Chapter III
Compliance Audit

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

Non-compliance with Rules and Regulations

Public Health Engineering Department

3.1 Undue benefit to the firm

Non-adherence to the condition of the contract relating to recovery of compensation resulted in undue benefit of ₹ 1.61 crore to a firm.

The Policy Planning Committee (PPC) of Public Health Engineering Department (PHED) issued (May 2013) Administrative and Financial sanction for ₹ 256.56 crore for Gagreen Water Supply Project to supply drinking water to 315 villages and 36 other habitations of Tehsil Gangdhar, Pachpahar and Pirawa of Jhalawar District, which was further revised (July 2014) to ₹ 351.48 crore. The Finance Committee (FC) approved (August 2013) the rate of lowest bidder M/s SPML Infra Ltd. (firm) at ₹ 308.59 crore including Operation and Maintenance (O&M) for 10 years (cost of execution: ₹ 289.35 crore and O&M: ₹ 19.24 crore). The work included supply, laying and testing of pipes[1] and ancillary works[2]. Accordingly, Additional Chief Engineer (ACE), Kota issued (August 2013) work order to the firm with Single Point Responsibility on turnkey basis. The work was scheduled to be completed within 36 months from the date of work order. The completion period was extended by FC (January 2017) up to 31 March 2018 in view of the firm.

Special Conditions of Contract executed with the firm provided that being a Single Point Responsibility project, the firm would decide the details of size and length of pipes, based on survey and design and submit the delivery schedule for the pipes. Further, the firm would submit Quality Assurance Programme (QAP) for all the equipment and material including pipes to be used in the project. The contract also provided (Clause 3.11) that the firm would ensure timely supply of pipes as per approved delivery schedule, failing which compensation at the rate of 0.25 *per cent* of the cost of pipes to be supplied per month would be recovered cumulatively up to the date of actual

[1] Ductile Iron (DI)/Mild Steel (MS)/ High-Density Polyethylene (HDPE).

[2] Intake Pumping Station, Raw Water Mains, Treatment Plant, Power Substation, Clear Water Mains, Cluster Distribution Mains, Cluster Elevated Service Reservoirs with associated civil, electrical and mechanical works, Village Distribution System, Information, Education and Communication activities etc.

supply of pipes. The compensation levied for delay in supply of pipes would be of permanent nature and not to be refunded under any circumstances.

Scrutiny of the records (February 2017) of Executive Engineer (EE), PHED, Project Division, Jhalawar revealed that Chief Engineer (Special Project), approved (September 2013) the work plan and implementation schedule with the condition that the firm would submit detailed plan showing implementation schedule for achieving milestones for commissioning of villages/*dhanies*. As per detailed work plan submitted by the firm, pipes were scheduled to be supplied between November 2013 and July 2016.

It was noticed that the firm submitted QAPs of various vendors for supply pipes for approval of the Department. The details are given in **Table 1**.

Table 1

Name of Firm	Date of Submission of QAP by the firm	Date of approval of QAP by the Department
M/s Electrotherm (India) Limited	December 2013	January 2014
M/s Rashmi Metaliks Limited	March 2014	March 2014
M/s Jindal Saw Limited	November 2014	November 2014
M/s Tata Metaliks	February 2015	March 2015
M/s Jain Irrigation	February 2015	February 2015

Source: Information provided by the Department.

The above table indicates that the Department approved these QAPs without delays. However, instead of submission of QAPs before commencement of supply of pipes, the firm submitted QAPs throughout the scheduled period and supplied pipes with delays ranging between one to 24 months. Yet EE did not follow the provisions of the contract to recover the compensation for delays in supply of pipes, thereby favouring the firm. This resulted in undue benefit of ₹ 1.61 crore to the firm ***(Appendix 3.1).***

EE stated (May 2017) that the time for completion of the entire project was extended (January 2017) by FC up to 31 March 2018 and action would be taken accordingly by the competent authority after the firm submits the revised work plan.

The reply is not convincing as the time extension granted for the entire project does not affect the enforcement of the contractual provision which clearly provided for recovery of non-refundable compensation for delay in supply of pipes by the firm.

Thus, non-adherence to the condition of the contract resulted in undue benefit of ₹ 1.61 crore to the firm.

The matter is referred to the Government of Rajasthan; reply is awaited.

Urban Development and Housing Department

3.2 Unfruitful expenditure on construction of dwelling units

Unfruitful expenditure of ₹ 259.92 crore on construction of dwelling units for relocation of slums, which remained unoccupied by the beneficiaries.

The Ministry of Housing and Urban Poverty Alleviation (HUPA), Government of India (GoI) introduced Basic Services to Urban Poor (BSUP), as a sub mission under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005-06. The mission aimed at integrating development of basic services to urban poor, including improved housing at affordable prices in the cities covered under the mission. Revised guidelines issued in February 2009 for the implementation of BSUP provided that due care should be taken to provide housing near the place of occupation of urban poor. Further, GoI was to provide 50 *per cent* of the cost of the projects and the remaining was to be provided by Government of Rajasthan (GoR)/implementing agency including 12 *per cent* beneficiary contribution.

HUPA directed (March 2010) that survey of slums and potential beneficiaries should be conducted and beneficiaries should be consulted before preparation of Detailed Project Reports (DPRs). Each DPR should also be accompanied by a list of beneficiaries based on the socio-economic survey. Further, willingness of the beneficiaries was to be taken for rehabilitation/relocation and payment of beneficiary contribution. Jaipur Development Authority (JDA) was the implementing agency for the mission for 31 slums in Jaipur city.

Accordingly, JDA identified 31 slums (JDA area: 17 and Municipal Corporation (MC), Jaipur area: 14) for rehabilitation. Both projects were approved (September 2010) by the GoI for ₹ 94 crore and ₹ 87.50 crore[3] respectively. Work of the project for relocation of 14 slums having 2,892 dwelling units (DUs) at Jaisinghpura Khor was completed in July 2015 with an expenditure of ₹ 117.64 crore. Construction work for relocation of 17 slums having 2,922 DUs at Sikar and Ajmer Road, was completed in May 2016 at a cost of ₹ 142.28 crore.

