishments were marked as registered in assessment files. No information regarding registration was mentioned in the assessment files of the remaining 102 establishments. Further, Audit observed that eight of these 102 establishments, were required to be registered as more than 10 workers were employed and details of workers employed were available in assessment files in Survey Form[6]/Form I[7].

- During review of selected 78 approved building plans by Planning Authorities in selected five districts, it was observed that no establishment was registered with Labour Department.

Thus, the above facts indicate that significant number of eligible establishments remained unregistered due to insufficient monitoring by the Department.

The GoR stated (November 2023) that there is shortage of manpower in the department and implementation of 22 labour related Acts is being done by the department. Directions will be given to subordinate offices to obtain necessary information and to register establishments involved in construction work through campaigns in accordance with spirit of BOCW Act.

3.1.2 Obtaining information from works executing departments/ Planning Authorities

(i) To achieve better coordination among the departments and to ensure district level interventions to improve overall performance of registration and cess collection, District Collectors were directed by the GoR (15 September 2015) to constitute a BOCW Task Force (BTF). Senior most district level officer of Labour Department was the convenor of BTF under the chairmanship of District Collector. The BTF was required to meet at least once in a month and share information regarding all civil works undertaken by the State Government

[5] Assessment File is related to assessment and collection of cess in respect of an establishment and includes details such as cost of construction, calculation of liable cess, assessment order and actual cess collected.

[6] Survey is a primary method to identify an establishment coming in the purview of the Act and where cess could be levied.

[7] As per Rule 6(1) of BOCW Cess Rules, every employer, within thirty days of commencement of work will furnish information in Form I to the Assessing Officer.

departments/other bodies, position of registration of these works, registration of workers engaged in these works and collection of cess.

During scrutiny of records in test checked districts, it was noticed that in meetings of the BTF held during 2017-22, only directions were issued to different departments for sharing information with labour department. However, information related to works executed by these departments/ building plans approved by planning authorities was not shared. Further, only 3 to 18 meetings[8] were conducted against the target of 60 meetings in each of the test checked four districts.

(ii) Labour Department, GoR also issued (30 September 2015) instructions to all Labour Officers to obtain list of all civil works undertaken by the State Government departments and local bodies so that timely registration of establishments could be ensured.

During audit of selected five districts, it was observed that labour officers did not obtain such list of works from work executing departments and local bodies.

Above position indicates that no effective action is being taken by the Labour Department to ensure the coordination with work executing departments/ planning authorities to obtain information which could be used to ensure coverage of all establishments eligible for registration.

3.1.3 Delay in submitting application for registration of establishments

As per Section 7 of the BOCW Act, every employer undertaking construction by engaging BOC workers shall make an application to the Registering Officer of the district for registration of the establishment within 60 days from the commencement of the work. Provided that the Registering Officer may entertain any such application after the stipulated period of 60 days, if he is satisfied that the applicant was prevented by sufficient cause from making the application within such period. As per Section 50 of the BOCW Act, failure/delay in registration may attract a fine which may extend to ₹ 1,000.

As per the data available on Labour Department Management System (LDMS), audit observed that 2,464 establishments were registered in the State during 2017-22. In 990 cases (40.18 *per cent*) employers had applied for registration of establishments with a delay of one to 1,635 days beyond the prescribed 60 days.

Similarly, in test checked five districts, employers in 551 (48 *per cent*) out of 1,153 registered establishments had applied for registration of establishments with a delay of one to 1,635 days beyond the prescribed 60 days during 2017-22 as per details given in **Table 3.2** below.

[8] Jodhpur: 3, Kota: 18, Jaipur: 3 and Karauli: 6.

Table 3.2: Delay in registration of establishments

S. No.	Name of District	Total number of registered establishments	Number of employers applied for registration after prescribed 60 days	Range of delay (in days)
	State	2,464	990	1 to 1,635
1.	Dholpur	02	01	113
2.	Jaipur	832	378	1 to 1,635
3.	Karauli	72	55	3 to 785
4.	Kota	187	93	4 to 1,051
5.	Jodhpur	60	24	09 to 772
Total		**1,153**	**551 (47.79%)**	

GoR replied (October 2024) that penalty of ₹ 1.43 lakh was imposed in 76 cases. This indicates that penalty was not imposed in remaining 914 cases.

3.1.4 Non-intimation of actual date of commencement and probable date of completion

As per Rule 20 (3) and 66 (1) of the RBOCW Rules, the establishment should intimate the actual date of commencement before 30 days of the commencement and probable date of completion of construction work undertaken by them, to the jurisdictional Labour Inspector in prescribed form. Section 48 of the BOCW Act prescribes penalty for failure to give such information.

Audit observed that out of 1,153 establishments registered in the selected districts during 2017-22, such information was received in only 52 cases (Kota district) by the Labour Inspector. It was further observed that out of the remaining 1,101 registered establishments action for imposing penalty was initiated in only 37 cases[9] (three *per cent*).

The GoR stated (November 2023) that there is shortage of manpower in the department and implementation of 22 labour related Acts is being done by the department. Directions will be given to subordinate offices to obtain necessary information and to register establishments involved in construction work through campaigns in accordance with spirit of BOCW Act.

3.2 Registration of Workers

Section 12 of the BOCW Act stipulated that every building construction worker in the age group of 18 to 60 years and engaged in any building or other construction work for a period not less than ninety days during the preceding twelve months is eligible for registration as beneficiary under BOCW Act.

From September 2016, workers have to register online, on a portal operated by the Labour Department called 'Labour Department Management System' (LDMS) by submitting an application online along with the prescribed documents (proof of age, certificate of engagement in building or construction

[9] Jaipur: six cases, Kota: 21 cases and Jodhpur: 10 cases.

work, Aadhar card or Jan Aadhar/Bhamashah card and photograph etc.). Workers generally access the portal through government authorized cyber kiosks which provide e-governance services to citizens (*e-mitra*).

3.2.1 Registration of workers in the State and selected districts

As per the LDMS data, 30.10 lakh BOC workers were registered as of March 2022 in Rajasthan. The number of registered workers in the State and the five test-checked districts are given in **Table 3.3** below:

Table 3.3: Number of workers registered in the State and test checked districts

Year	State	Jaipur	Jodhpur	Dholpur	Karauli	Kota
2017-18	11,14,172	70,677	52,407	21,096	28,670	13,324
2018-19	5,61,704	21,648	12,275	15,443	26,802	8,652
2019-20	72,553	4,895	2,548	4,718	8,284	3,880
2020-21	2,24,771	18,149	7,412	9,117	6,094	8,507
2021-22	2,16,834	8,539	20,267	5,690	1,302	6,937

Source: Labour Department Management System (LDMS).

Above table indicates that year wise registration of workers in the State steeply decreased from 11,14,172 in 2017-18 to only 72,553 in 2019-20. However, it increased to 2,16,834 workers in 2021-22. The same trend was also noticed in the test-checked five districts.

During physical verification of 27 establishments (including 12 registered establishments) having 447 workers in test checked five districts, audit observed that only 27 workers (six *per cent*) were registered and remaining 420[10] workers were not registered.

The GoR stated (December 2023) that many non-BOC workers were found registered as BOC workers, therefore, registrations were done strictly which reduced the number of registered workers.

Conclusion

Audit identified significant gaps in the registration of establishments and BOC workers under the relevant legal framework. Between 2017 and 2022, only 2,464 establishments were registered in the State with 40.18 *per cent* of them applied for registration beyond the stipulated timeline. The Labour department did not obtain lists of civil works from works executing departments and planning authorities which led to incomplete coverage of establishments required to register under the Act.

[10] Jaipur:100; Jodhpur: 98; Dholpur: 19; Karauli: 91 and Kota:112.

As of March 2022, 30.10 lakh BOC workers were registered in Rajasthan. Physical verification of 27 establishments across five selected districts showed that only six *per cent* of the employed workers were actually registered highlighting inadequacy in system for registration of all eligible workers.

Recommendation 2: The Labour department may proactively coordinate with all works executing departments and planning authorities to obtain timely and complete information regarding ongoing and completed works to ensure that all eligible establishments are identified and registered under the Act.

CHAPTER IV

Assessment, Collection and Transfer of Cess

Chapter IV

Assessment, Collection and Transfer of Cess

4.1 Assessment and levy of the Cess

To augment the resources of the Building and Other Construction Workers' Welfare Board, the GoI enacted (August 1996) the Building and Other Construction Workers' Welfare Cess Act, 1996 (the Cess Act) to provide for the levy and collection of a cess on the cost of construction incurred by the employers. To implement the Cess Act, GoI notified (March 1998) the Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules).

GoI notified (September 1996) the levy of cess at the rate of one *per cent* of the cost of construction incurred by the employers. The GoR adopted the Cess Rules, 1998 in Rajasthan in July 2009 to levy cess at the rate of one *per cent* of the total cost of construction incurred by an employer.

There are three sources of cess: (i) Government departments/ PSUs while undertaking construction works are responsible for deduction of the cess at source from contractor's bills; (ii) Local Bodies/Urban Development authorities are responsible for collection of advance cess as a percentage of the estimated construction cost at the time of approval of building plans submitted by the entities undertaking construction and (iii) Collection of cess on the basis of assessment made by Labour Department.

According to Rule 5(3) of Cess Rules, the amount of cess collected by the labour department from the establishments is required to be transferred to the Board Fund within 30 days of its collection. Audit noticed that cess collected by the Cess Collectors in the State was first deposited in the revenue head (0230-800-06) of the State Government and then transferred to the RBOCW welfare fund.

Audit observed that during 2017-18 to 2021-22, cess of ₹ 2,002.43 crore was collected, and cess of ₹ 1,788.99 crore was transferred to the Board with delay of three to 22 months. Year-wise amount of cess collected in revenue head and deposited in the RBOCW welfare fund is given in **Table 4.1** below:

Table 4.1: Year-wise amount of cess collected in revenue head and deposited in the RBOCW welfare fund

(₹ in crore)

Year	Cess collected in revenue head	Cess transferred to RBOCW welfare fund
2017-18	338.60	342.69
2018-19	382.59	338.60
2019-20	412.82	382.59
2020-21	367.55	357.56[1]
2021-22	500.87	367.55

Source: As per information provided by the Board.

The GoR stated (December 2023) that the cess collected in a year is transferred to RBOCW welfare fund in the next financial year by GoR. The transfer of collected cess on a monthly basis from July 2023 is under consideration with Finance Department.

Deficiencies noticed during audit in assessment and levy of cess are discussed in succeeding paragraphs.

4.1.1 Shortfall in conducting survey to identify establishments liable to pay cess

Labour Department issued (March 2019) Standard Operating Procedure (SOP) wherein targets were fixed for survey to identify establishments coming under the purview of the Act. Every Labour Inspector was required to survey 50 construction works per month in his/her jurisdiction and submit report to the concerned Assessing Officer, who in turn issues notice to the employer for depositing the cess if due.

Audit observed that targets were fixed in March 2019 i.e. ten years after framing of the RBOCW Rules, 2009. Further, during 2019-22, against the target of 1,74,000 surveys, only 60,590 (34.82 *per cent*) surveys were conducted at the State level. In selected five districts, 12,552 (25.56 *per cent*) surveys were conducted against the target of 49,100 surveys (***Appendix 4.1***).

The GoR replied (March 2024) that the shortfall in conducting surveys was due to Covid pandemic and shortage of Labour Inspectors in the department.

Audit is of the view that suitable mechanism may be devised to ensure compliance of the targets in future.

[1] ₹ 55.26 crore were not transferred from ₹ 412.82 crore collected on account of expenditure on BOC workers during covid-19 Pandemic.

4.1.2 Assessment orders not issued

(i) Assessment orders not issued by works executing departments and local bodies

In compliance of the Cess Rules, Dy. Labour Commissioner/other labour officers were appointed (July 2009) as 'Cess Collector' and 'Assessing Officer'. Additionally, officers of local bodies and works executing departments were also appointed (January 2015) as 'Cess Collector' and 'Assessing Officer'.

Further, as per Rule 6(1) of Cess Rules, every employer, within thirty days of commencement of work will furnish information in Form I to the Assessing Officer. The Assessing Officer, after scrutinizing such information, is required to issue assessment order within six months. Assessment order specifies the amount of cess due, cess already paid by the employer or deducted at source and the balance amount payable and the date by which the cess shall be paid.

Audit observed that the officers of the local bodies and works executing departments were performing the duty of cess collection only by collecting advance cess while giving approval of building plans or by deducting cess from payments made to the contractors but no final assessment order to ensure collection of due cess was being issued by them in test checked five districts during 2017-22.

On being pointed out by Audit, the department conducted a meeting under the Chairmanship of the Principal Secretary, Labour Department with all assessing officers (January 2024) and directed to assess the cess from assessee under their jurisdiction and share the information with the Labour department.

(ii) Assessment orders not issued by Labour department

Audit further observed that assessment orders after determining the final cost of construction were issued by labour department to only 49[2] establishments (five *per cent*) out of a total of 1,153 establishments registered during audit period 2017-18 to 2021-22 in test checked five districts.

The GoR in its reply stated (March 2024) that assessment orders of 386 establishments (out of 1,153) have been issued and Assessment Officers have been instructed to issue assessment orders in the remaining cases.

4.1.3 Mechanism for calculation of construction cost for assessment of cess

In accordance with Section 3(1) of Cess Act, GoR notified (July 2010) the rate of cess as one *per cent* of the construction cost (excluding land cost). For calculation of cost of construction by Assessing Officer, Labour Department had prescribed (September 2016) minimum rate to be made applicable per square feet of different types of buildings (commercial, residential, shopping mall etc.). Buildings under each type were further sub-divided into three categories: A, B or C *i.e.* superfine, medium and simple construction based on the quality of

[2] 02 in Jodhpur and 47 in Kota.

construction. Minimum rate of cost of construction was to be decided as per the category of building (A, B, C) and for this a check list was developed to determine the category of construction based on various criteria[3]. This list was to be filled by the establishment.

However, Audit observed that Labour department did not prescribe detailed method of calculation to be adopted for classification of building under A, B and C category from the filled checklist. Moreover, during scrutiny of selected 157 assessment orders in test checked five districts, Audit observed that in all these cases the check list was not filled up by the entity undertaking construction.

The GoR replied (November 2023) that a committee was constituted (September 2009) which prescribed modalities to be adopted to determine construction cost by classifying construction works into three categories (A, B and C) based on utilization of the building and materials used.

The GoR reiterated the facts and did not provide specific reply regarding lack of specific criteria in the existing mechanism to be used to determine category of buildings which decides estimated rate of cost of construction. This indicates subjectivity in calculation of cost of construction and assessment of cess.

4.2 *Collection of Cess*

4.2.1 Non recovery of Cess

(i) Non recovery of cess by Labour department

As per Rule 4(1) of the Cess Rules, cess should be collected within 30 days from the issuance of Assessment Order, failing which, the employer shall be liable (Section 8 of the BOCW Cess Act) to pay interest on the amount to be paid at the rate of two *per cent* for every month of delay. Further, Rule 13 of Cess Rules stipulates that for any amount due from the employer, Secretary of Board shall direct the District Collectors to recover the same as an arrear of land revenue.

Scrutiny of selected 157 assessment files where assessment was done by Labour Department, showed that cess amounting to ₹ 2.87 crore was not recovered in 75 (48 *per cent*) cases as of March 2022. The employers were liable to pay interest of ₹ 2.52[4] crore for the uncollected cess. Thus, a total of ₹ 5.39 crore remained uncollected. Further, only 27[5] out of 75 cases (36 *per cent*) were sent to concerned District Collectors for recovery as of March 2024.

The GoR replied (March 2024) that pursuance of remaining cases was being ensured.

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[3] Number of elevators, details of wood used, AC system, basement, sanitary fixtures and stone used.

[4] Dholpur- ₹ 0.01 crore, Jaipur- ₹ 1.12 crore, Jodhpur- ₹ 0.57 crore, Karauli- ₹ 0.13 crore and Kota- ₹ 0.69 crore.

[5] Jodhpur-2 cases and Kota-25 cases.

(ii) Non recovery of cess by works executing departments

According to Rule 4(3) of the Cess Rules, where the levy of cess pertains to BOC work of a Government or of a Public Sector Undertaking (PSU), such Government or the PSU shall deduct or cause to be deducted the cess payable at the notified rates (one *per cent*) from the bills paid for such works.

Audit observed that in selected 44 works executed by works executing departments during 2017-22, cess due was deducted in case of 30 works. In remaining 14 works valuing ₹ 1,103.62 crore, cess of ₹ 11.04 crore was to be levied at the rate of one *per cent* of the value of the works, however, cess amounting to ₹ 1.23[6] crore was not recovered while making final payments to the contractors. Thus, the due cess was not recovered by works executing departments.

Divisional Joint Labour Commissioner, Jaipur and Labour welfare officer, Dholpur stated (May and March 2023) that it is the responsibility of executing departments to deduct the due cess and Labour welfare officer (Jodhpur) stated (May 2023) that the executive department concerned has been directed to deduct and deposit the due cess.

4.2.2 Non collection of cess by planning authorities

According to Rule 4(4) of the Cess Rules, local authority will deduct cess on estimated cost of construction at the notified rates. Further, Labour Department, GoR in its meeting (September 2016) directed its officers to hold regular meetings with representatives of BOC workers, government departments associated with BOC works to ensure registration of BOC workers, establishments and collection of cess.

(i) Audit selected 78 building plans approved by test checked ULBs (planning authorities) out of these 78 plans, advance cess was required to be collected in 70[7] building plans. However, it was noticed that advance cess of ₹ 8.34[8] lakh was not collected while approving 16 building plans.

(ii) Rule 4(4) of the Cess Rules provides that local authority will collect advance cess while approving a construction work based on the estimated cost of construction. If the duration of the project is likely to exceed one year, the cess payable on cost of construction estimated to be incurred during one year from the date of commencement shall be collected and further payments of cess due shall be made accordingly for every year thereafter.

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[6] Dholpur- ₹ 0.37 crore in two works, Jaipur- ₹ 0.12 crore in five works, Jodhpur- ₹ 0.71 crore in five works and Karauli- ₹ 0.03 crore in two works.

[7] Eight out of selected 78 building plans were residential building plan valuing less than ₹ 10 lakh. Therefore, as per the Act advance cess was not required to be collected.

[8] In one case cess of ₹ 6.16 lakh (as provided by ULB) and in remaining 15 cases, cess of ₹ 2.18 lakh (calculated by audit based on estimated construction cost which was arrived at by multiplying built up area of construction for which permission was granted with minimum applicable rate of construction as specified by Labour department).

Audit analysed the information (cost of construction) pertaining to selected 40 projects registered with RERA (available on its website) and the amount of Cess deposited with Labour Department and observed that in 17 projects, cess amounting to ₹ 4.82 crore[9] (including interest) was not deposited as of March 2022.

Divisional Joint Labour Commissioner, Jaipur and Kota and Labour Welfare officer, Dholpur stated that due cess will be recovered accordingly after conducting survey.

This shows that Labour department had not used easily accessible information available with RERA to ensure cess collection.

4.2.3 Cess collection through cheques

Rule 4 of the Cess Rules stipulates that cess/advance cess payable to the Board shall be deposited through a demand draft.

During scrutiny of records in Labour Department, it was noticed that advance cess was received through cheques during 2017-22. However, 126 cheques amounting to ₹ 11.36 crore[10] were dishonored for payment.

On this being pointed out, the Labour department stated (July 2023) that ₹ 2.28 crore were recovered but ₹ 9.08 crore[11] remains unrecovered. For recovery of the remaining cess, notices have been issued to the establishments concerned.

Audit is of the view that Labour Department needs to ensure compliance of Rule 4 of the Cess Rules to avoid cases of dishonor of cheques.

4.3 Transfer of Cess

4.3.1 Remittance of cess in the Welfare Fund of Board

According to Rule 5(3) of Cess Rules, the amount of cess collected by the labour department from the establishments is required to be transferred to the Board Fund within 30 days of its collection. Audit noticed that cess collected by the Cess Collectors in the State was first deposited in the revenue head (0230-800-06) of the State Government and then transferred to the RBOCW welfare fund.

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[9] Dholpur: ₹ 0.38 crore in five projects, Jaipur: ₹ 0.17 crore in one project, Kota: ₹ 4.27 crore in 11 projects.

[10] 2017-18: ₹ 4.15 crore, 2018-19: ₹ 4.44 crore, 2019-20: ₹ 1.96 crore, 2020-21: ₹ 0.75 crore and 2021-22: ₹ 0.06 crore.

[11] 2017-18: ₹ 3.22 crore, 2018-19: ₹ 3.72 crore, 2019-20: ₹ 1.80 crore and 2020-21: ₹ 0.34 crore.

Audit observed that in selected 78 building plans approved by test checked ULBs, advance cess of ₹ 14.43 lakh collected during approval of 47[12] building plan was not deposited in the revenue head of State Government and was lying with the respective ULBs.

Conclusion

Audit has observed that labour department did not ensure the conduct of targeted surveys aimed at identifying establishments falling under the purview of the Act. During 2019-22, against the target of 1,74,000 surveys, only 60,590 (34.82 *per cent*) surveys were conducted at the State level. Further, there was non-compliance with key provisions related to Cess collection including the absence of assessment order and lack of clearly defined methodology for calculation of construction cost for assessment of cess.

Instances of non-collection and short recovery of Cess indicate towards inadequate monitoring by department to ensure effective Cess collection. In violation of cess rules, advance cess was received through cheques instead of demand draft, which were dishonored and resultantly cess of ₹ 9.08 crore remains unrecovered.

During 2017-18 to 2021-22, cess of ₹ 2,002.43 crore was collected under the revenue head of State Government and cess of ₹ 1,789 crore was transferred to the Board with delays ranging from three to 22 months.

Recommendation 3: The Labour Department may formulate and adopt comprehensive, measurable and verifiable criteria for determining construction costs to ensure uniformity and objectivity in assessment of Cess.

Recommendation 4: The Labour Department may strengthen the existing mechanism to ensure timely and accurate collection of cess as per assessment orders by cess collecting authorities.

[12] Audit selected 78 building plans approved by ULBs. Out of these 78 cases, advance cess was required to be deposited in 70 cases. Out of these 70 cases, advance cess of ₹ 8.34 lakh was not collected in 16 cases, advance cess of ₹ 14.43 lakh was collected but not deposited in Revenue head in 47 cases, advance cess of ₹ 4.57 lakh was collected and deposited in Revenue head in 6 cases and 1 case was sub judice.

CHAPTER V

Safety, Health and Welfare measures for Construction Workers and its compliance

Chapter V

Safety, Health and Welfare measures for Construction Workers and its compliance

5.1 Introduction

The BOCW Act (Section 38-41) stipulated provisions for the safety and health of workers engaged in building and other construction works including powers of the State Government to frame rules (Section 40) for the safety and health of building workers. The RBOCW Rules contain provisions (Chapter XI) for safety of the BOC workers from the harmful effects of noise, dust, gases, fire protection, provision of safety shoes, safety belts and helmets and first-aid boxes etc. for the health of workers. The provisions also include the formation of safety committees, appointment of safety officer, equipment and appliances necessary to be provided for ensuring safety, health and protection during the employment.

Audit observations related to the formulation of health and safety policy by establishments, inspection of health and safety provisions by Factories and Boilers Inspection Department (FBID), follow-up action on these inspection reports and inspection of registered establishment by Labour Department are discussed in the succeeding paragraphs.

5.2 Health and safety policy not framed by the establishments

Rule 82 of RBOCW Rules, 2009 stipulates that every establishment employing fifty or more building workers shall prepare a written statement of policy in respect of safety and health of building workers and submit the same for the approval of Chief Inspector. The policy was to contain *inter alia* intention and commitment of the establishments regarding health, safety and environment protection of building workers, the responsibility of its implementation at different levels of hierarchy, techniques and methods for assessment of risk to safety, health and environmental and remedial measures, arrangements for training of building workers, trainers, supervisors or other persons engaged in the construction work.

During review, it was noticed that though 749 establishments employing 50 or more workers were registered in the State (311 establishments in five selected districts) during the period 2017-22 but none of these establishments had submitted any written statement of policy in respect of building workers to the Chief Inspector, Factories and Boilers Inspection Department. In the absence of a written policy, implementation of the same could not be ensured.

Out of 27 selected establishments (12 registered and 15 unregistered) jointly inspected by Audit with labour inspectors, eight establishments had employed 50 or more workers. Out of these, only three establishments had prepared a written statement of policy in respect of safety and health of building workers but the same was not submitted to the Chief Inspector, FBID for approval.

Chief Inspector, FBID stated (July 2023) that health and safety policy was not submitted by any establishment for approval.

This indicates that compliance of provision related to formation of health and safety policy by establishment was not being ensured by both Labour department and FBID.

5.3 Formation of Safety Committee and appointment of Safety Officer

Rule 251 of RBOCW Rules stipulates constitution of a safety committee and appointment of a safety officer in every establishment wherein 500 or more building workers are ordinarily employed. The main function of the safety committee is to identify probable causes of accident and unsafe practice in construction work and to suggest remedial measures.

Audit observed that there were 80 establishments registered in the State during the period 2017-22 which employed 500 or more workers. There was no information at the State level regarding the constitution of a safety committee and appointment of a safety officer in these 80 establishments. Further, 16 out of these 80 establishments were registered in test checked three districts. The test checked districts also did not have any information on the formation of safety committee in these 16 establishments.

Thus, such crucial information was neither available at the district level nor at the State level.

The GoR replied (December 2023) that the list of establishments will be obtained from the Labour Department and inspections would be carried out in these establishments.

5.4 Inspection of Establishments

Section 43 of the BOCW Act empowers the Inspectors of Labour Department to inspect the premises of any establishment where construction work is being carried out. Such inspection helps in identifying unregistered BOC workers, incidence of any accident at the site and implementation of other provisions of BOCW Act.

In Rajasthan, Inspection to ensure safety and health provisions for construction workers was entrusted (November 2010) to the FBID.

5.4.1 Inspection of health and safety provisions by FBID

(i) Shortfall in inspections against target

Enforcement of safety and health provisions for construction workers was entrusted (November 2010) to the FBID. Eight years (August 2019) after entrusting the responsibility to the FBID, target of five inspections per month for each inspector for conducting inspections was fixed. Against the target of

4,005 inspections, only 553 inspections[1] (14 *per cent*) were conducted in the State, while in the five test checked districts, only 239 inspections[2] (16 *per cent*) were conducted against the target of 1,525 during 2019-22.

Audit further noticed that no inspection was carried out in 13[3] districts of the State by FBID during 2019-22. Moreover, in 11 (except Jhalawar and Baran) out of above 13 districts, inspection was not carried out by Labour Department also to ensure registration of establishments and eligible BOC workers and other provisions of BOCW Act.

GoR stated (December 2023) that the targets could not be achieved due to vacancy in post of Inspectors and additional workload assigned to the remaining Inspectors. Government has further attributed shortfall during the period 2019-22 to Covid pandemic. It was also stated that instructions have been issued to inspectors to carry out the inspections as per norms.

The reply is not tenable as only 14 *per cent* inspections were conducted in the State against the set target, which was not proportionate with the number of Inspectors posted (71 *per cent* of the sanctioned strength) in the FBID.

(ii) Compliance of issues raised through inspection reports

FBID conducts inspection of establishments for enforcement of safety and health provisions and issues notices to erring establishments. The compliance of notice was to be furnished within 15 days of the inspection by the employers.

Audit observed that out of 553 inspections conducted by FBID during 2019-22, shortcomings were noticed in 387 cases, but FBID did not issue notices for compliance in case of 148 (38 *per cent*) establishments. Further, out of 239 establishments to which notices were issued, compliance was not furnished by 212 establishments.

The GoR stated (December 2023) that instructions are being issued to get compliance from remaining 212 establishments.

Further, audit selected a sample of 55 out of 239 inspection notes of FBID in selected districts for scrutiny and found that the following shortcomings were pointed out in the said notes:

(i) Safety belts were not available in five establishments, (ii) safety net was not available in seven establishments, (iii) notice board regarding safety precautions during work was not available in 15 establishments, (iv) display of notice of wages was not available in 17 establishments, and (v) Helmets were not provided in six establishments. However, no action was taken by FBID against employers of these establishments.

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1 2019-20: 308 inspections (against 945 inspections), 2020-21: 155 inspections (against 1,560 inspections) and 2021-22: 90 inspections (against 1,500 inspections).

2 2019-20: 120 inspections (against 385 inspections), 2020-21: 75 inspections (against 600 inspections) and 2021-22: 44 inspections (against 540 inspections).

3 Jhunjhunu, Dausa, Jhalawar, Jaisalmer, Bharatpur, Baran, Sawai Madhopur, Tonk, Churu, Dungarpur, Dholpur, Karauli and Pratapgarh.

The GoR in its reply (December 2023) stated that directions were given to the employers of the establishments at the time of inspection to comply with the provisions noticed as shortcomings. However, compliance done by the establishments was not intimated to audit.

(iii) Physical inspection of selected establishments

Audit physically inspected 27 establishments[4] for assessing enforcement of safety and health measures for workers and found that:

- First aid boxes were not available in 5 cases (19 *per cent*),
- Safety net was not available in 11 cases (41 *per cent*),
- Helmet and masks were not available in 2 cases (7 *per cent*),
- Drinking water facility was not available in 9 cases (33 *per cent*),

The GoR replied (December 2023) that the inspection would be carried out in these establishments to get the compliance.

5.4.2 Inspection of registered establishments by the Labour Department

The GoR had fixed (27 May 2016) the target of two inspections of registered establishments per labour inspector per month. Such inspection helps in identifying unregistered BOC workers and implementation of other provisions of BOCW Act (except health and safety). The details of inspections carried out against the targets in the state and selected districts are given in **Table 5.1**.

Table 5.1: Targets and achievement of inspections by Labour Inspectors

Year	State			Jaipur			Dholpur			Karauli			Kota			Jodhpur		
	N	T	A (in %)	N	T	A	N	T	A	N	T	A	N	T	A	N	T	A
2017-18	95	2,280	33 (1.45)	3	72	0	2	48	0	1	24	0	4	96	0	4	96	0
2018-19	118	2,832	420 (14.83)	20	480	54	2	48	0	1	24	0	6	144	0	8	192	0
2019-20	111	2,664	272 (10.21)	14	336	11	1	24	0	1	24	0	5	120	0	8	192	0
2020-21	90	2,160	131 (6.06)	17	408	0	1	24	0	1	24	0	4	96	0	3	72	0
2021-22	89	2,136	20 (0.94)	19	456	0	1	24	0	1	24	0	3	72	0	7	168	0
Total		**12,072**	**876 (7.26)**		**1,752**	**65**		**168**	**0**		**120**	**0**		**528**	**0**		**720**	**0**

N-Total number of Labour Inspector posted; T-Targets {(number of posted labour inspector) x (2 inspections/month) x (12 months)} and A-Achievement

It can be seen from the table that:

- Only 876 inspections (7.26 *per cent*) were carried out against the targeted 12,072 inspections in the State during 2017-22.
- No inspections were carried out in four[5] out of the five districts test checked during 2017-22.

[4] Registered establishments: 12 and Unregistered establishments: 15.
[5] Dholpur, Karauli, Kota and Jodhpur.

- In Jaipur, only 65 inspections were conducted in two years (2018-20). Audit scrutiny of inspection reports of 10 out of 65 inspections (15 *per cent*) revealed that though 149 workers were engaged at these 10 construction site but no worker was registered.

Additionally, Audit observed that 828 establishments were registered in 20 districts during 2017-22, but no inspection was carried out in these districts. Therefore, important information regarding registration of workers and facilities provided to them at the site remained unverified.

The GoR stated (November 2023) that only 74 Labour Inspectors were posted against the sanctioned strength and they are entrusted with execution of all labour related acts and laws.

The reply may be viewed against the fact that number of inspections carried out fall far short of the targets fixed on the basis of present manpower of Labour Inspectors.

5.5 Non-Reporting of Accidents

According to Rule 253 of the RBOCW Rules, notice in case of any accident which disables a building worker for a period of 48 hours or more immediately following the accident, is to be sent to various authorities of Labour Department by the employer in the prescribed format, within four hours in case of fatal accidents and 72 hours in other accident cases. Also, establishment is required to send information of accidents which took place during the year in the annual return submitted to the Registering Officer.

Audit noted that neither information of accidents that occurred on construction site nor annual return mentioning information of accidents was received from any employer in the State. In the absence of this, department cannot investigate the reasons for the accident and initiate any action against the employer, if needed.

The Board replied (August 2024) that under Rule 253, the employer is responsible to submit information of accidents to labour department but to avoid legal responsibilities they do not submit such information.

Audit is of the view that Labour department should monitor the cases of accidents to ensure that the BOC worker receives due benefits in case of accidents and that action can be taken against defaulting establishment.

Conclusion

Audit observed that none of the establishments, though liable under the Act submitted written statement of policy on health and safety of building workers to the Chief Inspector. Targeted number of inspections were not carried out by the FBID and Labour department. Further, FBID did not issue notices for compliance to all the inspected establishments where deficiencies were noticed. In cases where notices were issued, 89 *per cent* establishments did not furnish compliance reports. Joint inspection of registered establishments

further revealed lapses in adherence to the prescribed safety and health norms at construction sites.

Recommendation 5: The Labour Department may take appropriate steps to ensure inspections as per prescribed targets and strengthen enforcement mechanism, thereby promoting compliance with safety and health norms at construction sites to mitigate the risk of accidents and enhance protection of BOC workers.

Recommendation 6: The State Government may consider recruiting dedicated inspectors exclusively for monitoring compliance under BOCW Act to enhance the welfare of BOC workers.

CHAPTER VI

Financial Management and Implementation of Welfare Schemes

Chapter VI

Financial Management and Implementation of Welfare Schemes

6.1 Financial Management

6.1.1 Fund utilisation

Section 24 of the BOCW Act required the Board to set up a fund called the Building and Other Construction Workers Welfare Fund to meet its expenses in accordance with the provisions of the Act. The Fund was to be credited with any grant or loan made to the Board by the Central Government, all contributions made by the beneficiaries and all sums received by the Board from such source as may be decided by the Central Government. The Fund was to be applied for meeting the expenses of the Board in the discharge of its function under Section 22 of the BOCW Act, of the salaries, allowances and other remuneration of the members, officers and other employees of the Board, and expenses on objects and for purposes authorised by BOCW Act.

The major source of funding for the welfare fund is cess collected from entities undertaking construction/establishments. The contribution from registered BOC workers and interest on investments are the other sources. The fund is mainly spent on various schemes implemented for social security and welfare of the BOC workers. The details of funds received in the welfare fund from various sources and expenditure incurred during 2017-18 to 2021-22 are given in **Table 6.1** below.

Table 6.1: Receipt and expenditure out of the welfare fund of the Board for the period 2017-18 to 2021-22

(₹ in crore)

Year	Opening balance	Receipt during the year			Total Available Fund	Expenditure incurred				Closing Balance (in *per cent*)
		Cess collection	Interest earned	Registration fees and other receipts		Schemes (in *per cent*)	Administ-ration	Other exp.	Total (in *per cent*	
2017-18	946.24	342.69	52.78	2.24	1,343.95	370.34 (27.56)	5.84	-	376.18 (27.99)	967.77 (72.01)
2018-19	967.77	338.60	38.75	1.70	1,346.82	417.86 (31.02)	8.77	-	426.63 (31.68)	920.19 (68.32)
2019-20	920.19	382.59	18.89	0.30	1,321.97	335.36 (25.37)	11.11	328.50 [1]	674.97 (51.06)	647.00 (48.94)
2020-21	647.00	357.56 [2]	7.44	0.61	1,012.61	324.22 (32.02)	12.39	-	336.61 (33.24)	676.00 (66.76)
2021-22	676.00	367.55	7.54	0.72	1,051.81	211.44 (20.15)	11.10	-	222.54 (21.16)	829.27 (78.78)
Total		**1,788.99**	**125.40**	**5.57**		**1,659.22**	**49.21**		**2,036.93**	

Source: Data provided by the Board.

[1] ₹ 328.50 crore given to the Finance Department, GoR for expenditure on BOC workers due to covid-19.

[2] Though the collection of cess during 2019-20 was ₹ 412.82 crore but Finance Department, GoR deducted ₹ 55.26 crore on account of expenditure on BOC workers during covid-19 and transferred remaining ₹ 357.56 crore in 2020-21.

As seen from **Table 6.1**, the expenditure vis-à-vis the fund available ranged between 21.16 *per cent* to 51.06 *per cent* during 2017-18 to 2021-22. Out of the total expenditure of ₹ 2,036.93 crore during 2017-18 to 2021-22, the expenditure on welfare schemes was ₹ 1,659.22 crore. It is also evident that Cess collection showed an increasing trend over the years, whereas expenditure incurred on welfare schemes showed a decreasing trend. As per annual accounts 2021-22 of the Board certified by the Chartered Accountant, an amount of ₹ 233.49 crore was invested in fixed deposits with the banks as of March 2022.

GoR in its reply stated (November 2023) that during 2017-18 to 2018-19 expenditure on welfare schemes was more than the cess received. In 2019-20 and 2020-21, the expenditure was less due to covid-19 pandemic. In 2021-22, the expenditure was less as benefits under three[3] schemes were deferred due to restriction on these schemes.

6.1.2 Submission of Annual Report

As per Rule 53 of the RBOCW Rules, the RBOCW Board should submit an Annual Report on the functioning of the Board during the previous financial year, to the State Government and Central Government before 31st July of that year.

Audit noticed that though the Board had sent the Annual Report for the year 2017-18 to the State Government on time but Annual Reports for the year 2018-19 to 2021-22 were sent to the State Government with delays of five to 18 months. Further, Annual Reports for the year 2017-18 to 2021-22 were not sent to the GoI.

In reply, the Labour department stated (October 2024) that the copy of the Annual Reports submitted to State Government is also sent to GoI. However, no corroborative evidence for submitting reports to GoI was provided to audit. Regarding the delay, the Labour department accepted (October 2024) the facts and stated that sometimes, the desired information is received with delay from the district level offices and it did take time to consolidate the information and obtain approval from competent authority which resulted in delayed submission of the reports.

6.1.3 Preparation of Annual Accounts

Rule 49 (2) of the RBOCW Rules read with Section 27 of the BOCW Act stipulates that the Board should furnish its annual accounts duly audited by the Comptroller and Auditor General of India (CAG) to the State Government by 15th March every year.

Audit observed that the annual accounts certified by the Chartered Accountant for the years 2018-19 to 2021-22 have not been approved by the Board and therefore were not audited by Office of the Principal Accountant General (Audit-I), Rajasthan. Consequently, the audited accounts could not be submitted

[3] Shubh Shakti Yojana, Sulabhya Awas Yojana and Natural or Accidental Death/Injury Assistance Scheme.

to the State Government. During the exit conference (June 2024), the Secretary, RBOCW Board stated that accounts for the period from 2018-19 to 2021-22 have been prepared and will be tabled during Board meeting and accounts will be submitted soon to the State Government. However, the same were not approved by the Board as of January 2025.

6.2 BOC workers welfare schemes

As per Section 22 of the BOCW Act, 1996 the functions of the Board, *inter alia*, included providing immediate assistance to a beneficiary in case of accident, payment of pension to beneficiaries who have completed the age of 60 years, sanction of loans and advances for construction of house, payment of premia for Group Insurance Scheme for the beneficiaries, financial assistance to the beneficiaries for the education of children, medical expenses for treatment of major ailments, maternity benefits to female beneficiaries. Board is implementing 13 schemes to provide benefit as per the functions described above. To obtain the benefits of various welfare schemes, the construction workers need to register themselves as beneficiaries with the Board and have to apply through the LDMS Portal.

6.2.1 Coverage of BOC workers under welfare schemes

During the audit period from 2017-18 to 2021-22, there were eight[4] schemes in existence for providing benefits to the BOC Workers. Further, five[5] other schemes were also implemented by the Board from December 2020. The number of registered beneficiaries and those benefitted under various schemes from 2017-18 to 2021-22 is as given in **Table 6.2** below.

Table 6.2: Number of beneficiaries who benefitted from welfare schemes

Year	2017-18	2018-19	2019-20	2020-21	2021-22
No. of beneficiaries registered (In lakh)	19.34	24.96	25.68	27.94	30.10
No. of beneficiaries benefitted (In lakh)	1.31 (6.77%)	1.85 (7.41%)	1.79 (6.97%)	1.17 (4.19%)	0.64 (2.13%)
Amount paid[6] (₹ in crore)	290.94	424.87	308.04	238.08	133.92

Source: Labour Department Management System (no. of beneficiaries registered) and utilization certificates (no. of beneficiaries benefitted and amount paid).

[4] Shiksha and Kaushal Vikas Yojana, Sulabhya Awas Yojana, Jeevan and Bhavishya Suraksha Yojana, Shubh Shakti Yojana, Prasuti Sahayta Yojana, Natural or Accidental Death/Injury Assistance Scheme, Silicosis Yojana and Nirman Shramik Tool Kit Yojana.

[5] Reimbursement of interest on loan for business, Incentive scheme for BOC Worker or his dependent on passing of Indian/Rajasthan Administrative Services preliminary examination, Reimbursement of tuition fees on admission in IIT/IIM, Reimbursement of expenditure incurred to obtain visa for employment in abroad and Incentive scheme for International Sports Competition.

[6] Figures given in Table 6.1 are based on audited annual accounts of the Board and figures given in Table 6.2 are based on Utilisation Certificates provided by district offices.

Audit observed that on an average seven *per cent* of the registered beneficiaries availed benefits of welfare schemes between 2017-18 to 2019-20. However, it declined to four *per cent* and two *per cent* during 2020-21 and 2021-22 respectively (Refer **Table 6.2**).

Joint Secretary, Building and Other Construction Workers Welfare Board, Rajasthan, Jaipur intimated (November 2022) that the decline in number of beneficiaries during 2020-21 and 2021-22 was due to the lockdown in the entire country in financial year 2019-20 because of Covid pandemic and disruption of government work.

The board incurred an expenditure of ₹ 1,392.47 crore (68.36 *per cent* of total expenditure) on eight test checked schemes during 2017-18 to 2021-22 as detailed in **Table 6.3**.

Table 6.3 Details of scheme wise number of beneficiaries during 2017-22

S. No.	Name of Schemes	No. of beneficiaries	Amount of benefit provided (₹ in lakh)
1	Shiksha and Kaushal Vikas Yojana	5,41,271	52,668.86
2	Sulabhya Awas Yojana	1,417	2,086.58
3	Jeevan and Bhavishya Suraksha Yojana	233	0.68
4	Shubh Shakti Yojana	54,192	29,045.71
5	Prasuti Sahayta Yojana	38,314	7,422.72
6	Natural or Accidental Death/ Injury Assistance Scheme	22,932	37,986.22
7	Silicosis Yojana	4,904	9,748.03
8	Nirman Sharamik Tool Kit Yojana	13,279	287.94
	Total	**6,76,542**	**1,39,246.74**

It can be seen from the **Table 6.3** that *Shiksha and Kaushal Vikas Yojana* had the highest number of beneficiaries (5.41 lakh) wherein total benefit of ₹ 526.69 crore was availed by the beneficiaries.

6.2.2 Processing of the applications under the schemes

Section 12 of the BOCW Act stipulated that every building construction worker in the age group of 18 to 60 years and engaged in any building or other construction work for a period not less than ninety days during the preceding twelve months is eligible for registration as beneficiary under the BOCW Act.

From September 2016, workers have to register online on a dedicated portal named LDMS. Construction workers generally access the portal through government authorized cyber kiosks which provide e-governance services to citizens i.e. through *e-mitra*[7]. To avail benefits under various welfare schemes being implemented by the Board, the registered construction workers need to apply through LDMS Portal.

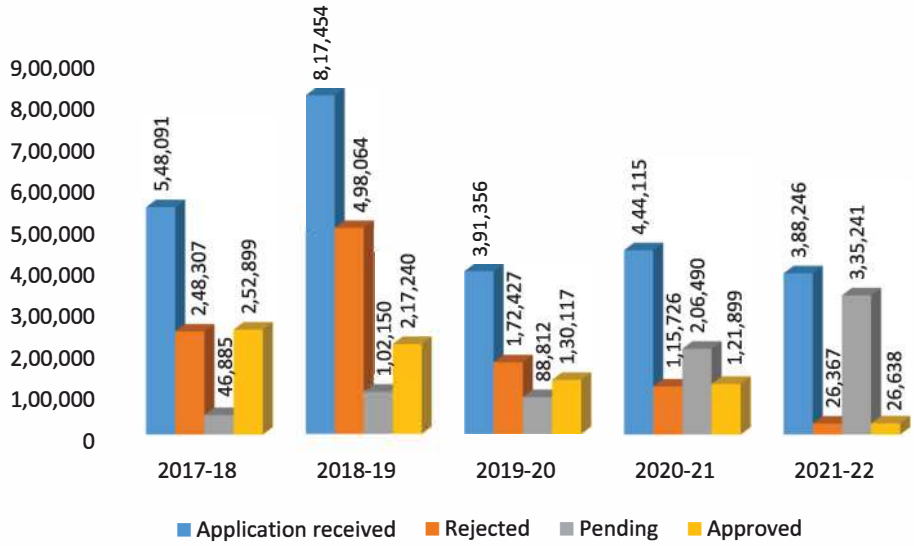
[7] E-Mitra is an initiative of Government of Rajasthan which is being implemented in the State for convenience and transparency to citizens in availing various services of the Government and Private Sectors under a single roof at their doorsteps using an e-platform.

To assess the implementation of the schemes, Audit checked the processing of applications received from BOC workers under various schemes by the Labour department and its final approval or rejection. Audit scrutinized a sample of 520 approved applications and 240 rejected applications under eight welfare schemes in the selected districts. The deficiencies noticed in the processing of these applications by the Labour department are discussed in succeeding paragraphs.

6.2.2.1 Rejection of applications

Scheme-wise status of number of applications received and number of applications rejected (as of September 2022) in the State is given in ***Appendix 6.1*** and consolidated number of applications received, approved, rejected and pending under eight schemes has been shown in ***Chart 6.1.***

Chart 6.1: Status of application received, approved, rejected and pending under eight schemes during 2017-22



Out of 25.89 lakh applications received during 2017-22, 10.61 lakh applications (on an average 41 *per cent*) were rejected. The rejection rate of applications was high during April 2017 to March 2020 (44 *per cent* to 61 *per cent*). Rejections were significantly lower during the covid period i.e., 26 *per cent* (2020-21) and 7 *per cent* (2021-22).

(i) Arbitrariness in rejection of applications

Scrutiny of selected 240 rejected applications indicated that their rejection by the department was arbitrary and non-transparent as discussed below.

- Audit noted that 45 *per cent* applications (107) were rejected due to non-furnishing of required documents such as certificate of employment from contractor, copy of bank passbook, copy of registration, etc. The required

documents in 16 cases were either already submitted or submitted later by the applicants, yet the applications were not approved (details in ***Appendix 6.2***).

- Twenty-six applications were rejected after seeking clarifications from three to 12 times from the applicant. However, nine applications were rejected after keeping them for more than one month without seeking any clarification from the applicants. Six of these cases were kept pending for more than three months.

- In one case, no reasons were mentioned for rejection.

- In five cases, the department stated that applicants were not found eligible during physical verification. However, no physical verification reports were found uploaded on the portal.

- Eight applications were rejected for reimbursement of cost of purchase of tools under '*Nirman Sharamik Tool Kit Yojana*'. These were rejected for not mentioning the mobile number of shops in the cash memos. However, this is not a mandatory requirement under the scheme guidelines.

- Under *Shiksha and Kaushal Vikas Yojana*, scholarship is provided for diploma course. In addition, cash award is also given to meritorious student scoring more than 60 *per cent* marks. In one case, though the applicant score was 72 *per cent* marks but only scholarship was disbursed to him and cash award was not provided even after a lapse of more than three years.

The applications were mainly rejected due to non-furnishing of the required documents alongwith application. Audit observed that the basic documents such as Aadhar card, Jan Aadhar card, and copy of bank passbook required to be submitted with application under scheme were already provided by the workers at the time of registration (***Appendix 6.3***). The repetition of submitting mandatory documents multiple times may be streamlined to make the process simpler and more user friendly.

The GoR (November 2023) did not provide any specific reply.

(ii) Applications approved despite deficiencies

Scrutiny of selected 520 approved applications indicated that these were approved despite deficiencies noticed during audit which are as follows:

- In nine cases either work certificate of the workers was not furnished or improper work certificate was furnished. Surprisingly, in one case, despite asking clarification for four times to furnish work certificate in proper form (i.e. mentioning the 90 days or period of working as construction worker), the applicant uploaded the same work certificate which was submitted earlier, still the application was approved by the Department.

Despite the absence of key documents to verify the eligibility and authenticity of the applicants, the above applications were approved, and the benefits delivered to the applicants.

The GoR (November 2023) did not provide any specific reply.

6.2.2.2 Delay in Processing of applications

Labour Department issued (August 2016) directions to process applications received from BOC workers to obtain benefits under the welfare schemes within one month of its receipt. In case of deficiency in the application, clarification is sought from the applicant by sending SMS. The application was shown as pending at the applicants' end until the clarification or complete document is received. The number of applications which are under process (pending) at the department's end is shown in **Table 6.4** (Scheme wise details is shown in ***Appendix 6.4)***.

Table 6.4: Number of applications pending at department level as on 23 September 2022

Year	No. of applications received under eight schemes	No. of applications pending at department level (in *per cent*)	No. of applications pending at applicants' level (in *per cent*)	Total pending applications
2017-18	5,48,091	44,160 (8)	2,725 (0.50)	46,885
2018-19	8,17,454	79,877 (10)	22,273 (3)	1,02,150
2019-20	3,91,356	61,936 (16)	26,876 (7)	88,812
2020-21	4,44,115	1,87,543 (42)	18,947 (4)	2,06,490
2021-22	3,88,246	3,15,877 (81)	19,364 (5)	3,35,241
Total	**25,89,262**	**6,89,393 (26.62)**	**90,185 (3.50)**	**7,79,578**

It can be seen from above table that 25.89 lakh applications were received under various schemes in the State as of September 2022. Out of the 6.89 lakh applications pending at department's level, 1.86 lakh applications (27 *per cent*) were pending for more than 30 months. About 44,000 applications were pending for more than four and half years. Such long time in processing of applications, deprived timely benefits to the workers, especially financial assistance for education of construction workers.

Audit observed that out of selected 520 approved applications, 292 (56 *per cent*) applications were processed after the prescribed time of one month. Out of these, 214 (41 *per cent*) applications were processed after a delay of more than two months.

(i) Audit checked the delay in processing of applications in case of schemes where immediate assistance was required such as, 'Natural or Accidental Death/Injury Assistance Scheme' and '*Prasuti Sahayta Yojana*' in the selected five districts during 2017-22.

- It was observed that out of 5,174 applications received under 'Natural or Accidental Death/Injury Assistance Scheme', immediate assistance was provided to only 1.35 *per cent* applicants within one month.

- Under '*Prasuti Sahayta Yojana*', 7,918 applications were received but immediate assistance within one month was provided to only 11.45 *per cent* applicants.

Moreover, out of selected 520 approved applications, 165[8] application pertained to these schemes wherein audit observed that department initiated the first action only after lapse of 30 days from receipt of application in case of 81[9] applications.

(ii) Audit analyzed 80 applications pending at applicants' end and noticed that in 50 cases (62 *per cent*), the department took more than six months to inform the worker about the discrepancies in applications. In fact, there was delay of more than two years in 26 cases (32 *per cent*).

(iii) Audit observed that in 11,778[10] out of 4.83 lakh applications received in the five test checked districts, there was no mobile number, or dummy numbers (like 1234567890, 9999999999 etc.) was used. This is of concern because the status of application/shortcomings in the applications is conveyed to the applicants through SMS. The possibility of non-receipt of information by the applicants that their application is lying as 'Pending at citizen level for clarification' cannot be ruled out.

The GoR stated (November 2023) that the work of registration and processing of applications was allotted to Block Development Officers (BDOs) of Panchayti Raj Department till December 2018. All pending applications were returned by them to labour department which led to an increase in number of pending applications. In addition, suspected applications under *Shubh Shakti Yojana* and *Sulabhya Awas Yojana* were also opened and sufficient manpower was also not available for disposal of the applications.

Audit noticed that applications pending at departmental level was only 10 *per cent* in 2018-19 i.e. when applications pending with BDOs were returned but it increased exponentially to 81 *per cent* in 2021-22.

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[8] Natural or Accidental Death/Injury Assistance Scheme: 83 applications and Prasuti Sahayta Yojana: 82 applications.

[9] Natural or Accidental Death/Injury Assistance Scheme: 39 applications and Prasuti Sahayta Yojana: 42 applications.

[10] Mobile no. 9999999999 in 8,338 cases; Mobile no. 1234567890 in 324 cases; Mobile no. 0123456789 in 21 cases; Mobile no. 1234567891 in 30 cases and no mobile no. in 3,065 cases.

6.2.2.3 Delay in payment after approval of application

As per Circular (August 2016) of the GoR, applications submitted by the workers under different schemes were to be disposed of within 30 days.

During scrutiny of selected 520 applications, audit observed that date of payment/approval was mentioned in 399 applications. Payment to the workers in case of 142 applications (36 *per cent*) were disbursed after 30 days of approval by competent authority. Out of these, payment in case of 27 applications were disbursed after taking time of more than six months.

6.2.3 Implementation of schemes

Out of total 13 schemes, audit had selected eight schemes and audit observations noticed are discussed in the succeeding paragraph:

(a) Shiksha and Kaushal Vikas Yojana

Shiksha and Kaushal Vikas Yojana was started in January 2016 to provide financial assistance for education to a maximum of two children or one child and wife of construction workers. Scholarship of ₹ 8,000-25,000 per year was provided to children studying regularly in class VI to post graduation (professional)/ITI. In addition, cash assistance of ₹ 4,000-35,000 per year was to be given to meritorious[11] children studying regularly in class VIII to post graduation including diploma/professional courses.

GoI instructed (October 2015) that financial support should be provided for primary education based on the availability of the funds. Audit observed that the Board did not provide any financial support for class I to V, though adequate funds ranging from ₹ 647 crore to ₹ 967.77 crore were lying unspent with the Board during 2017-22.

(b) Prasuti Sahayta Yojana

The scheme was launched (April 2011) to provide maternity assistance to the female workers or the wives of male workers. Benefit of this scheme was not admissible if beneficiaries already had two or more children or if the age of female beneficiaries was less than 20 years at the time of delivery. The main objective of this scheme was to promote institutional deliveries.

It was observed that 6,146 workers were benefitted under the scheme during the period 2017-18 to 2021-22 in selected five districts. Audit observed that in 89[12]

[11] Meritorious children means who obtained 75 *per cent* marks or equivalent grade in class VIII to XII and 60 *per cent* or more or equivalent grade in Diploma, Graduation or Post Graduation.

[12] Dholpur: 5 cases (₹ 1.03 lakh) out of 1,145 cases, Jaipur: 13 cases (₹ 2.71 lakh) out of 2,147 cases, Jodhpur: 18 cases (₹ 3.69 lakh) out of 1,575 cases, Karauli: 53 cases (₹ 10.86 lakh) in 1,279 cases and Kota: Nil.

out of 6,146 cases, the age of the female beneficiaries was less than 20 years at the time of application. Further, review of data of selected 82 approved applications under the scheme in test checked five districts revealed that in three cases, beneficiaries had two or more children at the time of applying. This shows lack of due diligence while verifying the documents to approve applications.

(c) Natural or Accidental Death/Injury Assistance Yojana

The objective of the scheme is to provide financial assistance to nominees of construction worker on natural death (₹ two lakh) or accidental death (₹ five lakh). Financial assistance in case of injury due to accident (benefit depends on extent of injury) is to be provided to a BOC Worker. Total 22,932 applicants were benefitted under the scheme with ₹ 379.86 crore during 2017-22.

As per the instruction (January 2019) of the Board, physical verification of all death cases was to be carried out by the labour inspector before sanctioning the death assistance. Audit test checked 38 death cases in five districts and observed that in 27[13] out of 38 cases (71 *per cent*), assistance amounting to ₹ 0.60 crore was sanctioned without physical verification of death.

The GoR replied (November 2023) that physical verification before payment in death cases was made compulsory from January 2020. It further stated that physical verification of the death cases was not carried out in Jodhpur district and physical verification reports were not uploaded by Dholpur and Karauli district due to technical problem. Joint Labour Commissioner, Kota stated that there was no provision for uploading the physical verification in software.

The reply is not acceptable as the directions issued in January 2019 clearly has provision for carrying out physical verification in death cases. In respect of Dholpur and Karauli district, though the GoR stated that the physical verification report could not be uploaded due to technical problem but it did not provide copy of physical verification reports with its reply in support of the claim that physical verification was conducted in these districts.

(d) Assistance to Silicosis affected construction workers

The main objective of this scheme is to provide assistance to construction workers in case of death (₹ three lakh) or illness (₹ two lakh) due to Silicosis disease caused by exposure to crystalline silica dust from sandstone mining activities. The scheme was implemented by the RBOCW Board up to 04 August 2021 and thereafter, all the pending applications were transferred to Directorate of Specially Abled Persons.

[13] In 10 out of 12 cases in Dholpur district, 5 out of 6 cases in Jodhpur district, 10 out of 13 cases in Karauli district, one out of six cases in Kota district and the only one case of Jaipur district.

Audit test checked 53 cases in five selected districts where benefits were given and observed that required documents such as medical certificate, death certificate in case of death assistance, work certificates etc., were not found uploaded on the portal in 26 cases (49 *per cent*). In the absence of medical certificates of silicosis, genuineness of payment of assistance to silicosis affected workers remains unverified.

The GoR replied (November 2023) that assistance was being provided by Directorate of Specially Abled Persons, Social Justice & Empowerment Department (SJED) and the Board only reimbursed the payment made to registered workers.

The reply is not acceptable as audit has pointed out cases pertaining to period prior to August 2021 where Labour department sanctioned assistance without obtaining required documents from applicants.

(e) Sulabhya Awas Yojana

Under this scheme, assistance of ₹ 1.50 lakh was to be given to workers who were eligible for housing schemes of Centre/State. In case of construction of house on own land, an amount of 50 *per cent* of the construction cost subject to maximum of ₹ 1.50 lakh was allowed. Physical verification of beneficiary and details provided by him in application for *Sulabhya Awas Yojana* must be carried out by the labour inspector before sanctioning the assistance.

Audit noted that on an average 473 beneficiaries were benefitted under the scheme during the period 2017-20, though 13,225 applications were received during this period. However, during 2020-22, no worker got the benefit though 1,760 applications were received under the scheme during the said period. Out of these 1,760 applications, 370 applications (21 *per cent*) were rejected, 1,247 (71 *per cent*) were pending at the level of the department and 141 applications (8 *per cent*) were pending at the level of applicant.

The GoR replied (November 2023) that the payments under the scheme were stopped after getting complaints of workers applying under the scheme with forged documents. Audit is of the view that a robust mechanism for verification of documents is required to ensure that only genuine workers avail of these schemes.

(f) Assistance provided during Covid-19 pandemic

GoI requested (March 2020) all the State Governments to provide assistance and support to construction workers for economic disruptions due to Covid-19 pandemic. Funds were to be used from the Cess fund available with them. Accordingly, Department of Labour and Employment, Government of Rajasthan issued (March 2020) order to provide immediate one-time assistance of ₹ 1,000 per family from the Cess fund.

Audit noted that against 25.16 lakh construction workers registered with the board, assistance was provided to 15.35 lakh workers (61 *per cent*) during covid-19 period. Moreover, the details of 15.35 lakh workers benefitted were not available with the department. In absence of the details of workers who were paid financial assistance, authenticity of payments being made to genuine beneficiaries could not be ascertained by audit.

The GoR replied (November 2023) that the benefits were provided by the RajCOMP Info Services Limited (RISL), Department of Information Technology and Communication (DoIT) through DBT but the details of benefitted registered workers were not provided by RISL to the labour department.

6.3 Grievances of applicants not addressed satisfactorily

Construction workers can report their grievances through the grievance redressal portal (*Sampark Portal*) of the State Government. Audit noted that 30,501 complaints were received on the *Sampark Portal* from construction workers in the five test checked districts during 2017-22. All these complaints were shown as disposed (resolved) on the *Sampark Portal*. However, Audit noted that 12,517 of the complaints (41 *per cent*) were marked 'not satisfied' by the complainant.

(i) Audit test checked a sample of 100 complaints which were marked 'not satisfied' and noted following observations:

- Seventy-seven complaints were related to non-payment of benefits under welfare schemes. Out of these, nine applications (12 *per cent*) were pending for payment of benefits even after more than three to four years (as of August 2023). No action was taken by the department on six applications (8 *per cent*) even after more than one year. Further, in two cases, applicants complained that payment was not received, however the portal showed that the benefits were disbursed. Audit could not ascertain whether the payment was transferred to the actual applicant.

- Fifteen complaints were related to registration card[14] or its renewal.

- Eight complaints were related to payment of wages to construction workers.

The GoR stated (November 2023) that the number of complaints increased as 35 to 40 *per cent* applications were rejected due to fact that non-BOCW workers were registered and applied for obtaining benefits. The applications were pending due to vacant posts of labour inspector and were cleared on age wise pendency basis.

The reply indicates need of a robust mechanism to prevent registration of non-BOC workers.

[14] To show that the worker is registered as Building and other construction worker.

6.4 Awareness of welfare schemes among BOC workers

GoI, had stressed (October 2018) that awareness of the welfare schemes for construction workers should be created by way of grass root level awareness programmes rather than by advertisements in newspapers or TV channels.

Audit conducted a survey of 752 workers i.e., 447 workers at 27 construction sites in five test-checked districts to assess the extent of awareness among construction workers and telephonic survey of 305 beneficiaries who had obtained benefits under various schemes during 2017-22. The results of the survey are detailed below:

- Only 24 *per cent* of the workers knew about the Board and the schemes being implemented by it.
- 77 *per cent* did not participate in the awareness programme conducted for welfare schemes.
- 42 *per cent* workers stated that no primary medical facility was available.

The GoR replied (November, 2023) that the awareness regarding process of registration of workers was continuously created through "*Prashashan Gaon Ke Sang,*" "*Prashashan Shahron Ke Sang*" and "*Mehngai Rahat Camp*". As a result, the number of workers registered showed an increasing trend during the last five years.

The reply may be viewed against the fact that the percentage of workers benefitted against the number of workers registered was still very low. Further, the results of the beneficiaries' survey conducted by Audit show that more concerted efforts are required to enhance awareness of the welfare schemes among construction workers.

Conclusion

Audit has highlighted gaps in fund utilization by RBOCW Board. During the period 2017-18 to 2021-22, the expenditure ranged only 21.16 *per cent* to 51.06 *per cent* of the available funds. Against the amount of ₹ 1,788.99 crore received as Cess, only ₹ 1,659.22 crore was expended towards welfare schemes. Moreover, the RBOCW Board did not submit its audited Annual Accounts for the years 2018-19 to 2021-22 to the State Government and Annual Reports for the period 2017-18 to 2021-22 were also not submitted to the Government of India.

Of 25.89 lakh applications received during 2017-22, 7.49 lakh applications (29 *per cent*) were approved, 10.61 lakh applications (41 *per cent*) were rejected and the remaining 7.79 lakh applications (30 *per cent*) were pending for disposal. In fact, 1.86 lakh applications were pending for more than 30 months. Audit noticed instances of inadequate document verification in cases of

Schemes i.e. *Prasuti Sahayta Yojana* and Assistance to Silicosis affected construction workers which indicate towards lack of due diligence of the department while processing the applications.

Recommendation 7: The labour department may streamline the mechanism of applications processing to ensure timely delivery of benefits to the BOC workers.

Recommendation 8: The existing system of documents verification at various levels may be strengthened to ensure compliance with the prescribed eligibility condition before releasing benefits to the workers under various schemes.

JAIPUR,
The 18 August 2025

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

Countersigned

NEW DELHI,
The 26 August 2025

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

APPENDICES

Appendix-1.1

(Refer paragraph 1.5)

Statement showing number of units examined in selected districts

Selection Category	Dholpur	Jaipur	Jodhpur	Karauli	Kota	Total
No. of Beneficiaries	105	105	103	103	104	520
Work executing Department[1]	2	2	2	2	2	10
Selected Works in Work executing Units	10	10	7	10	7	44
Local Bodies[2]	2	2	2	2	2	10
Building plans in selected local body	11[$]	16[$]	20	20	20	87
Registered Establishment	0*	4	4	0*	4	12
Unregistered Establishment	1[#]	4	2[#]	4	4	15
Sites where incidents/accident occurred	0	2	1	0	2	5
Assessing officers	1[@]	2	1[@]	1[@]	1[@]	6
Assessment orders under each Assessing Officers	10	59	24	14	50	157^
Accidents reports	0	2	1	0	2	5
Inspection reports	0	10	0	0	0	10

[$] 11 building plans were found approved in 02 local bodies selected in Dholpur district and only 6 building plans were approved in one (Nagar Palika, Chomu) of the two selected local bodies in Jaipur district.

* In selected registered establishment work was not found in progress for examination.

[#] Only 1 unregistered establishment (in Dholpur) and 2 unregistered establishment (in Jodhpur) were found for examination of work.

[@] Only 1 assessing officer was available in all districts except Jaipur.

^In one case, cost of construction was less than ₹ 10 lakh in Dholpur district and 3 cases (2 cases in Jodhpur district and 1 case in Jaipur district), construction works were before framing of Rajasthan BOCW Rules, 2009. Therefore, BOCW Act was not applicable in these cases. Thus, 153 Assessment cases were examined by Audit.

---

1 **Dholpur**: XEN, WR Division-II (DLP 31658) and XEN, PWD, Rajakhera (6916): **Jaipur**: Project Director, PPP-1, PWD, Jaipur (JPC32406) and XEN PHED Pr. Division-II (NORTH) (JPC32122); **Jodhpur**: Project Director, PPP PWD (JDC33982) and XEN PHED Project. Division IV (JDC32133); **Karauli:** XEN, PWD Division Sapotra (PWD-16809) and XEN, PHED Project Division Todabhim (PHED-23532) and **Kota**: Orohect Director, PPP, PWD (KOT33385) and XEN RMC Division-1 CAD (KOT24675).

2 **Dholpur**: Nagar Palika, Rajakheda and Nagar Palika, Badi: **Jaipur:** Nagar Nigam Greater and Nagar Palika, Chomu**; Jodhpur**: Nagar Nigam South and Nagar Palika, Pipad City; **Karauli**: Nagar Palika, Hindon City and Nagar Palika, Todabhim and **Kota:** Nagar Nigam North and Nagar Palika, Ramganj Mandi.

Appendix 4.1

(Refer paragraph 4.1.1)

Statement showing target and achievement of surveys conducted during 2019-22

Year	State		Jaipur			Karauli			Dholpur			Kota			Jodhpur		
	T[3]	S	T	S	Assessment order issued	T	S	Assessment order issued	T	S	Assessment order issued	T	S	Assessment order issued	T	S	Assessment order issued
2019-20	66,600	37,913	8,400	3,859	133	750	756	73	600	521	40	2,400	1,884	373	3,250	2,415	101
2020-21	54,000	13,080	10,200	319	94	600	150	5	600	115	4	925	1,181	103	4,200	127	19
2021-22	53,400	9,597	11,400	325	79	500	75	0	600	204	10	900	411	41	3,775	210	23
Total (in *per cent*)	**1,74,000**	**60,590 (34.82%)**	**30,000**	**4,503 (15.01%)**	**306**	**1,850**	**981 (53.03%)**	**78**	**1,800**	**840 (46.67%)**	**54**	**4,225**	**3,476 (82.27%)**	**517**	**11,225**	**2,752 (24.52%)**	**143**

T-Target S-survey conducted

Total target of surveys in the test checked districts 49,100

Total establishment surveyed in test checked districts 12,552 (25.56 *per cent*)

Total assessment orders issued in test checked districts 1,098

[3] Formula for calculating of targets for survey = Number of inspectors deployed * 50*12

Appendix 6.1

(Refer paragraph 6.2.2.1)

Statement showing the status of rejection of applications made by beneficiaries during 2017-22

S. No.	Schemes	2017-18		2018-19		2019-20		2020-21		2021-22		Total	
		Applications received	Rejected	Applications received	Rejected	Applications received	Rejected	Applications received	Rejected	Applications received	Rejected	Applications received	Rejected
1	Shiksha and Kaushal Vikash Yojana	3,71,890	1,77,284 (48%)	5,91,245	3,85,850 (65%)	3,03,080	1,45,577 (48%)	3,71,289	99,699 (27%)	3,43,029	21,434 (6%)	19,80,533	8,29,844 (42%)
2	Sulabhya Awas Yojana	5,281	4,708 (89%)	5,399	3,415 (63%)	2,545	737 (29%)	756	237 (31%)	1,004	133 (13%)	14,985	9,230 (62%)
3	Jeevan and Bhavishya Suraksha Yojana	624	485 (78%)	562	491 (87%)	247	216 (87%)	183	150 (82%)	389	112 (29%)	2,005	1,454 (73%)
4	Shubh Shakti Yojana	1,29,491	49,891 (39%)	1,70,493	82,226 (48%)	57,147	13,165 (23%)	36,449	4,211 (12%)	9,651	728 (8%)	4,03,231	1,50,221 (37%)
5	Prasuti Sahayta Yojana	24,150	10,574 (44%)	32,421	18,554 (57%)	17,790	9,014 (51%)	20,442	6,659 (33%)	18,529	2,125 (11%)	1,13,332	46,926 (41%)
6	Natural or Accidental Death/Injury Assistance Yojana	9,221	3,291 (36%)	11,197	5,203 (46%)	7,718	3,097 (40%)	10,519	3,487 (33%)	10,458	1,350 (13%)	49,113	16,428 (33%)
7	Silicosis Yojana	1,542	302 (20%)	3,630	1,356 (37%)	1,413	169 (12%)	765	114 (15%)	85	4 (5%)	7,435	1,945 (26%)
8	Nirman Sharamik Tool Kit Yojana	5,892	1,772 (30%)	2,507	969 (39%)	1,416	452 (32%)	3,712	1,169 (31%)	5,101	481 (9%)	18,628	4,843 (26%)
Total		**5,48,091**	**2,48,307 (45%)**	**8,17,454**	**4,98,064 (61%)**	**3,91,356**	**1,72,427 (44%)**	**4,44,115**	**1,15,726 (26%)**	**3,88,246**	**26,367 (7%)**	**25,89,262**	**10,60,891 (41%)**

Note: The number of rejected applications is out of total applications received.

Appendix 6.2

(Refer paragraph 6.2.2.1(i))

Statement showing cases where applications were rejected due to non-furnishing of required documents which were either already submitted or submitted later by the applicants

S. No.	Registration No.	District	Name	Scheme	Date of Application	Date of Rejection	Reason for rejection	Remarks
1	B14/2017/ 0095870	Jaipur	Gajanand Kumhar	Jeevan and Bhavishya Suraksha Yojana	22.07.18	06.03.20	Work certificate	Work certificate was found uploaded
2	B14/2017/ 0001220	Jaipur	Pawan Sharma	Shiksha and Kaushal Vikas Yojana	31.03.18	06.03.20	Work certificate	Work certificate was found uploaded
3	B14/2016/ 0230167	Jaipur	Banshidhar Kumawat	Shiksha and Kaushal Vikas Yojana	29.08.18	11.05.21	BOCW Registration Card of worker	BOCW Registration Card of worker found uploaded
4	B14/2016/ 0220993	Jaipur	Manju Devi	Shiksha and Kaushal Vikas Yojana	28.03.18	06.03.20	Work certificate	Work certificate was found uploaded
5	B14/2017/ 0032697	Jaipur	Girdhari Lal	Shiksha and Kaushal Vikas Yojana	19.02.20	11.05.21	Work certificate	Work certificate was found uploaded
6	B14/2017/ 0129012	Jaipur	Ram Sahay Yadav	Shiksha and Kaushal Vikas Yojana	15.01.18	11.05.21	Work certificate	Work certificate was found uploaded
7	B11/2018/ 0008345	Dholpur	Naniki	Shiksha and Kaushal Vikas Yojana	10.01.19	11.05.21	Work certificate	Work certificate was found uploaded
8	B11/2018/ 0009640	Dholpur	Urmila	Shubh Shakti Yojana	28.12.18	11.05.21	Work certificate	Work certificate was found uploaded
9	B11/2017/ 0000513	Dholpur	Rajendra Singh	Shubh Shakti Yojana	11.09.18	11.05.21	Work certificate	Work certificate was found uploaded
10	B19/2016/ 0210691	Jodhpur	Anil Kumar	Natural or Accidental Death/ injury Assistance Yojana	04.10.18	11.05.21	Work certificate and application form	Work certificate was found uploaded

S. No.	Registration No.	District	Name	Scheme	Date of Applica-tion	Date of Rejection	Reason for rejection	Remarks
11	B19/2018/ 0021337	Jodhpur	Ram Swaroop	Shiksha and Kaushal Vikas Yojana	28.08.18	11.05.21	Work certificate	Work certificate was found uploaded
12	B19/2017/ 0005612	Jodhpur	Munna Ram	Shiksha and Kaushal Vikas Yojana	12.08.18	11.05.21	Work certificate	Work certificate was found uploaded
13	B19/2017/ 0038197	Jodhpur	Ram Singh Rathore	Shubh Shakti Yojana	31.12.18	11.05.21	Copy of 10th marksheet and Work certificate	Both copy of 10th marksheet and Work certificate found uploaded
14	B19/2017/ 0033727	Jodhpur	Omgiri	Shubh Shakti Yojana	31.12.17	11.05.21	Work certificate	Work certificate found uploaded
15	B19/2017/ 0039315	Jodhpur	Khamma Devi	Shubh Shakti Yojana	16.12.18	11.05.21	Work certificate	Work certificate found uploaded
16	B19/2017/ 0046416	Jodhpur	Om Prakash	Sulabhya Awas Yojana	21.12.18	06.03.20	Work certificate	Work certificate found uploaded

Appendix 6.3

(Refer paragraph 6.2.2.1(i))

Statement showing documents required at the time of Registration and at the time of applying in the scheme

<table>
<tr><th>At the time of Registration</th><th>Documents required for applying in any scheme (Common)</th></tr>
<tr><td rowspan="2">1. Age Certificate
2. Photo
3. Work Certificate
4. Copy of Aadhar Card
5. Copy of Jan Aadhar/ Bhamashah Card
6. Copy of first page of Bank Passbook</td><td>1. Work Certificate
2. Copy of Aadhar Card
3. Copy of Bhamashah Card
4. Copy of first page of Bank Passbook
5. Copy of Identity Card (registration)</td></tr>
<tr><td>Other documents required for specific schemes</td></tr>
<tr><td></td><td>1. Copy of Mark Sheet (Shiksha and Kaushal Vikas Yojana)
2. Page of the bank account passbook showing details of deduction of the premium (Jeevan and Bhavishya Suraksha Yojana).
3. Age proof of 18 years and mark sheet of class 8 (Shubh Shakti Yojana)
4. Age certificate of age not below 20 years (Prasuti Sahayta Yojana)
5. Hospital Discharge Ticket (Prasuti Sahayta Yojana and Natural or Accidental Death/Injury Assistance Yojana)
6. Pneumoconiosis Medical Board's certificate (Silicosis Sahayta Yojana)
7. Invoice of purchase of Tool Kit (Nirman Sharamik Tool Kit Yojana)
8. Postmortem Report or FIR copy in case of accidental death (Natural or Accidental Death/Injury Assistance Yojana)
9. Death Certificate (Natural or Accidental Death/ Injury Assistance Yojana and Silicosis Sahayta Yojana)
10. Self-attested copy of certificate of annual income (Sulabhya Awas Yojana)</td></tr>
</table>

Appendix 6.4

(Refer paragraph 6.2.2.2)

Statement showing the status of applications of beneficiaries pending at Applicants' and Department level during 2017-22

S. No.	Name of Schemes	2017-18			2018-19			2019-20			2020-21			2021-22			Total		
		A	CP	DP	A	CP	DP	A	CP	DP	A	CP	DP	A	CP	DP	A	CP	DP
1.	Shiksha and Kaushal Vikas Yojana	3,71,890	304 (0.08%)	3,864 (1.04%)	5,91,245	1,416 (0.24%)	15,821 (2.68%)	3,03,080	6,139 (2.03%)	35,429 (11.69%)	3,71,289	6,584 (1.77%)	1,59,778 (43.03%)	3,43,029	12,655 (3.69%)	2,88,108 (83.99%)	19,80,533	27,098 (1.37%)	5,03,000 (25.40%)
2.	Sulabhya Awas Yojana	5,281	27 (0.51%)	227 (4.0%)	5,399	14 (0.26%)	1,025 (18.98%)	2,545	145 (5.70%)	1,650 (64.83%)	756	50 (6.61%)	467 (61.77%)	1,004	91 (9.06%)	780 (77.69%)	14,985	327 (2.18%)	4,149 (27.69%)
3.	Jeevan and Bhavishya Suraksha Yojana	624	0	3 (0.48%)	562	0	3 (0.53%)	247	0	3 (1.21%)	183	5 (2.73%)	13 (7.10%)	389	41 (10.54%)	227 (58.35%)	2,005	46 (2.29%)	249 (12.42%)
4.	Shubh Shakti Yojana	1,29,491	2,356 (1.82%)	39,704 (30.66%)	1,70,493	20,670 (12.12%)	61,277 (35.94%)	57,147	20,487 (35.85%)	22,712 (39.74%)	36,449	12,233 (33.56%)	19,418 (53.27%)	9,651	2,741 (28.40%)	6,014 (62.31%)	4,03,231	58,487 (14.50%)	1,49,125 (36.99%)
5.	Prasuti Sahayta Yojana	24,150	37 (0.15%)	303 (1.25%)	32,421	158 (0.49%)	1,439 (4.44%)	17,790	95 (0.53%)	1,639 (9.21%)	20,442	27 (0.13%)	6,001 (29.35%)	18,529	1,609 (8.68%)	12,874 (69.48%)	1,13,332	1,926 (1.70%)	22,256 (19.64%)
6.	Natural or Accidental Death/Injury Assistance Scheme	9,221	1 (0.01%)	48 (0.52%)	11,197	15 (0.13%)	299 (2.67%)	7,718	7 (0.09%)	493 (6.39%)	10,519	19 (0.18%)	1,736 (16.50%)	10,458	1,513 (14.47%)	5,756 (55.04%)	49,113	1,555 (3.17%)	8,332 (16.96%)
7.	Silicosis Yojana	1,542	0	0	3,630	0	0	1,413	0	0	765	0	0	85	0	0	7,435	0	0
8.	Nirman Sharamik Tool Kit Yojana	5,892	0	11 (0.19%)	2,507	0	13 (0.52%)	1,416	3 (0.21%)	10 (0.71%)	3,712	29 (0.78%)	130 (3.50%)	5,101	714 (14%)	2,118 (41.54%)	18,628	746 (4%)	2,282 (12.25%)
Total		5,48,091	2,725 (0.50%)	44,160 (8%)	8,17,454	22,273 (3%)	79,877 (10%)	3,91,356	26,876 (7%)	61,936 (16%)	4,44,115	18,947 (4%)	1,87,543 (42%)	3,88,246	19,364 (5%)	3,15,877 (81%)	25,89,262	90,185 (3.48%)	6,89,393 (26.62%)

A- No. of Applications applied, **CP**-No. of application pending at applicants' level, **DP**-No. of applications pending at department level.

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लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on Solid Waste Management in Urban Local Bodies

Government of Rajasthan

Report No. 4 of 2025

(Performance Audit)

Report of the
Comptroller and Auditor General of India
on
Solid Waste Management in Urban Local Bodies

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Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2023 has been prepared for submission to the Governor of the State of Rajasthan under Article 151(2) of the Constitution of India.

The Report contains the results of the Performance Audit on **'Solid Waste Management in Urban Local Bodies'**, covering the period 2017-23.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

Executive Summary

Purpose to undertake this audit

Municipal Solid Waste Management in urban areas has emerged as one of the biggest challenges today. The situation is aggravated by rapid urbanisation. Inadequate management of waste has significant negative externalities in terms of public health and environmental outcomes. The Solid Waste Management Rules, 2016 provide a legal framework for the disposal and management of Solid waste and entrusts responsibilities at the State level, ULBs and on the generators of waste.

Effective Solid Waste Management requires policies, infrastructure, public awareness, and stakeholder participation. It is a shared responsibility among authorities, urban local bodies, waste management agencies, communities, and individuals.

This Performance audit examines the solid waste management in Urban Local Bodies from end to end i.e. collection, segregation, processing and disposal of waste. It also assesses the adequacy of resources, its efficient utilization and monitoring of SWM.

Major Audit Observations

Planning for Solid Waste Management

Out of 18 test checked ULBs, Detailed Project Reports (DPRs) were prepared only by six ULBs under ISWM/SBM 1.0 and 11 ULBs under SBM 2.0. In three test checked ULBs where DPR were prepared assessment method prescribed under the MSWM manual were not followed as two ULBs (Bhiwadi and Dungarpur) collected data on waste generation for three days instead of seven continuous days from different location and in different seasons and extrapolated it over the entire year. ULB Balotara also incorrectly calculated per capita waste generation by dividing waste disposed of in landfill by the population.

Inconsistency in estimated waste generation data between State and test checked 16 ULBs indicates unreliability of data and lack of monitoring and coordination among ULBs and State Government.

Management of Solid Waste in ULBs

Analysis of the service level benchmark (SLB) indicators stipulated by the Ministry of Urban Development, GoI showed that in the test checked ULBs, the achievement of the majority performance indicators was significantly low against the fixed targets.

Processing of waste was only 11 *per cent* to 25 *per cent* at State level and 29 *per cent* to 35 *per cent* in test checked ULBs. Direct dumping of solid waste ranged between 63 *per cent* to 79 *per cent* at the State level and 65 *per cent* to 71 *per cent* in test checked ULBs. Thus, remaining unprocessed waste at State level was not being dumped at dumping site. Instances of variation in reported figures of waste collection and actual waste collection were also noticed in test checked ULBs.

It was observed that the quantity of waste generated reported by the Director Local Bodies to audit was different from the figures reported by the ULBs in their Annual Report to the Rajasthan State Pollution Control Board.

Out of 18 test checked ULBs, weigh bridges were not installed in 14 ULBs due to which daily waste collection could not be measured and monitored properly. Further, eight weigh bridges were installed in remaining four ULBs. In Municipal Council, Bhiwadi one of the vehicles shown to have been used for waste collection was found to be a passenger vehicle.

Radio Frequency Identification (RFID) waste management system solutions support identification and traceability of waste. It was observed that only three out of 18 test checked ULBs made provisions in respective bid documents for installation of RFID at each household. RFID is reported to have been installed in two zones of Municipal Corporation, Jaipur (Greater) only.

Only 50 *per cent* to 60 *per cent* of ULBs in the State undertook segregation of waste at secondary storage facilities during 2021-23. Out of 18 test checked ULBs, 11 ULBs reported non segregation of solid waste at secondary storage facilities during 2021-22 and it reduced to five ULBs in 2022-23.

Neither specific centres were established for deposition of hazardous waste nor hazardous/sanitary waste was segregated at source/secondary source in 12 test checked ULBs. During the physical verification of secondary storage/dumpsites, instances were seen where mixed waste was dumped.

Though material recovery facilities were available in all 18 test checked ULBs, however, during physical verification it was observed that in nine test checked ULBs material recovery facilities or secondary storages facilities were not covered or fenced, which allowed the stray animals to move around the waste storage sites. Storages were not cleaned regularly which resulted in overflowing of waste and littering on the roadside.

Test checked 17 ULBs did not follow provisions of the byelaws related to optimum utilisation of solid waste and dumped the waste in landfill/dump sites. Only one ULB (Municipal Corporation, Jaipur) used the Refuse Derived Fuel method and techniques of composting for recycling of solid waste.

Six out of 18 test checked ULBs procured compost machines of different capacities between February 2019 and December 2019. Out of these, in four ULBs compost machines were not used since their installation.

Due to inordinate delay in setting up of waste to energy plants, waste could not be processed and leading to piling up to dump unprocessed at dumping sites.

The processing of Construction and Demolition (C&D) waste is important as per C&D Waste Management Rule, 2016. It prevents unscientific disposal that causes air, water and soil pollution and it reduces dust, littering, and unmanaged dumping. Construction and Demolition (C&D) waste comprises of buildings materials, debris and rubble resulting from construction, repair and demolition of any civil structure. Four (Bikaner, Jaipur, Jodhpur and Udaipur) out of 18 test checked ULBs were eligible for setting up of Construction & Demolition (C&D) processing plant. Only Municipal Corporation, Udaipur set up one C&D waste processing plant in the State. This plant was also not functioning due to

want of O&M. Due to non-set up of C&D waste processing plant the C&D waste is being mixed with solid waste or disposed in low lying area.

Out of 18 test checked Urban Local Bodies, 15 ULBs did not construct sanitary landfill sites and dumped the municipal solid waste in open dumping sites. Though Municipal Corporation, Jaipur and Municipal Council Baran constructed landfill sites in year 2012 and 2016 respectively at a cost of ₹ 12.06 crore but these remain unutilized since their construction due to non-setting up of processing plants which resulted in Municipal Solid Waste being dumped in open dumping site.

Monitoring and Information, Education and Communication Activities

Health and Sanitation committees essential for planning and monitoring public health and sanitation activities were not constituted in 12 test checked ULBs.

Only six test checked ULBs undertook audio, visual, mass communication and advocacy and outreach activities. Remaining 12 ULBs did not conduct any Information, Education and Communication activities during 2017-18 to 2021-22 despite allotment of separate funds of ₹ 11.99 crore to these ULBs.

Recommendations

- *The State Government may ensure compliance of procedures laid down for estimation of waste generation and preparation of DPR as per MSWM Manual by all ULBs for effective planning of Solid Waste Management.*

- *The State Government may ensure installation of weigh bridges and RFID cards in all ULBs for accurate measurement and to check collection efficiency.*

- *The State Government should undertook advocacy and outreach activities and Health & Sanitation Committees to ensure 100 per cent segregation of waste at secondary stage.*

- *The State Government may make efforts to reduce dependency on landfills by enhancing its processing capacity.*

- *The State Government should make material recovery facilities mandatory to divert recyclable material from landfills by increasing recycling rates and reducing waste sent to landfills.*

- *The State Government should ensure GPS enabled solid waste management vehicle for route optimization, real time tracking and enhanced customer services by ensuring timely waste collection.*

- *The State Government should take new initiative for composting and waste to energy plants in line with other cities like Indore, Ahmedabad, Pune and Gangtok.*

- *All Urban Local Bodies may undertake regular Information, Education and Communication activities to raise public awareness and promote responsible behaviour towards the Solid Waste Management.*

Chapter-I
Introduction

Performance Audit on Solid Waste Management in Urban Local Bodies

Chapter - I : Introduction

1.1 Solid Waste Management in Urban Local Bodies

Wastes are materials that the generator has no further use in terms of his/her own purposes of production, transformation or consumption, and of which he/she wants to dispose of. Wastes are generally classified into municipal solid waste, bio-medical waste, construction and demolition waste, e-waste, plastic waste, slaughterhouse waste, industrial waste and hazardous waste by virtue of their nature. It is also classified as biodegradable, non-biodegradable, combustible, dry and inert based on their characteristics.

Solid waste includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non-residential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste, treated bio-medical waste excluding industrial waste, bio-medical waste and e-waste, battery waste, radio-active waste generated in the area under the local authorities.