Scrutiny of records (June 2016) of JDA, revealed that:

- Contrary to the provision of the guidelines, consent of the beneficiaries was not included in DPR prepared for relocation of 17 slums by PDCOR Limited[4]. BMTPC[5] while appraising the DPR also noticed this fact and

[3] Including GoI share of ₹ 45.63 crore (for 17 slums) and ₹ 42.48 crore (for 14 slums).

[4] PDCOR Limited is a company jointly promoted by the GoR and Infrastructure Leasing & Financial Services Limited (IL&FS) to facilitate private sector investment in the infrastructure sector in the State and commenced its operations in May 1998.

[5] Building Materials and Technology Promotion Council (BMTPC) was established by the erstwhile Ministry of Urban Development, Government of India in July 1990, in order to bridge the gap between research and development and large scale application of new building material technologies.

directed (March 2010) GoR to obtain consent of the beneficiaries as the distance of the site for relocation of the slums ranged from four to 18 kms. Only after completion of the project, did the JDA obtain consent of 376 families (14.41 *per cent* of identified families[6]) for relocation and of that, only 74 families (2.84 *per cent* of identified families) took possession of DUs as of May 2017.

- The consent of beneficiaries for relocation to new place was required to be obtained by MC, Jaipur, as 14 slums fall under its jurisdiction. It was, however, observed that only after completion of 2,892 DUs in July 2015, Commissioner, JDA took up (July 2015) the matter with MC of obtaining consent of beneficiaries for their relocation. Even after lapse of nearly one and half year after completion of DUs, MC intimated (January 2017) that the beneficiaries were not agreeable to be rehabilitated. This shows lack of coordination of JDA with MC, Jaipur in implementation of the scheme. Besides, JDA did not ensure willingness and receipt of contribution of the beneficiaries before preparation of DPR, which was contrary to the directions of HUPA. Further, as JDA could not identify beneficiaries willing to be relocated before taking up both projects, contribution from the beneficiaries as prescribed in the guidelines was also not recovered.

Thus, contrary to the provision of the guidelines as well directions of HUPA, without conducting survey of 31 slums and obtaining consent of identified beneficiaries for their relocation, JDA constructed DUs under the scheme. As a result, only 74 out of total 5,814 beneficiaries (1.27 *per cent*) took possession of DUs and remaining DUs could not be allotted to the intended beneficiaries. This resulted in unfruitful expenditure of ₹ 259.92 crore incurred thereon. Further, possibility of damages due to weathering and theft in these DUs over the time cannot be ruled out.

GoR accepted the facts and stated (December 2017) that beneficiaries under the jurisdiction of MC and JDA are not willing to move into these DUs. Therefore, it was decided in the meeting of State Level Sanctioning Cum Monitoring Committee held in May 2017 that 20 *per cent* of these DUs would be kept reserved for these 31 slums and remaining be allotted to other notified or non-notified slum dwellers of Jaipur.

The facts remained that the JDA could not identify beneficiaries willing to be relocated before taking up the projects. As a result, the constructed units remained unoccupied for more than one to two years.

[6] 2,610 families were identified for relocation.

Audit against propriety and cases of expenditure without adequate justification

Animal Husbandry Department

3.3 Avoidable extra expenditure

The delay of the Department in finalisation of bids and procurement of medicines at substantially higher rates resulted in avoidable extra expenditure of ₹ 29.48 crore.

Mukhyamantri Pashudhan Nishulk Dava Yojana was launched (August 2012) by Government of Rajasthan (GoR) on the analogy of *Mukhyamantri Nishulk Dava Vitran Yojna*[7] to provide essential veterinary drugs and medicines for treatment of animals in all State Veterinary Hospitals free of cost. GoR set up (July 2012) a cell in Directorate, Animal Husbandry Department (AHD) for centralised procurement of essential drugs, medicines and surgical consumables and their distribution to the districts. Rate Contracts (RCs) for 2013-15 were extended (March 2015) for three months up to 30 June 2015 as the new RCs for 2015-17 were not finalised.

Test checks (July 2016) of the records of Director, AHD and further information collected (January to April 2017) revealed that the Department did not initiate the process for procurement of essential drugs, medicines and surgical consumables in time for the block period 2015-17. The notice for invitation of bids was issued only on 27 March 2015. The date of opening of the bids was 19 June 2015 and the offers were valid for 90 days. As the Department did not complete the process within the validity period, GoR decided (September 2015) to cancel the tender and initiate the process afresh. However, fresh bids invited (October 2015) by the Director, AHD for the period December 2015 to November 2017, could also not be finalised as the format of Bill of Quantities (BoQ) in Notice Inviting Tender, was ambiguous. Finally, RCs for procurement of medicines for the period 2016-18 were finalised only in December 2016 and as a result no RC existed for 18 months from July 2015 till December 2016.

Meanwhile, to ensure the continuous supply of medicines during this gap period, purchase orders were issued (December 2015: ₹ 20.71 crore and September 2016: ₹ 30.78 crore) to two Public Sector Undertakings (PSUs) i.e. Karnataka Antibiotics and Pharmaceuticals Limited and Bengal Chemicals and Pharmaceuticals Limited to fulfill the demands for 2015-17.

Comparison of the rate of medicines supplied by the PSUs during 2015-17 with that of rates later approved in RCs for 2016-18 revealed that the rates of

[7] *Mukhyamantri Nishulk Dava Vitran Yojana* was started across the State since 2nd October, 2011 in order to distribute most commonly used drugs free of cost to all patients visiting Government Hospitals.

PSUs were substantially higher than the corresponding rates in RCs by 38 to 637 *per cent.* This led to procurement of medicines at higher rates resulting in avoidable extra expenditure of ₹ 29.48 crore.

Thus, delay on part of the Department in initiating the procurement process well in time for the next block and delay in finalising the bids within the prescribed timeframe forced the Department to procure medicines at higher rates resulting in avoidable extra expenditure.