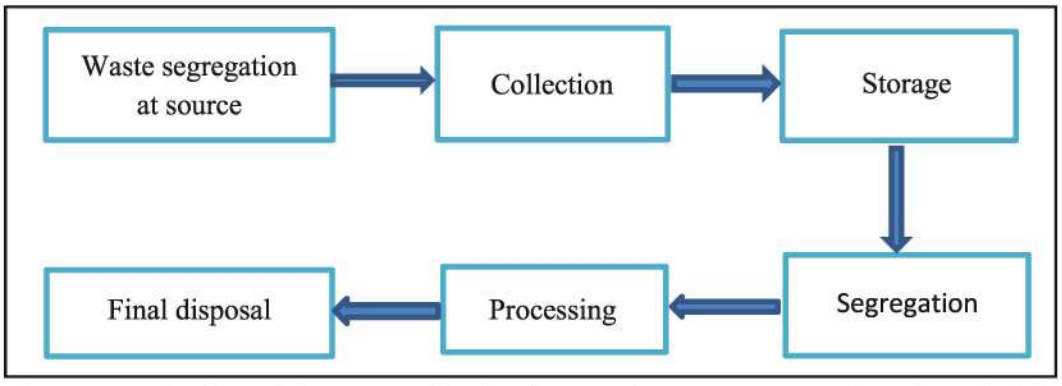
Municipal Solid Waste Management (MSWM) in urban areas has emerged as one of the biggest challenges. The situation is aggravated by rapid urbanisation. Although MSWM is an essential service and a mandatory function of municipal authorities across the country, it is still being managed inefficiently resulting in significant negative externalities in terms of public health and environmental outcomes.

1.2 Regulatory framework governing Management of Solid Waste

The Solid Waste Management (SWM) Rules 2016, provides a legal framework for disposal and management of solid waste and entrusts responsibilities at State level and Urban Local Bodies (ULBs) level. Article 243 w of the Constitution of India provides that the legislature of the State may by law endow the municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-governance. The Twelfth schedule of the Constitution enumerates 18 specific functions to be devolved to Urban Local Bodies. The Government of Rajasthan (GoR) devolved the function "Solid Waste Management" to the Urban Local Bodies.

As per Solid Waste Management Rules, 2016 flow Chart of Municipal Solid Waste Management Chain is given in **Chart 1.1** below.

Chart – 1.1: Waste Management Chain



The process begins with waste collection from various sources, such as households, commercial establishments, institutions, and construction sites. The collected waste is transported to storage and then segregated into biodegradable, recyclable, non-recyclable, combustible, sanitary, inert and hazardous waste. Segregated waste undergoes treatment like composting, incineration, bio-methanation, and gasification techniques[1]. Residual and inert waste is disposed of in landfills following sanitary practices to minimize environmental contamination and health risks.

Effective Solid Waste Management requires policies, infrastructure, public awareness, and stakeholder participation. It is a shared responsibility among authorities, Urban Local Bodies, waste management agencies, communities, and individuals.

1.2.1 Role of various authorities in Solid Waste Management

The role of various authorities at all levels in planning, execution and monitoring of Solid Waste Management is depicted in **Chart 1.2** below:

Chart 1.2: Role of various authorities in Municipal Solid Waste Management

State	Policy framing, Monitoring and Evaluation	Local Self Government Department	Approvals of Plans/DPRs and Monitoring
		State pollution Control Board	Review and Advisory
District	Monitoring and Evaluation	Regional Pollution Control Board offices	
Urban Local Bodies	Implementation	Municipal Corporations/Municipal Councils/ Municipal Boards	

[1] Composting decomposes organic waste into nutrient-rich compost. Incineration generates energy through controlled burning. Bio-methanation produces biogas using anaerobic digestion. Gasification converts waste into synthetic gas for energy.

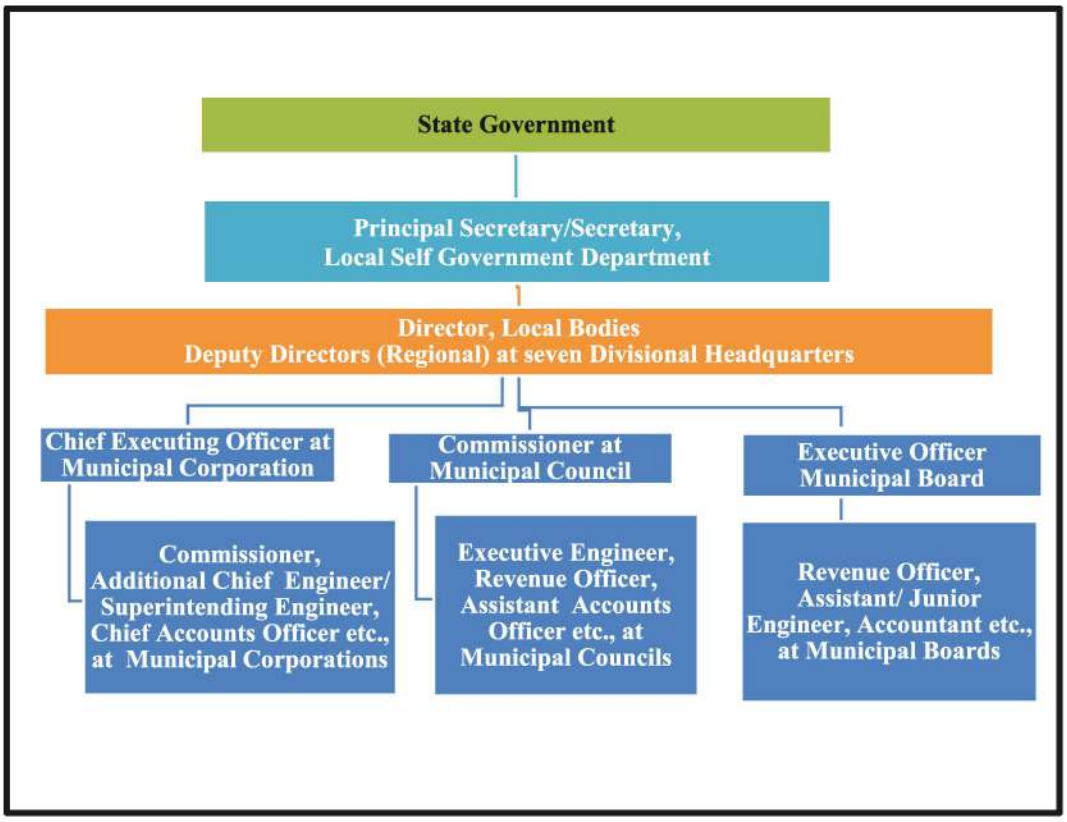
1.3 Financial Resources

During 2017-18 to 2022-23, the State Government received funds of ₹ 2,438.56 crore (Central Finance Commission grant: ₹ 2,266.41 crore and SBM 1.0 & 2.0 grant: ₹ 172.15 crore) which was entirely utilized and year wise break up is given in ***Appendix-I.***

1.4 Organisational setup

The Local Self Government Department (LSGD), headed by the Principal Secretary/Secretary to the GoR, is the nodal department for the governance of all ULBs. The Directorate of Local Bodies (DLB) functions as an interface between the State Government and ULBs. The DLB has seven Deputy Directors (Regional) at Divisional Headquarters i.e., Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur, who reports to the DLB on day-to-day basis. The organizational structure with respect to the functioning of ULBs in the State is indicated in **Chart 1.3** below:

Chart 1.3: Organizational Structure



The State Pollution Control Board oversees the implementation of the various Rules under the Environment (Protection) Act, 1986, in the State and is responsible for monitoring and controlling Waste Management.

1.5 Audit Objectives

This Performance Audit was conducted to assess whether:

- adequate plans and strategies are in place to manage the urban solid waste by the Urban Local Bodies;
- the end-to-end process of Solid Waste Management, including collection, segregation, storage, transportation and disposal was conducted effectively and efficiently;
- necessary resources, facilities and equipment were available for Solid Waste Management and these resources were operated and maintained efficiently; and
- system of internal controls, monitoring and evaluation were adequate and effective.

1.6 Audit Scope and methodology

The Performance Audit on 'Solid Waste Management in Urban Local Bodies' in Rajasthan covering the period from 2017-18 to 2022-23 was conducted between August 2022 to December 2023.

18 Urban Local Bodies[2] (8.45 *per cent*) comprising four Municipal Corporations[3], seven Municipal Councils[4] and seven Municipal Board[5] were selected by giving equal importance to all the seven divisions in the State. One Urban Local Body (Dungarpur) was selected at the request of the Secretary, Local Self Government Department (LSGD) during the Entry Conference. The other units were selected through random sampling using IDEA software. The Audit reviewed the records of the Local Self Government Department, Directorate of Local Bodies, State Pollution Control Board and selected Urban Local Bodies.

Entry Conference with the Principal Secretary, LSGD was held in August 2022. Exit Conferences with the Principal Secretary/Secretary, LSGD were held in June 2023 and March 2025 to discuss the findings of Performance Audit. Replies of the State Government have been appropriately incorporated in the report.

1.7 Audit Criteria

The audit findings were benchmarked against the following criteria:

- The Rajasthan Municipalities Act, 2009.

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[2] Out of total 213 ULBs.
[3] Municipal Corporation Bikaner, Jaipur, Jodhpur and Udaipur.
[4] Balotara, Baran, Bhiwadi, Dungarpur, Hindaun City, Kishangarh and Sujangarh.
[5] Bari, Bhawani Mandi, Choti Sadri, Deoli, Pokhran, Rajgarh and Sambhar Lake.

- Municipal Solid Waste Management Manual, 2016 and The Solid Waste Management Rules, 2016.
- Construction and Demolition Waste Management Rules, 2016.
- Performance parameters set out in Service Level Benchmarking guidelines.
- Instructions, guidelines, policies issued by Central and State Pollution Control Boards, Government of India/ State Government on solid waste management.

1.8 Acknowledgement

Audit acknowledges the co-operation of the Local Self Government Department, Director Local Bodies, Rajasthan Pollution Control Board and appreciates the assistance provided by the field functionaries of these departments for smooth conduct of the audit.

Chapter-II
Planning for Solid Waste Management

Chapter - II: Planning for Solid Waste Management

2.1 Solid Waste Management Planning

Sound planning is a prerequisite for Solid Waste Management. Para 15 (a) of Solid Waste Management Rules, 2016 and section 1.4.6 of MSWM Manual, 2016 emphasised the need for ULBs to prepare a detailed Solid Waste Management plan with short term (five years) and long-term (20-25 years) actions. The five-year short-term plan may be broken up into specific action plans covering various aspects such as waste minimisation initiatives, waste collection and transportation, treatment and disposal, and other policy changes as may be deemed necessary.

Audit observations related to planning such as preparation of Detailed Project Reports (DPRs), method used for estimation of municipal solid waste generation are discussed in the succeeding paragraphs.

2.1.1 Preparation of DPRs

Urban Local Bodies prepared plans for Management of Solid Waste in the form of Detailed Project Report (DPR) under Integrated Solid Waste Management (ISWM)/Swachh Bharat Mission (SBM) 1.0 and SBM 2.0. In urban area, SBM 1.0 was started with effect from 2 October 2014 for five years and SBM 2.0 was started with effect from 1 October 2021 for five years. The position of preparation of DPRs under ISWM/SBM 1.0 and SBM 2.0 and their approval by State Level Technical Committee (DPR approved in June 2016 and in August 2023 under SBM 1.0 and 2.0 respectively) is given in **Table 2.1** below:

Table 2.1: Details of DPR prepared under SBM 1.0 and SBM 2.0

Number of ULBs	ISWM/SBM 1.0		SBM 2.0	
	State	Selected ULBs	State	Selected ULBs
Total ULBs	177	18	213	18
Work order issued for DPR	117	09	209	11
DPR prepared	66	06	194	11
DPR approved	62	04	194	11

(Source- Information provided by the DLB and selected ULBs)

It is evident from the above table that position of preparation of DPRs and their approval have improved under SBM 2.0 as coverage against existing ULBs has increased from 35 *per cent* to 91 *per cent* at State level and from 22 *per cent* to 61 *per cent* in selected ULBs.

However, all existing ULBs have not prepared DPRs as of July 2023.

State Government stated (March 2025) that till date DPRs of 214 ULBs have been prepared and approved in various meetings of State Level Technical Committee.

DPRs of few ULBs have not been prepared due to the following facts : (i) these are newly constituted and hence assessment of requirement and provision of required infrastructure like land for processing units are being made and DPRs will be prepared for left out ULBs as and when land is made available, (ii) in some ULBs processing facilities are already available and gaps in processing are not anticipated, and thus DPRs are not being prepared, (iii) in smaller ULBs planning is being made without preparing DPRs.

2.1.2 Estimation of Waste Generation in DPR

The MSWM Manual 2016 prescribes detailed methodology for estimation of municipal solid waste[1]. The plan was to be based on assessment of existing quantum of waste generated, levels of collection and processing, available resources, and a gap analysis *vis a vis* future scenario.

Various issues related to method of planning noticed in test checked ULBs where DPRs were prepared under ISWM/SBM 1.0 are discussed below:

(a) The assessment method prescribed by the MSWM Manual requires collecting data on waste generation for seven continuous days, from multiple locations over three main seasons. However, deviations from the prescribed methodology were noticed in two test checked ULBs (Bhiwadi and Dungarpur), where the consultant collected data for only three days and extrapolated it over the entire year. In other four ULBs either seven days were considered, or number of days were not mentioned in the DPRs.

(b) In Balotra, the per capita waste generated in 2014 was calculated by dividing waste disposed in the landfill during 2014 by the population of 2011 census. This method was incorrect because the waste generated is not equal to the waste disposed at landfills. The per capita waste thus calculated was then extrapolated for the year 2024 and then for the year 2044, without explaining the basis of this population projection. Estimation for the years falling from 2024 to 2044 was not done.

State Government stated (March 2025) that the work of preparation of DPRs were outsourced by the State Government and the consultants were directed to prepare DPRs in accordance with the provisions as laid down in MSWM Manuals 2016. There may be some deviations, and these deficiencies have been removed in DPRs prepared under SBM 2.0.

The fact remains that department/concerned ULBs were required to ensure compliance of provisions of the MSWM Manual while approving the DPR.

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[1] **For Long term**- Waste quantities should be aggregated over the 7-day period, weighed, and averaged. These quantities can then be extrapolated to the entire urban local body (ULB) and per capita generation. **For Short term-** At least 100 representative sampling locations per one lakh population including household, commercial establishments, hospitals etc. Waste collected from these categories for 7 days period, weighed and averaged represent the waste quantity and quality extrapolated to the entire ULB.

2.2 Inconsistency in data of waste generated

Inconsistency in data of assessment of waste at State level and ULB level

Section 1.4.3.3 of Municipal Solid Waste Management Manual 2016 prescribed estimation[2] of per capita per day waste generation and State/ULBs were required to use these norms for assessment of waste.

Audit compared the data of assessment of waste prepared by the State Government for all ULBs for the year 2021-22 with the assessment mentioned in Annual report of respective ULBs in case of selected ULBs and found inconsistency in data as shown in **Table 2.2** below.

Table 2.2: Estimation of per capita per day (PCPD) generation of waste in test checked ULBs during 2021-22

(Weight in PCPD per gram)

S. No.	Name of the ULB	Norms of waste generation as per SWM Manual	Assessment of waste by the State Governmentt		Assessment of waste as per annual report of the ULB		Percentage of variance (+) Excess/ (-) Short*
			Population considered (as per census 2011) (in lakh)	Estimation of per capita per day waste generation	Population considered (as per census 2011) (In lakh)	Estimation of per capita per day waste generation	
1.	Jaipur	400-600	30.46	550	30.41	497	(-) 9.63
2.	Balotara	200-300	0.74	300	0.88	400	33.33
3.	Baran	200-300	1.18	450	1.43	343	(-) 23.77
4.	Udaipur	350-450	4.51	450	5.24	344	(-) 23.55
5.	Bikaner	350-450	6.44	450	7.80	450	-
6.	Bhawani Mandi	200-300	0.42	300	0.42	213	(-) 29
7.	Deoli	200-300	0.22	300	0.22	453	51
8.	Jodhpur	350-450	10.34	450	13	369	(-) 18
9.	Pokran	200-300	0.24	300	0.29	206	(-) 31.33
10.	Hindaun City	200-300	1.05	450	1.05	398	(-) 11.55
11.	Choti Sadri	200-300	0.18	300	0.18	381	27
12.	Rajgarh	200-300	0.59	300	0.80	400	33.33
13.	Sujangarh	200-300	1.02	450	1.01	450	-
14.	Kishangarh	200-300	1.55	450	1.55	464	3.11
15.	Sambhar Lake	200-300	0.22	300	0.22	358	19.33
16.	Bari	200-300	0.63	300	0.74	377	25.66
17.	Bhiwadi	200-300	1.05	450	1.05	572	27.11
18.	Dungarpur	200-300	0.48	300	0.52	314	4.66

(Source: Information provided by DLB and Form-IV of concerned ULBs)

** Excess means assessment of waste done by ULBs is more than the assessment of waste done by the State Government.*

[2] As per MSWM Manual 2016, per capita per day 200–300 gram waste generation was estimated for ULBs having population below 2 lakh, 300-350 gram per capita per day waste for ULBs having population 2 lakh to 5 lakh, 350-400 gram per capita per day waste for ULBs having population 5 lakh to 10 lakh and 400-600 gram per capita per day waste generation was estimated for ULBs having population more than 10 lakh.

Audit observed that in 16 out of 18 ULBs, there were variations in assessment of waste generation between State Government and the annual reports of concerned ULBs. State Government and concerned ULBs adopted different methods for calculation of waste generation. The State Government calculated estimation of waste at a uniform rate[3] whereas source of norms adopted by test checked ULBs were not mentioned in their annual reports. It was also noticed that the State Government and the concerned selected ULBs considered different population of the ULB for same year.

In one ULB (Deoli), variation in assessment was 51 *per cent* while in seven ULBs (Bari, Balotra, Bhawani Mandi, Bhiwadi, Choti Sadri, Pokaran and Rajgarh) variation was about *25 to 33 per cent.* In eight ULBs, variation in assessment ranged from three *per cent* to 24 *per cent*.

State Government stated (March 2025) that it estimated waste generation on the basis of norms prescribed in the current effective SBM 2.0 guidelines.

This indicates towards the unreliability of the data on estimated waste generated in the State, which has further impact on the effectiveness of planning and monitoring of waste management in the State.

2.3 Conclusion

DPRs of all existing ULBs were not prepared. Inconsistency in estimated waste generation data between State and concerned ULB indicates unreliability of data and lack of monitoring and coordination among ULB and State Government.

Recommendations:

1. The State Government may ensure compliance of procedures laid down for estimation of waste generation and preparation of DPR as per MSWM Manual by all ULBs for effective planning of Solid Waste Management.

[3] 350 gram per capita per day generation of waste for ULBs having population up to one lakh, 450 gram per capita per day generation of waste for population between one lakh to 10 lakh and 550 gram per capita per day for ULBs having population more than 10 lakh.

Chapter-III
Management of Solid Waste in ULBs

Chapter - III: Management of Solid Waste in ULBs

The Solid Waste Management process begins with the collection of segregated waste, transportation of waste to transfer station/central sorting facility for sorting recyclables, processing of waste and disposal in landfills. The effectiveness and efficiency in the solid waste management process as analyzed by audit are discussed in the succeeding paragraphs.

3.1 Targets and achievements against Service Level Benchmarks

MSWM Manual, 2016- Part I, Para 7.1-Monitoring of Municipal Solid Waste Management Plan Implementation envisaged the assessment of Service Level Benchmarks (SLBs).

Ministry of Urban Development, GoI launched (2008) the Service Level Benchmarking initiative covering Municipal Solid Waste and defined performance indicators for assessing the performance of Solid Waste Management. The eight performance indicators of Solid Waste Management prescribed on the recommendation of the Fifteenth Finance Commission by Government of India are given in **Table 3.1** below:

Table 3.1: SLB performance indicators and benchmarks pertaining to SWM

S.No.	Performance indicator	Description of item	Benchmark (in *per cent*)
1	Household level coverage of SWM services	Households and establishments covered by daily doorstep collection system	100
2	Efficiency of collection of municipal solid waste	Total waste collected against waste generated within the project area	100
3	Extent of segregation of municipal solid waste	Households and establishments that segregate their waste	100
4	Extent of municipal solid waste recovered	Quantum of waste collected, which is either recycled or processed	80
5	Extent of scientific disposal of municipal solid waste	Waste disposed in sanitary landfill after processing of waste	100
6	Extent of cost recovery in SWM services	Recovery of all operating expenses related to SWM	100
7	Efficiency in redressal of customer complaints	Number of complaints related to SWM resolved within 24 hours	80
8	Efficiency in collection of SWM user charges	Revenues collected against total operating revenues	90

(Source: prescribed by the Ministry of Urban Development, Government of India)

Achievement of Performance indicators against the prescribed benchmark by the test check ULBs during 2022-23 is given in the ***Appendix-II.*** Audit summarized indicator wise range of achievements against the prescribed benchmark as reported by 18 test checked ULBs in their Service Level Benchmarks for the year 2022-23

to the Ministry of Housing and Urban Affairs, Government of India in compliance with directions issued by DLB are shown in **Table 3.2** below

Table 3.2: Range of achievements of SLB by test checked ULBs during the year 2022-23

Performance indicator	Achievements by test checked ULBs				
	Nil	Up to 50 *per cent*	51 to 75 *per cent*	76 to 99 *per cent*	100 *per cent*
Household level coverage of SWM services	0	0	0	13	5
Efficiency of collection of municipal solid waste	0	0	0	12	6
Extent of segregation of municipal solid waste	5	5	1	5	2
Extent of municipal solid waste recovered	8	3	2	4	1
Extent of scientific disposal of municipal solid waste	10	1	2	4	1
Extent of cost recovery in SWM services	8	5	0	4	1
Efficiency in redressal of customer complaints	2	0	0	14	2
Efficiency in collection of SWM user charges	9	6	0	3	0

(source: Information collected from City Finance Portal through DLB)

The above table (read with ***Appendix-II***) shows that:

- Under Household level coverage of SWM services out of 18 test checked ULBs only five (28 *per cent*) ULBs achieved the target.
- Efficiency of collection of municipal solid waste benchmark achieved by only six ULBs (33 *per cent*) out of 18 test checked ULBs.
- Extent of segregation of municipal solid waste was achieved by only two ULBs and five ULBs (28 *per cent*) had nil achievement in segregation.
- Achievement under Extent of municipal solid waste recovered was nil in eight ULBs (44 *per cent)* out of 18 ULBs and only five ULBs achieved the target.
- Achievement under the Extent of scientific disposal of municipal solid waste was nil in 10 ULBs (56 *per cent*) out of 18 ULBs and only one ULB achieved the target.
- Achievement under extent of cost recovery in SWM services was nil in 8 ULBs (44 *per cent*) and only one ULB achieved the target.
- Efficiency in redressal of customer complaints of municipal solid waste was achieved in 16 ULBs (89 *per cent*) out of 18 test checked ULBs. Whereas two ULBs had nil achievement.
- Efficiency in collection of SWM user charges was nil in 9 ULBs (50 *per cent*), and only one ULB achieved the target.

Analysis of the service level benchmark (SLB) indicators stipulated by the Ministry of Urban Development showed that in the test checked ULBs, the achievement of the majority performance indicators was significantly low against the fixed targets.

The State Government stated (March 2025) that remaining ULBs would be persuaded to collect 100 *per cent* waste and efforts are being made to improve the percentage of segregation. The GoR stated that the scientific disposal of municipal waste is the weakest segment of SWM, however, numbers of dump yards have been scientifically bio remedied under SBM 2.0. It has been accepted that the ULBs are lagging behind in collection of user charges as several ULBs were reluctant to recover the user charges, but now there is considerable increase in recovery of user charges. All the ULBs are being directed to achieve 100 *per cent* of targets of service level benchmarks.

3.2 Status of generation, collection and processing of Solid Waste

Solid waste generated, collected and processed at the State as well as test checked 18 ULBs during 2017-18 to 2022-23 (in ton per day) are shown in **Table 3.3** and **Table 3.4** below:

Table 3.3 Solid waste generated, collected and processed at the State Level

(in TPD)

Particular	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Generated	6439.27	6625.56	6659.38	6897.15	7973.15	6836.68
Collected	6280.54 (98%)	6475.39 (98%)	6475.90 (97%)	6720.47 (97%)	7859.35 (99%)	6733.94 (98%)
Processed	695.35 (11%)	780.18 (12%)	1190.93 (18%)	1210.45 (18%)	1925.97 (25%)	1473.97 (22%)
Direct dumped	3983.7 (63%)	4187.16 (65%)	5112.66 (79%)	5082.16 (76%)	5525.18 (70%)	4828.76 (72%)

(Source: Information compiled from annual report of RSPCB)

Table 3.4: Solid waste generated, collected and processed at the test checked ULBs

(in TPD)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Generated	2803.78	2901.80	2976.15	2977.73	3104.49	3370.10
Collected	2582.67 (92%)	2846.31 (98%)	2947.84 (99%)	2934.47 (99%)	3079.26 (99%)	3346.02 (99%)
Processed	781 (30%)	920 (32%)	1018.43 (35%)	903.46 (31%)	985.97 (32%)	980.34 (29%)
Direct dumping	1801.67 (70%)	1904.25 (67%)	1929.41 (65%)	2031.01 (69%)	2093.29 (68%)	2365.68 (71%)

(Source: Information provided by test checked ULBs)

The above comparison of the generation, collections and processing of solid waste shows that during 2017-23 against the generation significant percentage of waste was collected at State level (97 *per cent* to 99 *per cent*) and in test checked ULBs (92 *per cent* to 99 *per cent*). However, processing of waste was only11 *per cent* to 25 *per cent* at State level and 29 *per cent* to 35 *per cent* in test checked ULBs. Further, direct dumping of solid waste ranged between 63 *per cent* to 79 *per cent* at the State level and 65 *per cent* to 71 *per cent* in test checked ULBs. Thus, remaining unprocessed waste at State level was not being dumped at dumped site. Audit also noticed instances of variation in reported figures of waste collection and actual waste collection in test checked ULBs as discussed in the succeeding para 3.3.1, which creates doubt on reliability of data being reported by the ULBs in respect of waste collection.

The State Government stated (March 2025) that for processing of Municipal Solid Waste processing plants are being established and the reject from these plants will be disposed of in Sanitary Landfill Facility being established under SBM 2.0.

3.3 Collection of Solid Waste

Collection of segregated municipal solid waste is an essential step in municipal SWM. Inefficient waste collection services have an impact on public health and the aesthetics of towns and cities. Collection of wet, dry and domestic hazardous waste separately ensures maximum recovery of recyclable waste and also paves the way for cost-effective treatment of such wastes. The collection service provided by ULBs also needs to be regular to be effective.

Audit observations pertaining to reported figures of waste collection, reporting incorrect data, deficient system for measurement of collection and non-installation of GPS system in vehicles used for waste collection etc. are discussed in the succeeding paragraphs:

3.3.1 Difference between waste collection reported and actual waste collection

During audit of test checked 18 ULBs instances have been noticed in four ULBs where the actual collection was higher or lesser than the reported collection of waste as detailed below:

(i) Municipal Corporation, Jaipur in its annual reports reported 100 *per cent* collection of waste during 2019-20 i.e. 1477 TPD. Audit noticed that during July 2019 to March 2020 an average 1581 TPD waste was collected by the contractor. During 2022-23 waste collection was reported as 1640 TPD, whereas audit noticed that in addition to this (1640 TPD), the Municipal Corporation also engaged its own fleet having capacity of 325 TPD for collection and transportation of waste.

(ii) The estimated quantity of waste generation in Municipal Corporation, Bikaner during 2021-23 was 363 TPD against which the Municipal Corporation claimed to have collected 363 TPD (100 *per cent)*. Audit observed that in addition to 363 TPD waste collected from households, 233.60 TPD waste was also collected from roadside by deploying additional resources during August 2021 to March 2023. Thus, the Municipal Corporation understated the actual collection of waste.

(iii) Municipal Corporation, Jodhpur reported 100 *per cent* collection of waste during 2019-20 to 2022-23. Audit observed that against the estimated waste of an average 497 TPD per year, an average 14.93 TPD waste was not collected by the contractor from January 2019 to August 2023 for which penalty was recovered from contractors.

(iv) Municipal Council, Sujangarh reported 25 TPD (100 *per cent*) collection of waste during 2018-19. Audit observed that an average of 31.40 TPD waste was collected during the same period.

Thus, it is clear that ULBs are not reporting correct figures of waste collection and this variation also indicates towards unrealistic estimation as actual collection have huge variation from estimated generation.

The State Government replied (March 2025) that own vehicles are also used for collection of slit, road side waste and other kind of waste which do not fall under the scope of outsourced firm and transported it to dump yard.

3.3.2 Inconsistency of data reported to RSPCB and Audit

As per Rule 15(za&zb) of SWM Rules 2016, every ULB had to prepare and submit annual report by 30 April of succeeding year to Director Local Bodies who in turn will send the report to Rajasthan State Pollution Control Board (RSPCB) by 31 May of every year.

Audit observed that the quantity of waste generated reported by the DLB to audit was different from the figures reported by the ULBs in their Annual Reports to the RSPCB. As per information provided to audit, Solid Waste generation and collection in 2021-22 for the entire State was 6829 TPD, whereas the data submitted by ULBs to RSPCB, the annual generation and collection of Solid Waste at State level shown as 7973 TPD and 7859 TPD respectively for the entire State. Thus, there was a variation of 1144 TPD and 1030 TPD in generation and collection respectively.

Audit compared the data of generation and collection of waste reported to audit and to RSPCB by the 18 test checked ULBs and observed variation between these data in four test checked ULBs as detailed in **Table 3.5** below:

Table 3.5: Difference in data of generation and collection of waste

(TPD)

Name of ULB	Year	Report to Audit	Report to RSPCB	Difference
Deoli	2019-20	8.90	10	1.10
	2020-21	9.10	10	0.90
Choti Sadri	2018-19	8.58	7	1.58
Pokhran	2020-21	8.62	6	2.62
Sambhar lake	2022-23	8.10	8	0.10

(Source: Information provided by the concerned ULBs)

The State Government accepted (March 2025) the facts and stated that there may be some inconsistency as these data are based on estimation, but data provided through Annual Reports were on actual basis. However, all ULBs would be directed to submit data to various agencies uniformly.

3.3.3 Deficient system for measurement of collection and transportation of waste

As per MSWM Manual 2016, the ULBs are required to install weigh bridges to measure the weight of the waste collected daily so that the collection can be monitored. Audit found that out of 18 test checked ULBs, eight weigh bridges were installed only in four ULBs (Bikaner: 01, Jaipur: 03, Jodhpur: 01 and Udaipur: 03). However, weigh bridges were not installed in 14 ULBs due to which daily waste collection could not be measured and monitored properly.

Audit observed that in Municipal Council, Bhiwadi, fraudulent weigh slips were being submitted by the contractors and payment was made against them. One of the vehicles shown to have been used for waste collection was found to be a passenger vehicle (Maruti Wagon R- HR31D4814). Audit observed that this vehicle made 56 trips during the month of July 2019 and shown transport of 55.36 tonnage waste.

State Government stated (March 2025) that all ULBs would be directed to install weigh bridges and ensure their functioning. Further, it was stated that the number of registration of car in Bhiwadi may have been noted erroneously.

The reply of the State Government is not tenable as the registration number of vehicle (Wagon R) having HR number was found noted on weigh slips several times during the month of July 2019, which cannot be termed as a onetime error and that creates doubt on the reliability on shown data related to waste transportation and collection.

Audit is of the view that the whole system of measuring the collection of waste is exposed to the risk of fraud and manipulation, and effective measures to ensure accountability and responsibility need to be taken to improve the system.

3.3.4 Global Positioning System not installed on transportation vehicles

According to MSWM Manual 2016, Global Positioning System (GPS) was to be installed on waste transportation vehicles for better monitoring of their movement and enable better control of solid waste management. Further, Local Self Government Department instructed (September 2017) all ULBs to install Vehicle Tracking System on all vehicles used for transportation of Solid Waste.

Audit observed that in 18 test checked ULBs, GPS/Vehicle Tracking System was not installed in owned vehicles used for collection and transportation of waste by ULBs.

State Government accepted (March 2025) that ULBs owned vehicles may have not equipped with the GPS and stated that at DLB level, orders have been issued from time to time to equip with the GPS and compliance of the order will be ensured strictly.

Thus, in the absence of GPS, monitoring of movement of waste transportation vehicles for better control of Solid Waste Management could not be ensured.

3.3.5 Installation of Radio Frequency Identification (RFID) cards

Radio Frequency Identification (RFID) waste management system solutions support identification and traceability of waste. Audit noticed that only three {Bikaner, Jaipur (Greater) and Kishangarh} out of 18 test checked ULBs made provisions in respective bid documents for installation of RFID at each household.

RFID is reported to have been installed in two zones of Municipal Corporation, Jaipur (Greater) only. Audit observed that the Municipal Corporation Jaipur awarded a work order (July 2022) to a firm for installation of RFID cards to an estimated 80,493 households of Malviya Nagar Zone and the firm was to be paid after actual survey of households. The firm intimated 98,492 households after the actual survey. As per the agreement, a penalty at the rate of ₹ five per household per day was to be deducted from the firm in case 100 *per cent* of the households were not covered.

The firm submitted a bill (₹1.11 crore) for the month of July 2023 for 98,492 households, whereas the Independent Engineer on verification reported that the firm did not submit scan reports of an average of 7,999 households during the month. Audit observed that the Municipal Corporation paid[1] ₹ 97.03 lakh to the firm for all 98,492 households, without reducing 7,999 households from where the waste was not collected. Although, the penalty amounting to ₹ 12.40 lakh at the

[1] 98492 households at the rate ₹ 111.60 per month per household (1 to 24 July 2023) and ₹ 114.95 per month per household (25 to 31 July 2023), total payment ₹ 110.66 lakh, reduced penalty ₹ 13.63 lakh (₹12.40 lakh for non-coverage of households and ₹ 1.23 lakh for other penalties). Paid amount ₹ 97.03 lakh.

rate of ₹ five per household was collected from the firm for 7,999 households but the firm was paid an excess amount of ₹ 8.98 lakh for uncollected waste for 7,999 household without collection of waste.

State Government stated (March 2025) that remaining ULBs are being directed to focus on installation of RFID cards to ascertain the actual coverage of households. However, the reply was not furnished for the excess payment paid to the firm.

3.3.6 Installation of smart dust bins

(i) Municipal Corporation Jodhpur decided (August 2017) to procure 55 smart dustbins[2] with an estimated cost of ₹ 7.42 crore (including O&M cost of ₹ 5 crore). These smart bins were to be equipped with sensors and a Bin Tracking System (BTS)/Global Positioning System (GPS). These sensor equipped bins were to send alerts after the bins were filled up to empty the bins immediately.

The Municipal Corporation, Jodhpur awarded (November 2017) a work order in favour of M/s Zonta Infratech Private Limited with a stipulated period for supply/installation of bins between 20 November 2017 and 19 May 2018 and for O&M of bins for five years. The firm installed these 55 smart bins in March 2018 at different locations provided by the Municipal Corporation and ₹ 1.88 crore was paid to the firm including O&M upto fourth running bill in March 2019.

Audit observed that:

a) The firm did not install the sensors and in the absence of the sensors, the envisaged benefits could not be achieved.

b) During physical inspection (10 October 2022) it was found that these smart bins were not cleaned regularly and at one location smart bin was not found installed.

[2] 15 smart dustbins having capacity of 2 cubic meter each and 40 smart dustbins having capacity of 1.5 cubic meter each.



Images showing dismantled bin lying without any utilization and bins not cleaned by ULBs

Thus, the very purpose of installation of these smart bins was defeated and these costly smart bins remained like ordinary iron dust bins. The expenditure of ₹ 1.88 crore incurred on these smart bins proved to be infructuous.

The State Government stated (March 2025) that Municipal Corporation, Jodhpur has been directed to forward factual position and after receipts of the same, concrete factual position would be furnished to audit.

3.3.7 Involvement of Self-Help Groups and waste pickers

Rule 15 (c) and (d) of SWM Rules 2016 prescribe to regulate and promote the involvement of waste pickers or informal waste collectors in Solid Waste Management. Urban Local Bodies were to facilitate the formation of Self-Help Groups (SHG), provide identity cards and authorize them to pick waste from collection, storage or dumping sites.

Test check of selected Urban Local Bodies revealed that: -

(i) Only two Urban Local Bodies (Municipal Corporation, Jaipur and Municipal Corporation, Udaipur) conducted survey and issued identity cards to waste pickers. Jodhpur prepared a list of waste pickers and the basis for preparation of list was not mentioned. No identity card was issued to the waste pickers by Jodhpur.

(ii) SHG was established by only Municipal Corporation, Udaipur and the remaining 17 Urban Local Bodies did not establish any Self-Help Group.

State Government stated (March 2025) that each and every ULB has recognized role of waste pickers and allowed rag pickers to segregate the waste. In smaller ULBs it may be possible that they did not issue any identity cards. Moreover, the work of Solid Waste Management in ULBs with small quantum of waste generation is planned to be done through convergence of SBM and SHG of National Urban Livelihood Mission (NULM).

The reply is contrary to the fact that only three out of 18 test checked Urban Local Bodies had recognized the role of waste pickers and formation of Self-Help-Group is yet to be done in ULBs.

3.4 Segregation of Solid Waste

Solid waste is segregated at two stages wherein at the first stage, biodegradable and non-biodegradable waste is collected at source in separate containers, at the second stage, waste is segregated at secondary storage/dump sites before its processing where various components of municipal solid waste namely biodegradable waste, recyclable waste, non-recyclable combustible waste, sanitary waste, non-recyclable inert waste and domestic hazardous waste are sorted and separately stored.

Rule 15 (b) of SWM Rules 2016 prescribes that ULBs shall arrange for door to door collection of segregated solid waste from all households and commercial institutions etc.

During audit, issues regarding segregation of solid waste, segregation of hazardous waste and facilities for segregation at secondary storage sites have been noticed as discussed in the succeeding paragraphs:

3.4.1 Status of segregation of waste

Director Local Bodies intimated that about 60 *per cent* Solid Waste was segregated at source in the State during 2022-23.

Further as per data shown in Annual reports of all ULBs, it was observed that only 50 *per cent* and 60 *per cent* of ULBs[3] in the State undertook segregation of waste at secondary storage facilities during 2021-22 and 2022-23 respectively. The segregation of solid waste at secondary storage facilities during 2021-22 and 2022-23 in the test-checked 18 Urban Local Bodies is shown in **Table 3.6** below:

[3] 104 out of 207 ULBs in 2021-22 and 133 out of 221 in 2022-23.

Table 3.6: Secondary segregation of waste in test checked ULBs

Particulars	2021-22		2022-23	
	Number of ULBs	Name of ULBs	Number of ULBs	Name of ULBs
100 per cent segregation	3 (17%)	Udaipur, Dungarpur and Kishangarh	2 (11%)	Dungarpur and Kishangarh
Partial segregation	4 (22%)	Jaipur, Jodhpur, Bikaner and Baran	11 (61%)	Jaipur, Jodhpur, Bikaner, Udaipur, Balotara, Hindaun City, Sambhar Lake, Sujangarh, Bari, Rajgarh, Bhiwadi
No segregation	11 (61%)	Balotara, Bhiwadi, Hindaun City, Sujangarh, Bari, Bhawani Mandi, Choti Sadri, Deoli, Pokhran, Rajgarh, Sambhar Lake	5 (28%)	Bhawani Mandi, Baran, Pokhran, Deoli and Choti Sadri

(Source: service level benchmark forms and information provided by test checked ULBs)

It can be seen from the above table that position of segregation of waste at secondary stage was slightly improved in test checked ULBs in 2022-23. However, in Udaipur segregation of waste was reduced to 80 *per cent* in 2022-23 from 100 *per cent* in 2021-22.

Further, it was observed that in two ULBs (Bari and Hindaun City) contract for collection, segregation and processing of the waste was awarded (September 2021 and August 2022) to firms. As per the contract both ULBs had to make payment to the firm in the following ratio: (a) 40 *per cent* on collection (b) 30 *per cent* on segregation and (c) remaining 30 *per cent* on processing of the waste. During joint physical verification[4] of both ULBs, it was noticed that waste was neither segregated nor processed.

State Government accepted the facts and stated (March 2025) that extent of source segregation of waste depends on the involvement of waste generation/residents. ULBs are doing regular IEC activities for motivating the residents for segregating the waste. Every ULB has twin compartments in its auto tippers and segregating waste into dry and wet waste at household level. In Bari and Hindaun City, both ULBs made conditions in the agreement for collection, transportation, segregation and processing of waste but as these firms did not work satisfactorily, the agreement was rescinded.

3.4.2 Segregation of domestic hazardous waste and sanitary waste

Domestic hazardous waste consists mainly of discarded paint drums, pesticide cans, compact fluorescent bulbs, expired medicines, used batteries, used needles and

[4] Bari: 28 September 2022 and Hindaun City: 19 May 2024.

syringes, and contaminated gauge. Sanitary waste comprises of used diapers, sanitary towels or napkins. As per Rule 15 (i) of SWM Rules 2016, ULBs shall establish waste deposition centres within 20 square km for domestic hazardous waste and give direction for waste generators to deposit domestic hazardous wastes at this centre for its safe disposal. All waste generators are required to segregate such waste at the source so that further action could be taken for their safe disposal.

Audit observed that neither specific centres were established for deposition of hazardous waste nor hazardous/sanitary waste was segregated at source/secondary source in 12 out of 18 test checked ULBs. During the physical verification of secondary storage/dumpsites[5], instances were seen where mixed waste was dumped.



Image showing mixed waste and unfenced secondary storage at Jaipur.

State Government stated (March 2025) that waste collection vehicles have separate bin for collection of domestic hazardous waste. The hazardous waste given by local residents are collected in these bins but if waste is given by residents in a mixed way it is very difficult to separate the hazardous waste from mixed waste. For segregation of waste at processing site the processing plants are being established in each ULB under SBM 2.0.

3.4.3 Facilities for segregation

Every Urban Local Body[6] should setup Material Recovery Facilities (MRF) or secondary storage facilities with sufficient space to enable authorized waste pickers and waste collectors to separate recyclable waste such as paper, plastic, metal, glass, and textile. National Green Tribunal also directed (2018) that adequate material

[5] Dumpsite is a place where waste materials are deposited without any planning or consideration for environmental or health standards.

[6] Rule 15 (h) of Solid Waste Management Rules 2016 & Section 2.3.2 of MSWM Manual 2016.

recovery facility/secondary storage facilities be constructed for segregation of solid waste.

Material recovery facilities were available in all 18 test checked ULBs. During physical verification (October to November 2022) of material recovery facilities in all 18 test checked Urban Local Bodies, Audit observed that in nine[7] ULBs:

(i) Material recovery facilities or secondary storages facilities were not covered or fenced, which allowed the stray animals to move around the waste storage sites.

(ii) Storages were not cleaned regularly which resulted in overflowing of waste and littering on the roadside.

(iii) Storage bins were not suitably designed for easy operations with regard to handling, transferring and transporting of waste.

(iv) Bins were also not in prescribed colour format.

(v) No segregation was done at source and mixed waste was dumped in these secondary storage facilities.



Images showing mixed waste and unfenced secondary storage at Bikaner, Bhiwadi, Sambharlake and Deoli.

Thus, uncovered storages, non-segregation of waste and lack of regular cleaning of bins led to littering of waste and unhygienic conditions.

The State Government accepted the facts and stated that most of MRF centers have since been made functional and working properly and efforts were being made to clean storage regularly. Further, under the mandate of SBM 2.0 the processing facility in all ULBs are being established.

[7] Bhiwadi, Bikaner, Choti Sadri, Deoli, Hindaun City, Pokhran, Rajgarh, Sambhar Lake and Sujangarh.

3.5 Processing and disposal of Solid Waste

Audit observations regarding non adopting technique of Reduce, Reuse and Recycle of waste, processing of waste, non-utilisation of composte machine, inordinate delay in setting up of waste to energy plant, non-construction of sanitary landfills and non-closure of dump sites are discussed in succeeding paragraphs:

3.5.1 Optimum utilisation of Solid Waste

Rule 11 (b) of SWM Rules 2016 provided that Secretary, LSGD while preparing State policy and strategy on SWM, lay emphasis on waste reduction, reuse, recycling, recovery and optimum utilisation of various components of solid waste to ensure minimisation of waste going to the landfill and minimise impact of solid waste on human health and environment.

Audit observed that LSGD issued byelaws 2015 and updated in 2019 which included provisions related to reduction, reuse, recycling, recovery and optimum utilisation of solid waste. However, test checked 17 ULBs did not follow provisions of the byelaws related to optimum utilisation of solid waste and dumped the waste in landfill/dump sites. Only one ULB (Municipal Corporation, Jaipur) used the Refuse Derived Fuel (RDF) method and techniques of composting for recycling of solid waste and remaining 17 ULBs did not initiate any action for optimum utilisation of solid waste as of March 2023.

State Government stated (March 2025) that guidelines were issued regularly and position of waste processing facilities has been improved during 2023-25. At present 22 processing plants are operational, 155 plants are under construction and tendering of 33 plants are under process.

Audit observed that Municipal Corporation Gangtok had established (June 2024) a Reduce, Reuse and Recycle (RRR) Centre at Deorali. This initiative underscores dedication to reducing waste and conserving resources by promoting the principles of reducing consumption, reusing materials and recycling waste.

3.5.2 Processing of waste

Solid waste collected and processed at the State as well as test checked 18 ULBs during 2017-18 to 2022-23 (in ton per day) are shown in table 3.3 and 3.4 in paragraph 3.2 of the report.

It can be seen from the tables 3.3 and 3.4 that the position of processing of solid waste was marginally improved at State level from 11 *per cent* in 2017-18 to 22 *per cent* in 2022-23 of the waste collection. The position of processing of waste in 18 test checked ULBs was better than the State level position and it was ranged between 29 *per cent* and 35 *per cent* during the same period.

Further, Municipal Board, Bari reported to audit that 50 *per cent* to 70 *per cent* of waste were being processed during 2021-22 and 2022-23. However, audit noted

that Municipal Board, Bari did not have any processing facilities. Thus, the claim of processing waste was not reliable.

3.5.3 Setting up of processing facilities in test checked ULBs

3.5.3.1 Non-utilisation of compost machines under SWM

As per Rule 15(v) of Solid Waste Management Rules 2016, local authorities shall facilitate construction, operation and maintenance of solid waste processing facilities including its composting.

Director Local Bodies intimated (October 2018) all ULBs that rate contract has been accorded to M/s N K Gadhiya for procurement of various equipment including compost machines for implementation of Solid Waste Management and directed to procure machines through rate contract. LSGD also allowed (June 2019) ULBs to procure compost machines through GeM portal in accordance with provisions of RTPP Rules 2013 issued time to time from Finance Department.

Audit observed that six out of 18 test checked ULBs procured compost machines of different capacities between February 2019 and December 2019 through rate contract, GeM and open market. Out of these six ULBs, compost machinery installed in one ULB (Bhiwadi) was being used for processing of waste, in one ULB (Choti Sdari) it was burnt in June 2021 after installation and in remaining four ULBs (as detailed in ***Appendix III)*** compost machines were not put to use since their installation to between May 2024 and August 2024 for 57 months to 63 months due to non-providing of required training to staff by the venders; non-availability of segregated waste i.e. bio organic waste etc.

Photo of compost machines lying unutilized in Bikaner



State Government accepted (February 2025) the facts and intimated that these machines could not be utilised due to non-availability of space, quantum of segregated waste, etc.

This indicates towards lack of monitoring by ULBs to ensure working of installed compost machine which further reduced processed of waste.

3.5.3.2 Inordinate delay in setting up of Waste to energy plant

Rule 15 (v) of SWM Rules 2016 provided that it is responsibility of every ULB to construct solid waste-based power plants within two years from the date of notification of rules for processing of solid waste.

Rule 76 of RTPP Rules provided that the successful bidder should sign the procurement contract within a specified period/within fifteen days otherwise the procuring entity shall take action against the successful bidder.

Three ULBs viz Jaipur, Jodhpur and Baran had issued work orders for establishment of energy plants in 2016-17, but these have not been established as of April 2024 as discussed below:

(i) Municipal Corporation Jodhpur and Jaipur issued (March 2017 & April 2017) work orders for setting up waste to energy plant having capacity of 400 TPD and 700 TPD respectively to a firm M/s JITF Urban Infrastructure Limited with stipulated date of completion as of March/April 2019. In Jodhpur, the firm executed Power Purchase Agreement with Jodhpur Vidhyut Vitran Nigam Limited on 04 May 2022. In Jaipur, the firm executed lease agreement with Municipal Corporation Jaipur on 12 May 2022 and Power Purchase Agreement with Jaipur Vidhyut Vitran Nigam Limited on 11 July 2022 and statutory permission such as Consent to Establish from RSPCB was not obtained. Thus, these plants were not set up as of April 2024 due to delayed execution of lease agreement, power purchase agreements and non-obtaining of statutory permission such as Consent to Establish from RSPCB.

(ii) Municipal Council, Baran, invited (January 2016) tender for design, construction, O&M of processing facility for Baran and Anta towns. The Municipal Council issued (July 2017) 'Notice to Proceed' to a firm M/s Zonta Infratech Private Limited, work was to be completed up to 16 September 2018. The firm did not commence the work for establishment of the processing facility as of July 2022.

The above facts indicate that in Jaipur and Jodhpur the firms did not execute agreement due to land dispute, power purchase agreement with energy department etc.

Thus, due to inordinate delay in setting up of waste to energy plants, waste could not be processed and leading to piling up to dump unprocessed at dumping sites.

The State Government accepted that facts and stated (March 2025) that there was inordinate delay in setting up of waste to energy plants at Jaipur, Jodhpur and Baran due to several unforeseen hindrances. The major cause for delay was delay in getting environmental clearance. In Jaipur, waste to energy plant is set up and functioning and plant at Jodhpur is under process and delay is attributed to getting up Consent to Establish from RSPCB. While in Baran, the contractor did not set up the plant and agreement was terminated and necessary action as envisaged in the agreement had been taken. New work order under SBM 2.0 has been issued (December 2023) for the establishment of RDF and compost plant in Baran.

Audit further noted that in order to reduce landfill dependency and to promote sustainable waste management, waste to energy plants have been set up (i) in Ahmedabad (15 MW) by processing 1000 TPD Municipal Solid Waste into electricity for clean energy and waste reduction, (ii) a plant in Pune (14 MW) using thermal gasification technology to convert 1000 TPD waste into green energy, (iii) a bio-CNG plant in Indore under GOBARdhan scheme to convert municipal solid waste into bio-CNG and compost. These measures need to be emulated in Rajasthan also.

3.5.4 Construction and demolition waste not processed

The processing of construction and Demolition (C&D) waste is important as per C&D waste management Rule, 2016. It prevents unscientific disposal that causes air, water and soil pollution and it reduces dust, littering, and unmanaged dumping. Construction and Demolition (C&D) waste comprises of buildings materials, debris and rubble resulting from construction, repair and demolition of any civil structure. As per Rule 6 of the Construction and Demolition Waste Management Rules, 2016, it is the responsibility of the Urban Local Bodies to collect, transport, process and dispose of Construction and Demolition waste either through own resources or by appointing private operators. As per the Annexure 1 of SBM (Urban) 2.0 guidelines (effective from October 2021) seven cities[8] having population more than five lakh or categorised under National Clean Air Programme in Rajasthan are eligible for C&D waste processing funding.

Audit observed that as per the SBM (Urban) 2.0 guidelines four (Bikaner, Jaipur, Jodhpur and Udaipur) out of 18 test checked ULBs were eligible for setting up of C&D processing plant. Only Municipal Corporation, Udaipur has set up (December 2020) one C&D waste processing plant in the State as of March 2022. This plant was also not functioning (June 2022) due to want of O&M. As a result, 6.24 lakh MT[9] of Construction and Demolition waste generated during 2020-21 and 2022-23 in the State could not be processed. Due to non-set up of C&D waste processing plant, the C&D waste is being mixed with solid waste or disposed in low lying area.

[8] Ajmer, Alwar, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.
[9] 2020-21: 1.65 lakh MT: 2021-22, 1.98 lakh MT and 2022-23 : 2.61 lakh MT.



Photo of idle C&D Waste plant at Udaipur and undisposed C&D waste lying undisposed in June 2022.

State Government stated (March 2025) that C&D plants at Jaipur and Udaipur are operational while plant at Jodhpur and Bikaner are under construction.

3.5.5 Non-construction of sanitary landfills

Solid Waste Management Rules, 2016 prescribes that Urban Local Bodies should set up sanitary landfill facilities in its area for disposal of residual waste. As per rule 15 (w) of SWM Rules, 2016 Urban Local Bodies have to construct, operate and maintain the sanitary landfills and associated infrastructure.

Out of 18 test checked Urban Local Bodies, 15 ULBs did not construct sanitary landfill sites and dumped the municipal solid waste in open dumping sites. Though Municipal Corporation Jaipur and Municipal Council Baran constructed landfill sites in year 2012 and 2016 respectively at a cost of ₹ 12.06 crore[10] these remained unutilized since their construction due to non-setting up of processing plants as discussed in para 3.5.3.2 of the report. This resulted in Municipal Solid Waste was being dump in open dumping site. In Dungarpur, landfill was being used.

The State Government stated (March 2025) that landfill sites are utilised after setting up of processing plants and residual waste is to be landfilled. The reject from processing plants will be disposed of in sanitary landfill facility being established under SBM (Urban) 2.0. For this, 174 ULBs have been clustered and tender for establishment of sanitary landfill facility has been invited in 28 clusters.

The audit further noticed and found that out of 18 test checked ULBs, two ULBs (Pokhran and Kishangarh) have not been included in the cluster.

3.5.6 Non-closure of dumpsites

Open dumpsites pose a threat to the environment and human health. As per rule 15 (zj) and (zk) of SWM Rules 2016, ULBs shall investigate and analyse all old open dumpsites and existing operational dumpsites for their potential of bio-mining and bio-remediation[11] and wheresoever feasible, take necessary actions for biomining

[10] Municipal Corporation, Jaipur: ₹ 10.93 crore and Municipal Council: Baran: ₹1.13 crore.

[11] Bio-mining and bio-remediation refer to excavation of old dump waste, make window of legacy waste, stabilisation of the waste through bio-remediation i.e. exposure of all the waste to air along with use of composting bio-culture i.e. screening of stabilised waste to recover all valuable resources (like organic fines, bricks, stones, plastics, metals, cloths, wax etc.) followed by its sustainable management through re-cycling, co-processing, road making etc.

or bio-remediate on the sites. In the absence of the potential of bio-mining and bio-remediation of dumpsite, it shall be scientifically capped as per landfill capping norms to prevent further damage to the environment.

Test check of 18 Urban Local Bodies showed that none of the ULBs planned for bio-mining and bio-remediation or undertook scientific capping of dump sites as of March 2023.

The State Government accepted the facts and stated (March 2025) that as of March 2022 no dump site was bio remedied but thereafter DLB issued work orders for bio remediation of these dump sites. It was further stated that 88 lakh cubic meters of legacy waste was estimated at 176 dumpsites out of which 63.42 lakh cubic meter waste has been remediated and 71 sites has been remediated. Work at 105 sites is under progress and likely to be completed by March 2025.

The audit further noticed and found that out of 18 test checked ULBs, in ten ULBs[12] legacy waste has not been remediated.

3.6 Conclusion

The audit has revealed discrepancies in the reporting & management of Solid Waste by ULBs. There were instances where the actual waste collection differed from reported figures. Additionally, inconsistencies were observed between data provided to audit and that reported to RSPCB. This indicates a lack of reliable monitoring mechanism. Audit observed absence of weigh bridges in 14 test checked ULBs, non-installation of RFID cards at each household for tracking collection efficiency.

Segregation of waste, a critical component of effective Solid Waste Management was not ensured in all ULBs. The capacity for processing waste remains inadequate which is leading towards ineffective SWM by ULBs.

Recommendations:

1. The State Government may ensure installation of weigh bridges and RFID cards in all ULBs for accurate measurement and to check collection efficiency.

2. The State Government should undertook advocacy & outreach activities and Health & Sanitation Committees to ensure 100 per cent segregation of waste at secondary stage.

3. *The State Government may make efforts to reduce dependency on landfills by enhancing its processing capacity.*

[12] Balotara, Bhawani Mandi, Bhiwadi, Bikaner, Choti Sadri, Jaipur, Jodhpur, Pokhran, Rajgarh and Sambhar Lake.

4. The State Government should make material recovery facilities mandatory to divert recyclable material from landfills by increasing recycling rates and reducing waste sent to landfills.

5. The State Government should ensure GPS enabled solid waste management vehicle for route optimization, real time tracking and enhanced customer services by ensuring timely waste collection.

6. The State Government should take new initiative for composting and waste to energy plants in line with other cities like Indore, Ahmedabad, Pune and Gangtok.

Chapter-IV

Monitoring and Information, Education and Communication Activities

Chapter – IV: Monitoring and Information, Education and Communication Activities

4.1 Monitoring in Waste Management

4.1.1 Formation of Health and Sanitation Committees

As per Section 55 (3) of Rajasthan Municipal Act (RMA) 2009, every Urban Local Body should constitute a Health and Sanitation Committee which would monitor the issues relating to sanitation and its allied matters.

In 12 out of 18 selected Urban Local Bodies, these Committees were not constituted.

The State Government accepted (March 2025) that ULBs are being governed by the Local Self Government and due to political reasons, there may be some difficulties in constitution of these Committees.

4.2 Information, Education and Communication activities

4.2.1 Non-conducting of Information, Education and Communication activities

As per para 1.4.5.13 of the MSWM manual 2016 behavioral change is vital for effective waste management. Information, Education and Communication (IEC) activities[1] are important to create public awareness and educate the public to contribute to improve Solid Waste Management. School children should be the primary targets of Information, Education and Communication campaigns, as they are major agents of societal change.

Audit observed that three ULBs (Jaipur, Udaipur and Kishangarh) conducted IEC activities during 2017-18 to 2021-22 but 12 Urban Local Bodies did not conduct

[1] These activities included print (magazines, posters, newspaper); audio–visual (radio jingles, TV ads, short films, CDs); internet, and interpersonal medium etc.

any activity during 2017-18 to 2021-22 through school children as envisaged in MSWM manual. The remaining test checked ULBs, Jodhpur conducted IEC activities only during 2019-20 to 2021-22, and Bikaner and Dungarpur only during 2021-22.

A sustained campaign[2] of targeted messages, relevant to the ongoing planning or implementation phase specific to each considered social group would result in bringing about a significant change in behaviour patterns.

Audit observed that out of 18 ULBs only six[3] undertook audio, visual, mass communication and advocacy and outreach activities. Remaining 12 ULBs did not conduct any Information, Education and Communication activities during 2017-18 to 2021-22 despite allotment of separate funds of ₹11.99 crore to these ULBs.

State Government stated (March 2025) that ULBs have undertaken various activities under IEC and as per Utilisation Certificates these ULBs have incurred expenditure on these activities. It may happen that these ULBs failed to produce evidence to audit.

The reply is not tenable as State Government has also not provided evidence to audit that these ULBs have performed the IEC activities.

4.3 Conclusion

The audit has highlighted critical gaps in the implementation of SWM practices across the 18 test checked ULBs. In 12 out of 18 selected Urban Local Bodies, Health and Sanitation committees essential for planning and monitoring public health and sanitation activities were not constituted. Additionally, despite availability of dedicated funds 12 test checked Urban Local Bodies failed to conduct any Information, Education and Communication activities during 2017-18 to 2021-22.

[2] Paragraph 1.4.5.13.1 of Manual 2016.
[3] ULBs Bikaner, Dungarpur, Jaipur, Jodhpur, Kishangarh and Udaipur.

Furthermore, this lack of community engagement has hampered public awareness and participation in effective Waste Management.

Recommendations:

1. All Urban Local Bodies may undertake regular Information, Education and Communication activities to raise public awareness and promote responsible behavior towards the Solid Waste Management.

JAIPUR,
The 02 December 2025

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

Countersigned

NEW DELHI,
The 04 December 2025

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

APPENDICES

Appendix-I

(Refer paragraph 1.3)

Position of funds received and utilized under SWM at the State level during 2017-23

(₹ in crore)

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Central Finance Commission grant	207.88	240.48	385.03	557.70	453.09	422.23	2266.41
SBM 1.0 & 2.0 grant	171.55	-	-	-	-	0.60	172.15
Total Funds received	379.43	240.48	385.03	557.70	453.09	422.83	2438.56
Utilization	379.43	240.48	385.03	557.70	453.09	422.83	2438.56

(Source: Information provided by DLB)

Appendix-II

(Refer paragraph 3.1)

Details of SLB performance indicators and benchmarks pertaining to SWM

Name of ULB	Household level coverage of SWM services	Efficiency of collection of municipal solid waste	Extent of segregation of municipal solid waste	Extent of municipal solid waste recovered	Extent of scientific disposal of municipal solid waste	Extent of cost recovery in SWM services	Efficiency in redressal of customer complaints	Efficiency in collection of SWM user charges
Benchmark (in *per cent*)	**100**	**100**	**100**	**80**	**100**	**100**	**80**	**90**
Udaipur	100	100	80	20	0	02	98	40
Rajgarh	99	96	99	99	96	99	96	99
Hindaun city	96	85	30	0	0	0	85	0
Baran	85	85	0	0	0	0	85	0
Deoli	100	100	0	0	0	0	0	0
Sujangarh	99	98	35	95	0	5	99	20
Bhiwadi	80	90	85	80	85	90	90	80
Bari	90	90	90	85	88	90	85	85
Choti Sadri	98	97	0	0	0	0	96	0
Sambhar Lake	95	80	85	0	0	0	80	0
Jaipur	97	90	50	50	60	10	98	10
Jodhpur	95	95	42	0	0	0	95	15
Bikaner	90	92	46	10	11	07	96	06
Pokhran	89	88	0	0	0	99	0	0
Balotara	82	100	75	75	80	0	80	0
Kishangarh	100	100	100	100	100	100	100	0
Dungarpur	100	100	100	70	70	40	95	30
Bhawani Mandi	100	100	0	0	0	0	100	0

Appendix-III

(Refer paragraph 3.5.3.1)

Details of procurement of compost machines lying unused in four test checked ULBs

Sl. No	Name of ULB	Mode of procurement of machine	Details of equipment	Date of supply/ installation of the machine	Capacity of the machine per day (in kg)	Date of physical inspection	Total months since supply/ installation to month of inspection of the machine	Quantity of waste was to be processed by the machine (in MT)	Amount paid for purchase of the machine (₹ in lakh)	Reasons for the compost machine lying unutilised
1.	Municipal Corporation, Bikaner	Rate Contract	Two compost machine of 500 and 1000 kg/day	19.06.2019	1500	07.08.2024	61	1500x61x30=2745	39.32	Not providing of required wet waste
2.	Municipal Council, Kishangarh	GeM	One compost machine 500 kg/day	01.09.2019	500	28.05.2024	57	500x56x30=840	18.09	Not imparting training
3.	Municipal Council, Hindaun City	Rate Contract	Two compost machine of 100 kg/day	19.02.2019	200	29.05.2024	63	200 x 62x30=372	13.65	Not imparting training
4.	Municipal Board, Sambhar Lake	GeM	One compost machine of 500 kg/day	17.08.2019	500	29.05.2024	57	500 x 56x30=840	16.69	Not available
Total									**87.75**	

Glossary

BTS	Bin Tracking System
DLB	Director Local Body
DPR	Detailed Project Report
GPS	Global Positioning System
IEC	Information Education and Communication
ISWM	Integrated Solid Waste Management
LSGD	Local Self Government Department
MSWM	Municipal Solid Waste Management
PCPD	Per Capita Per Day
RFID	Radio Frequency Identification
RMA	Rajasthan Municipal Act, 2009
RSPCB	Rajasthan State Pollution Control Board
RTPP	Rajasthan Transparency in Public Procurement Act 2013
SBM	Swachh Bharat Mission
SLB	Service Level Benchmark
SWM	Solid Waste Management
TPD	Ton Per Day
ULB	Urban Local Body

Definition	
Anaerobic digestion	A controlled process involving microbial decomposition of organic matter in absence of oxygen.
Biodegradable waste	Any organic material that can be degraded by micro-organisms into simpler stable compounds.
Bio-methanation	A process which entails enzymatic decomposition of the organic matter by microbial action to produce methane rich biogas.
Combustible waste	Non-biodegradable, non-recyclable, non-reusable, non-hazardous solid waste having minimum calorific value exceeding 1500 kcal/kg and excluding chlorinated materials like plastic, wood pulp, etc.
Composting	A controlled process involving microbial decomposition of organic matter.
Co-processing	Use of non-biodegradable and non-recyclable solid waste having calorific value exceeding 1500k/cal as raw material or as a source of energy or both to replace or supplement the natural mineral resources and fossil fuels in industrial processes.
Domestic Hazardous Waste	Discarded paint drums, pesticide cans, CFL bulbs, tube lights, expired medicines, broken mercury thermometers, used batteries, used needles and syringes and contaminated gauge, etc., generated at the household level.
Door to door collection	Collection of solid waste from the doorstep of households, shops, commercial establishments, offices, institutional or any other non-residential premises and includes collection of such waste from entry gate or a designated location on the ground floor in a housing society, multi storied building or apartments, large residential, commercial or institutional complex or premises.
Dump yard/site	A land utilised by local body for disposal of solid waste without following the principles of sanitary land filling.
Incineration	An engineered process involving burning or combustion of solid waste to thermally degrade waste materials at high temperatures.
Processing	Any scientific process by which segregated solid waste is handled for the purpose of reuse, recycling or transformation into new products.
Recycling	The process of transforming segregated non-biodegradable solid waste into new material or product or as raw material for producing new products which may or may not be similar to the original products.
Sanitary waste	Wastes comprising of used diapers, sanitary towels or napkins, tampons, condoms, incontinence sheets and any other similar waste.
Secondary storage	The temporary containment of solid waste after collection at secondary waste storage depots or MRFs or bins for

	onward transportation of the waste to the processing or disposal facility.
Segregation	Sorting and separate storage of various components of solid waste namely biodegradable wastes including agriculture and dairy waste, non-biodegradable wastes including recyclable waste, non-recyclable combustible waste, sanitary waste and non-recyclable inert waste, domestic hazardous wastes, and construction and demolition wastes.
Solid waste	Includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non-residential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste, treated bio-medical waste excluding industrial waste, bio-medical waste and e-waste, battery waste, radio-active waste generated in the area under the local authorities and other entities.
Sorting	Separating various components and categories of recyclables such as paper, plastic, cardboards, metal, glass, etc., from mixed waste as may be appropriate to facilitate recycling.
Transfer station	A facility created to receive solid waste from collection areas and transport in bulk in covered vehicles or containers to waste processing and, or disposal facilities.
Treatment	The method, technique or process designed to modify physical, chemical or biological characteristics or composition of any waste so as to reduce its volume and potential to cause harm.
Waste generator	Includes every person or group of persons, every residential premises and non-residential establishments including Indian Railways, defence establishments, which generate solid waste.
Waste picker	A person or groups of persons informally engaged in collection and recovery of reusable and recyclable solid waste from the source of waste generation the streets, bins, material recovery facilities, processing and waste disposal facilities for sale to recyclers directly or through intermediaries to earn their livelihood.

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लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India for the period ended March 2023

Government of Rajasthan

Report No. 5 of 2025

(Compliance and Performance Audit - Civil)

Government of Rajasthan - Report No. 5 of 2025

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Preface

This Report for the year ended 31 March 2023 has been prepared for submission to the Governor of the State of Rajasthan under Article 151 of the Constitution of India.

This Report contains significant findings of compliance and performance audit of the State Government Departments conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts, 2020 issued thereunder by the Comptroller and Auditor General of India.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2022-23 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards, 2017 issued by the Comptroller and Auditor General of India.

Executive Summary

Executive Summary

This Report of the Comptroller and Auditor General of India relates to matters arising from compliance audit of 30 Departments of the Government of Rajasthan. Compliance Audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the authorities are being complied with.

This report consists of six chapters and contains 15 paragraphs involving ₹ 178.93 crore which include one Performance Audit. A summary of the significant audit findings is provided below:

I General

This chapter discusses about the procedure of audit and response of the Government/Departments to Audit observations. The Accountant General (Audit-II), Rajasthan, Jaipur audits the Government/ Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the audit and not settled on the spot. Analysis of Inspection Reports issued upto March 2023 disclosed that 23,975 paragraphs involving ₹ 65,853.84 crore relating to 5,418 IRs issued for these departments remained outstanding at the end of September 2023.

II Mines and Geology Department

This chapter discusses about the major audit findings noticed during the audit of Department of Mines and Geology.

Performance Audit on "Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) including DMFT in Rajasthan"

The PMKKKY was launched to ensure welfare of areas and people affected by mining related operations, using the funds generated by DMFTs. GoR constituted DMFTs (9 June 2016) in all the districts of the State for implementation of the PMKKKY. According to the provisions of Rajasthan DMFT Rules, management of DMFTs vested in Governing Councils, which consist of all the trustees of the trust and headed by the District Magistrate of the district. A macro analysis of legal framework, planning, audit and accounts, demand and collection of DMFT contributions, environmental impact due to mining activities, accountability and transparency mechanism revealed that in violation of directions issued by the Government of India, the GoR issued directions to DMFTs that prior sanction of Finance Department was necessary for sanction and payment from DMFT funds. Accordingly works were approved by the Finance Department. The Government of India directed (June 2022) the preparation of five-year perspective plans for systematic and time-bound development of mining-affected areas, based on baseline surveys and sectoral

strategies. However, the State Government did not amend the Rajasthan DMFT Rules, 2016 to incorporate these provisions.

As per DMFT Rules, 2016, the Governing Councils were required to prepare and approve annual action plans and budgets one month before the financial year. However, no such plans or budgets were prepared or approved, and projects worth ₹5,626.63 crore were sanctioned between the years 2018-19 and 2022-23 without any approved action plans.

Audit of annual accounts up to the year 2022-23 was completed in 17 districts. However, 23 annual accounts for the years 2019-20 to 2022-23 in 16 districts remained unprepared as of February 2025. The ME/AME offices were required to maintain separate Demand and Collection Registers for DMFT contributions; however, audit found that such registers were not maintained physically. The departmental online system DMGOMS was also not developed to show due DMFT contribution, interest on delayed payment of contribution.

It was noticed that work-wise deducted amount of royalty and DMFT was neither submitted by the Works Departments nor demanded by the Mines Department. In absence of work wise details, neither the Mines Department nor Audit could verify the correctness of deducted and deposited amount.

The ME/AME concerned were responsible for collection, reconciliation and cross verification of the contribution to the DMFT Fund. However, reconciliation of DMFT fund was not done with due diligence. In selected districts, audit checked the data of DMFT contribution collected and cross checked with the data of DMG office, it was found that data of selected districts except Bharatpur was not matched.

DMFT contribution of ₹84.71 lakh on collection of ₹84.71 crore towards royalty on illegal mining/transportation/storage was not deposited with the respective DMFT funds as required. As per DMGOMS data, 6,300 mining leases covering 11.22 lakh hectares were non-working due to cancellation, surrender or expiry. However, no information regarding backfilling of mined pits was available on the DMGOMS. Audit observed that selected DMFTs had not undertaken any project for land reclamation of mined areas. Despite provisions requiring the deposit of financial assurance and recovery of mineral costs from defaulters, no initiatives were taken by the Department for reclamation of degraded mining land.

Rule 15(6) of the Rajasthan DMFT Rules mandates transparency through a website with updated information. This included details of the DMFT's composition, mining-affected areas and populations, quarterly contributions, meeting agendas, minutes, action taken reports, annual plans, budgets, work orders, and progress of ongoing projects. However, this information was neither hosted nor updated regularly on the available DMF-website in the selected districts. The audited annual accounts of the Trusts also did not disclose outstanding DMFT contributions, and none of the Trusts published quarterly details of contributions collected on DMF-website. DMFTs did not prepare quarterly progress reports of works implemented by the implementing agencies.

As annual reports were not prepared these could not be laid before the State Legislative Assembly as envisaged in the rules.

An analysis of Institutional arrangements, identification of mining affected people and areas, collection and utilization of DMFT fund, project management and monitoring in selected districts revealed that planning for implementation of projects was poor as identification of affected people and affected areas was not done, resulting in implementation of projects in non-mining affected areas. DMFT contributions collected were not being deposited in interest bearing PD accounts as provided in Rules. DMFT contribution amounting to ₹ 20.80 crore was not received due to lack of mechanism to oversee the collection of DMFT contribution. In contravention of direction of Government of India, funds were transferred to State level agencies. Implementing agencies executed the works in violation of provisions of RTPP Act and Rules made thereunder.

The Rajasthan DMFT Rules stipulate that developmental and welfare activities undertaken by the Trust should complement ongoing State and Central Government schemes. However, these activities were treated as extra-budgetary resources for the State Plan. In the selected districts, ten works/projects totalling ₹ 57.05 crore were included in the budget of Women and Child development, Education and Public Works Department (2018-19 to 2023-24). The additional Secretary PWD directed all Superintending Engineers to get approval of the DMFTs to release funds for the works/projects already approved by these departments. The respective Governing Council also approved the same except for three works/projects. Thus DMFT funds were utilised for budgetary works/projects which was contrary to the principle of financial discipline.

The Rajasthan DMFT Rules stipulate that the meeting of Managing Committees shall be held at least once in two months. However, audit noticed that these meetings were not conducted regularly in the selected districts. Of the 205 meetings required between June 2016 and March 2023, only 66 meetings were held. No meeting took place in Bharatpur (2016-17, 2022-23), Bhilwara (2016-17, 2021-22), Barmer (2019-20, 2022-23), and Sikar (2022-23).

The Rajasthan DMFT Rules require the Governing Council to meet at least once every quarter. However, in selected districts, these meetings were not held as prescribed in the rules. Of the 135 meetings required, only 35 meetings were held. In Barmer district, no meeting was convened after April 2021. Despite this, administrative and financial sanctions totalling ₹ 13.22 crore for various works were issued without the approval of the Governing Council.

Further, excess funds were found transferred to implementing agencies by the DMFTs. Income tax returns were not being filed by the DMFTs therefore, exemption from income tax under Section 10 (46) of Income Tax act was not available. Trustees in DMFTs were not appointed in timely manner. Meetings of Governing Councils and Managing Committees were not convened at regular interval. Advances given to implementing agencies were not monitored. Interest on delayed deposit of DMFT contribution was not levied by ME/AME concerned. Financial assurance submitted by the holders of ML/STP was forfeited by the Department in cancelled MLs and STPs, however, it was not deposited in DMFT fund as only forfeiture orders were issued but the same were not encashed.

Good Practice adopted by the Department

DMFT Bhilwara operates a Mobile Medical Van to conduct health check-ups of miners in the mining area of Bhilwara district with the objective of identifying probable silicosis patient at an early stage. Between November 2021 and March 2023, 294 camps were organized, covering 19,671 individuals and identifying 1,952 suspected cases of silicosis, of which 144 patients were given silicosis certificates. This initiative significantly contributed to early diagnosis and increased health awareness among mines workers.

Audit recommended that the Government/Department may consider:

- ***Developing a module under DMGOMS, to monitor due DMFT contributions, ensure timely deposits and levy interest for delayed payments.***
- ***Evolving a system to transfer the fund to DMFT from cases of unathorised/illegal excavation/transportation of mineral.***
- ***Conducting a study to assess the environmental impact of mining activities and identify necessary measures under PMKKKY to mitigate these effects.***
- ***Developing and enforcing standardized protocols for the preparation and submission of quarterly progress reports and annual reports. Ensuring these reports are publicly accessible to enhance transparency and oversight.***
- ***Instruct the DMFTs to identify specifically mining affected areas and persons to provide the benefit of the fund to the actually affected persons and area.***
- ***Return the funds diverted for State budgeted works.***
- ***Circulate a check list to the DMFTs for preventing irregular sanctions.***
- ***Introduce stricter accountability mechanisms for the Management Committee to ensure timely and appropriate actions to finalize and submit annual accounts and tax returns on time.***
- ***Develop a mechanism to monitor timely appointment of Trustees according to the recommendations of Gram Sabhas and Governing Councils.***
- ***Develop a mechanism to monitor regular meeting of Governing Councils and Managing Committees to oversee the working of the implementing agencies and benefits to the targeted area and persons.***

Audit of 32 units of Mines and Geology Department was conducted during the year. The major audit findings noticed are as follows.

- Neither were Short-Term Permits (STPs) issued diligently, nor was their assessment conducted properly. Public work contractors excavated and used minerals without obtaining STPs, and the Department failed to recover the cost. These irregularities led to a non-recovery of ₹10.23 crore.

- Mining Engineers/Assistant Mining Engineers failed to recover costs for unauthorized excavation. Delayed recovery proceedings allowed lessees to extract and dispatch 0.76 lakh MT of *bajari* despite pending dues. Additionally, under-assessment of illegally excavated minerals led to further revenue loss. These lapses resulted in a non-recovery of ₹20.93 crore, granting undue benefits to lessees.
- Department failed to recover the processing fee regarding the issuance of *e-rawannas* and *e-transit passes* and due instalments of premium which resulted in non-recovery of ₹0.65 crore.
- Unauthorizedly excavated 5.92 lakh metric ton of minerals were dispatched by 10 lessees with the support of *rawannas* issued for Mining Leases granted to them, however, the Mining Engineers concerned failed to detect the illegal mining and recover the cost of minerals amounting to ₹ 20.23 crore.
- Assistant Mining Engineer, Nimbahera had not adjusted the performance security against the outstanding contract amount which resulted in non-recovery of ₹ 0.46 crore from a contractor.
- Fourteen AMEs/MEs did not initiate for levy and recovery of late fee amounting to ₹ 9.35 crore on delayed filling of monthly returns by 48 mining lease holders. These officials also did not take action against the other 58 mining lease holders for non-submission of returns.
- AME did not raise the demand of illegal mining in the online demand register within the prescribed period. This lapse allowed the lease holder to generate *e-rawannas* worth ₹ 6.33 lakh and resulted in non-recovery of ₹0.21crore for illegally excavated minerals.
- Financial loss caused to exchequer of ₹ 7.62 crore on accounts of registration fee and stamp duty in violation of provisions of Rajasthan Minor Mineral Concession Rules, 2017 as well Rajasthan Stamp Rules, 2004.

III Transport Department

Audit of 21 units of Transport Department was conducted during the year. The major audit findings noticed are as follows.

- Motor Vehicle Tax and Special Road Tax amounting to ₹ 12.10 crore in respect of 1,677 vehicles were not paid by vehicle owners. The Department, however, did not initiate effective action to realise the dues.
- The Department incurred an infructuous expenditure of ₹ 21.26 crore on 179 Portable Weighing Machines due to poor monitoring and coordination, leading to non-integration with *VAHAN* software and rendering them unusable.

IV Forest Department

An audit on '**the Management of Tiger Reserves in Rajasthan'** was conducted to assess the effectiveness of conservation and protection measures in Rajasthan's tiger reserves. The Wildlife (Protection) Act, 1972, empowers

the State to designate areas for wildlife conservation. Rajasthan has 32,921 square kilometre of forest land, including three tiger reserves: Ranthambore, Sariska, and Mukundara Hills. Two additional reserves, Ramgarh Vishdhari and Dholpur-Karauli, were also notified May 2022 and October 2023 respectively. The Forest and Environment Department, under the Principal Secretary, manages these areas, with officials at multiple levels overseeing operations. The audit covered the period 2016 to 2021, with findings updated up to 2022-23. Previous audits also highlighted delays in village relocations and weaknesses in conservation efforts.

There were significant shortcomings in wildlife protection and tiger conservation efforts by the Department between the period 2016 and 2023. The Department could not prevent wildlife poaching which caused death of four tigers due to poaching. Moreover, the failure to develop critical tiger corridors, especially between RTR 1 and 2, resulted in overcrowding and territorial fights that caused the death of ten tigers.

There was poor financial management, inadequate security measures and ineffective manpower management by the Department during 2016-2023. Despite an allocation of ₹539.59 crore, ₹344.06 crore was utilised. Wildlife security was compromised due to the absence of effective patrolling plans, lack of adequate staff and insufficient facilities. The Department's inability to address staffing shortages and provide adequate training resulted in forest guards being overburdened with larger monitoring areas.

Non-compliance with the Ministry of Environment, Forest and Climate Change directives regarding Eco-Sensitive Zones exacerbated the situation, particularly around STR, where mining continued near the reserve.

There were significant failures in securing and managing tiger reserves, which jeopardized conservation efforts. The Department did not adequately demarcate and secure land for tiger reserves, leading to encroachment, crop raiding and cattle grazing. The Department was not able to control illegal mining near reserves, disrupting wildlife and damaging the surrounding environment. The Department also lacked a long-term policy to address invasive species, resulting in insufficient efforts to protect habitats.

There were shortcomings in relocating villages from core areas of tiger reserves and involving local communities in conservation efforts. Out of 108 planned village relocations in RTR, STR, and MHTR, only 15 were fully relocated and 17 partially by March 2023. This slow pace of relocation resulted in under-utilization of allocated funds. The incomplete relocation led to issues such as uncontrolled cattle grazing and wildlife crop raiding within reserves.

Audit recommended that the Government/Department may consider:

- ***taking concrete actions such as establishment of STF to minimise tiger mortalities by putting check on poaching.***
- ***taking effective action for development of corridors by carrying out required activities to avoid territorial fights.***

- ***taking action to post adequate veterinary staff and patrolling staff in tiger reserves.***
- ***demarcation of the boundaries of tiger reserves using pillars, walls, or fencing in a specified timeframe and take immediate action to eliminate all encroachment.***
- ***framing a long-term plan for assessment and eradication of invasive species with sufficient funding.***
- ***reviewing relocation package to make it more lucrative to enhance its acceptance among the villagers for relocation and***
- ***establishing a dedicated cell at the headquarters level to efficiently execute the relocation program as a campaign within specified timeframe.***

V Public Health Engineering Department

Audit of 47 units of Public Health Engineering Department was conducted during the year. The major audit findings noticed are as follows.

- The Department executed additional quantities of works more than *50 per cent* amounting to ₹ 3.38 crore, without obtaining necessary approvals from competent authorities.

- The Department laid the clear water trunk main pipeline without obtaining necessary permission from the Public Works Department. This resulted in an extra burden of ₹ 1.24 crore to the Government exchequer in re-laying of pipeline.

VI Devasthan Department

Audit of six units of Devasthan Department was conducted during the year. The audit findings noticed are as follows.

- The Devasthan Department failed to effectively monitor the compliance by surface right holders with regard to their surface rent payment obligations, resulting in prolonged periods of non-payment. This lack of enforcement led to the non-recovery of surface rent and accrued penal interest, amounting to ₹ 0.76 crore.

CHAPTER-I

General

CHAPTER-I
General

1.1 Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to the matters arising from Compliance Audit of 30 Departments[1] of the Government of Rajasthan.

Compliance Audit refers to the examination of transactions relating to expenditure, receipts as well as assets and liabilities of audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

The primary purpose of the Report is to bring important results of the audit to the notice of the State Legislature. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective measures and also to frame policies and directives that will lead to improved financial management of the organisations, thus, contributing to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides information on follow-up of previous Audit Reports.

1.2 Audited Entities Profile

The Departments are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries, who are assisted by Commissioners/Directors/Deputy Secretaries and subordinate officers.

A brief profile of the 30 Departments covered in this report, is discussed in ***Appendix-1.***

The summary of the fiscal operations of Government of Rajasthan during the year 2021-22 and 2022-23 is given in **Table 1.1.**

[1] Departments: Agriculture; Agriculture Marketing; Animal Husbandry; Art, Culture, Archaeology and Museum; Civil Aviation; Command Area Development and Water Utilisation; Cooperative; Devasthan; Energy; Environment; Factories and Boilers Inspection; Fisheries; Food, Civil Supplies and Consumer Affairs; Forest; Gopalan; Ground Water; Horticulture; Indira Gandhi Nahar; Industries; Information and Technology and Communication; Mines and Geology; Petroleum; Public Health Engineering; Public Works; Rajasthan State Motor Garage; Science and Technology; State Enterprises; Tourism; Transport and Water Resources.

Table 1.1: Summary of Fiscal Operations

(₹ in crore)

Receipts			Disbursements		
	2021-22	**2022-23**		**2021-22**	**2022-23**
Section-A: Revenue Account					
Own Tax Revenue	74,807.98	87,346.38	General Services	65,406.37	71,874.89
Non-Tax Revenue	18,754.97	20,564.43	Social Services	85,053.68	90,168.36
Share of Union Taxes/ Duties	54,030.61	57,230.79	Economic Services	59,329.92	64,436.00
Grants-in-aid from Government of India	36,326.49	29,846.33	Grants-in-aid and Contributions	0.04	0.04
Total Section-A Revenue Receipts	**1,83,920.05**	**1,94,987.93**	**Total Section-A Revenue Expenditure**	**2,09,790.01**	**2,26,479.29**
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	31.42	16.20	Capital Outlay	24,151.59	19,798.28
			General Services	483.53	542.45
			Social Services	10,951.01	8,850.67
			Economic Services	12,717.05	10,405.16
Recoveries of Loans and Advances	2,373.59	419.61	Loans and Advances disbursed	621.24	174.78
Public Debt Receipts[2]	62,820.90	55,647.01	Repayment of Public Debt[2]	17,585.77	20,819.20
Contingency Fund	500.00	-	Contingency Fund	500.00	-
Public Account Receipts	2,51,294.80	2,43,204.58	Public Account Disbursements	2,40,110.57	2,34,001.34
Opening Cash Balance	6,487.51	14,669.09	Closing Cash Balance	14,669.09	7,671.53
Total Section-B Receipts	**3,23,508.22**	**3,13,956.49**	**Total Section-B Disbursements**	**2,97,638.26**	**2,82,465.13**
Grand Total (A +B)	**5,07,428.27**	**5,08,944.42**	**Grand Total (A+B)**	**5,07,428.27**	**5,08,944.42**

Source: Finance Accounts of the respective years.

1.3 Authority for Audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Accountant General (Audit-II), Rajasthan, Jaipur conducts audit of receipts and expenditure of Departments, including Autonomous Bodies of the Government of Rajasthan under the provisions of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971. The principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and Auditing Standards, 2017 issued by the C&AG.

1.4 Planning and conduct of audit

Audit process started with the assessment of risk of various Government Departments/organisations and schemes/projects, *etc.* Risk assessments were based on quantum of expenditure, criticality of activities, position of overall internal control systems and the concerns of stakeholders, *etc*. Previous audit

[2] Excluding transactions under Way and Means advances and Overdraft 2021-22: ₹ 38,542.41 crore and 2022-23: ₹ 1,04,918.40 crore.

findings were also considered in this exercise. During 2022-23, audit of 244 units of 30 Departments was carried out.

Inspection Reports containing audit findings were issued to the head of the units after completion of audit of each unit. The units were requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies were received, audit findings were either settled or further compliance was advised. The important audit observations arising out of these Inspection Reports were processed for inclusion in the Audit Reports.

1.5 Response of the Government/Departments to Audit observations

The Accountant General (Audit-II), Rajasthan, Jaipur audits Departments of State Government to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by issue of Inspection Reports (IRs) which incorporate irregularities detected during the audit and not settled on the spot.

Analysis of IRs issued upto March 2023 disclosed that 23,975 paragraphs involving ₹ 65,853.84 crore relating to 5,418 IRs issued for these Departments remained outstanding at the end of September 2023.