GoR stated (November 2017) that State Level Departmental Purchase Committee (DPC) took more time in scrutiny of the large numbers of bids (98 bids) and therefore, the bids could not be finalised in prescribed time. Thus, the bids were cancelled and it was ordered to invite fresh bids. The bids were invited (October 2015) afresh but due to some clerical error in the format of BOQ, it became ambiguous and the tender was ultimately cancelled by the Government.

The reply is not convincing as the delays were attributable to the Department as they not only delayed the initiation of the procurement process but also could not finalise the bids within the prescribed time limit. Further, even the revised bid was cancelled due to ambiguity in BoQ.

Thus, the delay of the Department in finalisation of bids and procurement of medicines at substantially higher rates resulted in avoidable extra expenditure of ₹ 29.48 crore.

Department of Medical Education

3.4 Undue favour to firms

Undue favour to firms in payment of lease rent led to non realisation of lease rent of ₹ 1.02 crore to Sawai Man Singh Hospital.

Rajasthan Medicare Relief Society (RMRS) was established (October 1995) to assist the hospitals attached with Medical Colleges, in providing various diagnostic and treatment facilities at nominal cost to patients and purchase/ running of machineries, equipment, tools and plants for the hospitals. RMRS is an autonomous non government body registered under Rajasthan Societies Registration Act, 1958. Rajasthan Medicare Relief Society Revised Rules, 2007 issued (April 2007) by Government of Rajasthan (GoR) provided that RMRS would generate income from various sources including rent from the shops, auditorium and other assets of the hospitals.

Charak Bhawan of Sawai Man Singh (SMS) Hospital, Jaipur has two designated shops for medical stores and RMRS, Jaipur was collecting their lease rent. RMRS leased the shops out (April 2008) to M/s Gayatri Medicos and M/s Baapji Medicos for seven years up to 2015. The firms were required to deposit lease amount of ₹ 0.25 crore for the first year, which was to be increased annually by 10 *per cent*. The lease amount was required to be

deposited in advance (one month prior to the end of previous year) failing which, 18 *per cent* interest was payable. If the firms did not deposit the lease rent even after one year, RMRS could get the shops vacated.

The firms deposited the lease rent for the period 2008-12, but did not pay lease rent for subsequent years i.e. 2012-15. The firms requested for reduction in the lease rent, as the sale of medicines was decreasing and they were not able to deposit the lease rent anymore after introduction of '*Mukhyamantri Nishulk Dava Vitran Yojana*' (MNDVY)[8] in October 2011.

Though M/s Gayatri Medicos vacated the shop on 28 February 2014, RMRS recovered the lease rent only up to 30 April 2012 and waived off the lease rent for the period May 2012 to February 2014. Further, in the case of M/s Baapji Medicos, though it vacated the shop on 31 March 2014, RMRS recovered the normal lease rent only up to 31 March 2012 and allowed for payment of discounted (50 *per cent*) lease rent and interest there upon for the period from April 2012 to March 2014.

Test check of records (February 2017) of SMS Hospital revealed that despite the fact that the lessees had defaulted in depositing the lease amount due for 2012-14, RMRS did not initiate action to cancel the lease and take over the possession of the shops in 2012 itself. RMRS also allowed M/s Gayatri Medicos to deposit the lease amount only up to April 2012, even though it had possession of the shop till February 2014. Further, RMRS also allowed discount of 50 *per cent* in the lease rent for 2012-14 to M/s Baapji Medicos. Both shops were re-allotted (December 2014) to other new parties on the annual rent of ₹ 0.37 crore and ₹ 0.34 crore respectively, which corresponded to the lease rents which were required to be paid by the lessees in case they had continued their leases with annual increase of 10 *per cent* as per the original agreement.

Accepting the request for waiver/reduction in lease rent, without initiating action for retendering, was not justified as the shops were leased out on corresponding rates in December 2014 even though MNDVY was in operation. Thus, RMRS unduly favoured both firms by allowing discounts in payment of the lease for 2012-14. This resulted in non realisation of lease rent of ₹ 1.02 crore (₹ 0.66 crore[9] from M/s Gayatri Medicos and ₹ 0.36 crore[10] from M/s Baapji Medicose).

GoR stated (July 2017) that the decision regarding waiver in period and amount of lease rent was approved (May 2015) by the Principal Secretary, Medical Education who is also President of RMRS.

The reply is not convincing as the firms defaulted in payment of lease and RMRS did not take action to cancel the leases and get the shops vacated and re-allot them to other firms. Later, the shops were re-allotted on an annual lease amount of ₹ 0.37 crore and ₹ 0.34 crore respectively, despite the fact

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8 *Mukhyamantri Nishulk Dava Vitran Yojana* was started across the State since 2nd October, 2011 in order to distribute most commonly used drugs free of cost to all patients visiting Government Hospitals.

9 1 May 2012 to 28 February 2014.

10 1 April 2012 to 31 March 2014.

that MNDVY was still in operation. The fact remains that undue favour to the firms in payment of the lease amount due to the Hospital for 2012-14, resulted in non-realisation of lease rent of ₹ 1.02 crore.

3.5 Unfruitful expenditure on construction of Auditorium

Failure of the Department to ensure timely completion resulted in unfruitful expenditure of ₹ 2.35 crore since the requirement of auditorium had ceased as per new norms of Medical Council of India.