1.5.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 September 2023 and the amount involved are given in the **Table 1.2.**

Table 1.2: Department-wise details of IRs and audit paragraphs

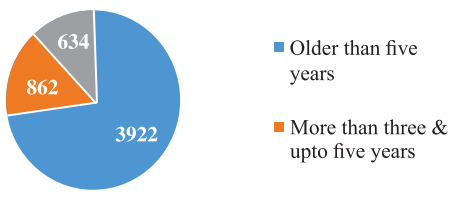
Sl. No.	Name of the Department	Number of outstanding IRs	Number of outstanding audit paragraphs	Amount involved (₹ in crore)
1	Agriculture	252	1,266	3,541.64
2	Agriculture Marketing	11	35	356.32
3	Animal Husbandry	72	247	3,504.33
4	Art, Literature, Culture and Archaeology	89	288	462.44
5	Civil Aviation	8	26	60.50
6	Command Area Development	60	112	148.02
7	Cooperative	93	298	2,427.09
8	Devasthan	48	152	217.91
9	Energy	5	11	7,220.38
10	Environment	10	63	1,721.76
11	Factory and Boilers Inspection	16	55	3.36
12	Fisheries	3	19	52.44
13	Food, Civil Supplies and Consumer Affairs	112	629	5,815.70
14	Forest	379	1,758	2,400.81
15	Gopalan	23	139	386.47
16	Ground Water	39	87	464.01
17	Horticulture	51	227	573.31

Sl. No.	Name of the Department	Number of outstanding IRs	Number of outstanding audit paragraphs	Amount involved (₹ in crore)
18	Indira Gandhi Nahar	73	178	448.99
19	Industries	47	149	143.02
20	Information Technology and Communication	10	52	1,565.18
21	Mines and Geology	362	1,671	4,277.88
22	Petroleum	3	7	321.52
23	Public Health Engineering	1,177	4,897	16,510.69
24	Public Works	1,426	7,063	8,831.97
25	Rajasthan State Motor Garage	6	23	16.67
26	Science and Technology	22	65	48.32
27	State Enterprises	3	6	40.84
28	Tourism	16	59	181.58
29	Transport	325	1,649	151.79
30	Water Resources	677	2,744	3,958.90
Total		**5,418**	**23,975**	**65,853.84**

Source: Information compiled on the basis of Inspection Reports issued and replies received thereon.

As can be seen from the Table, the pendency in terms of outstanding IRs and outstanding paragraphs is highest in the Public Works Department. Age wise analysis of outstanding IRs and audit paragraphs is detailed in ***Appendix-2***, which reveals that 3,922 IRs (72.39 *per cent* of total outstanding IRs) were outstanding for more than five years.

Chart 1.1 Number of outstanding IRs



Source: Compiled by Audit.

The pendency is indicative of the fact that the Heads of Offices and the Departments need to take effective action timely to rectify the defects and irregularities pointed out by Audit through the IRs.

1.5.2 Departmental Audit Committee Meetings

The Government constituted Audit Committees[3] to monitor and expedite the progress of the settlement of the paragraphs in the IRs. The details of the Audit Committee/Audit sub-Committee meetings held during the year 2022-23 and the paragraphs settled therein are given in **Table 1.3.**

[3] Audit Committees, *inter alia*, comprising of Secretary of Department concerned and Accountant General/his representative, were formed as per Circular No. 1/2005 dated 18 January 2005 of Government of Rajasthan and it was decided by the Government that one Audit Committee meeting shall be held in each quarter. In addition to this, Audit sub-Committees comprising of officers of the Departments and representative of Accountant General, are also formed.

Table 1.3: Details of Audit Committee and Audit sub-Committee Meetings

Sl. No.	Name of the Department	Number of Audit Committee meetings held	Number of Audit sub-Committee meetings held	Number of paragraphs settled	Amount (₹ in crore)
1	Agriculture	1	1	21	40.42
2	Agriculture Marketing	1	0	0	0
3	Animal Husbandry	3	1	9	0.64
4	Art, Literature, Culture and Archaeology	1	0	0	0
5	Civil Aviation	1	0	0	0
6	Command Area Development	0	0	0	0
7	Cooperative	3	0	0	0
8	Devasthan	2	0	0	0
9	Energy	3	0	0	0
10	Environment	0	0	0	0
11	Factory and Boilers Inspection	1	0	0	0
12	Fisheries	3	0	0	0
13	Food, Civil Supplies and Consumer Affairs	1	0	0	0
14	Forest	3	8	93	41.55
15	Gopalan	3	1	1	0
16	Ground Water	1	0	0	0
17	Horticulture	1	0	0	0
18	Indira Gandhi Nahar	3	0	0	0
19	Industries	1	0	0	0
20	Information Technology and Communication	1	0	0	0
21	Mines and Geology	4	4	107	78.59
22	Petroleum	4	0	0	0
23	Public Health Engineering	3	0	0	0
24	Public Works	3	0	0	0
25	Rajasthan State Motor Garage	0	0	0	0
26	Science and Technology	0	0	0	0
27	State Enterprises	1	0	0	0
28	Tourism	2	0	0	0
29	Transport	3	0	0	0
30	Water Resources	2	0	0	0
Total		**55**	**15**	**231**	**161.20**

Source: Compiled by Audit.

It can be seen from **Table 1.3** that except the Departments of Mines and Geology and Petroleum, the minimum requirement of four Audit Committee Meetings was not fulfilled in respect of any of the Departments, during the year 2022-23. Further, in respect of Command Area Development, Environment, Rajasthan State Motor Garage and Science and Technology, no Audit Committee meeting was held during 2022-23. Audit sub-Committee Meetings were held in five Departments only, wherein 231 paragraphs involving ₹ 161.20 crore were settled. The Departments may organise more Audit Committee/Audit sub-Committee meetings to settle these outstanding paragraphs expeditiously.

1.5.3 Response of the Departments to the draft audit paragraphs

Factual statements followed by draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded to the Additional Chief Secretaries/Principal Secretaries/Secretaries of the six Departments[4] concerned, drawing their attention to the audit findings and requesting them to send their responses within six weeks since issue of Factual Statements.

25 draft paragraphs clubbed into 15 paragraphs including one Performance Audit were sent to the Additional Chief Secretaries/Principal Secretaries/ Secretaries of the respective Departments between June 2023 and September 2024. Replies to all the draft paragraphs have been received and suitably incorporated in the Report.

1.6 Follow-up on Audit Reports

The Finance Department of the State Government decided (December 1996) that explanatory notes on all Performance Audits/paragraphs that have appeared in Audit Reports be submitted to the Public Accounts Committee (PAC), duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature. No explanatory note on Performance Audits/paragraphs was pending as of 31 December 2024.

Discussion of Audit Reports by PAC

The status of discussion of Performance Audits and paragraphs pertaining to 30 Departments as shown in **Table 1.3** which appeared in Audit Reports (Revenue Sector/Economic Sector/Revenue and Economic Sectors/General and Social Sector/Compliance Audit/Standalone Reports) by the PAC as of 31 December 2024 is given in **Table 1.4.**

Table 1.4: Performance Audits/paragraphs appeared in Audit Reports *vis-a-vis* discussed

Period of Audit Report		Number of Performance Audit/paragraphs			
		Appeared in Audit Report		Paragraphs discussed	
		Performance Audit	Paragraphs	Performance Audit	Paragraphs
2016-17	Revenue Sector	-	7	-	4
	Economic Sector	1	11	1	11
	General and Social Sector	1	7	1	7
2017-18	Revenue Sector	-	7	-	3
	Economic Sector	2	7	2	7
	General and Social Sector	1	5	1	5

[4] Cooperative, Devasthan, Forest, Mines and Geology, Public Health Engineering and Transport.

Period of Audit Report		Number of Performance Audit/paragraphs			
		Appeared in Audit Report		Paragraphs discussed	
		Performance Audit	Paragraphs	Performance Audit	Paragraphs
2018-19	Revenue and Economic Sectors	1	12	-	-
	General and Social Sector	-	5	-	5
2019-20	Compliance Audit (Report No. 7 of the year 2021)	-	7	-	3
	Compliance Audit (Report No. 2 of the year 2021)	-	3	-	3
	Standalone Report on 'Outcomes in Surface Irrigation in Rajasthan;	1	-	1	-
	Standalone Report on 'Illegal Mining in Rajasthan'	1	-	-	-
2020-21	Compliance Audit (Report No. 1 of the year 2022)	-	3	-	-
	Compliance Audit (Report No. 2 of the year 2024)	-	8	-	-

Source: Compiled by Audit.

The discussion on Performance Audits and paragraphs which appeared in Audit Reports (Revenue Sector/Economic Sector/General and Social Sector) upto 2015-16 has been completed.

1.7 Contents of the Report

This Report contains 15 paragraphs including one Performance Audit on 'Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana including DMFT in Rajasthan' and one SSCAs on 'Management of Tiger Reserves in Rajasthan'. The total financial impact of the Report is ₹ 178.93 crore. These are discussed in Chapter II to Chapter VI. The Departments/ Government have accepted audit observations involving ₹ 98.58 crore (as of December 2024). Out of the accepted audit observations, the Departments had recovered ₹ 2.05 crore upto December 2024, which was in addition to the recoveries (₹ 47.54 crore) made in response to Audit findings in the local audit inspection reports, during the year 2022-23. Further, the Departments concerned recovered ₹ 20.24 crore during the year 2022-23 in respect of objections raised in previous Audit Reports. Thus, total recoveries made at the instance of Audit during the year aggregated to ₹ 69.83 crore.

CHAPTER-II

Mines and Geology Department

CHAPTER-II
Mines and Geology Department

2.1 Introduction

At the Government level, the Additional Chief Secretary (ACS), Mines and Petroleum and at the Department level, the Director, Mines and Geology (DMG), Udaipur are responsible for administration and implementation of the related Acts and Rules in the Department. The DMG is assisted by an Additional Director (Administration), six Additional Directors, Mines (ADM), six Additional Directors, Geology (ADG) and by a Financial Advisor. The ADMs exercise control through nine Circles, each headed by a Superintending Mining Engineer (SME).

There are 49 offices of Mining Engineers (ME)/Assistant Mining Engineers (AME) which are responsible for assessment and collection of revenue and prevention of illegal excavation and dispatch of minerals from areas under their control. The Department has a separate Vigilance Wing headed by the ADM (Vigilance) for prevention of illegal excavation and dispatch of minerals. There are 31 offices of ME/AME (Vigilance) under the ADM (Vigilance).

2.2 Results of audit

There were 135 auditable units[1] in the Department of Mines and Petroleum. Out of these, 32[2] units were selected for audit wherein out of 48,753 cases[3], Audit selected and examined 16,786 cases[4] (34.43 *per cent*). Deficiencies were noticed in 4,274 cases involving ₹ 683.12 crore. Audit had pointed out similar omissions in earlier years too, but these irregularities had persisted and

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1 Includes ACS, Mines and Petroleum, DMG office and Director Petroleum (DP) office besides 132 other units.

2 ACS, Mines and Petroleum, Jaipur, DMG, Udaipur, Director Petroleum, Jaipur, Additional Director (Geology) Jodhpur, Additional Director (Mines) Udaipur, Superintendent Geologist (Phosphate) Udaipur- I, Superintendent Geologist: Banswara, Bhilwara and Nagaur; Superintendent ME (vigilance) Udaipur, ME (vigilance) Jodhpur, AME (vigilance) Jhunjhunu; Superintendent ME Jodhpur; MEs: Ajmer, Bhilwara, Chittorgarh, Jaipur, Jalore, Jhunjhunu, Jodhpur, Karauli, Kota, Makarana, Prapapgarh, Rajsamand II, Sirohi, Sojat City and Udaipur; AME (vigilance) Balesar, AMEs: Nimbhahera, Roopwas and Sawai Madhopur.

3 Total 48,753 cases: Sanction of 383 Mining Leases (ML); 6,947 working mines; 177 ML cancelled/surrender, 112 Royalty Collection (RC)/Excess Royalty Collection (ERC) Contracts; 10,390 Quarry licences (QL); 13,419 cases of illegal mining/transportation of mineral; 866 cases of recovery under Rajasthan Land Revenue Act, 1956; 3,441 cases of revenue assessment; three cases of refund; 1,913 cases of outstanding dues and 11,102 Short Term Permit (STP).

4 Total 16,786 cases selected and examined: Sanction of 383 Mining Leases (ML); 919 working mines; 177 ML cancelled/surrender, 106 Royalty Collection (RC)/Excess Royalty Collection (ERC) Contracts; 398 Quarry licences (QL); 3,845 cases of illegal mining/ transportation of mineral; 717 cases of recovery under Rajasthan Land Revenue Act, 1956; 2,257 cases of revenue assessment; three cases of refund; 1,913 cases of outstanding dues and 6,068 STPs.

remained undetected till next audit was conducted. The substantial proportion of errors, omissions and other related issues noticed in audit indicated that the Government needed to improve the internal control system, including strengthening of internal audit so that occurrence/recurrence of such lapses can be avoided. Irregularities noticed broadly fall under the following categories given in **Table 2.1**.

Table 2.1: Statement showing the amount objected by audit during the year 2022-23

(₹ in crore)

Sl. no.	Category		Number of cases	Amount
1.	Non-recovery/short recovery of dead rent and royalty		542	255.63
2.	Non-forfeiture of security deposit		142	68.03
3.	Non-levy of penalty/interest		1,405	84.89
4.	Non-recovery/short recovery of cost of unauthorised excavated minerals		150	96.26
5.	Non-recovery/short recovery of DMFT/ RSMET/NGT fund		248	65.43
6.	Other irregularities	Revenue	1,759	111.87
		Expenditure	28	1.01
Total			**4,274**	**683.12**

Source: Compiled on the basis of Inspection Report issued to the Department

During the year 2022-23, the Department accepted short realisation of revenue of ₹ 697.58 crore in 4,521 cases, of which 4,274 cases involving ₹ 683.12 crore were pointed out in audit during the year 2022-23 and the rest in earlier years. The Department recovered ₹ 21.93 crore in 236 cases of which ₹ 21.87 crore in 233 cases related to earlier years.

The Government replied (November 2023) that ₹ 13.20 crore has been settled out of ₹ 683.12 crore in 4,274 cases pointed out in the audit during the year 2022-23.

Some illustrative cases amounting to ₹ 137.18 crore are included as given below:

2.3 Performance Audit on "Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana including DMFT in Rajasthan"

2.3.1 Introduction

The Government of India launched *Pradhan Mantri Khanij Kshetra Kalyan Yojana* (PMKKKY) in September, 2015 to ensure welfare of areas and people affected by mining related operations, using the funds generated by District Mineral Foundation Trusts[5] (DMFTs). The objectives of PMKKKY were (a) to implement various developmental and welfare projects/programs in mining affected areas, and these projects/programs were to be complementing the existing ongoing schemes/projects of the State and the Central Government; (b) to minimize/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts; and (c) to ensure long-term sustainable livelihoods for the affected people in mining areas.

According to the guidelines, the DMFTs had to cover the activities in two categories *i.e.* High Priority Activities and Other Priority activities. High Priority Activities are drinking water supply; environment preservation and pollution control measure; health care; education; welfare of women and children; welfare of aged and disabled people; skill development and sanitation. At least 60 *per cent* of DMFT funds to be utilized under these Heads and upto 40 *per cent* of DMFT funds were to be utilized under other priority activities *i.e.* physical infrastructure (road, bridges, railways and waterways projects); irrigation, energy and watershed development and any other measure for enhancing environmental quality in mining district.

As per rule 13(1) (iii) of Rajasthan DMFT Rules 2016, every mineral concession holder shall pay the contribution to the DMFT fund in respect of any mineral removed by him and/or consumed within the area allotted/permitted to him as follows:

(a) In case of major minerals, as prescribed in the Mines and Minerals (Contribution to DMF) Rules, 2015 as amended from time to time; and

(b) In case of minor minerals, at the rate of ten *per cent* of the royalty paid in terms of the first schedule to the Rajasthan Minor Minerals Concession Rules, 1986, as amended from time to time.

2.3.2 Organisational Set up of DMFTs

The Government of Rajasthan constituted DMFTs in all the districts of the State *vide* notification dated 9 June 2016. According to Rajasthan DMFT Rules,

[5] As discussed in paragraph number 2.3.2 of this report.

2016, management of DMFT is vested in Governing Council[6], which consist of all the trustees[7] of the trust. The Managing Committee[8] is responsible for the day-to-day management and supervision of the activities of the Trust. The District Magistrate is the chairperson of the Governing Council and Managing Committee. The Mining Engineer is the Member Secretary of the DMFT. At the Government level, the Department of Mines and Geology is the administrative department. Apart from the above, a State Level Empowered Committee (SLEC) was also formed (February 2019) under the chairmanship of Minister in charge of Mines and Petroleum Department, Rajasthan. Projects having estimated cost of more than rupees two crore shall be sanctioned only after prior approval of SLEC.

2.3.3 Receipt and utilization of funds

Directorate of Mines and Geology (DMG) is the apex body for demand and collection of DMFT receipts. There were 49 divisions, under the control of DMG, each headed by Mining Engineer/Assistant Mining Engineer.

Rajasthan is blessed with 81 varieties of minerals, out of which 57 are being commercial exploited. These minerals include Major Minerals like Lead, Zinc, Silver, Copper, Wollastonite, Bauxaite, Asbestos, Lime stone (Cement grade), Rock Phosphate, *etc*. and Minor minerals like Marble, Granite, Sand Stone, Masonary Stone, Dolomite, Quartz, Felspar, Gravel, Clays, Bajri, *etc*. Out of total royalty receipts of ₹23,939.76 crore from minerals, Major minerals contributed ₹16,275.21 crore and Minor minerals contributed ₹7,664.55 crore during the period 2018-19 to 2022-23.

Rule 13 of Rajasthan DMFT Rules, 2016 stipulated that every lessee shall remit the amount payable to the DMFT into the Personal Deposit (PD) account of the Trust, under intimation to the officer to whom the royalty is payable. The Mining Engineer (ME)/Assistant Mining Engineer (AME) is responsible for collection, reconciliation and cross verification of contribution to the DMFT.

The Trustees appointed by the State Government have the possession of DMFT fund subject to power and provisions in the rules. The Managing Committee has the power to accord sanction to the projects to be implemented and release and disburse DMFT funds. However, the recommendations of the Managing Committee must be approved by the Governing Council. In addition, the Governing Council also has the power to distribute monetary benefits to persons or families affected by mining related operations in the district.

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6 Governing Council: A body in which management of the trust shall vest and which shall consist of all trustees including nominated trustees of the trust.

7 Trustees: Members of DMFT as prescribed in rule 5 (1) of the Rajasthan DMFT Rules, 2016 as discussed in paragraph 16 of this report.

8 Managing Committee: A committee to manage the day to day work of the Trust.

2.3.4 Audit objectives

The objectives of the Performance Audit were to assess whether:

- Effective planning and institutional arrangements were in place to implement the scheme as per Rajasthan DMFT Rules and PMKKKY guidelines;
- The system of assessment, demand and collection of receipts under DMFT was reliable and efficient;
- Whether utilization of the funds from DMFTs for implementation of PMKKKY were efficient and as per Rules;
- Monitoring and evaluation were adequate, timely and efficient.

2.3.5 Audit criteria

The audit findings are based on the criteria derived from the following sources:

- Pradhan Mantri Khanij Kshetra Kalyan Yojana guidelines;
- Mines and Minerals (Development and Regulation) Act, 1957 as amended from time to time;
- Rajasthan DMFT Rules, 2016;
- Rajasthan Minor Minerals Concession Rules, 2017;
- Mines and Minerals (Contribution to DMF) Rules, 2015;
- General Financial and Accounts Rules, Delegation of financial powers, Rajasthan Treasury Rules 1999;
- Rajasthan Transparency in Public Procurement Act and Rules made thereunder, and
- Any other relevant orders, circulars, instructions *etc*. issued by the Government of India and the State Government.

2.3.6 Scope of audit, methodology and sampling procedure

The Government of Rajasthan had notified creation of DMFTs for all the 33 Districts in September 2015. The Performance Audit covering the period from April 2018 to March 2023 was conducted from July 2023 to February 2024. Audit selected five DMFTs/districts[9] (three districts from high risk, one district from medium risk and one district from low-risk category) out of 33 DMFTs/districts through random sampling. Eight[10] ME/AME offices of selected districts were also checked. In each selected DMFT/district, 25 to 45 sanctioned and completed projects were selected for scrutiny and joint physical verification. The records of selected 223 works executed under PMKKKY by various implementing agencies were checked in DMFTs. Audit observations related to DMFTs noticed during regular audits are also included in this

[9] High risk: Bhilwara, Banswara and Barmer; Medium risk: Bharatpur and Low risk: Sikar.

[10] Bhilwara (ME Bhilwara and ME Bijoliya); Bharatpur (ME Bharatpur and AME Roopbas); Banswara (ME Banswara), Barmer (ME Barmer) and Sikar (ME Sikar and AME Neem Ka Thana).

Performance Audit. Regarding collection, the contribution to the DMFT fund was checked since inception of the fund in 2016.

An Entry Conference was held (07 August 2023) with the Additional Chief Secretary, Mines and Petroleum Department, Government of Rajasthan wherein objectives and methodology of Performance Audit were discussed. Audit findings were reported to the State Government in July 2024 and the Exit Conference was held on 05 September 2024 wherein audit findings were discussed. The replies wherever received, were appropriately incorporated in the Report.

2.3.7 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the selected DMFTs, alongwith Directorate of Mines and Geology for PMKKKY scheme.

Audit Findings

This PA Report is in two parts. Part A contains the observations relating to the implementation of PMKKKY in the State and Part B contains observations about implementation of the scheme in selected DMFTs.

PART-A

Implementation of PMKKKY in the State

DMFTs in all the 33 districts were established (June 2016) in Rajasthan. A macro analysis which includes legal framework, planning, audit and accounts, Demand and collection of DMFT contributions, environmental impact due to mining activities, accountability and transparency mechanism in Rajasthan State is presented in this part.

Total DMFT contribution received up to March 2023 in Rajasthan was ₹7,926.86 crore, which includes ₹ 6,583.13 crore from Major minerals and ₹1,343.73 crore from Minor minerals. As on 31 March 2023, total 18,973 works involving financial sanction of ₹ 5,626.63 crore were undertaken, of which 12,335 works were completed and 3,617 works were in progress involving expenditure of ₹ 3,505.99 crore and remaining 3,021 works were cancelled/ abandoned in the State.

2.3.8 Legal Framework

Section 9B of Mines and Mineral (Development and Regulation) Act, (MMDR Act), 1957 stipulates that in any district affected by mining related operations, the State Government shall, by notification, establish a trust, as a non-profit body, to be called the District Mineral Foundation Trust (DMFT). The object of the DMFT shall be to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the State Government. The composition and functions of the DMFT shall be such as may be prescribed by the State Government. Provided that the Central

Government may give directions regarding composition and utilisation of funds by the DMFT.

In compliance of above, the Government of Rajasthan (GOR) notified (31 May 2016) Rajasthan DMFT Rules, 2016 in the State. These rules were amended from time to time.

The State Government amended (01 July 2020) these rules and State Mineral Fund[11] was established to receive funds from DMFTs. The GoI issued (12 July 2021) an order that creation of State Mineral Fund and transfer of DMFT funds to State Mineral Funds was in violation of provisions of Section 9 B of Mines and Mineral (Development and Regulation) Act, 1957 and directed the State Government that the provisions of Section 9B of the Act shall be strictly adhered to in respect of utilisation of funds by the District Mineral Foundations. No fund shall be transferred in any manner from the District Mineral Foundations to the State exchequer/ State level fund/ any other funds or schemes; and no sanction or approval of any expenditure out of the fund of the District Mineral Foundation shall be done at the State level by the State Government or any State level agency.

It was also observed that the Finance Department, GOR *vide* order dated 23 May 2022 issued direction that prior sanction of Finance Department is necessary for sanction and payment from DMFT funds. It was also stated that sanction/payment should be made for works related to Budget proposals. This order was also in contravention of GoI's directions issued in July 2021.

2.3.9 Planning

Planning is required for implementation of welfare projects to ensure systematic development of the affected area and people.

2.3.9.1 Perspective Plan

The GoI *vide* order dated 24 June 2022 directed that for complete coverage of all affected people and areas in a systematic and time bound manner, long term planning is required. It is necessary that perspective plans are prepared and implemented in a manner to ensure systematic development of the area and people. It was also directed that the State Government is to incorporate the following in the rules regulating the utilization of funds for implementation of works using DMFT funds with immediate effect:

- The DMFT shall conduct a baseline survey for formulation of the perspective plan.
- Based on the findings and gaps as identified through the baseline surveys, the DMFT shall prepare a strategy for five years and the same shall be included in the perspective plan.
- The five years perspective plan shall have separate sections on all priority sectors and other sectors.

[11] Rule 15 (7) inserted *w.e.f.* 01 July 2020

- The five years perspective plan shall be approved by the Governing Council of the DMFT and displayed on the website of the trust.

Audit noticed that the State Government did not amend the Rajasthan DMFT rules, 2016 to incorporate the above in the rules.

The Government replied (September 2024) that PMKKKY guideline has been amended by the GoI in January 2024 which includes the provision of five years and one year planning. Accordingly, amendment in Rajasthan DMFT rules is under process. However, these Rules were not amended yet (March 2025).

2.3.9.2 Annual Action Plan

According to Rule 8 (ii) of Rajasthan DMFT Rules, 2016, the Governing Council shall draw up and approve the annual action plan and annual budget for the DMFT. The annual action plan must be prepared and approved at least one month before commencement of the year.

Audit noticed that the annual action plan and annual budget of the DMFTs were not formulated and consequently not approved by the Governing Councils. Therefore, the Projects related to drinking water supply, healthcare, education, physical infrastructure, *etc.* amounting to ₹ 5,626.63 crore were sanctioned out of the respective trust funds during 2018-19 to 2022-23 without any approved action plan in Rajasthan.

The Government replied (September 2024) that the proposals regarding works/projects to be implemented were not received in time from line departments/agencies. Therefore, annual action plan was not prepared. In future, annual action plan will be prepared as provided in rules.

2.3.10 Audit and Accounts

The Managing Committee shall maintain and/or cause to be maintained proper books of accounts, documents and records with respect to the trust fund to give a true and fair picture of the affairs of the trust. The accounts of the trust shall be audited at least on completion of year. Database regarding annual account needs to be available with DMG.

Scrutiny of information provided by the DMG office revealed that in 17 districts audit of annual accounts up to year 2022-23 was completed. However, 23 annual accounts for the years 2019-20 to 2022-23 in respect of 16 districts[12] were not prepared till February 2025.

2.3.11 Demand and Collection of DMFT contribution

In order to execute PMKKKY seamlessly, it was crucial to ensure the meticulous collection of DMFT contributions. In Rajasthan, total DMFT contribution received till 31 March 2023 was ₹ 7,926.86 crore, which includes receipt from mineral concession holders (*i.e.* ML, STP, Brick earth permits),

[12] Churu (2019-20 to 2022-23), Dholpur (2020-21 to 2022-23), Bikaner and Dungarpur (2021-22 to 2022-23) and Baran, Barmer, Chittorgarh, Pali, Pratapgarh, Sriganganagar, Dausa, Jasalmer, Jodhpur, Karauli, Kota and Nagaur (2022-23).

any grant/contribution received, interest accrued on deposits.

The records of the selected DMFTs and eight ME/AME offices[13] of selected districts were audited to evaluate the system of demand and collection of DMFT contribution. Audit noticed that no detail of demand of assessed DMFT contribution was available in online demand register on DMGOMS[14].

Audit observations are discussed in the succeeding paragraphs.

2.3.11.1 Non-maintenance of Demand and Collection Register for DMFT Contribution

It was necessary for ME/AME offices to maintain a separate Demand and Collection Register (DCR) for DMFT contribution to ensure its proper collection, reconciliation and verification. During test check of records in selected ME/AME offices it was noticed that separate registers for DMFT contribution were not maintained either in physical form or in online module.

It is pertinent to mention that DMG had implemented an online management system *i.e.* DMGOMS, to oversee various departmental functions. One of its modules was designed to manage the collection of mining receipts, including royalty, penalties, various fees, interest, *etc.* This module also displayed the amounts due from lessees *i.e.* royalty, dead-rent, interest on delayed payment. However, this module was not further developed to show due DMFT contribution, collections from contributors[15], interest on delayed DMFT payments, or the credit and debit balances of the contributors. Thus, lack of a system to oversee these issues resulted in non-recovery of DMFT contribution, non-levy of interest on delayed payment *etc*. as discussed in the Part B of the report.

2.3.11.2 Non-verification of receipt of DMFT contribution from the Works Departments

Rule 51 (9) (iv) of the RMMC Rules, 2017 provides that the Works Departments *i.e*. Public Works, Public Health Engineering, Water Resources and Forest Departments engaged in civil construction works, Local Bodies, *Panchayati Raj* Institution, Organizations concerned shall be responsible for deduction of royalty and contribution in the DMFT fund on every running bill where contractor opts for deduction of royalty and contribution in DMFT fund from the running bill. A Short-Term permit (STP) is issued to a contractor under the *ibid* rules for use of minerals.

It was noticed that the amount of royalty and DMFT collected from various works contractors were being deposited as consolidated amount in respective

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[13] MEs: Bhilwara, Bijoliya, Bharatpur, Banswara, Barmer, Sikar and AMEs: Roopbas and Neem Ka Thana.

[14] DMGOMS: An online platform named as DMG online management system used by Mines Department, Rajasthan. This system having various modules i.e. Lease Directory, Demand and Collection Register, etc.

[15] Lessees, Excess Royalty Collection/Royalty Collection contractors, STP holders and Brick Earth Permit holders etc.

heads by the Works Departments. However, work wise deducted amount of royalty and DMFT was neither submitted by the Works Departments nor demanded by the Mines Department. In absence of work wise details neither the Mines Department nor Audit could verify the correctness of deducted and deposited amount.

The Government replied (September 2024) that in Sikar and Barmer, implementing agencies were directed to provide information of deduction of DMFT contribution. In Banswara, DMFT contribution was received as per rules. Reply in respect of Bharatpur and Bhilwara DMFTs has not been received. The reply in respect of Banswara was not tenable as no detail of collection of Royalty and corresponding DMFT contribution was provided.

2.3.11.3 Reconciliation of DMFT fund

Rajasthan DMFT rules, 2016 provides that DMFT fund shall include:

- any grant, contribution or any other money from the Government or from any other agency, institution or persons:
- contribution from every mineral concession holder in respect of any mineral removed by him and/or consumed within the area allotted /permitted to him.
- Interest accrued on deposits and any other income derived therefrom; and
- All other properties of the trust and the income derived therefrom or appreciation thereof.

As per Rule 13(5) of Rajasthan DMFT Rules, 2016, the ME/AME concerned shall be responsible for collection, reconciliation and cross verification of the contribution to the DMFT Fund and shall deposit the same in trust account opened in scheduled commercial nationalised bank. They shall send periodic information to the Financial Advisor of the Department who was the nodal officer for proper maintenance of receipt and disbursement. According to the amendment (01 June 2018) in Rules, the Additional Director (Administration) was appointed as nodal officer and funds were to be deposited in interest bearing PD account with effect from 01 June 2018. Scrutiny of the records revealed that reconciliation of DMFT fund was not done with due diligence as discussed hereunder.

(a) Difference in data of DMFT fund collection

- Scrutiny of the reports of collection of contribution to the DMFT up to March 2023 prepared at the office of DMG revealed that total collection in Rajasthan was ₹ 7,926.86 crore, however, certified figures sent by various ME/AME offices to DMG showed\collection of ₹ 7,945.33 crore. Thus, there was a difference of ₹ 18.47 crore between the figures shown by the nodal officer at DMG office and ME/AME offices. In selected districts, audit checked the data of DMFT contribution collected and cross checked with the data of DMG office, it was found that data of selected districts except Bharatpur was not matched. Thus, it was evident that the statistics of receipt of DMFT contribution was not properly maintained.

The Government replied (September 2024) that information regarding difference will be provided after collecting from field offices. However, in Exit conference (05 September 2024), the Departmental officers replied that difference was mainly due to non-inclusion of interest amount. It was also agreed that detailed compliance will be submitted soon. Further progress is awaited (March 2025).

(b) Amount received in centralised bank account not fully reconciled

As per Rule 14 of the Rajasthan DMFT Rules, 2016, the DMFT fund shall be kept in scheduled commercial nationalised banks in the name of the trust and account shall be operated under the joint signature of the chairperson and the treasury officer or any member of the Managing Committee authorized by Managing Committee[16]. The Managing Committee shall maintain the book of accounts of such funds.

During the review of the records of the office of the DMG, it was found that a centralized account was opened (11 August 2016) for DMFT fund collection in the State Bank of India, in contravention of the *ibid* provisions which was operated until 17 October 2019. The collected amounts were then transferred to a centralized PD account which was opened on 21 September 2016 at the Udaipur treasury. As of 31 March 2022, the amount in this PD account was ₹ 823 crore contribution amount and ₹ 10.70 crore interest thereon. The DMG formed (April 2022) a Reconciliation Committee to reconcile the funds received before transferring the fund to all the DMFTs concerned. Out of the deposited ₹ 823 crore as of 30 March 2022, the Committee reconciled ₹ 792.85 crore with all DMFTs and transferred ₹ 817.62 crore to the DMFTs concerned, leaving a balance of ₹ 5.38 crore in the PD account as of 30 March 2022.

Further, scrutiny of these facts revealed that funds transferred to six districts[17] were ₹ 95.56 lakh less than the reconciled amount as shown in **Table 2.2.**

Table 2.2: Detail of less amount transferred to DMFTs than reconciled

(Amount in ₹)

S. No.	Name of District	Amount reconciled by the respective DMFTs	Amount transferred to DMFTs from Central A/c	Amount less transferred
1	Jaipur	12,82,54,143	12,49,38,925	33,15,218
2	Bharatpur	3,47,25,755	3,22,24,000	25,01,755
3	Sawaimadhopur	83,09,378	62,25,000	20,84,378
4	Bikaner	7,89,01,388	7,74,97,208	14,04,180
5	Pali	31,56,21,227	31,53,72,000	2,49,227
6	Ajmer	57,39,93,134	57,39,92,000	1,134
	Total	**1,13,98,05,025**	**1,13,02,49,133**	**95,55,892**

[16] A committee constituted for managing day to day work of the Trust.
[17] Jaipur, Bharatpur, Sawai Madhopur, Bikaner, Pali and Ajmer.

It was also noticed that AME, Hanumangarh did not reconcile the deposited amount but DMFT funds amounting to ₹ 1.68 crore were transferred from Central account to DMFT Hanumangarh without any basis. In other 26 districts, funds of ₹ 29.44 crore were transferred in excess of the reconciled amount.

These facts indicated that funds received were not reconciled properly and transferred without proper reconciliation.

The Government replied (September 2024) that total amount collected in centralized PD account was transferred to the DMFTs, therefore no action was pending at present but no evidence was provided to audit in this support. Reply is not tenable as reason for opening of a centralized account in contravention of the provisions not intimated and reasons for excess/less transfer of funds to DMFTs were also not given.

(c) Amounts deposited in centralised bank account not found deposited

The contributors to the DMFTs, deposited the contribution amount in the Centralised bank account upto 17 October 2019. The DMG issued a letter (7 September 2018) to all MEs/AMEs to reconcile 33,629 entries of this account. Scrutiny of the correspondence of reconciliation revealed that 160 entries relating to five[18] ME/AME offices involving an amount of ₹ 51.29 lakh deposited in Centralised bank account by the lessees were not mentioned in the bank statement.

There was nothing on record at the DMG to indicate that efforts were made to verify this amount. Thus, amounts shown deposited in bank account could not be reconciled.

The Government replied (September 2024) that compliance will be submitted after receiving it from the offices concerned. Further progress is awaited (March 2025).

2.3.11.4 DMFT amount from the cost of illegal excavation/transportation of minerals not deposited

Rule 54 (3) of RMMC Rules, 2017 provides that the cost of mineral which was illegally excavated and dispatched or consumed, will be recovered. The cost of the mineral shall be taken as ten times of royalty in lieu of rent, royalty, compensation for environmental degradation and tax chargeable on the land occupied without lawful authority, *etc*.

It was noticed that neither the GoR nor the DMG issued the instructions to deposit the DMFT contribution amount out of the cost of the illegal excavation/transportation of mineral. In Rajasthan, it was noticed that from 2018-19 to 2022-23, the Department collected ₹ 84.71 crore as the cost of minerals involved in illegal mining/transportation/storage. This included ₹ 8.47 crore of royalty and ₹ 84.71 lakh of DMFT contribution. However, the DMFT

[18] MEs: Beawer, Bharatpur, Kota, Ajmer and AME: Tonk.

contribution was not deposited with the respective DMFT funds as required.

The Government replied (September 2024) that compliance will be submitted after receiving it from the offices concerned. Further progress is awaited (March 2025).

2.3.12 Impact on Environment due to mining activities

Impact on Environment due to mining activities varies based on the quantum of production of the minerals. Land degradation is one of the significant impacts arising out of mining and quarrying activity which is mainly in the form of alternation of land structure due to excavation, stacking of top soil and loss of land due to dumping of mine waste and overburden soil.

Air pollution, due to dust from the mines, is a common environmental problem in mines and quarries especially open cast operations.

(i) Major impact of mining activities was seen in stone mining areas where health of people working in mines was adversely affected. As per data collected from the selected districts total 4,074 people were identified as silicosis patients, of which 1,075 patients were deceased up to March 2023. Thus, life of miners was at risk due to mining activities.

Best Practice

DMFT Bhilwara operates a mobile Medical Van for health check-up of miners in mining areas of Bhilwara districts. The main aim of mobile van was to identify probable silicosis patient at an early stage. During November 2021 to March 2023 total 294 camps were organized. Total 19,671 people were examined and 1,952 suspects of silicosis were identified. Of which 144 patients were given silicosis certificates. This effort of DMFT Bhilwara helps in detecting silicosis suspects and awareness among the mines worker regarding their health.







Source: Photos taken by Audit team during joint inspection of mobile van and health check-up at camp

(ii) India as a signatory of UNSDG (United Nations Sustainable Development Goals) require to reclaim the degraded land under SDG 15 (life on land) but working of DMFTs was not in convergence of SDG.

Rule 29 (18) of RMMC Rules, 2017 envisages that where the ME/AME concerned has reasonable grounds for believing that the protective, reclamation and rehabilitation measures as envisaged in the mine closure plan in respect of which financial assurance was given has not been carried out in accordance with the mine closure plan, either fully or partially, shall forfeit the amount of financial assurance along with interest accrued thereon and same shall be deposited in DMFT. For Major Minerals, similar provisions are made in Rule 27 of Mineral Conservation and Development Rules, 2017.

As per information available on DMGOMS total 6,300 mining leases (ML) were non- working due to cancellation/surrender/expiry of lease period/ rejection of renewal. Total area allotted in these MLs was 11,21,898 hectare. No information of back filling of working pits in these MLs were found recorded on DMGOMS portal.

Audit noticed in selected DMFTs that no work/project was undertaken relating to the reclamation of land used for mining. It is pertinent to mention here that financial assurance amount of mining leases in which mining pits were not filled was required to be deposited with DMFT and cost of mineral in case of unauthorised mining was collected by the State Government from the defaulters but no work for reclamation of degraded land by mining was undertaken.

2.3.13 Information, Education and Communication Activities

Fourth objective of this Performance Audit was to assess whether monitoring and evaluation were adequate, timely and efficient, and it contributed to improvement of the performance of the scheme.

Rule 15(6) of Rajasthan DMFT Rules, 2016 emphasized transparency by mandating the maintenance of a website with updated information. This included details about the DMFT's composition, mining-affected areas and populations, quarterly contributions received *etc*. Additionally, the website was to host all mining-related agendas, minutes, and action taken reports. Annual plans, budgets, work orders, and reports should also be available. Furthermore, online updates on ongoing projects are essential components of this compliance for transparency in DMFTs.

2.3.13.1 Information on website not updated

Though a website namely 'DMF-website' was available. However, above mentioned information were not being hosted and updated regularly in these districts.

Audited annual accounts of the Trusts also did not disclose any information of outstanding DMFT contribution. It was also seen that quarterly details of DMFT contribution collected were not published on DMF-Website in respect any of the trust.

The Government stated (September 2024) that updation of DMF portal was not being done properly due to shortage of technical staff in department. However, updation will be completed at the earliest. In Exit Conference (05 September 2024), the Secretary, Mines stated that DMF portal of Bhilwara and Banswara districts are updated and in progress in respect of other districts. However, audit checked the portals for Bhilwara and Banswara districts and these were not found updated.

2.3.13.2 Preparation and submission of Reports

Rule 18 of Rajasthan DMFT Rules, 2016 provides that the DMFT shall prepare a quarterly progress report in physical and financial terms in respect of the approved schemes and projects within forty-five days of the close of the quarter and forward it to the office of the District Magistrate immediately thereafter for publication on their respective websites. It further provided that the Annual Report of each DMFT shall be laid before the State Legislative Assembly.

It was noticed that the quarterly progress reports of works implemented by the various implementing agencies were not being prepared by DMFTs. Further as the annual reports were not prepared, these could not be laid before the State Legislative Assembly as envisaged in the rules.

The Government stated (September 2024) that directions are being issued to the Chairperson and Member Secretary of DMFTs for compliance. Further progress is awaited (March 2025).

Conclusion

The PMKKKY was launched to ensure welfare of areas and people affected by mining related operations, using the funds generated by DMFTs. GoR constituted DMFTs (9 June 2016) in all the districts of the State for

implementation of the PMKKKY. According to the provisions of Rajasthan DMFT Rules, management of DMFTs vested in Governing Councils, which consist of all the trustees of the trust and headed by the District Magistrate of the district. A macro analysis of legal framework, planning, audit and accounts, demand and collection of DMFT contributions, environmental impact due to mining activities, accountability and transparency mechanism revealed that in violation of directions issued by the Government of India, the GoR issued directions to DMFTs that prior sanction of Finance Department was necessary for sanction and payment from DMFT funds. Accordingly works were approved by the Finance Department. Further, Annual Action Plans and Perspective Plans were not being prepared. Audit of annual accounts of DMFTs were not completed. The departmental online system DMGOMS was not developed to show due DMFT contribution, interest on delayed payment of contribution. DMFT amount from the cost of illegal excavation/transportation of minerals was not deposited with the respective DMFT funds as required. Further, Audit could not verify the deposit of DMFT contribution by the Works Departments, as there was no reconciliation mechanism in place in ME/AME offices to verify these deposits. It was also noticed that no work/project was undertaken relating to the reclamation of degraded land due to mining activities to protect the environment. Data on DMF website was not updated by DMFTs, thus transparency was not maintained. Quarterly progress reports of works implemented by the various implementing agencies were not being prepared by DMFTs.

Recommendations

The Government/Department may consider:

- ***developing a module under DMGOMS, to monitor due DMFT contributions, ensure timely deposits and levy interest for delayed payments.***
- ***evolving a system to transfer the fund to DMFT from cases of unathorised /illegal excavation/transportation of mineral.***
- ***conducting a study to assess the environmental impact of mining activities and identify necessary measures under PMKKKY to mitigate these effects.***
- ***developing and enforcing standardized protocols for the preparation and submission of quarterly progress reports and annual reports. Ensuring these reports are publicly accessible to enhance transparency and oversight.***

PART-B

Implementation of PMKKKY in selected DMFs

A micro analysis of selected DMFTs which includes Institutional arrangements, identification of mining affected people and areas, collection and utilization of DMFT fund, project management and monitoring in selected districts is presented in this part.

2.3.14 Institutional Arrangements

The first objective of the Performance Audit was to assess whether effective planning and institutional arrangements were in place to implement the scheme as per Rajasthan DMFT Rules and PMKKKY guidelines.

Rule 5 of the Rajasthan DMFT Rules, 2016 provides that trustees shall be appointed by the State Government on the basis of recommendation of the District Magistrate. Further, the Community Representatives from areas affected by mining operation shall be recommended by the District Magistrate on the basis of recommendation of respective *Gram Sabha*.

The audit findings pertaining to nomination and appointment of trustees in the selected DMFTs are given in succeeding paragraphs:

2.3.14.1 Nomination of trustees by the Government

Scrutiny of the records of the selected DMFTs revealed that:

- District Magistrates of Bharatpur and Banswara submitted (between 29 June 2016 and 06 January 2017) recommendations for the nomination of 36 trustees to the State Government. The State Government appointed (July 2021) 30 trustees after a period of more than four years of their recommendation.

- In other selected districts[19], the State Government appointed the Trustees after six to eleven months of recommendation of the respective District Magistrate.

On being pointed out, the Government endorsed (September 2024) the reply of the DMFT offices Sikar and Barmer which stated that delay was at Government level.

2.3.14.2 Appointment of trustees in violation of provisions

As stated earlier, the Rajasthan DMFT Rules, 2016 specifically intended to involve *Gram Sabhas* for nomination of Community Representatives. However, on scrutiny of records of selected districts, it was seen that District Magistrates had recommended the names of Community Representatives for nomination as trustees to the State Government without any prior recommendation from the respective *Gram Sabha* during the year 2020-21.

[19] Bhilwara, Barmer and Sikar.

Further, District Magistrates of selected districts recommended names of 85 persons in various categories for appointment as trustees during the period 2017-18 to 2020-21. The Government in turn appointed 88 trustees in these DMFTs. Among them, 30 trustees were appointed without the recommendations of the District Magistrates[20].

The Government replied (March 2024 and April 2025) that these appointments have now been cancelled on 18 December 2023 and trustees will be appointed after notification of new RDMFT Rules. It is recommended that appointment of Community Representatives as trustees will be made as per recommendation of the respective *Gram Sabha* and in all other cases as per recommendation of the District Magistrates as envisaged in the Rules.

2.3.15 Identification of affected areas and people

According to the guidelines, the DMFT shall prepare and maintain an updated list of directly[21] and indirectly[22] affected areas by mining related operations to be covered under the PMKKKY. Further, DMFT shall prepare and maintain an updated list of affected people.

Out of five selected districts, in two districts (Bhilwara and Bharatpur), it was observed that the DMFTs had not identified directly and indirectly affected areas by mining activities to be covered under PMKKKY and declared the entire districts as mining affected area. However, in Sikar, Banswara and Barmer districts, lists of affected villages/areas were prepared, including some urban and non-mining areas, without justification for their inclusion.

Consequently, works/projects were undertaken without aligning with the objectives of PMKKKY and aiming the affected areas/people in the mining regions.

The Government forwarded (September 2024) the reply of the DMFT offices of Sikar and Barmer which stated that majority of works were executed in mining affected areas. DMFT Banswara stated that list of mining affected areas will be updated.

In Exit Conference, the Secretary stated that GoI issued (January 2024) revised guidelines for PMKKKY, wherein mining affected areas are defined. Based on these guidelines, Rajasthan DMFT rules are being revised. Further progress is awaited (March 2025).

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[20] Bharatpur (9), Bhilwara (6), Banswara (12), Sikar (1) and Barmer (2).

[21] Directly affected areas: where direct mining related operations are located such as villages and gram panchayats within which mines are situated, areas situated within such radius from a mine or cluster of mine as specified by the State Government, villages significantly depend on mining areas for their economic needs.

[22] Indirectly affected areas: areas where local population is adversely affected on account of economic, social and environmental consequences due to mining related operations.

2.3.16 Collection of Fund

The second objective of the Performance Audit was to assess whether the system of assessment demand and collection of receipts under DMFTs was reliable and efficient.

Audit findings pertaining to collection of funds such as non-deposit in interest bearing account, non-recovery of contribution, short levy of interest, irregular transfer of DMFT fund *etc.* are discussed in succeeding paragraphs.

2.3.16.1 DMFT contribution not deposited in interest bearing PD account

Rule 14 of Rajasthan DMFT Rules, 2016 amended in June 2018 provided that the DMFT fund shall be kept in interest bearing PD account.

In all selected districts, it was noticed that DMFTs did not open accounts in nationalised banks as prescribed in rules. Instead of this, non-interest bearing PD accounts were opened between 12 April 2017 and 09 June 2017. Later on, interest bearing PD accounts were also opened (between 28 October 2020 and 21 June 2021) in each DMFT. It was noticed that DMFT contributions were being deposited in non-interest bearing PD accounts and later on amount from these accounts were transferred in interest bearing accounts.

In Exit Conference (05 September 2024), the Secretary stated that matter will be looked into to check the loss of interest amount and reply will be submitted accordingly. Further progress is awaited (March 2025).

2.3.16.2 Non-recovery of DMFT contribution

As per Rule 13(1)(iii) of Rajasthan DMFT Rules, 2016, every mineral concession holder shall pay the contribution to the DMFT fund in respect of any mineral[23] removed by him and/or consumed within the area allotted/permitted to him.

Further, Rule 13(3) of the said rules provides that in case of minor minerals, contribution to the trust fund shall be recovered through the contractors to whom the Royalty Collection Contract (RCC)/Excess Royalty Collection Contract[24] (ERCC) was awarded in that district. In such cases, monthly instalment of the contribution to trust fund shall be directly deposited by the contractors in the Trust account. According to Rule 13(5), ME/AME concerned shall be responsible for collection, reconciliation and cross verification of the contribution to the DMFT Fund.

During scrutiny of records of mining leases, brick earth permits and ERCC/RCC of selected ME/AME offices and regular audit, cases of non-

[23] In case of minor minerals, at the rate of ten per cent of the royalty paid in terms of the first schedule to the Rajasthan MMCR, 1986, and in case of major minerals, ten per cent of the royalty paid in in respect of mining leases granted on or after 12 January 2015; and thirty percent of the royalty paid in respect of mining leases granted before 12 January 2015.

[24] Excess Royalty Collection Contract means a contract to collect royalty in excess of annual dead rent and any other charges as may be specified in the contract, on behalf of the Government for specified mineral dispatched by the mining lessee, from the area specified in the contract.

receipt of DMFT contribution amounting to ₹ 20.80 crore have been noticed as detailed in **Table 2.3.**

Table 2.3 : Details showing non-receipt of DMFT contribution during the period 2016-17 to 2022-23

(₹ in crore)

Type of concession/ permit/ contract	Number of cases	DMFT contribution receivable	DMFT contribution received	Amount of non-receipt of DMFT contribution	Name of ME/AME offices
Mining Leases (Minor mineral)	710	8.41	5.49	2.92	Bharatpur, Bhilwara, Bijoliya, Banswara and Sikar.
ERCCs	17	11.43	6.09	5.34	Bhilwara, Banswara Neem ka Thana, Nagaur, Dungarpur, and Jaisalmer.
Quarry Licensees[25] (RCC)	1	11.65	0.00	11.65	Jodhpur.
Brick Earth Permits	236	2.19	1.30	0.89	Bharatpur, Roopbas, Bhilwara, Bijoliya, Sikar, Neem ka thana, Hanumangarh and Tonk.
Total	**964**	**33.68**	**12.88**	**20.80**	

Source: Information provided by ME/AME offices.

It is evident from the above table that in selected districts ₹ 20.80 crore was not received. Further scrutiny of records revealed that the ME/AMEs could not monitor the contribution to DMFT fund as only deposited amount for DMFT was being shown in the DCR maintained on DMGOMS. It did not show the due amount of DMFT. Manual registers/DCR were not found maintained in selected offices. In case of ERCCs, it was observed that 17 contracts were cancelled due to non-deposit of contract amount, therefore, DMFT contribution amounting to ₹ 5.34 crore could not be recovered. Thus, lack of mechanism to oversee the collection of contribution towards DMFT coupled with lacklustre efforts to collect the contribution from quarry licencees, DMFT contribution amounting to ₹20.80 crore could not be collected.

The Government replied (September 2024) that action for recovery has been initiated in Sikar. In respect of other offices compliance will be submitted soon. In Exit Conference (05 September 2024), the Secretary stated that outstanding amount is being recovered along with interest. Further progress is awaited (March 2025).

In respect of quarry licensees, non-recovery of DMFT contribution is discussed in the case study given hereunder.

[25] Quarry licensees: A licence granted for mineral concession under RMMC Rules, 2017, wherein a licensee is required to pay fixed annual licence fee exclusive of royalty.

CASE STUDY

Quarry licensees can dispatch the excavated minerals from their quarry areas without any *rawanna*/permit. Further, no returns were prescribed for quarry licensees to show the minerals excavated and dispatched from the permitted area. Therefore, to ensure collection of royalty on these minerals, royalty collection contracts were being awarded by the Department for collection of royalty.

In Jodhpur[26] a contract was awarded (March 2016) to collect royalty on the mineral sandstone dispatched from the quarry licence areas of tehsil Jodhpur for the period 01 April 2016 to 31 March 2018 to a contractor. The annual contract amount was ₹ 62.93 crore. Thereafter, the Rajasthan DMFT Rules, 2016 were notified on 31 May 2016. Therefore, to include the DMFT contribution in the contract, the ME Jodhpur revised (15 June 2016) the annual contract amount to ₹ 69.22 crore and directed the contractor to execute a supplementary agreement. The contractor did not execute the supplementary agreement and filed a petition before the Hon'ble Rajasthan High Court against the order of the ME. Hon'ble High Court stayed (12 July 2016) the order of ME. Thus, amount of DMFT contribution was not collected by the contractor during the currency of contract *i.e.* 01 June 2016 to 04 April 2018.

Since the contractor was not liable to collect the DMFT amount along with royalty from quarry licensees in the light of the stay order, the ME concerned should have to make alternate arrangements to collect the DMFT contribution, such as establishing a departmental check post or awarding a new contract. However, these actions were not undertaken despite the fact that the DMFT contribution could only be collected at the time of dispatch of minerals from the quarry areas. After the dispatch of minerals, the Department lacked data regarding excavation and dispatch. In the absence of a system of *rawanna*/returns for the quarry licensees, it was not possible to assess which licensee had dispatched how much quantity of minerals.

Thus, due to non-collection of DMFT contribution by the Department, an amount of ₹11.65 crore[27] being the DMFT contribution for the period 01 June 2016 to 04 April 2018 (calculated on the basis of annual contract amount) could not be received in DMFT fund.

The ME replied (July 2022) that amount of DMFT contribution could not be collected due to stay of Hon'ble Rajasthan High Court in the matter. The reply was not tenable as there was no stay on collection of DMFT contribution through establishing the departmental check posts.

In Exit Conference (05 September 2024), the Secretary assured to submit reply. Further progress is awaited (March 2025). The facts remain that an amount of ₹ 11.65 crore could not be collected as the Department did not have a mechanism to assess the dispatch by quarry licencees.

[26] This unit was a part of regular audit.

[27] 10 % of ₹ 116.47 crore being the royalty deposited by the contractor during the period 01.06.2016 to 04.04.2018)

2.3.16.3 Non/short levy of interest

According to Rule 13A of Rajasthan DMFT Rules, 2016, if any person fails to pay the DMFT contribution as specified in the sub rule 13 (1) of the Rules, he shall be liable to pay interest at the rate of 24 *per cent per annum* as prescribed in Minerals (other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 and 15 *per cent per annum* as prescribed in RMMC Rules, 2017 in case of Major minerals and Minor minerals respectively.

Scrutiny of records of selected ME/AME offices and regular audit it was noticed that the ME/AME concerned had either not levied interest or short levied interest amounting to ₹ 42.13 crore for delayed deposit of DMFT contribution amounting to ₹ 137.53 crore by ERCCs/mining leases as detailed in **Table 2.4.**

Table 2.4 : Details showing non/short levying of interest on delayed deposit of DMFT contribution

(₹ in crore)

S. No.	ERCC/ML	Number	Amount deposited with delay	Delay in days	Interest leviable
1.	ERCC	16[28]	30.37	01 to 1003 days	2.27
2.	Mining Leases (Major mineral)	7[29]	107.16	03 to 2160 days	39.86
	Total	**23**	**137.53**		**42.13**

Source: Computed by Audit.

The Department replied (July 2023) that in two cases (ERCC) of ME, Jodhpur, interest amounting to ₹ 38.00 lakh has been recovered. Regarding other cases, it was replied that action would be taken after investigation of the cases. However, no clarification was provided regarding non-maintenance of the demand register. Further progress is awaited (March 2025).

2.3.17 Financial assurance amount in DMFT fund

Rule 29 (18) of RMMC Rules, 2017 envisages that where the ME/AME concerned has reasonable grounds for believing that the protective, reclamation and rehabilitation measures as envisaged in the mine closure plan in respect of which financial assurance[30] was given has not been carried out in accordance with the mine closure plan, either fully or partially, shall forfeit the amount of financial assurance along with interest accrued thereon and same shall be deposited in DMFT.

It was noticed during the audit of selected districts that financial assurance amounting to ₹ 75.59 lakh was to be forfeited by the Department in case of 92

[28] ERCC (16): ME Bhilwara (8), ME Bijoliya (2), ME Bharatpur (1), ME Jaisalmer (1), ME Jodhpur (2), ME Dungarpur (1) and AME Neem Ka Thana (1).

[29] MLs (7): ME Chittorgarh (2), ME Sojat City (2), ME Ajmer (1) ad ME Udaipur (2).

[30] Financial assurance: Financial Assurance means the surety furnished by the holder of mining lease or quarry licence, as the case may be, to the competent authority so as to indemnify the authorities against the reclamation and rehabilitation cost after closure of the mining lease or QL

MLs[31] and 17 STPs. However, ₹71.14 lakh were forfeited in 85 MLs and 17 STPs as financial assurance in five MLs were not deposited by the lessees and in two cases financial assurance was deposited with Indian Bureau of Mines. Out of ₹71.14 lakh, ₹ 6.25 lakh was deposited in the DMFT fund by ME Bhilwara in seven cases. The remaining amount of ₹ 64.89 lakh was not deposited in DMFT fund despite forfeiture of financial assurance in these cases. Consequently, the DMFTs were deprived of the ₹ 64.89 lakh.

The Government replied (September 2024) that action for deposit of financial assurance amount in DMFT fund are being taken. Further progress is awaited (March 2025).

2.3.18 Utilisation of Fund by DMFTs

The third audit objective of this Performance Audit was to assess whether utilization of the funds from DMFTs for implementation of PMKKKY were efficient and as per Rules. Efficient utilisation of fund management is crucial to achieve the envisaged objective in implementation of the scheme.

In Rajasthan, as on 31 March 2023, total 18,973 works were undertaken, of which 12,335 works were completed and 3,617 works were in progress. In selected districts 4,273 works were undertaken, of which 2,862 works were completed and 718 works were shown under progress during the same period. Details are given in ***Appendix-3*.**

As of 31 March 2023, the selected districts had accumulated a total DMFT contribution of ₹2,833.11 crore. This significant amount underscores the need for robust and transparent financial oversight to ensure that the resources are deployed efficiently and effectively for the benefit of the communities affected by mining activities. Contribution received in the selected DMFTs are shown in the **Table 2.5.**

Table 2.5 : Details of DMFT contribution received in selected Districts

S. No.	Name of DMFT	DMFT contribution received (₹ in crore)
1.	Bharatpur	58.20
2.	Bhilwara	2,514.54
3.	Banswara	43.50
4.	Sikar	39.38
5.	Barmer	177.49
	Total	**2,833.11**

Source: Information provided by DMG, Udaipur.

Audit scrutinised the records of these DMFTs to ascertain efficient utilisation of fund by DMFTs and noticed:

[31] ME Bhilwara (70), ME Bharatpur (14), ME Sikar (8) and ME Barmer (17 STP).

- ***Irregular constitution of State Mineral Fund***

Rule 15(3)(II)(A) of Rajasthan DMFT Rules, 2016 stipulates that the developmental and welfare activities to be taken up by Trust should be as far as possible, in the nature of complementing the ongoing schemes/projects being funded by the State as well as Central Government. Developmental and welfare activities taken up by the DMFTs should be treated as extra budgetary resources for the State Plan.

Scrutiny of records of DMG Udaipur revealed that a Personal Deposit account was opened (3 December 2020) for State Mineral Fund and ₹ 1,200.63 crore were transferred by various DMFTs to this account during 01 July 2020 to 31 March 2023. Even after GoI order (12 July 2021) regarding non-transfer of any amount from DMFTs, an amount of ₹ 45.93 crore was transferred from various DMFTs in the account of State Mineral Fund. However, after 07 July 2022 no amount was transferred by DMFTs in State Mineral Fund.

Thus, it is clear that the provision made for establishment of State Mineral fund in rules was against the provision of the Act. Further, funds were transferred from State Mineral Fund at State level to various projects/schemes in violation of directions of Government of India. Illustrative case is discussed hereunder:

The State Government launched (November 2020) a welfare scheme 'Indira Gandhi Matrutv Poshan Yojana' (IGMPY) in the year 2020-21 initially in five[32] districts. The scheme was subsequently expanded to the entire State in 2022-23. Scrutiny of records of DMG, Udaipur revealed that DMFT funds amounting to ₹ 161.33 crore were transferred to Women and Child Welfare Department (WCD) being the nodal department for IGMPY in the years 2020-21 to 2022-23[33]. These funds were transferred on the directions of the State Government. Thus, DMFT funds of ₹ 161.33 crore were utilised by the State Government on budgeted program in contravention of the *ibid* provisions.

The Government stated (September 2024) that funds were transferred as per orders/instructions of the State Government. In Exit Conference (05 September 2024), the Secretary accepted the audit observation.

2.3.19 Monitoring of advances given to implementing agencies

Rule 12 (viii) of the Rajasthan DMFT Rules, 2016 provides that Managing Committee shall monitor the progress of utilisation of funds of the trust. Rule 18 (4) of the rules *ibid*, provides that a quarterly report of physical and financial progress of approved works shall be prepared by the trust within 45 days of end of quarter.

Scrutiny of the records of DMFTs revealed that quarterly reports of physical and financial progress of approved works were not being prepared by the DMFTs. Further, scrutiny of the information provided by the selected DMFTs

[32] Baran, Banswara, Dungarpur, Pratapgarh and Udaipur.

[33] ₹ 161.33 crore: Year 20-21: ₹ 19.65 crore (from SMF before GoI directions); Year 2021-22: ₹ 41.88 crore (from SMF after GoI directions) and Year 2022-23: ₹ 99.80 crore.

and records of the DMFTs revealed that an amount of ₹ 67.67 crore was given as advances for the works/projects related to construction of roads, classrooms, hospital buildings, procurement of medical equipment, water supply, *etc.* under PMKKKY. These advances were outstanding for adjustment against the various implementing agencies as on 31 March 2023, as shown in **Table 2.6.**

Table 2.6: Details showing the outstanding amount of advances given to the implementing agencies

Name of DMFT	Amount shown as advance as on 31.03.2023 (₹ in crore)	Remarks, if any
Bhilwara	45.79	Advances paid up to 31 March 2022
Banswara	1.25	Advance paid in the year 2021-22
Barmer	20.63	Advances paid up to 31 March 2022
Total	**67.67**	

Source: information collected from DMFTs

In absence of any mechanism, proper utilisation of funds on works could not be ensured in timely manner.

The Government replied (September 2024) that implementing agencies have been asked to submit utilization certificates in Barmer.

In Exit Conference (05 September 2024), the Secretary stated that utilization of funds has to be ensured by the District Collectors. Further progress is awaited (March 2025).

2.3.20 Works sanctioned without approval of Governing Council

During audit of selected districts, it was found that except in DMFT Bhilwara, remaining four DMFTs granted administrative and financial sanctions of ₹ 27.20 crore for 52 projects[34], without submitting these projects to the respective Governing Councils for approval. In absence of the approval of the Governing Councils these works were irregular.

This practice undermines the significance and effectiveness of the established institutional arrangements, compromising oversight and accountability.

In a case of Sikar, the Managing Committee issued (31 May 2023) administrative and financial sanction of ₹ 1.33 crore for establishing 175 Information and Communication (ICT) labs in schools. However, approval of the Governing Council was not obtained. Despite this, the full amount was transferred to the implementing agency (Additional District Project Coordinator, Samgra Shiksha Abhiyan, Sikar). In July 2023, the financial sanction was revised to ₹ 14.39 lakh for establishing only 19 ICT labs in schools situated in mining-affected areas, as one trustee opposed the allocation of funds to the remaining 156 schools as they were situated in non-mining affected areas. Consequently, an amount of ₹ 1.18 crore was remained with implementing agency.

[34] Bharatpur (27), Banswra (1), Sikar (1) and Barmer (23).

The Government accepted (September 2024) that works were not approved by the Governing Councils and would be got approved.

2.3.21 Sanction of works by Governing Council without approval of Gram Sabhas

Rule 15 (4) of Rajasthan DMFT Rules, 2016 provided that approval of the *Gram Sabha* shall be required- (a) for all plans, programs and projects to be taken up under PMKKKY and other welfare schemes of the State and Central Government (b) identification of beneficiaries under the existing guidelines of the Government, in respect of villages affected by mining situated within the scheduled areas[35]. Further, report of the works undertaken under the trust in the respective village shall be furnished to the *Gram Sabha* after completion of every financial year.

It was noticed that 139 works were undertaken by the DMFT Banswara till 31 March 2023. Out of which, 114 works were completed, and 25 works were under progress. Total funds amounting to ₹ 21.40 crore were transferred to the implementing agencies against estimated cost of ₹ 26.63 crore. Illustrative cases are given hereunder:

(i) The Governing Council DMFT Banswara approved (07 September 2021) two works (construction of Forest Guard Chowki- ₹10 lakh and Construction of watch tower – ₹6 lakh) to Forest Department at a cost of ₹ 16 lakh. Administrative sanction and financial sanction were issued in December 2021 and fund of ₹8 lakh transferred (December 2021) to Forest Department. In April 2022, these works were cancelled.

Thereafter, in place of these works a new work "Construction of Forest Guard Chowki at Chachakota" at the bank of Mahi Dam was approved (April 2022) by the Governing Council. Financial sanction of ₹ 30.59 lakh was issued in June 2022 and fund of ₹ 15.29 lakh (including ₹ 8 lakh transferred in December 2021) was also transferred. It was noticed that approval of *Gram Sabha* was not taken. Further, the sanctioned amount for the construction of the forest guard chowki was increased from ₹ 10 lakh to ₹ 30.59 lakh.

During joint physical verification of the asset it was noticed that construction of 'Guest House' was in progress at the site on the peak of hill in the forest area.

[35] Scheduled Area: The process to be adopted for utilization of fund in the scheduled areas shall be guided by the provisions contained in Article 244 read with Schedule V and Schedule VI to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.




Source: Actual site photograph of construction of Guest House in name of Forest Chowki taken by the Review team during Joint Physical Inspection.

Thus, DMFT funds were irregularly sanctioned for Guest House in the name of forest chowki.

(ii) In Banswara (scheduled area), it was noticed that a work "Development of 44 *Aanganwadi* centres into model *Aanganwadi* centres in mining affected area" involving a cost of ₹ 3.48 crore was approved in the Governing Council on 5 July 2018. Administrative sanction was issued on 26 August 2018 wherein Public Works Department was appointed as the implementing agency. The administrative sanction was revised on 05 October 2018 wherein Implementing Agency was changed to Women and Child Development Department, and it was specifically mentioned in the sanction that funds would be transferred after getting approval of concerned *Gram Sabhas*. However, financial sanction for ₹ 3.49 crore was issued on 05 October 2018 without ascertaining the approval of concerned *Gram Sabhas*. Thereafter, an amount of ₹ 1.74 crore was transferred by DMFT to Zila Parishad Banswara. Thereafter, the work was cancelled by the Governing Council on 20 December 2019 without assigning any reason for cancellation. Chief Executive Officer, Zila Parishad was directed to deposit back the amount with DMFT. Zila Parishad informed (20 May 2020) that an amount of ₹ 1.62 crore has been deposited in DMFT account and remaining amount of ₹ 12.54 lakh were spent on detailed project report and advertisement.

Audit noted that fund was transferred irregularly without approval of concerned *Gram Sabhas* which resulted in wasteful expenditure of ₹ 12.54 lakh.

2.3.22 Works approved in Governing council without proper scrutiny

In Barmer, it was noticed that 29 works (15 works of education and 14 works of PHED) involving cost of ₹ 1.61 crore were approved (October 2016 to September 2018) by the Governing Council. Financial sanctions of ₹ 1.61 crore for these 29 works were issued between December 2017 and September 2021. Accordingly, ₹ 91.50 lakh were transferred to 15 works of education to the

implementing agencies[36] and ₹ 25.12 lakh were transferred to PHED. These works were cancelled (5 April 2021) due to the reasons of non-availability of land, funds made available from other schemes, land dispute, *etc.* However, amount transferred by the DMFT to the implementing agency was not received back. Audit noticed that works were approved without scrutiny of the proposals by Governing Council.

In Exit Conference (05 September 2024), the Member Secretary, DMFT Barmer stated that amount given in above works has been adjusted in other works of the same implementing agencies in most of the cases. However, a detailed reply will be submitted. Further progress is awaited (March 2025).

2.3.23 Non-forwarding progress reports of works to Gram Sabha

According to Rule 15(4)(ii), report on the works undertaken by the Trust in the respective village affected by mining situated within the scheduled areas shall be furnished to the *Gram Sabha* after completion of every financial year.

Out of five selected districts, Banswara district is a scheduled area. It was noticed that total 139 works were undertaken by the DMFT Banswara up to March 2023, but reports after completion of financial year were not furnished to *Gram Sabhas* by the DMFT Banswara.

In the absence of such practice, targeted beneficiaries, could not monitor the project and benefit from it. In view of above, provisions made for Scheduled areas remained ineffective.

The Government replied (September 2024) that progress report will be forwarded regularly to the *Gram Sabhas* in future.

2.3.24 Project Management

During the audit of selected districts, a sample of total 223 works was selected for detailed scrutiny. Of these, 204 works were completed, 16 works were under progress, two works were abandoned and one work was cancelled. Total amount of ₹ 225.89 crore were released by the DMFTs to the implementing agencies. As of March 2024, an amount of ₹ 206.84 crore were utilized by the implementing agencies.

Audit findings are discussed in the succeeding paragraphs:

2.3.24.1 Execution of works in violation of RTPP Act and Rules made thereunder

Rule 15 (5) of Rajasthan DMFT Rules, 2016 provided that the procurement of goods and services shall be as per provisions of Rajasthan Transparency in Public Procurement (RTPP) Act, 2012 and rules made thereunder. The execution of work shall be as per the provisions of accounting rules of respective executing agency.

[36] District project coordinator, Rajasthan Madhyamik Shiksha Abhiyan and Additional District Project Coordinator, Samagra Shiksha Abhiyan.

As per Section 4 of the RTPP Act, 2012 the procuring entity shall have the responsibility and accountability to (a) ensure efficiency, economy and transparency; (b) provide fair and equitable treatment to bidders; (c) promote competition; and (d) put in place mechanisms to prevent corrupt practices.

Scrutiny of the records of selected DMFTs and implementing agencies revealed that the above provisions were not followed during procurement of goods and execution of projects as discussed hereunder in succeeding paragraphs.

(i) In Bhilwara, it was noticed that a work 'Distribution of baby kits to newly born babies in Government hospitals' was approved by Governing Council in its meeting held on 16 September 2017. Administrative and financial sanction was issued (13 September 2019) for ₹ 39.16 lakh for procurement and distribution of 44,000 baby kits. The CMHO, Bhilwara issued (16 January 2020) the purchase order (₹ 38.81 lakh) without inviting tenders and without details of items required in the kit. The supplier firm supplied 44,000 kits in four consignments in January 2020 and an amount of ₹ 38.81 lakh was paid (05 March 2020) to the CMHO, Bhilwara by the DMFT.

The baby kits were procured without competitive bidding which was in violation of provisions of RTPP rules. Further, expenditure was regularized in violation of General Financial and Accounting Rules. Thus, implementation of work/project was not as per rules, which resulted in irregular expenditure of ₹ 38.81 lakh.

(ii) In Barmer, a work titled "Urban plantation and strengthening work at Leeladhora" was sanctioned by the Governing Council in a meeting held on 24 January 2018, with a total cost of ₹ 50 lakh. The Deputy Conservator of Forest, Barmer, was designated as the implementing agency. Administrative and financial sanctions were issued on 27 March 2018 and 7 August 2018, respectively. The first instalment of ₹ 37.50 lakh was transferred to the implementing agency by the Trust on 16 October 2018.

Scrutiny of records revealed that the implementing agency executed the work by directly procuring goods/services from suppliers without competitive bidding. Consequently, the entire amount of ₹ 37.50 lakh was spent irregularly. Despite this, the Trust did not monitor the utilization of trust funds effectively, and the implementing agency carried out the work in violation of the provisions of the RTPP Act.

In Exit Conference (05 September 2024), the Secretary stated that these matter will be taken up with the implementing agencies and detail reply will be submitted. The detailed reply is awaited (March 2025).

2.3.24.2 Diversion of DMFT funds for budgeted works

Rule 15 (3) (II) (A) of Rajasthan DMFT Rules, 2016 provides that the developmental and welfare activities to be taken up by Trust under the scheme should be as far as possible, in the nature of complementing the ongoing schemes/projects being funded by the State as well as Central Government. However, developmental and welfare activities taken up by the foundation treated as extra budgetary resources for the State Plan.

In selected districts, it was noticed that ten works/project[37] involving ₹ 57.05 crore were included in the budget of Women and Child Development, Education and Public Works Department for the years 2018-19 to 2023-24. The Additional Secretary, PWD, GoR directed (January 2021) all Superintending Engineers to get approval of the DMFTs to release funds for the works/projects already approved by these departments. It was noticed that the respective Governing Councils also approved the same except for three works/projects each of Banswara, Barmer and Sikar. One case study is discussed hereunder for illustration of these cases.

CASE STUDY

In Barmer, a work of 'Strengthening and renewal of Other District Road 35 Harsani – Jalipa Road (Km 22/00 to 37/00 and 42/00 to 51/00)' was undertaken under PMKKY.

Scrutiny revealed that above work was included in the budget of the State Government for the year 2020-21. Administrative and financial sanction for ` 3.00 crore was issued (8 October 2020) by Additional Secretary, PWD. Technical sanction was issued on 08 October 2020. However, Additional Secretary, PWD directed (November 2020) that sufficient funds were not available with the State Government in respect of works announced in the State Budget of 2020-21therefore no expenditure will be incurred as approval for budget sanctions from DMFTs are under process.

In light of above, the work was approved by the State Level Empowered Committee[38] in its meeting (12 January 2021) with direction to DMFT Barmer to get it approved by the Governing Council. Accordingly, Governing Council of DMFT Barmer approved the work in its meeting (05 April 2021). Work order was issued (18 March 2021) with stipulated date of commencement and completion of work as 28 March 2021 and 27 November 2021 respectively to a Contractor at a cost of ₹ 1.94 crore based on sanctions issued by the PWD. Thereafter, the administrative and financial sanction for ₹ 3.00 crore was issued (June 2021) by DMFT Barmer. The technical sanction was revised (13 September 2021) for road construction (Km 22/00 to 37/00 and 37/00 to 41/00). The work was completed on the stipulated date *i.e.* 27 November 2021. Total amount of ₹ 2.43 crore (including *pro-rata* charges of ₹ 28 lakh) was transferred to the PWD by the DMFT. It resulted in diversion of DMFT funds of ₹ 2.43 crore for budgeted work.

The Government stated (September 2024) that reply will be submitted soon. Further progress is awaited (March 2025).

Thus, DMFT funds were utilised for budgetary works/projects which was contrary to principle of financial discipline.

The Government while accepting the facts replied (September 2024) that works in Banswara and Sikar were executed after sanction in Budget.

[37] Ten works: Women and Child Development Department (3); Education Department (2); Public Works Department (5).

[38] A committee constituted under the chairmanship of Minister of Mines and Petroleum Department Rajasthan to approve any work/project having estimated cost more than ₹ two crore.

2.3.24.3 Excess funds transferred by the DMFTs

As per rule 12 of Rajasthan DMFT Rules, 2016 Managing Committee shall -

- exercise due diligence in carrying out its duty for protecting the interest of the Trust.
- operate the Trust fund in diligent manner and monitor the progress of the utilisation of trust funds.

Further, Rule 15(5) of the *ibid* rules provides that the execution of work shall be as per provisions of accounting rules of respective executive agency or any special rules made by the GoR in this behalf.

(a) Excess funds issued to implementing agencies

(i) In three cases of Banswara and one case of Bhilwara, additional amount of ₹ 2.34 crore was transferred to implementing agencies by the DMFTs as detailed in **Table 2.7**.

Table 2.7: Details showing excess fund transferred to the implementing agencies

(₹ in crore)

Name of work and Implementing Agency	Amount of Financial Sanction	Amount of work executed	Amount transferred	amount
BANSWARA				
Construction of BT road from NH 927A to Dharkon mata mandir Wakanada (PWD, division Garhi)	0.70	1.03	1.17	0.14
Disposal of legacy waste in Banswara (Nagar Parishad Banswara)	3.80	2.11	3.80	1.69
Construction of submersible bridge over Devka A/R (PWD, division, Banswara)	4.00	3.15	3.28	0.13
BHILWARA				
Construction of OHSR in Kotri (PHED, Division, Shahpura)	0.79	0.41	0.79	0.38
Total				**2.34**

Scrutiny of the records revealed that excess fund of ₹ 2.34 crore was transferred to the implementing agencies by the DMFTs without exercising due diligence. Even in one case, funds were transferred more than the financial sanction. It is pertinent to mention that the excess amount was not received back from the implementing agencies.

Thus, the management of the funds was ineffective in preventing the excess transfer of funds and recovering the excess amounts disbursed.

In the Exit Conference (5 September 2024), the Member Secretary, DMFT Bansawara stated that in two cases, the entire amount of ₹1.82 crore has been received back. In one case, the financial sanction will be revised to regularize the expenditure. In the case of Bhilwara, it was stated that the matter will be taken up with the implementing agency for the recovery of the amount, or the amount will be adjusted against other work of the implementing agency, if possible. Further progress is awaited (March 2025). The facts remained that the funds were being transferred without due diligence.

(ii) As per administrative sanction for the work any excess payment due to non-completion of work in scheduled time will be borne by the implementing agency. Further, condition number 3C of the agreement stipulates that any extra amount incurred for completion of work will be recovered from the defaulting contractor and in case of default or non-observance of the conditions of the agreement, the contractor firm should be blacklisted.

In Bharatpur, it was noticed that a work "Construction of Road from Bharatpur to Sonkh" was awarded (30 April 2021) to Contractor A at a cost of ₹ 11.48 crore by the PWD. Dates of commencement and completion of work were 10 May 2021 and 09 August 2022 respectively. The contractor did not to adhere to the timeline for completion of work, therefore, Executive Engineer, Deeg recommended (05 January 2022) to blacklist the firm and condition 3C of the agreement to be invoked. Department withdrew (16 August 2022) the work after execution of work of ₹ 1.01 crore. A payment of ₹ 1.21 crore was made to the Contractor against this work executed. The payment of ₹ 11.45 lakh was made (November 2022) to the contractor after withdrawal of the work. The remaining work was further awarded to Contractor B at a cost of ₹ 14.76 crore. DMFT transferred ₹ 14.40 crore to implementing agency up to August 2023.

Further, the implementing agency imposed a penalty amounting to ₹ 21.46 lakh on the Contractor A for non-adherence of terms of agreement. This amount was recovered from the contractor as deduction from running bills and deposited to the head '0059' as miscellaneous revenue of the PWD instead of crediting it to DMFT fund. Scrutiny of these facts revealed that:

Condition no. 3C of the agreement stipulates that any extra amount incurred on work would be recovered from the defaulting contractor. As per the condition, an amount of ₹ 11.48 crore was to be transferred to the PWD, division, Deeg, however, the DMFT transferred an amount of ₹ 14.40 crore. Thus, an amount of ₹ 2.92 crore was transferred in excess.

Further, instead of blacklisting the defaulting Contractor A, a payment of ₹ 1.21 crore was made to the Contractor against the cost of work executed of only ₹ 1.01 crore. Thus, an excess payment of ₹ 20.45 lakh was made to the contractor.

Thus, DMFT Bharatpur did not monitor proper use of its funds.

In Exit Conference, the Secretary stated that detailed reply will be submitted in this case. Reply awaited (March 2025).

2.3.25 Monitoring and Evaluation by Selected DMFs

The fourth audit objective of the Performance Audit was to assess whether monitoring and evaluation of the scheme was adequate and effective.

Monitoring and evaluation play a pivotal role in ensuring the success of projects and programs. By systematically collecting and analysing data, monitoring an evaluation provides valuable insights into the progress and effectiveness of the implementation. Its primary objective is to identify the strengths and weaknesses and areas that require improvement, enabling informed decision-

making and strategic planning to achieve the objective of the scheme.

The audit observations pertaining to the selected DMFs are discussed in succeeding paragraphs:

2.3.25.1 Meetings of Managing Committee

Rule 11 of Rajasthan DMFT Rules, 2016 provides that the meeting of Managing Committee shall be held at least once in two months, and it shall be convened as decided by the chairperson of the Managing Committee.

In selected districts, it was noticed that meetings of Managing Committees were not held regularly in any district as prescribed in the rules. Total 205 meetings were to be held in these districts during the period June 2016 to March 2023 but only 66 meetings[39] were held.

The Government replied (September 2024) that due to COVID-19 in 2020-22 and elections in the State during the years 2018, 2019 and 2020, less meetings were held. The reply was not tenable as no meeting was held in Bharatpur (2016-17 and 2022-23), Bhilwara (2016-17 and 2021-22), Barmer (2019-20 and 2022-23) and Sikar (2022-23).

2.3.25.2 Meetings of Governing Council

Rule 9 (1) of the Rajasthan DMFT Rules, 2016 provides that the Governing Council shall meet as often as necessary but at least once in every quarter. In selected districts, it was noticed that meetings of Governing Council were not held as prescribed in rules. Total 135 meeting were to be held in these districts during the period June 2016 to March 2023 but only 35 meetings[40] were held. In Barmer district, no meeting of the Governing Council was convened after April 2021. Despite this, administrative and financial sanctions of ₹ 13.22 crore for various works were issued after the last meeting of the Governing Council without the approval of Governing Council.

The DMFTs replied (between August 2023 and February 2024) that less meetings were held due to elections in the State in the years 2018, 2019 and 2020 and COVID-19 in 2020-22. The reply was not tenable as not even a single meeting was held in Sikar (in the years 2019-20, 2020-21 and 2022-23), in Barmer (2019-20, 2020-21 and 2022-23), Bhilwara in 2019-20 and in Bharatpur in 2020-21. This indicates a lack of effective institutional arrangements as envisioned. Further, Government replied that approval of Governing Council will be obtained in next meeting.

2.3.26 Filing of Income Tax Returns and exemption

Trust or Commission (by whatever name called) referred to in clause (46) of Section 10 of the Income Tax Act; are required to file the return of income tax under Section 139 (4C). Under Section 10(46) of the Income-tax Act, specified income arising to a Trust or Commission, established or constituted by or under a Central or State Act or by a Central or State Government with the object of regulating or administering any activity for the benefit of general public, would

[39] Bharatpur (8/41), Bhilwara (13/41), Barmer (10/41), Banswara (17/41) and Sikar (18/41).
[40] Bharatpur (8/27), Bhilwara (9/27), Barmer (4/27), Banswara (8/27) and Sikar (6/27).

be exempt from tax subject to the condition that the said entity is not engaged in any commercial activity. The entity eligible to claim tax exemption under Section 10(46) is required to be notified by the Central Government as 'Class of persons' in the official Gazette.

Scrutiny of the records of the selected DMFTs revealed following non-compliance to the *ibid* provisions:

- Out of selected five DMFTs, DMFT Bharatpur had not filed its Income Tax returns since inception although, trust was issued (January 2021) with Permanente Account Number of Income Tax Department. Audit further noticed that Central Board of Direct Taxes (CBDT) sought (29 November 2019) the details from DMFTs across the nation to notify them as a 'Class of persons' for exemption from taxation under Income Tax Act. Further, Ministry of Mines, GOI also requested (17 January 2020 and 5 April 2020) to provide desired information to the CBDT. The desired information sought by CBDT was not provided by the DMFT Bharatpur. Therefore, it has not been notified as 'class of person' and is not eligible for exemption from taxation. It was further noticed that annual accounts of the DMFT Bharatpur were also not finalised for the year 2021-22 onwards.
- The CBDT notified (10 September 2021) all DMFTs except Bharatpur as 'class of person' under Section 10 (46) of the Income Tax Act. This notification would be effective subject to the conditions which include that each of the DMFTs would file return of income along with audit report. This notification would be deemed to have been applied for the financial years 2017-2018 to 2021-2022.
- Audit noticed that all four[41] DMFTs (notified as class of person) did not file their Income Tax Returns since inception. Annual accounts of Bhilwara was audited up to year 2018-19 and in other three districts up to the year 2021-22. Audit further noticed that annual accounts of the Trusts for the years 2016-17 to 2021-22 were showing excess of income over expenditure of ₹ 1,596.02 crore, of which income tax liability amounted[42] to ₹ 478.81 crore.

The Government stated (September 2024) that Income Tax Department has been requested to allow for exemption. In Exit Conference (05 September 2024), the Secretary, Mines accepted the observation and stated that directions are being issued to all DMFTs to act accordingly.

Conclusion

A micro analysis of Institutional arrangements, identification of mining affected people and areas, collection and utilization of DMFT fund, project management and monitoring in selected districts revealed that planning for implementation of projects was poor as identification of affected people and affected areas was not done resulting in implementation of projects in non-mining affected areas. DMFT contributions collected were not being deposited

[41] Bhilwara, Barmer, Banswara and Sikar.
[42] Calculated by Audit.

in interest bearing PD accounts as provided in Rules. DMFT contribution amounting to ₹ 20.80 crore was not received due to lack of mechanism to oversee the collection of DMFT contribution. In contravention of direction of Government of India, funds were transferred to State level agencies. Implementing agencies executed the works in violation of provisions of RTPP Act and Rules made thereunder. Further, DMFT funds of ₹ 57.05 crore was found transferred for ten works/project included in the State budget in violation of direction of GoI. Excess funds were found transferred to implementing agencies by the DMFTs. Income tax returns were not being filed by the DMFTs therefore, exemption from income tax under Section 10 (46) of Income Tax act was not available. Trustees in DMFTs were not appointed in timely manner. Meetings of Governing Councils and Managing Committees were not convened at regular interval. Advances given to implementing agencies were not monitored. Interest on delayed deposit of DMFT contribution was not levied by ME/AME concerned. Financial assurance submitted by the holders of ML/STP was forfeited by the Department in cancelled MLs and STPs, however, it was not deposited in DMFT fund as only forfeiture orders were issued but the same were not encashed.

Thus, we conclude that there is ample need of improvement in working of DMFTs so that benefit can be reach to the intended beneficiaries under the PMKKKY.

Recommendations:

The Government/Department may consider to:

- ***instruct the DMFTs to identify specifically mining affected areas and persons to provide the benefit of the fund to the actually affected persons and area.***
- ***return the funds diverted for State budgeted works.***
- ***circulate a check list to the DMFTs for preventing irregular sanctions.***
- ***introduce stricter accountability mechanisms for the Management Committee to ensure timely and appropriate actions to finalize and submit annual accounts and tax returns on time.***
- ***develop a mechanism to monitor timely appointment of Trustees according to the recommendations of Gram Sabhas and Governing Councils.***
- ***develop a mechanism to monitor regular meeting of Governing Councils and Managing Committees to oversee the working of the implementing agencies and benefits to the targeted area and persons.***

Other irregularities noticed during regular audit of Mines and Geology Department

2.4 Irregularities in Short-term Permits

Short-term Permit (STP) means a permit granted for excavation and removal of specified quantity of mineral from a specified area within a specified period[43] for executing works of Government, Semi-Government, Local Body, *Panchayati Raj Institution* or Organizations aided or funded by the Government. Rule 51 of the Rajasthan Minor Mineral Concession (RMMC) Rules, 2017 provides that STP may be granted for excavation and use of mineral masonry stone, *murram* and ordinary earth *etc.* to a contractor for executing works. The irregularities regarding issue and assessment of STPs noticed during the audit of offices of three Mining Engineers (MEs)/Assistant Mining Engineers (AMEs) are discussed in the succeeding paragraphs:

2.4.1 Wrong assessment of Short-term Permits

Assessments of Short-Term Permits were not done diligently which resulted in short recovery of ₹ 9.31 crore

Rule 51 (10) of the RMMC Rules, 2017 provides that for the construction, repair and renewal of National or Mega Highways, four or six lane roads, laying and repair of railway tracks, contractors shall apply as per sub-rule (3)[44] and royalty and other payments shall be paid as per clause (ii)[45] of sub-rule (9).

Further, as per provision of rule 51(11), where contractor has excavated and dispatched or consumed mineral to the extent of

- 10 *per cent* over and above the quantity specified in the permit, only single time royalty shall be recovered,
- quantity more than 10 *per cent* but upto 25 *per cent*, two times of royalty on entire quantity over and above specified in the permit shall be recovered, and
- any quantity more than 25 *per cent*, entire quantity over and above specified in the permit shall be treated as unauthorized excavation and

[43] As per Rule 51 (7) of RMMCR 2017 period of STP is co-terminus with the period of work order unless applied for shorter period.

[44] Every application for grant of short term permit shall be submitted to the Mining Engineer or Assistant Mining Engineer concerned mentioning quantity of minerals and period for which permit is desired along with prescribed documents.

[45] Apply for permit along with bill of quantity or G schedule, permit fees, contribution in the District Mineral Foundation Trust and royalty amount. The contractor shall submit the record for the assessment, along with consumption certificate issued by the competent authority and get a no-dues certificate from the Mining Engineer or Assistant Mining Engineer concerned.

contractor shall be liable to pay cost of such excess mineral which shall be computed as ten times of the royalty payable at the prevalent rate.

During the audit of records of the office of ME, Kota for the period April 2017 to March 2022, it was noticed (September 2022) that Executive Engineer, Public Works Department, National Highway Section, Kota, (EE Kota), issued (16 September 2016) a work order to a contractor for the work of "Widening of four Lane with paved shoulder with CC pavement from km 256/550 to 289/500, Kota-Darah section of NH 12 on EPC[46] mode". The Contractor obtained 26 STPs for excavating 21.42 lakh metric tonnes (MT) of mineral ordinary soil and eight STPs for excavating 13.26 lakh MT of minerals Masonry stone/Grit/GCB/Crusher dust after payment of advance royalty and DMFT amount.

On completion of the work, the EE Kota informed (July 2020) ME Kota that the quantities of mineral Ordinary Soil, Aggregate, and Stone dust/crusher dust used by the Contractor were 17.03 lakh MT, 13.49 lakh MT, and 3.35 lakh MT, respectively. The EE Kota also enclosed the Contractor's letter (19 March 2020) regarding consumption of minerals. The ME Kota issued (December 2020) a show cause notice under Rule 51, and 54 to the Contractor for excess use of minerals than the permitted quantity and to submit the reasons of not recovering the cost of minerals from the Contractor *i.e.* 10 times of the royalty for the excess use of minerals. The Contractor intimated that an excess of 3.58 lakh Metric Tons of mineral Masonry stone/grit/GSB/crusher dust was utilized than the permitted quantity in STPs and submitted documents to show that he had purchased the excess quantity of minerals from others after paying royalty. Accordingly, the ME Kota finalized the assessment of these STPs and a demand was raised (April 2021) for ₹ 91.14 lakh. The Contractor deposited the demand (20 April 2021) and was issued a no-dues certificate on 23 April 2021 by the Mines and Geology Department (Department).

Scrutiny of the records revealed that:

(i) The EE Kota had erroneously intimated the incorrect quantity (17,03,379 MT) of mineral ordinary soil to ME Kota. According to the letter of the Contractor, 17,03,379 cubic meters (*i.e.* 23,84,731 MT) mineral ordinary soil was used in the work. The EE Kota mistakenly used the wrong unit (metric ton instead of cubic meter) while intimating ME Kota. Thus, use of 6,81,352 MT of mineral (23,84,731 – 17,03,379) ordinary soil was short reported to the Department.

(ii) The Contractor used 27 *per cent* excess Masonry stone/grit/GSB/ crusher dust than the permitted quantity. However, while finalizing the assessment of the STPs, the ME Kota ignored the provisions of Rule 51(11) which

[46] EPC: Engineering, Procurement and Construction. The EPC mode of contract gives the entire responsibility of design and construction to the contractor and therefore has a longer defect liability period-cum-maintenance period.

provides that if mineral used was more than 25 *per cent* then entire quantity over and above specified in the permit shall be treated as unauthorized excavation and contractor shall be liable to pay cost of such excess mineral which shall be computed as ten times of the royalty payable at the prevalent rate.

Due to the above reasons, the ME Kota wrongly assessed the STPs which resulted in short recovery amounting to ₹ 9.31 crore as shown in ***Appendix-4***.

The Government replied (March 2024) that various letters have been written to the Executive Engineer, PWD National Highway, Division Kota for deduction of recovery of the amount for excess usages of quantity of mineral ordinary soil from the deposited security amount. Further, in respect of Mineral Aggregate/Masonry stone/GSB/Grit/Crusher dust, it was replied that the royalty was paid on the excess quantity of mineral by purchasing the same from other contractors, hence, a one-time royalty and other amount had been recovered as per rules.

The reply is not tenable, as Rule 51(11) clearly specified that 10-times royalty should be levied for the excess usage of mineral over the permitted quantity. The Rule is self-explanatory and there is no room for discretionary decisions for considering it as a procedural lapse on the Contractor's part and for levying/charging one-time royalty if the minerals used were royalty paid.

2.4.2 Irregular issue of STPs.

ME, Udaipur irregularly issued two STPs to a contractor without receiving advance payment of permit fees, contribution in the District Mineral Foundation Trust (DMFT), Rajasthan State Mineral Exploration Trust (RSMET) and royalty, amounting to ₹ 57.35 lakh and provided undue benefit to the contractor.

Rule 51 (10) of the RMMC Rules, 2017, provides that for the construction, repair and renewal of National or Mega Highways, four or six lane roads, laying and repair of railway tracks, contractors shall apply for STP as per sub-rule (3)[47] and royalty and other payments shall be paid as per Rule 51(9)(ii). According to the Rule 51(9)(ii), the contractor shall apply for permit along with bill of quantity or G-schedule, permit fees, contribution in the DMFT and RSMET, and royalty amount. The Contractor shall submit the record for the assessment, along with consumption certificate issued by the competent authority and get a no-dues certificate from the ME concerned.

Scrutiny of records of office of ME, Udaipur for the period April 2021 to March 2022, revealed that two STPs were issued (between June 2021 and August

[47] Every application for grant of short term Permit shall be submitted to the Mining Engineer or Assistant Mining Engineer concerned mentioning quantity of minerals and period for which permit is desired along with prescribed documents.

2021) to a Contractor. The ME irregularly issued these STPs without receiving advance payment of permit fee, DMFT contribution, RSMET contribution and royalty amount as required under the *ibid* provisions. The total amount to be received in advance for these STPs was ₹ 57.35 lakh as detailed in ***Appendix-5***. Thus, non-compliance with the rules resulted in irregular issue of STPs, extending undue benefit to the Contractor and causing non-receipt of due revenue amounting to ₹ 57.35 lakh.

The Government replied (March 2024) that letters have been issued to the work agency concerned to provide consumption certificate as well as to the Contractor for providing the information of mineral consumed and royalty deposited. Further progress is awaited. (March 2025)

2.4.3 Unauthorised excavation/use of minerals prior to issue of STP

Public work contractor unauthorizedly excavated/used 62,153.21 MT minerals ordinary earth and murram without obtaining STP and Department did not recover the cost of minerals amounting to ₹ 35.29 lakh

Rule 54(1) of RMMC Rules, 2017 stipulates that no person shall undertake any mining operation in any area without holding any mineral concession, permit or any other permission granted or permitted under these rules, as the case may be and shall not dispatch mineral from the mines, except from the quarry licenced area or bricks, without valid *rawanna* or transit pass. Rule 54(2) prescribed that no person shall transport or store or cause any mineral to be transported or stored except in pursuance of the provisions of these rules. Further, in accordance with Rule 54(3), the Mines and Geology Department was empowered to compound such cases by recovering the cost of mineral, equivalent to 10 times of the royalty amount.

Scrutiny of records for the period April 2019 to March 2022 of the Office of AME Nimbahera, revealed that a Contractor submitted (23 April 2019) online application for issue of STP for 17,300 metric ton (MT) of mineral ordinary earth for a work[48]. However, the contractor did not submit the hard copy of the application along with prescribed royalty and permit fee and therefore, the permission was not granted. The date of commencement of work was 10 September 2018 and the date of completion was 09 March 2021. In the application, the Contractor stated that 73,299.45 MT of ordinary soil and 9,337.24 MT of *murram* would be used for this work. After receipt of hard copy of the documents, the department granted STP on 29 October 2020.

[48] "Strengthening and widening of Bhadesar chauraha-Ghatiyawali-Gilunda-Shambhupura-Sawa-Nahargarh road (MDR-209) Km 0/0 to 22/0 and 25/200 to 28/00 and 29/150 to 36/0 and 36/250 to 39/00 (34.40 Km) District Chittorgadh Job No. 40/5054/SM and R/Gn/SC/ST/2018-19" allotted by work order no. 1356 dated 31.08.2018 in favor of a contractor of Public Works Department, Block Chittorgarh.

Audit scrutiny of the Measurement Book (MB) revealed that the contractor utilized ordinary soil and *murram* minerals without the requisite permission. It was observed that 40,847.80 cubic meter (57,186.92 MT) of ordinary soil and 3,547.35 cubic meter (4,966.29 MT) of *murram* were used for this work before the date of grant of STP *i.e.* 29 October 2020. The cost of the minerals used prior to issue of STP is detailed in **Table 2.8**.

Table 2.8: Cost of mineral used in the work prior to issue of STP

Name of mineral	Utilised quantity of mineral (in MT)	Royalty rate (in ₹)	Cost of mineral (₹ in lakh)
Ordinary soil	57,186.92[49]	4	22.87
Murram	4966.29[50]	25	12.42
Total	**62,153.21**		**35.29**

The above table shows that the Contractor had utilised 62,153.21 MT minerals prior to issue of STP. Due to unauthorized use of minerals in violation of the relevant provisions, the recoverable cost of the use of minerals amounted to ₹ 35.29 lakh.

The Government replied (April 2024) that PWD Division, Chittorgarh has been asked to inform the quantities of mineral used before issuance of STP. Further, progress is awaited (March 2025).

2.5 Unauthorised excavation of minerals

Rule 54(1) of RMMC Rules, 2017 stipulates that no person shall undertake any mining operation in any area without holding any mineral concession, permit or any other permission granted or permitted under these rules, as the case may be and shall not dispatch mineral from the mines without valid *rawanna* or transit pass.

During audit of offices of six SME/MEs/AMEs it was noticed that lessees had either excavated minerals in excess of the permitted quantity in the Consent to Operate (CTO) or without the required CTO. These are discussed in the succeeding paragraphs.

2.5.1 Excavation of mineral without obtaining Consent to Operate (CTO) or in excess of quantity permitted in CTO

Four Mining Engineers did not recover ₹ 20.45 crore for the unauthorised excavation of minerals i.e. either without the necessary CTO or by exceeding the permissible quantities specified in the CTO

Rule 34(1) of RMMC Rules, 2017 stipulates that no mining lease or quarry licence shall be granted without obtaining prior consents, approvals, permits, no-objections, as may be required under applicable laws for commencement of mining operations.

[49] Ordinary soil: 40847.80 (cubic meter) x (conversion factor)1.4.
[50] *Murram:* 3547.35 (cubic meter) x (conversion factor)1.4.

According to Rule 28(2)(iv)(b) of these rules, the lessee shall keep production of all the minerals within the limits of mine plan or permitted under applicable laws:

Provided that if lessee has excavated mineral to the extent of:

- applicable laws, only single time royalty shall be recovered;
- quantity more than ten *per cent* but up to twenty-five *per cent*, two times of royalty on entire quantity over and above specified in the mine plan or permitted under applicable laws shall be recovered and
- any quantity more than twenty-five *per cent*, entire quantity over and above specified in the mine plan or permitted under applicable laws shall be treated as unauthorized excavation and lessee shall be liable to pay cost of such excess mineral which shall be computed as ten times of the royalty payable at the prevalent rate, without affecting the powers of taking action by the other departments.

Further, according to Section 21 of Air (Prevention & Control of Pollution) Act, 1981, lessee must obtain a CTO from the State Pollution Control Board before excavation of minerals from the leases.

Audit analysed the dump data provided (9 November 2022) by the Department of Mines and Geology. Analysis of data disclosed that mining leases had excavated minerals either without CTO or more than the permitted quantity in CTO as discussed hereunder.

2.5.1.1 Excavation of mineral even after expiry of CTO

During audit (June 2022 to December 2022) of records of offices of two[51] MEs, it was noticed that two lessees had excavated 1.31 lakh MT of minerals soapstone and red ochre even after expiry of CTOs as detailed in **Table 2.9**:

Table 2.9: Details of excavated minerals after expiry of CTOs.

S. No.	Name of ME office and Audit period	Mining lease number and mineral	Period of approved CTO	Period of excavation and dispatch of minerals without CTO	Quantity of minerals excavated without CTO (in MT)	Recoverable amount under rule 28(2)(iv)(b) (₹ in crore)
1	2	4	5	6	7	8
1.	ME Udaipur (2021-22)	B3/1996 Soapstone	01.11.2014 to 10.04.2017	01.04.2019 to 31.03.2022	99,947.89	14.65
2.	ME Pratapgarh (2018-22)	6A/2001 Red ochre	01.06.2016 to 31.05.2019	01.06.2019 to 31.03.2020	31,400	1.00
	Total				**1,31,347.89**	**15.65**[52]

Source: Compiled by Audit from the records at ME offices.

[51] ME Pratapgarh and Udaipur.

[52] Recoverable amount under Rule 28(2)(iv)(b): 1. ME Udaipur: {(27339.32 MT*100 RR +729.07 MT*350+318.44 MT *75 RR +4154.5 MT *450 RR +26866.46 MT *100 RR +3400.11 MT *450 RR +31885.88 MT *100 RR +5254.11 MT *450 RR)*10 times} 2. ME Pratapgarh: (31400 MT *32 RR *10 times)

As shown in the above table, two lessees had excavated 1.31 lakh MT minerals after expiry of CTO. Thus, these lessees were liable to pay the cost of the unauthorized excavated minerals amounting to ₹ 15.65 crore. However, the MEs concerned did not initiate action to recover the cost of minerals.

The Government replied (March 2024) that according to the sub-section (7) of Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 the consent, unless given or refused earlier, be deemed to have been given unconditionally on the expiry of a period of four months of the making of an application in this behalf complete in all respects to the State Board. Since the Lease holder had applied for CTO within the specified time and the approval was pending, therefore, there was no irregularity in these cases.

The reply is not tenable because Rajasthan State Pollution Control Board (RSPCB) had cancelled (February 2023 and August 2021) these applications due to incomplete information i.e. non-submission of Environmental clearance, action plant for plantation and authenticated production figures. Therefore, the Department incorrectly considered deemed consent under the Act and should not have permitted excavation of minerals.

2.5.1.2 Excavation of minerals in excess of quantity permitted in CTO

Scrutiny of records of offices of two[53] MEs, revealed that four lessees excavated 0.76 lakh MT minerals *i.e.* masonry stone, marble, and granite, in excess of the quantity permitted in CTOs as detailed in **Table 2.10.**

Table 2.10: Details of excavated minerals more than quantity permitted in CTOs.

S. No.	Name of ME/AME office and Audit period	Mining lease number and mineral	Quantity permitted in the CTO (in MT)	Period of excavation	Quantity of excavated Mineral (in MT)	Excess quantity of minerals excavated than the CTO (in MT)	Percentage of excess quantity of minerals excavated than the CTO	Recoverable amount under rule 28(2)(iv)(b) (₹ in crore)
1	2	3	4	5	6	7	8	9
1.	ME Rajsamand-II (2021-22)	1220/1991 Marble	40,169	Aug. 2017 to July 2018	47,170	7,001	17.42	0.37
2.	ME Rajsamand-II (2021-22)	43/2002 Masonry stone	53,946	Oct. 2016 to May 2019	1,06,559.54	52,613.54	97.53	1.44
3.	ME Rajsamand-II (2021-22)	216/1993 Marble	10,056	May 2019 to April 2020	13,863	3,807	37.85	1.01
4.	ME Sojat City (2021-22)	9/2014 Granite	41,082	Nov. 2017 to Oct. 2021	53,886	12,804	31.16	1.98
	Total		**1,45,253**		**2,21,478.54**	**76,225.54**		**4.80**

Source: Compiled by Audit from the records at ME offices.

The above table showed that these four lessees had excavated 0.76 lakh MT minerals in excess of the permitted quantity in CTO. However, the MEs did

[53] ME Rajsamand-II (24.11.22 – 9.12.22) and Sojat City (9.11.22 -23.11.22)

not initiate the recovery of cost amounting to ₹ 4.80 crore for the unauthorized excavated minerals.

The Government replied (March 2024) regarding ME Sojat, that a notice had been issued to the lessee and action would be taken as per rules if the lessee's reply was found unsatisfactory. Regarding ME Rajsamand, the Government replied that notice had been issued to the lessee, and the lessee had submitted his reply. A letter has been written to ME Rajsamand requesting information on the action taken after receiving the lessee's reply. Further progress is awaited in above two cases (March 2025).

Regarding paragraph 2.5.1.1 and 2.5.1.2, it is pertinent to mention that all these information were available on the Departmental web-portal DMGOMS[54], however, the MEs concerned did not notice the irregularity and did not recover ₹ 20.45 crore[55] for unauthorised excavation and dispatch of 2.07 lakh MT[56] minerals.

2.5.1.3 Unauthorised excavation and dispatch of minerals

Scrutiny of records of Mining Engineer, Jaipur for the period April 2020 to March 2022, revealed (August 2022) that a total of 807 minor mineral mining leases were operated during this period. Scrutiny of the information available in the departmental web-based portal *DMGOMS* and related documents of 50 selected mining leases, it was noticed that the mining lease number 138/2001 had obtained Consent to Operate (CTO) from the Rajasthan State Pollution Control Board upto December 2016, thereafter CTO was not obtained. After mapping and reviewing the coordinates of this mining lease on web-based application "Google Earth Pro", it was noticed that even after the expiry of CTO, the lessee continued excavating minerals (until the last satellite picture dated 15 May 2023) and dispatched the mineral without *e-rawanna*.

On this being pointed out (September 2022), the Department replied (November 2022) that Mines Foreman was directed (November 2022) to physically verify the mining lease. After physical inspection on 23 June 2023, the Mines Foreman reported that 2,377.25 MT mineral (masonary stone) was unauthorisedly dispatched by the lessee. Further, it was also informed that a letter had been issued to the lessee to submit CTO and action would be taken as per rules.

Thus, the cost of unauthorisedly excavated and dispatched mineral *i.e.*₹ 10.46 lakh[57] was recoverable from the lessee.

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[54] DMGOMS: A web-based application "Department of Mines and Geology Online Management System".

[55] ₹ 20.45 crore: ₹ 15.65 crore (Total of Table 2.9) + ₹ 4.80 crore (Total of Table 2.10).

[56] 2.07 lakh MT: ₹ 1.31 lakh MT (Total of Table 2.9) + 0.76 lakh MT (Total of Table 2.10).

[57] 2,377.25 MT x 44 (Royalty rate per MT) x 10 = ₹ 10,45,990

The matter was reported to the Government (December 2023). The Government replied (March 2024) that demand has been raised and the amount would be recovered soon. Further progress is awaited (March 2025).

2.5.2 Under assessment of illegally excavated mineral

Illegally excavated mineral was under assessed by the official concerned which resulted in under reporting of recoverable amount of ₹ 37.95 lakh

Rule 54(1) of Rajasthan Minor Mineral Concession (RMMC) Rules 2017 stipulates that no person shall undertake any prospecting or mining operations in any area without holding any mineral concession, permit or any other permission granted or permitted under these rules, as the case may be. Rule 54(3) gives power to the Mines and Geology Department to compound the offence committed in contravention of the sub-rule (1) on payment of cost of mineral *i.e.* ten times of royalty and compound fee.

During audit (October 2022) of records of Assistant Mining Engineer (AME), Roopwas for the period August 2013 to March 2022, it was noticed that 36 *panchnamas* were made for unauthorized mining. Out of these, a *panchnama* was made on 23 October 2021 for illegal excavation of mineral masonry stone near village Ghatoli. One JCB and a tractor compressor was also seized at the spot. According to the *panchnama,* the size of illegal mining pit was 50 meter x 50 meter x 1.5 meter. The conversion factor for calculating the weight of the mineral was 2.5 per cubic metre. The official calculated the quantity of illegally excavated mineral as 750 MT. Royalty rate for the mineral masonry mineral was ₹ 44 per MT. Thus, the official calculated the cost of the mineral at ₹ 3.30 lakh (750MT x ₹ 44 royalty rate x 10) and compounding fee of ₹ 2.00 lakh. Since the accused absconded from the site of illegal mining, the AME filed a First Information Report (FIR) at Roopwas Police Station regarding the illegal excavation of 750 MT of masonry stone wherein ₹ 5.30 lakh was mentioned as recoverable amount.

Scrutiny of the *panchnama* revealed that according to the pit size, the department calculated the illegal excavated mineral of 3,750 cubic meter (50m x 50m x1.5m) against the illegal excavation of masonry stone as 9,375 MT (3,750 M^3 x 2.5 conversion factor). Consequently, the cost of mineral was ₹41.25 lakh (9,375 MTx₹44 royalty rate x 10). However, it was noted that the Department mentioned ₹ 5.30 lakh as recoverable in the FIR. Thus, the Department undervalued the cost of mineral amounting to ₹ 37.95 lakh (₹41.25-₹3.30 lakh). As a result, the recoverable amount was reduced by ₹ 37.95 lakh in the FIR.

The matter was reported to the Government (October 2023). The Government replied (March 2024) that notice has been issued to the Mines Forman concerned for wrong calculation of recoverable amount. It was also replied that

since the matter is sub-judice, an application has been filed in the Hon'ble Court to rectify the calculation.

2.6 Non-recovery of dues

During audit of offices of six MEs/AMEs it was noticed the due diligence was not taken for levy and recovery of mining receipts amounting to ₹ 65.31 lakh. These are discussed in the following paragraphs.

2.6.1 Non-recovery of Processing fee

Processing fee of ₹ 45.25 lakh remained uncollected due to non comply with the regulations regarding the issuance of e-rawannas and e-transit passes

Sub-rule 73(5) was added in the RMMC Rules 2017, *vide* notification dated 3 January 2022. Accordingly, an online processing fee of ten rupees is required for the generation of each *e-rawanna*. Additionally, the notification replaced the existing Rule 92 stipulating that *e-Transit Pass* shall be issued to the registered dealer on deposition of processing fee of rupees ten for each *e-Transit Pass* through *e-payment* for transportation/dispatch of royalty paid mineral.

During the audit of the records of five office of ME/AME[58], as well as the data available on the departmental web-based application DMGOMS, it was observed that the mining lease holders and dealers under the jurisdiction of these offices did not comply with the aforementioned rules by not submitting the required processing fee. During the period between 3 January 2022 and 31March 2022, a total of 7,54,708 *e-rawannas/transit passes* were generated by the lease holders and dealers, resulting in an outstanding processing fee amounting to ₹75.47 lakh, as detailed in ***Appendix-6***. There was nothing on record to indicate that the concerned MEs/AME took any action to recover the processing fee.

The matter was reported (July 2023) to the Government. The Government acknowledged the audit observation and replied (February 2024) that ₹30.22 lakh has been recovered in respect of pointed out cases and action would be taken to recover the remaining amount.

[58] ME: Ajmer, Bhilwara, Jhunjhunu and Jodhpur. AME: Rpoopwas.

2.6.2 Non- recovery of premium amount

The Mining Engineer (ME) did not initiate action to recover the due instalments of premium which resulted in non-recovery of ₹ 20.06 lakh

Rule 13 of Rajasthan Minor Minerals Concession (RMMC) Rules, 2017 prescribed the bidding parameters for e-auction for mineral concession *i.e.* Mining Leases. Accordingly, the bidders shall quote, premium amount equal to or more than the reserve price as mentioned in Rule 14 as per the bidding parameter, for the purpose of payment to the State Government. The successful bidder shall pay the premium amount in four instalments in the following manner:-

- first instalment, forty *per cent* of the premium amount, within fifteen days of completion of e-auction;
- second instalment, twenty *per cent* of the premium amount, before execution of mining lease deed or issuance of quarry licence, as the case may be;
- third instalment, twenty *per cent* of the premium amount, at the beginning of second year of lease/licence period; and
- remaining twenty *per cent* of the premium amount, at the beginning of third year of lease/licence period.

Further, according to the provision of Rule 87, any unpaid amount which a person is required to pay or for which he is personally liable to pay to the Government shall if such amount remains unpaid, be recoverable as an arrear of land revenue. Rule 28(2)(xvii)(a), provides that in case of any breach on the part of the lessee of any covenant or condition contained in the lease, the competent authority may determine the lease with prior approval of next higher authority and take possession of the said premises.

During the audit of records of the office of ME Makrana for the period April 2020 to March 2022, it was noticed (August 2022) that 12 mining leases were granted through e-auctions (4 October 2018) and contract for mining leases were registered on 24 December 2020. Scrutiny of records of these mining leases revealed that lease holders of 11 mining leases had not paid third installment of premium (twenty *per cent* of bidding amount) amounting to ₹ 20.06 lakh (***Appendix-7***) on the due date (21 December 2021). However, the ME did not issue notices to the lease holders to deposit the due amount. Meanwhile, the fourth installment of these leases, amounting to ₹ 20.06 lakh, had also become payable on 21 December 2022. Thus, a total of ₹ 40.12 lakh was not recovered up to September 2023.

The matter was reported (October 2023) to the Government. The Government replied (March 2024) that the lessees had deposited the amount of third installment of amount of ₹ 20.06 lakh but nothing was replied regarding outstanding demand of the fourth installment.

2.7 Unauthorised dispatch of minerals by misuse of *rawannas*

Unauthorizedly excavated 5.92 lakh metric ton of minerals were dispatched by 10 lessees with the support of rawannas issued for Mining Leases granted to them, however, the Mining Engineers concerned did not detect the illegal mining and recover the cost of minerals amounting to ₹ 20.23 crore

Rule 54(1) of Rajasthan Minor Mineral Concession Rules 2017 stipulates that no person shall undertake any mining operation in any area without holding any mineral concession, permit or any other permission granted or permitted under these rules, as the case may be and shall not dispatch mineral from the mines, except from the quarry licenced area or bricks, without valid *rawanna* or transit pass. Rule 54(2) states that no person shall transport or store or cause any mineral to be transported or stored except in pursuance of the provisions of these rules. Further, under the provisions of Rule 54(3), the Mines and Geology Department was given the power to compound such cases, in which the cost[59] of the mineral would be recoverable.

During the audit (May 2022 to December 2022) of offices of five[60] ME)/AME, it was noticed that a total of 2,048 mining leases (minor mineral) were being operated under their jurisdiction. Out of these, 220 mining leases were selected for test check. Coordinates of selected leases were mapped and reviewed on "Google Earth Pro" application. Information regarding mineral dispatched from these leases was available on the departmental web-based application *DMGOMS*[61]. Scrutiny of the information available on *DMGOMS* and images of selected leases of *Google Earth Pro* revealed that despite no excavation activities being carried out in 10 leases[62], 5.92 lakh metric tons (MT) of minerals were shown as dispatched from these particular leases using 21,687 *rawannas*. The details are given in the **Table 2.11.**

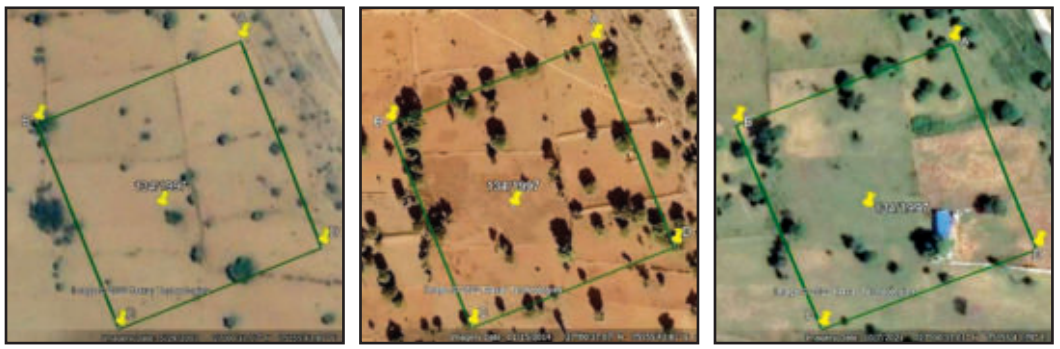
[59] Cost of the mineral: 10 times of the royalty of the mineral.
[60] ME: Ajmer, Karauli, Sirohi, Jaipur and AME Nimbahera.
[61] DMGOMS: A web-based application "Department of Mines and Geology Online Management System".
[62] ME Ajmer: five leases; ME Karauli: one lease; ME Sirohi: one lease; ME Jaipur: two leases and AME Nimbahera: one lease.

Table 2.11: Details of minerals dispatched by misuse of *rawannas*

S. No.	Name of Office	Audit period	Total Number of leases and (selected leases)	Selected Leases	No. of leases where misuse of *rawannas* noticed	Quantity of mineral dispatched (in MT)	No. of *rawannas* misused	Cost of minerals (₹ in crore)
1	ME Ajmer	2021-22	492	50	5	82,160.73	4,720	3.39
2	AME Nimbahera	2020-22	71	20	1	83,095.46	2,118	5.47
3	ME Karauli	2021-22	257	50	1	37,728.03	5,262	1.09
4	ME Sirohi	2021-22	421	50	1	10,877.15	471	0.31
5	ME Jaipur	2020-22	807	50	2	3,77,691.02[63]	9,116	9.97
	Total		**2,048**	**220**	**10**	**5,91,552.39**	**21,687**	**20.23**

Thus, as shown in the **Table 2.11** above a total of 5.92 lakh MT of minerals costing ₹ 20.23 crore (***Appendix-8***) was illegally dispatched by these 10 lessees through the misuse of 21,687 *rawannas*. The ME/AME concerned, however, did not detect the illegal mining and recover the cost of minerals amounting to ₹ 20.23 crore.

An illustrative satellite image of one of the above mentioned mining leases is given here under:



Imagery Date : 29 May 2003 | Imagery Date : 15 November 2014 | Imagery Date : 07 October 2021

Figure 1

The analysis of Satellite images revealed that there was no mining activity at ML number 134/1997 (ME Jaipur) during the period 29 May 2003 to 07 October 2021. However, the lessee dispatched 3.72 lakh MT mineral with the support of *rawannas* issued for this lease during June 2004 to 07 October 2021.

The fact indicates that *rawannas* were misused to transport minerals excavated from other than the allotted areas.

On this being pointed out, the Government replied (September 2023 and December 2023) that the ME office Karauli had raised a demand of ₹1.09 crore (in July 2023) against the respective lessee. The matter is currently being examined by ME Sirohi under his jurisdiction. Notices have been issued to seven lessees (ME Ajmer and Jaipur) and instructions were issued to the

[63] Out of 3,77,691.02 MT of minerals, 2,84,912.28 MT of mineral was dispatched by misusing offline *rawannas*. Information regarding number of offline *rawannas* was not available, hence the number of *rawannas* utilized could not be ascertained.

Foreman to examine the reply of these lessees. AME Nimbahera has also issued a notice to a lessee. Further, progress is awaited (March 2025).

2.8 Non-recovery of contract amount due to non-adjustment of performance security against outstanding amount

Assistant Mining Engineer, Nimbahera had not adjusted the performance security against the outstanding contract amount which resulted in non-recovery of ₹ 45.82 lakh from a contractor

Rule 44(26) of Rajasthan Minor Mineral Concession (RMMC) Rules, 2017 stipulates that in case of default in the due observance of the terms and conditions of the contract, the ME or AME concerned may terminate the contract after providing an opportunity of being heard by issuing a notice of fifteen days. Further, according to Rule 41 of these rules, the contractor will have to deposit performance security equal to 15 *per cent* of the annual contract amount and which will be adjusted against the departmental dues of the contractor on expiry or cancellation of the contract.

During the audit of records of the AME, Nimbahera for the period April 2019 to March 2022, it was noticed (December 2022) that under the jurisdiction of the office, three contracts for collection of royalty/excess royalty[64] were executed. Scrutiny of files of these contracts revealed that a contract for collection of excess royalty on minerals[65] dispatched from the mining leases in the jurisdiction of the office in favor of a contractor was executed (March 2019) for the period 06 April 2019 to 31 March 2021. The annual contract amount was ₹ 3.06 crore. The annual contract amount was revised (August 2019) to ₹ 3.49 crore due to increase in royalty rates by the State Government with effect from 22 August 2019. According to the Rules, a performance security of ₹ 45.82 lakh was submitted by the contractor in the form of bank guarantee as per the details given in the **Table 2.12.**

Table 2.12: Details of the bank guarantee submitted as performance security

S. No.	Date of bank guarantee	Guarantee amount (₹ in lakh)	Guarantee vaild upto
1	11.10.2018	34.96	10.10.2021
2	05.04.2019	10.86	04.04.2022

It was noticed that the contract was terminated (24 April 2020) due to non-compliance of 15 day notice issued to the Contractor for depositing the outstanding amount. As on the cancellation date, ₹ 45.56 lakh were outstanding against the Contractor. The Contractor filed a civil writ petition in the Hon'ble High Court, Jodhpur taking the plea of disruption caused by Covid-19 and

[64] "Excess Royalty Collection Contract" means a contract to collect royalty in excess of annual dead rent and any other charges as may be specified in the contract, on behalf of the Government for specified mineral dispatched by the mining lessee, from the area specified in the contract.

[65] Red Ocher, Yellow Ocher, China Clay, Quartz and Silica Sand.

complete lock-down after 22 March 2020. The Hon'ble Court, ordered (05 May 2020) that the Department shall not terminate the contract on account of non-payment of the amount pertaining to the lock-down period. It was also ordered that the Contractor was required to clear all his dues (upto 22 March 2020) within a period of seven days of the order. Thereafter, the Contractor was not interested to carry on the contract and again appealed to the Hon'ble Court. The Hon'ble Court, therefore, issued order (03 June 2020) to deposit the due amount[66] by 08 June 2020. It was also ordered that the Mining Department shall not invoke performance security without the leave of the Court. However, it was obligatory for the Contractor to renew the bank guarantee/performance security, at least seven days prior to the date of expiry of the previous performance security. In case the Contractor did not renew the same, the Mining Department would be free to encash the performance security without any further order.

It was noticed that the Contractor neither deposited the due amount nor furnished new performance security within the prescribed time. However, the AME, Nimbahera did not encash the performance security. Previous performance security had expired on 10 October 2021 and 04 April 2022.

Thus, due to non-encashment of the performance guarantee even after the instructions of the Hon'ble High Court, an amount equivalent to the bank guarantee of ₹ 45.82 lakh could not be recovered. The matter was reported to the Government (December 2023). The Government replied (February 2024) that a Committee was constituted (3 February 2022) for detailed checking of the matter. The Committee reported to the Directorate that the contract was irregularly cancelled by the office. Hence the performance security was not adjusted against the outstanding demand of the Contractor.

The reply is not tenable as ₹ 45.56 lakh were due against the Contractor prior to cancellation of the contract. Therefore, the Contractor was liable to pay the amount which was not deposited yet (June 2024). Further, the Government did not reply regarding responsibility, if any, fixed for irregular cancellation of the contract (March 2025).

2.9 Non-levy of late fee for delayed filling of monthly returns

Fourteen Assistant Mining Engineers (AMEs)/Mining Engineers (MEs) did not initiate for levy and recovery of late fee amounting to ₹ 9.35 crore on delayed filling of monthly returns by 48 mining lease holders. These officials also did not take action against the other 58 mining lease holders for non-submission of returns

According to the provision of Rule 28(2)(iv)(d) of the Rajasthan Minor Mineral Concession (RMMC) Rules, 2017, the lessee shall submit the monthly online

[66] up to the period 22 March 2020.

return by the 15th of the following month. It also provides that if the lessee fails to submit online monthly returns within the specified time, same may be submitted on payment of late fee at the rate of ₹ five hundred per day of delay, subject to maximum of ₹ fifty thousand.

During audit of records of offices of 14 AMEs/ MEs[67] for the period April 2018 to March 2022, it was noticed (December 2023) that:

- Forty-eight Leaseholders submitted 1,871 monthly returns after 31 March 2023 (date of close of amnesty scheme) with delay ranging between 351 and 2,147 days for which late fee amounting to ₹ 9.35 crore was to be levied by the MEs/AMEs concerned.
- Fifty-eight leaseholders did not submit 2,678 monthly returns for the months ranging between 17 to 48 months.

Audit noticed (December 2023) that neither any notices were issued to the lease holders regarding levy of late fee amounting to ₹ 9.35 crore for delayed submission of returns after 31st March 2023 nor any action was taken against the lease holders who had not submitted the returns.

Thus, late fee amounting to ₹ 9.35 crore could not be realised and no action could be taken in respect of cases of non-submission of returns.

The matter was reported to the Government (December 2023), the Government replied (February 2024) that notices have been issued to the lessees and action would be taken as per rules. The matter was again reported (June 2024) to the Government; reply is awaited (March 2025).

2.10 Undue benefit to lease holder by back-dated entry in the online-demand register

Assistant Mining Engineer did not raise the demand of illegal mining in the online demand register within the prescribed period. This lapse allowed the lease holder to generate e-rawannas worth ₹ 6.33 lakh and resulted in non-recovery of ₹20.73 lakh for illegally excavated minerals

Change management controls are used to ensure that amendments to a database are properly authorised, tested, accepted and documented. These controls should ensure that all system and program amendments are satisfactorily justified, authorized, documented and tested and that an adequate audit trail of the changes is maintained. All change procedures should be documented. Poor change controls could result in accidental or malicious changes to the software and data.

Department of Mines and Geology uses online departmental portal DMGOMS for various functions of the Department. One of the module of this portal is

[67] Ajmer, Jalore, Karauli, Bhilwara, Jodhpur, Jhunjhunu, Makrana, Jaipur, Kota, Roopwas, Sawai Madhopur, Sojat City, Udaipur and Rajsamand.

demand register. Whenever any amount is due from leaseholders, a demand is raised in the system and if the amount is deposited, then it is also depicted in the system. Further, as per Directorate of Mines & Geology order (18 October 2017) *e-rawannas* can only be generated by the mining lease holder if no departmental dues are payable.

During audit of the records of the Assistant Mining Engineer (AME) Sawai Madhopur for the period April 2017 to March 2022, it was noticed (November 2022) that a demand order for ₹ 20.73 lakh was issued on 2 February 2022 to a mining lease holder ML No. 78A/2010 for illegal mining of 2,820 cubic meter (7,332 MT) masonry stone outside the lease area. However, the demand was not raised in the online demand register in DMGOMS until January 2024. The Department informed (27 February 2024) that a demand had been raised in DMGOMS against the leaseholder by using the online debit/credit note module in the DMGOMS application. The demand entry was created on 1 February 2024 by the AME and the debit entry date was 2 February 2022.

This entry was retrospectively inserted into the system. Consequently, the backdated entry did not carry forward the demand in the subsequent year's demand register, and it did not accurately reflect the outstanding amount against the lease holder in succeeding years. Therefore, demand of ₹ 20.85 lakh[68] as of 31 March 2022 was not shown as opening balance as on 01 April 2022. This inaccuracy was continued in the online demand register for the succeeding years 2022-23 and 2023-24. Moreover, *e-rawannas* for royalty amount of ₹6.33 lakh were irregularly generated during the period 2 February 2022 to 31 March 2024, even though this amount was payable to the Department.

Thereafter, the Government agreed (May 2024) regarding system deficiencies in the DMGOMS and stated that the Module is being updated and is currently undergoing testing on the departmental server. Regarding the undue benefit to the leaseholder, as pointed in the para it was stated that detailed reply from AME (Sawai Madhopur) was awaited. The fact remains that the leaseholder was given undue benefit of ₹20.85 lakh which not recovered.

Further progress is awaited (March 2025).

2.11 Non-realisation of registration fee and stamp duty in respect of transfer of lease

Financial loss caused to exchequer of ₹ 7.62 crore on accounts of registration fee and stamp duty in violation of provisions of Rajasthan Minor Mineral Concession Rules, 2017 as well Rajasthan Stamp Rules, 2004

The Rajasthan Minor Mineral Concession Rules, 2017 (RMMCR, 2017) under Rule 27 (4) provides that where order for transfer of a mining lease has been issued, a transfer lease deed in Form-12 shall be executed within three months

[68] Included ₹ 0.12 lakh other pending demand.

from the date of the order or within such period as the competent authority may allow. Rule 27 (5) provides that the transfer of lease shall be effective from the day of registration of transfer lease deed.

Rule 27 (6) provides that the transfer lease deed in case of mining lease shall be registered within two months from the execution of transfer deed and shall be returned to the Mining Engineer or Assistant Mining Engineer concerned. Provided that if transfer deed has not been executed or got registered within the stipulated time, the order for transfer shall be revoked by the competent authority with forfeiture of transfer application fee and premium.

Rule 27(7)(iii) provides that the transfer of shares in a company, resulting in the change of control of management or ownership right of the said company shall also be treated as transfer. Rule 27 (8) provides that the lessee or licencee shall inform regarding any change as mentioned in sub rule (7) to the Mining Engineer or Assistant Mining Engineer concerned within sixty days along with the application fee and premium amount as per sub-rule (9). In such case, the transfer shall be effective from the date of such change of partner or director, as the case may be, under relevant law.

In addition to above, the Finance Department (Tax Division), Government of Rajasthan revised (21 November 2019) the rates of land for mining purposes under the Rajasthan Stamp Rules, 2004 (RSR 2004) *inter alia* including that in case of transfer of mining lease the rate of land shall be equal to four times of the rates of agriculture land of that area or four times of the amount of annual dead rent along with cost of the development works done on the site and other miscellaneous charges or the amount of royalty of preceding four years along with cost of the development works done on the site and other miscellaneous charges, whichever is higher.

Audit noticed (February 2023) that National Limestone Company Private Limited (NLCPL), Lakheri Cement Works, Bundi held a Mining Lease (ML) no. 259/1994 of 96.25 hectare in Kotputli for excavation of limestone and marble. It was taken over by ACC Limited on 20 April 2009. Since then, the NLCPL has been 100 *per cent* subsidiary of ACC Limited. However, on 30 November 2020, the 100 *per cent* shareholding was again transferred from ACC Limited to N.G Gadhiya Buildcon Private Limited. NLCPL made (24 December 2020) an application under Rule 27 (8) for intimation of transfer of Mining Lease by way of share transfer under Rule 27(7) (iii) and deposited transfer application fee ₹ 25,000 and transfer premium of ₹10 lakh to Superintending Mining Engineer (SME), Jaipur for issuing an appropriate transfer order. The SME, Jaipur permitted (8 April 2021) to continue the mining lease on terms & conditions of the original contract. In compliance of it, a supplementary contract on stamp paper was executed (21 May 2021) between an authorised representative of NLCPL and Mining Engineer, Jaipur, whereas a transfer lease deed in Form -12 should have been executed. The

Assistant Mining Engineer, Kotputli requested (25 May 2021) the NLCPL for registration of the supplementary contract within two months and thereafter submission of original registered supplementary contract to them. The NLCPL opposed it and represented it (19 July 2021) before the SME, Jaipur. The SME. Jaipur submitted (23 July 2021) the matter before the Directorate for necessary directions. Afterwards, SME, Jaipur communicated (26 August 2021) that according to the directions of the Government, intimation of transfer under the relevant law was enough in such cases and no separate transfer order required. Furthermore, there was nothing on record indicating the transfer of the lease to ACC when ACC Limited took over NLCPL on 20 April 2009.

The Government misinterpreted the relevant provisions of Rule 27 of RMMC Rules, 2017 and extended unwarranted benefits to the leaseholder. This has resulted in a revenue loss of ₹ 7.62 crore[69] to the exchequer on accounts of registration fee and stamp duty.

The matter was reported (September 2023) to the Government. The Government replied (March 2024) that the AME Kotputli had issued (12 December 2023) a notice to the lease holder to deposit the due stamp duty as per the Rule 27(7) of RMMC Rules, 2017 in compliance of the instructions (16 August 2023) of the Directorate of Mines and Geology. Further, progress is awaited (March 2025).

[69] Cost of land = ₹ 86,58,19,185 (Rate ₹ 22,48,881 per hectare x four times x ₹ 96.25 hectare) (Stamp Duty at the rate of 6 *per cent*, Surcharge thereupon 30 *per cent* and Registration Fee at the rate of one *per cent*).

CHAPTER-III

Transport Department

CHAPTER-III
Transport Department

3.1 Tax administration

The receipts from the taxes on motor vehicles payable under the provisions of the Central and the State Motor Vehicles Acts and rules made thereunder are administered at the Government level by Additional Chief Secretary (Transport). The Transport and Road Safety Department (Department) is headed by the Transport Commissioner (CoT) and is assisted by six Additional Transport Commissioners, four Deputy Transport Commissioners and five Joint Transport Commissioners. The entire State is divided into 13 Regions[1], headed by Regional Transport Officers (RTOs) as ex-officio Secretary, Regional Transport Authority.

3.2 Results of Audit

There are 58 Transport Districts[2] headed by RTOs/DTOs and 1.82 crore vehicles were registered therewith up to December 2022. There were 58 auditable units in the Transport Department. Out of these, 21 units were selected for test check wherein 1.40 crore vehicles were registered. Out of these, 68,122 vehicles were selected for test check. Audit noticed 7,007 cases involving ₹ 32.89 crore of non/short payment of tax, penalty, interest and compounding fees, irregularities relating to non/short determination of tax, computation of motor vehicle tax, etc. Some of the similar omissions were pointed out in earlier years also but not only did the irregularities persist, these remain undetected till audit was conducted. These cases are illustrative and are based on a test-check carried out by Audit. These irregularities noticed broadly fall under the following categories given in **Table 3.1**.

Table 3.1: Statement showing the amount objected by audit during the year 2022-23

(₹ in crore)

Sl.No.	Category	Number of cases	Amount
1.	Non/short payment of tax, penalty, interest and compounding fees *etc*.	6,588	32.62
2.	Irregularities relating to expenditure	257	0.27
3.	Other irregularities	162	-
Total		**7,007**	**32.89**

[1] Regions: Ajmer, Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Jaipur (First), Jaipur (Second), Jodhpur, Kota, Pali, Sikar and Udaipur.

[2] Transport Districts: Abu Road, Ajmer, Alwar, Bharatpur, Balotra, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhinmal, Bikaner, Bhiwari, Bundi, Chomu, Churu, Chittorgarh, Deedwana, Dholpur, Dudu, Dausa, Dungarpur, Hanumangarh, Jaisalmer, Jalore, Jodhpur, Jhalawar, Jhunjhunu, Jaipur(I), Jaipur(II), Karauli, Kota ,Kekri, Khetri, Kishangarh, Kotputali, Nagaur, Nohar, Nokha, Pipad city, Pokran, Pali, Phalodi, Pratapgarh, Rajsamand, Ramganj Mandi, Sawai Madhopur, Shahpura (Bhilwara), Shahpura (Jaipur), Sirohi, Sikar, Salumbar, Sumerpur, Sadulshahar, Sri Ganganagar, Sujangarh, Tonk and Udaipur.

During the year 2022-23, the Department accepted non/short payment of tax, penalty, interest and other irregularities of ₹ 56.77 crore in 9,648 cases, out of which 6,550 cases involving ₹ 29.87 crore were pointed out in audit during the year 2022-23 and rest in earlier years. During the year 2022-23 an amount of ₹ 4.93 crore was recovered in 2,156 cases, out of which ₹ 1.99 crore was recovered in 503 cases, these were pointed out in 2022-23 and rest in earlier years.

Some illustrative cases amounting to ₹ 36.37 crore are included as given below:

3.3 Taxes on motor vehicles not realised

Motor Vehicle Tax and Special Road Tax amounting to ₹ 12.10 crore in respect of 1,677 vehicles were not paid by vehicle owners. The Department, however, did not initiate effective action to realise the dues

As per section 4 and 4B of the RMVT Act, 1951 and the rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on transport vehicles used or kept for use in the State at the rates prescribed through notifications issued from time to time by the GoR. Surcharge is also leviable on tax due. This tax is payable annually and due on 1 April of every financial year and it has to be deposited by 31 March of the following year. Further, Taxation Officer is empowered to serve notice for recovery of tax under Rule 8 and 33 of the RMVT Rules, 1951 and to recover due tax or penalty by attachment and sale of the movable property of the person liable for payment under Section 13A of the RMVT Act, 1951.

During the year 2022-23, 21 transport offices were test checked and significant irregularities were noticed in 19 transport offices[3] regarding collection of Motor Vehicle Tax. A total of 4.66 lakh vehicles (Articulated goods vehicles, Goods vehicles, Contract Carriage Passenger Vehicles and Stage Carriage Passenger Vehicles) were registered in these offices out of which 14,872 vehicles were test-checked. Scrutiny of registration records, tax ledgers, general index registers and *VAHAN* application[4] for the period 2016-17 to 2021-22 revealed that owners of 1,677 vehicles did not pay the due tax. There was no evidence on record to prove that the vehicles were off the road/were transferred to other District/States or their registration certificates were surrendered. The taxation officers, however, did not initiate effective action to realise the tax due. This resulted in non-realisation of tax and surcharge amounting to ₹ 12.10 crore as mentioned in **Table 3.2.**

[3] RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Jodhpur, Kota, Pali, Sikar, Udaipur.
DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, Nagaur, Pratapgarh, PV-II Jaipur, Rajsamand, Sriganganagar.

[4] Departmental web-based application that takes care of the activities of vehicle *i.e.* registration, fitness, taxes, permits and enforcement.

Table 3.2: Details of motor vehicle tax not relaised

Sl. No.	Category of vehicles	No. of vehicles test checked	No. of vehicles (Objected)	Amount (₹ in crore)	Name of offices where irregularities noticed
1.	Articulated goods vehicles[5]	5,135	421	2.17	RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Sikar and Udaipur DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, Rajsamand and Sriganganagar
2.	Goods vehicles[6]	8,561	909	4.38	RTOs: Ajmer, Alwar, Bikaner, Pali and Sikar DTOs:Beawer, Bhinmal, Bhilwara, Churu, Jhunjhunu, Nagaur, Pratapgarh, Rajsamand and Sriganganagar
3.	Contract Carriage Passenger Vehicles (All India Permit)[7]	469	145	3.51	RTOs: Bikaner, Chittorgarh, Jodhpur, Kota, Pali, and Udaipur DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, PV-II Jaipur and Sriganganagar
4.	Stage Carriage Passenger Vehicles[8]	707	202	2.04	RTOs: Bikaner, Jodhpur, Kota and Sikar DTOs:Churu, Jhunjhunu, Nagaur, PV-II Jaipur and Rajsamand
Total		**14,872**	**1,677**	**12.10**	

Source: Compiled by Audit.

On this being pointed out (between May 2023 and April 2024), the Government replied (between June 2023 and April 2024) that in respect of 17 RTOs/DTOs an amount of ₹ 1.68 crore has been recovered from 276 vehicles. Further progress is awaited (August 2024). No reply was received from the remaining RTOs.

5 "Articulated goods vehicle" means a motor vehicle to which a semitrailer is attached.

6 "Goods Vehicles" means any motor vehicle constructed or adapted for use solely for the carriage of goods.

7 "Contract Carriage Passenger Vehicle" means a motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract.

8 "Stage Carriage Passenger Vehicle" means a motor vehicle constructed or adapted to carry more than six passengers excluding the driver.

3.4 Infructuous expenditure of ₹ 21.26 crore on procurement of Portable Weighing Machines

The Transport Department incurred an infructuous expenditure of ₹ 21.26 crore on 179 Portable Weighing Machines due to poor monitoring and coordination, leading to non-integration with VAHAN software and rendering them unusable

The Transport Department, Government of Rajasthan submitted a proposal in February 2021 to the Finance Department for procurement of Portable Weighing Machines (PWMs). These PWMs were intended to equip the Department's 'Flying Squads' for enforcing the Motor Vehicle Act, 1988 and various court judgments to control vehicle overloading. The Department citing overloading as a safety concern, highlighted in its proposal that overloading causes damage to road infrastructure and increases pollution. The Department in its proposal stated that as there was shortage of weighing balances on roads and it was inconvenient to escort overloaded vehicles to distant weighing centers, the PWMs would allow on-the-spot weight checks and automatic challan generation. The Department also stated that the procurement would be self-financed, recouping costs within a year through increased penalties from overloaded vehicles, projecting an additional ₹43.20 crore in revenue.

To ensure effective implementation of the project, the Department also proposed the constitution of a Project Management Unit[9] (PMU) headed by the Transport Commissioner to monitor implementation of the project and to coordinate the technical aspects in the implementation of the project.

The Government of Rajasthan accorded (May 2021) an administrative and financial sanction of ₹27.00 crore for the procurement of 179 PWMs. As per the scope of work, these machines were to be integrated with the Transport Department's *e-challan* portal/*VAHAN*[10]. The supplier was to provide API[11] integration, software, and technical support. Necessary software customization for the integration of portable weighing scales with VAHAN and *e-challan* portal/PoS devices[12] was required to enable automatic generation of *e-challans*.

The Department invited (August 2021) bids for the supply of PWMs and four firms participated in the tender. Being the lowest bidder, a Contractor was issued (December 2021) a work order for supply of 179 PWMs at a cost of ₹ 26.72 crore. As per work order the prices were inclusive of all the costs of supply, installation, testing and commissioning of PWMs including integration with PoS devices, warranty for three years and deployment of service engineers for

[9] The PMU had additional transport commissioners, financial advisor, technical director from NIC and system analyst of Department of Information Technology as other members.
[10] It is a flexible and comprehensive system that takes care of the activities of vehicle registration, fitness, taxes, permits and enforcement.
[11] Application Programming Interface.
[12] Point of Sale Machine

maintenance and technical support. The primary responsibility of the work of integration of PWMs rested with the Contractor. National Informatics Centre (NIC) authorities deputed at the Transport Department were to provide necessary assistance for the integration. Eighty *per cent* payment was to be done after supply of PWMs including stamping, training and software integration and rest 15 *per cent* was to be paid after three months satisfactory work and five *per cent* at the end of the contract.

The PWMs were supplied by the Contractor between December 2021 and February 2022 and the Department paid 80 *per cent* of the work order amount, *i.e.,* ₹ 21.26 crore (January and March 2022). However, during the review of the records at the Commissioner of Transport in December 2022, it was found that the machines were neither integrated with the PoS and *VAHAN 4.0* software nor the technical issues[13] faced being by the field units while using the machines were resolved.

To resolve these issues, a meeting of the Project Management Unit was held (December 2022) in which the representative of the Contractor informed that a hardware device (IOT) was to be installed in each PWM to enable the integration. The Director, NIC stated that further work of integration would be carried out after installation of IOT devices. However, the Department did not ensure the integration of PWMs and the field offices of the Department reported (May to December 2023) serious technical problems in PWMs which were not only making the use of these machines impractical by the Flying Squads but also made negative impact on revenue from collection of compounding fee.

This observation was also verified during the audit of nine RTOs/DTOs[14] offices in 2023-24, and it was noticed that 15 PWMs were provided to these DTOs, however, flying squads were unable to use these machines for generating e-challans due to the lack of integration with the VAHAN 4.0 software by the supplier and various technical issues. The Department also did not recover a penalty[15]of ₹ 3.01 crore (for the period from June 2023 to January 2024) from the Contractor for failure in resolving the complaints within the stipulated time.

Thus, the failure of the Contractor to integrate the PWMs with the *VAHAN 4.0* software and PoS devices has resulted in infructuous expenditure of ₹ 21.26 crore. The project fell short of its objectives due to deficiencies in monitoring and coordination by the Transport Department, leaving the PWMs unused. This failure continued to pose risks to road safety and infrastructure.

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[13] Discrepancies in vehicle weight readings, malfunctions in machine pads, motherboards, and indicators, printing issues, faulty chargers, and absence of service engineers.

[14] DTO: Kekri, Jalore, Jaisalmer, Banswara, Dungarpur, Phalodi, Jhalawar, Bundi and Chomu.

[15] As per terms and conditions of RFP a penalty of ₹ 600 per day per complaint remained unresolved for 48 hours and 1,500 per day per complaint remained unresolved for 72 hours was to be recovered from the Contractor.

Furthermore, the Department's inability to recover penalty of ₹ 3.01 crore from the Contractor aggravated the financial losses to the State Exchequer.

On being pointed out (September 2024), the Government replied (September 2024) that various letters had been issued to the Contractor to integrate the PWMs with the *VAHAN* software. However, the Contractor did not comply. The Financial Adviser also expressed concerns about wasteful expenditure and recommended recovering the amount from the Contractor. Action to forfeit the bank guarantee is being taken. Further progress is awaited (February 2025).

CHAPTER-IV

Forest Department

CHAPTER-IV

Forest Department

4.1 Introduction

Rajasthan is the largest state in the country in terms of area and its north-western part is desert or semi-desert. Rajasthan has a geographical area of 3,42,239 square kms, of which 9.62 *per cent i.e.* 32,921 square kms is Forest Land. This 32,921 square kms of Forest Land includes 13,350 square kms of notified protected area comprising three national parks, three tiger reserves, 27 sanctuaries, and 14 conservation reserves.

The Forest Department of the Government of Rajasthan is responsible for the conservation, protection, and sustainable management of the State's forests and wildlife. It oversees afforestation, biodiversity preservation, and eco-tourism promotion, while also enforcing forest and wildlife laws. Administratively, the Department is headed by the Principal Chief Conservator of Forests (PCCF) which is assisted by Chief Conservator of Forests (CCF) at Zonal level and Deputy Conservator of Forests (DCF) at District level. It also manages national parks and sanctuaries, and implements community-based programs such as Joint Forest Management to ensure people's participation in conserving Rajasthan's rich ecological heritage.

4.2 Results of audit

A brief description of the objections found in the audit of selected offices of the Forest Department during the year 2022-23 is given in **Table 4.1.** During the year 2022-23, there were a total of 119 auditable units under the Forest Department, of which audit of 21 units was done .

Table 4.1: Statement showing irregularities noticed by audit during the year 2022-23

Sl.No.	Subject	Number of Cases
1.	Lack of measurement book maintenance and pruning and overwriting of measurement books	4
2.	Not showing any details of payment of wages to workers	37
3.	Lack of maintenance of daily work registers	8
4.	Lack of recovery of liquidated damages	9
5.	Lack of Income Tax Deduction	4
6.	Irregular Expenditure/Extra Expenditure/Over-Spending/Double Payment/Overpayment/Wasteful Expenditure	78
7.	Administrative/Lack of financial and technical sanction and other irregularities	24

Sl.No.	Subject	Number of Cases
8.	Lack of utilisation of allocated budget/blockage of fund/Lack of obtaining utilisation certificates	10
9.	Lack of quality inspection/testing	12
10.	Lack of disposal of obsolete goods	4
11.	Miscellaneous irregularities	80
12.	Lack of Internal Audit	9
13.	Lack of submission of Records for Audit	4
Total		**283**

Source: Compiled on the basis of Inspection Report issued to the Department.

4.3 Subject specific Compliance Audit on 'Management of Tiger Reserves in Rajasthan'

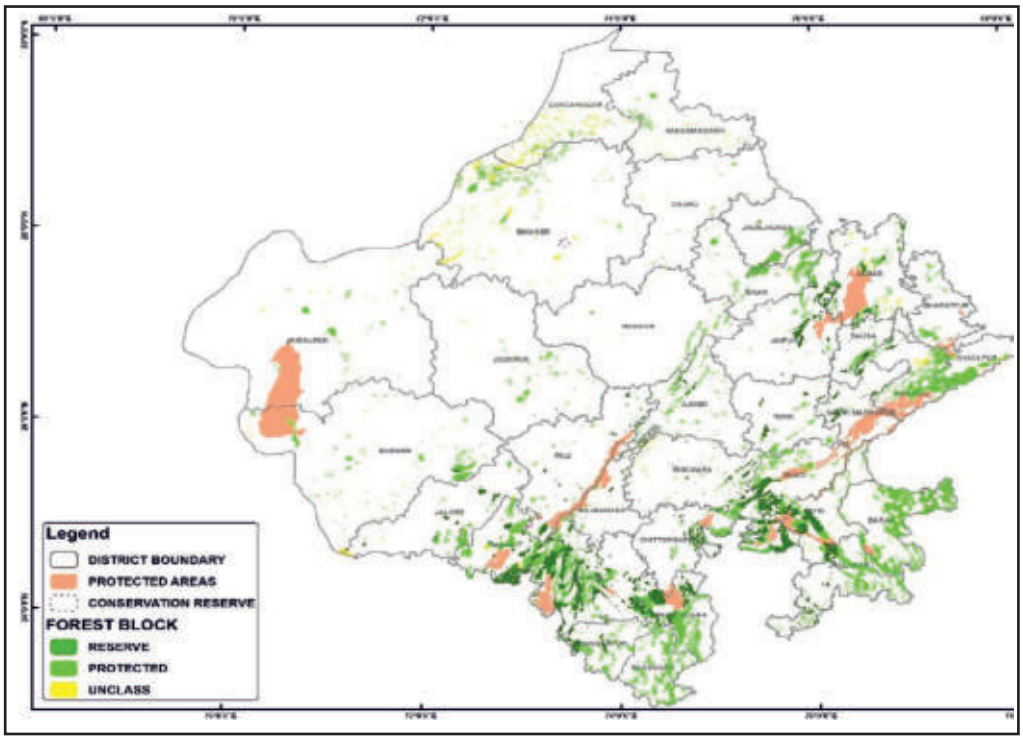
4.3.1 Introduction

The Wild Life (Protection) Act, 1972 empowers the State Government to declare any area of adequate ecological, faunal, floral, natural or zoological significance as a conservation reserve, a national park or a tiger reserve, to protect, propagate and develop wildlife or its environment. A forest area having a substantial presence of tigers with due recommendation of the National Tiger Conservation Authority[1] (NTCA) is considered for declaration as a tiger reserve.

Rajasthan has a geographical area of 3,42,239 square kms, of which 9.62 *per cent i.e.* 32,921 square kms is Forest Land. This 32,921 square kms of Forest Land includes 13,350 square kms of notified protected area comprising three national parks, three tiger reserves, 27 sanctuaries, and 14 conservation reserves. Forest map of the State is presented below in **Figure 4.1**.

[1] A statutory body of the MoEFCC, Government of India with an overarching supervisory/coordination role, performing functions as provided in the Wild Life (Protection) Act, 1972.

Figure 4.1: Forest map of Rajasthan



The details of three tiger reserves are given in **Table 4.2**.

Table 4.2: Details of Tiger Reserves

Sl. No.	Name of Tiger Reserves	Districts Covered	Date/ Year of Notification		Area (square kms)
			Core Area	Buffer Area	
(1)	(2)	(3)	(4)	(5)	(6)
1	Ranthambore Tiger Reserve (RTR)	Bundi, Karauli, Sawai Madhopur, Tonk	28 December 2007	06 July 2012	1,113.36
2	Sariska Tiger Reserve (STR)[2]	Alwar	28 December 2007	06 July 2012	881.11
3	Mukandara Hills Tiger Reserve (MHTR)	Bundi, Chittorgarh, Jhalawar, Kota	09 April 2013	09 April 2013	417.17

Source: Forest Department.

RTR is further divided into two forest divisions *i.e.* RTR-I at Sawai Madhopur and RTR-II at Karauli. In addition to the above, the State Government notified (May 2022 and October 2023) two new tiger reserves *i.e.* Ramagarh Vishdari Tiger Reserve (1,501.89 square kms) and Dholpur-Karauli Tiger Reserve (599.64 square kms). Tiger reserve area includes core area, buffer area and corridor area, as summarised below:

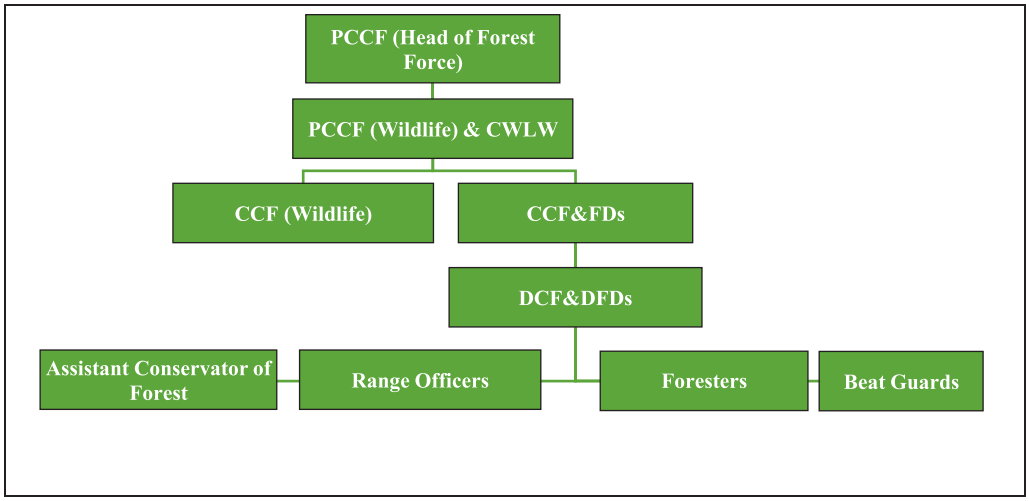
[2] Sariska is not notified as National Park.

Central part of a tiger reserve;	Buffer Area	Corridor
• protected space isolated from human contact; • required to be kept inviolate for tiger conservation.	• area peripheral to core area; • lesser degree of habitat protection is required; • minor forestry operations and other rights and concessions are permitted in a regulated manner.	• stretch of land linking tiger habitats; • allowing movement of tigers, prey and other wildlife from one area to another.

4.3.2 Organisational setup

The Forest and Environment Department is headed by the Principal Secretary at the Government level. The Principal Chief Conservator of Forests (Head of Forest Force) is the functional head of the Department. The Wildlife Wing is headed by the Principal Chief Conservator of Forests (Wildlife), who also acts as the Chief Wildlife Warden (CWLW). He is assisted by the Chief Conservator of Forests (Wildlife) at Headquarters, the Chief Conservator of Forest & Field Director (CCF&FD) and the Deputy Conservator of Forest & Deputy Field Director (DCF&DFD) at the field level. Organisational Chart of the Department is presented below in **Chart 4.1**:

Chart 4.1: Organisational Chart of the Forest Department



4.3.3 Audit Objectives

Audit was conducted to assess whether:

- management of tiger reserve and wildlife habitat has been done effectively; and
- adequate efforts were made for relocation and rehabilitation of villages.

4.3.4 Audit Criteria

The following were used as sources of audit criteria for this Audit:

- Wildlife (Protection) Act, 1972;
- Forest (Conservation) Act, 1980;
- Rajasthan Forest Act, 1953;
- Rajasthan State Forest Policy, 2010;
- National Wildlife Action Plan (NWAP) 2002-2016 and 2017-2031;
- Management Plans and Tiger Conservation Plans (TCPs); and
- Guidelines, orders, circulars, manuals and instructions issued by the Department, State Government, the Ministry of Environment, Forest and Climate Change (MoEFCC), Wildlife Institute of India (WII) and NTCA.

4.3.5 Scope and Methodology of Audit

Records maintained at the offices of the Principal Chief Conservator of Forests (Wildlife) and the field level offices of CCF&FDs and DCF&DFDs of RTR, STR and MHTR were examined to conduct Subject Specific Compliance Audit (SSCA) on 'Management of Tiger Reserves in Rajasthan'. The Audit covering the period of five years from 2016-17 to 2020-21[3] was conducted between July 2021 to January 2022. The position of reported issues was updated (October 2024) upto 2022-23[4].

The objectives, methodology, and scope of the SSCA were discussed with the Principal Secretary (Forest and Environment Department) and the officers of the Forest Department at an Entry Conference held on 02 August 2021. The Exit Conference was held on 30 September 2022, wherein all the audit findings were discussed. The reply of the Government was received in November 2022 and December 2024, which was appropriately considered in the relevant paragraphs.

4.3.6 Previous Audit Coverage

The Comptroller and Auditor General of India (CAG) had conducted a thematic audit on 'Rehabilitation of villages situated in critical Tiger Habitats of Ranthambhore and Sariska Tiger Reserve' which was included in Audit Report No. 3 of the Year 2015. The Public Accounts Committee (PAC) had discussed

[3] Issues relating to notification of Eco Sensitive Zones, approval of Tiger Conservation Plans in RTR and STR, development of corridors in RTR, relocation of villages from RTR and STR, regulating anthropogenic activities in STR, demarcation of boundary and mutation of land in the name of Department, encroachment, mining activity, forest fire, cattle grazing, *etc*. for the period 2013-14 to 2017-18, were previously covered in Performance Audit on 'Protection of forest and wildlife in Rajasthan' (Audit Report No. 5 of the Year 2019). In the present SSCA the status of the above issues with specific emphasis on RTR, STR and MHTR have been included besides other issues.

[4] Where data was available, the position has been updated upto 2023-24.

the Report in January 2017 and recommended that the Department may assess actual funds required for relocation of all villages to decide a timeline to implement relocation of 66 villages of RTR and 28 villages of STR. The PAC also stressed upon making coordinated efforts with the District Administration for timely village relocation so as to develop corridors for movement of tigers.

Another Performance Audit on 'Protection of forest and wildlife in Rajasthan' was included in the Audit Report No. 5 of the Year 2019 which was discussed by PAC in December 2021. PAC recommended to take effective action regarding encroachment and illegal mining on forest land and to expedite the process for declaration of Eco-sensitive zones.

This SSCA was undertaken to follow-up the recommendation made by PAC and also make an overall assessment of the conservation and protection of wildlife.

4.3.7 Acknowledgement

Audit acknowledges the co-operation extended by the officers and staff of the Department of Forest, Government of Rajasthan (GoR).

Audit Findings

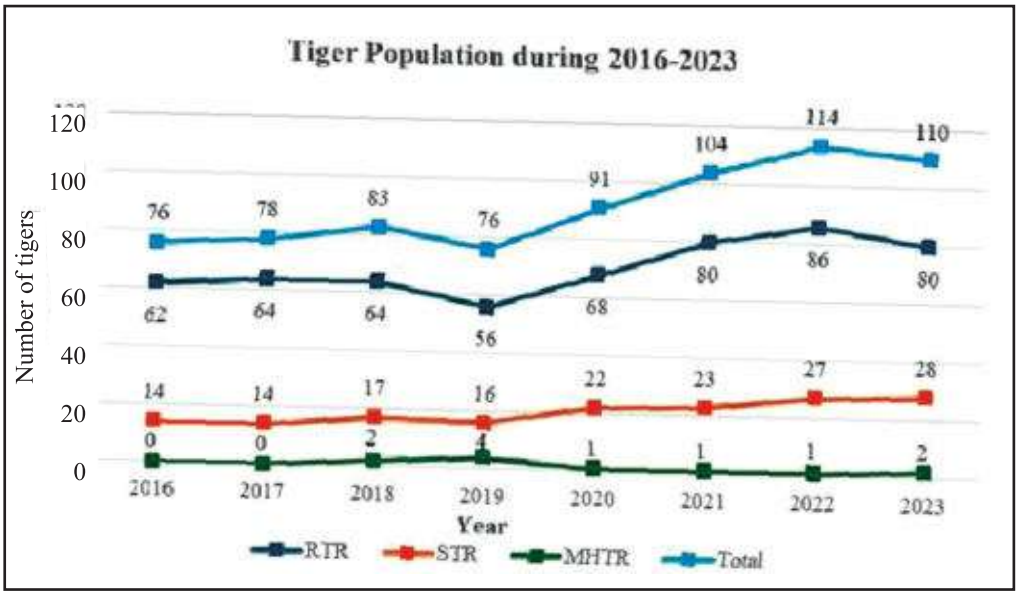
The first audit objective is to see whether management of tiger reserve and wildlife habitat has been done effectively.

Under this objective, audit noticed shortcomings in conservation and protection of wildlife such as poaching in tiger reserves, monitoring and surveillance mechanism, patrolling, development of Corridors, mitigating measures in tiger reserves, allocation of resources for conservation. Further, various issues related to management and consolidation of wildlife habitats such as mining inside and around tiger reserves, anthropogenic activities, Eco-friendly tourism, non-eradication of invasive species, inadequate fire safety arrangements were also noticed. These issues are discussed in the succeeding paragraphs:

4.3.8 Conservation and Protection of Wildlife

Wildlife conservation encompasses support to protected areas, development of corridors, prevention of forest offences and poaching, wildlife health management, mitigating measures to save wildlife, *etc*. The key to successful conservation is the level of protection enjoyed by wildlife species that inhabit the area. Population of tigers in RTR, STR and MHTR during 2016 to 2023 is presented in **Chart 4.2**.

Chart 4.2: Tiger population during 2016-2023



As evident from the above chart, the population of tigers shows an increasing trend in all three tiger reserves. Total tigers in three tiger reserves increased from 76 in 2016 to 110 in 2023.

The issues noticed by audit relating to the Conservation and Protection of wildlife are discussed in the succeeding paragraphs:

4.3.8.1 Tiger fatalities

The State Government is responsible for ensuring the conservation and protection of tigers to minimise their fatalities, for which guidelines have also been issued by NTCA from time to time. As per NTCA Standard Operating Procedure (December 2012), the Department was also required to ascertain causative factors for tiger death.

In this regard, it was noticed that the Department did not ensure safety of tigers, which led to death of 14 tigers in RTR, STR and MHTR during 2016-24, as summarised in **Table 4.3**.

Table 4.3: Details of Tiger deaths during 2016-24

Sl. No.	Cause of Death	RTR	STR	MHTR	Total
(1)	(2)	(3)	(4)	(5)	(6)=(3)+(4)+(5)
1	Poaching	2	2	-	**4**
2	Territorial Fight	9	1	-	**10**
Total		**11**	**3**	**-**	**14**

Source: Forest Department.

The above included death of 14 tigers on account of Poaching (four tigers), Territorial fights (ten tigers), which were controllable by the Department by taking various conservation and protection measures. In addition to the above, nine tigers died due to diseases and two tigers (T-58 and T-2312) were reported

dead in RTR-I during July 2024 and September 2024, for which reasons are being investigated.

The reasons for tiger fatalities were analysed and audit observations are given below:

(i) Poaching in tiger reserves

Poaching, one of the major threats to tigers, is prohibited under the provisions of Wildlife (Protection) Act, 1972. RTR, STR and MHTR executed (December 2010, January 2018 and December 2019) MoUs with NTCA for the deployment of Special Tiger Protection Force (STPF) in tiger reserves.

Audit noticed that 393 offences relating to poaching of wild animals during 2016-23 in RTR, MHTR and STR, have been registered. The reasons for instances of poaching included non-establishment of STPF in STR and MHTR, shortfall of manpower in patrolling camps (**Paragraph 4.3.8.1 (iii)**), *etc*. As stated above, four tigers lost their lives in RTR and STR during 2016-24 due to poaching, defeating the objective of conservation and protection of tigers in RTR and STR. This shows that department could not prevent poaching in protected area, which resulted in the death of tigers.

The State Government stated (November 2022) that generally, the offences occur in remote areas, for which witnesses and complaints are not available, which makes investigation a challenging task. Thereafter, in December 2024, it was replied that Sariska Tiger reserve lost tigers in 2004 due to poaching.

This indicate that there is a need to improve vigilance to control forest crimes including poaching.

(ii) Wildlife Surveillance and Anti-poaching System

In order to improve monitoring and surveillance mechanism for prevention of poaching and other illegal activities, Wildlife Surveillance and Anti-poaching System (WS&APS)[5] was established in RTR, STR and MHTR during 2018-19 and 2019-20, with the support of Department of Information Technology and Communication (DoIT&C). It envisaged establishment of 44 camera towers[6] in RTR, STR and MHTR at a cost of ₹ 62 crore, for which site was to be selected from critical areas identified in joint feasibility study by the DoIT&C and the Forest Department.

In this regard, it was noted that the commissioning and utilisation of WS&APS was deficient, which defeated the objective of its installation and adversely impacted the monitoring and surveillance mechanism, as detailed below:

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5 An integrated software-based surveillance solution equipped with high end thermal/optical cameras.

6 RTR-12, STR-16 and MHTR-16.

- **Deficient selection of location:** Audit noticed that no field survey was conducted in STR and MHTR for selection of probable location of towers for installation of cameras. Though, field survey was conducted in RTR, but the location of towers were selected by DoIT&C as per their technical convenience, without consulting the Forest Department. It was observed that all the locations of towers where 12 cameras were installed were different than the locations identified in the field survey.

- **Delayed repair of defective cameras:** As per the agreement (June 2017) the vendor, was responsible for operation and maintenance of cameras for five years from the date of installation. In this regard, it was noted that camera of 44 locations of RTR, STR and MHTR became unserviceable for 157 times during 2020-23. However, the Department did not ensure repair of cameras promptly. In 59 cases, one to two month were taken to repair and in 46 cases this time was beyond 2 months. **(*Appendix-9*)**.

- **Unmanned Control Command Centre:** Control Command Centre, for monitoring of live data of WS&APS, was established at Aranya Bhawan, Jaipur, which started functioning in April 2018. However, the officers and staff of forest department were posted (January 2019) in the Control Command Centre, after eight months from the date of establishment of centre. Further, five out of seven staff, took charge (August 2020 and October 2020) with a delay of more than two years from the date of establishment of centre.

- **Detection of poaching instances:** After establishment of WS&APS, 130 cases of poaching were recorded (2019-23) in RTR, STR and MHTR, out of which only13 cases were detected by WS&APS. Twelve tigers were reported missing after establishment of WS&APS, which could not be detected by the system. CCF&FD, STR itself accepted (December 2020) that the WS&APS was not useful in detecting poaching cases in night.

- **Inaction on detected cases:** The Department did not take effective action on the probable instances detected through WS&APS, as detailed below in **Table 4.4**.

Table 4.4: Position of action taken on instances detected through WS&APS

Year	RTR			STR			MHTR		
	Detected	Action Taken	*per cent*	Detected	Action Taken	*per cent*	Detected	Action Taken	*per cent*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2019-20	85	2	2.35	381	185	48.56	278	0	-
2020-21	669	5	0.75	508	425	83.66	632	1	0.16
2021-22	1,087	0	-	1,232	143	11.61	2,395	2,225	92.90
2022-23	1,433	773	53.94	1,144	70	6.12	3,078	3,038	98.70
Total	**3,274**	**780**	**23.82**	**3,265**	**823**	**25.21**	**6,383**	**5,264**	**82.46**

Source: Forest Department.

From the above, it is evident that the Department did not take action on

53.14 *per cent*[7] of the probable instances detected by WS&APS. Thus, the objective of establishing the WS&APS to ensure monitoring and surveillance mechanism in tiger reserves could not be achieved fully, in absence of proper selection of site for installation of cameras, delayed action on cases detected by the system, non-repair of unserviceable cameras in time.

The State Government stated (November 2022) that the location of towers was finalised on the basis of technical feasibility, sensitivity and prioritisation of areas. The Department stated that action on cases detected by WS&APS could not be taken due to inadequate manpower. Further, the Department stated that DoIT&C was regularly intimated about non-working cameras.

In December 2024, it was replied that repair work of faulty cameras is also being done regularly. Prompt action has been taken in cases related to wildlife hunting.

As per information submitted by RTR, five cameras out of 12 were still (December 2024) not working from July 2024.

The reply is not acceptable, as the details of selection of locations were not provided to Audit therefore the reply could not be verified by Audit.

(iii) Patrolling

Rajasthan Forest Manual provided that patrolling is the most effective physical deterrence to poaching. The security of a tiger reserve is dependent on availability of proper infrastructure facilities to a large extent, which include well equipped patrolling camps, availability of adequate modern equipment, adequacy of manpower, *etc*.

- ***Patrolling Plan***: Rajasthan Forest Manual provided that a periodic patrolling plan must be drawn up by each tiger reserve, which should be updated regularly for maximum area coverage based on intelligence report[8]. However, no patrolling plan was found prepared for any of the tiger reserves of the State. Further, crime information reports were also not maintained at RTR and MHTR patrolling camps as NTCA guidelines prescribed to collect data of crime before preparing patrolling plan.
- ***Staff at Patrolling camps*** - Strategically located forest camps and intensive patrolling by the ever-vigilant staff help control intrusion and encroachment. Compendium of guidelines and circulars issued (November 2004) by Director (Project Tiger), MoEFCC provided that a patrol party should ideally be provided with at least four staff.
- There were 175 patrolling camps[9] in RTR, STR and MHTR. However, the patrolling camps were not adequately staffed, as against the requirement of

[7] Out of total 12,922 cases detected by WS&APS in RTR, STR, and MHTR during 2019-23, Department has taken action only in 6,867 cases.
[8] As prepared by State Wildlife Crime Bureau.
[9] RTR-85, STR-57 and MHTR-33.

staff of 700 in the above patrolling camps, 388 staff were posted, leaving a vacancy of 312[10] staff. Further, it was noticed that as on 31 March 2023 more staff were posted in ranges situated near the division offices and at main roads, than the *nakas*/*chowkis* situated in remote areas, which were more prone to risk. Joint physical inspections of 19 patrolling camps[11] also revealed that one *chowki* in RTR was established without any building and staff and in four *chowkis*[12] only single staff was deployed. In addition, it was noted that only one to two home guards were deployed at three *chowkis*[13] along with forest guards in place of STPF.

- ***Facilities at Patrolling camps*** **–** Joint inspections of 19 patrolling camps in RTR, STR and MHTR revealed that firearms were provided in only one patrolling camp at Borawas in MHTR. Further, tiger tracers[14] were provided only in two patrolling camps *i.e.* at Kho and Kushalgarh in STR. In addition to this, various other auxiliary facilities *viz.* water bottle, mosquito net, first aid kit, measurement tape, torch, battery, binocular, protection wall, light, drinking water, *etc*. were also not available in all patrolling camps.

Thus, in the absence of implementation of prescribed measures for evaluation of threats by formulating patrolling plan, deploying adequate staff at patrolling camps, providing adequate facilities at patrolling camps, *etc.*, security of wildlife was compromised to that extent.

The State Government stated (November 2022 and December 2024) that patrolling was undertaken according to the assessment of sensitivity of various areas and as per TCP. Further, infrastructure was being gradually provided as per availability of funds.

The reply is not acceptable, as the Department did not furnish the details of their patrolling plans as provided in the Forest Manual. Further, despite the fact that the fund was available with the Department, same could not be utilized to ensure adequate infrastructure **(Para 4.3.8.1(i)).**

(iv) Development of Corridors to avoid territorial fights

Wildlife corridors are inherent geographical linkages, which facilitate movement of tigers and other animals. It is necessary to identify and develop corridors between two wildlife population areas, especially for tiger reserves having high tiger density, to enable safe dispersal of tigers to avoid conflict among them.

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10 RTR-146, STR-105 and MHTR-61.
11 MHTR-three, RTR-eight and STR-eight.
12 RTR-Ungulate *chowki*, Raipur, STR - Barrier Bharthari, Tarunda.
13 19 *chowkis* as per the joint inspections carried out with the departmental officials.
14 A glass plate, about 25 by 30 centimetre, which is used to trace the outline of the pugmark left on the pug impression pad.

There was extreme pressure of tiger population in RTR-I, which necessitated a critical need for development of corridors for dispersal and movement of increasing tiger population from high density areas to low density areas. The details of tiger density in RTR, STR and MHTR are furnished in **Table 4.5.**

Table 4.5: Details of tiger density in tiger reserves

Name of Tiger Reserve	Area (square kms)	Number of tigers (as on March 2023)	Average area covered by one tiger (in kms)
(1)	(2)	(3)	(4)
RTR-I Core area	636.24	76	8.37
RTR-II Core area	477.12	4	119.28
STR Core area	881.11	28	31.47
MHTR Core area	417.17	2	Nil[15]

Source: Forest Department.

Accordingly, the State Government, in consultation with NTCA, identified (April 2013, January 2014) development of six corridors[16] for the movement of tigers and other animals from the high animal density areas of RTR to other suitable areas, out of which one corridor i.e. RTR-Kailadevi-Banas river[17] was considered as the most crucial for movement of tigers out of RTR-I because of its close proximity with RTR-II.

However, the Department did not ensure development of any of the identified six corridors, including the critically required corridor between RTR-I and RTR-II. The reasons for non-development of corridors were failure to relocate villages present in the proposed corridors, not carrying out activities like delineating the corridor, conducting detailed survey and preparation of micro plan for intensive programme of rehabilitation and fencing on the agriculture fields that fall in the corridor passage *etc*. Non-development of the proposed corridors led to unwarranted higher tiger density (8.37 kilometer per tiger) and consequent death of nine tigers in RTR-I during 2016-24, due to territorial fights, which was much higher than that of poaching.

The State Government replied (December 2024) that activities such as grassland development, juliflora eradication *etc.* are being done in corridor areas. The reply is not tenable as other planned activities such as delineating the corridors, discouraging fencing on the agriculture fields that fall in corridor areas, develop water points at appropriate places were not carried out to facilitate easy movement of tigers.

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15 Tigers were translocated and kept in enclosure to ensure their safety and protection, and to help them acclimate to the reserve's wild; therefore, entire area of Tiger Reserve was unutilised.

16 RTR: Ranthambhore-Keladevi Wildlife Sanctuary-Van Vihar Wildlife Sanctuary, Ranthambhore-Kuno-Palpur Wildlife Sanctuarys and Ranthambhore-Ramgarh Vishdhari-Mukandara Hills (three), STR: STR-Jamwa Ramgarh (one), MHTR: Indragarh–Lakheri-Ramgarh Vishdhari Sanctuary-Dabi-Jawahar Sagar Sanctuary, Chambal–Kalisindh to Dara Wildlife Sanctuary (two).

17 Part of Ranthambhore- Kailadevi Wildlife Sanctuary-Van Vihar Wildlife Sanctuary.

4.3.8.2 Mitigating measures in tiger reserves

Various infrastructures in tiger reserves *i.e.* roads, railway lines and transmission lines cut across the landscape, fragment wildlife habitat and often result in mortality of animals, thus, endangering many of the species that have already been severely affected by development. Accordingly, WII prescribed (October 2016) construction of underpasses, use of noise barriers and ban on night traffic on the roads passing through tiger reserves. TCP of STR for the period 2014-24, provided that electricity lines passing through tiger reserve should be checked from time to time to avoid short circuiting, fire and electrocution of wild animals.