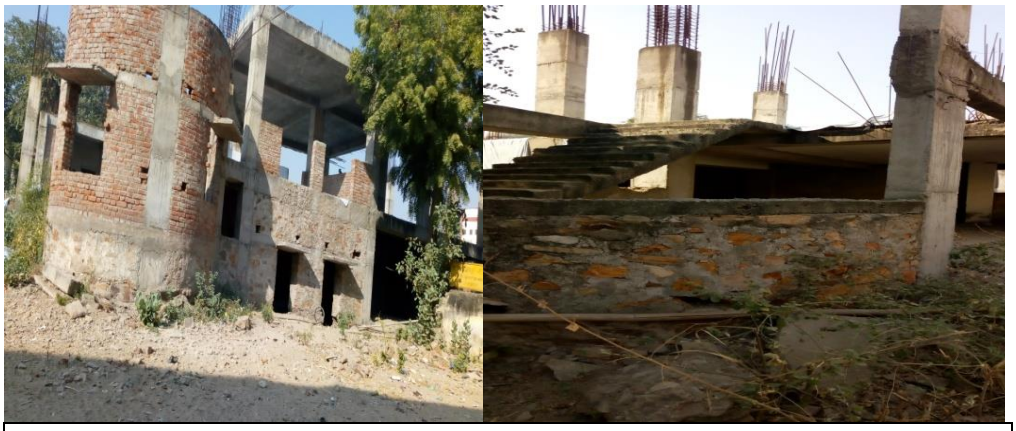
Administrative and Financial (A&F) sanction of ₹ 3.75 crore for the construction of auditorium in Jawahar Lal Nehru (JLN) Medical College, Ajmer with seating capacity of 600 students (1,263 square meters area) was accorded (January 2012) by the Government of Rajasthan (GoR) with the condition to carry out all construction work, essential to fulfil the norms of Medical Council of India (MCI). Construction work of the auditorium was awarded by Public Works Department (PWD) in December 2012 due to delay in issue of technical sanction (September 2012). The work was scheduled to be completed in December 2013.

Test check (September to December 2016) of the records of the Principal and Controller (P&C), JLN Medical College, Ajmer revealed that the construction work which was to be completed within one year by December 2013, was delayed and lying incomplete after incurring expenditure of ₹ 2.35 crore[11].

Scrutiny of the records further revealed that on the request of P&C (June 2015) PWD submitted (January 2016) a revised estimate of ₹ 13.50 crore for construction of auditorium having 2,760 square meter area with a capacity of 800 students. Meanwhile, as the requirement of the auditorium ceased to be in the new norms (July 2015) of MCI, P&C sought (August 2016) technical advice from PWD to alter the existing structure of the auditorium within the sanctioned amount of ₹ 3.75 crore into three examination halls and a lecture theatre to fulfill the new norms of MCI. Subsequently, Deputy Architect of PWD visited (October 2016) the site and reported (October 2016) that the building was constructed up to plinth level and has design features of an auditorium such as curvilinear stepped floor with aisles etc., and was unsuitable for use as examination halls.

PWD further intimated (February 2017) that alteration of the existing structure was technically not possible and to complete the original work of the auditorium, revised A&F sanction of ₹ 6.75 crore was required as the original sanction of ₹ 3.75 crore was insufficient to complete the work. Therefore, even after a lapse of more than five years from issuing the sanction for construction, it is lying incomplete and its utility as auditorium with the passage of time has also ceased as per new MCI norms.

[11] 2012-13: ₹ 0.90 crore; 2013-14: ₹ 0.75 crore; 2014-15: ₹ 0.20 crore; 2015-16: ₹ 0.31 crore; 2016-17 (up to October 2016): ₹ 0.19 crore.



Incomplete building of auditorium at JLN Medical College, Ajmer

GoR stated (July 2017) that A&F sanction of ₹ 3.75 crore was issued for construction work of 1,263 square meter area on the basis of preliminary estimates but detailed drawings were approved by P&C for 2,760 square meter area and accordingly work was started. The cost of construction increased due to increased area of construction and non-inclusion of the essential furnishing work[12] in the original estimate. Revised A&F sanction of ₹ 13.50 crore for completion of the auditorium was awaited. It was also stated that the proposal of ₹ 6.75 crore for revised A&F sanction was erroneously submitted by the PWD in February 2017.

However, the fact remains that even after six years after sanction for construction of auditorium, neither has the auditorium been completed nor has the incomplete structure been modified for any other purpose thereby rendering expenditure of ₹ 2.35 crore unfruitful. Moreover, the requirement for an auditorium had ceased as per the new norms of MCI.

Medical and Health Department

3.6 Unfruitful expenditure

Lack of planning at the Department level and coordination with the district units resulted in unfruitful expenditure of ₹ 3.33 crores on construction of *dharmshalas* at District Hospitals and Community Health Centres.

Government of Rajasthan (GoR) accorded sanctions for construction of *dharmshalas* at District Hospitals (May 2013) and Community Health Centres (August 2013) to provide accommodation to the relatives and attendants of the patients and directed to submit a plan for their operation to the Finance Department before commencement of the construction work. Consequently, Director (Public Health), Medical and Health Services issued (December 2014) instructions for operation of *dharamshalas* through Medical Relief Societies (MRS) and Non Government Organisations (NGOs).

[12] Acoustic system, wall panelling, false ceiling, furnishing, sound system and stage light.

Scrutiny of records of Principal Medical Officer (PMO), Tonk (December 2016) and Banswara (February 2017) revealed that *dharamshalas*, which already existed, were operational at both District Hospitals (DHs). In Banswara, the relatives and attendants of the patients were staying in the already existing "*wagad dharmasala"*. In Tonk, though a *dharamshala* existed there from 2006 onwards, only seven rooms out of total 24 rooms were occupied and that too only for two days. Thus, the existing *dharamshalas* at both the DHs were sufficient to cater the demand of the persons staying with the patients. It was, however, observed that without assessing the requirement, new *dharamshalas* were constructed in Tonk and Banswara at a cost of ₹ 0.71 crore and ₹ 0.95 crore respectively and handed over in December 2014 to PMOs for operations.

It was further observed that four *dharmashalas* were also constructed at Community Health Centres[13] (CHCs) in Rajsamand, Barmer and Chittorgarh Districts at cost of ₹ 1.67 crore and handed over to respective CHCs during August 2014 to May 2015. It was noticed that the plan for their operation was not prepared since their handing over, which was contrary to the direction of GoR to submit a plan for their operation before commencement of the construction works. It was, however, observed that these *dharamshalas* were not operational since their handing over to the medical authorities.

PMO, Tonk intimated (December 2016) that he did not submit proposal for construction of new *dharmasala* and PMO, Banswara proposed (January 2017) to use newly constructed *dharamshala* for office purpose. Medical Officers of CHCs stated that no instructions were received to operationalise these *dharamshalas.* However, the fact remained that all these six *dharamshalas* were not being used after their construction.

Thus, two *dharamshalas* were constructed at DHs without assessment of their requirement and four *dharamshalas* were constructed at CHCs without preparation of plan for their operation. This resulted in none of these *dharamshalas* being utilised and rendered expenditure of ₹ 3.33 crore unfruitful. This also pointed to the lack of planning at the Departmental level in assessment of their requirement of *dharamshalas* and coordination with the district units for operation of *dharamshalas* constructed at CHCs.

GoR stated (September 2017) that all PMOs and Community Medical Officers have been directed to alternatively utilise *dharamshalas* for malnutrition treatment, training, residential accommodation and for office premises.

The fact remains that the *dharmshalas* were constructed without adequate planning and coordination with the district units for their operation, which rendered expenditure of ₹ 3.33 crore unfruitful so far.

[13] District-Rajsamand: CHC Delwara (₹ 0.45 crore) and CHC Khamnor (₹ 0.44 crore), District-Barmer: CHC Sivana (₹ 0.29 crore) and District-Chittorgarh: CHC Gangrar (₹ 0.49 crore).

Public Health Engineering Department

3.7 Infructuous expenditure on procurement of pipes

Imprudent and hurried decision of procuring Ductile Iron pipes and not utilizing them resulted in pipes lying idle in the store for more than six years thereby rendering expenditure of ₹ 2.65 crore infructuous.

Bisalpur dam is the main source of drinking water for Ajmer district. Due to shortfall of rains during the period 2007-10, the availability of drinking water in the Bisalpur dam was estimated to be sufficient upto second week of July 2010. Accordingly, Additional Chief Engineer (ACE), Public Health Engineering Department (PHED), Ajmer proposed (April 2010) a contingency plan for rejuvenation of Sandla well fields[14] for supply of an additional quantity of 20 Million Litre Daily (MLD) of water to Ajmer and other towns, if the rains failed to arrive by June/July 2010. The proposal was approved by Policy Planning Committee (PPC) of Rajasthan Water Supply and Sewerage Management Board (RWSSMB) in its meeting dated 15 May 2010, which directed ACE to make action plan for implementation of the scheme.

The scheme included (i) rejuvenation and development of the existing 15 Tube Wells (TWs), (ii) rejuvenation and development of three Open Wells, (iii) repairing of existing Clear Water Reservoir (CWR), (iv) construction of 30 new TWs, and (v) laying of a 700 mm diameter Ductile Iron (DI) K-7 pipeline of 27 km length from Sandla pump house to Baghera Head works. Later in a meeting held on 25 June 2010 under the Chairmanship of Chief Secretary, it was decided that the works relating to the scheme would be executed only if inflow of water into the dam did not start by 31 July 2010.

Test checks (March 2016) of the records of Executive Engineer (EE), PHED, Project Division, Kekri revealed that ACE prepared the action plan as directed (May 2010) by the PPC and placed a supply order for procurement of 21,000 meters of 700 mm/DI K-7 pipes to M/s Jindal Saw Limited, New Delhi under rate contract on 15 July 2010. As per supply order, at least 4,000 metre of pipes were to be supplied per week. The firm supplied 3,203 meters of pipes from 25 July 2010 to 03 August 2010 after which the supply order was suspended (6 August 2010) as inflow of water started in the Bisalpur dam. It is evident that the supply order of pipes were placed in haste on 15 July 2010 despite the decision taken in the meeting of Chief Secretary to wait till 31 July 2010 to see the inflow of water into the dam. As the supplier was under rate contract, PHED should have issued a conditional order considering the decision made at the highest level to wait till 31 July 2010 to see the inflow of water into the dam and then take action. The hasty action of ACE to place supply order overlooking the direction of Chief Secretary was not prudent. Meanwhile, the inflow of water in the dam started on 22 July 2010 i.e. three days before the receipt of pipes which commenced from 25 July to 03 August.

[14] Sandla well field is situated in the Banas river and was source of water for Ajmer and other towns prior to its submergence in Bisalpur Dam during 1995.

Thereafter, a decision was taken by Finance Committee on 6 August 2010 to suspend the supply order of DI pipes. Had PHED taken prompt action to suspend the supply of pipes after starting of inflow of water in the dam, the expenditure of ₹ 2.65 crore on procurement of pipes could have been avoided.

Notwithstanding the hasty decision to procure pipes that were under rate contract, PHED also failed to utilize these pipes for over six years and these pipes were still lying idle in its divisional store.

Though the EE Kekri requested (March 2014) other divisions to utilise these 700mm DI pipes, there were no takers. Though, PHED undertook another project (RRWS&FMP Nagaur Package 03) which required the use of 81 kms of such pipes, these pipes were not utilised therein because no such arrangement was made by the Department to utilise the pipes lying in the divisional store of Kekri Division.

GoR stated (May 2017) that inflow of water in third week of July 2010 was only from local catchment area and it was not possible to make estimation of any certain inflow. The scheme was dropped in first week of August 2010 due to ample inflow of water from local catchment area. It was further stated that there was a possibility of these pipes being used in other projects.

Reply is not acceptable as PHED overlooked the direction of Chief Secretary to wait till 31 July 2010 to see the inflow of water into the dam before procuring the pipes.

Thus, imprudent and hasty decision of procuring DI pipes and failure to utilise them resulted in pipes lying idle in the store for more than six years which resulted in infructuous expenditure of ₹ 2.65 crore. PHED may take steps to ensure that these pipes are put to use immediately to avoid further deterioration.

Technical Education Department

3.8 Unfruitful expenditure on construction of hostel building

Expenditure of ₹ 2.11 crore on construction of women's hostel in Polytechnic College remained unfruitful due to improper planning.

The Ministry of Human Resource Development, Government of India (GoI) introduced a nationwide Scheme on Polytechnics under Coordinated Action for Skill Development in order to enhance enrolment in polytechnic education. The scheme envisaged construction of women hostel in 500 polytechnics, where facilities for hostel and accommodation were inadequate. GoI provided one time financial assistance of ₹ 1 crore for each hostel.