In this regard, it was noted that, the Department did not ensure mitigating measures in RTR, STR and MHTR, as detailed below:

- Eight[18] transmission lines were passing through the tiger reserve in RTR, STR and MHTR. There were four[19] recorded wildlife mortalities in MHTR and one mortality of Bear in RTR, due to electrocution during audit period. Inspite of that, no insulation work or other mitigation measures were carried out by any of the tiger reserves in co-ordination with the Energy Department, which led to continued threat to wildlife.
- As per the conditions laid down by NTCA, speed bumps and rumble strips were to be constructed at every 300–400 metre distance along the roads in tiger reserves. However, during joint physical inspection (November 2021) of widened (2019-20) stretch of 10.69 kms Sawai Madhopur-Shivpuri Road (SH- 30) passing through the core area of RTR, it was noticed that speed bumps and rumble strips were not constructed as per the conditions.
- Inspite of the above roads passing through tiger reserves, there was no correspondence on record with respective authorities, for carrying out mitigation measures for the same.

  Consequently, 17 animals[20] in MHTR (2016-23), two Panther and 261 other animals in STR (2016-23) were reported killed in road accidents. The Government stated (November 2022) that various mitigation measures viz. installation of appropriate signage, construction of adequate speed-breakers, proposal of elevated road from Thanagazi to Natnikabara, construction of underground tunnel in MHTR, *etc.* are being taken.

4.3.8.3 Allocation of resources for conservation

Resources for the conservation of forest areas include funding, manpower, infrastructure facilities, technology and equipment. Adequate financial resources, trained personnel, along with proper infrastructure and technology,

[18] RTR – two lines, STR – two lines of 26 kms, MHTR – four lines.
[19] Two Neelgai and two Monkeys.
[20] Panther, sloth bear, wild boar, Sambhar, Jackal, Cheetal *etc.*

enable effective monitoring and enforcement of regulations to protect forests from illegal activities. Issues noticed in connection with the allocation of resources for the conservation and protection of wildlife are detailed in the succeeding paragraphs:

(i) Inadequate fund management

For execution of planned conservation and protection activities in protected areas, funds are received under the Centrally Sponsored Scheme (CSS) from MoEFCC against requests for grants by the State Government. In addition to it, the State Government also provides budget under various Schemes apart from its corresponding share of CSS. Further, the funds are also sanctioned under the Compensatory Afforestation Fund Management and Planning Authority (CAMPA), National Bank for Agriculture and Rural Development, Rajasthan Forestry and Biodiversity Project, *etc.* The State Government was required to release the CSS fund to the tiger reserve within two weeks of its receipt from MoEFCC along with its corresponding share as per the guidelines, for implementing activities planned in APOs.

In this regard, Audit noticed that:

- **Short utilisation of fund:** During the period 2016-23, against the allotment of ₹ 539.59 crore for RTR, STR and MHTR under CSS, State Budget and other sources, the Department utilised only ₹ 344.06 crore, as shown in **Table 4.6**.

Table 4.6: Position of the allotment and expenditure during the period 2016-23

(₹ in crore)

Tiger Reserve	State Plan		CSS		Other sources		Total	
	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
RTR	64.11	28.08	33.03	20.84	106.62	69.00	203.76	117.92
STR	38.00	29.01	29.73	24.70	82.10	67.71	149.83	121.42
MHTR	20.41	14.88	14.62	9.15	150.97	80.69	186.00	104.72
Total	**122.52**	**71.97**	**77.38**	**54.69**	**339.69**	**217.40**	**539.59**	**344.06**

Source: Appropriation Accounts of Rajasthan State and information received from Forest Department.

The main reasons for the shortfall in utilisation of the allotted budget was not carrying out 50[21] out of 301[22] activities involving an amount of ₹ 11.42 crore planned in APOs of RTR, STR and MHTR for the year 2016-21 relating to the deployment of local workforce, daily monitoring of wild animals, ration to front line staff, construction of check posts, core area habitat improvement, maintenance of roads, procurement of arms, *etc*.. Further, even during 2021-23, the Department did not carry out 43 out of 203 activities planned in APOs of respective years.

[21] RTR – 15, STR – 19 and MHTR – 16.
[22] RTR – 77, STR – 97 and MHTR –127.

Further the State Government did not ensure the release of funds under CSS to RTR, STR and MHTR in the scheduled time of two weeks from the date of its receipt and there were delays ranging upto 200 days in the release of funds (***Appendix-10***). Specifically, in nine sanctions of RTR, STR and MHTR, the funds of ₹ 35.13 crore[23] were released in February and March of that financial year and also in June after the close of that financial year, leaving inadequate time to utilise the same leading to underutilisation of allotted funds.

- **Failure to levy Conservation Fee:** NTCA Guidelines (2012) provided that the State Government, within one year from the date of guidelines, for eco-development and local community upliftment work, may levy Conservation Fee on hotels having more than six beds at the rate of ₹ 500 to 3,000 per room per month of operation. Levy of cess for wildlife conservation was discussed in TCP of RTR and it was also proposed in one meeting (October 2016) of State Board of Wildlife (SBWL). However, the State Government had not (December 2024) issued notification for levy of Conservation Fee on the hotels in any of its tiger reserves. The main reasons for not notifying levy of Conservation Fee was lack of initiative by the State Government.

Thus, the Department did not manage the funds effectively relating to its tiger reserves, as there was shortfall in utilisation of the allotted funds by the Department, there were delays in the release of CSS funds and there was failure to levy Conservation Fee on hotels by the State Government.

The State Government stated (November 2022 and December 2024) that the short utilisation of funds was mainly due to delayed-release of CSS funds. Further, levy of Conservation Fee on hotels was not undertaken due to inadequate legal provisions and implementation issues.

Audit is of the view that department needs to take effective action for notification of conservation fee. Maharashtra has issued notification for levy of conservation fee.

(ii) Inadequate manpower management

Availability of adequate manpower is vital for wildlife conservation and protection. NWAP 2002-16 also envisaged that the State should have adequate wildlife trained personnel.

[23] RTR - ₹ 9.30 crore (21 February 2017), ₹ 6.66 crore (28 February 2022), ₹ 4.71 crore (3 March 2023, 7 June 2023). STR - ₹ 5.88 crore (28 February 2022), ₹ 3.89 crore (20 March 2023, 6 June 2023). MHTR - ₹ 3.18 crore (28 February 2022), ₹ 1.51 crore (8 February 2023).

In this regard, it was noticed that the manpower management in RTR, STR and MHTR was inadequate, which adversely impacted the conservation and protection activities therein, as detailed below:

- As on 31 March 2023, out of the sanctioned strength of 640 staff in RTR, STR and MHTR, only 295 staff were posted leaving a vacancy of 345 staff. Further, vacancies had increased from 11.01 *per cent* (31 March 2017) to 53.91 *per cent* (31 March 2023) of the sanctioned strength, mainly due to non-recruitment of frontline staff in STR and MHTR after 2016-17. The details are furnished in **Table 4.7**.

Table 4.7: Staff position in RTR, STR and MHTR

Name of post	As on 31 March 2017			As on 31 March 2023		
	Sanctioned strength	Men-in-position	Vacant Post (*per cent*)	Sanctioned strength	Men-in-position	Vacant Post (*per cent*)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Range Forest Officers	37	30	7 (18.92)	39	28	11 (28.21)
Forester	57	47	10 (17.54)	54	39	15 (27.78)
Assistant Forester	75	65	10 (13.33)	78	64	14 (17.95)
Forest Guard	467	424	43 (9.21)	469	164	305 (65.03)
Total	**636**	**566**	**70(11.01)**	**640**	**295**	**345 (53.91)**

Source: Forest Department.

The issues related to manpower management in the reserve forests is as below.

- The above table indicates that the vacancy (53.91 *per cent*) position has worsened in the last six years.
- Rajasthan Forest Manual, 2013 provided norms for watch and ward at five to seven square kms by a forest guard. However, due to shortage of forest guards, a forest guard had to cover watch and ward area of 15.39 square kms to 22.35 square kms in tiger reserves, which were much higher than the norms (***Appendix-11***). This adversely impacted the effective monitoring of tiger reserve area.

Further, the post of DCF (Relocation) remained vacant in RTR-II and MHTR during Audit period. Audit noticed that due to vacancy of DCF, relocation of villages could not be taken up as a campaign, which adversely impacted the relocation of villages from core areas of tiger reserves, as discussed in **Paragraphs 4.3.8.7 (i).**

- With a view to develop a pool of professionals with requisite ability to manage tiger reserves, WII organised[24] a post graduate diploma course in advanced wildlife management for Deputy Conservator of Forests, Assistant Conservator of Forests and equivalent officers and a Certificate Course for in-service Range Forest Officers and Deputy Range Officers. However, the Department nominated only two out of 10 eligible officers posted in tiger reserves who completed the diploma course. Further, none of the 26 Range Forest Officers had WII Certificates as on March 2023.

- NWAP 2002-16 and 2017-31 provided for training to the frontline staff of tiger reserves for collection of basic data on wildlife populations, sample collection and investigation, rescue of animals, wildlife health monitoring and human wildlife conflict, *etc*.

  However, survey of *Chokis*, revealed that training on sample collection and investigation, wildlife health monitoring, rescue of animals and human wildlife conflict was provided to only 32 *per cent*, 16 *per cent* and 26 *per cent* of the staff, respectively. Audit noticed that the Department utilised fund of only ₹ 12.48 lakh out of ₹ 62.80 lakh allotted for the purpose of training capacity building during 2016-23.

Thus, the Department did not ensure adequate manpower management in its tiger reserves by not filling the vacant posts and not providing training to its staff and officers, which led to undue increase in coverage area for monitoring of tiger reserves by forest guards.

The State Government, while accepting the observation stated (November 2022) that patrolling area varies depending on sensitivity of the area and management intensity. In December 2024, it was replied that new forest guards have been recruited and are under training. To manage vacant posts, home guards are deployed for patrolling and anti-poaching activities.

(iii) Shortage of veterinary staff

Adequate health management of wildlife include treating the sick and wounded animals, taking care of wild animals in captivity, health assessment of wild animals for translocation, surveillance of diseases, taking preventive measures against diseases, *etc*.

Further, the position of veterinary staff was inadequate as detailed in **Table 4.8**.

[24] Course prescribed in NWAP 2002-16

Table 4.8: Position of veterinary staff

Year	MHTR				RTR				STR			
	Sanctioned		Posted		Sanctioned		Posted		Sanctioned		Posted	
	Veterinary Doctor	Veterinary Assistant	Veterinary Doctor	Veterinary Assistant	Veterinary Doctor	Veterinary Assistant	Veterinary Doctor	Veterinary Assistant	Veterinary Doctor	Veterinary Assistant	Veterinary Doctor	Veterinary Assistant
2016-17	1	1	0	0	1	2	0	0	0	0	0	0
2017-18	1	1	0	0	1	2	0	0	1	0	0	0
2018-19	1	1	1 Doctor posted from August 2018	0	1	2	0	0	1	0	0	0
2019-20	1	1	1	0	1	2	1 Doctor posted on 25.09.2020	0	1	0	0	0
2020-21	1	1	1	0	1	2	1	0	1	0	1 Doctor Posted on 26.10.2020	0

Source: Forest Department.

As evident from the above table, in STR, against the sanctioned post of one doctor, no doctor was posted till October 2020, In RTR, against the sanctioned post of one doctor and two staff, a doctor was posted only in September 2020 and no staff was posted till date. Against the sanctioned post of one doctor and one staff at MHTR, one doctor was posted was posted only in August 2018 and no staff was posted till date. Even in RTR and STR doctors were posted in September 2020 and October 2020 respectively.

Further in RTR one Ambulance was procured in 2013 and the same was not used due to big size and lack of staff. In STR and MHTR, rescue vehicles were procured during 2022-23.

The State Government replied (December 2024) that the monitoring of wildlife health is being done by veterinary officers, who had been posted in STR and RTR.

4.3.8.4 Management and Consolidation of Wildlife Habitats

A habitat is a place where an organism makes its home, which meets all the environmental conditions that an organism needs to survive. Major reasons of habitat degradation are anthropogenic activities inside tiger reserve *i.e.* mining and other commercial activities, movement of people to visit religious places, tourism and cattle grazing *etc.* To consolidate wildlife habitat, the national parks need demarcation of boundaries, mutation of title of land in revenue records, regulation of commercial, tourism and mining activities. Efforts of the Department in this regard were examined by Audit and observations are discussed in the succeeding paragraphs.

(i) Declaration of Eco Sensitive Zones

MoEFCC Guidelines for declaration of Eco Sensitive Zones (ESZ) around National Parks and Wildlife Sanctuaries (February 2011), provided for

identifying, surveying the land within ten kms of protected areas and submitting proposal by the State Government to MoEFCC at the earliest for declaration of ESZ. This would create a kind of shock absorber for national park and wildlife sanctuary besides serving as a transition zone from areas of high protection to areas involving lesser protection.

The Chief Wild Life Warden (CWLW) submitted[25] proposals to declare three ESZs around STR, RTR and MHTR to MoEFCC, out of which ESZs around MHTR only was declared (25 November 2020) by MoEFCC. Declaration of two ESZs around STR and RTR are pending, mainly due to non-compliance with the directions of MoEFCC relating to the inclusion of all buffer zones in ESZ, delineating minimum area as ESZ around the core area, providing the latest coloured maps showing land use around tiger reserves, *etc.* Consequently, the prohibited activity of mining continued in and around one km area of tiger reserve in STR, as discussed in **Paragraph 4.3.8.4 (iii)**. The issue of delay in notification of ESZs was previously highlighted by CAG in its Audit Report no. 5 of 2019, on which PAC also recommended (March 2022) to expedite the matter, however, the position remains same.

The State Government stated (November 2022) that the delay in notification of ESZs was due to the extensive consultation process required for its notification. Further, it was stated that as per the directions of Hon'ble Supreme Court (June 2022), the extent of ESZ should not be less than one km, however, area of notified ESZ was less than one km at some places, due to this, the Zonal Master Plans could not be prepared. Thereafter, it was replied (December 2024) that proposal of final notification of ESZ around STR has been sent to the State Government in April 2024 and draft notification of RTR has been sent in October 2024.

The reply has to be viewed against the fact that despite lapse of six years, declaration of ESZ around RTR and STR was not done.

(ii) Non-securing area of tiger reserves

Rajasthan State Forest Policy, 2010 and TCPs of tiger reserves provided that all notified forest areas should be demarcated by erecting boundary pillars and mutated in the name of the Department in revenue records, mainly to check illegal mining and encroachment in the tiger reserves, which posed a serious threat to tiger reserves and contributes to habitat loss and reduction in net area available for the Wildlife.

In this regard, Audit noticed that:

[25] STR – 10 April 2017, MHTR – 21 April 2017 and RTR – 05 May 2017.

- As on November 2022, out of total boundary of 2,136.01 kms[26] of its tiger reserves, fencing was not constructed for 1,783.60 kms[27] (83.50 *per cent*). Further, though the physical demarcation by erection of wall/ boundary pillars was completed in RTR and MHTR, in STR physical demarcation was completed only for 46.60 kms (6 *per cent*) out of total boundary of 761.52 km. The main reason for non-demarcation of 714.92 kms boundary in STR was non-mutation of land in the name of the Department. Further, the Department could utilise only ₹14.33 crore out of ₹ 21.94 crore allotted for construction of boundary wall in RTR during 2018-23.



Figure 4.2: Villagers leaving cattle for grazing in RTR (July 2021)

  Thus, non-demarcation of boundary in STR and short utilisation of funds allotted for construction of boundary wall in RTR during 2018-23, contributed to crop raiding[28] in STR and RTR, which caused serious resentment among the villagers. Even in Joint survey of 140 persons of 14 villages in periphery of tiger reserves (January 2022), 90 persons stated that there was damage to their crop by wildlife, for which no compensation was paid.

  Joint physical verification also revealed that fencing was broken at various places in Falodi and Kushalpura chowki in RTR, which provided space for the cattle to enter in the tiger reserve for grazing.

- Out of total tiger reserve land of 2,72,938.18 hectare, mutation of 60,502.54 hectare land in the name of the Department was pending as on 31 March 2023, mainly due to not conducting survey of 48,936.10 hectare land, not taking any action on mutation of 1,321.68 hectare *khatedari* land[29], *etc*. The details are furnished in **Table 4.9**.

[26] RTR: 1,034.49 kms, STR: 761.52 kms and MHTR: 340 kms.
[27] RTR: 776.72 kms, STR: 727.17 kms and MHTR: 279.71 kms.
[28] Crop damage due to wildlife.
[29] *Khatedars* are tenants on Government land to whom land is given for agricultural purpose. The land mutated in the name of *Khatedar* is call *Khatedari* land.

Table 4.9: Position of mutation of land in tiger reserves as on 31 March 2023

(Area in hectares)

Name of Tiger Reserve	Total reserve land	Mutation pending on April 2016	Mutation of land during 2016-2023	Mutation pending on March 2023	Land not surveyed	*Khatedari* land
(1)	(2)	(3)	(4)	(5)	(6)	(7)
STR	97,344.55	57,155.81	8,254.48	48,901.33	43,285.35	-
RTR	92,906.15	13,223.59	6,664.92	6558.67	1047.87	996.04
MHTR	82,687.48	5,087.99	45.45	5042.54	4,602.88	325.64
Total	**2,72,938.18**	**75,467.39**	**14,964.85**	**60,502.54**	**48,936.10**	**1,321.68**

Source: Forest Department.

Due to not taking requisite actions by the Department in demarcation and mutation of forest land in its name coupled with inaction of the departmental officials in securing forest land, 320.29 hectare of land in RTR, STR and MHTR was encroached by 253 families, as on 31 March 2023. The encroachment was mainly related to agriculture by the villagers residing inside/in adjoining areas of the tiger reserves. The details are furnished in **Table 4.10**.

Table 4.10: Position of encroachments during 2016-23

Name of Tiger Reserve	Encroachment (1 April 2016)		New encroachment during 2016-23		Encroachment removed during 2016-23		Encroachment (31 March 2023)	
	Families	Area (hectare)	Families	Area (hectare)	Families	Area (hectare)	Families	Area (hectare)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
RTR	67	257.78	95	349.40	15	314.28	129	284.47
STR	8	9.97	105	22.29	23	5.45	90	26.81
MHTR	0	0	38	10.12	4	1.11	34	9.01
Total	**75**	**267.75**	**238**	**381.81**	**42**	**320.84**	**253**	**320.29**

Source: Forest Department.

Thus, the Department could not secure the area of its tiger reserves by way of demarcation and mutation of land in its name, which compromised the security of tiger reserves and encouraged the encroachment, crop raiding and cattle grazing, *etc.* This issue was also highlighted previously in CAG's Audit Report No. 05 of the year 2019. PAC recommended to intimate the plan to initiate action with co-ordination of Revenue Department for mutation of forest land and to take effective action for disposal of encroachment cases.

The State Government, while accepting the observation, stated (November 2022 and December 2024) that survey and demarcation of remaining area was proposed to be done in forthcoming years and continuous efforts were being taken to remove encroachment.

(iii) Prevention of mining inside and around tiger reserves

The Rajasthan Forest Act, 1953 prohibits mining in the forest area and the Rajasthan State Forest Policy, 2010 stipulates that efforts should be made for curbing illegal mining in forest areas by enforcing a strict surveillance mechanism, including the use of satellite imagery and joint inspections with

officials of mining and the police department.

In this regard, Audit noticed that the Department could not ensure check on mining activities inside and around RTR, STR and MHTR mainly due to absence of clear boundary demarcation and missing boundary pillars in most of the areas. The specific Audit observations, in this regard, are detailed as under:

- State Board of Wildlife (SBWL) issued directions (January 2015) to survey illegal mines in all tiger reserves on priority and share the information with the Mines Department. Though, list of illegal mining cases was prepared and submitted (May 2015) by MHTR to CCF (Wildlife), Jaipur. Further, no such survey was conducted in RTR and STR.
- SBWL directed (October 2015) that all illegal mining in tiger reserves, specifically near Uliyana village, Kundera range, RTR should be stopped by involving district administration. However, the Department did not take any concrete action in this regard and only made routine correspondences with district administration without conducting any joint action to stop illegal mining. Consequently, illegal mining of masonry stone in Uliyana and Bhadlav area in Kundera range, RTR along with Khawa Khandoj, Basso and Shyampura Dungari village areas could not be stopped, which was going on for many years.
- Hon'ble Supreme Court of India ordered (August 2006) and Additional Chief Secretary, Forest Department, GoR directed (March 2015) that there would be no mining activity within one km around a tiger reserve.

  However, it was observed that 47 mining leases were in operation within one km of core area of STR during 2016-23. Similarly, 14 mining leases of sandstone were operating within one km of MHTR core area in Rawatbhata, Talera and Ladpura. The Forest Department did not take-up this issue with the higher level of mining department to ensure compliance of the order of Hon'ble Supreme Court. Illustrative images depicting mining activity in and adjoining core area of STR and MHTR, using Global Positioning System (GPS), Geographical Information System technology and *Google Earth Pro* software, are given hereunder:

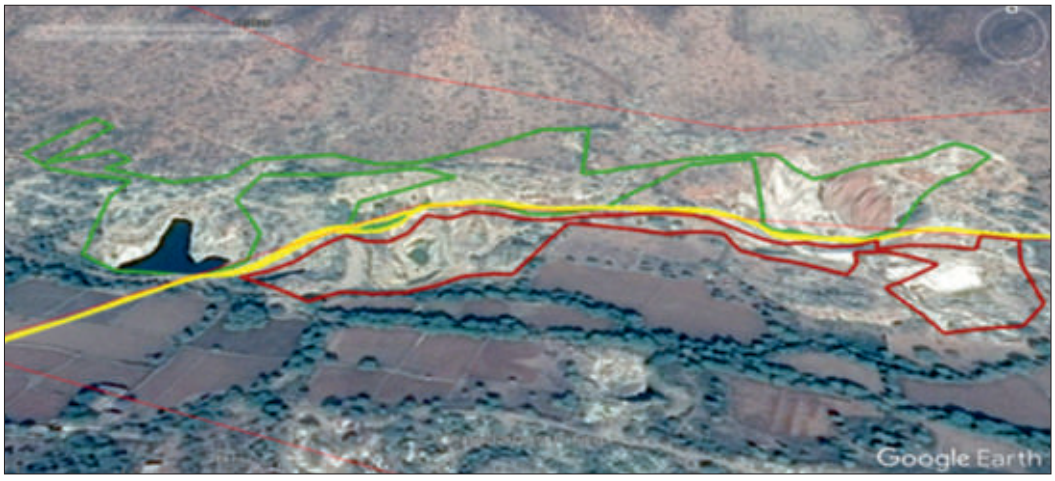


Figure 4.3: Mining in and around STR (Time frame of Image: November 2015) before GoR instruction



Figure 4.4: Mining within and around STR (Time frame of Image: December 2022) after GoR instruction



Figure 4.5: Mining around MHTR (Time frame of Image: May 2016) before GoR instruction

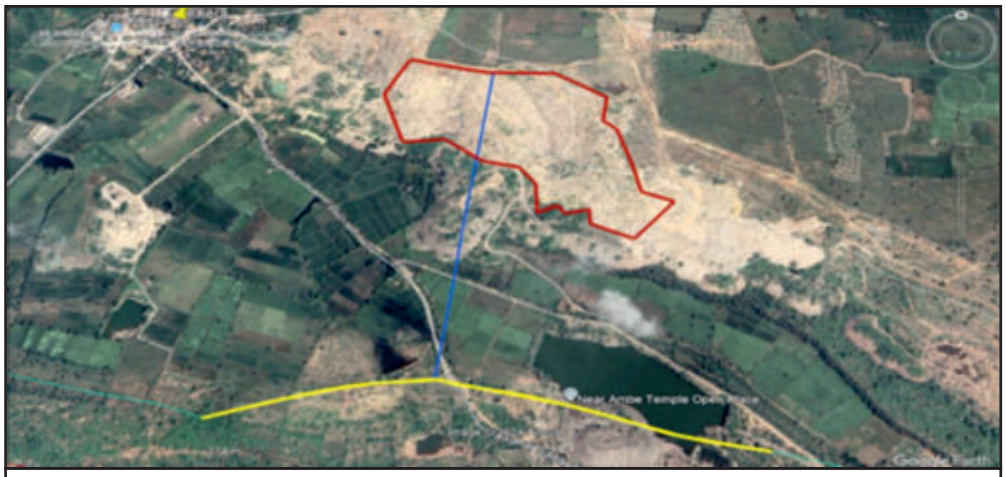


Figure 4.6: Mining around MHTR (Time frame of Image: September 2023) after GoR instruction

mining outside core area mining inside core area core area distance from core area boundary

This unregulated mining had negative effect on fragile area around tiger reserve and the movement of wildlife. This issue was highlighted earlier in CAG's Audit Report No. 5 of 2019.

Thereafter, in December 2024, the Government replied that mining activities within one kilometre has been stopped in compliance of Honourable Supreme Court directions issued in May 2024.

(iv) Anthropogenic activities

Wildlife (Protection) Act, 1972 provide that no person shall destroy, damage or divert the habitat of any wild animal by any act except under, and in accordance with, a permit granted by CWLW. Further, it was provided that core areas of tiger reserves were required to be kept as inviolate for the purposes of tiger conservation.

In this regard, it was noted that the Department did not ensure regulation of the anthropogenic activities in its tiger reserves, as detailed below:

- TCPs of all tiger reserves highlighted great concern on the movement of the pilgrims for religious sites in the park mainly because of unregulated movement of vehicles and pilgrims, which also provide opportunities to poachers to enter the forest to commit wildlife crimes.

  However, there were 565 religious sites[30] in RTR, STR and MHTR, which *inter- alia* included Pandupole in STR, Ganesh Mandir in RTR, Garadiya Mahadev in MHTR. These sites attract lakhs of pilgrims, for which no appropriate mechanism was developed for their management. Further, no

[30] RTR: 242, STR: 308 and MHTR: 15

impact assessment was conducted to assess the negative impact caused by pilgrims on the habitat of wildlife in any of the tiger reserves, due to which mitigative measures to tackle adverse impact of movement of pilgrims on wildlife could not be taken.

- Rajasthan Forest Act, 1953 prohibited pasturing of cattle in reserved forest, mainly to avoid human wildlife conflicts. However, as per TCPs of RTR, STR and MHTR, there were large number of domestic livestock owned by people living in villages located inside tiger reserves. Even during joint physical inspection, it was noticed that cattle were grazing inside STR (especially near water points), RTR (Seldar Neemly rest house, near Kushalpura chowki, Phalodi range) and MHTR (Jawahar Sagar, Borawas range). Uncontrolled grazing in tiger reserves was mainly due to non-relocation of villages situated inside tiger reserves as discussed in **Paragraph 4.3.8.7 (i)**, broken boundary wall/ fencing at many places as discussed in **Paragraph 4.3.8.4 (ii)**, which further facilitated cattle to enter the park for grazing.



Figure 4.7: Domestic Cattle in STR (July 2021)

Thus, the Department did not ensure regulation of various anthropogenic activities *i.e.* movement of pilgrims, operation of shops and kiosks, other commercial activities, grazing by domestic cattle, *etc.* in its tiger reserves, which adversely impacted its habitat management.

In December 2024, the Government replied that in order to minimize the effect of anthropogenic activities, the village relocation process is being carried out by the STR administration. Implementation of the e-vehicles and shuttle bus service are under consideration for STR. To regulate human activities around RTR, the concerned regional forest officer is issuing notices to remove 42 kiosks/shops at Ganesh Dham.

Audit is of the view that the Forest Department needs to ensure effective coordination with other department (district administration and revenue department) to reduce anthropogenic activities to prevent negative impact on wildlife.

(v) Eco-friendly tourism in tiger reserves

Eco-tourism is responsible travel to natural areas that conserves the environment and improves the well–being of the local people, while raising awareness in the public at large about the worth and fragility of ecosystems.

However, during the review of management of tourism activities in tiger reserves of the State, Audit noticed the following:

- NWAP 2017-31, envisaged to develop impact assessment techniques and standards that could be used by wildlife managers to evaluate negative impacts of tourism on soil, water resources, vegetation, animal life, sanitation, cultural environment, *etc*. In this regard, the details of tourists in RTR, STR and MHTR during 2016-23 is given in **Table 4.11**.

Table 4.11: Details of tourists in RTR, STR and MHTR

Year	RTR	STR	MHTR
(1)	(2)	(3)	(4)
2016-17	4,69,850	52,205	NA
2017-18	4,90,942	50,265	32,465
2018-19	4,61,899	46,333	73,943
2019-20	4,35,386	48,547	84,549
2020-21	1,93,092	41,375	34,241
2021-22	3,59,059	51,069	69,796
2022-23	5,53,519	56,183	94,548

Source: Forest Department.

Though, TCP of STR and RTR[31], fixed maximum number of vehicles to be permitted at 35 and 140 respectively, no impact assessment study was conducted to assess and quantify the impact of tourism activities in any of the tiger reserves.

In order to regulate tourism and monitor movement of tourist vehicles in tiger reserves, PCCF&CWLW (September 2016) and the State Government (December 2019) directed to install GPS instrument in every tourist vehicle entering the tiger reserve. Though, as on 31 March 2023, 557 tourist vehicles were fitted with GPS in RTR, their monitoring through GPS was not in operation.

- NTCA (Normative Standards for Tourism activities and Project Tiger) Guidelines, 2012 provided that use of battery-operated vehicles should be encouraged in tiger reserves to minimise pollution. However, RTR and STR did not explore the feasibility of introducing any battery-operated tourist vehicles, so far (March 2024).
- Eco Tourism Policy, 2018 envisaged to establish Interpretation Centres, posters and exhibition material for use by people, to increase awareness about wildlife. Accordingly, the Department established one Interpretation

[31] There was no safari in MHTR.

Centre in RTR core area, one Interpretation Centre in STR (2012) and one[32] Interpretation Centres in MHTR (2019-20).



Figure 4.8: Interpretation Centre at STR (December 2021)

- However, Interpretation Centres at RTR and MHTR were not in operation due to lack of staff and infrastructure, out of which RTR Interpretation Centre was being used for parking two wheelers. Further, Interpretation Centre at STR was not well maintained, as damaged structure, paintings, models, plaster, wood work, *etc.* were not repaired. This defeated the objective of establishment of Interpretation Centres.

The Government stated (November 2022) that impact assessment of tourism activities was shortlisted as a topic for research and GPS monitoring would be initiated in 2022. In reply (December 2024), it was intimated that efforts are being made to promote BS VI vehicles to organize eco-friendly tourism in the sanctuary area.

The department needs to expedite the implementation of its proposals to reduce negative impact of tourism in tiger reserves.

4.3.8.5 Non-eradication of invasive species

The TCPs of RTR, STR and MHTR identified *Prosopis juliflora* (*Vilaiti babul*)[33]*, lantana, etc.* as major invasive alien species, which are undesirable weeds that have little wildlife value and which invade all the available habitats. NWAP (2017-31) recommended to set up a mechanism for assessing, monitoring and managing the invasive alien species inside tiger reserves, as these cause loss of biodiversity with significant undesirable impacts on the ecosystem.

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[32] At Garadiya Mahadev in Jawahar Sagar range.

[33] *Juliflora*, can have a negative impact on forests in several ways, including displacing native plant communities, reducing tree diversity, suppressing plant growth, reducing plant height and stem diameter, negatively impacting livelihoods, *etc*.

In this regard, it was noted that the Department did not prepare any long-term policy for removal of invasive alien species. Further, area for removal of invasive species was not assessed in RTR and MHTR, for which the targets for eradication were fixed on *ad-hoc* basis. Though the Department assessed 5,000 hectare area for eradication of alien species in STR during 2016-23, but fixed targets for the same at only 600 hectare area, which was much lower than the assessed area. The Department could not achieve even the fixed targets in RTR and MHTR during 2016-23, leaving a shortfall of 14.54 *per cent* against physical targets and 18.21 *per cent* against financial targets, as detailed below in **Table 4.12.**

Table 4.12: Targets and achievements for removal of invasive alien species (2016-23)

Name of Tiger Reserve	Area assessed (hectare)	Target		Achievement		Shortfall (in percentage)	
		Physical (hectare)	Financial (₹ in lakh)	Physical (hectare)	Financial (₹ in lakh)	Physical	Financial (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)/(3)*100	(8)=(6)/(4)*100
RTR	-	151.00	110.00	97.00	86.33	35.76	21.52
MHTR	-	653.30	208.75	480.63	154.77	26.43	25.86
STR	5,000	600.00	110.00	622.50	109.56	-	0.40
Total	**5,000**	**1,404.30**	**428.75**	**1,200.13**	**350.66**	**14.54**	**18.21**

Source: Forest Department.

The reasons for shortfall in achievement of targets were planning for very low area for removal of invasive species in APOs, *etc*. Thus, the efforts made to remove the invasive alien species in its tiger reserves were not sufficient to resolve the problem, which adversely affected the habitat.

The Government replied (December 2024) that grassland development work is being done in RTR by eradicating invasive species. An integrated invasive species removal plan for MHTR is under process.

4.3.8.6 Inadequate fire safety arrangements

Fire is one of the major destructive agents of forest. In Rajasthan, most of the forest fire are ground fires, which normally do not cause permanent damage to the forest tree crop, but they tend to reduce the density of the stocking and destroy invaluable wildlife habitat. Accordingly, Rajasthan Forest Policy envisaged that in order to curb the forest fire, the fire lines need to be created and maintained in forest areas at regular intervals, for which staff would be given modern gadgets.

During 2016-23, there were 105 recorded cases of fire in 3,650.68 hectare area in RTR, STR and MHTR, which included a major fire outbreak (27 March 2022) in 1,000 hectare of STR. In this regard, it was noted that the fire safety arrangements in tiger reserves during 2016-23 were inadequate, as detailed below:

- Assessment of area vulnerable to fire was not carried out in any of the tiger

reserves, for which reasons were not available.

- Firefighting equipment were not provided in any of the tiger reserves except RTR-II, citing reason of non-availability of adequate funds.
- During 2016-23, the department utilised only ₹ 1.92 crore out of ₹ 3.05 crore allotted for carrying out works related to fire lines.
- For protection of fire, fire watchers, fire fighters, beaters were also not deployed in RTR-I and STR. Further, budget was not allotted for fire watchers, fire fighters, beaters in RTR-II during 2017-21.

Non-assessment of area vulnerable to fire, non-availability of firefighting and fire protection equipment, indicated that the tiger reserves were not vigilant regarding forest fires. This issue was earlier highlighted in CAG Audit Report no. 5 of 2019, however, no effective action have been taken by the department.

The Government stated (November 2022) that the protected area under review is less fire prone than the southern parts of the State. Thereafter, it was replied (December 2024) that fire-fighting equipment are given to range level, fire line created to preventing forest fire and also fire-fighting training given to field staff periodically. At present, fire lines are being established for fire safety in the sanctuary area and action is being taken to provide fire equipment.

Conclusion

There were significant shortcomings in wildlife protection and tiger conservation efforts by the Department between the period 2016 and 2023. The Department could not prevent wildlife poaching which caused death of four tigers due to poaching. Moreover, the failure to develop critical tiger corridors, especially between RTR 1 and 2, resulted in overcrowding and territorial fights that caused the death of ten tigers.

There was poor financial management, inadequate security measures and ineffective manpower management by the Department during 2016-2023. Despite an allocation of ₹539.59 crore, ₹344.06 crore was utilised. Wildlife security was compromised due to the absence of effective patrolling plans, lack of adequate staff and insufficient facilities. The Department's inability to address staffing shortages and provide adequate training resulted in forest guards being overburdened with larger monitoring areas.

Non-compliance with the Ministry of Environment, Forest and Climate Change directives regarding Eco-Sensitive Zones exacerbated the situation, particularly around STR, where mining continued near the reserve.

There were significant failures in securing and managing tiger reserves, which jeopardized conservation efforts. The Department did not adequately demarcate

and secure land for tiger reserves, leading to encroachment, crop raiding and cattle grazing. The Department was unable to control illegal mining near reserves, disrupting wildlife and damaging the surrounding environment. The Department also lacked a long-term policy to address invasive species, resulting in insufficient efforts to protect habitats.

Recommendations

The Government/Department may consider for:

- ***taking concrete actions such as establishment of STF to minimise tiger mortalities by putting check on poaching.***
- ***taking effective action for development of corridors by carrying out required activities to avoid territorial fights.***
- ***taking action to post adequate veterinary staff and patrolling staff in tiger reserves.***
- ***demarcation of the boundaries of tiger reserves using pillars, walls, or fencing in a specified timeframe and take immediate action to eliminate all encroachment.***
- ***framing a long-term plan for assessment and eradication of invasive species with sufficient funding.***

4.3.8.7 Relocation and Rehabilitation of villages

The second audit objective is to see whether adequate efforts were made for relocation and rehabilitation of villages.

Under this objective audit noticed shortcomings in efforts made for relocation and rehabilitation of villages such as delay in conducting survey, delayed approval of land for rehabilitation, deficient monitoring.

NWAP 2002-16 provided that relocation and rehabilitation of villages inside core area of tiger reserves should be undertaken voluntarily or by persuasion. NTCA Guidelines (2007) prescribed that relocation of villagers from tiger reserves should be done within five years from the date of notification of area. Significant audit findings relating to relocation and rehabilitation of villages from tiger reserves are elaborated in the succeeding paragraphs:

(i) Relocation of villages from tiger reserves

There were 108 villages[34] (as on April 2013) inside the core area of RTR, STR and MHTR[35], which were to be relocated. Accordingly, the Department submitted to NTCA, year-wise relocation plan of 66 villages from RTR with timeframe upto 31 March 2014 and 28 villages from STR with timeframe upto 31 March 2016, additionally 14 villages in MHTR were proposed to be

[34] RTR-66 villages, STR-28 villages and MHTR-14 villages.

[35] 14 villages inside the core area of MHTR were proposed to be relocated in phased manner starting from 2015-16.

relocated in phased manner starting from 2015-16..

However, against the above proposal, department made year-wise relocation plan of only 31 villages[36], out of which relocation of 20 villages was approved by NTCA. Subsequently, 18 more villages were approved and taken up (2014-23) for relocation.

Thus, as against the pending relocation of 108 villages from core areas of RTR, STR and MHTR, the Department planned relocation of only 49 villages (31+18), against which, the Department could relocate 15 villages completely and 17 villages partially, as on 31 March 2023. This indicated very slow progress in relocation process, for which detailed reasons are included in **Paragraph 4.3.8.7 (ii) and (iii)**. The position of village relocation from RTR, STR and MHTR during 2016-23 is given in **Table 4.13**.

Table 4.13: Status of village relocation from RTR, STR and MHTR during 2016-23

Tiger Reserve	Notification month	Total Villages	Pending relocation as on 31 March 2016 (Villages/ Families)	Relocated during 2016-23 Villages (Villages/ Families)	Pending relocation as on 31 March 2023 (Villages/ Families)	Villages in process of relocation (as on 31 March 2023)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
RTR	December 2007	66	60/ 8,025	3/ 373	57/ 7,652	9
STR	December 2007	28	26/ 4,629	2/ 269	24/ 4,360	6
MHTR	April 2013	14	14/ 1,585	2/ 175	12/ 1,410	2
Total		**108**	**100/ 14,239**	**7[37]/ 817**	**93/ 13,422**	**17[38]**

Source: Forest Department.

Consequently, as on 31 March 2023, relocation of 93 villages (100-7) was pending, even after lapse of more than 10 to 15 years from the date of notification of tiger reserves.

Further, due to lower relocation of villages, out of total funds of ₹ 283.57 crore allotted for village relocation during 2016-23, only ₹ 107.73 crore could be utilised by the Department. Slow pace of relocation of villages, also led to uncontrolled grazing by domestic cattle inside tiger reserves and crop raiding by wildlife, as discussed in **Paragraph 4.3.8.4 (ii)**.

(ii) Lack of efforts in relocation of villages

The Department did not ensure relocation of villages from core areas of RTR, STR and MHTR, as discussed in previous **Paragraph 4.3.8.7 (i)**. The main reasons for low relocation and rehabilitation of villages were lack of efforts by the Department, as detailed below:

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36 RTR-19 villages and STR-12 villages.

37 Garhi, Panidhal, Dabli and Laxmipura, Kathuli, Kala khohera and Kharli baori.

38 RTR- Kalibhat, Hindwar, Munderheri, Berai Bhimpura, Dangra, Unchi Gwari, Chodkyakalan, Marmada and Chodkyakhurd, STR- Sukola, Kraska, Devri, Kankwari, Loj Nathusar and Haripura, MHTR-Ghatigaon and Masalpura.

- **Delayed approval of land for rehabilitation:** DCF, MHTR proposed (November 2017) approval of funding for the relocation of 1,589 families of 14 villages at ₹ 251.63 crore compensation and allotment of 2,263 plots, for which in-principal approval (August 2018) was accorded by NTCA for 100 hectares of forest land in Lakhava for village rehabilitation. However, final approval by MoEFCC was pending even after lapse of more than six years (December 2024), mainly due to non-compliance with the laid down conditions[39] included in in-principal approval and pendency of the final proposal at the level of State Government.
- **Deficient monitoring:** The relocation process was required to be monitored and implemented by SLMC every six months at the State level and District Level Implementing Committee (DLIC) every quarter at the district level. During 2016-23 as against the requirement of minimum 14 SLMC meetings, five meetings were conducted[40] and against the minimum requirement of 112 DLIC meetings, 55 meetings were conducted in three tiger reserves. The reasons for holding less meetings were not available on records. Inadequate monitoring at the State and district level adversely affected and slowed down the relocation process in tiger reserves of the State, as the implementation of the decisions taken by SLMC relating to providing city package for relocation, prioritise land availability by FD&CCFs, carry out survey for relocation, *etc*. could not be monitored. During PAC meeting held in October 2019, the government replied that efforts are being made to held regular meetings, however, the facts mentioned in the above para indicates that meetings were not being held regularly.

(iii) Conducting surveys

Rajasthan State Relocation Package (2002), provided that Socio-Economic Survey should be carried out to identify persons to be relocated from tiger reserves.

However, the Department did not ensure carrying out Socio-Economic Surveys, as per the guidelines as detailed below:

- **Delay in Survey:** The Department did not commence (December 2024) survey and relocation process in ten villages[41] of RTR-II, though the families of these villages were ready for relocation, for which RTR Park Manager had requested (2016-17 onwards) the CCF. The reasons for the same were not available on records.
  Surveys were conducted (2014 to 2019) in only three[42] out of 14 villages

[39] Approval of district level, sub-division level and Gram sabha level
[40] 19 May 2016, 12 April 2018, 28 May 2019, 10 January 2022 and 22 April 2022.
[41] Ashaki, Hatiyaki, Noniyaki, Nibhera, Mula Ka Pura, Bandan Ka Pura, Pahadpur, Jogpura, Rawatpura and Chodiya Khata.
[42] Laxmipura and Kharlibavri (10.12.2014 to 14.12.2014) and Ghati Jagir (01.07.2019 to 31.07.2019).

of MHTR, out of which committees for survey was formed for two villages. Further, there were discrepancies in numbers of family identified mainly due to change in family composition due to time gap in conducting survey.

Further, village relocation Proposals for five[43] villages of MHTR were prepared on the basis of initial survey conducted during July 2011 without conducting actual socio-economic surveys and consequently no fund was approved. Further, as against the proposal of CSS funds of ₹ 104.10 crore for relocation of five [44] villages proposed in APOs during 2016-21[45], no amount was approved by NTCA.

- **Joint survey:** Audit conducted (September 2021 to January 2022) Joint survey of 112 families of 10[46] villages which were to be relocated and 38 families of two[47] villages which were rehabilitated, with officials of the Department. Survey of families from villages to be relocated revealed that 49 families (five villages) were unaware about the relocation process, 85 families (eight villages) confirmed that survey was not done in their village and 51 families (six villages) expressed dissatisfaction over the relocation package amount.

  Further, survey of families of relocated villages revealed that 38 families were not satisfied with the rehabilitation site, as either the allotted land was not transferred in their name in revenue records or conversion of land was pending. They also cited lack of basic facilities such as gas connection, fair price shop, health centre, community centre, *etc.* at rehabilitation site.

Thus, delays and discrepancies in conducting socio-economic surveys caused dissatisfaction among affected families and hindering relocation efforts.

The State Government stated (November 2022) that socio-economic surveys were carried out only when sufficient number of families show inclination to relocate. Further, it was stated that mutation of land in the name of relocated people was a continuous process and action is being taken to resolve other issues, which has led to increased pace of relocation.

It was also stated that village relocation is a voluntary process and continuous efforts are being made to relocate villages.

The reply is not acceptable as even when sufficient number of families showed inclination for relocation in RTR-II and MHTR, the Department did not carry out socio-economic surveys.

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43 Kolipura, Ruppura, Girdharpura, Kharli Bavdi and Laxmipura.
44 Darrah, Ghati, Mashalpura Girdharipura and Laxmipura
45 No funds were proposed in APOs for the year 2021-22 and 2022-23.
46 RTR-Jhilkapura, Ashaki Guwadi, Hatiyaki, Rasilpur, Kalibhat and Bhavpur, STR-Kraska, Rajor May Mandalwas, MHTR-Ghati Jagir and Damodarpura.
47 RTR-Ganesh Nagar and STR-Tizara Rundh.

(iv) Inadequate local participation in management of tiger reserves

NWAP emphasised on local participation in management of tiger reserves. Efforts made by the Department for involvement of local people for eco-development and participation in management for conservation of tiger reserves through involvement of Tiger Conservation Foundation (TCF) and Eco Development Committee (EDCs) are discussed below:

- In RTR, STR and MHTR during 2016-21, Governing Bodies held only 20 meetings against requirement of 26 meetings and Executive Committee held only 21 meetings against the requirement of 156 meetings. Consequently, TCF could not ensure implementation of decisions taken in its meetings relating to establishment of wildlife station at Karauli, increase entry fees for high demand zones, cattle compensation, police deployment, translocation of cheetals, electric shuttle buses, *etc*.

- The State Government issued (October 2000) guidelines to constitute EDC in every village in each tiger reserve, for security and development of wildlife. However, 267 EDCs were constituted for 356 villages of three tiger reserves, out of which 126 EDCs (46.76 *per cent*) were working. Further, Micro Plans[48] were not prepared by any EDCs of STR, whereas partial plans were prepared by EDCs of MHTR. In absence of this, it could not be ensured that activities were carried out as per the requirements of local area and people.

  The Government stated (November 2022) that the meetings of RTCFs were held regularly despite covid pandemic. The reply is not acceptable as there was huge deficit in holding the meetings of RTCFs even during non-covid period.

- PCCF and Finance Department instructed (January 2017 and April 2018) that the payment of various work executed by EDCs was to be transferred by cheque/ electronic mode in the bank account of respective labour directly, instead of cash.

In ten EDCs of Sariska and Akbarpur range, ₹ 11.87 crore was spent on various development works executed through EDCs, during 2018-23 whose payment was transferred by the Department in the bank account of EDCs through cheque. The payment was further transferred by EDCs in bank accounts of Gang chief[49] by cheque, which was further disbursed to the concerned labours. However, the details of actual payment of wages to labourers was neither tracked nor available with EDCs and the Department. This was in violation of the instructions of PCCF and the Finance Department, which also compromised transparency in ensuring employment to the members of EDCs.

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[48] EDC was required to prepare an eco-development and wildlife protection plan for their area, to be approved by DCF.

[49] Leader of group of labours.

The Government replied (December 2024) that payment to the labourers are being made through bank accounts. However, nothing in support to the reply was submitted.

Thus, the Department did not ensure payment for development works directly in the bank accounts of labours.

- TCP of RTR for 2013-22, proposed plan for livelihood, education, socio-economic upliftment and rehabilitation of *Mogiya, Bawariya* and other nomadic tribes residing near its core area at estimated cost of ₹ 17.62 crore with financial assistance of Project tiger. However, the department did not demand any budget in APOs for the year 2016-23. Only a meagre amount of ₹ 19.41 lakh was incurred by Ranthambhore Tiger Conservation Foundation (RTCF) towards hostel facilities and education of *Mogiya* children.

  Audit noticed that although the issue was discussed in TCP but no budget was proposed in STR for upliftment of the above tribes in its TCP. Though, ₹ 16.50 lakh was approved (2016-23) for skill development of *Bawariya* community, the Department incurred expenditure of ₹ 7.97 lakh.

Conclusion

There were shortcomings in relocating villages from core areas of tiger reserves and involving local communities in conservation efforts. Out of 108 planned village relocations in RTR, STR, and MHTR, only 15 were fully relocated and 17 partially by March 2023. 51 families out of 112 families expressed dissatisfaction over the relocation package during joint survey. This slow pace of relocation resulted in under-utilization of allocated funds. The incomplete relocation led to issues such as uncontrolled cattle grazing and wildlife crop raiding within reserves.

Recommendations

The Government/Department may consider:

- ***reviewing relocation package to make it more lucrative to enhance its acceptance among the villagers for relocation.***
- ***establishing a dedicated cell at the headquarters level to efficiently execute the relocation program as a campaign within specified timeframe.***

CHAPTER-V

Public Health Engineering Department

Chapter-V
Public Health Engineering Department

5.1 Introduction

The Public Health Engineering Department (PHED) of Rajasthan plays a pivotal role in ensuring clean, safe, and accessible drinking water for every household in the State. It is responsible for planning, designing, execution, and maintenance of water supply projects in rural and urban areas of the State. It is also committed to development of ground and surface water resources.

The Secretary is the Administrative Head of the department, who is assisted by the Joint Secretary, Deputy Secretary and Chief Engineers. The Additional Chief Engineers, Superintending Engineers and Executive Engineers are responsible for carrying out departmental activities at Regional, Circle and Divisional level respectively.

5.2 Results of audit

There were 331 auditable units in the PHED, out of these, 47 units were selected for the audit in the financial year 2022-23. During the audit, the significant cases of execution of additional quantities without obtaining competent approval (₹ 3.38 crore) and extra expenditure due to laying of pipeline along the State Highway without obtaining permission (₹ 1.24 crore) were noticed, which have been included in this Chapter. Audit also observed some other irregularities, which are illustrative and based on test-checks. The audit had pointed out similar omissions in earlier years, but these irregularities remained persisted till the next audit was conducted. These irregularities broadly fall under the categories given in **Table 5.1**.

Table 5.1: Statement showing the category-wise irregularities observed by the audit during the year 2022-23 and the objected amount

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Undue benefits to contractors through irregular expenditure/excess payments in respect of execution of the capital/O&M works	166	1,748.35
2.	Lack of levying compensation for non-maintenance of pro-rata progress of work by the contractors and non-recovery of compensation levied	74	214.62
3.	Avoidable expenses	12	67.52
4.	Non-recovery/short recovery of royalty/District Mineral Foundation Trust	40	12.62
5.	Wasteful expenditure/blockage of public money	43	112.66
6.	Lack of recovery of outstanding water revenue	30	82.94
7.	Irregular sanction of extra/excess items	22	43.00
8.	Other irregularities	486	432.85
Total		**873**	**2,714.56**

Source: Compiled based on the Inspection Report issued to the Department.

5.3 Payment without obtaining approval from the competent authority

The Department executed additional quantities of works more than 50 per cent amounting to ₹3.38 crore, without obtaining necessary approvals from competent authorities

The Public Health Engineering Department (PHED) issued a circular (22 May 2019) regarding 'Schedule of Power' for making payment of additional quantity more than 50 *per cent* of any item executed during different periods. According to this circular, approvals of various authorities were required for execution of above additional quantities.

The PHED issued (July 2013) a work order amounting to ₹ 143.50 crore to a contractor for Package-3A under 'Pokaran-Falsoond-Balotra-Siwana Lift Water Supply Project'. The work was completed in May 2022 with an expenditure of ₹ 124.20 crore.

Scrutiny (August 2023) of records of Executive Engineer, PHED, Project Division Pokaran revealed that the Department executed the additional quantities more than 50 *per cent* amounting to ₹ 3.38 crore in Package-3A without obtaining competent approval from the Finance Committee/Finance Department, as per the details given in **Table 5.2** below:

Table 5.2: Details of the approval required for execution of additional quantities more than 50 *per cent* and the quantities executed thereagainst in different periods

Period	Name of the authority whose approval was required as per the Government circular	Name of item	Quantities executed (in *percentage*)
08 March 2017 and 22 March 2018	Finance Department	Earthwork for 125mm DI K-7 pipe	65.04
		Providing, laying, jointing, testing, commissioning of 125mm DI K-7 pipe	65.04
After 22 March 2018	Finance Committee of Rajasthan Water Supply and Sewerage Management Board (with prior approval) and Finance department (if prior approval was not taken)	Earthwork for 110mm uPVC pipe	112.69
		Providing, laying, jointing, testing, commissioning of 110mm uPVC pipe	112.69
		Junction box (1,500 mm*1,200 mm) for RCC chambers for the valves	56.52

Further, if prior approval is not taken for execution after 22 March 2018, the responsibility of the officer concerned was to be fixed for this as per the circular *ibid*. However, no action was taken against the defaulter officers (as of March 2025).

The State Government, while accepting the audit observation, stated (March 2025) that the enquiry has been initiated in this matter and the appropriate action would be taken against the defaulter officers.

5.4 Laying of clear water trunk main pipeline without obtaining necessary permission

The PHED laid the clear water trunk main pipeline without obtaining necessary permission from the Public Works Department. This resulted in an extra burden of ₹1.24 crore to the Government exchequer in re-laying of pipeline

Clause 2.4.2 (18) of the contract agreement (Vol.-II) of Package 2B of 'Pokaran-Falsoond-Balotra-Siwana Lift Water Supply Project' provides for making all necessary arrangements by the contractor for pipeline crossing National Highway, State Highway, and other roads or laying parallel thereof. It was the contractor's responsibility to obtain necessary approvals/permissions from respective departments for execution of such work and the PHED was required to assist the contractor in getting necessary approvals/permissions.

The PHED issued (September 2012) work order of Package 2B to a contractor. Under the work, the contractor started (October 2013) laying of clear water trunk main pipeline from Balotra to Siwana, along single lane State Highway. This road was notified as National Highway in March 2014.

Scrutiny of records (December 2023) of Executive Engineer, PHED, Project Division Balotra revealed that the contractor deployed by the PHED started pipeline work along the State Highway without obtaining necessary permission from the Public Works Department (PWD). Later, EE, National Highway Division, PWD, Barmer found (August 2015) the laid pipeline in the zone of Right of Way[1] and therefore, intimated the PHED to stop the work. However, the contractor and the PHED ignored the request and continued laying the pipeline.

Afterwards, the PWD removed (June 2019) 975 meter pipeline near *Moothly* village as it was affecting widening work of road during its conversion into National Highway. Further, the Finance Committee of the RWSSMB approved (February 2022) an estimated cost of ₹ 1.24 crore for re-laying the pipeline and the pipeline was re-laid (July 2022) by the PHED. Thus, laying pipeline without obtaining necessary permission resulted in an extra burden to the Government exchequer.

[1] The Right of Way is the total land width required for the Project Highway, to accommodate the roadway (carriageway and shoulders), side drains, service roads, tree plantation, utilities, *etc*.

The State Government stated (August 2024 and March 2025) that the pipeline was laid safely away from carriageway of existing road. It also mentioned that no objection was raised by the PWD during the work.

The reply is contradictory to the facts mentioned in the report of the joint site visit conducted (August 2015) by the officers of the PWD and the PHED. This report clearly mentioned that the pipeline work was irrational and executed in zone of Right of Way without appropriate permission. Further, removal of the pipeline by the PWD during widening work of road also confirms that the pipeline was not laid safely away from the carriageway of existing road.

CHAPTER-VI

Devasthan Department

CHAPTER-VI
Devasthan Department

6.1 Introduction

The Devasthan Department of the Government of Rajasthan is entrusted with the management, administration, and preservation of temples, religious institutions, and endowments under state control. Its key functions include overseeing the functioning of state-managed temples, ensuring proper utilization of temple properties and revenues, maintaining transparency in temple affairs, and promoting cultural and spiritual heritage. The department also facilitates pilgrim welfare, organizes religious events, and implements schemes related to temple development and renovation.

Administratively, the department functions under the Revenue Department and is headed by the Commissioner, Devasthan. It operates through regional and district-level offices, with Devasthan Commissioners and Assistant Commissioners ensuring effective implementation of policies and coordination with temple management committees. The Department also maintains a record of registered public trusts and oversees their functioning under the Rajasthan Public Trusts Act, 1959.

6.2 Results of audit

There are 14 auditable units in the Devasthan Department out of these 6 units were selected for test check. Audit noticed ₹ 158.38 crore of irregularities relating to expenditure. Some of the similar omissions were pointed out in earlier years also but remain unattended till audit was conducted. These cases are illustrative and are based on the test-check carried out by Audit. Irregularities noticed broadly fall under the categories given in **Table 6.1**.

Table 6.1: Statement showing the amount objected by audit during the year 2022-23

(₹ in crore)

Sl. No.	Category	Amount
1.	Non-recovery/short recovery of rent	1.34
2.	Irregularities relating to expenditure	158.38
Total		**159.72**

Source: Compiled on the basis of Inspection Report issued to the Department.

During the year 2022-23, the Department accepted Non-recovery/short recovery and irregularities relating to expenditure of ₹ 159.72 crore.

6.3 Non-recovery of surface rent and penal interest

The Devasthan Department did not monitor the compliance by surface right holders with regard to their surface rent payment obligations, resulting in prolonged periods of non-payment. This lack of enforcement led to the non-recovery of surface rent and accrued penal interest, amounting to ₹ 76.27 lakh.

The State Government (Government) introduced (April 2000) a Mining Policy (Policy) for mining activities on the land of the Devasthan Department. This Policy provided that the Mines and Geology Department would grant mining leases to a person who obtained surface rights from the Devasthan Department.

To obtain the surface rights, the applicant has to pay a lump sum amount and annual surface rent as per the rates prescribed in the clause 2(b) of the Policy. If any person does not pay the annual surface rent and lump sum amount after getting the surface right, the Devasthan Department can revoke the surface right. In such cases, the occupant would be evicted by serving a 30-day notice. Clause 4 of the Policy also provided that if the surface right was assigned, judiciously, but the same has subsequently been transferred by the right holder, in such cases, the new mining leaseholder may be assigned the surface right after depositing lump sum amount as envisaged in clause 2(b) of the Policy and the new leaseholder would also deposit annual rent.

During Audit (May 2023) of Assistant Commissioner Udaipur Divison Devasthan Department for the period April 2015 to March 2023, it was observed that the Assistant Commissioner (Udaipur Division), issued (14 December 2011) no objection certificates (NOC) in favour of two licensees 'A' and 'B' allowing the use of surface rights for the mining of pink marble for 10 years upon *Araji*[1] no. 3526 and 3580 (Plot no.1) and *Araji* no. 3604 & 3643 (Plot no.2) respectively measuring four hectares each. The annual surface rent for each plot was ₹ 2.21 lakh along with a lump sum non-refundable deposit of ₹ 4 lakh. Agreements were executed between the Commissioner, Devasthan Department, Udaipur (Licenser) and successful Licensees on 13 December 2011 and on 14 December 2011 respectively *inter alia* including the following terms and conditions:

(i) The licensee shall not assign the rights conferred by the deed to any other person without previous consent in writing of the licensor.

(ii) The licensee shall pay the surface rent by 1st of April every year in advance, with interest at the rate of 18 *per cent* imposed on delayed payments. Non-payment of the license fee on time may result in recovery actions under the Rajasthan Public Demand Recovery Act, in addition to evict the licensee after serving a 30-day notice.

Mining lease no. 46/2011 and lease no. 45/2011 were granted in favour of above said licensees by the Mining Engineer (Udaipur Division), Mines & Geology Department with effect from 14 December 2011 for 30 years despite the fact that the surface rights were granted for only 10 years by the Devasthan Department.

Both the licensees had not made payment of annual surface rent since the year 2013-14. In June 2019, the Assistant Commissioner, Devasthan Department requested the Mines & Geology Department to provide an update on the status of these leases. In response, the Mines and Geology Department informed (July 2019) that lease no. 46/2011 and lease no. 45/2011 had been transferred by the Additional Director (Mines) to two other persons. Thereafter, the Devasthan Department issued (2 September 2020) notices to the licensees asking them to deposit the outstanding surface rent. In response to the notice, licensees replied that the mining leases allotted to them had been transferred on 16 July 2014 and 26 February 2014 and thus they no longer bore responsibility for any payment with regard to these leases.

[1] Araji- A unique number assigned to a plot or a piece of land.

A review of the records of the Assistant Commissioner, Devasthan Department revealed (May 2023) that the Department did not monitor licensees' compliance with regular surface rent payments, allowing non-payment for several years without taking appropriate action *i.e.* evict the licenses after serving a 30 day notice and recovery under the Rajasthan Public Demand Recovery Act. As a consequence, the non-recovery of surface rent and penal interest on the mining leases has mounted to ₹ 76.27 lakh (Surface rent ₹ 37.64 lakh and Interest ₹ 38.63 lakh) for the period 2013-14 to 2020-21 as detailed in ***Appendix-12.***

Further, Audit noted that the Department did not even raise the issue with the Mining Department regarding the transfer of mining leases to third parties without their consent, nor did it address the issue of granting mining leases for 30 years while the surface rights were given for only 10 years.

Thus, due to laxity in monitoring of surface rent payments by the Department led to a financial loss of revenue amounting to ₹76.27 lakh to the exchequer, compounded by its negligence to address unauthorised lease transfers and synchronize lease durations with surface rights.

The matter was reported to the Government (August 2023). The Government stated (September 2024) that notices had been issued to the concerned licensees and efforts are being made to recover the amount as per provisions of Land Revenue Act, 1956. Further progress is awaited (February 2025).

JAIPUR
The 26th November 2025

(RAMAWATAR SHARMA)
Accountant General
(Audit-II), Rajasthan

Countersigned

NEW DELHI
The 3rd December 2025

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

Appendices

Appendix-1

(Refer Paragraph 1.2; page 1)

Brief profile of the Departments

Sl. No.	Name of Department	The main objectives/functions of the Departments are:
1	Agriculture	To plan growth in 'area & productivity' of the crops of fruits, vegetables, spices, flowers & medicinal plants, *etc.* It is also responsible for dissemination of latest technical know-how besides ensuring timely supply of quality inputs to the farming community.
2	Agriculture Marketing	To strengthen basic infrastructure related to agriculture marketing, provide marketing facilities in *Mandis* to farmers and provide fair & competitive price to farmers at the time of selling their crops.
3	Animal Husbandry	To provide treatment to livestock, prevention & control of livestock diseases, providing artificial insemination services to cattle, manufacturing of vaccines and provide training, *etc*.
4	Art, Culture, Archaeology and Museum	To preserve and conserve our cultural heritage, promotion of all forms of art and culture both tangible and intangible, making concerted efforts to discover, preserve, protect, exhibit and interpret the cultural legacy embodied in various forms of art and architecture. It also takes care of monuments, museums, art galleries, archaeological sites under its control.
5	Civil Aviation	To establish an integrated eco-system for growth of civil aviation sector, which in turn would promote tourism, industries, increase employment and lead to a balanced regional growth.
6	Command Area Development and Water Utilisation	To achieve agricultural production by irrigating maximum land through efficient use of the created irrigation potential and coordinating agricultural expansion and sustainable agricultural research.
7	Cooperative	To improve living standard of youth, women, tribal, farmers and needy persons through active participation in the cooperative movement.
8	Devasthan	To create self-dependence in temples/religious institutions. The Department is also involved in their control and management, providing *puja* facilities, organising various festivals and *melas*, registration and supervision of public trusts and their control, making plans for devasthan development, construction and maintenance of *dharmshalas* and rest houses for public and appointing *mahants* and priests for various temples.
9	Energy	To develop and implement policies aimed at ensuring a secure and reliable energy supply by overseeing the exploration, development and distribution of energy resources, promoting energy efficiency and facilitating the transition to renewable energy sources. Therefore, department oversee and regulate the functioning of power

Sl. No.	Name of Department	The main objectives/functions of the Departments are:
		generation, transmission and distribution systems across the state. Further, department also issues sanctions for loans and grants to Power Sector Companies and to deal with other administrative matters.
10	Environment	To conduct environmental appraisal at planning level related to development schemes, formulate and execute schemes, plans, programmes for environmental conservation and scrutinize the environment related proposals prepared by other Government agencies and non-government organizations.
11	Factories and Boilers Inspection	To ensure safety, health and welfare of the Factory Workers, investigation of accidents and dangerous occurrences in factories and to conduct medical surveillance of industrial workers.
12	Fisheries	To increase fish and fish seed production, promote fish culture in the State and uplift the socio-economic conditions of fishermen.
13	Food, Civil Supplies and Consumer Affairs	Procurement of food grains at reasonable prices from farmers, its storage/handling, maintenance of buffer stocks, implementation and proper functioning of Public Distribution System.
14	Forest	To achieve environmental stability and ecological security through increasing vegetal cover. This is to be accomplished by undertaking massive afforestation for expanding the natural cover of the State, combating desertification, conserving floral and faunal diversity and gene pool reserve through a network of protected areas, such as National Parks, Sanctuaries, Conservation reserves and Community Reserves.
15	Gopalan	Registration of *gaushalas* and their development towards self-sufficiency, conservation and up-gradation of the indigenous breeds of the cows of the State, fodder management during scarcity, organize awareness and training programme for *gaupalak* and *gaushalas* and value addition of cattle products through processing.
16	Ground Water	The Department is nodal department in the State for all kind of ground water related activities such as ground water resource evaluation, survey and investigation, drilling of deep tube wells, ground water quality monitoring, source development, technical assistance for artificial recharge structures and rain water harvesting structures.
17	Horticulture	To increase the area, production and productivity of fruits, vegetables, spices, medicinal and floriculture crops, high quality grafted plants in nurseries and supply to the farmers, popularize the use of drip irrigation system, implement the different State and National Programmes/Schemes regarding horticulture.
18	Indira Gandhi Nahar	To provide irrigation facilities in desert area to meet the increasing demand of agricultural products and to provide water for drinking and industrial uses.
19	Industries	Promotion of Micro, Small and Medium Enterprises (MSMEs), to assist in the marketing of their products, development of salt areas, handicrafts artisan development, development of handloom, *etc*. The Department also provides various concessions, facilities and assistance for setting up of industrial enterprises in the State.

Sl. No.	Name of Department	The main objectives/functions of the Departments are:
20	Information Technology and Communication	To put technology to its highest and best use throughout the various Departments/Autonomous Bodies of Rajasthan Government to improve the administration of State programmes and services. The Department also provides guidance on technical matters vetting IT projects. The Department formulates and implement the Information Technology (IT) Policy in the State.
21	Mines and Geology	To discover, develope and administer mineral resources in the State. The Department conducts survey and prospecting for new mineral deposits and their conformity evaluation by geological, geophysical, geochemical and drilling techniques to make them ready for exploitation.
22	Petroleum	Processing of proposals for grant of Petroleum Exploration Licenses and Petroleum Mining Leases. Collection of revenues from Petroleum Sector, pursuance of various issues such as implementation of Minimum Work Programme awarded blocks for Oil, Gas & Coal Bed Methane (CBM), *etc.*
23	Public Health Engineering	The Department is responsible for development of ground and surface water resources and creation of infrastructures for distribution of adequate and safe drinking water to rural and urban population of the state. It also regulates water supply scheme of the state and collects water charges.
24	Public Works	Construction and maintenance of roads, bridges and Government buildings. The Department also act as technical advisor to the State Government in these matters.
25	Rajasthan State Motor Garage	To implement motor vehicle policy of State Government. Further, it ensures availability of motor vehicles to the functionaries from State/District pool.
26	Science and Technology	To promote new areas of science and technology and to play the role of a nodal department for organizing, coordinating and promoting science and technology activities in the State.
27	State Enterprises	To provide safety to the employees of public sector enterprises effected with the reconstitution of such public sector enterprises.
28	Tourism	To promote tourism and culture of the State for making it as a leading tourism brand in national and international market. Its main functions are to strengthen and diversify existing tourism products, provide innovative tourism products, expand tourist accommodation structures and improve connectivity to tourist destinations.
29	Transport	Registration and fitness of motor vehicles, levy and collection of motor vehicle tax, issuing driving licences, issuing permits to motor vehicles, determination of routes for benefit of public at large and work towards controlling vehicular pollution.
30	Water Resources	Construction of major, medium and minor irrigation projects, operation and maintenance of existing tanks, canals and other irrigation structures are the prime functions of the Department. It also takes flood control measures and construction of irrigation structures under various special schemes.

Appendix-2

(Refer Paragraph 1.5.1; page 4)

Statement showing age-wise analysis of the outstanding inspection reports and audit paragraphs

Sl. No.	Name of the Department	Number of outstanding IRs				Number of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total
1.	Agriculture	151	71	30	**252**	597	412	257	**1266**	1653.28	971.5	916.86	**3541.64**
2.	Agriculture Marketing	8	0	3	**11**	21	0	14	**35**	25.87	42.86	287.59	**356.32**
3.	Animal Husbandry	52	11	9	**72**	106	75	66	**247**	2999.83	188.76	315.74	**3504.33**
4.	Art, Culture, Archaeology and Museum	54	25	10	**89**	133	111	44	**288**	120.78	107.29	234.37	**462.44**
5.	Civil Aviation	4	1	3	**8**	10	3	13	**26**	37.37	4.32	18.81	**60.50**
6.	Command Area Development and Water utilisation	52	5	3	**60**	82	15	15	**112**	88.21	8.26	51.55	**148.02**
7.	Cooperative	54	22	17	**93**	123	102	73	**298**	995.49	1242.43	189.17	**2427.09**
8.	Devasthan	33	9	6	**48**	78	43	31	**152**	81.54	102.18	34.19	**217.91**
9.	Energy	0	1	4	**5**	0	1	10	**11**	0	278.49	6,941.89	**7220.38**
10.	Environment	6	1	3	**10**	31	4	28	**63**	576.31	0	1145.45	**1721.76**
11.	Factories and Boilers Inspection	1	0	15	**16**	1	0	54	**55**	0	0	3.36	**3.36**
12.	Fisheries	0	1	2	**3**	0	6	13	**19**	0	14.06	38.38	**52.44**
13.	Food and Civil Supply	84	12	16	**112**	394	115	120	**629**	5053.57	266.64	495.49	**5815.70**
14.	Forest	231	88	60	**379**	808	514	436	**1758**	1110.75	460.26	829.80	**2400.81**
15.	Gopalan	7	13	3	**23**	33	80	26	**139**	48.82	264.66	72.99	**386.47**

Sl. No.	Name of the Department	Number of outstanding IRs				Number of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total
16.	Ground Water	26	5	8	**39**	40	11	36	**87**	392.25	34.32	37.44	**464.01**
17.	Horticulture	34	0	17	**51**	119	0	108	**227**	527.97	0	45.34	**573.31**
18.	Indira Gandhi Nahar	58	10	5	**73**	112	34	32	**178**	263.30	134.52	51.17	**448.99**
19.	Industries	23	6	18	**47**	50	28	71	**149**	28.73	92.29	22	**143.02**
20.	Information Technology and Communication	1	6	3	**10**	1	19	32	**52**	0	1495.64	69.54	**1565.18**
21.	Mines and Geology	248	56	58	**362**	780	354	537	**1671**	1804.96	206.4	2266.52	**4277.88**
22.	Petroleum	1	1	1	**3**	1	2	4	**7**	0	118.06	203.46	**321.52**
23.	Public Health Engineering	885	168	124	**1177**	2991	1125	781	**4897**	7821.33	3812.34	4877.02	**16510.69**
24.	Public Works	1114	194	118	**1426**	5196	1134	733	**7063**	4236.60	1672.34	2923.03	**8831.97**
25.	Rajasthan State Motor Garage	1	3	2	**6**	1	12	10	**23**	0.03	13.71	2.93	**16.67**
26.	Science and Technology	7	6	9	**22**	13	17	35	**65**	8.19	6.24	33.89	**48.32**
27.	State Enterprises	1	0	2	**3**	1	0	5	**6**	0.07	0	40.77	**40.84**
28.	Tourism	13	2	1	**16**	24	24	11	**59**	72.3	69.74	39.54	**181.58**
29.	Transport	240	34	51	**325**	859	164	626	**1649**	39.35	5.43	107.01	**151.79**
30.	Water Resources	533	111	33	**677**	1816	745	183	**2744**	2084.61	512.42	1361.87	**3958.90**
Total		**3922**	**862**	**634**	**5418**	**14421**	**5150**	**4404**	**23975**	**30071.51**	**12125.16**	**23,657.17**	**65853.84**

Appendix-3

(Refer Paragraph 2.3.18; page 31)

Details of works sanctioned and implemented in selected DMFTs as on 31.03.2023

S. No.	Name of DMFT	Department to which works related	Total sanctioned works	No. of completed works	No. of works in progress	No. of works cancelled/abondoned
1	Banswara	EDUCATION	92	76	9	7
		Panchayati Raj	54	0	8	46
		PWD	19	13	6	0
		MEDICAL	22	15	6	1
		FOREST	11	5	5	1
		WRD	2	1	0	1
		OTHER	7	3	3	1
Total			**207**	**113**	**37**	**57**
2	Bhilwara	PWD	297	149	43	105
		PHED	605	500	15	90
		EDUCATION	841	535	88	218
		WRD	33	29	4	0
		FOREST	65	24	16	25
		MEDICAL	750	615	16	119
		OTHER	65	3	15	47
Total			**2656**	**1855**	**197**	**604**
	Sikar	EDUCATION	29	23	4	2
		PWD	9	6	3	0
		FOREST	8	6	1	1
		MEDICAL	22	14	1	7
		WRD	50	43	0	7

S. No.	Name of DMFT	Department to which works related	Total sanctioned works	No. of completed works	No. of works in progress	No. of works cancelled/abondoned
		Panchayati Raj	0	0	0	0
		OTHER	4	0	0	4
Total			**122**	**92**	**9**	**21**
28	Barmer	EDUCATION	397	308	89	0
		PHED	510	203	306	4
		MEDICAL	17	14	1	0
		FOREST	153	143	10	0
		PWD	102	48	63	3
		Panchayati Raj	12	6	3	3
		WRD	25	24	0	1
		OTHER	29	13	3	0
Total			**1245**	**759**	**475**	**11**
30	Bharatpur	PWD	4	4	0	0
		MEDICAL	11	11	0	0
		Panchayati Raj	28	28	0	0
Total			**43**	**43**	**0**	**0**
Grand Total			**4273**	**2862**	**718**	**693**

Appendix-4

(Refer Paragraph 2.4.1; page 46)

Statement showing excess use of minerals and wrong assessment

(₹ in lakh)

Particulars / Minerals	Quantity permitted under STPs (MT in lakh)	Quantity actually used (MT in lakh)	Excess quantity used (percentage of excess quantity used) (MT in lakh)	Recoverable amount	Quantity used according to the EE Kota and assessed by Mines Department (MT in lakh)	Excess quantity used according to the Mines Department (MT in lakh)	Demand based on the assessment by Mines Department
1	2	3	4	5	6	7	8
Ordinary soil	21.42	23.85	2.43 (11.31)	₹ 19.38 (2.43 x 4 x 2)	17.03	4.39 (less quantity used)	19.32
Aggregate/ Masonry stone /Crusher Dust	13.26	16.84	3.58 (27)	₹ 1,002.73[1] (3.58 x 28 x 10)	16.84	3.59[2]	110.46 (One time Royalty and DMFT)
Total				**1,022.11**			**91.14**
Amount of short assessment (5-8) ₹ 9.31 crore							

[1] More than 25 *per cent* mineral was used than the permitted quantity, therefore 10 times royalty is payable.
[2] The Contractor submitted documents for purchase of royalty paid minerals 3,58,645 MT.

Appendix-5

(Refer Paragraph 2.4.2; page 47)

Details of STPs issued for Mineral Masonry Stone without receiving advance payment

(Amount in ₹)

S.No	STP No.	Contractor	Work order details	Quantity of mineral (in MT)	Date of issue of STP	STP Expiry date	Amount was to be receive in advance				
							Royalty	DMFT	RSMET	Permit fee	Total
1	7/2021	H G Infra Engineering Limited	Upgradation of two lane with paved shoulder from Kundal to Jhadol (Section of NH 58E) from design chn 0.000 to 43.900 (working length=58.03 km) in the state of Rajasthan on EPC mode (Package-1)	80000	6/8/2021	10/31/2021	2240000	224000	44800	40100	2548900
2	17/2021	H G Infra Engineering Limited		100000	8/31/2021	10/31/2021	2800000	280000	56000	50100	3186100
			Total	**180000**			**5040000**	**504000**	**100800**	**90200**	**5735000**

Appendix-6

(Refer Paragraph 2.6.1; page 53)

Statement showing the recoverable amount relating to e-rawannas/transit passes generated during 3 January 2022 to 31 March 2022

(Amount in ₹)

S. No.	Office Name	Number of e-rawannas generated for mining leases	Number of e-rawannas generated for short term permits	Number of e-transit passes generated for registered dealers	Total generated e-rawannas/ transit passes	Recoverable amount in respect of processing fee	Amount realised in compliance of issued factual statement	Rest amount to be recover
1	ME Jhunjhunu	190933	0	100800	291733	2917330	1789740	1127590
2	ME Bhilwara	105776	0	36551	142327	1423270	118810	1304460
3	AME Roopwas	75357	1610	40460	117427	1174270	390970	783300
4	ME Jodhpur	83432	5167	20741	109340	1093400	523710	569690
5	ME Ajmer	34427	22790	36664	93881	938810	199160	739650
Grand Total		**489925**	**29567**	**235216**	**754708**	**7547080**	**3022390**	**4524690**

Appendix-7

(Refer Paragraph 2.6.2; page 54)

Statement showing the details of mining leases which did not deposit the premium amount

(Amount in ₹)

S. No.	Lease No	Lessee Name	Mineral Name	Registration Date	Total Premium	Due date of deposit of premium (Third instalment)	20 *per cent* Premium to be deposited
1	ME/MKN/Minor/ML/04/2018	Rohit Choudhary	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
2	ME/MKN/Minor/ML/06/2018	Rohit Choudhary	Masonary stone	24-Dec-20	1750000	24-Dec-21	350000
3	ME/MKN/Minor/ML/02/2018	Hema Choudhary	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
4	ME/MKN/Minor/ML/08/2018	Rohit Choudhary	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
5	ME/MKN/Minor/ML/11/2018	Rohit Choudhary	Masonary stone	24-Dec-20	170000	24-Dec-21	34000
6	ME/MKN/Minor/ML/03/2018	Hema Choudhary	Masonary stone	24-Dec-20	3500000	24-Dec-21	700000
7	ME/MKN/Minor/ML/10/2018	Hema Choudhary	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
8	ME/MKN/Minor/ML/01/2018	Smt. Hema Choudhary	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
9	ME/MKN/Minor/ML/07/2018	Hema Choudhaey	Masonary stone	24-Dec-20	160000	24-Dec-21	32000
10	ME/MKN/Minor/ML/05/2018	Hema Choudhary	Masonary stone	24-Dec-20	1750000	24-Dec-21	350000
11	ME/MKN/Minor/ML/09/2018	Hema Choudhary	Masonary stone	24-Dec-20	1900000	24-Dec-21	380000
Total							**20,06,000**

Appendix-8

(Refer Paragraph 2.7; page 56)

Statement showing the details of mining leases in which excavation was not done in lease area while the lessee despatched the mineral other than the lease area by misusing e-Rawannas

S.No.	Office Name	Total number of existing leasese	Number of selected leasese	Lease No.	Lessee Name	Mineral Name	Period	Number of Rawannas used for dispatch	Dispatched Quantity (M.T)	Rate of Royalty (in ₹)	Recoverable Amount (in ₹)
1	ME Ajmer	492	50	20/2004	Shri Sunil Kumar Jain	Masonarystone	April 2018 to March 2021	1401	29848.98	28	8357714.4
2				284/2010	Sapediya Group Of Industries	Masonarystone	March 2019	878	13496.66	28	3779064.8
3				B/23/1995	Girish Sone Ji	Felspar	01-04-18 to 21-08-19	410	6516.95	60	3910170
							22-08-19 to 31-03-20	241	3073.96	90	2766564
4				5/2006	Smt. Shilpa Jain	Masonarystone	January 2019 to November 2021	540	7701.47	28	2156411.6
5				B/359/2006	Shanti	Felspar	01-07-18 to 21-08-19	1250	21522.71	60	12913626
Total								**4720**	**82160.73**		**33883551**
6	AME Nimbahera	71	20	B/65/2007	Sugni Devi Jat	China Clay	27-10-17 to 21-08-19	21	739.35	50	369675
							22-08-19 to 31-03-22	1997	79043.71	65	51378411.5
						Silica Sand	22-08-19 to 31-03-22	100	3312.4	90	2981160
Total								**2118**	**83095.46**		**54729247**
7	ME Karauli	257	50	49N/1998	Shri Shyam Lal Mali	Masonarystone	01-04-18 to 12-09-21	4671	33298.45	28	9323566

S.No.	Office Name	Total number of existing leasese	Number of selected leasese	Lease No.	Lessee Name	Mineral Name	Period	Number of Rawannas used for dispatch	Dispatched Quantity (M.T)	Rate of Royalty (in ₹)	Recoverable Amount (in ₹)
							13-09-21 to 31-03-22	591	4429.58	35	1550353
Total								**5262**	**37728.03**		**10873919**
8	ME Sirohi	421	50	129/2002	Iswar Sing	Lime stone (Crusher)	27-10-17 to 12-09-21	398	9579.1	28	2682148
							13-09-21 to 04-02-22	73	1298.05	35	454318
Total								**471**	**10877.15**		**3136466**
9	ME Jaipur	807	50	278/2006	Anubhav Enterprises	Masonary Stone	9/2016 to 10/2017	0*	1760	30	528000
							11/2017 to 3/2018	30	393.27	35	137644.5
							4/2018 to 19.04.2021	234	3260.85	35	1141297.5
10				134/1997	Ajit Singh	Masonary Stone	6/2004 to 09/2007	0*	13932	8	1114560
							10/2007 to 12/2010	0*	43646	16	6983360
							01/2011 to 07/2014	0*	113746	22	25024120
							08/2014 to 10/2017	0*	111828.28	30	33548484
							11/2017 to 03/2018	2255	18757.62	35	6565167
							04/2018 to 07.10.2021	6597	70367	35	24628450
Total								**9116**	**377691.02**		**99671083**
Grand Total		**2048**	**220**					**21687**	**591552.39**	**0**	**202294265**

* As a total of 2,84,912.28 MT of mineral was dispatched by misusing offline rawanna, hence the number of rawannas utilised could not be ascertained.