Government Women Polytechnic College (College), Sanganer, Jaipur was established in the year 2006 with intake capacity of 120 students and did not have hostel facility for students coming from nearby districts. The College proposed construction of hostel for 90 students at an estimated cost of ₹ 2.20

crore. Director, Technical Education proposed a DPR on the basis of total sanctioned strength of students in the College without considering the requirement based on the trends in number of students from nearby districts, who actually required the hostel facility. Accordingly, GoI share of ₹ 1.00 crore (₹ 0.95 crore for building and ₹ 0.05 crore for furniture and fixtures) was sanctioned in November 2010 and Government of Rajasthan (GoR) share for ₹ 1.20 crore was sanctioned in November 2011. The hostel building was constructed by PWD in Pratap Nagar of Jaipur city with an expenditure of ₹ 2.09 crore in February 2014. Besides, an expenditure of ₹ 0.02 crore was also incurred on purchase of beds, furniture and utensils *etc*.

Test check (November 2016) of the records of the College revealed that none of the students took admission in the hostel since its completion and beginning of new academic session in August 2014, though the number of intake of students in college was 317 each in 2014-15 and 2015-16, 303 in 2016-17 and 308 in 2017-18.

The College intimated (May 2017) that students did not take admission in hostel because some of the students were residing with relatives or in private hostels nearby and the college hostel was far away from local market/bus stand. Further, presently the number of students from nearby districts was only ten.

Thus, decision to construct a hostel without proper assessment of requirement and just on the basis of a percentage of the total number of students was faulty. This resulted in unfruitful expenditure of ₹ 2.11 crore as the hostel has not been inhabited by even a single student since its completion in February 2014.

GoR stated (August 2017) that the hostel building was constructed in accordance with policy of GoI to encourage the girls towards technical education for women empowerment and construction of hostels for women students in Polytechnic Colleges.

The reply is not convincing as the very purpose of construction of hostel by Government Women Polytechnic College Sanganer, Jaipur was for accommodation of women students coming from nearby districts. The fact that due to locational disadvantage none of the girl students took admission in the hostel since its completion indicated improper planning.

Failure in implementation, monitoring and governance

Medical and Health Department

3.9 Implementation of *Mukhyamantri Nishulk Janch Yojana*

3.9.1 Introduction

Government of Rajasthan (GoR) launched in April 2013 "*Mukhyamantri Nishulk Janch Yojana*" (MNJY), with the objective of reducing high “out of pocket” expenses borne by patients for diagnostic tests and to provide all

healthcare services in the government hospitals. The scheme envisages availability of common essential diagnostic services free of cost to the patients at all government healthcare institutions (healthcare centres) including Hospitals attached with Medical Colleges (MCH), District Hospitals (DH), Sub-District Hospitals (SDH), Satellite Hospitals (SH), Community Health Centres (CHC) and Primary Health Centre (PHC).

GoR issued (March 2013) guidelines for implementation of phase-I of the scheme covering MCH, DH, SDH and SH. Later, CHCs and PHCs (including city dispensaries) were covered under subsequent phases II and III during July 2013 and August 2013 respectively.

Subsequently, Government of India (GoI) also introduced 'National Free Diagnosis Services' during 2014-15 under National Health Mission (NHM), on a similar analogy to provide support to the states for setting up required infrastructure, institutional mechanism, human resources and equipment etc., for free diagnostic services.

Rajasthan Medical Services Corporation Limited (RMSCL) was designated for procurement of equipment and machinery required for implementation of the scheme. The scheme covered 7.67 crore patients during 2013-17 at an expenditure of ₹ 545.75 crore (including funds received under NHM).

Test check of records for the period 2013-17 of RMSCL and 26 hospitals[15] selected[16] in five districts[17] was conducted along with Chief Medical and Health Officer's (CMHO) offices and Biomedical Engineers of two zones[18] during May to August 2017.

Audit findings

Though the scheme covered 7.67 crore patients at an expenditure of ₹ 545.75 crore during 2013-17, certain deficiencies were observed in the implementation of the scheme as discussed in succeeding paragraphs:

3.9.2 Scheme Implementation

The scheme was implemented in three phases during April to August 2013 and covered all the existing government healthcare centres. In phase-I (April 2013), the scheme envisaged conducting 57 basic diagnostic tests free of cost at MCHs and 44 tests at DHs, SDHs and SHs. The scheme was extended to CHCs and PHCs in the subsequent phases during July-August 2013. Subsequently, additional tests were added to the list of free tests during

[15] MCHs: JLN Ajmer, Zanana Ajmer and PBM Zanana, Bikaner; DHs: Sikar and Tonk; SDH: Neem Ka Thana; SHs: Hiran Magri and Chandpole, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Mavli, Malpura, Niwai, Palsana, Reengus and Todaraisingh and PHCs: Bedla, Chanani, Dabok, Diggi, Divrala, Hameerpura, Mamer, Paldi and Ranoli.

[16] MCHs were selected through stratification random sampling and DH/SDH/SH, CHC and PHC were selected through random sampling using IDEA software.

[17] Ajmer, Bikaner, Sikar, Tonk and Udaipur.

[18] Jaipur and Udaipur.

September 2013. As of March 2017, 70 tests at MCH; 56 at DH/SDH/SH; 37 at CHC and 15 at PHC were being conducted.

The year wise position of diagnostic tests conducted by the government healthcare centres, number of beneficiaries and expenditure incurred on the scheme during 2013-17 is given in the **Table 2**.

Table 2

(₹ in crore)

Year	Total number of test carried out	Total number of beneficiaries	Expenditure incurred on the scheme
2013-14	284,98,245	154,06,158	152.16
2014-15	319,99,051	193,52,067	118.33
2015-16	428,65,324	229,02,790	134.45
2016-17	394,98,517	189,91,123	140.81
Total	**14,28,61,137**	**7,66,52,138**	**545.75**

Source: Information provided by the Department and detailed appropriation accounts.

From the above table, it could be seen that the number of beneficiaries increased during 2013-14 to 2015-16 but it reduced by 17.08 *per cent* in subsequent year 2016-17. Scrutiny of records and data provided by the Department revealed the following.

3.9.2.1 Tests not conducted due to non-availability of resources

(i) All existing 2,323 healthcare centres[19] were covered under the scheme in three phases during April-August 2013. Thereafter, GoR established 26 CHCs (during 2013-14) and 601 PHCs (during 2013-14: 593, 2014-15: seven and 2015-16: one). However, no test was carried out under the scheme in these newly established healthcare centres till September 2017.

Further, three CHCs[20] were upgraded during 2013-14 to SHs and 118 PHCs were upgraded (during 2013-14: 114; 2014-15: one and 2015-16: three) to CHCs. However, they were conducting only 37 and 15 tests against prescribed 56 and 37 respectively for SHs and CHCs as of September 2017 for want of administrative and financial sanctions.

GoR stated (December 2017) that the proposal for filling up the gap of infrastructure and manpower to cover the upgraded/newly established healthcare centres under MNJY have been obtained and after arranging the finances they would be covered in stages.

(ii) It was further observed that though 70 tests were prescribed for MCHs, four MCHs were not carrying out the prescribed number of tests as of September 2017 as detailed in **Table 3**.

[19] MCHs: 28; DHs and SDHs: 63; CHCs: 427 and PHCs: 1,805.
[20] SHs: Kala Kua, Alwar; Pratapnagar, Jodhpur and Bari, Dholpur.

Table 3

S. No.	Name of hospital	Number of tests prescribed	Number of tests conducted	Period	Reason for not carrying out prescribed number of tests
1	Government Zanana Hospital, Ajmer	70	10	2013-17	Non-availability of medical equipment, infrastructure and manpower including microbiologist, pathologist and biochemist. Presently 21 tests are being carried out and if required, samples for other tests are sent to the J.L.N. Hospital, Ajmer.
2	T.B. Hospital attached with Medical College, Udaipur	70	8	2013-15	Non-availability of room for installation of Auto Analyzer Machine, which is necessary to conduct 26 prescribed tests.
3	Satellite Hospital, Hiranmagri, Udaipur	70	54	2016-17	Non-availability of proper space in laboratory, manpower and medical equipment.
4	Satellite Hospital, Chandpole, Udaipur	70	56	2016-17	The college[21] did not issue instructions for conducting the tests. Further, non-availability of proper space in laboratory, manpower and medical equipment.

Source: Information provided by the Department.

GoR stated (December 2017) that necessary instructions have been issued to Medical Education Department.

(iii) Six test checked healthcare centres[22] did not make necessary arrangements of manpower, machine and reagents for implementation of the scheme and free diagnostic services could not be provided to the patients.

GoR stated (December 2017) that the necessary instructions regarding posting of staff and regular supply of reagent and consumables have been issued (November 2017) to CMHO/Principal Medical Officers (PMOs) concerned.

3.9.2.2 Common essential diagnostic tests not covered under the scheme

The Core Group constituted by GoR suggested (August 2013) inclusion of additional tests[23] under the scheme. The Department included the suggested additional tests at MCHs and DHs, but did not include two suggested tests {malaria test by card and dengue (rapid) test} at the CHC and PHC level, owing to logistic issues involved in maintaining the cold chain required for diagnostic kits for these tests. It was also decided that the tests could be conducted at the healthcare centres where the cold chain could be maintained.

It was observed that the Department did not issue instructions to CHCs and PHCs in this regard. Consequently, CHCs and PHCs did not conduct the tests free of cost and 12 CHCs[24] and two PHCs (Choru and Itawa Bhopji) carried

[21] SH Chandpole was attached to Ravindra Nath Tagore Medical College, Udaipur from April 2016.

[22] CHCs: Badgaon, Reengus, Palsana and Mavli; SDH: Neem Ka Thana and SH: Hiranmagri.

[23] MCHs: 13 test; DHs: 12 tests; CHCs: 11 tests and PHCs: two tests.

[24] CHCs: Baluheda, Beda, Chomu, Chunavad, Dablirathan, Dudu, Govindgarh, Mania, Paota, Samod, Sanganer and Srikaranpur.

out 12,607 malaria tests and nine CHCs[25] carried out 1,001 dengue tests and charged ₹ 13.10 lakh from the patients during 2014-17.

Thus, the main objective to reduce the 'out of pocket' expenses for diagnostic tests was defeated to this extent due to non inclusion of the tests suggested by the core group, even after lapse of four years from commencement of the scheme.

GoR stated (December 2017) that the healthcare centres charged fee at the rates prescribed by Rajasthan Medical Relief Society (RMRS). However, GoR did not state reasons for non issue of instructions to CHCs and PHCs to conduct tests free of cost where cold chain facility was available.

3.9.2.3 Irregular charging of cash for free tests

The scheme included free tests of radiology, clinical pathology and biochemistry. However, it was observed that seven healthcare centres[26] irregularly charged ₹ 30.02 lakh from the patients for 28,443 tests, during 2014-17.

GoR stated (December 2017) that certain healthcare centres collected payments for X-ray by mistake. Other diagnostic tests were carried out at cost as they were not included in MNJY list at CHC level.

The fact, however, remains that CHCs were charging fees for microbiology and biochemistry tests, which were free under the scheme at district and sub districts hospitals.

3.9.2.4 Free of cost tests in NHM not included in MNJY

GoI launched 'National Free Diagnostic Services' (NFDS) during 2014-15 under National Health Mission (NHM), which provides support to the State for setting up required infrastructure, institutional mechanisms, human resources and equipment etc., and released ₹ 26.56 crore[27] during 2014-17. NFDS included free diagnostic tests at healthcare centres[28]. Prior to the launch of the services, GoI released ₹ 20 crore during 2013-14 for "implementation of MNJY" under NRHM flexible pool.

It was observed that five diagnostic tests at DHs/SDHs, six tests at CHCs and four tests at PHCs, though covered in NFDS, were not included in MNJY. Details are given in **Table 4**.

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[25] CHCs: Basainawab, Bassi, Chomu, Govindgarh, Dudu, Kaithun, Mania, Paota and Samod.