Appendix-9

(Refer Paragraph 4.3.8.1 (ii); Page No.77)

Details of unserviceable cameras during 2020-23

Name of Tiger Reserve	Location of Camera	Period in which camera remain non-working	Time Taken in re-start	Date of Joint Physical Inspection	Down time at the time of Joint Physical Inspection
Ranthambore Tiger Reserve	Rajbagh-1	04.01.2021 to 05.02.2021	32 days		
		15.07.2021 to 31.03.2022	260 days	22.09.2021	69 days
		01.04.2022 to 12.05.2022	41.5 days		
		22.12.2022 to 21.02.2023	62 days		
	Rajbagh-2	04.01.2021 to 05.02.2021	32 days		
		27.08.2021 to 21.02.2022	179 days	22.09.2021	26 days
		22.12.2022 to 21.02.2023	62 days		
	Jhoomer Bawri	04.01.2021 to 05.02.2021	32 days		
		22.12.2022 to 21.02.2023	62 days		
	Ama Ghati	07.10.2020 to 22.10.2020	15 days		
		04.01.2021 to 09.02.2021	36 days		
		30.06.2022 to 21.07.2022	22 days		
		10.08.2022 to 21.08.2022	12 days		
		22.12.2022 to 21.02.2023	62 days		
	Hill Top Opposite RTR Killa	07.10.2020 to 22.10.2020	15 days		
		19.07.2021 to 17.09.2021	61 days		
		30.06.2022 to 04.08.2022	36 days		
		10.08.2022 to 22.08.2022	12.5 days		
		22.12.2022 to 21.02.2023	62 days		
	Bharav Ji ka Sthan	07.10.2020 to 22.10.2020	15 days		
		04.01.2021 to 09.02.2021	36 days		
		23.11.2021 to 04.02.2022	74 days		
		30.06.2022 to 21.07.2022	22 days		
		10.08.2022 to 21.08.2022	12 days		
		16.12.2022 to 23.02.2023	70 days		
		01.03.2023 to 14.03.2023	14 days		
	High Point	07.10.2020 to 22.10.2020	15 days		
		10.08.2021 to 13.10.2021	65 days	22.09.2021	43 days
		30.06.2022 to 04.08.2022	36 days		

Name of Tiger Reserve	Location of Camera	Period in which camera remain non-working	Time Taken in re-start	Date of Joint Physical Inspection	Down time at the time of Joint Physical Inspection
		10.08.2022 to 21.08.2022	12 days		
		22.12.2022 to 21.02.2023	62 days		
	Jagirdar Ki Haveli	04.01.2021 to 09.02.2021	36 days		
		30.06.2022 to 21.07.2022	22 days		
		10.08.2022 to 21.08.2022	12 days		
		22.12.2022 to 21.02.2023	62 days		
	Lada Ladi Ki Ghati	02.12.2020 to 15.12.2020	13 days		
		04.01.2021 to 09.02.2021	36 days		
		19.07.2021 to 04.02.2022	201 days	22.09.2021	65 days
		30.06.2022 to 04.08.2022	36 days		
		10.08.2022 to 25.08.2022	15.5 days		
		15.09.2022 to 04.10.2022	20 days		
		22.12.2022 to 21.02.2023	62 days		
	Mansarovar Dam	24.12.2020 to 09.02.2021	47 days		
		07.06.2021 to 25.06.2021	19 days		
		10.08.2021 to 17.02.2022	192 days	22.09.2021	26 days
		30.06.2022 to 24.07.2022	25 days		
		10.08.2022 to 24.08.2022	14.5 days		
		22.12.2022 to 27.02.2023	68 days		
		01.03.2023 to 29.03.2023	29 days		
	Balaji Tant	24.12.2020 to 09.02.2021	47 days		
		07.06.2021 to 23.07.2021	47 days		
		10.08.2021 to 17.02.2022	192 days	22.09.2021	43 days
		30.06.2022 to 24.07.2022	25 days		
		10.08.2022 to 24.08.2022	14.5 days		
		22.12.2022 to 21.02.2023	62 days		
	Sherpur	10.08.2022 to 21.08.2022	12 days		
		22.12.2022 to 21.02.2023	62 days		
Sariska Tiger Reserve	Sadar Gate	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		
	Bhartri Tiwara	19.05.2020 to 19.06.2020	31 days		
		01.07.2020 to 04.11.2020	126 days		
		24.09.2021 to 01.02.2022	131 days		
	Banna Top	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		

Name of Tiger Reserve	Location of Camera	Period in which camera remain non-working	Time Taken in re-start	Date of Joint Physical Inspection	Down time at the time of Joint Physical Inspection
	Panali	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		
	Phata Khora	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		
	Mala Jodka	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		
		10.08.2022 to 07.09.2022	29 days		
	Kankwadi	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 01.02.2022	131 days		
		12.08.2022 to 05.09.2022	25 days		
		07.09.2022 to 19.09.2022	12.5 days		
	Star Point	19.05.2020 to 19.06.2020	31 days		
		09.09.2020 to 23.09.2020	14 days		
		24.09.2021 to 01.02.2022	131 days		
	Pandu Pole	19.05.2020 to 19.06.2020	31 days		
		26.10.2020 to 04.12.2020	39 days		
		24.09.2021 to 16.02.2022	146 days		
		08.03.2023 to 19.03.2023	12 days		
	Hawamahal	19.05.2020 to 19.06.2020	31 days		
		31.08.2020 to 02.11.2020	63 days		
		09.11.2020 to 04.12.2020	25 days		
		24.09.2021 to 16.02.2022	146 days		
	Kraska Top	19.05.2020 to 19.06.2020	31 days		
		09.11.2020 to 04.12.2020	25 days		
		24.09.2021 to 07.02.2022	137 days		
		08.03.2023 to 19.03.2023	12 days		
	Kraska Down	19.05.2020 to 19.06.2020	31 days		
		24.09.2021 to 08.02.2022	138 days		
	Hanuman Mandir	19.05.2020 to 19.06.2020	31 days		
		26.10.2020 to 18.11.2020	23 days		
		24.09.2021 to 01.02.2022	131 days		
		27.10.2022 to 07.12.2022	42 days		
		12.12.2022 to 31.03.2023	111 days		
	Kala Khora	19.05.2020 to 19.06.2020	31 days		
		11.08.2020 to 25.09.2020	45 days		

Name of Tiger Reserve	Location of Camera	Period in which camera remain non-working	Time Taken in re-start	Date of Joint Physical Inspection	Down time at the time of Joint Physical Inspection
		24.09.2021 to 16.02.2022	146 days		
		02.09.2022 to 15.09.2022	13.5 days		
	Talvriksh	19.05.2020 to 19.06.2020	31 days		
		14.09.2020 to 26.09.2020	12 days		
		12.01.2021 to 29.01.2021	17 days		
		24.09.2021 to 16.02.2022	146 days		
		08.03.2023 to 19.03.2023	12 days		
	Sukola (Rotkyala)	19.05.2020 to 19.06.2020	31 days		
		31.08.2020 to 06.10.2020	36 days		
		07.10.2020 to 02.11.2020	26 days		
		04.11.2020 to 05.12.2020	31 days		
		24.09.2021 to 07.02.2022	137 days		
		08.03.2023 to 19.03.2023	12 days		
Mukandara Hills Tiger Reserve	MHTR DAM-1	10.01.2023 to 24.02.2023	46 days		
	MHTR DAM-2	27.10.2020 to 23.11.2020	27 days		
		03.12.2020 to 16.12.2020	13 days		
		10.01.2023 to 02.03.2023	51.5 days		
		17.03.2023 to 31.03.2023	15 days		
	Ghati Mata	10.01.2023 to 24.02.2023	46.5 days		
	Food Talab	10.01.2023 to 24.02.2023	46 days		
	Hill Top	10.01.2023 to 24.02.2023	46 days		
	Mashalpura-1	27.07.2022 to 09.08.2022	13.5 days		
		12.08.2022 to 31.08.2022	20 days		
		10.01.2023 to 24.02.2023	46 days		
	Mashalpura-2	27.07.2022 to 09.08.2022	13.5 days		
		12.08.2022 to 31.08.2022	20 days		
		10.01.2023 to 24.02.2023	46 days		
	Mashalpura-3	07.10.2020 to 19.11.2020	43 days		
		18.07.2022 to 28.11.2022	133.5 days		
		10.01.2023 to 24.02.2023	46.5 days		
	Mashalpura-4	07.10.2020 to 19.11.2020	43 days		
		29.07.2022 to 04.11.2022	99 days		
		10.01.2023 to 24.02.2023	46.5 days		
	Mashalpura-5	07.10.2020 to 19.11.2020	43 days		
		10.01.2023 to 24.02.2023	46 days		
	Baba Ki Mjahar	07.10.2020 to 19.11.2020	43 days		

Name of Tiger Reserve	Location of Camera	Period in which camera remain non-working	Time Taken in re-start	Date of Joint Physical Inspection	Down time at the time of Joint Physical Inspection
		10.01.2023 to 24.02.2023	46 days		
	Mohanpura	07.10.2020 to 19.11.2020	43 days		
		12.08.2022 to 02.09.2022	22 days		
		04.10.2022 to 07.11.2022	35 days		
		10.01.2023 to 24.02.2023	46 days		
	Teen Manzil	07.10.2020 to 19.11.2020	43 days		
		03.12.2020 to 16.12.2020	13 days		
		12.08.2022 to 08.11.2022	89 days		
		10.01.2023 to 24.02.2023	46 days		
	Foot Chauki	07.10.2020 to 10.12.2020	64 days		
		14.12.2020 to 26.02.2021	74 days		
		12.08.2022 to 02.09.2022	22 days		
		04.10.2022 to 07.11.2022	35 days		
		10.01.2023 to 24.02.2023	46 days		
	Keshavpura	07.10.2020 to 26.02.2021	142 days		
		03.08.2022 to 22.08.2022	20 days		
		24.08.2022 to 09.09.2022	17 days		
		10.01.2023 to 24.02.2023	46 days		
	Padampura	07.10.2020 to 26.02.2021	142 days		
		08.08.2022 to 22.08.2022	15 days		
		24.08.2022 to 09.09.2022	17 days		
		10.01.2023 to 24.02.2023	46 days		

Source: Forest Department

Appendix-10

(Refer Paragraph 4.3.8.3 (i); Page No. 83)

Delay in release of funds under CSS by the State Government to tiger reserves

Tiger Reserve	Year	Amount sanctioned (₹ in crore)	Date of receipt of fund	Due Date of release of fund (two weeks)	Actual Date of release of fund	Delay (Days)
RTR	2016-17	9.30	30-12-2016	13-01-2017	21-02-2017	39
	2017-18	7.09	30-08-2017	13-09-2017	09-11-2017	57
	2018-19	6.45	27-07-2018	10-08-2018	15-01-2019	158
	2019-20	9.49	22-08-2019	05-09-2019	01-10-2019	26
	2020-21	9.11	25-08-2020	08-09-2020	16-10-2020	38
	2021-22	6.66	29-07-2021	12-08-2021	28-02-2022	200
	2022-23	4.71	13-12-2022	27-12-2022	03-03-2023	66
			29-03-2023	12-03-2023	07-06-2023	87
MHTR	2016-17	2.91	07-09-2016	21-09-2016	26-10-2016	35
	2017-18	2.76	30-06-2017	14-07-2017	04-09-2017	52
	2018-19	3.27	27-07-2018	10-08-2018	15-01-2019	158
	2019-20	5.77	23-07-2019	06-08-2019	01-10-2019	56
	2020-21	7.06	13-07-2020	27-07-2020	16-10-2020	81
	2021-22	3.18	23-09-2021	07-10-2021	28-02-2022	144
	2022-23	1.51	12-12-2022	26-12-2022	08-02-2023	44
STR	2016-17	5.98	07-10-2016	21-10-2016	08-11-2016	18
	2017-18	5.47	26-05-2017	09-06-2017	30-08-2017	82
	2018-19	7.12	27-07-2018	10-08-2018	16-01-2019	159
	2019-20	10.08	06-08-2019	20-08-2019	22-09-2019	33
	2020-21	11.29	23-07-2020	06-08-2020	21-10-2020	76
	2021-22	5.88	17-09-2021	01-10-2021	20-12-2021	80
			27-12-2021	10-01-2022	28-02-2022	49
	2022-23	3.89	16-12-2022	30-12-2022	20-03-2023	80
			29-03-2023	12-04-2023	06-06-2023	55
Total	**2016-23**	**128.98**				**18-200 days**

Appendix-11

(Referred to in Paragraph 4.3.8.3 (ii); Page No. 84)

Details of forest area per Forest Guard sanctioned and working

Tiger Reserve	Area (sq kms)	Sanctioned strength of Forest Guard as of 31 March 2023	Forest area per Forest Guard sanctioned (sq kms)	Working strength as of 31 March 2023	Forest area per Forest Guard working (sq kms)	Increase in covered area (*per cent*)
RTR, Sawai Madhopur	934.17	120	7.78	43	21.72	179.18
RTR, Karauli	477.12	104	4.59	31	15.39	235.29
MHTR	759.99	112	6.79	34	22.35	229.16
STR	1,213.34	133	9.12	56	21.67	137.61
Total	**3,384.62**	**469**		**164**		

Appendix-12

(Refer paragraph 6.3; page 111)

Statement showing non-recovery of surface rent and interest thereon

(Amount in ₹)

A (Lease no. 46/2011)				B (Lease no. 45/2011)			
Year	**Surface Rent**	**Interest @ 18 *per cent***		**Year**	**Surface Rent**	**Interest @ 18 *per cent***	
		Period	**Amount**			**Period**	**Amount**
2013-14	2,21,000[3]	9 Year	3,58,020	2013-14	2,21,000[3]	9 Year	3,58,020
2014-15	2,54,150[4]	8 Year	3,65,976	2014-15	2,54,150[4]	8 Year	3,65,976
2015-16	2,54,150	7 Year	3,20,229	2015-16	2,54,150	7 Year	3,20,229
2016-17	2,54,150	6 Year	2,74,482	2016-17	2,54,150	6 Year	2,74,482
2017-18	2,92,272	5 Year	2,63,045	2017-18	2,92,272	5 Year	2,63,045
2018-19	2,92,272	4 Year	2,10,436	2018-19	2,92,272	4 Year	2,10,436
2019-20	2,92,272	3 Year	1,57,827				
2020-21	3,36,113	2 Year	1,21,001				
Total	**21,96,379**		**20,71,016**		**15,67,994**		**17,92,188**

Surface Rent	37,64,373
Interest	38,63,204
Total	**76,27,577**

[3] Agreement Value of Highest bidders. Agreements were executed between the Commissioner, Devasthan Department, Udaipur (Licenser) and successful applicants (Licensees), A and B on 13 December 2011 and 14 December 2011 respectively

[4] Lease allotted in 2011 at highest bidding price and licenser has right to increase and amend the surface rent within a period of three year that was increase by 15 *per cent* in every three year.

Glossary of abbreviations

Abbreviation	Expanded form
ACS	Additional Chief Secretary
ADG	Additional Directors, Geology
ADM	Additional Directors, Mines
AME	Assistant Mining Engineers
C&AG	Comptroller and Auditor General of India
CAMPA	Compensatory Afforestation Fund Management and Planning Authority
CCF&FD	Chief Conservator of Forest & Field Director
CoT	Transport Commissioner
CSS	Centrally Sponsored Scheme
CTO	Consent to Operate
CWLW	Chief Wildlife Warden
DCF&DFD	Deputy Conservator of Forest & Deputy Field Director
DCR	Demand and Collection Register
DFO	District Forest Officer
DI	Ductile Iron
DLIC	District Level Implementing Committee
DMFTs	District Mineral Foundation Trusts
DMG	Director, Mines and Geology
DMGOMS	Department of Mines and Geology Online Management System
DoIT&C	Department of Information Technology and Communication
DP	Director Petroleum
EDCs	Eco Development Committee
ERC	Excess Royalty Collection
ERCC	Excess Royalty Collection Contract
ESR	Elevated Service Reservoir
ESZ	Eco Sensitive Zones
GCC	General Conditions of Contract
GoI	Government of India
GoR	Government of Rajasthan
GPS	Global Positioning System
IGMPY	Indira Gandhi Matrutv Poshan Yojana
IRs	Inspection Reports
LPCD	Litre per Capita per Day
ME	Mining Engineers
ML	Mining Leases
MMDR	Mines and Mineral (Development and Regulation)
MoEFCC	Ministry of Environment, Forest and Climate Change
MT	Metric Tonnes
NLCPL	National Limestone Company Private Limited
NTCA	National Tiger Conservation Authority

Abbreviation	Expanded form
NWAP	National Wildlife Action Plan
O&M	Operations and Maintenance
PAC	Public Accounts Committee
PD	Personal Deposit
PHED	Public Health Engineering Department
PMKKKY	Pradhan Mantri Khanij Kshetra Kalyan Yojana
PMU	Project Management Unit
PWD	Public Works Department
PWMs	Portable Weighing Machines
QL	Quarry licences
RC	Royalty Collection
RMMC	Rajasthan Minor Mineral Concession
RMMCR	Rajasthan Minor Mineral Concession Rules
RSMET	Rajasthan State Mineral Exploration Trust
RSPCB	Rajasthan State Pollution Control Board
RTOs	Regional Transport Officers
RTPP	Rajasthan Transparency in Public Procurement
RWSSMB	Rajasthan Water Supply and Sewerage Management Board
SBWL	State Board of Wildlife
SLEC	State Level Empowered Committee
SME	Superintending Mining Engineer
STP	Short Term Permit
TCF	Tiger Conservation Foundation
TCPs	Tiger Conservation Plans
TS	Technical Sanction
UNSDG	United Nations Sustainable Development Goals
WCD	Women and Child Welfare Department
WII	Wildlife Institute of India

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SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
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Report of the Comptroller and Auditor General of India for the period ended 31 March 2023

Government of Rajasthan

Report No. 6 of 2025

(Compliance Audit-Civil)

Report of the
Comptroller and Auditor General of India
for the period ended 31 March 2023

Government of Rajasthan

Report No. 6 of the year 2025

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PREFACE

This Report for the year ended 31 March 2023 has been prepared for submission to the Governor of the State of Rajasthan under Article 151 of the Constitution of India.

This report contains seven Chapters in two parts. Part A relates to audit of four of the Revenue earning departments and Part B relates to audit of the Expenditure incurred by the selected Government departments. Audit was conducted under provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts 2020 issued there under by the Comptroller and Auditor General of India.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2022-23 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

About this Report

This Report of the Comptroller and Auditor General of India (CAG) relates to matters arising from Compliance Audit of selected Departments of Government of Rajasthan (GoR). Compliance Audit refers to whether the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and examination of the transactions relating to expenditure incurred by the audited entities and to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

This report is in two parts. **Part-A** includes audit observations noticed during Audit of revenue earning Departments i.e. Commercial Taxes, Land Revenue, Registration & Stamps and State Excise and **Part-B** includes audit observations related to expenditure incurred by various State Government Departments. This Report contains 24 paragraphs involving money value of ₹ 584.81 crore. Some of the significant audit findings are mentioned below:

Part A: Revenue Sector

This part contains 16 paragraphs involving ₹ 565.73 crore, which includes two Subject Specific Compliance Audits (i) 'Department's oversight on GST payments & Return filing' phase II and (ii) 'E-Way Bill System under Goods and Service Tax' pertaining to Commercial Taxes Department.

A synopsis of key findings contained in this Report is presented below:

Goods and Service Tax

Subject Specific Compliance Audits on **"Department's oversight on GST Payments and Return filing" Phase-II and "E-Way Bill System under Goods and Service Tax"** were conducted. The major irregularities noticed are as under:

Department's oversight on GST Payments and Return filing Phase-II

Audit observed that deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under Reverse Charge Mechanism (RCM) were not examined by the Department during scrutiny. There was delay in Business Audit by tax authorities as less than two *per cent* cases of 2020-21 have been completed by the Department and total taxpayers selected for audit ranged between 0.22 *per cent* and 0.26 *per cent* against the norms of five *per cent* during 2019-21. On examination of information provided by three Circles, it was observed that in one Circle (Sirohi), 77 taxpayers were identified as non-filers for the period 2020-21. Out of these, 72 taxpayers (93.50 *per cent*) did not file appropriate returns even after notices in form GSTR-3A were issued to them. However, the department did not initiate action for assessing the tax liability to the best of their judgement and to issue an assessment order in Form ASMT-13.

In Centralised Audit, there were deviations from the provisions of the RGST Act in 286 cases involving an amount of ₹ 2155.65 crore, constituting 30.89 *per cent* of the 926 inconsistencies/mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as ITC mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after limitation period, Mismatch of ITC availed between Annual returns and Books of accounts, Unreconciled ITC in Table 14T of GSTR-9C, Unsettled tax liabilities, Suppression in taxable value in comparison with E-Way bills, and Cases where GSTR 3B not filed but GSTR 1 available. In 23 cases, the firms were found *bogus* and non-existent/traceable, and the demand could not be recovered.

In detailed Audit, there were 225 instances in respect of 32 taxpayers (constituting 32 *per cent* of the 100 taxpayers audited) where the taxpayers filed GSTR 3B after due dates during the period, however, interest of ₹ 1.78 crore on delayed payment of tax was not paid. In one case, the taxpayer was required to reverse the ITC of around ₹ 3.34 crore as the taxpayer had declared both taxable and nil rated/exempted supplies in GSTR-9. In 14 cases the taxpayers received inward supply of services related to legal consultation and supply of services by goods transport agency on which GST of ₹ 3.93 crore was payable under RCM. There were 99 instances of mismatch of ITC of ₹ 260.07 crore and 54 instances of mismatched in tax liability of ₹ 35.04 crore among various return and tables. A taxpayer declared current liabilities amounting to ₹ 257.99 crore as "Advance from Customers" in the Balance sheet for the year 2018-19, however, it is observed from the GSTR-1 and Annual return that no tax was paid on these advances received from the customers.

In 95 out of 100 cases, jurisdictional Circles could not produce key records such as financial statements, trial balances, auditor's reports, GSTR-2A, and related documents, thereby restricting the audit to information available in taxpayers' returns.

Audit recommendations:

- ***In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73 of the RGST Act. In view of this, Audit recommends that efforts may be made to increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.***
- ***The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.***
- ***State Government may strengthen the registration and cancellation mechanism to prevent Registration of the fake units/entities and ITC frauds.***
- ***Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.***

E-Way Bill System under Goods and Service Tax

Audit examination of EWBs for the period 2018-19 to 2021-22 revealed compliance deviations by 36 taxpayers out of examined 65 taxpayers, which pertain to E-Way Bills generated after the date of cancellation of registration, issuing cancellation orders without any demand and generation of EWBs for the transactions effected by suspicious vehicles. Further, Audit observed that EWBs were generated by unregistered persons having assessable value of goods above the prescribed registration threshold and generation of EWBs using invalid PIN Codes.

Audit also noticed gaps in the preventive and enforcement activity done by Enforcement Units of the Department such as improper levy of penalty, loss of revenue due to delay in auction, incorrect levy of RGST and CGST, misclassification of place of supply, generation of temporary GSTIN for already registered taxpayers, delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance and discrepancies in MIS reports and their underutilisation.

Audit sought for login Id and password based access to the E-Way Bill Portal of the Department. However, the same was not provided. As a result, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of supply as per E-Way Bills in their GST returns.

Audit recommended that the Government/Department may consider:

- ***State Government may establish a mechanism to ensure that proper officers cancelling registration, retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.***
- ***State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.***
- ***State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.***
- ***The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.***
- ***The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.***
- ***State Government may ensure provision of read only access of EWB portal to Audit.***

Land Revenue

Out of 704 auditable units under the Land Revenue Department, 104 units were selected by audit for test check during 2022-23. Irregularities relating to

conversion, premium of land, non- reversion of land to the Government and others involving an amount of ₹ 175.38 crore in 16,138 cases were noticed in test check. Irregularities were also noticed in the expenditure audit of these selected units involving an amount of ₹ 10.05 crore in 2,977 cases.

The major irregularities noticed are:

- Non-assessment of the value of surrendered land before allotment of pasture land for mining purposes under Rajasthan Tenancy (Government) Rules, 1955 resulted in non-recovery of ₹ 7.23 crore of difference value of allotted pasture land.
- Non-inclusion of provision for depositing conversion charges in the online process by the Department resulted in sustained loss of revenue amounting to ₹ 13.68 lakh to the State exchequer in 184 cases of online applications.

Stamp Duty and Registration Fee

Out of 559 auditable units (including 19 administrative units) in the Registration and Stamps Department, audit test-checked 33 units (including one administrative unit). Of the 4,87,447 instruments registered in these units, 1,78,892 instruments (36.70 *per cent*) were scrutinised in detail, which brought out short/non-realisation of Stamp Duty and Registration Fee amounting to ₹15.68 crore in 942 instruments (0.53 *per cent* of the sample).

The major irregularities noticed are:

- In three Sub Registrar offices, three documents of immovable properties were registered wherein share in immovable properties were transferred to the existing/continuing partners/partners other than family members of the firm due to retirement of existing partner/partners on which stamp duty, surcharge and registration fee of ₹ 2.25 crore was chargeable at the rate of conveyance on the transferred share.
- In four Sub Registrar offices, five documents of immovable properties were registered with 100/75 *per cent* exemption in stamp duty under Rajasthan Investment and Promotion Scheme. The purchaser purchased already established unit or the Seller sold industrial plots without establishing the units which is not allowed under the scheme. This resulted in irregular exemption of stamp duty and surcharge of ₹ 1.05 crore along with interest of ₹ 0.32 crore.
- Non-inspection of records available digitally on the RERA website by the registering authorities resulted in short levy of stamp duty and surcharge of ₹ 24.49 lakh on account of misclassification of developer agreement as an amended partnership deed.

State Excise

Audit selected 32 out of 108 auditable units (including 20 of 54 implementing units) in the State Excise Department. Examination of records relating to 4,925 retail licensees and 11,646 cases indicated 6,797 instances (58 *per cent*) of non/short realisation of revenue and other irregularities involving ₹512.38 crore. The major irregularities noticed are:

- Lack of action to enforce policy provisions and to comply with the extant directions of Excise Commissioner resulted in non-recovery of additional amount of ₹ 5.84 crore on short- lifted quantity of Indian Made Foreign Liquor and Beer during 2018-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 11.76 crore on account of non-recovery of monthly guarantee amount of Country Liquor (CL) and Rajasthan Made Liquor (RML)from 388 licensees during 2019-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 3.63 crore on account of basic license fee on short-lifted quantity of CL and RML from 456 licensees during 2020-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 11.80 crore on account of non-recovery of difference amount of excise duty on CL and RML from 533 licensees during 2019-21.
- Department did not recover the remaining amount of ₹ 3.11 crore of composite fees against 222 licensees during 2021-22 and granted undue benefit to the licensees in operation of their shops.
- The excise duty on the expired beer stock was neither paid by the brewer nor demanded by the Excise Department which resulted in non-levy of excise duty amounting to ₹ 2.53 crore for the period 2021-23.
- In 227 cases, composition amount of ₹ 74.73 lakh was not deposited by the concerned licensees within the prescribed time limit. The concerned DEOs neither recovered the due amount nor cancelled the licenses of such licensees as per the condition mentioned in compounding orders and allowed the licensees to continue their business without payment of penalty.
- Department could not recover the amount of ₹ 1.51 crore from 106 licensees on account of shortfall in Annual License fees for 2022-23.
- Lack of action on part of the District Excise Officers to enforce the provisions of the Policy and conditions of the license led to non-recovery of excise duty and basic license fees amounting to ₹ 206.79 crore on short lifted guarantee quota of liquor for the period 2021-23.

Part B: Compliance Audit

Compliance Audit observations related to expenditure incurred by various State Government Departments.

This part of the Report contains eight compliance audit paragraphs involving an amount of ₹ 19.08 crore emerging out of the audit of Department of Personnel, Urban Development and Housing Department, Medical, Health and Family Welfare Department, Higher Education Department, Local Self Government Department and Sainik Kalyan Vibhag.

Department of Personnel

- 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 indication of collusive bidding, ineligible qualification, and procedural lapses. This indicated systemic weaknesses in the Board's procurement practices.

Urban Development and Housing Department

- 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 in 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*.

Medical, Health and Family Welfare Department

- 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.

- During 2016–17 to 2019–20, the Department of Medical Health & Family Welfare incurred an expenditure of ₹ 16.55 crore for constructing 24 District Early Intervention Centres (DEICs) with the objective of identifying children at risk of developmental delays, disabilities, congenital anomalies, and other health conditions, and facilitating their timely referral to tertiary-level healthcare institutions. Audit observed that none of the 24 DEICs had been equipped with diagnostic or medical equipment, and no staff had been deployed in 12 DEICs even after more than five years of their establishment. This was despite the sanction of ₹ 22.91 crore by the Government of India for essential diagnostic or medical equipment, of which ₹ 21.87 crore remained unutilised. Consequently, 12 DEICs remained only partially functional, while the remaining 12 were completely non-functional as of June 2025, defeating the core objective of early detection and intervention for childhood developmental disorders and disabilities.

Higher Education Department

- 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 more than three years. Moreover, despite clear recommendations of the Monitoring Committee to recover at least 50 *per cent* of the payments made to the firm 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 indicating serious lapses in contract management.

- The Ministry of Micro, Small & Medium Enterprises, GoI, sanctioned (January 2017) the establishment of a Centre for Entrepreneurship and Small Business Management at Jai Narain Vyas University, Jodhpur, at an estimated cost of ₹3.15 crore, with ₹1.50 crore from GoI and ₹1.65 crore to be contributed by the university. The Centre was completed in August 2020 at a cost of ₹1.85 crore. However, the university deposited only ₹1.50 crore, of which ₹1.25 crore was diverted (June 2017) to meet pension liabilities, leading to non-procurement of essential infrastructure and rendering the Centre non-functional as of May 2025.

Local Self Government Department

- Cancellation of contract to procure e-buses from a reputed supplier due to non-transparent and irregular working of Jaipur City Transport Services Limited, resulted in non-utilisation of GoI funds and loss of opportunity to provide environment friendly buses to the common public of Jaipur city.

Sainik Kalyan Vibhag

- Due to the absence of a feasibility study and the improper selection of the site in relation to the intended purpose, the Veerangana Hostel cum Rehabilitation Centre Jodhpur has remained unutilised even after more than five years since its completion in March 2019. Furthermore, the Government has not repurposed the property despite a proposal for its alternative use being submitted two years ago.

Part-A
REVENUE SECTOR

CHAPTER-I
GENERAL

CHAPTER I: GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Rajasthan during the year 2022-23, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are given in **Table 1.1**.

Table 1.1: Revenue receipts of the State

(₹ in crore)

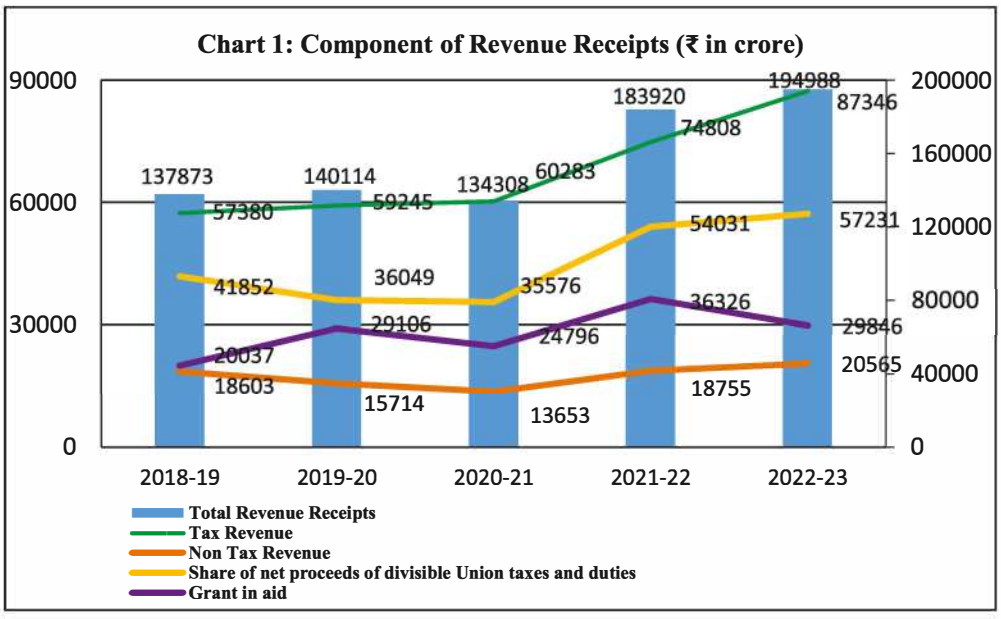
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	**Revenue raised by the State Government**					
	• Tax revenue[1]	57,380.34	59,244.98	60,283.44	74,807.98	87,346.38
	• Non-tax revenue[2]	18,603.01	15,714.16	13,653.02	18,754.95	20,564.43
	Total	**75,983.35**	**74,959.14**	**73,936.46**	**93,562.93**	**1,07,910.81**
2	**Receipts from the Government of India**					
	• Share of net proceeds of divisible Union taxes and duties[3]	41,852.35	36,049.14	35,575.77	54,030.61	57,230.79
	• Grants-in-aid[4]	20,037.32	29,105.53	24,795.65	36,326.48	29,846.33[5]
	Total	**61,889.67**	**65,154.67**	**60,371.42**	**90,357.09**	**87,077.12**
3	**Total revenue receipts of the State Government (1 and 2)**	**1,37,873.02**	**1,40,113.81**	**1,34,307.88**	**1,83,920.02**	**1,94,987.93**
4	**Percentage of 1 to 3**	**55**	**53**	**55**	**51**	**55**

Source: Finance Accounts of the respective years.

The revenue raised by the State Government (₹ 1,07,910.81 crore) was 55 *per cent* of the total revenue receipts (₹1,94,987.93 crore) during the year 2022-23. The balance 45 *per cent* of receipts during 2022-23 were from the Government of India by way of share of net proceeds of divisible Union taxes and duties and grants-in-aid.

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1 For details, please see Table 1.2 of this chapter.
2 For details, please see Table 1.3 of this chapter.
3 For details, please see Statement Number 14 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Rajasthan for the year 2022-23. Figures under the head 0005 - Central Goods and Services Tax, 0008 - Integrated Goods and Services Tax, 0020-Corporation Tax, 0021-Taxes on income other than corporation Tax, 0028-Other Taxes on income and Expenditure, 0032-Taxes on wealth, 0037-Customs, 0038-Union excise duties and 0044-Service Tax and 0045-Other Taxes and Duties on Commodities and Services-share of net proceeds assigned to State booked in the Finance Accounts.
4 For details, please see Statement Number 14 of Finance Accounts of the Government of Rajasthan for the year 2022-23 major Head-1601.
5 This includes compensation of ₹ 4,259.90 crore received for loss of revenue arising out of implementation of GST.



1.1.2 The details of the tax revenue raised during the period 2018-19 to 2022-23 are given in **Table 1.2.**

Table 1.2: Actual receipts in respect of the tax revenue

(₹ in crore)

Sl. No.	Heads of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage increase (+) / decrease (-) in 2022-23 over 2021-22
1	Taxes on sales, trade, *etc.*	14,225.31	15,361.61	17,146.94	19,983.79	22,017.35	(+) 10.18
	Central sales tax	565.65	481.15	332.09	621.61	709.79	(+) 14.19
2	State Goods and Services Tax	22,938.33	21,954.17	20,754.87	27,501.90	33,790.48	(+) 22.87
3	State Excise	8,694.10	9,591.63	9,853.00	11,807.34	13,325.85	(+) 12.86
4	Stamp duty and registration fee						
	Stamps-judicial	60.70	61.88	47.87	56.13	81.84	(+) 45.80
	Stamps-non-judicial	3,255.34	3,544.91	4,571.89	5,560.25	7,032.06	(+) 26.47
	Registration fee	569.99	627.94	677.51	875.53	1,075.29	(+) 22.82
5	Taxes on motor vehicles	4,576.45	4,950.98	4,368.17	4,758.92	6,128.17	(+) 28.77
6	Taxes and duties on electricity	2,147.95	2,262.77	2,142.39	2,606.19	2,625.17	(+) 0.73
7	Land revenue	289.94	364.49	279.32	631.48	484.01	(-) 23.35
8	Taxes on goods and passengers	50.79	41.12	45.18	171.17	7.81	(-) 95.44
9	Other taxes and duties on commodities and services	5.14	1.01	1.23	11.21	0.56	(-) 95.00
10	Other taxes[6], *etc.*	0.65	1.32	62.97	222.46	68.00	(-) 69.43
Total		**57,380.34**	**59,244.98**	**60,283.44**	**74,807.98**	**87,346.38**	**(+) 16.76**
Percentage of increase of actual over previous year		**13.39**	**3.25**	**1.75**	**24.09**	**16.76**	

Source: Finance Accounts of the respective years.

6 Other taxes include taxes on income and expenditure (Taxes on professions, trades, callings and employments) and taxes on immovable property other than agriculture land.

In 2022-23, there was overall increase in tax revenue collection by 16.76 *per cent* as compared to the previous year.

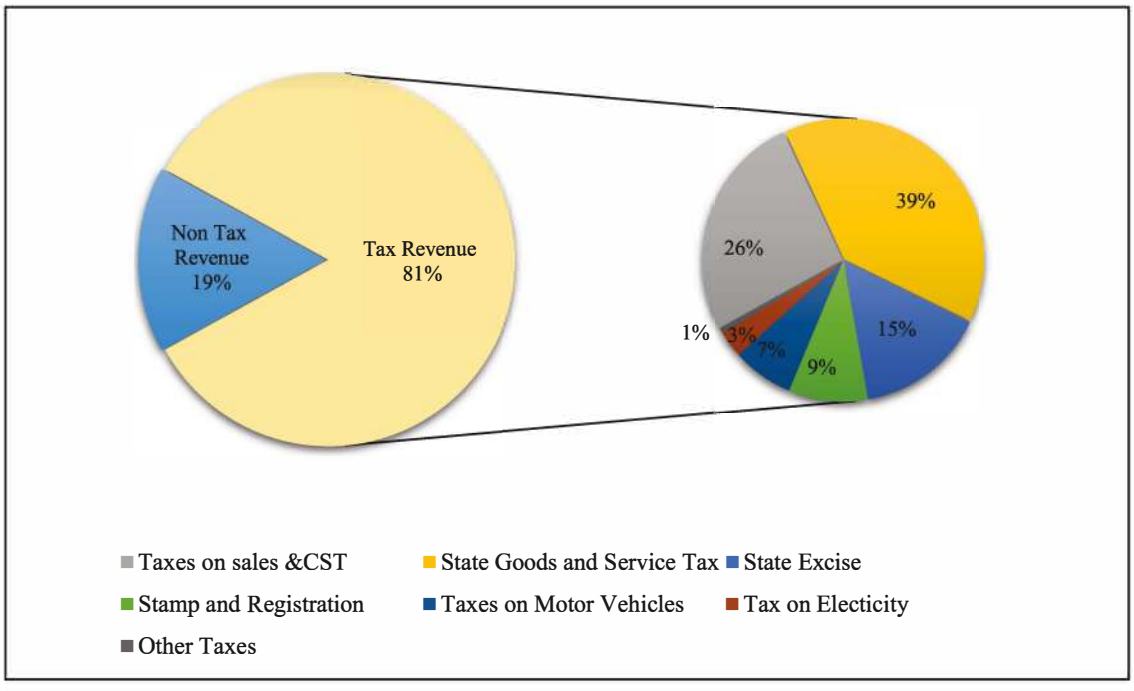
The concerned departments intimated that:

- Increase in 'Stamp duty and registration fee' (26.14 *per cent*) was due to recovery in pending cases, effective monitoring, increase in DLC rates and increase in sale-purchase of property.

Further, reasons for increase in 'Taxes on sales, trade (10.18 *per cent*) and State Goods and Services Tax' (22.87 *per cent*) were not provided by the Commercial Taxes Department, GoR.

The revenues of the State during 2022-23 and the composition of the Tax revenues are shown in **Chart 2**.

Chart 2: Revenues of the State



1.1.3 The details of the non-tax revenue raised during the period 2018-19 to 2022-23 are given in **Table 1.3.**

Table 1.3: Actual receipts in respect of the non-tax revenue

(₹ in crore)

Heads of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage increase (+)/ decrease (-) in 2022-23 over 2021-22
Non-ferrous mining and metallurgical industries	5,301.48	4,579.09	4,966.39	6,395.15	7,212.90	(+) 12.79
Interest receipts	5,790.87	3,851.99	2,693.15	1,628.18	2,030.43	(+) 24.71
Miscellaneous general services	783.86	915.51	747.01	2,591.41	2,970.63	(+) 14.63
Police	345.38	641.68	192.54	532.37	474.33	(-) 10.90

Heads of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage increase (+)/ decrease (-) in 2022-23 over 2021-22
Other administrative services	246.49	207.16	146.62	498.32	175.97	(-) 64.69
Major and medium irrigation	179.31	77.19	245.47	193.94	186.91	(-) 3.62
Forestry and wildlife	147.45	109.47	73.67	119.60	172.88	(+) 44.55
Public works	125.92	91.91	92.98	108.88	243.65	(+) 123.78
Medical and public health	163.59	238.16	227.09	270.31	201.35	(-) 25.51
Co-operation	22.24	9.11	95.75	9.40	22.29	(+) 137.13
Other non-tax receipts[7]	5,496.42	4,992.89	4,172.35	6,407.39	6,873.09	(+) 7.27
Total	**18,603.01**	**15,714.16**	**13,653.02**	**18,754.95**	**20,564.43**	**(+) 9.65**
Percentage of increase of actual over previous year	**18.23**	**(-) 15.53**	**(-) 13.12**	**37.37**	**9.65**	

Source: Finance Accounts of the respective years.

In 2022-23, there was overall increase in non-tax revenue collection by 9.65 *per cent* as compared to the previous year. The concerned departments intimated that:

- Increase in revenue (44.55 *per cent*) under 'Forestry and wildlife' was due to more earnings in firewood, charcoal and tendu leaves trading.
- Increase in revenue under 'Public Works' (123.78 *per cent*) was mainly due to the smooth conduct of construction works due to the reduction in COVID-19 cases.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2023 relating to certain principal heads of revenue amounted to ₹ 11,122.98 crore, out of which ₹ 4,621.06 crore was outstanding for more than five years as given in **Table 1.4.**

Table 1.4: Arrears of revenue

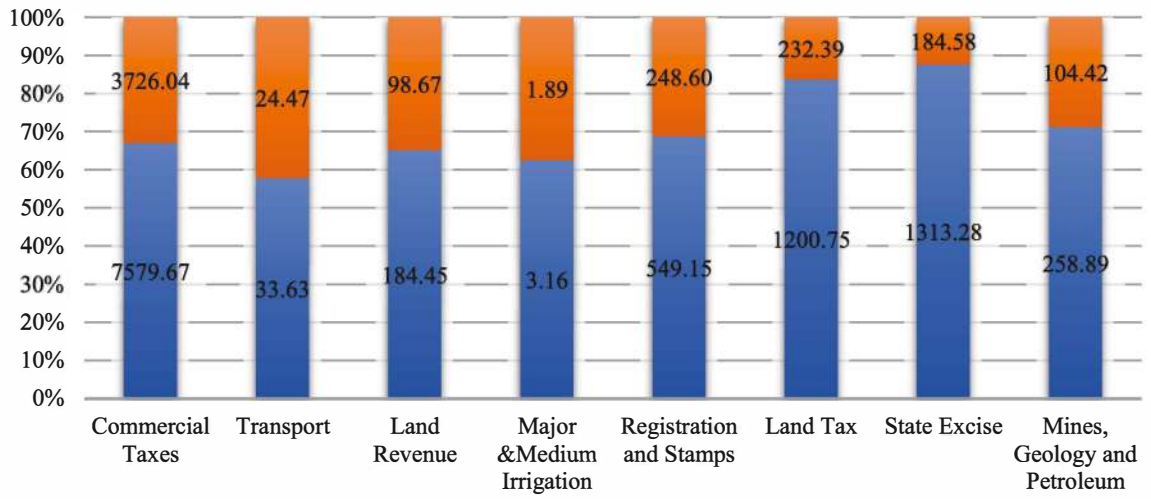
(₹ in crore)

Sl. No.	Heads of revenue	Total amount outstanding as on 1 April 2022	Total amount outstanding as on 31 March 2023 and percentage change in comparison to previous year		Amount outstanding for more than five years as on 31 March 2023
1	Commercial Taxes	12,105.72	7,579.67	(-) 37.39	3,726.04
2	Transport	50.07	33.63	(-) 32.83	24.47
3	Land Revenue	217.03	184.45	(-) 15.01	98.67
4	Major & Medium Irrigation	2.99	3.16	(+) 5.69	1.89
5	Registration and Stamps	681.73	549.15	(-) 19.45	248.60
6	Land Tax	515.54	1,200.75	(+) 132.91	232.39
7	State Excise	1,484.01	1,313.28	(-) 11.50	184.58
8	Mines, Geology and Petroleum	283.89	258.89	(-) 8.81	104.42
Total		**15,340.98**	**11,122.98**	**(-) 27.49**	**4,621.06**

Source: Information provided by the concerned Departments.

7 Other non-tax receipts constitute income from petroleum, public service commission, jails, housing, village and small industries, fisheries, dividends and profit, contribution and recoveries towards pension and other retirement benefits, *etc.*

Chart 3 : Arrears of Revenue (₹ in crore)



1.3 Arrears in assessment

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the respective Departments in respect of Commercial Taxes, Registration and Stamps, Mines, Geology and Petroleum and Transport are given in **Table 1.5**.

Table 1.5: Arrears in assessment

Name of the Department		Opening balance	New cases due for assessment during 2022-23	Total assessment cases due	No. of Cases disposed of during 2022-23	Balance cases at the end of the year	Percentage of disposal (col. 5 to 4)
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Commercial Taxes		01	4,443	4,444	4,443	01	99.98
Registration and Stamps	Registration and Stamps	4,597	5,719	10,316	5,161	5,155	50.03
	Land Tax	10,754	9,098	19,862	2,050	17,812	10.32
Mines, Geology and Petroleum		10,579	10,434	21,553	7,555	14,042	35.05
Transport		1,032	20,006	21,038	20,017	1,021	95.15

Source: Information provided by the concerned Departments

It can be seen that Commercial Taxes and Transport Departments performed well to achieve a high disposal rate. However, the disposal of cases was poor in Department of Registration and Stamps and Department of Mines, Geology and Petroleum. These Departments may take necessary action for speedy disposal of the cases.

1.4 Evasion of tax detected by the Departments

According to the information furnished by the Commercial Taxes Department, 855 cases of tax evasion were noticed during 2022-23 which included cases noticed by the anti-evasion wings of the Department. During the year, assessment/investigation was completed in 782 cases which included cases detected during the previous years. Further, additional demand with penalty etc. amounting to ₹ 1,415.77 crore was raised during 2022-23, out of which the Department recovered ₹ 136.43 crore.

In the Registration and Stamps Department, 1,386 cases of tax evasion were noticed during 2022-23. Further, additional demand with penalty etc. amounting to ₹ 16.66 crore was raised during 2022-23 out of which the Department recovered ₹ 4.94 crore.

1.5 Pendency of refund cases

The refund cases pending at the beginning of the year 2022-23, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2022-23 as reported by the respective Departments are given in **Table 1.6**.

Table 1.6: Pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	Commercial Taxes Department		Registration and Stamps		Transport		Mines, Geology and Petroleum	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1	Claims outstanding at the beginning of the year	1,482	138.04	1,400	11.59	669	3.13	3	2.75
2	Claims received during the year	4,817	300.31	2,065	17.18	379	4.17	2	0.27
3	Refunds made during the year	3,411	150.84	1,438	9.72	687	3.39	3	0.35
4	Rejected during the year	1,891	222.15	334	3.64	47	0.18		
5	Balance outstanding at the end of year	997	65.36	1,693	15.41	314	3.73	2	2.67

Source: Information provided by the concerned Departments

The Departments may take steps for speedy settlement of the pending refund cases which would not only benefit the claimants but would also save the Government from payment of interest on the delayed payment.

1.6 Authority for Audit

Article 149 of the Constitution of India provides that the Comptroller and Auditor General of India (CAG) shall exercise such powers and perform such duties in relation to the accounts of the Union and of the states and of any other authority or body as may be prescribed by or under any law made by the Parliament. The Parliament passed the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act (CAG's DPC Act) in 1971. Section 16 of the CAG's DPC Act authorizes CAG to audit all receipts (both revenue and capital) of the Government of India and of Government of each state and of each Union territory having a legislative assembly and to satisfy himself that the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed. The principles and methodology for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and Auditing Standards 2017 issued by the CAG.

1.7 Audit Planning and conduct of Audit

The unit offices under various departments have been categorised into high, moderate and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan was prepared on the basis of risk analysis which, *inter-alia,* included critical issues in Government revenues and tax administration *i.e.* budget speech, Report of the Finance Commission (State and Central), statistical analyses of the revenue earnings during the past five years, audit coverage and its impact during the past five years. During the year 2022-23, there were 2,029 auditable units in Commercial Taxes, Registration and Stamps, Land Revenue and State Excise Departments. Out of these auditable units, 169 units were planned and audited, which is 8.33 *per cent* of the total auditable units. In addition, two Subject Specific Compliance Audits *viz. "Department's oversight on GST payments & Return Filing"- Phase-II* and *"E way bill system under GST"* relating to Commercial Taxes Department were also conducted.

1.8 Response of the Government/Departments to Audit observations

The office of the Principal Accountant General (Audit-I), Rajasthan, Jaipur audits the Government/Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the audit and not settled on the spot. The IRs are issued to the heads of the inspected offices with copies to the next higher authority for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions. They have to report compliance through initial reply to the office of the Principal Accountant General within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Department and the Government.

Analysis of Inspection Reports issued upto March 2023 disclosed that 5,263 paragraphs involving ₹ 1,865.98 crore relating to 1,837 IRs issued for these four main revenue earning departments[8] remained outstanding at the end of September 2023 as given in **Table 1.7**.

Table 1.7: Number of IRs and Paragraphs pending as of September 2023

Particulars	September 2021 (IRs issued up to March 2021	September 2022 (IRs issued up to March 2022)	September 2023 (IRs issued up to March 2023)
Number of IRs pending for settlement	1,799	1,855	1,837
Number of outstanding audit paragraphs	5,308	5,255	5,263
Amount of revenue involved (₹ in crore)	1,656.71	1,305.64	1,865.98

1.8.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 September 2023 and the amounts involved are given in **Table 1.8**.

Table 1.8: Department-wise details of outstanding IRs and paragraphs

(₹ in crore)

S. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit paragraphs	Amount involved
1	Commercial Taxes	Taxes on sales, trade, *etc.*	536	1,687	631.08
2	Land Revenue	Land revenue	125	598	195.09
3	Registration and Stamps	Stamp duty and registration fee	1,047	2,616	371.31
4	State Excise	State excise	129	362	668.50
Total			**1,837**	**5,263**	**1,865.98**

As can be seen from the table, the pendency in terms of outstanding IRs and outstanding paragraphs is highest in the Department of Registration and Stamps whereas the amount involved in the pending paragraphs is highest in the State Excise Department.

1.8.2 Departmental Audit Committee Meetings

The Government constituted Audit Committees[9] to monitor and expedite the progress of the settlement of the paragraphs in the IRs. The details of the Audit Committee/Audit sub-committee meetings held during the year 2022-23 and the paragraphs settled therein are given in **Table 1.9**.

8 Four main revenue earning Departments *viz.* Commercial Taxes, Land Revenue, Registration & Stamps and State Excise.

9 Audit Committees, *inter alia*, comprising Secretary of concerned Departments and Accountant General/his representative, were formed as per Circular No. 1/2005 dated 18 January 2005 of Government of Rajasthan and decided that one Audit Committee meeting shall be held in each quarter. In addition to this, Audit sub-committees comprising officers of the Departments and representative of Accountant General, are also formed.

Table 1.9: Details of the Audit Committee/Audit sub-committee meetings

(₹ in crore)

S. No.	Name of the Department	Number of Audit Committee meetings held	Number of Audit sub-committee meetings held	Number of paragraphs settled	Amount
1	Commercial Taxes	3	5	75	11.66
2	Land Revenue	1	-	-	-
3	Registration and Stamps	3	10	115	2.83
4	State Excise	2	1	8	0.17
Total		**9**	**16**	**198**	**14.66**

It can be seen that 198 paragraphs involving ₹ 14.66 crore were settled in Audit committee/Audit sub-committee meetings held in respect of Commercial Taxes, Registration and Stamps and State Excise Departments. Land Revenue and State Excise Departments may organize more Audit Committee/Audit sub-committee meetings to settle the outstanding paragraphs.

1.8.3 Response of the Departments to the draft audit paragraphs

Factual statements followed by draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded to the Principal Secretaries/Secretaries of the concerned Departments[10], drawing their attention to the audit findings and requesting them to send their response within six weeks.

Eighteen draft paragraphs (combined into 16 paragraphs of the report) were sent to the Principal Secretaries/Secretaries of the respective Departments between July and December 2024. The responses of the concerned departments received in respect of all these draft paragraphs have been suitably incorporated in the Report.

1.8.4 Follow-up on the Audit Reports-summarised position

The Rules and Procedures of the Public Accounts Committee (PAC) of the Rajasthan State Assembly framed in 1997 prescribe that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs. The Action Taken Explanatory Notes (ATENs) thereon should be submitted by the Government within three months of tabling of the Report, for consideration of the PAC. Inspite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed. Eighty paragraphs (including Performance audit) included in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2017, 2018, 2019, 2020 and 2021 were placed before the State Legislative Assembly between 06 March 2018 and 22 September 2022. The ATENs from Land Revenue and State Excise Departments on the paragraphs were received with a delay ranging between 5 to 81 days. The PAC discussed 18 selected paragraphs pertaining to the Audit

10 Commercial Taxes, Land Revenue, Registration & Stamps and State Excise Departments.

reports for the years from 2016-17 to 2018-19 and its recommendations on all these paragraphs were incorporated in five Reports[11] of PAC (2022-2023).

1.9 Results of Audit

Test check of the records of 169 audited units of Land Revenue, Registration and Stamps, and State Excise Departments and examination of cases under Subject Specific Compliance Audits on '*Department's oversight on GST payments & Return filing' Phase II and 'E Way bill system under GST'* pertaining to Commercial Taxes Department disclosed instances of Short recovery of conversion charges, Non/ short levy of stamp duty and registration fee, Non/short realization of excise duty and license fees, ITC mismatch, mismatch in tax liability, EWBs generated by ineligible and cancelled taxpayers etc. aggregating to ₹ 1,020.28 crore in 27,982 cases.

During the year, the concerned Departments accepted under-assessments and other deficiencies in 9,172 cases involving revenue of ₹ 791.76 crore, of which 6,871 cases involving ₹ 754.08 crore were pointed out in audit during 2022-23 and the rest in earlier years. The Departments had recovered ₹ 18.10 crore in 2,047 cases during 2022-23.

1.10 Coverage of this part of the Report

This part of the Report contains 16 paragraphs. The total financial impact of the paragraphs is ₹ 565.73 crore. These are discussed in Chapters II to V. The Departments/Government have accepted audit observations involving ₹ 490.57 crore (as of March 2025). Out of the accepted audit observations, the Departments recovered ₹ 10.34 crore up to March 2025 which was in addition to the recoveries (₹ 18.10 crore) made through local audit inspection reports during the year 2022-23. Further, the concerned Departments recovered ₹ 27.89 crore during the year 2022-23 in respect of objections raised in previous Audit Reports. Thus, total recoveries made at the instance of audit during the year aggregated to ₹ 56.33 crore.

11 Five Reports pertaining to: Land Revenue (two) Registration and Stamps (two) and Commercial taxes Department (one).

CHAPTER-II
GOODS AND SERVICE TAX

CHAPTER II: GOODS AND SERVICE TAX

2.1 Tax administration

The receipts from the Goods and Services Tax/Value Added Tax/Central Sales Tax payable under the respective laws relating to state taxpayers are administered at the Government level by the Additional Chief Secretary (Finance). The Chief Commissioner, State Tax is the head of the Commercial Taxes Department (Department) and is assisted by 26 Additional Commissioners, 57 Deputy Commissioners (DC), 110 Assistant Commissioners (AC), 164 Commercial Taxes Officers (CTO), 431 Assistant Commercial Taxes Officers (ACTO) and a Financial Advisor (FA). They are assisted by Junior Commercial Taxes Officers (JCTO) and other allied staff for administering the relevant tax laws and rules.

2.2 Results of audit

During 2022-23, the Department accepted under assessment and other deficiencies of ₹ 7.58 crore in 244 cases pertaining to earlier years, against which the Department recovered/adjusted ₹ 7.32 crore in 233 cases.

Instead of generic risk assessment at Circle (auditee units) level, audit under GST was taken up through a data led audit approach which provides more comprehensive subject matter risk assessment in areas such as registrations, return scrutiny, input tax credit, tax payment, e-way bill system etc. Therefore, for the specific subject, high risk transactions/cases are selected centrally through data analysis for scrutiny of taxpayer records.

Two Subject Specific Compliance Audits under this new tax regime (i) 'Department's oversight on GST Payments and Return filing'- Phase II was undertaken in consideration of the increased significance of the control and oversight mechanism of the Department for tax compliance and (ii) E-Way Bill System under GST with a view to seeking an assurance on effectiveness of the EWB mechanism.

The findings pertaining to these two SSCAs are discussed in the succeeding paragraphs.

2.3 Subject Specific Compliance Audit on 'Department's oversight on GST Payments and Return filing'- Phase II

2.3.1 Introduction

Goods and Service Tax from July 2017 was a significant moment in the history of indirect tax reforms in the country. It ushered in a new era of cooperative federalism in the taxation of the country making the country one common market, wherein the Centre and States simultaneously levy Tax based on a common tax rate. The reform made a far-reaching impact in terms of reducing the cascading effect of taxation by unifying the diverse tax structures existed and allowing cross border input tax credit. With simplified tax structures, strong IT system and less intrusive administration, the reform was expected to usher

higher transparency and improved compliance in the field of indirect taxation. Seven years into the GST, the tax eco-system is evolving to cater to the emerging requirements of administration as well as the taxpayers. With an ever increasing tax base, GST revenue is a significant component of the tax revenue of the Government.

GST provisions envisage that every registered taxable person shall self-assess the taxes payable, pay the same and furnish a return for each tax period. The GST returns must be filed online regularly on the common GST portal, failing which penalties will be applied. Even if the business has no tax liability during a particular tax period, it must file a nil return mandatorily. Different formats are prescribed for returns for each category of taxpayers like normal taxpayer, composition taxpayer, casual taxpayer, non-resident taxpayer, e-commerce operators etc., according to the nature of business and keeping the unique features of each category in mind. The periodicity of returns filing also changes accordingly.

This Subject Specific Compliance Audit (SSCA) was taken up as a continuation of the SSCA conducted during the year 2022-23 (Phase I), considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Government of Rajasthan (GoR) in this new tax regime.

2.3.2 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. Audit of 'Department's oversight on GST Payments and Return filing' was taken up with the following audit objectives to seek an assurance on:

(i) Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and

(ii) Whether the scrutiny procedures, internal audit and other compliance functions of the Circles were adequate and effective.

2.3.3 Audit Scope

The scope of audit comprised examination of taxpayers' compliance, scrutiny process and subsequent follow up carried out by the Department on returns filed by the registered taxpayers. In addition, the SSCA included review of records of a sample of taxpayers for the year 2018-19 to 2020-21. The scope of this SSCA also included evaluation of the functions of selected Circles.

The period of review of the scrutiny of returns and verification of taxpayers' records was from 2018-19 to 2020-21 and audit of functions of selected Circles for the period 2020-21.

2.3.4 Audit methodology and Sample selection

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for centralized audit that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at departmental premises; and a sample of Circles for evaluating the compliance functions of the circles.

(i) Part I- Audit of Circles

For the purpose of evaluation of oversight functions, 10 Circles, out of 135 regular circles, that had jurisdiction having the maximum number of sample cases under Detailed Audit excluding the Circles that had already been audited in the SSCA Phase-I, were considered as sample of Circles for evaluation of their oversight functions.

(ii) Part II –Centralized Audit

Audit analyzed GST returns data pertaining to 2018-19 to 2020-21 as made available by Goods and Service Tax Network (GSTN. Rule-based deviations and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 16 deviations such as mismatch of Input Tax Credit (ITC) availed between Annual Returns and Books of accounts, short payment of interest, ITC mismatches etc. Accordingly, 532 taxpayers were selected for Centralized Audit under this SSCA based on high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. The audit queries were issued to the respective assessment circles without further scrutiny of taxpayer's records.

(iii) Part III-Detailed audit

Audit selected 100 cases (including 20 cases of mining activities) for detailed audit using a risk-based approach, which involved field visits for verification of records available with the assessment circles. Taxpayers' records like returns and related attachments and information were accessed through Circles for evaluation of the extent of tax compliance by taxpayers. Audit utilized the Single Sign-On User IDs (SSOIDs) provided to the maximum extent feasible to examine data/documents relating to taxpayers in the back-end system (viz. registration, tax payment, returns and other departmental functions). Efforts were made to access the relevant granular records from the taxpayers such as invoices etc. through respective assessment circles.

Entry conference for this SSCA was held on 21 April 2023 with Secretary, Finance (Revenue) Department, GoR, Chief Commissioner, State Tax, Rajasthan and other officers of the State Government and the Department in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 03 March 2025 with Secretary, Finance (Revenue) Department, GoR, Chief Commissioner of State Tax and other officers of the State Government in which the audit findings were

discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft paragraph have been suitably incorporated in the relevant paragraphs.

2.3.5 Audit Criteria

The source of audit criteria comprised the provisions contained in the Central Goods and Service Tax (CGST)/Rajasthan Goods and Service Tax (RGST) Act, Integrated Goods and Service Tax (IGST) Act, and Rules made thereunder. In addition, the notifications and circulars issued by State Tax Department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilizing ITC, scrutiny of returns and oversight of tax compliance and Standard Operating Procedures (SOP) containing instructions to departmental officers on various aspects related to filing returns, scrutiny of returns, cancellation of registrations and verification of Directorate General of Analytics and Risk Management (DGARM) reports etc. also formed part of the audit criteria.

2.3.6 Audit findings: Compliance verification mechanism of the department (Part-I)

The role of Circles is to ensure compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns, *etc.* The Circles have a broad set of functions to be exercised in this regard, which were assessed as a part of this SSCA.

Two potential audit areas were identified *viz* (i) effectiveness of scrutiny and assessment functions (ii) action on late-filers and non-filers. Accordingly, relevant records and information for the period 2020-21 were requisitioned from the selected 10 Circles.

2.3.6.1 Effectiveness of the scrutiny functions of the Department

As per Section 61 of the CGST/RGST Act, various returns filed by taxpayers have to be scrutinized by the Proper Officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns. The Proper Officer designated for this purpose is the Circle Officer. Further, Rule 99 of the RGST Rules, 2017 mandates that the discrepancies, if any notice shall be communicated to the taxpayer to seek his explanation.

While restructuring the Commercial Taxes Department, Government of Rajasthan *vide* orders no. F.9(3) FD/ Tax/2020 dated 24.09.2021 constituted the Business Intelligence Unit (BIU).

Further, Department *vide* Circular No.F.17(151) ACCT/GST/2017/7602 dated 07.01.2022 issued detailed guidelines/SOP on scrutiny of returns with a view to ensure the uniformity, and to standardize the procedure for the proceeding as per Section 61 of the Act.

BIU selects the cases for scrutiny of returns under Section 61 of the Act on the basis of analysis of data submitted by the Registered Taxable Person (RTP) on GSTN portal based on 12 risk parameters[1]. BIU gets the list of identified RTPs approved by the Chief Commissioner State Tax and sends it to the concerned zones who distribute them to the proper officers having territorial jurisdiction over the concerned RTPs.

Audit observed in sampled ten circles[2] that 200 cases, were scrutinized during 2022-23 by the Department pertaining to the period 2017-18 to 2020-21. Of these, in 24 cases (12 *per cent*), deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under Reverse Charge Mechanism (RCM) were not examined by the Department during scrutiny. As a result, ITC mismatch between monthly return GSTR 3B and auto generated input supplies statement GSTR 2A amounting to ₹ 0.84 crore in 21 cases, mismatch in tax liability to ₹ 0.03 crore in two cases and non- payment of tax under RCM amounting to ₹ 0.03 crore in one case aggregating to ₹ 0.90 crore remained unexamined by the circles.

The matter was reported to the Department and the State Government (December 2024). The State Government accepted (March 2025) the audit observations in 16 cases[3] and issued notice in DRC-07/ DRC-01 in six cases and recovered ₹ 0.08 crore in 10 cases. Further, two cases were under examination and action was being taken in three cases under business audit after being pointed out by Audit. In respect of one case, it was stated that the recovery has been effected as per the amount shown in the GSTR 9, however, supporting document/amount of recovery was not provided/intimated.

In two cases[4], it was stated that the mismatch was due to data entry errors. However, the Department did not produce supporting documents in support of the reply due to which Audit could not ascertain the correctness of the Department's reply.

2.3.6.2 Delay in Business Audit by tax authorities

As per Section 65 of the RGST Act, 2017 the Commissioner or any officer authorized by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed. Section 2 (13) of the RGST Act, 2017, defines "Audit"

1 Excess outward tax in GSTR 1 compared to GSTR 9/3B; Less turnover shown in GSTR 3B compared to GSTR 7 (TDS); Less turnover shown in GSTR 1 compared to GSTR 8 (TCS); Less RCM liability disclosed in GSTR 9 than shown by suppliers in GSTR-1; Excess outward tax in E- Way Bills compared to GSTR 3B; Excess ITC claimed in GSTR 3 B /9 which is not confirmed in GSTR 2A/2B or GSTR 9; ITC on purchase invoices uploaded by supplier in GSTR filed after last date of availment as per proviso to section 16(4); ITC claimed from suppliers who have not filed GSTR 3B; ITC claimed from suppliers whose RC have been cancelled; ITC claimed from taxpayers whose RC is cancelled *ab-initio*; ITC claims after the last date of availment of ITC as per section 16(4) and GSTR 3B filed after due date and Interest short paid not paid.

2 Circle Bundi, D Udaipur, E Udaipur, F Jaipur-II, Sirohi, J Jaipur-I, Shahjahanpur, B Bhilwara, Baran, Merta city.

3 Circle Bundi, E Udaipur, F Jaipur-II, Sirohi, J Jaipur-I, Shahjahanpur, B Bhilwara, Baran.

4 Circle E Udaipur and Merta city.

as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder.

Department issued detailed procedure for audit in the form of Rajasthan Goods and Service Tax Audit Manual (RGSTAM) 2020, which incorporated process of new norms for selection of taxpayers for conducting audit based on risk parameters such as taxpayers identified by BIU/ Business Intelligence and Fraud Analytics (BIFA), local intelligence inputs, taxpayers purchase from cancelled taxpayers, etc. It envisages that the selection of taxpayers for audit will be done by HQ level officers. The Government, while restructuring the Commercial Taxes Department strengthened (September 2021) the Audit wing and a three-tier business audit mechanism was created. Teams at State and Zonal levels were required to examine larger, complex cases allocated on the basis of risk parameters. The rest of the cases were to be dealt with at the circle level.

The details of the GST Business audit undertaken by the Department during the year 2023-24 for GST is given in **Table 2.1** as below:

Table 2.1: Details of GST Business audit undertaken by the Department

(₹ in crore)

Financial Year	Total number of taxpayers	No. of taxpayer selected[5] for audit (*in per cent*)	Actual number of audits completed (as of March 2024)	No. of cases in which deficiencies were found	Total amount involved in deficiencies	Total Recovery
2019-20	8,94,334	2,019 (0.*22 per cent*)	947 (46.90 *per cent*)	912	237.20	114.98
2020-21	10,29,493	2,700 (0.26 *per cent*)	35 (1.30 *per cent*)	32	17.47	13.27

Source: Information provided by Commercial Taxes Department

It is evident that total taxpayers selected for audit ranged between 0.22 *per cent* and 0.26 *per cent* against the norms of five *per cent,* while less than two *percent* cases of what had been selected in 2020-21 had been completed by the Department.

During test check (July 2024) of the records of 20 cases of Business audit under the section *ibid* pertaining to four circles[6], it was noticed in one case[7] that the Department did not identify short discharge of tax liability amounting to ₹ 6.08 lakh as observed from Annual Return.

5 Maximum ceiling is 5 *per cent* of the total taxpayers as per norms mentioned in RGSTAM.
6 Circle E Jaipur-I, K Jaipur-III, Business Audit-I Jaipur- II and Business Audit- II Jaipur- IV.
7 Circle E Jaipur-I.

The matter was reported to the Department and the State Government (December 2024). The Government stated (March 2025) that SCN has been issued.

During the Exit Conference, the Chief Commissioner (State Tax) accepted the audit contention and stated that the norm of five *per cent* was not prescribed in the Act, instead it has been prescribed in the manual. He further added that selecting five *per cent* of total taxpayers will be voluminous and the Department would have to expand audit capacity and also consider revising the norms up to a reasonable limit.

Recommendation 1: In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73[8] of the RGST Act. In view of this, Audit recommends that efforts may be made to increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.

Recommendation 2: The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.

2.3.6.3 Lack of action on non-filers

Section 46 of the RGST Act, 2017 read with Rule 68 of CGST/RGST Rules, 2017 stipulates issue of a notice in Form GSTR-3A, requiring filing of return within fifteen days, if the taxpayer had failed to file the return within the due date. In case the taxpayer fails to file the returns even after such notice, the proper officers may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in Form ASMT-13.

Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers.

Relevant records and information were requisitioned from the selected 10 Circles. However, out of these, seven Circles[9] did not provide the required records and information. Therefore, the functions of these Circles could not be evaluated. Non-production of records, led to limitation of scope of audit to examine irregularities and evaluate oversight functions of the Department.

On examination of information provided by three Circles[10], it was observed that in one Circle *viz*. Circle Sirohi, 77 taxpayers were identified as non-filers for the

8 Section 73: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.

9 Circle Bundi, D Udaipur, E Udaipur, F Jaipur-II, J Jaipur-I, Shahjahanpur, Merta city.

10 Circle-B Bhilwara, Baran and Sirohi.

period 2020-21. Out of these 77 cases, 72 taxpayers (93.50 *per cent*) did not file appropriate returns such as GSTR-3B, GSTR-1 etc. even after notices in form GSTR-3A were issued to them. However, the department did not initiate action for assessing the tax liability to the best of their judgement and to issue an assessment order in Form ASMT-13.

The matter was reported to the Department and the State Government (December 2024). The Government stated (March 2025) that recovery is in progress. However, the Department's reply is silent on the reasons as to why the Department did not take any action under the provisions *ibid.*

2.3.7 Centralized Audit (Part II)

Audit analyzed GST returns data pertaining to 2018-19 to 2020-21 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 16 parameters, which can be broadly categorized into two domains - ITC and Tax payments.

Out of the 13 prescribed GST returns,[11] the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/data:

- *GSTR-1: monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.*

- *GSTR-3B: monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.*

- *GSTR 6: monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.*

- *GSTR 8: monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.*

- *GSTR-9: annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deductor at Source/Tax Collector at Source, Casual Taxable Person, and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, RGST and IGST) during the entire year along with turnover and audit details for the same.*

11 GSTR-1, GSTR-3B, GSTR-4 (taxpayers under the Composition scheme), GSTR-5 (non-resident taxable person), GSTR-5A (Non-resident OIDAR service providers), GSTR-6 (Input service distributor), GSTR-7 (taxpayers deducting TDS), GSTR-8 (E-commerce operator), GSTR-9 (Annual Return), GSTR-10 (Final return), GSTR-11 (person having UIN and claiming a refund), CMP-08, and ITC-04 (Statement to be filed by a principal/job-worker about details of goods sent to/received from a job-worker).

- *GSTR-9C: annual audit form for all taxpayers having a turnover above ₹ 5 crores in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.*

- *GSTR-2A: a system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their Form GSTR-1 / 5, ISD details from GSTR 6, details from GSTR-7 and GSTR- 8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from ICEGATE Portal of Indian Customs.*

The pan State data analysis pertaining to state jurisdiction on the 16 identified parameters and extent of deviations/inconsistencies observed are summarised in **Table 2.2** as below:

Table 2.2: Summary of sample data analysis (Centralised audit)

Sl. No	Parameter	Algorithm used	Number of taxpayers	Number of deviations	Amount (₹ in crore)
Domain: ITC					
D1	ITC mismatch between GSTR 2A and GSTR 3B	ITC available as per GSTR 2A with all its amendments and the ITC availed in GSTR 3B in Table 4A (5) including 4(D) blocked credits and subsequent years from Table 8C of GSTR 9.	60	95	799.37
D2	ITC Availed without supplier remitting tax	GSTR 9 particularly pertaining to table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A	30	76	293.38
D3	ITC Availed in GSTR 3B filed after limitation period	ITC availed through Table 4 of GSTR 3Bs filed by the taxpayer beyond the due dates of September, GSTR 3B return of the following year, were identified by examining the data.	45	57	99.28
D4	Incorrect availment of ISD credit	ISD transferred in GSTR 9 Table 6G or GSTR 3B Table 4(A) (4) was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR 6 of recipient GSTINs.	17	27	8.26
D5	ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9	RCM payments in GSTR 3B Table 3.1(d) was compared with ITC availed in GSTR 9 Table 6C, 6D and 6F. In cases where GSTR 9 was not available, the check was restricted within GSTR 3B - tax discharged in Table 3.1(d) vis-à-vis ITC availed Table 4A(2) and 4A(3)	40	64	83.17
D6	Mismatch of ITC availed between Annual returns and Books of accounts	Positive figure in GSTR 9C Table 12F and examination of reasons provided in Table 13 for mismatch	15	24	487.93
D7	Reconciliation between ITC availed in Annual returns with expenses in financial statements.	Positive figure in GSTR 9C Table 14T and examination of reasons provided in Table 15 for mismatch	15	23	647.47
Domain: Tax payments					
D8	Unsettled liabilities	The greater of tax liability between GSTR 1 (Tables 4 to 11) and GSTR 9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR 3B Tables 3.1(a) and 3.1(b). In cases where GSTR 9 was not available GSTR 3B tax paid was compared with GSTR 1 liability. The amendments and advance adjustments declared in GSTR 1 and 9 were duly considered.	70	121	857.72

Sl. No	Parameter	Algorithm used	Number of taxpayers	Number of deviations	Amount (₹ in crore)
D9	Suppression in taxable value in comparison with E-Way bills	Where GSTR 3B Table 3.1 (a) + (b) tax payable were less than the tax liability declared in the e-way bills.	45	104	1580.91
D10	Mismatch in tax paid between books of accounts and returns	Negative figure in GSTR 9C Table 9R and examination of reasons provided in Table 10 for mismatch.	15	19	36.17
D11	Suppression of taxable value identified through TDS/TCS declaration	The cases where the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2 have been identified.	25	41	501.35
D12	Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C	Table 5B figures of GSTR 9C which captures the unbilled revenue at the beginning of the financial year was compared with Table 5H of the previous GSTR 9C returns which captures the unbilled revenue of the end of the year to review the extent of identified mismatch in turnover declared in the Annual Return with the Financial Statements.	15	20	412.56
D13	Mismatch in taxable turnover declared in GSTR 9C Table 7G	Negative figure in GSTR 9C Table 7G and examination of reasons provided in Table 8 for mismatch.	15	26	7567.87
D14	Composition taxpayer also availing e-commerce facility	E-commerce GSTR 8 became effective from 1.10.2018 when TCS provisions became effective. GSTINs declared in GSTR 8 who are also filing GSTR 4 under composition scheme.	10	10	-
D15	GSTR 3B was not filed but GSTR 1 is available	Taxpayers who have not filed GSTR 3B but have filed GSTR 1 or where GSTR 2A available, indicating taxpayers carrying on the business without discharging tax.	45	67	-
D16	Short payment of interest	Interest calculated at the rate of 18 per cent on cash portion of tax payment on delayed filing of GSTR-3B vis-à-vis interest declared in GSTR 3B.	70	188	33.05
Total			**532**	**962**	**13,408.49**

Significant deviations from each of the audit dimensions are illustrated below:

(i) ITC mismatch between GSTR-2A and GSTR-3B:

To analyze the veracity of ITC utilization, relevant data were extracted from GSTR 3B and GSTR 2A for the year 2018-19 to 2020-21, and the ITC paid as per suppliers' details were matched with the ITC credit availed by the taxpayer.

Audit observed that in case of a taxpayer under Circle B, Barmer, the ITC available as per GSTR 2A for the year 2019-20 was ₹ 111.82 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2019-20 was ₹ 174.49 crore. This resulted in mismatch of ITC availed amounting to ₹ 62.67 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).

(ii) ITC availed without supplier remitting tax:

Section 16 (2) (c) of the RGST Act, 2017 provides that no registered person shall be entitled to the credit of any ITC in respect of any supply of goods or

services or both to him unless the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of ITC admissible in respect of the said supply.

To analyse the extent of compliance of ITC availment under Section 16 of the RGST Act, an attempt has been made to identify likely cases where the ITC would have been passed on by the taxpayer without the actual remitting the tax. For this purpose, the relevant data from GSTR 9 particularly pertaining to Table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A. Table 8A of GSTR 9 auto-populates from table 3 and 5 of GSTR-2A and capture details of total credit available for inward supplies (other than imports and inward supplies liable to reverse charge but includes services from SEZs). This would be the aggregate of all the ITC that has been declared by the corresponding suppliers. Higher values in GSTR-2A than Table 8A of GSTR-9 reflect that tax was not paid by the supplier in respect of such supplies and therefore, ITC was not available.

Under this dimension, the Department was required to examine the difference in the ITC availed by the recipient who is a taxpayer under Circle-I, Jaipur-III and the tax paid by the supplier amounting to ₹ 13.54 crore. The difference was noticed by comparing ITC available of ₹ 50.38 crore in Table 8A of GSTR-9 with ITC available of ₹ 63.92 crore in GSTR-2A for the year 2018-19. The difference could be on account of difference in the place of supply or recipient availing ITC on invoices issued after cancellation of registration of the supplier, in which case the recipient is liable to reverse the ITC. The difference could also be on account of the supplier not filing his monthly return, i.e. GSTR-3B and thereby not discharging the tax liability.

The audit query was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand had been raised. However, the case is under stay of Hon'ble Rajasthan High court. Further progress was awaited (August 2025).

(iii) Availing ITC in GSTR 3B filed after the limitation period for availing ITC:

Section 16(4) of the RGST Act provides that a registered person shall not be entitled to take ITC in respect of any supply of Goods or Services or both after the due date of furnishing of the returns under Section 39 for the month of September following the end of financial year to which such ITC pertains or furnishing of the relevant annual return, whichever is earlier. Accordingly, if any GSTR 3B is furnished after such time, ITC availed therein becomes inadmissible.

To review the extent of excess/irregular ITC availed on this account, the ITC availed through Table 4 of GSTR 3B pertaining to year 2018-19 to 2020-21 filed by the taxpayer beyond the due dates of September GSTR 3B return of the following year were identified.

Audit observed that in case of a taxpayer under Circle F, Jaipur-I, ITC amounting to ₹ 9.16 crore was availed for the period of 2019-20 through GSTR 3B filed after the limitation period[12] which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that a show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(iv) Incorrect availing of ITC by recipient on ISD credit:

To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer is compared with the ITC transferred by the ISD in their GSTR 6.

In case of taxpayer under circle- F, Jaipur-II, Audit observed that during 2018-19 the ITC transferred by the ISD in table (5A+8A+9A) of GSTR 6 was ₹ 11.90 crore and ITC availed in GSTR 3B table 4(A) (4) was ₹ 13.01 crore. This resulted in mismatch in availment of ITC transferred by the ISD amounting to ₹ 1.11 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that a demand order had been issued (April 2024) to the taxpayer. Further progress was awaited (August 2025).

(v) Incorrect availment of ITC under Reverse charge mechanism (RCM):

Under Reverse Charge Mechanism, the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the RGST Act, 2017 and under sub-section (3) or sub-section (4) of Section 5 of the IGST Act, 2017.

To analyse the veracity of tax paid under RCM the datasets in GSTR 3B and annual return GSTR 9 pertaining to RCM was compared to check whether the tax has been discharged fully on the activities/transactions under RCM. In cases where GSTR 9 was filed, the RCM payments in Table 4G was compared with ITC availed in Table 6C, 6D and 6F. In cases where GSTR 9 was not available, RCM payments in GSTR 3B Table 3.1(d) was compared with GSTR 3B 4(A) (2) and 4A (3).

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Month of GSTR 3B	Prescribed date of filing	Actual date of filing
October 2019	September 2020	05 November 2020
November 2019	September 2020	16 August 2021
December 2019	September 2020	16 August 2021
January 2020	September 2020	16 August 2021
February 2020	September 2020	16 August 2021

Audit observed that in case of a taxpayer under Circle-I, Zone-Jaipur-III, the ITC available as per the tax payable under RCM in table 3.1(d) of GSTR 3B during 2018-19 was ₹ 0.49 crore whereas the ITC availed in table 4A (2) & (3) of GSTR 3B was ₹ 5.91 crore resulting in mismatch of ITC availed amounting to ₹ 5.42 crore which was communicated to the Department and the State Government (December 2024). The State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).

(vi) Mismatch of ITC availed between Annual returns and Books of accounts:

Table 12 of GSTR 9C reconciles ITC declared in annual return (GSTR9) with ITC availed as per audited Annual financial statement or books of accounts. Column 12F of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of RGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analyzed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

In case of a taxpayer under Circle- I, Jaipur-III, Audit noticed that there was mismatch between the ITC claimed in annual return as per Table 12E of GSTR-9C and ITC claimed as per audited financial statements declared in Table 12 (D) of GSTR-9C by ₹ 236.18 crore for the period 2020-21. As such, unreconciled ITC of ₹ 236.18 crore was declared in Table 12F of GSTR 9C. This was communicated to the Department and the State Government (December 2024). In response, the State Government stated (April 2025) that show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(vii) Unreconciled ITC in Table 14T of GSTR-9C:

Table 14 of GSTR 9C reconciles ITC declared in annual return (GSTR9) with ITC availed on expenses as per audited Annual financial statement or books of accounts. Column 14T of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of RGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the Financial Statements.

In case of a taxpayer under Circle-I, Jaipur-III, Audit noticed that for the year 2020-21, the ITC claimed in annual return as per Table 14S of GSTR 9C was ₹ 392.07 crore whereas total amount under eligible ITC as per Table 14R of GSTR 9C, was ₹ *Nil*. As such, there was unreconciled ITC of ₹ 392.07 crore, declared in Table 14T of GSTR 9C, being ITC availed in GST returns in excess of eligible ITC based on expenses reported in financial statements. This was communicated to the Department and the State Government (December 2024).

In response, the State Government stated (March 2025) that show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(viii) Unsettled tax liability:

GSTR-1 depicts the monthly details of outward supplies of goods or services. Outward supplies also assessed by the taxpayer and mentioned in annual return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof are also shown in monthly GSTR-3B return.

To analyse the unsettled tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the year 2018-19 to 2020-21 and the tax payable in these returns was compared with the tax paid as per GSTR-9. The amendments and advance adjustments declared in GSTR-1 and 9 were also considered for this purpose. Where GSTR 9 was not available, a comparison of tax payable between GSTR 1 and GSTR 3B was resorted to. For the algorithm, tables 4 to 11 of GSTR 1 and tables 4N, 10 and 11 of GSTR 9 were considered. The greater of the tax liability between GSTR 1 and GSTR 9 was compared with the tax paid declared in tables 9 and 14 of GSTR 9.

During audit, it was observed that in case of a taxpayer under Circle-J, Jaipur-III, the tax payable as per GSTR 1 was ₹ 7.23 crore and as per GSTR 9 was *Nil* during the year 2019-20. The greater of the tax liability of ₹ 7.23 crore, declared in GSTR-1, was compared with the tax paid of ₹ *Nil* as declared in tables 9 and 14 of GSTR 9. This resulted in mismatch of tax liability amounting to₹ 7.23 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress in this regard was awaited (August 2025).

(ix) Suppression in taxable value in comparison with E-Way bills:

To analyse the extent of short-payment of tax, relevant data related to tax liability declared in GSTR 3B for the years 2018-19 to 2020-21 were compared with disclosures made in E-way bill. For the algorithm, the cases where GSTR 3B Table 3.1 (a) + (b) tax payable were less than the tax liability declared in the e-way bills were identified.

In case of a taxpayer under Circle-A, Bhiwadi, Audit noticed that tax liability payable in Table 3.1 of GSTR 3B for the year 2018-19 was ₹ 124.09 crore, whereas tax liability payable as per the e-way bills was ₹ 313.54 crore. This resulted in undischarged tax liability amounting to ₹ 189.45 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025).

(x) Mismatch in tax paid between books of accounts and Annual Return:

The Certified reconciliation statement submitted by the taxpayer as required under rule 80(3) of CGST/RGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified

mismatch in tax paid between the Annual Return and the books of account. Table 9 of the GSTR 9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR 9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/RGST/IGST.

In case of a taxpayer under Circle-C, Jaipur-III, Audit noticed that for the year 2018-19 total tax to be paid, as per table 9P of GSTR-9C was ₹ 32.62 crore, whereas declared total tax paid in annual return, as per table 9Q of GSTR-9C, was ₹ 28.41 crore. As such, unreconciled payment of tax of ₹ 4.21 crore was declared in Table 9R of GSTR 9C.

This was communicated to the Department and the State Government (December 2024). In response, State Government stated (March 2025) that demand has been created *vide* DRC-07, however, the matter is pending under NCLT. Further progress was awaited (August 2025).

(xi) Suppression of taxable value identified through TDS/TCS declaration:

TDS and TCS details are declared in GSTR 7 and GSTR 8 respectively and communicated to the registered person in Table 9 of GSTR-2A. The cases where the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2 have been identified. The deviation amount indicated may only be a fraction of non-disclosure, as exact comparison is not possible as the taxpayer may have other supplies which do not necessitate TDS recovery.

During audit, it was observed that in case of a taxpayer under Circle-D, Kota, taxable value declared on account of outward taxable supplies in GSTR 3B were less than the net amount liable for TDS credit amounting to ₹ 248.84 crore in 2020-21. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that the matter is under investigation of the Deputy Director General of GST Intelligence (DGGI), Jaipur. Further progress in this regard was awaited (August 2025).

(xii) Unreconciled taxable turnover in Table 7G of GSTR 9C:

Table 7 of GSTR 9C is the reconciliation of taxable turnover. Column 7G of this table captures the unreconciled taxable turnover between the annual return GSTR 9 and that declared in the financial statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under rule 80(3) of CGST/RGST Rules in Form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases where the turnover in GSTR 9 is less than the financial statement could indicate non-reporting, short-

reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit query on unreconciled taxable turnover in Table 7G of GSTR-9C, amounting to ₹ 604.48 crore during the year 2019-20 was issued in respect of a taxpayer under Circle-A, Bhiwadi was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025).

(xiii) E-Commerce suppliers availing Composition levy Scheme:

As per the Provision of Section 10(2) (d) of the CGST Act 2017, Composition Scheme Dealers are not allowed to supply of any goods or services through e-commerce operators and are required to collect tax at source under Section 52 of the act.

To identify those composition taxpayers who have availed the e-commerce facility, the datasets pertaining to GSTR 8 filed by the e-commerce operators and GSTR 4[13] filed by the composition taxpayers were compared to check whether the recipient GSTINs mentioned in GSTR 8 have also filed GSTR 4.

Apart from irregularly availing the benefit of composition levy, it was also noticed that the turnover as declared by the E-commerce provider in the GSTR 8 returns pertaining to most of these taxpayers was more than the turnover declared by the taxpayers in their CMP-08, for composition levy, hence there may be a likelihood of short payment of tax too.

In the case of a taxpayer under circle-G, Jaipur-III for the year 2018-19, Audit observed that sum of composition turnover was shown as ₹ 0.68 crore in CMP-08 whereas sum of gross amount declared in GSTR 8 was ₹ 1.37 crore as per E-Commerce deductee. As such, the turnover as declared by the E-Commerce provider in the GSTR 8 returns pertaining to the taxpayers was more than the turnover declared by the taxpayers in its CMP-08 for composition levy. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

(xiv) Cases where GSTR 3B not filed but GSTR 1 available:

GSTR 3B return under rule 61(5) of CGST/RGST Rule 2017 is the only instrument through which the tax liability is offset and ITC is availed.

Efforts were made through data analysis to identify those taxpayers who had not filed GSTR 3B but filed GSTR 1 or whose GSTR 2A was available. The very availability of GSTR 1 and 2A and non-filing of GSTR 3B indicates that the taxpayers had undertaken/carried on the business during the period but have

13 Quarterly return of registered person opting for composition levy.

not discharged their tax liability. It may also include cases of irregular passing on of ITC.

The datasets pertaining to relevant fields in GSTR 1, 2A and 3B were analysed in case of a taxpayer under circle-J, Jaipur III, it was observed that the taxpayer had not filed GSTR 3B in 2019-20 whereas the taxpayer had declared taxable supplies in its GSTR-1 with tax amount of ₹ 7.23 crore. It indicates that the taxpayer had undertaken/carried on the business during the period but have not discharged their tax liability. The matter was reported to the Department and the State Government (December 2024).

In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

(xv) Short Payment of interest:

Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

The extent of short payment of interest on account of delayed remittance of tax during 2018-19 to 2020-21 was identified through the tax paid details in GSTR 3B and the date of filing of the GSTR 3B. The due date of filing of GSTR 3B for the respective months (including any extension provided) and the actual date of filing of GSTR 3B has been taken into account to work out the interest liability and only the net tax liability (cash component) has been considered to work out the interest payable.

Audit observed that in case of a taxpayer under circle A, Bhiwadi, wherein short payment of interest on account of delayed remittance of tax during 2018-19 was ₹ 0.76 crore. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

2.3.7.1 Response to Audit

Audit selected a sample of 532 taxpayers from amongst the top deviations/ inconsistencies in each of the 16 parameters for the period 2018-19 to 2020-21. Audit issued 510 audit queries (926 deviations) amounting to ₹ 5508.92 crore to the Department. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches. The Department replied to all queries issued. However, in 126 deviations with mismatches/inconsistencies of ₹ 779.73 crore, the Department stated that these cases were either being examined or pending under Appeal/NCLT/High court etc.

2.3.7.2 Summary of deficiencies noticed during Centralised audit

Based on responses received from the Department to the Audit Queries, the extent to which each of the 16 parameters translated into compliance deviations ***(Appendix 2.1)*** is summarized in **Table 2.3.**

Table 2.3: Summary of deficiencies

(₹ in Crore)

Audit Dimension	No. of Tax payers	No. of cases	Cases where reply received		Department reply acceptable to Audit (including action taken before audit and data entry errors)		Compliance deviations							
							SCN issued/Demand raised/Recovery made [14]		ASMT-10/Notice/ DRC-01A issued		Departmen t's reply not acceptable to Audit (Rebuttal)		Total	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
ITC mismatch between GSTR 2A and GSTR 3B (D1)	58	93	93	738.69	47	327.00	31	241.41	-	-	2	32.16	33	273.57
ITC Availed without supplier remitting tax (D2)	30	75	75	290.15	60	218.26	06	15.86	-	-	-	-	06	15.86
ITC Availed in GSTR 3B filed after limitation period (D3)	45	57	57	99.28	19	26.46	24	48.82	1	0.16	3	1.96	28	50.94
Incorrect availment of ISD credit (D4)	15	23	23	7.53	10	3.48	8	1.39	-	-	1	1.11	9	2.50
ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9 (D5)	35	56	56	72.02	38	46.21	8	17.50	-	-	-	-	08	17.50
Mismatch of ITC availed between Annual returns and Books of accounts (D6)	14	23	23	484.02	13	68.53	7	411.54	2	2.26	-	-	09	413.80
Reconciliation between ITC availed in Annual returns with expenses in financial statements (D7)	15	23	23	647.48	14	81.09	8	563.83	-	-	1	2.56	9	566.39
Unsettled liabilities (D8)	64	112	112	824.65	73	514.22	18	86.21	2	14.81	-	-	20	101.02
Suppression in taxable value in comparison with E-Way bills (D9)	44	103	103	1,569.71	66	934.03	8	83.60	24	487.67	-	-	32	571.27
Mismatch in tax paid between books of accounts and returns (D10)	15	19	19	36.17	12	21.30	2	3.90	1	1.44	1	1.80	4	7.14
Suppression of taxable value identified through TDS/TCS declaration (D11)	24	40	40	495.98	26	143.84	8	89.46	3	7.77	2	6.07	13	103.30
Suppression of taxable value identified through	14	18	18	210.76	13	173.36	1	7.41	2	14.50	-	-	03	21.91

14 SCN issued in 78 cases of ₹ 1,245.26 crore, demand raised in 140 cases of ₹ 334.40 crore and recovery made of ₹ 1.58 crore in 18 cases.

Audit Dimension	No. of Tax payers	No. of cases	Cases where reply received		Department reply acceptable to Audit (including action taken before audit and data entry errors)		Compliance deviations							
							SCN issued/Demand raised/Recovery made [14]		ASMT-10/Notice/ DRC-01A issued		Departmen t's reply not acceptable to Audit (Rebuttal)		Total	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
mismatch in unbilled revenue declared in Table 5 of GSTR 9C (D12)														
Mismatch in taxable turnover declared in GSTR 9C Table 7G (D13)	15	26	26	-[15]	23	-	-	-	2	-	-	-	02	-
Composition taxpayer also availing e-commerce facility (D14)	9	9	9	-	7	-	2	-	-	-	-	-	02	-
GSTR 3B was not filed but GSTR 1 is available (D15)	45	67	67	-	9	-	34	-	02	-	-	-	36	-
Short payment of interest (D16)	68	182	182	32.48	84	15.76	71	10.31	01	0.14	-	-	72	10.45
Total	**510**	**926**	**926**	**5,508.92**	**514**	**2,573.54**	**236**	**1,581.24**	**40**	**528.75**	**10**	**45.66**	**286**	**2,155.65**

Audit noticed deviations from the provisions of the RGST Act in 286 cases involving an amount of ₹ 2155.65 crore, constituting 30.89 *per cent* of the 926 inconsistencies/mismatches in data,-for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as ITC mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after limitation period, Unsettled liabilities and Suppression in taxable value in comparison with E-Way bills.

In 514 cases, constituting 55.51 *per cent* of the audit sample, where the Department's replies were acceptable to Audit, data entry errors by taxpayers comprised 52 cases, department had proactively taken action in 113 cases and other valid explanations comprised 349 cases.

In 126 cases, constituting 13.60 *per cent* of the audit sample (underlying deviations of ₹ 779.73 crore) the Department stated that these cases are either being examined or pending under Appeal/NCLT/High court etc.

Out of 286 compliant deviation cases, in 10 cases though the Department did not accept the deviations pointed out by Audit, its contention was not borne out by evidence, and was thus not amenable to verification by Audit.

15 Total unreconciled taxable turnover (TO) in table 7G of GSTR 9C in the 26 cases is ₹ 7,567.87 crore, out of which Data entry error TO of ₹ 2,166.46 crore in one case, in 22 cases involving mismatched TO of ₹ 3,709.74 crore, valid explanations were provided by the Department and in two cases involving mismatched TO of ₹ 1,191.36 crore ASMT-10 has been issued and remaining one case involving mismatched TO of ₹ 500.31 crore is under stay of High court.

2.3.7.3 Centralised Audit-Reasons for deviations/mismatches noticed during data analysis

Considering the Department's response to 926 cases, the factors that caused the data deviations/inconsistencies are as follows:

(a) Deviations from GST law and rules: Out of the 926 deviations summarized in **Table 2.3** above, the Department has accepted the audit observations or initiated action in 276 cases with tax effect of ₹ 2109.99 crore. Out of these cases, the Department has recovered ₹ 1.58 crore in 18 cases issued SCN/DRC-07 in 218 cases for ₹ 1579.66 crore, issued notice conveying discrepancies to the taxpayer in Form ASMT-10/ DRC 01A in 40 cases for ₹ 528.75 crore. The top five cases accepted or where action was initiated by the Department amounted to ₹ 386.29 crore. Two illustrative cases are featured below:

(i) Suppression in taxable value in comparison with E-Way bills

During audit, it was observed that in case of a taxpayer under Circle-A, Bhiwadi, tax liability payable in GSTR 3B for the year 2020-21 was ₹ 225.99 crore, whereas tax liability payable as per the e-way bills was ₹ 283.92 crore. This resulted in undischarged tax liability amounting to ₹ 57.93 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025)**.**

(ii) ITC mismatch between GSTR-2A and GSTR-3B:

Audit observed that in case of taxpayer under Circle A, Bhiwadi, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 93.33 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2018-19 was ₹ 117.44 crore. This resulted in mismatch of ITC availed amounting to ₹ 24.11 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that DRC-01 (show cause notice) has been issued to the taxpayer. Further progress was awaited (August 2025)**.**

(b) Tax evasion by taxpayers:

Audit observed the 23 instances of deviation of ₹129.68 crore pertaining to ITC mismatch between GSTR 2A and GSTR 3B, ITC availed on GSTR 3B filed after limitation period and cases where GSTR 3B not filed but GSTR 1 available, by 20 taxpayers.

Audit pointed out this to the Department (December 2024). The department stated (March 2025) that the registration of all these firms was *ab-initio* cancelled with retrospective effect before being pointed out by Audit and stated that as the firms were found *bogus* and non-existent/traceable, the demand could not be recovered. Out of these 23 instances, SCN was issued in 18 instances and demand of ₹ 152.54 crore in 12 instances (out of 18 instances) was raised. In the remaining five cases it was stated that the SOP for dealing with bogus firms

would be followed and the adjudication order will be passed under Section 122(1)(ii) & 122(1)(vii).

An illustrative case is brought out below:

In case of taxpayer under Circle J, Jaipur -I, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 8.94 crore whereas the ITC availed in table 4A (5) of GSTR 3B was ₹ 27.89 crore. This resulted in excess ITC availed amounting to ₹ 18.95 crore which was communicated to the Department and the State Government (December 2024). In response, the Government stated (March 2025) that the firm was found *bogus* and non-existent and registration of the taxpayer was *ab-intio* cancelled (w.e.f. 13 July 2018) on 06 July 2019. Further, the adjudication order was passed (February 2024) under Section 122(1)(ii) & 122(1)(vii) and demand amounting to ₹ 36.69 crore was created. However, Department further intimated that demand could not be recovered as the firm is non-traceable.

Audit is of the view that the department required to take suitable action under section 79(1)[16] of the Act for the recovery of the excess availed ITC as well as identify the recipient to whom the ITC has been passed by such a non-existent taxpayer through the details furnished in the GSTR-1 by the taxpayer. Further, it is seen that the Department took action only after being pointed out by Audit (January 2024) which indicate weakness in the internal control system.

During the Exit Conference, CCT stated that the bogus firms and fake ITC is the department's biggest concern, and this will be sorted out only after the implementation of an AI-based module.

Recommendation 3: State Government may strengthen the registration and cancellation mechanism to prevent registration of the fake units/entities and ITC frauds.

(c) Inconsistencies/mismatches rebutted by Audit

Out of the audit sample of 926 cases of mismatch/inconsistencies, demand of only ₹ 6.80 crore was raised by the department in 10 cases against the mismatch/inconsistencies of ₹ 45.66 crore. However, the Department did not produce any supporting documents for raising much lesser demand than what was pointed out by Audit. As a result, Audit could not ascertain the veracity of the departmental replies in these cases.

An illustrative case is brought out below:

ITC mismatch between GSTR-2A and GSTR-3B

Audit observed that in case of a taxpayer under Circle I, Jaipur III, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 117.77 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2018-19 was ₹ 134.35

16 Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more modes as prescribed under section 79 (1) of the RGST Act.

crore. This resulted in mismatch of ITC availed amounting to ₹ 16.58 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that DRC-07 has been issued for excess claimed ITC of ₹ 0.24 crore. However, the Department did not produce any supporting documents which assured that raising a demand for lesser than the mismatch amount was justified. As a result, Audit could not ascertain the veracity of the departmental reply.

2.3.8 Detailed Audit (Part III)

In a self-assessment regime, the onus of compliance with law is on the taxpayer. The role of the Department is to establish and maintain an efficient tax administration mechanism to provide oversight. With a finite level of resources, for an effective tax administration, to ensure compliance with law and collection of revenue, an efficient governance mechanism is essential. An IT driven compliance model enables maintaining a non-discretionary regime of governance on scale and facilitates a targeted approach to enforce compliance.

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-India data analysis, a detailed audit of GST returns was also conducted as a part of this SSCA. A risk-based sample of 100 taxpayers (including 20 taxpayers of mining activities) was selected for detailed audit. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR 9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags. The desk review was carried out in audit office premises. Based on desk review results, detailed audit was conducted at departmental Circles by requisitioning detailed records of taxpayers such as financial ledgers, invoices etc. to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

2.3.8.1 Scope limitation

Rule 80 (3) of the RGST Rules, 2017 provides that every registered person, other than those referred to in the second proviso to Section 44, an Input Service Distributor, a person paying tax under Section 51 or Section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement in Form GSTR-9C along with the annual return, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner. Further, the reconciliation statement in Form GSTR-9C should be prepared and duly signed by the Auditor and other statements, as applicable, including financial statement, profit and loss account and balance sheet etc. must be uploaded with GSTR-9C. However, these records were not properly uploaded with the GSTR-9C. Further, there is no mechanism available with the Department to ensure the completeness of the financial statements uploaded with GSTR-9C.

The jurisdictional Circles did not produce basic records such as Financial Statements/ Trial Balance/ Auditor's Report and GSTR 2A etc. and other records such as debit/credit notes, invoices, reconciliation statement, etc. in 95 cases out of the audit sample of 100 cases. Thus, in 95 *per cent* of the sample audit was restricted to the information available in the returns filed by the taxpayers.

The jurisdiction wise non-production of records is summarised in ***Appendix 2.2***. As a result of non-production of records, mismatches/deviations noticed through data analysis, amounting ₹ 476.15 crore, could not be examined in audit.

During the exit conference, the CCT stated that in the future, the Department will explore the possibilities to call for the records of taxpayers under Section 151 of RGST Act, 2017 for the audit.

Non-production of records/information/data impedes CAG's Constitutional and Statutory responsibility under section 16 of the CAG's DPC Act, 1971 to examine whether rules and procedures are designed to secure effective check on the assessment and collection of revenue.

2.3.8.2 Detailed audit– Audit findings

As brought out in the previous paragraph, due to non-production of records, mismatches/deviations noticed through data analysis, amounting ₹ 476.15 crore, could not be examined in audit. Despite that examination of partial records available on the BOWEB portal of the Department such as GST returns, and financial statements, revealed non-compliance of ₹ 304.68 crore by the taxpayers. The audit findings are categorised in three categories *viz.*, audit findings related to GST Returns; audit findings related to ITC; and audit findings related to Tax Liabilities. The findings are discussed in the succeeding paragraphs.

(I) Audit findings related to GST Returns

(a) Non-payment of interest by taxpayers

Section 50 of the RGST Act, 2017 specifies that every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *percent*, as may be notified by the Government on the recommendations of the Council. Audit observed that in 225 instances of 32 taxpayers (constituting 32 *per cent* of the 100 taxpayers audited) the taxpayers filed GSTR 3B after due dates during the period, however, interest of ₹ 1.78 crore on delayed payment of tax was not paid. These taxpayers were identified using the tax paid details in GSTR 3B and the date of filing of GSTR 3B. Further, five taxpayers paid tax through DRC- 03, however, interest of ₹ 0.50 crore leviable on delayed payment of tax was not paid.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that recovery of

₹ 0.49 crore has been made in 113 instances after being pointed out by Audit. Further, in four instances (out of these 113 instances) recovery of only ₹ 1919 was made against the recovery of ₹ 21.63 lakh, however, reasons for short recovery were not intimated to Audit. In six cases, action has been taken under business audit. Notice and action for creating demand through ASMT-10/DRC-01/SCN/DRC-07 were issued in 98 cases while taxpayers have filed an appeal against the demand raised in eight cases. Further progress was awaited (August 2025).

Further, in respect of five taxpayers where interest of ₹ 0.50 crore was leviable, it was stated that recovery of ₹ 1.62 lakh has been made in two cases at the instance of Audit, and one case has been disposed of under business audit. ASMT-10/DRC-01 has been issued in two cases. Further progress was awaited (August 2025).

(II) Audit findings related to ITC

(a) Non reversal/ Short reversal of ITC

As per sub-Section (2) of Section 17 of RGST Act read with Rule 42 of RGST Rules, 2017, where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies including zero-rated supplies. Manner[17] of determination of eligible input tax credit in respect of inputs or input services and reversal thereof has been specified in Rule 42 *ibid.*

Audit observed in case of a taxpayer[18] that the taxpayer had declared total outward supplies of ₹ 3471.93 crore in Table 4B of GSTR-9, out of which supplies of ₹ 27.87 crore was nil rated/exempted, as declared in table 5(D+E) of GSTR-9 during the period 2018-19 to 2020-21. During the same period, the taxpayer also availed ITC of ₹ 406.53 crore. However, the taxpayer had not reversed any ITC, as per GSTR-9. Since the taxpayer had declared both taxable and nil rated/exempted supplies in GSTR-9, the taxpayer was required to reverse the ITC as per the provisions of the RGST Act, 2017 and RGST Rules, 2017, *ibid.* As per the information available with Audit, the taxpayer was required to reverse the ITC of around ₹ 3.34 crore. However, due to the non-production of granular records by the Department, Audit could not calculate the ITC reversal on common inputs.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that no action is required to be taken in the case as the business audit has been conducted for the

17 The amount of input tax credit attributable towards exempt supplies, be denoted as 'D' and calculated as-**D= (E÷F) × C** where, 'E' is the aggregate value of exempt supplies during the tax period, and 'F' is the total turnover in the State of the registered person during the tax period and Common credit denoted as 'C'. Common credit is ITC on goods or services used for both taxable and exempt supplies, requiring proportional apportionment under Rule 42 ibid.

18 Pertaining to circle H Jaipur II.

period 2018-19 to 2020-21. The reply is not acceptable as the scrutiny of the business audit report revealed that the observations pointed out by Audit under the section *ibid* was not included in the business audit report.

Recommendation 4: Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.

(b) In action by the Department for effecting recovery of the excess ITC

During test check of returns filed by the taxpayer and other related information available on GST portal, it was noticed a taxpayer[19] availed ITC on RCM amounting to ₹ 144.38 lakh as per monthly returns GSTR 3B during the year 2020-21. It was, however, observed that ITC of ₹ 142.87 lakh was available as per return GSTR 9C and it was also mentioned in table 15 of GSTR 9C that excess ITC of ₹ 1.51 lakh needs to be paid by the taxpayer. However, the Department recovered the excess ITC along with interest (December 2024 and February 2025) only after being pointed out by Audit.

(c) Mismatch in claim of ITC as noticed from returns

When Audit analysed the GSTR 2A data of selected taxpayers along with GSTR 3B, GSTR 9 and GSTR 9C filed by the taxpayers, there were 99 instances of mismatch of ITC of ₹ 260.07 crore among various returns and tables. These mismatches could not be examined in detail by Audit since relevant records were not produced by the Department. The cases of mismatches are tabulated below:

Table 2.4: Mismatch in claim of ITC

Sl. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
1	Mismatch in ITC reversal relating to IGST between Table 7 (I) of GSTR 9 (₹ 0.69 crore) and GSTR 3 B + DRC 03 (₹ 0.09 crore).	01	01	0.60	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).
2	Mismatch in availing of ITC between GSTR 3B (Table 4A: ₹ 257.89 crore) and GSTR 9 (Table 7J+ Table 8C: ₹ 242.99 crore).	02	01	14.90	The matter was reported to the Department and the State Government (December 2024). State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).
3	Mismatch between ITC availed under RCM (Table	12	06	19.79	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025)

19 belonging to circle-A Jaipur-IV.

Sl. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
	6C+6D+6F of GSTR 9) and tax paid under RCM (Table 4G of GSTR 9)				that recovery of ₹ 0.69 lakh had been made in three cases at the instance of Audit. Action has been taken in one case under business audit. However, key documents in support of the reply were not provided to Audit. Notice/DRC-07/DRC 01 has been issued in six cases and one case is pending under appeal. In remaining one case, it was stated in respect of mismatch in ITC of ₹ 12.22 crore that the taxpayer paid tax under RCM but claimed short RCM ITC of CGST ₹ 6.11 crore and SGST ₹ 6.11 crore in financial year 2017-18 which was claimed in 2018-19. The reply is not acceptable as the month in which the ITC availed was not mentioned in the reply due to which Audit could not ascertain whether the ITC was availed within prescribed time limit. Audit also noticed that *Nil* amount was mentioned in table 13 of GSTR 9 of 2017-18 under the head 'ITC availed for the previous Financial year'.
4	ITC mismatch between GSTR 2A and GSTR 3B. ITC available as per GSTR 2A and the ITC availed in GSTR 3B in Table 4A (5) including 4(D) blocked credits and subsequent years from Table 8C of GSTR 9.	84	39	224.78	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that in two cases the difference was due to goods in transit, therefore, ITC was claimed in the next financial year. In three cases, ITC in respect of Bill of Entry was not reflecting under the IGST head of GSTR 2A. In nine cases, business audit has been conducted, and action is being taken accordingly. In 13 cases, recovery (₹ 0.41 crore) has been made at the instance of Audit. Further, DRC-01/DRC 07 has been issued in 38 cases, taxpayer had filed an appeal in nine cases and five cases are under examination. In four cases the replies were either incomplete or not as per the observations of Audit while no reply was provided in one case.

(III) Audit findings related to Tax Liabilities

(a) Non-Payment of GST under Reverse Charge Mechanism

(i) Section 9(3) of the Act specifies categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both. Further, Section 9(4) of the Act provides a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both. Notification No. 13/2017- Central Tax (Rate) dated 28 June 2017

prescribed that RCM is to be paid by recipient on supply of legal services to a business entity and supply of services by goods transport agency.

Audit scrutiny revealed that five taxpayers in respect of 14 cases received inward supply of services related to legal consultation and supply of services by goods transport agency on which GST of ₹ 3.93 crore was payable under RCM.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that recovery[20] has been made in six cases at the instance of Audit and action has been taken in one case under Business Audit however, Business Audit Report was not provided for supporting the reply. In two cases, it was stated that the taxpayer does not maintain separate P&L account or expenses ledger for each GST registration and value of legal and professional fee appearing in the audited final statement of relevant year is of an entity as a whole on PAN India basis and same cannot be attributed to any single state. The taxpayer had not received any legal services during the relevant period which can also be substantiated from GSTR- 2A. However relevant documents in support of the reply were not provided to Audit. The reply is not acceptable as the instructions to fill GSTR 9C prescribe that where multiple GSTINs (State-wise) registrations exist on the same PAN, such entities will have to internally derive their GSTIN-wise turnover and declare the same.

DRC-01 has been issued in two cases while demand notice has been issued in three cases.

(ii) As per State Government Notification no.F.12 (56) FD/Tax/2017dated 29 June 2017, under section 9(3) of the RGST Act 2017, services supplied by the Central Government to a business entity are taxable under RCM.

Audit scrutiny revealed that two taxpayers[21] in five cases, disclosed the expenses in his financial statement i.e., AGR Based License Fee, Satellite & Spectrum Charges and Royalty amounting to ₹ 127.27 crore. Services provided by the Central Government to a business entity are taxable under RCM as per the notification *ibid.* However, the taxpayers did not pay tax under RCM on the above services. As consolidated figures were available in the financial statement and State specific figures were not provided by the department, the tax liability of the taxpayer in the state could not be worked out.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) in respect of two cases, that royalty expenses were related to all sites in various states having different GSTIN and the RCM paid on royalty amount and figures of the same are matched with the RCM paid during the year under consideration. However relevant documents in support of the reply were not provided to Audit. The reply is not acceptable as the instructions to fill GSTR 9C prescribe that where multiple GSTINs (State-wise) registrations exist on the same PAN, such entities will have to internally derive their GSTIN-wise turnover and declare the same.

20 ₹ 1,23,094.

21 Pertaining to circle I Jaipur III, and circle D Jodhpur II.

In one case, taxpayer had paid the tax liability under RCM after being pointed out by audit. In two cases, demand has been raised. Further progress was awaited (August 2025).

(IV) Payment of GST on advances

Section 13(2) of the Act provides that time of supply of services shall be the earliest of the following dates, namely (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under section 31 or the date of receipt of payment, whichever is earlier; or (b) the date of provision of service, if the invoice is not issued within the period prescribed under section 31 or the date of receipt of payment, whichever is earlier; or (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply.

Audit scrutiny revealed that a taxpayer declared current liabilities amounting to ₹ 257.99 crore as "Advance from Customers" in the Balance sheet for the year 2018-19. However, no tax was found paid on these advances received from the customers, as observed from the GSTR-1 and Annual return.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that advances were carried forwarded from the financial year 2017-18 and liability was discharged on the new advances received in current financial year. The reply is not acceptable as tax liability on advance received was shown as NIL in GSTR-1 and Annual return of the year 2017-18 and 2018-19.

(V) Mismatch in tax liability and taxable turnover as noticed from returns

When Audit analysed the GSTR 1 and GSTR 9, data of selected taxpayers along with GSTR 3B, GSTR 9 filed by the taxpayers, there were 54 instances of mismatches in tax liability of ₹ 35.04 crore and nine instances of taxable turnover of ₹ 3808.26 crore among various returns and tables. These mismatches could not be examined in detail by Audit since relevant records were not produced by the Department. The details are tabulated below:

Table 2.5: Mismatch in tax liability

S. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
1	Mismatch between the tax paid in GSTR-1 and GSTR 9/3B	48	27	34.52	The matter was reported to the Department and the State Government (December 2024). State Government stated (March 2025) that recovery (₹ 2.44 lakh) has been made in 10 cases at the instance of Audit. Four cases have been settled under business audit. Further, the difference is due to technical error in one case as the tax liability was not shown in table 9 of GSTR 9. In two cases, it was stated that the mismatch is due to non-adjustment of the credit notes and in one case difference is due to non-adjustment of advance and tax thereon in GSTR 1. In two cases the mismatch is due to excess payment of tax in previous year.

S. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
					ASMT-10/DRC-01/SCN/DRC-07 has been issued in 28 cases.
2	Mismatch in tax liability RCM tax liability auto drafted in Part-A of GSTR 2A (comparison statement) and the RCM tax liability in GSTR 3B (Table 3.1(d)).	04	03	0.19	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) in respect of two cases that there is no liability under RCM as the taxpayer has paid the RCM in GSTR 3B as per the liability in latest GSTR 2A, however key documents in support of the reply were not provided to audit. In one case demand of ₹ 7.67 lakh has been raised while SCN has been issued in the remaining one case.
3	Mismatch of tax liability under RCM (₹ 4.51 crore) as per GSTR 3B Table 3.1 (d) and GSTR 9 Table 4G whereas tax to be paid under RCM as per Table 6B of GSTR 3B and GSTR 9 Table 9 (₹ 4.18 crore)	02	01	0.33	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that action has been taken under business audit in one case, however, key documents in support of the reply were not provided to Audit. In another case demand has been created, however, the taxpayer has filed an appeal against the demand order.
Mismatches in Turnover					
4	Unreconciled taxable turnover in Table 7G of GSTR 9C	03	02	612.76	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that action has been taken under business audit in two cases. The reply is not acceptable as the observation pointed out by the Audit not included in the business audit report. Further, DRC- 01 has been issued in one case.
5	Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C	06	02	3,195.50	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that ASMT-10 has been issued in three cases, demand of ₹ 37.76 lakh has been raised in one case, while one case is under stay of Hon'ble Rajasthan High court. In remaining one case, it was stated that the taxpayer has issued the invoice in the next financial year, however, key documents in support of the reply were not provided to Audit.

2.3.9 Conclusion

The Subject Specific Compliance Audit (SSCA) on 'Department Oversight on GST Payments and Return Filing' Phase II was taken up as a continuation of the SSCA conducted during the year 2022-23 (Phase I), considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Government of Rajasthan (GoR) in this new tax regime.

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for centralized audit for the returns filed period 2018-19 to 2020-21 that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of

taxpayer's records at departmental premises; and a sample of Circles for evaluating the compliance functions of the circles.

The audit sample, therefore, comprised 10 Circles, 962 high value mismatches/inconsistencies across 16 parameters selected through data analysis and 100 taxpayers selected on the basis of risk assessment for detailed audit of GST returns.

A review of the 10 Circles disclosed that the Department issued (January 2022) detailed guidelines/SOP on scrutiny of returns with a view to ensuring the uniformity and to standardize the procedure for the scrutiny proceeding as per section 61 of the Act, a Business Intelligence Unit (BIU) was constituted. However, the scrutiny functions were not effective as out of 200 cases, scrutinized by the 10 Circles, in 24 cases (12 *per cent*), deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under RCM were not examined by the Department during scrutiny. Audit also observed the delay in Business audit by the department and lack of action on non-filers of GST returns.

Out of the 926 deviations, the Department has accepted the audit observations or initiated action in 276 cases with tax effect of ₹ 2109.99 crore. A relatively higher rates of deviations were noticed in risk parameters such as Excess ITC availed, ITC availed in GSTR 3B filed after limitation period, unsettled liabilities and suppression in taxable value in comparison with E-way bills etc. While data entry errors caused the mismatches/inconsistencies in 5.62 *per cent* of the cases, in 12.20 *per cent* of the cases the Department had already taken proactive action. In 126 cases, constituting 13.60 *per cent* (underlying deviations of ₹ 779.73 crore) the Department stated that these cases are either being examined or pending under Appeal/NCLT/High court.

Detailed audit of GST returns also suggested significant non-compliance. Further, essential basic records such as financial statements, trial balance and GSTR 2A etc., were not produced in 95 cases out of a sample of 100 taxpayers, which constituted a significant scope limitation. Audit could not examine mismatches/inconsistencies in ITC availment and tax payments of ₹ 476.15 crore in these cases.

With the limited records available with audit such as returns and annual financial statement through SSOID based access to backend application of the Department, Audit observed compliance deviations of ₹ 304.68 crore. The main causative factors were Non reversal/Short reversal of ITC, Mismatch in availing of ITC, Mismatch in tax liability, Non-Payment of GST under RCM and Non-payment of interest etc.

Considering the significant rate of compliance deficiencies, Audit recommended the following:

1. In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73 of the RGST Act. In view of this, Audit recommends that efforts may be made to

increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.

2. The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.

3. State Government may strengthen the registration and cancellation mechanism to prevent Registration of the fake units/entities and ITC frauds.

4. Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.

2.4 Subject Specific Compliance Audit on 'E-Way Bill System under Goods and Services Tax'

2.4.1 Introduction

Goods and Services Tax (GST) has been introduced with effect from 01 July 2017, subsuming a wide range of Indirect taxes based on the paradigm of 'One Nation One Tax'. The regime has been designed as a fully electronic solution to provide taxpayer-related services. One of the intended objectives of GST regime was to improve efficiency in movement of goods and services by reducing process-related time delays.

Way bill was a feature present even in pre-GST regime wherein movement of goods was administered through manually governed (revenue) check posts. Goods entering a particular State was levied an '*Entry Tax'* which has since been subsumed under GST. E-Way Bill (EWB) is conceived as a shift from Government-monitored tax administration model to a self-reporting model by the taxpayer.

The Government's key objective behind introduction of EWB was to safeguard the revenue. EWB is a document required for movement of goods and is designed to capture details of goods before being moved. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections. EWB is also designed to dissolve the non-trade barriers *i.e.*, Check posts, entry tax so that transit time is reduced, and supply chain efficiency is improved.

2.4.2 Organisational structure of the Department

The Chief Commissioner, State Tax administers the RGST Act and Rules under the overall control of Additional Chief Secretary, Finance Department, Government of Rajasthan. The Chief Commissioner is assisted by 26 Additional Commissioners, 57 Deputy Commissioners (DCs) and a Financial Advisor. For effective implementation of Government Policies and Taxation Activity, the Commercial Taxes Department (Department) is divided into 16 Zones. Other than this, six Business Audit Wings, three Central Enforcement Wings, one Business Intelligence Unit, one Authority for Advance Ruling, Central

registration unit, Taxpayer Care Unit, Cyber Cell are functioning at Headquarters level. Further, 10 First Appellate Offices, two GST Appellate Tribunal, 135 regular circles, nine enforcement circles and 27 business audit circles are established. DCs (Administration) who is the senior most Administrative at the Zone Level are responsible for monitoring.

The assessment and the recovery of tax is undertaken at the level of Joint/Deputy/Assistant Commissioners posted in Circles and wards respectively. For hearing of appeals against the orders passed by Appellate Authorities there are 10 DCs (Appeals), who are the first appellate authorities.

2.4.3 Information system used in the administration of EWB

EWB system has been conceived as a fully electronic system under GST. GST Council has mandated that the common portal for generation of EWB shall be https://ewaybillgst.gov.in/. This is different from the GST Common portal (https://gst.gov.in), which is the front end portal for the taxpayers for registration, return filing and tax payments. As EWB Common portal depends on the information from GSTN, one-time registration of the Consignor, Consignee and the transporter on the EWB portal is required. There are three types of taxpayers who are of relevance in the EWB system: - GST-registered Suppliers; GST-registered/Unregistered Transporters and Unregistered suppliers.

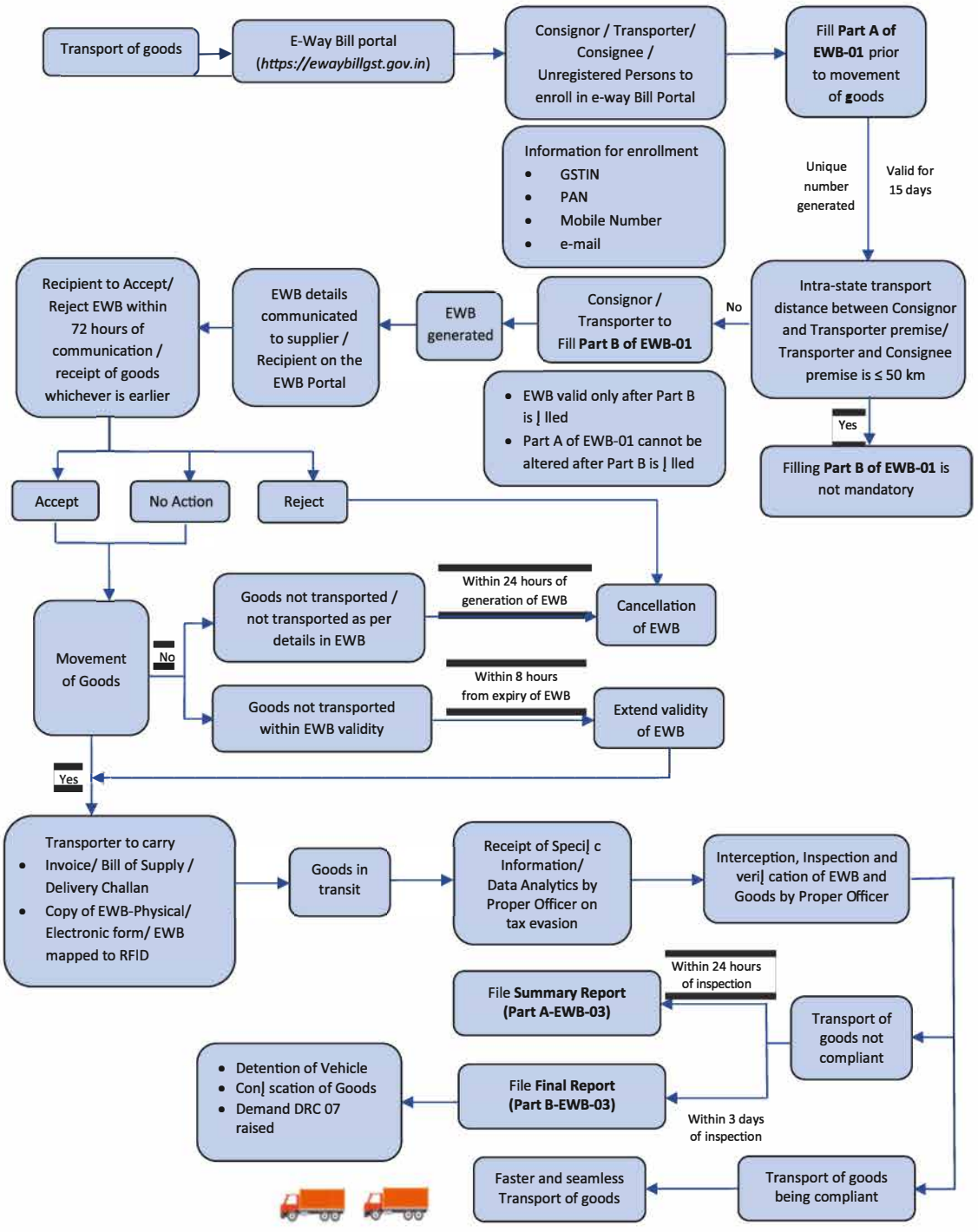
The EWB Common portal is managed by National Informatics Centre (NIC) based in Karnataka. In February 2020, EWB portal has been integrated with the VAHAN system of the Ministry of Road Transport & Highways, so that vehicle registration number can be validated at the time of generating EWB. Vehicle number (RC) entered in the EWB would be verified in the VAHAN database for its existence/correctness. Radio Frequency Identification Device (RFID)/FASTags has been integrated with the EWB system w.e.f. 01 January 2021 and a transporter is required to have a RFID tag in the conveyance and EWB details will be uploaded in the RFID tag.

The Proper Officers (State/UT) can discharge their duties vis-à-vis EWB through two means: 1) Logging into EWB Common Portal through a web browser using the login credentials provided or 2) Logging into the GST EWB System Mobile App available on Google Play Store/Apple Store. There are no other separate devices required for EWB verification. The functions performed by the proper officer using the EWB Common Portal/Mobile App are Verification of EWB, Unblocking of EWB, Viewing and accessing MIS reports etc.

2.4.4 E-Way Bill process

The EWB system includes various processes such as the Enrolment of the required persons in the portal, generation of EWB, extension, cancellation, or rejection of the EWB generated. The list of forms involved in the EWB system are provided in ***Appendix-2.3***. The entire process flow of EWB system under GST is depicted in **Figure 1**.

Figure 1: E-Way Bill mechanism - Process Flow Chart



2.4.5 Audit objectives, criteria, scope & sampling methodology

2.4.5.1 Audit objectives

This SSCA was taken up with the following audit objectives:

1. Whether the EWB mechanism was effective in protecting revenue interest of the Government.
2. Whether the Preventive/Enforcement activities of the Department in enforcing EWB provisions are efficient and effective.

2.4.5.2 Audit criteria

The SSCA on "E-Way Bill system under GST" has been evaluated against the following audit criteria:

» Sections 10, 17, 25, 29, 37, 39, 44, 68, 73, 74, 129, 130 etc. of Central/Rajasthan Goods and Services Tax Act, 2017 (CGST/RGST Act) and IGST Act, 2017.

» Rules 46, 59, 60, 61, 62, 80, 138 etc. of CGST/RGST Rules, 2017 and IGST Rules.

» Notifications/Circulars/Instructions authorized by GST Council and issued by CBIC/Commercial Taxes Department (CTD) of Rajasthan.

» Advisories/Standard Operating Procedures issued by NIC, CBIC, CTD.

2.4.5.3 Audit scope and methodology

EWB transactions of the persons registered in the EWB portal pertaining to the period between 1 April 2018 and 31 March 2022 were covered in the SSCA. Audit carried out an examination of the overall performance of EWB system in the GST regime with reference to the Audit objectives. EWB data (generated) for the Audit period has been extracted from GSTN and has been analysed. Movement of conveyances by roadways alone have been considered for this Audit and Railway/Airway/Seaway EWBs have been excluded from the scope of this Audit.

The scope of audit also involved evaluation of the preventive functions of the department with reference to EWBs, viz., interception of vehicles, verification of documents, inspection of goods and action taken thereof.

An entry conference was held with the Secretary, Finance (Revenue) and Chief Commissioner of State Tax, Rajasthan on 21 April 2023. The field study was conducted between May 2023 and March 2024. The Exit Conference was held on 21 April 2025 with Secretary, Finance (Revenue) Department, Government of Rajasthan and other officers of the Department in which the audit findings were discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft paragraph have been suitably incorporated in the relevant paragraphs.

2.4.5.4 Audit sampling methodology

A problem-centric approach has been attempted for this SSCA as EWB generation under GST is a necessary condition to precede any movement of goods subject to the threshold limit. Samples for Audit Objective-1 evolved based on the 22 Key Problem Areas (KPAs)/Risk Dimensions identified as detailed in ***Appendix-2.4***

***Audit objecive-1**:*

For Audit objective-1, the unit of sampling was EWBs spread over the audit scope period. A total of 160 EWBs[22] pertaining to 65 taxpayers were selected based on risk analysis for substantive audit. In addition, 32 cases of Unregistered Persons and 12 cases where the consignor and the consignee were shown to have the same PAN were also selected.

Further, data analysis of the entire E-Way Bill data set was carried out based on six risk dimensions[23] and the deviations detected were directly issued as observations for the Department to verify and initiate appropriate action.

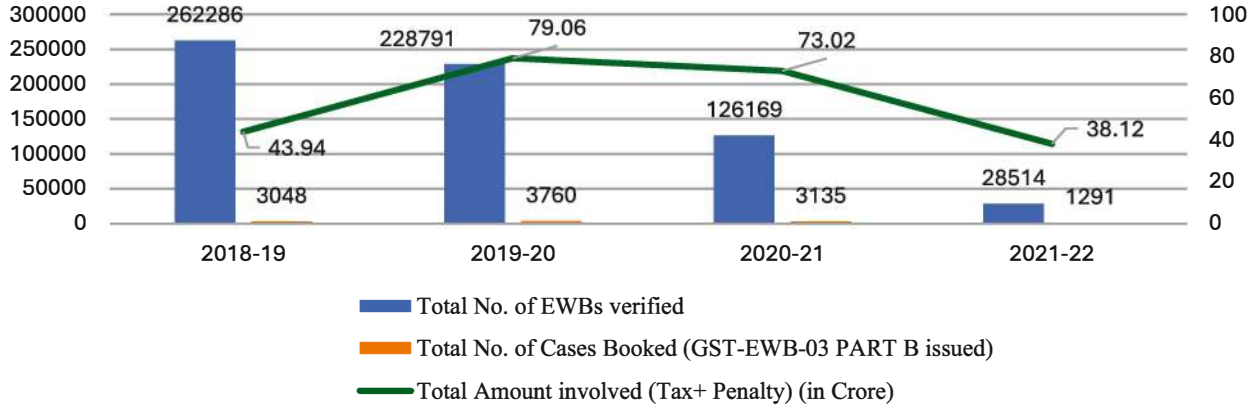
Audit objective-2:

For Audit objective -2, the sampling unit was the departmental formation dealing with preventive/enforcement activities. Out of nine enforcement circles, 209 booked cases were selected from five Enforcement Circles[24]. Additionally, 80 booked cases were also selected from three Regular Circles[25], which had the maximum booked cases**.**

2.4.6 Trends & Insights of EWB data

In Rajasthan, there were 8,72,352 taxpayers[26] registered actively as of December 2023. The trend on verification of EWBs by the Department and the value involved for the period covered in audit, as provided by the Commercial Taxes Department, Rajasthan is depicted in the following graph.

Trends of EWBs verified, booked and Total amount involved in EWBs verified



Source: (information furnished by Commercial Taxes Department.)

22 160 cases selected based on risk analysis.

23 Generation of EWBs by (a) cancelled taxpayers, (b)non-filers of GST returns, (c) the taxpayers filing nil returns, (d) Composition taxpayer who had crossed prescribed threshold limit, (e) ineligible taxpayers continuing in Composition Scheme and (f) Generation of multiple EWBs using same Invoice.

24 A- Enforcement Wing-I, Jaipur, B-Enforcement Wing-II, Jaipur, C-Enforcement Wing-I, Jaipur C-Enforcement Wing-II, Jaipur and A-Enforcement Wing-III, Jaipur.

25 Three regular circles: A-Hanumangarh, Jhunjhunu and B-Udaipur.

26 Data Source- Administrative Report of Commercial Tax Department- 2023-24.

The graph shows that in total number of EWBs verified, there is significant decline from 2.62 lakhs to 0.29 lakhs during the period 2018-19 to 2021-22. Further, in respect of booked cases, the number of cases and amount involved increased from 3,048 cases entailing an amount of ₹ 43.94 crore in 2018-19 to 3,760 cases entailing an amount of ₹ 79.06 crore in 2019-20. However, from 2019-20 to 2021-22 the number of booked cases decreased by 65.66 *per cent* from 3,760 cases with an amount of ₹ 79.06 crore in 2019-20 to 1,291 cases with an amount of ₹ 38.12 crore in 2021-22.

Audit Findings

2.4.7 Observation detected in analysis of data of E-Way Bills

Data analysis of EWBs generated during the period from April 2018 to March 2022, disclosed discrepancies in 2,00,440 EWBs involving 30,753 taxpayers, as summarised in **Table 2.6** below, which were issued as audit observations for the department to verify and determine deviations in tax compliance.

Table 2.6: Details of Observations of Data Analysis

S. No.	Nature of Observation	No. of taxpayers	No. of EWBs	Assessable Value involved (₹ in crore)	Circles[27]
1	Generation of Inter-State EWBs by Composition taxpayers	323	865	12.25	110
2	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit (upto ₹ 1 crore)	7	1799	70.57	7
	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit (upto ₹ 1.5 crore)	1	45	5.93	1
3	Generation of EWBs by non-filers of GST Returns	3507	31024	852.32	135
4	Generation of EWBs by cancelled taxpayers	528	16752	1271.62	122
5	Generation of multiple EWBs using same invoice	8,009	29879	8.05	135
6	Generation of E- Way Bills by Nil filers of GST Returns	18,378	1,20,076	4,443.64	135
Total		**30,753**	**2,00,440**	**6,664.38**	**645**

In response to these findings being issued to the Department and State Government (December 2024), the State Government replied (April 2025) that notices have been issued to 5,205 taxpayers and response is yet to be received in respect of 19,537 taxpayers while observation was not accepted in respect of 6,011 taxpayers.

27 Total number of Circles in Rajasthan-135.

2.4.8 Effectiveness of EWB mechanism in protecting revenue of Government

2.4.8.1 Scope limitation due to non-provision of login IDs of EWB portal

Section 16 of Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 lays down the audit mandate of the CAG regarding audit of receipts. Further, Section 18(2) of the CAG's DPC Act 1971 imposes a statutory duty on Offices/Departments to comply with the requests for information in as complete a form as possible and with all reasonable expedition.

The information provided while generating E-Way Bill such as GSTIN of recipient, place of delivery, invoice number, invoice date, value of goods, HSN code etc. shall be made available to the registered supplier on common portal who may utilize the same for furnishing details in form GSTR-1. To analyse veracity of EWBs and analysis thereon on *boweb* portal[28], user-based ID and password of EWB officer module was requested from the Department. In reply, it was stated that access of this module was allowed only to the tax officers of the Department.

Due to non-provision of login IDs to access the EWB officer module, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of E-way bill supply in the GST returns. Therefore, audit findings are based on the records available on *boweb* portal and responses provided by the Department to audit queries.

Recommendation 1: State Government may ensure provision of read only access of EWB portal to Audit.

2.4.8.2 Generation of EWBs by cancelled taxpayers

Rule 138(1) of the RGST Rules 2017, prescribes that registered taxpayers are permitted to generate EWBs. Further, as per Section 63 of the RGST/CGST Act, where a taxable person whose registration has been cancelled, but who was liable to pay tax, the proper officer may proceed to assess the liability of such a taxable person to the best of his judgment. A cancelled taxpayer cannot generate EWBs, as he may be passing on ITC without filing of returns, resulting in non-payment of tax.

Audit identified 62 EWBs pertaining to 24 taxpayers[29] involving an assessable value of ₹ 3.10 crore as high-risk taxpayers whose registration was already cancelled or subsequently cancelled by the Department. These included nine EWBs of six taxpayers with assessable value of ₹ 0.74 crore, who had either filed nil returns or did not file their returns. However, Audit could not examine

28 Backend application of the Department.

29 One taxpayer generated one EWB after date of cancellation of registration and five EWB before cancellation of registration.

all the EWBs generated by these taxpayers for all the 22 KPAs as login-ID for accessing EWBs was not provided to Audit.

The details of cancellation of registrations of all these taxpayers are as follows.

(i) Registration of four taxpayers was cancelled by the Department with retrospective effect. Reasons for cancellation were non-existence of unit, closure of business or no response to the notice etc. In these cases, taxpayers had generated 15 EWBs with an assessable value of ₹ 1.48 crore, as per the data available with Audit.

(ii) In respect of two taxpayers, effective date of registration cancellation was the date on which the registration was cancelled by the Department due to non-responsiveness of the taxpayers to the notice. These taxpayers had generated three EWBs with assessable value of ₹ 0.03 crore, as per the data available with Audit, after the date of cancellation.

(iii) In respect of 19 taxpayers whose registration was cancelled (registration of 7 taxpayers cancelled retrospectively and that of 12 taxpayers cancelled from the date of cancellation order), the 44 EWBs with assessable value of ₹ 1.59 crore were generated before the effective date of cancellation.

However, examination of the cancellation orders of these cases revealed that the Department did not assess any tax liability at the time of cancellation and issued cancellation orders without any demand. Thus, GST at applicable rates on assessable value to the tune of ₹ 3.10 crore was not paid to the Government.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that DRC-01[30]/DRC-07[31]/notices have been issued to 21 taxpayers (in 56 EWBs) and recovery of ₹ 2.66 lakh has been made from one taxpayer (in four EWBs). Further, in case of two taxpayers (two EWBs) Circle Officer has been directed to provide compliance.

Illustrative cases are given below:

(i) A taxpayer under circle K, Jaipur-III had generated five EWB's, involving taxable value ₹ 1.14 crore, during the month of August 2020. However, the taxpayer had filled *Nil* GSTR-3B from April-2020 to July-2020 and no returns was filed thereafter.

Further examination of records revealed that the Department had cancelled the registration of the taxpayer retrospectively with effect from 1 July 2017 in September 2020 due to non-existence of unit. However, the Department did not assess any tax liability in the cancellation order.

30 Summary of SCN.
31 Summary of the Order (Tax, Interest & Penalty).

State Government stated (April 2025) that taxpayer was found fake, therefore, registration was cancelled *ab initio w.e.f.* 1 July 2017 and central authority has created demand of ₹ 3,462. Reply is not acceptable as the taxable value of these five EWBs alone was ₹ 1.14 crore and the possibility of more such EWBs was not ruled out.

(ii) Two taxpayers pertaining to two Circles[32] had generated three EWB's involving taxable value ₹ 2.75 lakh.

In case of one taxpayer E-Way bill of assessable value ₹ 0.70 lakh was generated on 18 January 2020 after the date of cancellation of registration and the taxpayer had only filed a *Nil* return of GSTR-3B for October 2019 and no returns were filed thereafter during the year 2019-20. Further examination of records revealed that while the Department had cancelled the registration of taxpayer from 17 January 2020 (date of cancellation order), the Department did not assess any tax liability.

In case of other taxpayer two E-Way Bills of assessable value ₹ 2.05 lakh were generated during June and August 2019 and the taxpayer had only filed a *Nil* return of GSTR-3B for April 2019 in October 2020 and no returns were filed thereafter during the year 2019-20. The Department while cancelling the registration of taxpayer from 21 November 2019 (date of cancellation order) did not assess any tax liability. It was further observed that the taxpayer filled *Nil* GSTR-3B of April 2019 which was filled in October 2020 i.e after cancellation of registration.

State Government stated (April 2025) that in one case direction has been issued to jurisdictional officer and in the other case demand has been raised. Reply did not address the issue of generation of EWBs after cancellation of registration.

Recommendation 2: State Government may establish a mechanism to ensure that proper officers cancelling registration retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.

Recommendation 3: State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.

2.4.8.3 Ineligible taxpayers continuing under Composition Scheme

As per section 10 (1) of the RGST Act, 2017 (Act) a registered person whose aggregate turnover in the preceding financial year did not exceed the threshold limit[33] may opt to pay tax under the Composition Scheme. Section 10(2)(c) of the Act provides that he shall not be eligible to opt for composition scheme if he is engaged in making any inter-State outward supplies of goods.

32 Circle- Kishangarh, Ajmer & Circle-B, Rajsamand.

33 Threshold limit per year for becoming eligible for the composition scheme was ₹ 1 Crore between 01.04.2018 to 31.01.2019 and ₹ 1.5 crore thereafter. In respect of Special Category States, it is ₹ 75 lakh.

As per Section 61 of RGST/CGST Act, 2017, various returns filed by the taxpayers have to be scrutinized by the proper officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns.

During data analysis, it was observed that two taxpayers registered under the Composition Levy Scheme under Section 10 (1) of the Act *ibid* had generated 31 EWBs for outward supply of assessable value of ₹ 3.29 crore during the period April 2019 to January 2021. Further, the aggregate turnover of the taxpayers exceeded the threshold limit for Composition Scheme and therefore, the taxpayers were required to switch their registration to "normal category" from the date on which they exceeded the threshold limit of turnover and liable to pay tax at normal rates.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in case of 29 EWBs pertaining to one taxpayer that goods supplied by the taxpayer was not for sale but for storage and there was no evasion of GST. Further in respect of two EWBs, it was stated that DRC-07 has been issued.

2.4.8.4 Generation of EWBs for the transactions effected by suspicious vehicles

As per Rule 138(2) of the RGST Rules, 2017 where the goods are transported by the registered person as a consignor, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the EWB in FORM GST EWB-01[34] electronically on the common portal after furnishing information in Part B of FORM GST EWB-01. Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter on the common portal and the EWB shall be generated by the transporter on the said portal based on the information furnished by the registered person in Part A of FORM GST EWB-01. Vehicle number is required to be provided in Part-B of EWB-01.

During the audit, 12 EWB transactions, generated by 10 taxpayers, were identified as risky as these transactions were affected by using stolen/scrapped/surrendered vehicles etc as summarized in **Table 2.7** below:

Table 2.7: EWBs generated by suspicious vehicles

Sl. No.	Circle	Nature of vehicles used for generation of EWBs	No. of EWBs	No. of Taxpayers	Reply/Rebuttal
1	D & G, Jaipur-III	Two wheelers	02	02	In one case, no business activities are carried out by the taxpayer at the declared place, therefore the registration of the taxpayer cancelled *suo moto.* The reply is not acceptable as the EWBs have been generated evidencing that business activity was carried out. SCN has been issued in another case.

34 Bill for movement of goods. It should be generated in EWB portal before commencement of shipment.

Sl. No.	Circle	Nature of vehicles used for generation of EWBs	No. of EWBs	No. of Taxpayers	Reply/Rebuttal
2	D, Jaipur-III	Stolen vehicles	02	01	DRC-07 has been issued.
3	A, Bikaner	Suspended vehicles	01	01	DRC-07 has been issued.
4	J Jaipur-II & L Jaipur-III	Surrendered vehicles	02	02	In one case registration has already been cancelled and ITC of the recipient was being examined. In another case, survey and search action have been completed by CGST authority.
5	G, Jaipur-II & N, Jaipur-III	Scrapped vehicles	02	02	DRC-01/notice has been issued.
6	H Jaipur-II	Vehicles whose registration has been cancelled	03	02	In two cases, it has been stated that the taxpayer was engaged in supply of medicine to Government hospitals which are tax free/exempted and taxpayer did not declare any tax liability in his return. The reply does not address the issue of generation of EWBs using suspicious vehicles.

The Department, however, could not identify these omissions by scrutiny of returns and take remedial action.

Recommendation 4: State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.

2.4.9 Undischarged tax liability in respect of cross-PAN analysis

As per Section 23 and Section 24 of the RGST/CGST Act a person liable for GST registration in multiple states can obtain multiple GST registrations with the same Permanent Account Number (PAN) in a State or Union Territory. As per Schedule I (2) and Section 25 of the Act, any supply between different GST registrations having the same PAN should be treated as supply even when made without consideration.

During data analysis, it was observed that a taxpayer registered in multiple states on same PAN had generated a EWB during July 2018 and supplied goods from Rajasthan unit to its Maharashtra unit involving assessable value ₹ 7.99 crore. However, the taxpayer in GSTR-1 for the month of July 2018 had declared the taxable outward supply of ₹ 4.45 crore out of which supply to its Maharashtra unit was zero. This had resulted in suppression of turnover of ₹ 7.99 crore.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) stated that tax liability was discharged by the taxpayer in GSTR-3B of July 2019 and was also declared in GSTR-1 but this transaction was shown as Business to Consumer (B2C) in GSRTR-1 of July 2019. Reply is not tenable as the taxpayer had declared only ₹1.29 crore against B2C supplies in the GSTR-1 for the month July 2019, while the value of supply of the EWB pointed out by Audit was ₹ 7.99 crore. Further, in Business to Business (B2B) supplies, as declared in Table

4 of GSTR-1, no supplies were shown to the sister units. Therefore, tax liability on the remaining value of supply of ₹ 6.70 crore (after deducting the value of ₹1.29 crore indicated as B2C supplies) remained undischarged.

2.4.10 E-Way Bills generated by unregistered persons having assessable value of goods above the prescribed registration threshold

As per Rule 138(1) of CGST/RGST Rules, every registered person who causes movement of goods of consignment value exceeding the prescribed limit shall, before commencement of such movement, furnish information relating to the said goods as specified in Part A of FORM GST EWB-01 on the common portal and generate EWB. Further, Section 22 of the Act, provides that every supplier whose aggregate turnover in a financial year exceeds ₹ 20 lakh (₹ 40 lakh for supplier of goods only with effect from 01.01.2020) shall be liable to be registered under this Act.

It was observed that 29 EWBs were generated by or on behalf of the unregistered persons for making outward supplies of goods valuing ₹ 590.20 crore ranging from ₹ 0.62 crore to ₹ 500 crore during the period 2018-19 to 2021-22. Audit selected only those EWBs that had been generated by unregistered persons to effect outward supply of goods from Rajasthan having assessable value of more than ₹ 40 lakh.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that in all cases directions have been issued to the concerned circle officers for providing compliance. Since, these unregistered persons generated EWBs above threshold limit, therefore these persons were liable to take registration under GST and discharge tax liability. Further progress was awaited (August 2025).

2.4.11 Generation of E-way bill using invalid PIN codes

Audit observed in two EWBs involving assessable value of ₹ 0.23 crore pertaining to two taxpayers, falling under two Circles[35] that invalid PIN codes were entered, which were not available in Indian Post Department PIN Code database, while generating the EWBs.

The matter was brought to the notice of the Department and the State Government (December 2024). The State Government stated (April 2025) that discrepancy had occurred due to typographical error.

Recommendation 5: State Government may take up the matter with NIC to incorporate the validation controls in the EWB system to restrict generation of EWBs with invalid PIN codes.

35 Circle B, Jaipur-III & Circle A, Bikaner.

2.4.12 Preventive/Enforcement functions of the Department

- ***Efficiency and effectiveness of Preventive/Enforcement activities in enforcing E-Way Bill provisions***

In connection with the second objective of this SSCA, Audit studied EWB related functions of the enforcement units with specific focus on (i) Operational Preparedness (ii) Effectiveness of Anti-Evasion Measures and (iii) Intra-Departmental Coordination in monitoring EWB related transactions. For this purpose, Audit selected five Enforcement Circles and three Regular Circles as sample falling under State Commercial Taxes Department.

2.4.12.1 Operational Preparedness of the Department

- ***Targets and achievements**:*

Details of targets fixed by the Commissionerate/Zones/Circles for verification of EWBs through vehicle interceptions and achievements against them were called for by audit. Preventive units stated that enforcement wings did not have specific targets for conducting verification of EWB. During verification, audit observed several deficiencies and shortcomings in the activities undertaken by the Enforcement Wings, which are detailed in the following paragraphs:

2.4.12.2 Scope limitation due to documents not produced

Section 16 of the CAG's DPC Act 1971 lay down the audit mandate of the CAG regarding Audit of receipts.

During audit, information and records related to booked cases records such as booked cases files, MOV-01[36] to MOV-11[37] and various analytical reports available on the Enforcement wings module etc. were requisitioned.

Out of sample of 289 booked cases of EWBs, four out of the five Enforcement Circles did not provide records of 46 cases. Thus, 15.92 *percent* of the selected sample could not be audited. However, these cases were replaced with additional case files that were provided by the Department. The details of non-production are given in **Table -2.8 below:**

Table-2.8- Details of non-production

Jurisdictional Circle/Zone	No. of selected booked cases	Non-production of records of booked cases
A, Enforcement Wing-I, Jaipur	50	5
C, Enforcement Wing-I, Jaipur	50	2
B, Enforcement Wing-II, Jaipur	50	23
C, Enforcement Wing-II, Jaipur	50	16
Total		**46**

Further, four analytical reports were also not produced, as detailed below: -

36 Driver statement at the time of confiscation of goods.
37 Order of Confiscation of Goods and Conveyance-Demand of Tax, Fine and Penalty.

(a) EWBs generated by citizens (Series H5)

(b) EWBs with no vehicle movement (Series B1)

(c) Recycling of EWBs using the same vehicle (Series B4)

(d) Recycling of EWB using different vehicles (Series B5)

During exit conference, Additional Commissioner, Business Intelligence Unit (BIU) stated that due to the re-structuring of the Circles, these files were transferred to the other Circle and were not traceable. However, no reply was provided for non-production of analytical reports.

Recommendation 6: State Government may examine the issue of non-production of records and ensure better record maintenance and production to Audit in future.

2.4.12.3 Improper levy of penalty

Section 129 (1) of RGST/CGST Act, 2017, read with section 20 of IGST Act, 2017 stipulates that notwithstanding anything contained in this Act, any person transporting any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released on payment of penalty **(a)** equal to 200 per cent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to 2 per cent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty. **(b)** on payment of penalty equal to 50 per cent of the value of the goods or 200 per cent of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to 5 per cent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty.

(i) Short levy of penalty of ₹ 70.87 lakh

During audit, it was noticed in six conveyances pertaining to four Circles that after the physical verification of the goods, the department issued MOV-07[38] to the owners/persons-in-charge of conveyance or goods for the payment of applicable tax and penalty. Subsequently, the orders of demand of tax and penalty as per section 129(1)(a) of the Act was issued to the owners/ persons-in-charge of the conveyance or goods. Scrutiny revealed that in these cases the owner of the detained goods neither came forward nor authorized any person for the payment of applicable tax and penalty. The person in charge of the conveyance paid the tax and penalty imposed under the provisions. The Department did not enforce the relevant provisions of the Act and imposed

38 SCN on the outcome of inspection of goods.

lower penalty under section 129(1)(a) instead of section 129(1)(b) of the Act. This resulted into short levy of penalty amounting to ₹ 70.87 lakh.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that owner of the goods/or his representative came forward to claim the goods through authorization letter therefore penalty u/s 129 (1)(a) had been imposed. However, authorization letter from the owner/recipient was neither available in the records produced for audit nor provided with the replies. Therefore, Audit could not verify the correctness of the Department's claim.

(ii) Excess levy of penalty of ₹ 18.94 lakh

During audit of selected booked cases, it was noticed that in two cases the Department imposed penalty under Section 129(1)(b) instead of section 129(1)(a), even though the owner of the goods/conveyance had submitted his authorization letter along with his ID and consent to deposit tax and penalty to the Government exchequer. This resulted in the Department imposing excess penalty of ₹ 18.94 lakh**.**

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that the owner of the goods did not come forward to pay the penalty therefore, the penalty was imposed u/s 129(1)(b) of RGST Act 2017 and no revenue loss. Reply is not acceptable because the claimant of the goods had submitted authorisation letter along with IDs in support of the claim of the goods, which were available in concerned booked case file. Therefore, lower penalty under Section 129(1)(a) was leviable.

2.4.12.4 Loss of revenue due to abnormal delay in auction

Section 79(1) of CGST/RGST Act, 2017 read with Rule 144 of RGST Rules, 2017 specifies the recovery process by the sale of confiscated goods under the control of proper officer;-

(1) Where any amount due from a defaulter is to be recovered by selling goods belonging to such person in accordance with the provisions of clause (b) of sub-section (1) of section 79, the proper officer shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods as may be required for recovering the amount payable along with the administrative expenditure incurred on the recovery process.

(2) The said goods shall be sold through a process of auction, including e-auction, for which a notice shall be issued in form **GST DRC-10**[39] clearly indicating the goods to be sold and the purpose of sale.

Provided that where the goods are of a perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

39 Notice for Auction of Goods (including e- auction).

(i) During audit of circle B, Enforcement Wing II, Jaipur, it was noticed that the Department confiscated the goods i.e tobacco/Jarda along with the vehicle in a case under Section 130 of the Act in the month of August 2019. Audit observed that GST-MOV-10[40] was issued (October 2019) for demand of tax, fine and penalty of ₹ 43.94 lakh (₹ 29.49 lakh being the value of the confiscated goods and ₹ 14.45 lakh towards fine and penalty). Accordingly, GST-MOV-11 was issued (January 2020). The confiscated goods were perishable and the expiry of the goods was August 2020. Further, a three-member committee was also constituted for ensuring timely disposal of confiscated goods and conveyance.

Subsequently, the Department of Medical and Health, GoR conveyed (November 2021) to the Department that the said confiscated goods had expired for human consumption and recommended that no further re-processing was possible, as the goods were perishable in nature. Subsequently, with the help of *Nagar Nigam Greater*, Jaipur' the said goods were cleared (March 2022) and expenditure of ₹ 0.26 lakh, including advertisement expenses, was incurred. Therefore, delay in disposal of said perishable goods resulted in loss of revenue.

The matter was reported to the Department and the State Government (December 2024). Reply was awaited (August 2025).

(ii) During audit of Circle- C, Enforcement Wing -I, Jaipur, it was noticed, in three cases, that the Department confiscated the goods i.e. automobile parts, footwear, pressure cooker, LPG stoves, tools, helmets and electronics items etc. valuing ₹ 52 lakh along with the vehicle under Section 130 of the Act in the month of February 2020 and July 2020. However, the auction of the goods was not completed despite lapse of four years**.** Delay in auctioning the goods lends itself to the risk of obsolescence of the confiscated goods and its deterioration.

The matter was reported to the Department and the State Government (December 2024). Government stated (April 2025) that notice for auction has been issued and auction will be held in May 2025. Further progress was awaited (August 2025).

2.4.12.5 Incorrect levy of RGST and CGST

Section 5 of IGST Act stipulates that Integrated Goods and Services Tax shall be levied on all inter-state supplies of goods or services or both. Further, Section 17 of IGST Act provides the apportionment of tax and settlement of funds.

During audit, it was noticed that the department intercepted 29 vehicles/conveyances and issued the order of detention of goods and conveyance *vide* Form GST MOV-06[41] and MOV- 09[42] under Section 129(1) of the Act and levied RGST and CGST treating it as intra-state supply.

Audit examination of invoices, statement of Driver (MOV-01) and other relevant records in the booked case files revealed that the goods supplied was

40 Notice of confiscation of goods and conveyance (no. RJ14 GK6646).
41 Order of Detention for non-production of documents or defective documents.
42 Order of Demand of tax and Penalty (Detained Goods/ Conveyance).

interstate and therefore, levy of IGST was applicable. However, the department collected RGST and CGST treating it as intra-state supply. This resulted in incorrect levy of tax, with a consequential impact of incorrect apportionment of tax to that extent**.**

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of 16 cases that GST is a destination-based tax and goods was finally transported to Rajasthan and there is no revenue loss. In six cases, it was stated that the goods were to be delivered by the driver in Rajasthan. Further, in seven cases it was stated that the driver did not provide evidence in support of interstate movement of vehicle/goods, and it was supposed to be delivered in the Rajasthan.

The replies are not acceptable in view of the facts that as per MOV-01/statement of driver and other documents available in the booked case files it was evident that supply was interstate.

2.4.12.6 Incorrect determination of place of supply

Section 10(1) of IGST Act 2017 specifies that the place of supply of goods other than supply of goods imported into, or exported from India as:

(a) where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;

(b) where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;

(c) where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient.

During the audit, it was observed that the department intercepted 46 conveyances/vehicles (174 cases). The Department issued the orders of demand of tax and penalty, quantifying the amount payable after the issuance of detention orders in MOV-06. Subsequently, DRC-07/DRC-01 (Summary of order) was generated at common portal to add the demand in the Electronic Liability Register of the person concerned (owner/representative of goods/In-charge of conveyance). The place of supply was also mentioned in the relevant Column of DRC-07/DRC-01 by the department.

Audit noticed that the place of supply was mentioned as Rajasthan by the Department as per the physical verification reports (MOV-04[43]), DRC-07/DRC-

43 Physical verification report.

01. However, as per the statement of driver and relevant invoices/bills and other records made available to Audit, the place of supply was shown other than Rajasthan. This resulted in wrong classification of place of supply on account of tax, penalty and fine under IGST up to that extent**.**

The matter was reported to Department and the State Government (December 2024). The State Government stated (April 2025) that in 64 cases, the owner of the vehicle/driver did not provide evidence in support of interstate movement of vehicle/goods. In eight cases it was stated that in revenue interest, penalty was imposed by the officer in charge as goods was finally transported to Rajasthan. In remaining 102 cases, vehicles were intercepted during unloading the goods in city area and there was no reason to believe that vehicle would go outside the state.

The reply is not acceptable because as per MOV-01/invoices/bills and the declaration of the driver/owner of the goods that supplies were terminating other than the Rajasthan. Further, nothing in records was found of unloading the goods in city area and no corroborative evidence was produced to audit which could prove goods were unloading in the city.

2.4.12.7 Temporary GSTIN for already registered taxpayers

(i) Generation of temporary registration for already registered taxpayers

As per para 2(v) of the RGST circular No. 05/2018 dated 26.04.2018 issued by the Commercial Taxes Department GoR, where no electronic liability ledger is available in case of an unregistered person, a temporary ID shall be created by the proper officer on the common portal and the liability shall be created therein.

During audit of selected booked cases, it was noticed that the department generated 42 temporary GSTIN in respect of 40 taxpayers. Out of these, 26 temporary GSTINs were created for 24 taxpayers registered with other states and 16 temporary GSTINs were created for 16 taxpayers registered with the Rajasthan State. In all these cases, the taxpayers as owners/representatives of the detained goods, had provided their GSTIN along with their IDs for the payment of applicable tax and penalty. However, the Department created temporary GST IDs, in contravention of instructions *ibid,* for adding liability of tax and penalty in their electronic liability registers.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that 26 temporary IDs in respect of 24 taxpayers who were registered in other states, the Department was required to generate these temporary IDs because the cases pertained to jurisdictions outside the Rajasthan and the demand could not be raised using the taxpayers' existing GSTINs, as their jurisdictional control vest with other States.

In respect of 16 temporary ID pertaining to 16 taxpayers who were registered in Rajasthan State, it was stated that the ownership of the goods was claimed by the unregistered person or actual owner of the goods did not come for claiming the goods, therefore, in such circumstances temporary ID was created.

The replies in respect of the 16 taxpayers belonging to Rajasthan are not acceptable because at the time of claim, GSTIN of the taxpayers were submitted by the owners of the goods/conveyance. Further, the temporary ID was created in the name of actual owner or recipient of goods who were already registered taxpayers.

During exit conference, Additional Commissioner, MEA admitted that in the initial phase of GST, Department created a temporary ID to recover revenue.

An illustrative case is given below:

Test check of records of booked cases of Circle A, Enforcement Wing-I, Jaipur revealed that a truck[44] was intercepted and MOV-06 was issued. The owners/representatives of the detained goods provided their GSTIN along with their IDs for the payment of applicable tax and penalty in response to SCNs. Scrutiny further revealed that despite adding liability of tax and penalty in their electronic liability registers in their regular GSTIN, the department issued/created temporary GST ID for already registered taxpayers.

The State Government stated (April 2025) that the taxpayer belongs to Rajasthan state and goods were claimed by the unregistered taxpayer and there was no loss of revenue. The reply is not acceptable because GSTIN and a copy of Aadhaar were available on record. Further, the temporary ID was created in the name of actual owner or recipient of goods who were registered taxpayers.

(ii) Non rectification of liability created on temporary GSTN

The electronic liability register is maintained in form GST PMT-01 for each registered person liable to pay tax, interest, penalty, late fee, or any other amount on the common portal, and all amounts payable by him get debited to the said register. The electronic liability register indicates various details along with the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act.

Audit noticed that in a case[45] of intercepted conveyance[46], an order of demand in form MOV-09 was issued, against a temporary ID, on 24 November 2020 to deposit an amount of ₹ 6.45 lakh. Accordingly, liability was created in Electronic Liability Ledger on 01 December 2020. Subsequently, an order of confiscation of goods and conveyance and demand, in form MOV-11, was issued on 01 December 2020 to deposit an amount of ₹ 7.36 lakh due to non-compliance of the order in MOV-09 within prescribed period, and accordingly liability was also created in Electronic Liability Ledger as per MOV-11 demand. As per Electronic Cash Ledger, the demand of MOV-11 was deposited on 01 December 2020 and set off on 09 March 2021. However, the Electronic Liability register of the temporary GSTIN was showing a liability of ₹ 8.27 lakh as on 09.03.2021, which included the demand created by issuing MOV 9. Therefore, due to non-deletion of the MOV 09 demand after issuing MOV 11, the part II of the liability register, on the *BOWEB* portal, continues to reflect it as an outstanding liability.

44 Number HR73-2951.
45 Circle-B, EW-II, Jaipur.
46 RJ52 GB 0609.

The matter was reported to the Department and the State Government (December 2024). Reply was awaited (August 2025).

Recommendation 7: State Government may take up the matter with GSTN for validation in the system to prevent creation of temporary registrations against already registered taxpayers as also for creation of demand on their registered GSTIN in respect of registered taxpayers whose jurisdictional control vest with other states.

2.4.12.8 Delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance

Commercial Taxes Department, GoR, issued the procedure[47] for interception of conveyances for inspection of goods in movement and detention, release and confiscation of such goods and conveyances. As per Para 2(k) of the procedure, it is clarified that the proper officer shall release the goods and conveyance forthwith by an order in FORM GST MOV-05[48] on the payment of tax, penalty and fine as quantified in MOV-09/MOV-11. The order in FORM GST MOV-09/MOV-11 shall be uploaded on common portal and the demand accruing from the order shall be added in the electronic liability register and, upon payment of the demand, such register shall be credited by either debiting electronic cash ledger or electronic credit ledger of the concerned person in accordance with the provisions of Section 49 of the RGST/CGST Act.

As per section 49(3) of the RGST/CGST Act, the amount available in Electronic Cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or Rules made thereunder.

Audit noticed that in 47 cases, after the detention of conveyance, the department-imposed tax, penalty and fine as per provisions of Act. Subsequently, the owner/representative or person-in-charge of goods or conveyance deposited the said tax, penalty and fine by challan and the amount was credited in his electronic cash ledger. However, liability so created by the Department in these cases was set off with delay ranging from 1 to 1710 days.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of 40 cases that there was no revenue loss and taxpayer deposited tax and penalty within time. However, due to system deficiency/technical glitch of the portal, the same could not be set off on the date of release of conveyance. Reply is not acceptable as prolonged delays in setting off the liability from the Electronic Cash Ledger cannot be solely attributed to technical errors/glitches in the portal. Further, in such a scenario, the possibility of the taxpayers utilising the cash ledger balance against their regular supplies cannot be ruled out. In remaining seven cases reply was not relevant.

47 *vide* Circular No. 05/2018 dated 26.04.2018.
48 Release Order for Goods conveyance.

Recommendation 8: State Government may ensure that liability against tax and penalty imposed on detention of goods and conveyance is promptly set off after the demand has been paid by the owner/person in charge of the conveyance.

2.4.12.9 Intra Departmental co-ordination in monitoring EWB related transactions

EWB is directly linked with the movement of goods and the enforcement wings were entrusted with the enforcement functions. NIC has generated various analytical reports and the Enforcement Circles in each Commissionerate has access to those reports through the NIC Portal. As the tax liability on the EWB transactions is discharged by the taxpayers through periodical returns, the jurisdictional authorities, *i.e.* Circle Officer is the proper officer for scrutiny of returns and assessment. The effectiveness of the usage of Analytical Reports by the enforcement circles and to what extent Intra-Departmental co-ordination exists in the department was analysed by Audit.

2.4.12.10 No mechanism of sharing of information on the interception of vehicles

As per Section 129 of RGST/CGST Act, whenever any discrepancies were found during the interception of vehicles, tax and penalties were leviable up to 31 December 2021. In terms of Section 17(5) of the Act[49] ITC shall not be available on any tax paid under the provisions of Section 129.

During test check of records of booked cases in selected circles, it was noticed that that there were no corroborative documents in support of whether any information regarding interception of vehicle and levy of tax and penalty on taxpayer were being shared or communicated to concerned jurisdictional officer. In addition to above, the system does not generate any alert message to the Jurisdictional Authority regarding such action taken on the taxpayer of his jurisdiction. Therefore, there was no mechanism by which enforcement officers can share information on interception of vehicle and levy of tax and penalty thereon with the respective jurisdictional proper officer. As such the Department was unable to ensure whether defaulter taxpayers are correctly availing ITC and fulfilling their tax obligations.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of Circle A, EW-I, Jaipur that generally anti-evasion activities are performed based on information received from the informer and no such action plan/mechanism has been prepared at the Department level. In case of seven Circles[50] it was stated that in most of the cases, penalty was deposited by person in charge of vehicle/driver/owner of goods by generation of temporary

49 The section was amended *w.e.f.* 01 November 2024 and it was made applicable for section 74 only.

50 Circle B Udaipur, A Hanumangarh, C- EW-I, B & C EW-II, A EW-III Jaipur and Circle Jhunjhunu.

IDs, jurisdiction of these temporary IDs is under the issuing authority. No mechanism of sharing of information exists at the level of proper officer.

Recommendation 9: The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.

2.4.12.11 Irregularities in Management Information System (MIS) and incorrect reporting of booked cases

(i) A Management Information System is an organized system to collect, store and disseminate data in the form of specific information required to carry out management functions. It is one of the crucial tools that support decision-making processes. It involves a collaboration of reliable EWB data and work done by proper officers of the department.

During test check of the record of booked cases of Circle B & C, Enforcement Wing-II, Jaipur, the department provided records of only 61 cases out of 100 requisitioned booked cases.[51] However, the remaining 39 cases were replaced with additional cases that were provided by the Department.

A review revealed that 370[52] booked files were reported as per the MIS report of these Circles, however, 23 booked cases files[53] were not included in the reported 370 cases. This indicates that the MIS report was not accurately reflecting the status of booked cases.

The matter was reported to the Department and the State Government (December 2024). Reply is awaited (August 2025).

(ii) Underutilization of MIS Reports

The officer module of the EWB system encompasses functionalities to facilitate verification of the EWB and perform verification-related operations. It has also various Intelligence and analytical reports about the EWBs and offers a comprehensive platform for the officers to perform all the activities associated with the EWB verification, analysis and monitoring purposes. As per report J3[54] of the MIS module, it was observed that out of 654 users registered in the officer's module during the month March 2022, 356 users (54.43 *per cent*) did not log in the module even once. This indicates that the supervising officers/ proper officers except the officers in the enforcement squads were not using the applications/modules regularly which may lead to underutilisation of MIS Reports.

The matter was reported to the Department and the State Government (December 2024). Reply is awaited (August 2025).

51 Circle B, EW-II, Jaipur-34 booked cases files and Circle C, EW-II, Jaipur-27 files.
52 193 booked cases Circle B, EW-II, Jaipur and 177 Circle C, EW-II, Jaipur.
53 12 files Circle B, EW-II, Jaipur and 11 files Circle C, EW-II, Jaipur.
54 Usages of reports by officer.

Recommendation 10: The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.

2.4.12.12 Impact on Integrated/ Central Goods and Services Tax

GST involves various components of GST such as CGST, IGST, SGST etc. The audit observations included in this chapter impact the revenue of both Union and the States. For the audit observations highlighted in this chapter, the monetary impact of audit findings on the IGST/CGST revenue of the Central Government is given in ***Appendix 2.5.***

2.4.13 Conclusion

EWB is a document required for movement of goods and is designed to capture details of goods before being moved. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections. The EWB was introduced with effect from 01.04.2018 for all inter-State movement of goods having value exceeding ₹ 50,000. For the intra-State movements in Rajasthan, EWB was made mandatory for the consignment value of ₹ 50,000 as the threshold limit.

Audit selected 160 EWBs of 65 taxpayers for the period 2018-19 to 2021-2022 for examination of EWB mechanism and its effectiveness in protecting revenue. Audit also selected five Enforcement Circles and three Regular Circles and examined 289 booked cases from these selected Enforcement Circles for ensuring efficiency and effectiveness of the enforcement activities of the Department.

Audit sought for login Id and password based access to the E-Way Bill Portal of the Department. However, the same was not provided. As a result, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of supply as per E-Way Bills in their GST returns.

Audit examination of EWBs revealed compliance deviations by 36 taxpayers out of examined 65 taxpayers, which pertain to E-Way Bills generated by the cancelled taxpayers; ineligible taxpayers continuing under Composition Scheme and generation of EWBs for the transactions effected by suspicious vehicles. Further, Audit observed that EWBs were generated by unregistered persons having assessable value of goods above the prescribed registration threshold and generation of EWBs using invalid PIN Codes.

Audit also noticed gaps in the preventive and enforcement activity done by Enforcement Units of the Department such as improper levy of penalty, loss of revenue due to delay in auction, incorrect levy of RGST and CGST, misclassification of place of supply, generation of temporary GSTIN for already registered taxpayers, delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance and discrepancies in MIS reports and their underutilisation.

Accordingly, Audit has the following recommendations to strengthen the EWB system and compliance verification mechanism of the Department.

(1) State Government may ensure provision of read only access of EWB portal to Audit.

(2) State Government may establish a mechanism to ensure that proper officers cancelling registration retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.

(3) State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.

(4) State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.

(5) State Government may take up the matter with NIC to incorporate the validation controls in the EWB system to restrict generation of EWBs with invalid PIN codes.

(6) State Government may examine the issue of non-production of records and ensure better record maintenance and production to Audit in future.

(7) State Government may take up the matter with GSTN for validation in the system to prevent creation of temporary registrations against already registered taxpayers as also for creation of demand on their registered GSTIN in respect of registered taxpayers whose jurisdictional control vest with other states.

(8) State Government may ensure that liability against tax and penalty imposed on detention of goods and conveyance is promptly set off after the demand has been paid by the owner/person in charge of the conveyance.

(9) The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.

(10) The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.

CHAPTER-III
LAND REVENUE

CHAPTER III: LAND REVENUE

3.1 Tax administration

Assessment and collection of land revenue are governed under the Rajasthan Land Revenue Act, 1956 and rules framed thereunder. Land revenue mainly comprises of conversion charges, premium, rent on land, lease rent, and receipts from sales of Government land.

The Revenue Department administers all matters relating to assessment and collection of land revenue. The overall control of revenue related judicial matters along with supervision and monitoring over revenue officers vests with the Board of Revenue (BoR). The BoR is assisted by District Collectors (DCs) at the district level, Sub-Divisional Officers (SDOs) at the sub-division level and *Tehsildars* at the *Tehsil* level. The value of land (market rate) is determined by District Level Committees from time to time.

The Rajasthan Land Revenue Act, 1956, the rules made thereunder and the notifications issued by the Government from time to time govern the allotment of land and other related issues.

The total Tax revenue[1] of the State for 2022-23 was ₹ 1,07,910.81 crore (2021-22: ₹ 93,562.93 crore) while the Land Revenue receipts of the state for 2022-23 was ₹ 484.01 crore (2021-22: ₹ 631.48 crore). The Land Revenue receipts contributed 0.45 *per cent* of the total revenue of the State.

3.2 Internal Audit conducted by Department

The Financial Adviser, BoR is the head of the Internal Audit Wing. There were 18 internal audit parties sanctioned in the Department; but only 14 internal audit parties were deployed. The status of internal audit conducted during the period from 2018-19 to 2022-23 is given in **Table 3.1** below:

Table 3.1: Status of internal audit conducted during the period 2018-23

Year	Units pending	Units due for audit during the year	Total units due for audit during the year	Units audited during the year			Units remaining unaudited	Percentage of units remaining unaudited
				Pertaining to previous year	Pertaining to current year	Total		
1	2	3	4 (2+3)	5	6	7	8 (4-7)	9
2018-19	324	816	1,140	324	618	942	198	17
2019-20	198	816	1,014	198	631	829	185	18
2020-21	185	822	1,007	185	567	752	255	25
2021-22	255	846	1,101	255	548	803	298	27
2022-23	298	846	1,144	298	695	993	151	13

Source: Information provided by the Board of Revenue, Ajmer.

1 Tax Revenue (excluding share of net proceeds assigned to State received from the Government of India) and Non-Tax Revenue.

Further, it was noticed that compliance of 27,585 paragraphs in the internal audit reports were outstanding at the end of 2022-23. Year-wise break up of outstanding paragraphs is given in **Table 3.2** below:

Table 3.2: Year-wise break up of outstanding paragraphs upto 2022-23

Year	Up to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Outstanding paragraphs of the audit conducted during the year	8,235	1,800	2,354	2,972	3,508	8,716	**27,585**
Amount involved (₹ in crores)	297.36	11.15	23.91	38.78	34.66	51.79	**457.65**

Source: Information provided by the Board of Revenue, Ajmer.

Out of 27,585 paragraphs, 8,235 paragraphs (29.85 *per cent*) were outstanding for more than five years for want of compliance/corrective action. The Department stated (August 2024) that additional working days were given during the year 2022-23 for the audit of outstanding units of Covid, but due to the vacancies in various cadres, less units were audited resulting in units remaining outstanding for audit.

The Government may take necessary steps to strengthen the internal audit wing and ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing.

3.3 Results of audit

There are 704 auditable units under the Land Revenue Department. From these auditable units, 104 units (approximate 14.77 *per cent*) were selected for test check during 2022-23. Irregularities relating to conversion, premium of land, non- reversion of land to the Government and others involving an amount of ₹ 175.38 crore in 16,138 cases were noticed in test check. Irregularities were also noticed in the expenditure audit of these selected units involving an amount of ₹ 10.05 crore in 2,977 cases.

These cases are illustrative only as these are based on test check of records. Audit pointed out similar omissions in earlier years. However, these irregularities not only persisted but also remained undetected till the next audit. Thus, there is a need on the part of the Government to significantly improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Details of category-wise irregularities noticed are detailed in **Table 3.3 below**:

Table 3.3: Details of category-wise irregularities noticed during 2022-23

(₹ in crore)

Sl. No.	Category of irregularities	No. of cases	Amount
1.	Non-recovery/short recovery of premium	9,024	132.63
2.	Non-recovery/short recovery of conversion charges from *khatedars*[2]	84	3.93
3.	Other irregularities relating to:		
	(i) Revenue	7,030	38.82
	(ii) Expenditure	2,977	10.05
Total		**19,115**	**185.43**

During the year 2022-23, the Department accepted audit observations worth ₹ 11.42 crore in 516 cases of which 14 cases having ₹ 0.03 crore money value were pointed out in the year 2022-23 and rest 502 cases involving ₹ 11.39 crore pertained to earlier years. The Department recovered ₹ 1.82 crore in 241 cases of which 14 cases having ₹ 0.03 crore money value pertained to the year 2022-23 and rest 227 cases involving ₹ 1.79 crore pertained to earlier years.

A few illustrative cases involving ₹ 7.36 crore in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that similar issues have been raised earlier and published in the CAG's Audit Report (Revenue Sector) of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in those cases pointed out by audit and did not strengthen the internal control system, which led to recurrence of the same issues in subsequent years.

3.4 Non-recovery of ₹ 7.23 crore of difference value of allotted pasture land for mining purpose

The Clause 3 of notification[3] issued (March 2015) by the Finance Department (Tax Division) GoR, provides that the rate of agriculture land purchased or agriculture land in respect of which consent deed is executed between land owner and lessee for mining purposes shall be equal to two times of the rates of agriculture land of that area.

Rule 7(1) of the Rajasthan Tenancy (Government) Rules, 1955 prescribes that the Collector may change the classification of any pasture land as agricultural or for any non-agricultural purpose. Further, the Revenue Department of Government of Rajasthan (GoR), Jaipur had issued (May 2017 and October 2018) notifications[4] for amendment in second proviso to Rule 7(1) of the Rajasthan Tenancy (Government) Rules, 1955. According to revised Rule 7(1) *ibid*, the classification of pasture land shall not be changed as unoccupied culturable government land (Sawai Chak) for mining purposes without the

2 A land holding by a *Khatedar* tenant (who has entered in the revenue records as a tenant) from land owner of the estate.
3 No. F.4 (4) FD/ Tax/ 2015-226 dated 09 March 2015.
4 Notification No. F. 10(3) Rev. 6/2001/19 dated 31 May 2017 and No. F.10 (3) Rev. 6/2001/ 75 dated 04 October 2018 respectively.

prior permission of the State Government. The State Government can grant permission if the applicant has surrendered equal area of khatedari land in favour of the State Government in the same village or nearby village within the same panchayat, or if land is not available in the same village or nearby village, then equal area of khatedari land in the nearby village of adjoining panchayat for such purpose, or in exceptional cases, equal area of khatedari land in the other panchayat of the District.

During the scrutiny (May- July 2022) of land allotment files of the office of the District Collector (Land Revenue), Chittorgarh it was observed that the State Government allotted pasture land to three cement companies[5] for the purpose of mining in exchange of the surrendered land. The valuation of surrendered land was only ₹ 0.90 crore against the valuation of allotted pasture land i.e. ₹ 8.13 crore[6] as calculated as per notification (March 2015) of the Finance Department. As a result, it was a unfair exchange of valuable pasture land by the government to the cement companies and difference amount of ₹ 7.23 crore is recoverable from cement companies.

The Revenue Board, while accepting the facts, stated (June 2024) that the cement companies surrendered private land of equivalent area in lieu of government pasture land and double value of pasture land was not recovered from three cement companies.

On being pointed out (February 2024), the State Government stated (June 2024) that permission only for mining (lease for 50 years) was granted to cement companies on the allotted pasture land and no amount was recoverable. The reply was not tenable as permission was granted by the Government in exchange for land and the value of surrendered land should be double/ two times of pasture land in view of Finance Department's notification as stated above.

Thus, the State Government did not assess the value of surrendered land before allotment of pasture land for mining purposes and did not ensure compliance of Land Revenue Rules.

3.5 Non/Short recovery of conversion charges

Rule 9 (1) of Rajasthan Land Revenue (Conversion of agricultural land for non-agricultural purposes in rural areas) Rules, 2007 provides that a khatedar tenant seeking permission for conversion of agricultural land for non-agricultural purposes shall submit duly filled application in Form-A alongwith specified documents online or in physical mode to the prescribed authority along with a copy of receipt of paid amount of conversion charges and should submit hard copy of complete application within 7 days to the prescribed authority in case of online submission. Rule 9(3) *ibid* stipulates that the prescribed authority after making necessary enquiry shall issue an order of

5 (i) M/s Wonder Cement Ltd, Nimbahera, (ii) M/s Rajputana Properties Pvt. Ltd., New Delhi and (iii) M/s J.K. Cement Works, Nimbahera.

6 True value of pasture land allotted by the Government ₹ 8.13 crore minus two times value of land surrendered by the companies ₹ 0.90 crore = ₹ 7.23 crore.

the conversion in Form-B within 90 days of the receipt of the completed application and inform the applicant for depositing the balance amount of the conversion charges or reject the application.

Rule 14-A *ibid* provides that where application of conversion is rejected by the department or the applicant withdraws his application before issuing conversion orders, five *per cent* administration charges shall be deducted from the deposited amount of conversion charges.

Rules 4 and 5 of the Rajasthan Enterprises Single Window Enabling and Clearance Rules, 2011 stipulates that the processing and monitoring of applications should be carried out at the level of Nodal Agency and Competent Authority.

On test check of records of offices[7] of the District Collector (Land Revenue) during the year 2022-23, it was observed that the State Government started (January 2021) an online portal for electronic operation and processing of applications of land conversion within time limit of 60 and 90 days[8] without incorporating provisions of depositing conversion charges as stipulated in Rule 2(aa) of RLR Rules, 2007 which stated that application for conversion is to be submitted alongwith the required documents and charges, if any. Due to this, in 184 cases of online applications which were either withdrawn by the applicants or rejected by the department, the five *per cent* administrative charges amounting to ₹ 13.68 lakh could not be deducted by the Department as provision for depositing due conversion charges was not incorporated in online process of conversion. On being pointed out (December 2023), the department intimated (February and March 2024) that ₹ 2.80 lakh in 177 cases was recovered, as detailed in **Table 3.4** below:

Table 3.4: Details of cases of non-recovery of administrative charges

S. No.	Name of auditee unit	Period of Audit	Particulars				Amount recovered (in no. of cases) (In ₹)
			Para No.		Number of cases	Amount (In ₹)	
			Part II A	Part II B			
1.	District Collector (LR), Bikaner	04/2018 to 03/2022	1	-	1	8,68,549	-
				6 (B)	3	1,834	1,834 (3)
			-	6 (C)	3	4,552	4,552 (3)
2.	District Collector (LR), Rajsamand	04/2018 to 03/2022	-	2 (A)	140	1,83,961	1,83,961 (140)
			-	2 (B)	9	31,261	31,193 (9)
3.	District Collector (LR), Bhilwara	04/2018 to 03/2022	-	9 (A)	4	31,994	31,994 (4)
4.	District Collector (LR), Kota	04/2018 to 03/2022	-	1	6	2,19,332	-

7 Bikaner, Bhilwara, Churu, Kota, Rajsamand and Udaipur.

8 Sl. No. 03 Schedule-I of the Rajasthan Enterprises Single Window Enabling and Clearance Rules 2011, time limit of conversion fixed as 60 days (up to 10 hec.) and 90 days (above 10 hec.) from submission of completed application to District Collector and State Government respectively.

S. No.	Name of auditee unit	Period of Audit	Particulars				Amount recovered (in no. of cases) (In ₹)
			Para No.		Number of cases	Amount (In ₹)	
			Part II A	Part II B			
5.	District Collector (LR), Udaipur	04/2017 to 03/2022	-	9	9	13,535	13,535 (9)
6	District Collector (LR), Churu	04/2017 to 03/2022	-	8	9	13,033	13,033 (9)
Total					**184**	**13,68,051**	**2,80,102 (177)**

The State Government, while accepting the facts, stated (April 2024) that action is being taken to incorporate the provision for depositing the conversion charges in online process under the Rajasthan Enterprises Single Window Enabling and Clearance Rules, 2011.

Thus, the non-inclusion of provision for depositing conversion charges in the online process by the Department has resulted in sustained loss of revenue to the State exchequer.

3.6 Conclusion and Recommendations

The Department did not reinforce its internal control mechanisms, resulting in the repeated occurrence of similar issues in subsequent years. Additionally, the State Government did not evaluate the value of surrendered land in accordance with the Land Revenue Rules. Furthermore, the non-inclusion of a provision for depositing conversion charges within the Department's online system has led to a sustained loss of revenue to the State exchequer.

The Government may:

- ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing;
- strengthen mechanism to monitor compliance of the conditions of conversion orders;
- incorporate the provision in online process for depositing the conversion charges.

CHAPTER-IV

STAMP DUTY AND REGISTRATION FEE

CHAPTER IV: STAMP DUTY AND REGISTRATION FEE

4.1 Tax administration

Receipts from Stamp Duty and Registration Fee in the State are regulated under the Registration Act, 1908, the Rajasthan Stamp Act, 1998 and the rules made thereunder. According to Section 3 of the Rajasthan Stamp Act, every instrument shall be chargeable with duty according to the rates mentioned in the schedule to the Rajasthan Stamp Act. The Stamp Duty is leviable on execution of instruments and Registration Fee is payable on registration of instruments. Surcharge is also chargeable on Stamp Duty with effect from 9 March 2011.

The Registration and Stamps Department (Department) functions under the overall administrative control of Finance Department. The Inspector General, Registration and Stamp is the administrative head. The Additional Inspector General is the *Ex-officio* superintendent (Stamps) at headquarters and assists the Inspector General in administrative matters whereas the Financial Advisor assists the Inspector General in financial matters. The entire State has been divided into 17 circles[1] headed by Deputy Inspector General cum *Ex-officio* Collector (Stamps). There was total 604 Sub-Registrar Offices, out of which 113 full time Sub-Registrar Offices are headed by Sub-Registrars and 491 offices are headed by *Tehsildars* or *Naib Tehsildars* working under Land Revenue Department in *ex-officio* capacity.

4.2 Results of audit

There are 559 auditable units[2] (including 19 administrative units) in the Registration and Stamps Department. Out of these, audit selected 33 units (including 1 administrative unit) for test check. In these units 4,87,447 instruments were registered, out of which 1,78,892 instruments (approximately 36.70 *per cent*) were selected for detailed scrutiny. During scrutiny, audit noticed short/non- realization of Stamp Duty and Registration Fee of ₹ 15.68 crore in 942 instruments (approximately 0.53 *percent* of sampled instruments).

These cases are illustrative only and are based on test check of records. Though audit pointed out similar omissions in earlier years, these irregularities persist and remain undetected till next audit is conducted. Irregularities noticed broadly fall under the categories as shown in **Table 4.1** below:

1 DIG Ajmer, Alwar-I, II, Banswara, Barmer, Bharatpur, Bhilwara, Bikaner, Hanumangarh, Jaipur-I, II, III, Jodhpur, Kota, Pali, Sikar and Udaipur.

2 559 auditable units: Out of total 604 Sub Registrar offices, 540 Sub Registrar Offices (Registering authorities) were involved in revenue realization. In remaining 64 Sub Registrar Offices where registration work was not started/not involved in revenue realization as these were newly opened. Thus, 559 auditable units includes 540 Sub Registrar offices and 19 administrative units.

Table 4.1: Category-wise irregularities

(₹ in crore)

Sl. No.	Category	No. of cases	Amount
1.	Incorrect determination of market value of properties	209	3.77
2.	Non/ Short levy of stamp duty and registration fee	298	10.38
3.	Other irregularities related to: (i) Revenue (ii) Expenditure	432 03	1.53 0
Total		**942**	**15.68**

During the year 2022-23, the Department accepted under assessment and other deficiencies of ₹ 29.41 crore pertaining to 1115 cases, of which 727 cases involving ₹ 13.25 crore were pointed out during the year 2022-23 and the rest in the earlier years. The Department recovered ₹ 6.28 crore in 395 cases during the year 2022-23, of which 7 cases involving ₹ 0.04 crore related to the year 2022-23 and rest to the earlier years.

A few illustrative cases involving ₹ 3.86 crore are mentioned in the succeeding paragraphs.

It is pertinent to mention that most of these issues have been raised earlier wherein the State Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by Audit and did not strengthen the internal control system which has led to recurrence of similar issues in subsequent years.

4.3 Non/short levy of Stamp Duty, Surcharge and Registration Fee on changes in partnership

According to Article 43(3)(a) of the schedule to the Rajasthan Stamp Act, 1998 where the partnership owns immovable property and the retiring partner takes no immovable property at the time of his retirement, the Stamp Duty as on conveyance on the market value of the part of the immovable property of the partnership equal to the share of the retiring partner or partners in the partnership is chargeable.

During test check (between July 2022 and January 2023) of records of three Sub Registrars[3], it was found that three documents[4] of immovable property were registered[5] with the Sub Registrars. Shortcomings noticed by Audit are as follows:

3 Sub Registrars: Behror (Alwar), Bharatpur and Jaipur-IX.

4 Agreement to sale without possession in SR Behror (Alwar), lease deed (rental deed) in SR Bharatpur and amended lease deed in SR Jaipur-IX.

5 Document No. 2046/14.08.2019 in SR Behror (Alwar), 4826/13.09.2021 in SR Bharatpur and 5300/27.08.2021 in SR Jaipur-IX.

4.3.1. In case of Sub Registrar Behror, a partnership firm[6], which possessed a residential land[7], registered (14 August 2019) an Agreement to sale for sale of an apartment constructed upon the land. On cross verification of information available on RERA website with the information received from Registrar of Firms, Jaipur regarding change in partnership of the firm, it was found that one partner[8] of the firm had retired from the firm *w.e.f.* 2 December 2016 and transferred his 5 *per cent* share to the other continuing partners of the firm as per partnership deed (stamped with ₹ 500 only). The partnership deed was further modified on 19 May 2019 (stamped with ₹ 2400 only) due to the retirement of another partner[9] who transferred his 73 *per cent* share to other continuing partners of the firm.

Thus, total 78 *per cent* share in immovable property was transferred to the existing two partners of the firm due to retirement of the other partners on whom the Stamp Duty at the rate of conveyance was chargeable on the transferred share according to Article 43(3) (a) of the schedule to the Rajasthan Stamp Act, 1998.

This resulted in short levy of Stamp Duty and Surcharge of ₹ 93.46 lakh[10] which was payable on market value of ₹ 15.58 crore[11] of the transferred share.

4.3.2. In case of Sub Registrar Bharatpur, a partnership firm[12], possessing a commercial land[13], had presented (13 September 2021) a Lease deed (Rental Deed) regarding the changes in the sharing ratio of the partners of the partnership firm, the Registrar of Firms, Jaipur, provided required documents[14]. On scrutiny of these documents, it was noticed that its partnership had been modified three times[15] in which share (cumulatively, 100 *per cent* change in ownership) of the property was transferred to continuing partners on which Stamp Duty and surcharge were chargeable as conveyance according to Article 43(3)(a) of the schedule to the Act.

The Sub Registrar did not consider the facts about change in partnership at the time of registration of lease deed on which Stamp Duty and Surcharge of ₹ 1.21

6 M/s. Radha Krishna Buildtech, Jaipur. It was also registered with RERA with registration number RAJ/P/2017/224.
7 Measuring 30143.78 sqmt (36038.56 sqyd) situated in village Dugheda, Tehsil Behror (Alwar).
8 Shri Preetam Chaidwal.
9 M/s. Radha Krishna Buildtech Pvt. Ltd.
10 ₹ 93.46 lakh: Stamp Duty of ₹ 77.89 lakh and Surcharge of ₹ 15.57 lakh.
11 Market value of 5 *per cent* share = (1801.92 sqyd x ₹ 4,980/- per sqyd) = ₹ 89,73,562/- and market value of 73 *per cent* share = (26308.14 sqyd x ₹ 5,580/- per sqyd) = ₹ 14,67,99,421/- Thus total market value of 78 *per cent* share = (₹ 89,73,562 + ₹ 14,67,99,421) = ₹ 15,57,72,983 or ₹ 15.58 crore.
12 M/s. Anupam properties, Jaipur.
13 Commercial land measuring 1966.68 sqyd (17700.12 sqft) situated in front of PWD office, Near SP office, Kunda, Bharatpur.
14 Documents such as partnership deeds and subsequent amended partnership deeds.
15 On 23 December 2020, 19 February 2021 and 30 July 2021. Cumulatively, 100 *per cent* change in ownership: (80 *per cent* on 23 December 2020 + 10 *per cent* on 19 February 2021 + 10 *per cent* on 30 July 2021).

crore[16] was recoverable on market value of ₹ 15.47 crore[17] of the transferred immovable property and recovered ₹ 1.65 lakh[18] as Stamp Duty, Surcharge and Registration Fee only on the document of lease deed which was presented for registration. This resulted in short levy of Stamp Duty and surcharge of ₹ 1.19 crore (recoverable ₹ 1.21 crore – recovered ₹ 1.65 lakh).

4.3.3. According to State Government notification dated 19 July 2018, the Stamp Duty chargeable on instrument of partnership shall be ₹ 500, if the partnership is between grandfather, grandmother, father, mother, brother, sister, son, daughter, grandson, granddaughter, husband, and wife.

In the case of Sub Registrar Jaipur-IX, an amended lease deed of an industrial land[19] was executed between lessor[20] and lessee[21] on 7 July 2021. On scrutiny of the recital of document, it was noticed that the lessee was a partnership firm which was initially constituted (1 April 2006) with three equal partners[22] and later the partnership was modified (1 April 2020) due to which amended lease deed was executed and was presented for registration.

As per the facts mentioned in the modified partnership deed, two partners had retired[23] from the firm and one new partner[24] had joined the firm. Due to the retirement of the two previous partners, a total of 66.67 *per cent* share[25] of immovable property of the firm was transferred *vide* the amended lease deed issued in favor of the remaining one[26] and one new[27] partner. Out of this, 17.67 *per cent*[28] was transferred within relations (brother[29]) as mentioned in the State Government notification dated 19 July 2018 and so Stamp Duty, Surcharge and Registration Fee at reduced rates were recoverable on this share. The remaining 49 *per cent* share[30] of the immovable property was transferred to other (nephew) which was not covered under the defined relations mentioned in the Notification *ibid* and was therefore chargeable with Stamp Duty, Surcharge and Registration Fee as applicable on conveyance according to Article 43(3)(a) of the schedule to the Act. Thus, Stamp Duty, Surcharge and Registration Fee of

16 ₹ 1.21 crore: (₹ 97.48 lakh + ₹ 12.18 lakh + ₹ 10.97 lakh).
17 ₹ 15.47 crore: Market value for 80 *per cent* (14160.09 sqft x ₹ 8,826/- per sqft) = ₹ 12,49,76,954/- + for 10 *per cent* (1770.01 sqft x ₹ 8,826/- per sqft) = ₹ 1,56,22,108/- + for 10 *per cent* (1770.01 sqft x ₹ 7,943/- per sqft) = ₹ 1,40,59,189/- Thus, total market value of 100 *per cent* share = (₹ 12,49,76,954 + ₹ 1,56,22,108 + ₹ 1,40,59,189) ₹ 15,46,58,251/- or say ₹ 15.47 crore.
18 ₹ 1.65 lakh: SD of ₹ 1.10 lakh, Surcharge of ₹ 0.33 lakh and RF of ₹ 0.22 lakh.
19 Plot No. B-304, measuring 4431 sqmt situated at Vishwakarma Industrial Area, Jaipur.
20 Lessor: RIICO Vishwakarma Industrial Area, Jaipur.
21 Lessee: M/S Laxmi Industries, Jaipur.
22 Harish Chawla S/o Daulatram (33.34 *per cent*), Brij Mohan Chawla S/o Daulatram (33.33 *per cent*) and Yudhisthar Chawla S/o Daulatram (33.33 *per cent*).
23 Harish Chawla S/o Daulatram and Yudhisthar Chawla S/o Daulatram.
24 Mohit Chawla S/o Brij Mohan Chawla (49 *per cent*).
25 66.67 *per cent* share: 33.34 *per cent* share of Harish Chawla S/o Daulatram and 33.33 *per cent* share of Yudhisthar Chawla S/o Daulatram.
26 Brij Mohan Chawla S/o Daulatram.
27 Mohit Chawla S/o Brij Mohan Chawla.
28 17.67 *per cent:* (33.34 *per cent* + 33.33 *per cent* - 49 *per cent*).
29 Brij Mohan Chawla S/o Daulatram.
30 49 *per cent* share: Transferred to Mohit Chawla (nephew).

₹ 12.99 lakh[31] was chargeable on market value of ₹ 1.48 crore[32] of the 49 *per cent* share of transferred property.

However, Audit noticed that the Sub Registrar categorized it as supplementary deed and recovered Stamp Duty, Surcharge and Registration Fee of ₹ 850[33] only as the entire transfer was considered to be towards relations as mentioned in the notification *ibid.* This resulted in short levy of Stamp Duty, Surcharge and Registration Fee of ₹ 12.98 lakh[34].

These three cases resulted in short levy of Stamp Duty, Surcharge and Registration Fee of ₹ 2.25 crore[35].

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that an amount of ₹ 12.99 lakh against objected amount of ₹ 12.98 lakh (in Para 4.3.3) has been recovered in one instrument of SR, Jaipur-IX and remaining two cases are under adjudication of Collector (Stamps). Further progress was awaited (August 2025).

4.4 Irregular exemptions of Stamp Duty under Rajasthan Investment Promotion Scheme

According to Clause 3.1 of the Rajasthan Investment Promotion Scheme (Scheme) 2019, the scheme shall be applicable for new and existing enterprises making investment for setting up new units and existing enterprise making investment for expansion, provided that the enterprise shall commence commercial production or operation during the operative period of the scheme. Further according to Clause 3.2 of the scheme, the exemption in Stamp Duty shall not be applicable to a unit of an enterprises if its commercial production or operation has commenced before the issuance of Entitlement Certificate[36] (EC). Clause 4 of the Scheme provides that an enterprise to which EC has been issued shall be eligible to claim 100 *per cent* exemption in Stamp Duty (SD) payable on the instruments executed for the purchase or lease/sub-lease of land and construction or improvement on such land. The ceiling for exemption of SD was reduced from 100 *per cent* to 75 *per cent vide* notification dated 23 February 2022. Further, Clause 17 stipulates that in case of breach of any of the conditions of the Scheme, the benefits availed under the Scheme shall be withdrawn by the appropriate screening committee and on its recommendations, the concerned Department shall recover the benefits availed by the enterprise along with interest at the rate of 18 *per cent* per annum from the date on which the benefits have been availed.

31 ₹ 12.99 lakh: SD of ₹ 8.86 lakh, Surcharge of ₹ 2.66 lakh and RF of ₹ 1.47 lakh.

32 ₹ 1.48 crore: 49 *per cent* of ₹ 3.01 crore (Land Value ₹ 1,99,39,500/- (4431 sqmt X ₹ 4,500/- per sqmt), Tinshade ₹ 87,01,620/- (2900.54 sqmt x ₹ 3,000/- per sqmt) and construction ₹ 14,84,232/- (1236.86 x 1,200/- per sqft). Total market value = ₹ 3,01,25,352/- (₹ 1,99,39,500 + ₹ 87,01,620 + ₹ 14,84,232) or say ₹ 3.01 crore.

33 ₹ 850: SD ₹ 500, Surcharge ₹ 150 and RF ₹ 200.

34 ₹ 12.98 lakh: SD of ₹ 8.85 lakh, Surcharge of ₹ 2.66 lakh and RF of ₹ 1.47 lakh.

35 ₹ 2.25 crore: ₹ 0.93 crore + ₹ 1.19 crore + ₹ 0.13 crore.

36 Issued by the District Industries Centre under the Department of Industries, Government of Rajasthan for claiming benefits under Scheme.

During test check (between August 2023 and March 2024) of records of four Registrar offices[37], it was noticed that five instruments[38] were registered (between November 2020 and August 2022) with 100/75 *per cent* exemption in SD under the Scheme as discussed below:

4.4.1 In Sub Registrars Bhilwara-I and Neemrana (Alwar), three lease deeds were registered[39] (between November 2020 and September 2021) between Rajasthan State Industrial Development and Investment Corporation (RIICO) Limited, Jaipur (lessor)[40] and lessees[41] for three industrial plots[42] situated at RIICO Industrial areas valued at ₹ 2.84 crore[43] which were purchased through public auction by the lessees. 100 *per cent* exemption from SD and surcharge of ₹ 22.23 lakh[44] was granted at the time of registration of lease deeds upon presentation of an EC issued by the District Industries Centre, Bhilwara and Alwar under the Scheme. However, the lessees sold (between August 2022 and March 2023) these industrial plots without establishing the units. Therefore, the exemption in Stamp Duty and Surcharge amounting to ₹ 22.23 lakh was recoverable along with interest of ₹ 8.87 lakh[45] from the lessees.

4.4.2 In Sub Registrar Jaipur-II, a lease deed was registered[46] (July 2021) between RIICO, Sitapura, Jaipur (lessor) and a company (lessee)[47] for an industrial plot[48] situated at RIICO Prahaldpura, Jaipur which was purchased through a public auction by the lessee. 100 *per cent* exemption in SD and Surcharge amounting to ₹ 74.21 lakh[49] was granted at the time of registration of the lease deed upon presentation of an Entitlement Certificate issued by the District Industries Centre, Jaipur (Rural) under the Scheme for setting up an industrial unit for manufacturing of submersible pumps and panel. Further, at the request of the lessee, RIICO subdivided the plot into four parts. Subsequently, the lessee sold all four subdivided industrial plots to purchasers' firms[50] without establishing the unit and again 75 *per cent* exemption was given to the purchaser firms at the time of registration of sale deeds[51]. Therefore, the

37 Bhilwara, Jaipur-II, Neemrana and Pali-I
38 One lease deed each in SR Bhilwara and Jaipur-II, two lease deeds in SR Neemrana and one sale deeds in SR Pali-I.
39 Document registration number 13415/04.11.2020, 2204/23.09.2021 and 801/27.03.2021.
40 Lessor: RIICO Bhilwara and Neemrana.
41 Lessees: M/s Jitendra Enterprises, Bhilwara in SR Bhilwara-I and M/s Umang Enterprise, Haryana and M/s Rajasthan Enterprises, Neemrana (both in SR Neemrana).
42 Number P-27, RIICO Estate, Bhilwara of 469.19 sqmt, F-320 RIICO Ghiloth, Neemrana of 1287 sqmt and H1-34 RIICO Kolila Joga, Neemrana of 416 sqmt.
43 ₹ 2.84 crore: ₹ 1.27 crore (SR Bhilwara-I) and ₹ 1.57 crore (SR Neemrana).
44 ₹ 22.23 lakh: SD of ₹ 7.66 lakh and surcharge of ₹ 2.30 lakh (in SR Bhilwara-I) and SD of ₹ 9.44 lakh and surcharge of ₹ 2.83 lakh (in SR Neemrana).
45 ₹ 8.87 lakh: ₹ 5.38 lakh in SR Bhilwara-I and ₹ 3.49 lakh in SR Neemrana.
46 Document registration number 5901/20.07.2021.
47 M/s Millborn Switchgears Private Limited, Jaipur.
48 Plot number A-181 of 9411 sqmt valuing ₹ 9.51 crore (auction value at the rate ₹ 10,110 per sqmt).
49 ₹ 74.21 lakh: SD ₹ 57.09 lakh and surcharge ₹ 17.12 lakh.
50 M/s Century Overseas Jaipur, M/s Ocean Enterprises Jaipur, M/s Fine Paper Board Industries Jaipur and M/s Ocean Electronics Jaipur.
51 Document no. 4385/05.04.2022, 4386/05.04.2022, 4890/20.04.2022 and 4936/20.04.2022.

exemption of SD and Surcharge amounting to ₹ 74.21 lakh[52] was recoverable along with interest of ₹ 22.69 lakh from the lessee.

4.4.3 In Sub Registrar Pali-I, it was noticed that a sale deed[53] for an industrial plot[54] was registered (26 August 2022) on which 75 *per cent* exemption in Stamp Duty and Surcharge of ₹ 8.42 lakh[55] was granted under RIPS 2019 on the basis of Entitlement Certificate issued (dated 10.08.2022) by the District Industries Centre, Pali. Scrutiny of the sale deed revealed that the industrial unit was already in operation at the time of registration, which meant the exemption should not have been provided as per clause 3.2 of RIPS, 2019. The Sub Registrar did not properly scrutinize the sale deeds before granting the exemption. Therefore, the irregular exemption in SD and Surcharge aggregating to ₹ 8.42 lakh was recoverable along with interest of ₹ 0.90 lakh.

Thus, in all these cases Stamp Duty and Surcharge aggregating to ₹ 1.05 crore[56] and interest ₹ 0.32 crore[57] was recoverable.

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that the entire amount of ₹ 2.11 lakh has been recovered in one instrument of SR Neemrana, three cases of SR, Bhilwara-I, Jaipur-II and Neemrana are under adjudication of concerned Collector (Stamps) and recovery is pending in the remaining one instrument of SR, Pali-I after the case has been decided by the Collector (Stamps). Further progress was awaited (August 2025).

4.5 Short levy of Stamp Duty and Surcharge on misclassification of developer agreement

According to Article 5(e) of Rajasthan Stamp Act, Stamp Duty was chargeable on an agreement which gives authority or power to a promoter or a developer for construction on any immovable property. The rate of duty to be paid is one *per cent* on owner's share and one and half *per cent* on developer's share of the market value of property.

The Inspector General, Registration and Stamps had instructed (July 2021) the registering authorities to inspect the physical records of Public Offices[58] as well as unstamped/unregistered documents available online on the websites of Public Offices.

During test check (between February 2024 and March 2024) of registration records of SR Jaipur-V and records available on the website of the Rajasthan

52 ₹ 74.21 lakh: SD of ₹ 57.09 lakh and surcharge of ₹ 17.12 lakh.
53 Document registration number 8703 dated 26.08.2022.
54 Plot E-112, Measuring 3400 sqmt, situated in Mandiya Road Industrial Area, Pali.
55 ₹ 8.42 lakh: SD of ₹ 6.48 lakh and Surcharge of ₹ 1.94 lakh.
56 ₹ 1.05 crore: ₹ 22.23 lakh + ₹ 74.21 lakh + ₹ 8.42 lakh
57 ₹ 0.32 crore: ₹ 8.87 lakh + ₹ 22.69 lakh + ₹ 0.90 lakh.
58 As per the State Government's notification dated 16 December 1997, all offices of the Central and State Governments, corporations, all local bodies, all registered institutions and cooperative societies, offices of all incorporated and unincorporated companies, and offices of notaries public and oath commissioners have been declared as Public Offices.

Real Estate Regulatory Authority (RERA), it was noticed that a land-owning firm[59], which was a partnership firm consisting five partners[60], owns a commercial plot[61] for the purpose of developing a commercial project on this plot. The firm included a sixth partner[62], as a developer and accordingly the partnership of the firm was amended through a deed of partnership for admission of new partner on 27 June 2022, designating the shares of the landowner (the partnership firm) and the developer (sixth partner) as 58 *per cent* and 42 *per cent*, respectively.

Further, scrutiny disclosed that the amended partnership deed was verified by a notary public on 28 June 2022 and only ₹ 650[63] were paid as Stamp Duty and Surcharge. However, this document was not an amended partnership deed but a development agreement, as it involved an agreement between the original partnership firm (landowner) and the new partner (Developer) to develop a commercial project on the land. The Stamp Duty and Surcharge of ₹ 24.50 lakh[64] were payable on market value of ₹ 15.57 crore[65], assessed at the commercial rate. To evade Stamp Duty, Surcharge and Registration Fee, the firm did not register this deed with the registering authorities. The failure of the registering authorities to inspect the records available digitally on the RERA website resulted in short levy of Stamp Duty and Surcharge of ₹ 24.49 lakh[66]. Further, if the document had been registered, the department would have received an extra ₹ 15.57 lakh as Registration Fee.

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that a case is under the adjudication of the Collector (Stamps). Further progress was awaited (August 2025).

59 M/s Sukhani Builders and Developers, Jaipur.
60 M/s Manhattam Constructions LLP, M/s Tulsan Construction LLP, M/s Sukhani Buildcom LLP, M/s Phool Properties LLP and M/s Gagan Buildcon LLP.
61 SB 56 in Bapu Nagar, situated on Main Tonk Road, Jaipur with an area of 1022.50 square meters.
62 Sh. Nitesh Kumar Agrawal S/o Sh. Shambhu Dayal Agrawal, resident of Jaipur.
63 ₹ 650: Stamp Duty ₹ 500 and Surcharge ₹ 150.
64 ₹ 24.50 lakh: Stamp Duty ₹ 18.85 lakh (₹ 9,81,188 on developers share: One and half *per cent* of 42 *per cent* of ₹ 15,57,44,133 + ₹ 9,03,316 on landowners share: One *per cent* of 58 *per cent* of ₹ 15,57,44,133) and Surcharge ₹ 5.65 lakh (30 *per cent* of Stamp Duty).
65 ₹ 15.57 crore: 1022.50 sqmt x ₹ 1,52,317/- per sqmt = ₹ 15,57,44,133/- or say ₹ 15.57 crore.
66 ₹ 24.49 lakh: Stamp Duty ₹ 18.84 lakh and Surcharge ₹ 5.65 lakh.

CHAPTER-V
STATE EXCISE

CHAPTER V: STATE EXCISE

5.1 Tax administration

The Secretary, Finance (Revenue) is the administrative head of the State Excise Department (Department) at Government level. The Department is headed by the Excise Commissioner (EC). The Department has been divided into seven zones each headed by Additional Excise Commissioner (AEC). District Excise Officers (DEOs) and Excise Inspectors working under the AECs of the respective zones are deputed to monitor and regulate levy/collection of excise duty and other levies.

5.2 Results of audit

There are 108 auditable units (including 54 implementing units) in the State Excise Department, out of which, Audit selected 32 units (including 20 implementing units) for audit. The records of these units including 4,925 retail licensees (out of total 5,952 licensees) were analysed along with scrutiny of 11,646 cases. Audit noticed 6,797 cases (approximately 58 *per cent*) of non/short realization of excise duty, license fee, additional amount, interest/penalty on delayed payment, loss of excise duty on account of excess wastage of spirit/liquor/beer and other irregularities involving ₹ 512.38 crore. These cases are illustrative only, based on audit of the records of these selected units. Audit had pointed out similar omissions in previous years. However, not only did these irregularities persist but some of the issues also remained undetected till the conduct of the subsequent Audit.

Irregularities noticed broadly fall under the following categories given in **Table 5.1**.

Table 5.1: Categories of Irregularities noticed during Audit

(₹ in crore)

S. No.	Category	Number of cases	Amount
1	Non/short realization of excise duty and license fees	4,693	500.87
2	Non/short realization of additional amount on IMFL/Beer	254	5.89
3	Loss of excise duty on account of excess wastage of spirit/liquor/beer	07	0.10
4	Non-recovery of interest/penalty on delayed payment	354	5.52
5	Other irregularities: (i) Revenue (ii) Expenditure	 1,489 0	 0.00 0.00
Total		**6,797**	**512.38**

The Department accepted deficiencies in 6,197 cases involving ₹ 502.28 crore, of which 5,030 cases involving ₹ 499.73 crore were pointed out in audit during 2022-23 and the rest in earlier years. The Department recovered ₹ 2.68 crore in 1,178 cases, of which 13 cases involving ₹ 0.15 crore had been pointed out during the year 2022-23 and the rest from earlier years.

The State Government accepted (September 2023) and completely recovered ₹ 20 lakh in one case related to short levy of license fee on a brewery under the

jurisdiction of District Excise Officer (DEO), Alwar. Further, the State Government accepted (May 2024) and completely recovered ₹ 14.00 lakh in two cases (pertaining to DEO, Behror) of short levy of license fee for wholesale vend of Beer. These paragraphs have not been discussed in this Report.

A few illustrative cases involving ₹ 247.72 crore observed in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that most of these issues have been raised earlier and published in the CAG's Audit Report of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by audit and did not strengthen the internal control system which has led to recurrence of similar issues in subsequent years.

5.3 Non recovery of additional amount on short lifted quantity of IMFL and beer

According to the Rajasthan State Excise and Temperance Policy (Policy) 2017-19 to 2020-21, an additional amount was to be charged quarterly at the rate of ₹ 20 per bulk litre (BL) on short lifted quantity of Indian Made Foreign Liquor (IMFL) and ₹ 10 per BL on short lifted quantity of Beer during 2020-21 from retail-off licensees who did not increase lifting of IMFL and Beer upto minimum 10 *per cent* during each quarter of current year in comparison to the quantity lifted in the corresponding quarter of the previous year. This provision was also applicable to retail-on licensees up to 2019-20, however, the norm for increased lifting was revised to 5 *per cent* for retail-on licensees in the Policy of 2020-21. Thereafter, in view of *Covid* pandemic, the State Government relaxed (July 2020) this provision such that no penalty would be charged from retail-on licensees for lifting upto 10 *per cent less* in comparison to last year.

Further, all DEOs were directed (February 2020) by the Excise Commissioner (EC) that provision to calculate the shop wise short lifted quantity of liquor after every quarter was available at departmental *website*/Integrated Excise Management System (IEMS) and next permit should be issued to a group/shop only after deposition of the additional amount due at the end of each quarter. It was also directed that necessary provisions should be made by the IT section to ensure timely recovery of Government revenue.

During scrutiny (between August 2022 and January 2023) of the records of four[1] offices of DEO for the period 2016-22, it was noticed that during 2018-21, out of 503 licensees 254 licensees did not increase lifting of IMFL and Beer upto prescribed levels in comparison to the corresponding quarter of the previous year and were thus liable to pay the additional amount of ₹ 9.75 crore. Out of this shortfall, ₹ 3.91 crore was recovered/adjusted from security amount of the licensees, however, the department could not recover the remaining amount of ₹ 5.84 crore. Therefore, lack of action to enforce policy provisions and to comply with the extant directions of EC resulted in non-recovery of additional amount of ₹ 5.84 crore.

1 DEOs: Churu, Dholpur, Dungarpur and Jalore.

The matter was reported to the Department and the State Government (July 2024). The Government replied (September 2024) that ₹ 1.13 crore has been recovered and the concerned DEOs have been directed for recovery of remaining amount. Further, in respect of DEO Dungarpur it was stated that the amount of ₹ 2.21 crore, out of ₹ 4.65 crore is not recoverable as the additional amount of short lifted quantity of liquor was to be calculated group wise instead of shop wise and if there were more than one shop in a group, the additional amount of short lifting quantity of liquor would be calculated group wise. The reply is not acceptable in view of the policy provision as well as directions of EC which clearly stipulates that the additional amount on short lifted quantity of liquor was to be calculated shop wise. Further progress was awaited (August 2025).

5.4 Short realisation of monthly guarantee amount

According to the Rajasthan Excise and Temperance Policies (Policy) 2019-20 and 2020-21, group/shop wise licenses of Country Liquor (CL) and Rajasthan Made Liquor (RML) were allocated on the basis of Exclusive Privilege Amount (EPA)[2]. The licensee was liable to pay the EPA prescribed for his licence period in the form of excise duty on CL and RML. Further, as per the conditions of retail sale license, the licensee was required to pay the annual EPA fixed for the prescribed group/shop for the concerned year in 12 equal monthly installments. The monthly installment was to be paid by the last date of that month. If a licensee failed to lift the minimum monthly quota of CL and RML, he was liable to pay the difference of excise duty in cash.

Scrutiny of the records of offices of six DEOs[3] revealed that during 2019-21[4], total 1,058 licensees lifted CL and RML worth ₹ 455.31 crore against the quota of ₹ 481.06 crore fixed for the concerned months due to which there was shortfall of ₹ 25.75 crore in monthly guarantee amount against 607 licensees. Out of this shortfall, ₹ 13.99 crore was recovered or adjusted from security amount of the licensees. However, the department could not recover the remaining amount of ₹ 11.76 crore from 388 licensees. Therefore, lack of action to enforce the provisions of the policy led to Short recovery of revenue amounting to ₹ 11.76 crore.

The matter was reported to the Department and the State Government (July 2024). The Government while accepting the facts stated (August-September 2024) that ₹ 2.12 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

2 EPA: The amount to be charged by the Excise Department from CL and RML groups/shops for exclusive right to trade in liquor in the specified area is called EPA.

3 DEOs Churu, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur, and Sriganganagar (between August 2023 and January 2024).

4 DEOs Churu, Dungarpur (2019-20 and 2020-21), Jalore, Baran, Sawai Madhopur, and Sriganganagar (2020-21).

5.5 Short recovery of basic license fee on short-lifted quantity of CL and RML

According to the Rajasthan Excise and Temperance Policy (Policy) 2020-21 and conditions of retail sale license of Country Liquor (CL) and Rajasthan Made Liquor (RML) and directions issued by Excise Commissioner (EC) (February 2020 and February 2021), licensee of CL and RML groups had to fulfil minimum 30 *per cent* of monthly Exclusive Privilege Amount (EPA) with lifting of 25 Under Proof (UP)[5] RML and remaining 70 *per cent* with lifting of CL in which minimum 40 *per cent* would be of 50/60 UP CL and the remaining 60 *per cent* of 5 UP to 40 UP CL.

Further, as per directions *ibid,* if a licensee failed to fulfill the above prescribed guarantee ratio of RML and 50/60 UP CL in a particular month, he had to ensure lifting of RML and 50/60 UP CL in other months of concerned quarter in a manner that 30 *per cent* guarantee of total quarterly EPA was fulfilled from excise duty of RML, 28 *per cent* guarantee from 50/60 UP CL and remaining 42 *per cent* guarantee from 5 UP to 40 UP CL. In case of short lifting of RML and 50/60 UP CL *w.r.t.* prescribed 30 *per cent* and 28 *per cent* in a quarter, the licensee was liable to pay the difference of excise duty and basic license fee payable on required quota and actual lifting of RML and 50/60 UP CL in cash.

Scrutiny of the records of offices of seven DEOs[6] revealed that during 2020-21, 913 licensees lifted 105.84 lakh Bulk Litre (BL) RML and 153.78 lakh BL 50/60 UP CL against the prescribed quota of 112.89 lakh BL RML and 158.04 lakh BL 50/60 UP CL for the concerned quarters. Due to this, there was shortfall of 7.05 lakh BL RML and 4.26 lakh BL 50/60 UP CL in quarterly guarantee quota on which basic license fees of ₹ 437.54 lakh was recoverable against 591 licensees. Out of this, ₹ 74.42 lakh was recovered or adjusted from the security amount of the licensees. However, the department could not recover the remaining amount of ₹ 363.12 lakh from 456 licensees. Therefore, lack of action to enforce the provisions of the policy led to short recovery of revenue amounting to ₹ 363.12 lakh**.**

The matter was reported to the Department and the State Government (July-August 2024). The Government while accepting the facts stated (August-September 2024) that ₹ 22.38 lakh has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.6 Non-recovery of difference amount of excise duty on CL and RML

According to the Rajasthan Excise and Temperance Policy (Policy) 2019-20 and conditions of retail sale licence of Country Liquor (CL), a licensee of CL groups had to fulfil 40 *per cent* of monthly Exclusive Privilege Amount (EPA)

5 UP refers to 'Under Proof'. It reflects the content of alcohol in an alcoholic beverage. For example, 50 Degree Proof can be denoted as 50 UP and 40 Degree proof can be denoted as 60 UP.

6 DEOs Churu, Dholpur, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur and Sriganganagar (between August 2023 and January 2024).

with lifted quantity of 50/60 UP CL. Further, as per the policy 2020-21 and conditions of retail sale license of CL and Rajasthan Made Liquor (RML) and directions[7] of Excise Commissioner, licensee of CL and RML groups had to fulfil minimum 30 *per cent* of monthly EPA with lifted quantity of 25 UP RML and remaining 70 *per cent* with lifted quantity of CL in which minimum 40 *per cent* would be of 50/60 UP CL and maximum 60 *per cent* would be of 5 UP to 40 UP CL.

If the licensee failed to fulfill the prescribed guarantee ratio of RML and 50/60 UP CL in a particular month, he had to ensure lifting of RML and 50/60 UP CL in other months of concerned quarter in a manner that quarterly guarantee quota of RML and 50/60 UP CL in total quarterly EPA was fulfilled for the quarter. In case of short lifting of RML and 50/60 UP CL in a quarter, the licensee was liable to pay the difference of excise duty and basic license fee payable on required quota and actual lifting of RML and 50/60 UP CL in cash.

Scrutiny of the records of offices of seven DEOs[8] revealed that during 2019-21[9], 1,248 licensees lifted 50/60 UP CL and RML worth ₹ 327.85 crore against the prescribed quota of ₹ 341.09 crore for the concerned quarters and thus there was shortfall of ₹ 13.24 crore in quarterly guarantee quota against 614 licensees. Out of this shortfall, ₹ 1.44 crore was recovered or adjusted from security amount of the licensees. However, the department could not recover the remaining amount of ₹ 11.80 crore from 533 licensees. Therefore, lack of action to enforce the provisions of the policy led to short recovery of revenue amounting to ₹ 11.80 crore.

The matter was reported to the Department and the State Government (August 2024). The Government replied (August 2024) that ₹ 0.58 crore has been recovered/adjusted and the concerned DEOs have been directed for recovery of the remaining amount.

Further, in respect of DEO Dholpur it was stated that the amount of ₹ 3.70 lakh from six licensees is not recoverable as there is a provision in the conditions of the license that adjustment can be provided to a licensee in second quarter against the excess lifting of liquor in first quarter. The reply is not acceptable as there was no provision in the Policy, license conditions or directions of EC regarding adjustment of the amount of excess lifting of liquor of first quarter against shortfall in prescribed quarterly guarantee quota of RML and 50/60 UP CL in the other quarters of the year. Besides, in the relevant adjustment orders provided by the State Government, adjustment was actually regarding shortfall of Special Vend Fee and there was no adjustment of the difference amount of excise duty on short lifted quantity of 50/60 UP CL and RML in quarterly guarantee quota. Further progress was awaited (August 2025).

7 Dated 26 February 2020 and 23 February 2021.

8 DEOs Churu, Dholpur, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur and Sriganganagar (between August 2023 and January 2024).

9 DEOs Baran, Churu, Dungarpur (2019-20 and 2020-21), Dholpur, Jalore, Sawai Madhopur, and Sriganganagar (2020-21).

5.7 Short recovery of composite fees from liquor shops

According to para number 4.2 of the State Excise and Temperance Policy for the year 2021-22 and para number 17.4 of the detailed directions and conditions issued by the Excise Commissioner in respect of application for licenses of liquor shops, licensees of liquor shops had to deposit 50 *per cent* of the prescribed composite fees[10] of the shop up to 31 March 2021 or before commencement of the shop, whichever was earlier and the remaining 50 *per cent* composite fees would have to be deposited in the next three months.

Further, relaxation was given by the State Government from time to time in deposition of the remaining 50 *per cent* composite fees without interest and extended up to 31 August 2021 and further extended up to 28 February 2022 vide orders of 17 June 2021 and 5 February 2022 respectively.

During scrutiny (between August 2023 and January 2024) of the records related to composite fees of retail licensees under four DEOs[11] for the period 2021-22, it was noticed that out of 1081 licensees, 229 licensees deposited composite fees amounting to ₹ 4.99 crore against their prescribed composite fees of ₹ 8.10 crore and operated their shops whole year up to 31 March 2022 without depositing remaining composite fees which resulted short recovery of composite fees amounting to ₹ 3.11 crore against 222 licensees. It indicates that the Department did not recover the remaining amount of composite fees and granted undue benefit to the licensees in operation of their shops.

The matter was reported to the Department and the State Government (July 2024). The State Government replied (August 2024) that ₹ 0.57 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.8 Non-levy of Excise Duty on expired beer stock

Section 28 of Rajasthan Excise Act (Act) prescribes that an excise duty may be imposed on any excisable article manufactured in any distillery, pot-still or brewery established or licensed under this Act. Further, Rule 15 of the Rajasthan Brewery Rules, 1972 provides that the State Government shall not be liable for the destruction, loss or damage of any beer stored in a brewery by fire or theft, or by gauging or by any other accident or cause whatsoever. Rule 41 of the Rules provides that no beer shall be removed from a brewery until the duty imposed under Section 28 of the Act has been paid or until a bond has been executed by the brewer for export of beer outside the state, direct from the brewery. Further, as per Para 4.9.12 of the Excise and Temperance Policy for the year 2020-21, the period of 'Best before use' for the supply of beer in the state was increased from six months to one year and according to para 7.2 of the Liquor Sourcing Policy[12] (policy), any stock of beer older than 225 days

10 Composite fee: Fee levied on those shops which are authorised to sale all types of liquor *i.e.* Country liquor, Indian made foreign liquor and Beer.
11 DEOs Baran, Sawai Madhopur, Sikar, and Sri Ganganagar.
12 Issued by Rajasthan State Beverages Corporation Limited (RSBCL) in February 2021.

from the date/month of bottling will not be acceptable to RSBCL as it becomes unfit for human consumption.

During scrutiny (November 2023) of the records of a brewery[13] under the jurisdiction of DEO, Behror for the period 2021-23, it was noticed that the concerned brewer failed to dispatch 31,990 cases of beer within one year from the date/month of manufacturing (March 2022-November 2022) and it became unfit for human consumption. Excise duty of the expired beer was not deposited by the brewer and no action was taken by the Department to destroy the expired stock of the beer and for realisation of excise duty as per the provisions.

Thus, the excise duty on the expired beer stock was neither paid by the brewer nor demanded by the Excise Department which resulted in non-levy of excise duty amounting to ₹ 2.53 crore. Further, inaction on the part of the Department to drain out such beer resulted in blockage of the expired beer stock at brewery and possibility of any mis-happening due to use of such beer cannot be ruled out.

The matter was reported to the Department and the State Government (May and July 2024). The State Government replied (June 2024) that the unit is currently closed for production and they are not renewing the licenses. However, notice has been issued (June 2024) for depositing the dues and action regarding recovery of the duty /disposal of the beer would be taken on receipt of the response of the notice. The State Government further stated (August 2024) that the unit got (July 2024) stay on recovery from the Rajasthan High Court. Further progress was awaited (August 2025).

5.9 Non recovery of penalty imposed on breach of license conditions

According to Section 34 (c) of the Rajasthan Excise Act, 1950 (Act) and Rule 76 (c) of the Rajasthan Excise Rules, 1956 (Rules), the authority granting a license under these Act or Rules may cancel or suspend the license if the licensee or his servant has been guilty of the violation of a condition of his license or the contravention of the provision of the Act or any notification, order or rule issued under the Act. Further, Section 58 (c) of the Act provides penalty provision for each offence with fine for wilful act or omission in breach of any condition of license by the licensee and Section 70 of the Act authorises the Excise Officers to compound offences subject to such conditions and restrictions as may be prescribed.

Further, para number 15 and 14 of the State Excise and Temperance Policy for the years 2021-22 and 2022-23 respectively and condition number 26 of detail directions regarding application for liquor shops provided the suspension/cancellation of license for selling of liquor at a price higher than the maximum retail price (MRP) and for opening the shop after the prescribed time as it is a violation of license condition as per provision of the Section 58(C) of the Act.

13 M/s Jeeviya Beverages Pvt. Limited, Bhiwadi under DEO, Behror.

During scrutiny (between August 2023 and January 2024) of the records related to cases registered and compounded under six DEOs[14], it was noticed that total 1649 cases were registered under Section 58 (c) during 2017-23. Out of these, 1566 cases were compounded by the EC or concerned DEOs by way of imposing penalty/composition amount. As per the compounding orders of such cases, in case of non-deposit of compound amount within 15 days, action was to be taken to cancel the license under Section 34 (c) and Rule 76 (c).

It was observed that out of these 1566 cases, composition amount was deposited in 1339 cases and in the remaining 227 cases, composition amount of ₹ 74.73 lakh was not deposited by the concerned licensees within the prescribed time limit mentioned in the compounding orders. The concerned DEOs neither recovered the due amount nor cancelled the licenses of such licensees as per the condition mentioned in compounding orders and allowed the licensees to continue their business without payment of penalty. It was also observed that most of the cases were pertained to sale of liquor above MRP and opening the shops after prescribed time.

Though entries of cases registered by the Department are made in 'Online FIR Registration module' of IEMS and FIR was printed through this online module but further action regarding disposal of cases were not updated in the module which indicated lack of control of the Departmental authorities in disposal of cases and recovery of penalty amounting to ₹ 74.73 lakh.

The matter was reported to the Department and the Government (August 2024). The Government replied (August 2024) that ₹ 8.15 lakh has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.10 Short recovery of Annual License fees

According to the State Excise and Temperance Policy for the year 2022-23 and conditions of licenses of composite shops for retail sale of liquor, Annual License Fees (ALF) was prescribed equal to five *per cent* of the Annual Guarantee Amount (AGA) of the licensee for the year 2022-23. Licensees of liquor shops had to deposit 50 *per cent* amount of prescribed ALF of the shop upto 14 March 2022 or in case of allotment of shop through online auction, this amount was to be deposited by the date prescribed in the terms and conditions of the auction. The remaining 50 *per cent* amount of ALF was to be deposited in equal installments in the second and third quarter of the respective year. If the licensee fulfilled the quarterly guarantee amount determined on the basis of the AGA, liquor could be lifted against this amount of 50 *per cent* of the ALF.

Further, all DEOs were directed (January 2023) by the Excise Commissioner (EC) that outstanding amount of ALF of the licensees till the third quarter could be fulfilled by depositing in cash or lifting of liquor upto 15 February 2023.

14 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

During scrutiny (between August 2023 and January 2024) of the records related to ALF of retail licensees under six DEOs[15] for the period 2022-23, it was noticed that 1,799 licensees deposited ALF amounting to ₹ 90.93 crore against their prescribed ALF of ₹ 91.85 crore, due to which there was shortfall of ₹ 0.92 crore in ALF against 51 licensees. Further, DEOs released ₹ 14.86 crore from installments of ALF deposited during second and third quarters to licensees for lifting of liquor whereas the concerned licensees lifted liquor worth ₹ 14.08 crore, due to which there was shortfall of ₹ 0.78 crore in ALF against 78 licensees. Thus, there was total shortfall of ₹ 1.70 crore in ALF against 129 licensees. Out of this shortfall, ₹ 0.19 crore was recovered or adjusted from security amount of licensees. However, the department could not recover the remaining amount of ₹ 1.51 crore from 106 licensees.

The matter was reported to the Department and the State Government (August 2024). The Government replied (September 2024) that ₹ 0.14 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.11 Short recovery of excise duty and basic license fees on short lifted guarantee quota of liquor

According to the Excise and Temperance Policy (Policy) for the years 2021-22 and 2022-23, licenses for shops of Country Liquor (CL), Rajasthan Made Liquor (RML), Indian Made Foreign Liquor (IMFL) and beer were allocated on the Annual Guarantee Amount (AGA) obtained as per the maximum price through online auction process by prescribing shop wise Minimum Reserve Price (MRP). The licensee of such composite shop was liable to pay the AGA in the form of excise duty and additional excise duty. Further the policy's, detailed directions and conditions[16] provide ratio of lifting the liquor for the year 2021-22.

15 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

16 Licensees had to fulfil minimum 50 *per cent* of the total AGA of CL and RML with lifted quantity of RML and remaining 50 *per cent* with lifted quantity of CL in which minimum 40 *per cent* with lifted quantity of 50/60 UP CL and 60 *per cent* with 40 UP CL.

- If the licensee failed to fulfil the prescribed guarantee ratio of CL and RML in a particular month, he had to ensure lifting of CL and RML in other months of concerned quarter in a manner that 50 *per cent* guarantee of total quarterly AGA of CL and RML was fulfilled from excise duty of RML, 20 *per cent* guarantee from 50/60 UP CL and remaining 30 *per cent* guarantee from 5 UP to 40 UP CL.
- In case of short lifting of liquor against the prescribed ratio of quarterly guarantee amount (equal to quarterly MRP), the licensee was liable to pay the difference of excise duty and basic license fees payable on required quota and actual lifting of liquor in cash.
- Relaxation in lifting of RML was given by the State Government that licensees had the option to fulfil minimum 35 *per cent* instead of 50 *per cent* of the total AGA of CL and RML with lifted quantity of RML and remaining 15 *per cent* with lifted quantity of CL (*w.e.f.* 09 September 2021) or IMFL (*w.e.f.* 02 December 2021). Besides, permission was granted to adjust excess lifting of liquor in first quarter against shortfall in second and third quarter and relaxation to recoup the shortfall of first and second quarter by lifting of liquor in third quarter. In addition, relaxation was granted by the Government (28 March 2022) to recoup the shortfall of first, second and third quarter by lifting of liquor upto March 2022.

Similarly, policy and conditions[17] provides ratio of lifting the liquor for the year 2022-23.

During test check (between August 2023 and January 2024) of the records of offices of six DEOs[18] with EPA Report and Shop Guarantee data of liquor shops downloaded from IEMS (computerized system of the State Excise Department) and information provided by the concerned DEOs for the years 2021-23 revealed that during 2021-23, 2885 licensees lifted liquor worth ₹ 2,566.19 crore against the quota of ₹ 2,772.85 crore fixed for the concerned quarters due to which there was shortfall of ₹ 206.66 crore in annual guarantee amount against 1,744 licensees. Out of this shortfall, ₹ 43.29 crore was recovered or adjusted from security amount of licensees. However, the department could not recover the remaining amount of guarantee ₹ 163.37 crore from 1,138 licensees as summarised in the **Table 5.2** below:

Table 5.2: Shortfall of Recovery of AGA

Year	Total licensees	Quota fixed (₹ in Crore)	Lifted liquor (₹ in Crore)	Shortfall amount (₹ in Crore)	No. of defaulter licensees	Recovered or adjusted amount (₹ in Crore)	Remaining defaulter licensees	Remaining amount (₹ in Crore)
2021-22	1,086 (under four DEOs[19])	951.85	803.90	147.95	937	35.97	665	111.98
2022-23	1,799 (under six DEOs[20])	1,821.00	1,762.29	58.71	807	7.32	473	51.39
Total	**2,885**	**2,772.85**	**2,566.19**	**206.66**	**1,744**	**43.29**	**1,138**	**163.37**

Further, shortfall of ₹ 206.66 crore in annual guarantee amount involved shortfall of RML of ₹ 32.47 crore, 50/60 UP CL of ₹ 14.06 crore and 40 UP CL of ₹ 41.55 crore on which basic license fees of ₹ 45.55 crore was recoverable from 1,487 licensees. Out of this shortfall, ₹ 2.13 crore was recovered or adjusted from security amount of licensees. However, the department could not

17 Licensees had to fulfil minimum 30 *per cent* of the total AGA of CL (including RML) with lifted quantity of RML and minimum 40 *per cent* of the remaining 70 *per cent* AGA of CL (including RML) with lifted quantity of 50/60 UP CL.
- If the licensee failed to fulfil the above prescribed guarantee ratio in a particular month, he had to ensure lifting of liquor in other months of concerned quarter in a manner that 30 *per cent* guarantee of total quarterly AGA of CL (including RML) was fulfilled from excise duty of RML and 28 *per cent* guarantee from 50/60 UP CL.
- In case of short lifting of liquor against the prescribed ratio of quarterly guarantee amount (equal to quarterly MRP), the licensee was liable to pay the difference of excise duty and basic license fees payable on required quota and actual lifting of liquor in cash.
- Further, permission was granted by Excise Commissioner (20 July 2022) to recoup the shortfall of first quarter by lifting of liquor upto 30 July 2022. In addition, relaxation was granted by EC (30 January 2023) to recoup the shortfall of first, second and third quarter by lifting of liquor upto 15 February 2023.

18 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

19 DEOs Baran, Sawai Madhopur, Sikar and Sriganganagar.

20 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

recover the remaining amount of BLF ₹ 43.42 crore from 1,073 licensees as summarised in the **Table 5.3** below:

Table 5.3: Shortfall of recovery of BLF

Year	Shortfall of guarantee amount (difference of quota fixed and lifted liquor) (₹ in Crore)					Total amount of BLF leviable on RML and CL (₹ in Crore)	No. of defaulter licensees	Recovered or adjusted amount (₹ in Crore)	Remaining defaulter licensees	Remaining amount of BLF (₹ in Crore)
	Total short fall	IMFL	RML	50/60 UP CL	40 UP CL					
2021-22	147.95	83.76	23.03	9.61	31.55	34.16	862	1.59	676	32.57
2022-23	58.71	34.82	09.44	4.45	10.00	11.39	625	0.54	397	10.85
Total	**206.66**	**118.58**	**32.47**	**14.06**	**41.55**	**45.55**	**1,487**	**2.13**	**1,073**	**43.42**

Therefore, lack of action on part of the DEOs to enforce the provisions of the Policy and conditions of the license led to short recovery of excise duty and basic license fees amounting to ₹ 206.79 crore.

The matter was reported to the Department and the Government (August 2024). The Government replied (September 2024) that guarantee amount of ₹ 3.72 crore has been recovered out of ₹ 163.37 crore and basic license fees of ₹ 0.55 crore has been recovered out of ₹ 43.42 crore. It was also stated that the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

Part-B
EXPENDITURE SECTOR

CHAPTER-VI
GENERAL

CHAPTER VI: GENERAL

6.1 Profile of the Audited Entity

There are 63 Departments, 176 Autonomous Bodies (ABs) and 14 Public Sector Undertakings (PSUs) under General and Social Sector of the Government of Rajasthan, headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Principal Accountant General (Audit-I), Rajasthan, Jaipur. A list of the Departments is given in ***Appendix 6.1***.

The comparative position of expenditure incurred by the Government of Rajasthan during 2018-19 to 2022-23 is given in **Table 6.1.**

Table 6.1: Comparative position of expenditure incurred by the Government

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue expenditure					
General services	54,364	56,186	60,144	65,406	71,875
Social services	65,687	68,313	74,009	85,054	90,168
Economic services	46,722	51,986	44,156	59,330	64,436
Grants-in-aid and Contribution	-*	-**	-***	-****	-*****
Total (A)	**1,66,773**	**1,76,485**	**1,78,309**	**2,09,790**	**2,26,479**
Capital and other expenditure					
Capital Outlay	19,638	14,718	15,271	24,152	19,798
Loans and Advances disbursed	1,113	2,255	491	621	175
Payment of Public Debt	16,915	18,616	17,539	17,586	20,819
Contingency Fund	-	-	-	500	-
Public Accounts disbursement	1,60,570	1,79,741	1,99,229	2,40,110	2,34,001
Total (B)	**1,98,236**	**2,15,330**	**2,32,530**	**2,82,969**	**2,74,793**
Grand Total (A+B)	**3,65,009**	**3,91,815**	**4,10,839**	**4,92,759**	**5,01,272**

Source: Audit Reports on State Finances of the respective years.
* ₹ 9 lakh only, ** ₹ 7 lakh only, *** ₹ 7 lakh only, **** ₹ 4 lakh only, ***** ₹ 4 lakh only.

6.2 Authority for Audit

The authority for Audit by the Comptroller and Auditor General of India (CAG) is derived from Articles 149 and 151 of the Constitution of India and Section 13, 14, 15 & 17 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and the Auditing Standards, 2017 issued by the CAG.

6.3 Audit Planning and conduct of Audit

The Office of the Principal Accountant General (Audit-I), Rajasthan conducts audit of Government Departments/Offices/Autonomous Bodies/ PSUs/Institutions under the General and Social Sector, under the directions of the CAG. During 2022-23, financial and compliance audits of the selected units under various General and Social Sector Departments, Autonomous Bodies, PSUs and externally aided projects of the GoR were conducted by audit teams of office of the Principal Accountant General (Audit-I), Rajasthan, Jaipur.

The audit process starts with an assessment of risk exposure of various Government Departments/Organisations/Autonomous Bodies and schemes/ projects, etc. Risk assessment is based on expenditure, criticality/complexity of activities, level of delegated financial powers and assessment of overall internal controls and the concerns of stakeholders. Audit findings during previous years are also considered in this exercise.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the units/departments with the request to furnish replies on audit findings within one month of receipt of the Inspection Report. When the replies are received, audit findings are either settled or further compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Report.

During 2022-23, 20,856 mandays (for financial audit and compliance audit) were used for audit of 518 units (out of the 24,144) of General and Social Sector Departments (except Panchayati Raj Institutions and Urban Local Bodies). The audit plan covered those units/entities, which were vulnerable to significant risk, as per the risk assessment.

6.4 Response of the Government/ Departments to Audit observations

6.4.1 The draft paragraphs are forwarded to the Principal Secretaries/ Secretaries of the departments concerned, drawing their attention, for their response. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before State Legislature, it would be desirable to include their comments. Accordingly, draft paragraphs proposed for inclusion in this report, were forwarded to the Principal Secretaries/Secretaries concerned. The State Government did not send replies for four out of eight compliance Audit paragraphs included in chapter VII. The responses of the State Government/ concerned departments wherever received, have been suitably incorporated in the Report.

6.4.2 Rule 327 (1), read with Appendix 6 of General Financial and Accounts Rules prescribes the retention period of various accounting records, which ranges between one and three years after Audit by Accountants General.

Inability of the departmental officers to furnish compliance of audit observations in Inspection Reports (IRs) results in non-settlement of IR paragraphs. As of August 2024, there were 5,251 IRs containing 22,800 paragraphs, issued during the period from 1998-99 to 2022-23 which were pending for settlement. Year-wise pendency is given in **Table 6.2.**

Table 6.2: Details of IRs and Paragraphs pending for settlement

S.No.	Year	IRs	Paragraphs
1	Up to 2015-16	3,147	9,407
2	2016-17	332	1,833
3	2017-18	250	1,521
4	2018-19	408	2,365
5	2019-20	556	3,699
6	2020-21	257	1,737
7	2021-22	144	1,234
8	2022-23 (issued up to March 2023)	157	1,004
Total		**5,251**	**22,800**

For early settlement of outstanding paragraphs in IRs, Government of Rajasthan issued (May 1997) instructions to all the departmental officers for sending first reply to IRs within a month. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance of all the matters relating to audit.

Detailed analysis of IRs issued to two[1] departments was carried out to study the pendency in department's response to the paragraphs brought out in the IRs. Analysis of the IRs of various units of Women and Child Development Department (582 IRs) and Labour Department (64 IRs) revealed that 3,150[2] paragraphs pertaining to 646 IRs were outstanding as on 30 September 2023. Category-wise details of irregularities is given in ***Appendix 6.2***. It was further noticed that the first compliances, which had to be submitted to Audit within one month of issue of IRs, was received with an average delay of 13 months (ranging from three days to 123 months) in respect of 604 IRs[3].

The Government should look into the matter and ensure that procedures exist for (a) taking action against the officials who failed to send replies to IRs/paragraphs as per time schedule, (b) taking 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 Two Departments: (1) Women and Child Development Department (2) Labour Department.

2 3,150 paragraphs: 2,788 Paragraphs (Women and Child Development Department) + 362 Paragraphs (Labour Department)

3 604 IRs : Delayed first compliance: Women and Child Development Department: 582 (three days to 123 months) + Labour Department: 22 (seven days to 55 months).

6.5 Follow-up on Audit Reports

The Finance Department of the GoR decided (December 1996) that Action Taken Explanatory Notes (ATENs) on all paragraphs/performance audits that have appeared in Audit Reports be submitted to the Public Accounts Committee (PAC), duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature.

A total of 39 compliance audit paragraphs that featured in the Reports of the Comptroller and Auditor General of India on Expenditure Sector (erstwhile General and Social Sector) for the years ended 31 March 2017, 2018, 2019, 2020 and 2021 were placed before the State Legislature between 05 September 2018 and 22 September 2022. ATENs on six paragraphs were received within prescribed time and ATENs on 33 paragraphs were received late with an average delay of 02 to 03 months.

The PAC discussed 26 selected paragraphs pertaining to the Audit Reports for the years from 2016-17 to 2020-21 and its recommendations on the 24 paragraphs were incorporated in 19 PAC Reports (pertaining to 18 departments) up to May 2025.

6.6 Coverage of this part of the Report

During the last few years, audit has reported several significant deficiencies in implementation of various programmes/activities as well as the quality of internal controls in selected departments through performance audits, which had impacted the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the government departments/organizations were also reported.

The current report brings out deficiencies in critical areas, which impact the effectiveness of the GoR. Some important findings of compliance audit paragraphs have been reported in Chapter VII.

CHAPTER-VII

COMPLIANCE AUDIT OF EXPENDITURE SECTOR

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 Board[1] (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, three[2] 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 Satisfatory 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 (ii) 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 assessment[3] (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 price[4] 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 Scheme[5] 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 ₹ 9,12,774[6] 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-2021*[7]*"*. 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 ₹14,60,440[8] of the previous four years (09 March 2017 to 08 March 2021) and advance urban assessment of ₹ 91,27,740[9] 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 sq.m x ₹ 2,367 per sq.m x 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 crore[10] (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-member[11] medical team to ensure smooth operations.

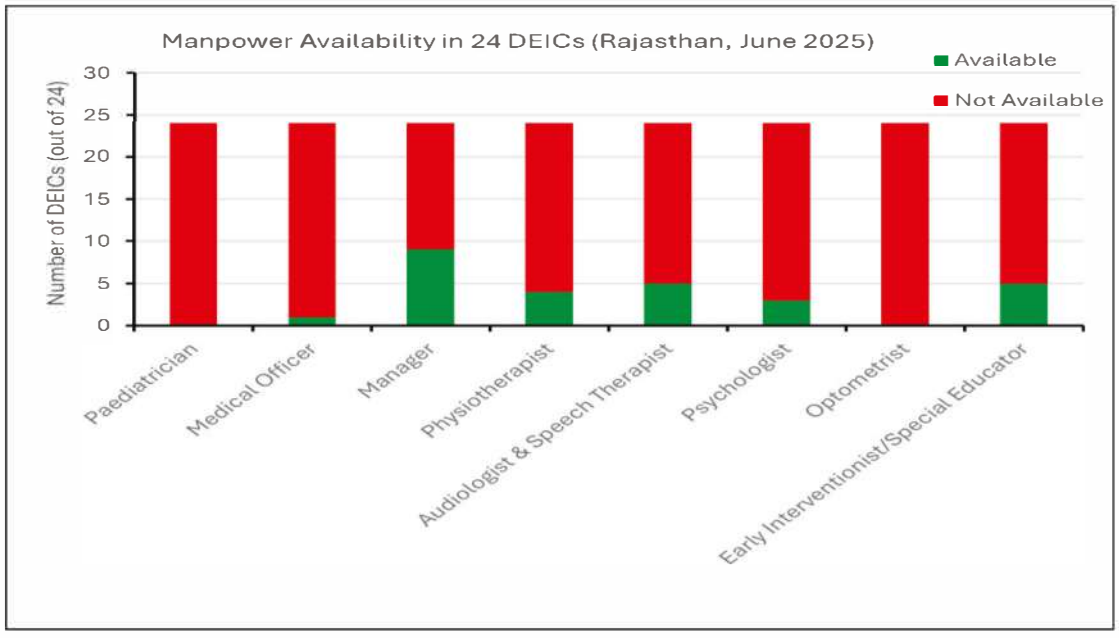
The State Government, during 2018-21, submitted proposals to the GoI for the sanction of only eight[12] posts per DEIC, and that too for just 12 DEICs. Proposals for all the 29 DEICs (including five operating from District Hospitals and Medical College attached Hospitals) were submitted from 2021-22 onwards, and the GoI approved them in the respective years. However, as of January 2025, proposals for the sanction of the remaining five[13] 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, 12[14] 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 six[15] 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 inventory[16] 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 29[17] 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 equipment[18] 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 crore[20] 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 Limited[21], 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, three[22] 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.e.* 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 University[24] 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 crore[25]. 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 firms[26] 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 crore[27] 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 months[28]. 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).

conditionally[29] agreed (June/July 2022) on four issues and disagreed[30] 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 Vibhaag (SKV), Government of Rajasthan (GoR) established four[31] 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 Flats[33] 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 deficiencies[34] 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, **(SATISH KUMAR GARG)**

The 20 January 2026 **Principal Accountant General**

(Audit-I), Rajasthan

Countersigned

NEW DELHI, **(K. SANJAY MURTHY)**

The 27 January 2026 **Comptroller and Auditor General of India**

APPENDICES

Appendix 2.1

(Refer Paragraph 2.3.7.2)

Summary of deficiencies noticed during Centralized audit

(₹ in crore)

Audit Dimension	No. of Tax payers	Cases where reply received		Cases under examination or pending under Appeal, NCLT, High Court etc.		Department reply accepted by Audit						Compliance deviations							
						Data entry errors		Action taken before query		Other valid explanations		SCN issued/Demand raised/Recovery made[1]		ASMT-10/Notice/ DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)		Total	
		No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ITC mismatch between GSTR 2A and GSTR 3B (D1)	58	93	738.69	13	138.12	8	63.46	12	87.17	27	176.37	31	241.41	-	-	2	32.16	33	273.57
ITC Availed without supplier remitting tax (D2)	30	75	290.15	9	56.03	0	0	5	26.08	55	192.18	06	15.86	-	-	-	-	06	15.86
ITC Availed on GSTR 3B filed after limitation period (D3)	45	57	99.28	10	21.88	0	0	3	2.96	16	23.50	24	48.82	1	0.16	3	1.96	28	50.94
Incorrect availment of ISD credit (D4)	15	23	7.53	4	1.55	0	0	0	0	10	3.48	8	1.39	-	-	1	1.11	9	2.50
ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9 (D5)	35	56	72.02	10	8.31	19	12.52	5	16.51	14	17.18	08	17.50	-	-	-	-	08	17.50
Mismatch of ITC availed between Annual returns and Books of accounts (D6)	14	23	484.02	1	1.69	3	28.22	1	1.71	9	38.60	7	411.54	2	2.26	-	-	09	413.80
Reconciliation between ITC availed in Annual returns with expenses in financial statements (D7)	15	23	647.48	0	0	8	47.47	1	7.12	5	26.50	8	563.83	-	-	1	2.56	9	566.39
Unsettled liabilities (D8)	64	112	824.65	19	209.41	7	44.82	6	5.12	60	464.28	18	86.21	2	14.81	-	-	20	101.02

1 SCN issued in 78 cases of ₹ 1,245.26 crore , demand raised in 140 cases of ₹ 334.40 crore and recovery made of ₹ 1.58 crore in 18 cases.

Audit Dimension	No. of Tax payers	Cases where reply received		Cases under examination or pending under Appeal, NCLT, High Court etc.		Department reply accepted by Audit						Compliance deviations							
						Data entry errors		Action taken before query		Other valid explanations		SCN issued/Demand raised/Recovery made[1]		ASMT-10/Notice/ DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)		Total	
		No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Suppression in taxable value in comparison with E-Way bills (D9)	44	103	1,569.71	5	64.41	3	25.98	1	28.18	62	879.87	8	83.60	24	487.67	-	-	32	571.27
Mismatch in tax paid between books of accounts and returns (D10)	15	19	36.17	3	7.73	0	0	5	4.84	7	16.46	2	3.90	1	1.44	1	1.80	4	7.14
Suppression of taxable value identified through TDS/TCS declaration (D11)	24	40	495.98	1	248.84	0	0	1	57.03	25	86.81	8	89.46	3	7.77	2	6.07	13	103.30
Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C (D12)	14	18	210.76	2	15.49	3	66.56	0	0	10	106.80	1	7.41	2	14.50	-	-	03	21.91
Mismatch in taxable turnover declared in GSTR 9C Table 7G (D13)	15	26	-[2]	1	0	1	-	0	0	22	-	-	-	2	-	-	-	02	-
Composition taxpayer also availing e-commerce facility (D14)	9	9	-	0	0	0	0	0	0	7	-	2	-	-	-	-	-	02	-
GSTR 3B was not filed but GSTR 1 is available (D15)	45	67	-	22	-	0	0	6	-	3	-	34	-	02	-	-	-	36	-
Short payment of interest (D16)	68	182	32.48	26	6.27	0	0	67	13.26	17	2.50	71	10.31	01	0.14	-	-	72	10.45
Total	**510**	**926**	**5,508.92**	**126**	**779.73**	**52**	**289.03**	**113**	**249.98**	**349**	**2,034.53**	**236**	**1581.24**	**40**	**528.75**	**10**	**45.66**	**286**	**2,155.65**

2 Total unreconciled taxable turnover (TO) in table 7G of GSTR 9C in the 26 cases is ₹ 7,567.87 crore, out of which Data entry error TO of ₹ 2,166.46 crore in one case, in 22 cases involving mismatched TO of ₹ 3,709.74 crore, valid explanations were provided by the Department and in two cases involving mismatched TO of ₹ 1,191.36 crore ASMT-10 has been issued and remaining one case involving mismatched TO of ₹ 500.31 crore is under stay of High court.

Appendix 2.2

(Refer paragraph 2.3.8.1)

Non-Production of records

(₹ in crore)

S. No.	Jurisdictional Circle	Sample	Non-production	
		Number of Taxpayers	Number of Taxpayers	Mismatch in ITC/Tax Liability
1	Circle-I Jaipur-III	15	15	24.55
2	Circle-H Jaipur-II	2	2	5.73
3	Circle-H Jaipur-III	1	1	10.09
4	Circle-H Jaipur-IV	1	1	0.03
5	Circle-J Jaipur-I	2	2	1.49
6	Circle-J Jaipur-II	1	1	119.97
7	Circle-J Jaipur-III	1	1	0.20
8	Circle-Shahjahapur	2	2	10.98
9	Circle-A Bhiwadi	1	1	0.06
10	Circle-D Jaipur-II	3	3	4.26
11	Circle-B Alwar	1	1	0.59
12	Circle-C Alwar	1	1	10.26
13	Circle-B Ajmer	1	1	0.94
14	Circle-A Ajmer	1	1	0.52
15	Circle-Tonk Jaipur-II	1	1	1.66
16	Circle-D Jodhpur II	2	2	4.98
17	Circle-Merta city	2	2	0.05
18	Circle-B Bhilwara	2	2	4.35
19	Circle-Baran	2	2	0.87
20	Circle-D Kota	1	1	0.98
21	Circle-E Kota	1	1	13.46
22	Circle-I Jaipur-I	5	5	23.33
23	Circle-C Jaipur-I	3	3	15.29
24	Circle-C Jaipur-III	3	3	16.19
25	Circle-D Jaipur-I	1	1	0.14
26	Circle-H Jaipur I	2	2	1.68
27	Circle-A Banswara	1	1	2.73
28	Circle-A Barmer	1	1	1.14
29	Circle-A Jaipur-II	1	1	0.04
30	Circle-A Jaipur IV	5	5	154.73
31	Circle-A Sri Ganganagar	1	1	12.78
32	Circle-A Udaipur	1	1	0.28
33	Circle-Bundi	2	2	3.19

S. No.	Jurisdictional Circle	Sample	Non-production	
		Number of Taxpayers	Number of Taxpayers	Mismatch in ITC/Tax Liability
34	Circle-B Barmer, Jodhpur II	1	1	1.61
35	Circle-B Bharatpur	1	1	0.62
36	Circle-B Jodhpur II	1	1	0.39
37	Circle-B Kota	3	3	3.75
38	Circle-C Hanumangarh	1	1	0.06
39	Circle-C Jaipur II	1	1	11.97
40	Circle-Churu	1	1	0.00
41	Circle-D Udaipur	3	3	0.21
42	Circle-E Jaipur II	1	1	0.30
43	Circle-E Jodhpur II	1	1	0.01
44	Circle-E Udaipur	2	2	4.11
45	Circle-F Jaipur II	3	3	3.92
46	Circle-G Jaipur III	1	1	0.05
47	Circle-Karauli	1	1	0.61
48	Circle-N Jaipur III	1	1	0.72
49	Circle-Neem Ka Thana	1	1	0.09
50	Circle-Pratapgarh	1	1	0.00
51	Circle-Sirohi	2	1	0.19
Total		**96**	**95**	**476.15**

Appendix 2.3

(Refer paragraph 2.4.4)

List of forms involved in E-Way Bill system

Sl. No.	Form No.	Description	Originator	Pursuer	Receiver	Purpose
1	GST MOV-01	Statement of the owner/Driver/Person i/c of the goods and conveyance during interception of the conveyance	Person i/c of the vehicle	Proper Officer	PO	Recording of inspection
2	GST MOV-02	Order for Physical verification/inspection of the Conveyance, Goods and Documents	Proper Officer	All Stakeholders	Transporter	Verification of taxability
3	GST MOV-03	Order of Extension of time for inspection beyond three working days.	Joint/Addl. Commissioner.	Proper Officer	PO	Inspection of goods
4	GST MOV-04	Physical verification report	Proper Officer	Transporter	Transporter	Recording of inspection
5	GST MOV-05	Release Order for Goods conveyance	Proper Officer	Transporter	Transporter	
6	GST MOV-06	Order of Detention for non-production of documents or defective documents etc.	Proper Officer	Transporter	Transporter	For verification of records
7	GST MOV-07	SCN on the outcome of inspection of goods	Proper Officer	Transporter	Transporter	Collection of tax due
8	GST MOV-08	Bond for Provisional release of goods and conveyance	Taxpayer	Proper Officer	PO	Indemnity for tax due
9	GST MOV-09	Order of Demand of tax and Penalty (Detained Goods/ Conveyance)	Proper Officer	Transporter	Transporter	For payment of tax & penalty
10	GST MOV-10	Notice for Confiscation of Goods or Conveyances and levy of penalty	Proper Officer	Transporter	Transporter	Intimation to the owner/ Transporter
11	GST MOV-11	Order of Confiscation of Goods and Conveyance - Demand of Tax, Fine and Penalty	Proper Officer	Transporter	Transporter	Intimation to the owner/ Transporter

Appendix 2.4

(Refer Paragraph 2.4.5.4)

Key Problem Area/Risk Dimensions identified

Sl. No.	Key Problem Area
1	Composition taxpayers generating EWBs for inter-State supplies
2	Composition taxpayers generating EWBs for outward supplies exceeding threshold limit
3	Taxpayers with only outward supplies supported by EWBs in any given year.
4	Taxpayers who effect disproportionate outward supplies compared to inward supply (EWBs supported) in any given year.
5	Taxpayers who had generated EWBs using duplicate invoices.
6	Generation of EWBs by Nil Filers of Return.
7	Generation of EWBs by Returns Defaulters (Non-Filers).
8	Taxpayers who have generated EWBs after effective date of cancellation.
9	Taxpayers who have generated EWB whose registration was subsequently cancelled.
10	Taxpayers who had generated EWBs and had cancelled subsequently.
11	Taxpayers who had generated EWBs and were subsequently rejected by the recipients.
12	Taxpayers who had generated disproportionate supplies supported by EWBs on the inward side compared to outward side in any given year.
13	Extension of EWBs by taxpayers.
14	EWBs generated using risky vehicles i.e., 2 wheelers.
15	EWBs generated using theft vehicles.
16	High value of EWBs in first 6 months of registration.
17	EWBs using invalid Pin codes.
18	EWBs generated using suspended, scrapped, surrendered, and cancelled vehicles.
19	E-Way Bills generated by defaulter list of MCA.
20	EWBs generated by income tax defaulters.
21	EWBs generated by DGARM-identified/Other agencies-identified taxpayers.
22	EWBs generated by DGFT-blacklisted exporters.

Appendix 2.5

(Refer Paragraph 2.4.12.12)

Impact on Integrated Goods and Services Tax (IGST) and Central Goods and Services Tax (CGST)

Sl. No	Para Number	Cases	CGST Amount involved (₹ in lakh)	CGST Amount accepted	CGST Amount recovered	IGST Amount involved (₹ in lakh)	IGST Amount accepted	IGST Amount recovered
1	2.4.12.3	8	24.24			3.45		
Total		**8**	**24.24**			**3.45**		

Appendix 6.1

(Refer paragraph 6.1)

List of Departments

S.No.	Name of Department	S.No.	Name of Department	S.No.	Name of Department
1	Agriculture	22	Ground Water	43	Rajasthan Staff Selection Board (RSSB)
2	Agriculture Marketing	23	Higher Education	44	Revenue Intelligence
3	Animal Husbandry	24	Home including Home Guard	45	Sainik Kalyan
4	Archaeology & Museum	25	Horticulture	46	Sanskrit Education
5	Art & Culture	26	Information & PR including Information Commission	47	Secondary Education
6	Ayurveda	27	Inspection	48	Settlement
7	Bhasha and Pustakalya	28	Irrigation (Indira Gandhi Nahar Pariyojana - IGNP)	49	State Insurance & Provident Fund
8	Collector (Misc.)	29	Jail	50	Skill Employment and Entrepreneurships
9	Command Area Development	30	Labour	51	Social Justice & Empowerment
10	Cooperative	31	Land Revenue	52	Stamp Duty and Registration Fee
11	Devasthan	32	Law & Legal	53	State Excise
12	Disaster Management Relief & Civil Defence	33	Local Fund Audit	54	Statistics & Economics
13	Election	34	Medical & Health	55	Technical Education
14	Elementary Education	35	Medical Education	56	Tourism
15	Employees State Insurance	36	Minority Affairs	57	Treasuries & Accounts
16	Evaluation	37	Patwar Training Centres	58	Tribal Area Development
17	Finance	38	Pension (Banks)	59	Value Added Tax/Goods and Service Tax
18	Fisheries	39	Personnel	60	Water Resources Department
19	Food, Civil Supplies and Consumer Affairs	40	Printing & Stationery	61	Ways and Means
20	GAD including Governor, Vidhan Sabha Sectt.	41	Rajasthan Institute of Public Administration	62	Women & Child Development
21	Gopalan	42	Rajasthan Public Service Commission (RPSC)	63	Youth Affairs and Sports

Appendix 6.2

(Refer paragraph 6.4)

Statement showing category-wise details of irregularities commented in Inspection Reports

S. No	Nature of Irregularity	Women and Child Development Department		Labour Department	
		No. of Paragraphs	Amount (₹ in crore)	No. of Paragraphs	Amount (₹ in crore)
1	Fraud/Misappropriation/ embezzlement/losses/ theft of stores and cash	32	4.21	04	0.63
2	Recoveries pointed out by audit	278	83.87	67	245.87
3	Violation of contractual obligation, undue favour to contractor	58	13.17	04	0.11
4	Avoidable/Excess Expenditure	99	36.34	07	279.98
5	Wasteful/infructuous expenditure	160	299.43	06	44.31
6	Regulatory issues	804	532.97	91	645.43
7	Idle investments/idle establishment/blockade of funds/diversion of funds	172	340.39	60	883.76
8	Idle/delay in commissioning of equipment	52	73.26	0	0
9	Non-achievement of objectives	448	274.90	68	26.49
10	Miscellaneous	685	355.32	55	1456.74
Total		**2788**	**2013.86**	**362**	**3583.32**

Appendix 7.1

(Refer paragraph 7.4)

Statement showing status of manpower posted in 24 DEICs as of June 2025

S. No.	Name of DEIC	Building constructed (Month/Year)	Year in which Manpower was sanctioned in PIP, NHM by GoI	Pediatrician	Medical Officer	Manager	Physiotherapist	Audiologist & Speech Therapist	Psychologist	Optometrist	Early Interventionist cum Special Educator cum Social Worker
1.	Bharatpur	09/2016	2015-16	00	00	00	**Posted**	**Posted**	**Posted**	00	**Posted**
2.	Bhilwara	12/2016	2015-16	00	00	00	00	00	00	00	00
3.	Bikaner	10/2016	2015-16	00	00	**Posted**	00	**Posted**	**Posted**	00	**Posted**
4.	Chittorgarh	11/2016	2015-16	00	00	**Posted**	00	**Posted**	00	00	**Posted**
5.	Churu	03/2020	2015-16	00	00	**Posted**	**Posted**	**Posted**	00	00	**Posted**
6.	Jalore	09/2017	2015-16	00	00	00	00	00	00	00	00
7.	Udaipur	07/2016	2015-16	00	00	**Posted**	**Posted**	**Posted**	**Posted**	00	00
8.	Banswara	02/2017	2021-22	00	00	00	00	00	00	00	00
9.	Baran	10/2016	2021-22	00	**Posted**	00	00	00	00	00	00
10.	Bundi	03/2017	2021-22	00	00	00	**Posted**	00	00	00	00
11.	Dausa	01/2017	2021-22	00	00	00	00	00	00	00	00
12.	Dungarpur	03/2017	2021-22	00	00	00	00	00	00	00	00
13.	Hanumangarh	08/2016	2021-22	00	00	**Posted**	00	00	00	00	00
14.	Jaisalmer	12/2017	2021-22	00	00	00	00	00	00	00	00
15.	Jhalawar	06/2017	2021-22	00	00	00	00	00	00	00	00
16.	Jhunjhunu	11/2016	2021-22	00	00	**Posted**	00	00	00	00	**Posted**
17.	Karauli	11/2016	2021-22	00	00	**Posted**	00	00	00	00	00
18.	Nagaur	12/2017	2021-22	00	00	**Posted**	00	00	00	00	00
19.	Pali	03/2017	2021-22	00	00	**Posted**	00	00	00	00	00
20.	Pratapgarh	10/2016	2021-22	00	00	00	00	00	00	00	00

S. No.	Name of DEIC	Building constructed (Month/Year)	Year in which Manpower was sanctioned in PIP, NHM by GoI	Pediatrician	Medical Officer	Manager	Physiotherapist	Audiologist & Speech Therapist	Psychologist	Optometrist	Early Interventionist cum Special Educator cum Social Worker
21.	Rajsamand	12/2016	2021-22	00	00	00	00	00	00	00	00
22.	Swai Madhupur	10/2016	2021-22	00	00	00	00	00	00	00	00
23.	Sirohi	07/2016	2021-22	00	00	00	00	00	00	00	00
24.	Sri Ganganagar	04/2017	2021-22	00	00	00	00	00	00	00	00
	Total	**2016-17 : 18 DEIC** **2017-18 : 05 DEIC** **2019-20 : 01 DEIC**	**2015-16 : 07 DEICs** **2021-22 : 17 DEICs**	**Not available in all 24 DEICs**	**Not available in 23 DEICs**	**Not available in 15 DEICs**	**Not available in 20 DEICs**	**Not available in 19 DEICs**	**Not available in 21 DEICs**	**Not available in all 24 DEICs**	**Not available in 19 DEICs**

Source: Information provided by the Mission Director, National Health Mission, Government of Rajasthan.

Appendix 7.2

(Refer paragraph 7.5)

List of 11 universities whose projects were initially assigned to ITI Limited but executed by Expedien eSolutions Limited

S. No.	Name of university
1	Chaudhary Ranbir Singh University, Jind (Haryana)
2	Gauhati University Gopinath Bardoloi Nagar, Gauhati
3	Chaudhary Charan Singh Haryana Agriculture University, Hisar
4	Rajasthan University of Veterinary & Animal Sciences, Bikaner
5	Rajasthan ILD Skills University, Jaipur
6	Swami Keshwanand Rajasthan Agriculture University, Bikaner
7	Himachal Pradesh University, Shimla
8	Jai Narain Vyas University, Jodhpur
9	Mohanlal Sukhadia University, Udaipur
10	Dr. Harisingh Gour Vishwavidyalaya, Sagar (M.P.)
11	Maharana Pratap University of Agriculture & Technology, Udaipur

Appendix 7.3

(Refer paragraph 7.5)

Functional status of 25 modules under UMS as on January 2025

S. No.	Module name	Functional status
1	Pre-Admission	Being utilised
2	Admission & Academics	Being utilised
3	Student Fee Management	Being utilised
4	Alumni Management	Being utilised
5	Examination and Result (Pre)	Being utilised
6	Examination and Result (Post)	Being utilised
7	Self-Service Portal for Students	Partially utilized
8	Student/Staff Attendance Management System	Partially utilized
9	Financial Accounting and Government Treasury System	Partially utilized
10	Employee Establishment Management	Partially utilized
11	Employees Self-Service Portal	Partially utilized
12	Pension Management	Partially utilized
13	EPF and Loan Application Online Service	Partially utilized
14	College Affiliation Management	Partially utilized
15	Guest House Management	Partially utilized
16	Hostel Management	Not being utilized
17	Placement Management	Not being utilized
18	Budget Management	Not being utilized
19	Recruitment Management	Not being utilized
20	Leave Management	Not being utilized
21	Stores and Purchase	Not being utilized
22	RTI Cell Management	Not being utilized
23	Research and Projects (Development Section)	Not being utilized
24	Research Management (Research Cell)	Not being utilized
25	Students Identity Card	Not being utilized

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