[26] DH, Dholpur: ₹ 2.19 lakh for 3,285 Digital X-Ray; SDH, Balotra: ₹ 22.53 lakh for 19,636 X-Ray; CHC Kumher ₹ 0.58 lakh for 627 X-Ray; CHC Bagru ₹ 1.67 lakh for 2,081 X-Ray; CHC Shahpura ₹ 2.65 lakh for 1,893 USG; CHC Govindgarh ₹ 0.26 lakh for 523 Microbiology and ₹ 0.09 lakh for 252 Biochemistry; and CHC Chomu ₹ 0.05 lakh for 146 Biochemistry.

[27] 2014-15: ₹ 20 crore; 2015-16: ₹ 0.96 crore and 2016-17: ₹ 5.60 crore.

[28] DH/SDH: 57 tests; CHC: 39 tests; PHC: 19 tests; and Sub Centre: Seven.

Table 4

S. No.	Level of Healthcare institution	Name of diagnostic tests available in NHM but not included in MNJY
1	DH/SDH level	Troponin-I/Troponin-T, TSH, Blood Culture (Bactec), Urine Culture, Histopathology–Biospy and/Bone marrow aspiration Exfoliative cytology/cytopathology (five tests).
2	CHC level	PT INR, S. Total Cholesterol, S. Amylase, RPR Rapid Test, Malaria Rapid Test, USG (six tests).
3	PHC level	Platelet count, S. Bilirubin, Malaria (Rapid) Test, Water Quality Testing- H_2S Strip Test for Faecal Contamination (four tests).

GoR, while accepting the facts, stated (December 2017) that the diagnostic tests were not included in MNJY due to decisions taken by the departmental technical committee and non-availability of specialists for these tests.

Further, during 2015-16, under NFDS, 63 number of medical equipment for electrolyte test worth ₹ 60.72 lakh were purchased. The medical equipment were installed at DHs/SDHs/SHs for free diagnostic tests. The electrolyte test was also covered under MNJY only at MCHs. However, during 2014-17, five healthcare centres[29] (DHs: three and SDHs: two) carried out 219 electrolyte tests and collected payments from the patients despite the free facility for conducting the tests.

GoR stated (December 2017) that electrolyte test was not included in the scheme at DH/SDH/SH level and was, therefore, carried out on payment basis. The reply is not acceptable as the machines for electrolyte test were purchased under NFDS and installed at DHs/SDHs/SHs for free diagnostic test.

Similarly, four healthcare centres[30] also charged fee of ₹ 9.68 lakh from the patients for three diagnostic tests (TSH, TROP-1 and Biopsy test), which were included in NFDS list**.**

GoR stated (December 2017) that fee for diagnostic tests were charged as per RMRS rate at healthcare centers, where facilities to conduct these tests were available. The reply is not acceptable as these diagnostic tests were part of the NFDS and were required to be provided free of cost.

Thus, GoR neither included the essential test as prescribed by NHM in MNJY nor made arrangements to ensure the free essential diagnosis services to people despite availability of resources in NHM.

Recommendation:

1. *Considering the fact that more than seven crore patients have been benefitted so far from the scheme, the coverage of the scheme needs to be improved by inclusion of remaining healthcare centres and increasing the number of tests. GoR may also consider enhanced allocation of funds so that free diagnostic services are extended to all areas in the State.*

[29] DHs: Pali, Rajsamand and Tonk; SDHs: Ratangarh and Sojat City.
[30] DHs: Mahila Jodhpur, Pali, and Rajsamand and SH: Banipark, Jaipur.

3.9.2.5 Assurance for quality of test

(i) Non-registration of hospitals having diagnostic laboratories

GoR adopted (August 2011) the central Act[31] for regulation of clinical establishments. The Act provided for registration of clinical establishments and GoR was required to notify the registering authority. However, GoR belatedly issued (June 2013) the notification for designating the registering authority[32] and further issued instructions (June and September 2015) for all hospitals (having diagnostic laboratories) with the capacity of 50 beds or more, to be registered under the Act, by 30 September 2015. Further, instructions for registration of healthcare centres having capacity less than 50 beds, were not issued by GoR.

It was observed that only one (Government Zanana Hospital, Ajmer) out of seven test checked hospitals[33] having capacity of more than 50 beds obtained provisional registration for one year during October 2015, which expired in October 2016.

Thus, in absence of mandatory registration of hospitals (having diagnostic laboratories) under the Act, the availability of the minimum standards of facilities and services in Government healthcare centres could not be ensured.

(ii) Non-compliance with Clinical Establishment Act

Section 12 of the Clinical Establishment Act provided that the diagnostic tests reports would be issued under signature of the person having minimum qualification of post graduate diploma/degree in Biochemistry/Pathology/ Microbiology/Laboratory Medicine.

It was, however, observed that the tests reports were issued under signature of laboratory technicians in 20 test checked healthcare centres[34].

Thus, the provisions for maintaining minimum qualifications for personnel engaged in running the clinical establishments could not be adhered to.

GoR stated (December 2017) that the necessary instructions in this regard have been issued during July 2017.

(iii) Not obtaining quality certification from NABL

Indian Council of Medical Research issued (September 2008) Guidelines for Good Clinical Laboratory Practices (GCLP) for adoption by all laboratories including public sector laboratories for betterment of healthcare services delivery by standardisation of the procedures.

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31 The Clinical Establishment (Registration and Regulation) Act, 2010.

32 District Registering Authority is headed by District Collector.

33 MCHs: JLN Ajmer, Zanana Ajmer; DHs: Sikar and Tonk; SDH: Neem Ka Thana; SHs: Hiran Magri and Chandpole, Udaipur

34 MCH: Zanana Ajmer; DH: Tonk, SDH Neem ka Thana; CHCs Badgaon, Kotra, Laxmangarh, Malpura, Mavli, Niwai, Palsana, Reengus and Todaraisingh; PHCs: Bedla, Chanani, Dabok, Diggi, Divrala, Hameerpura, Mamer and Ranoli.

Accordingly, the Department decided (May 2014) to go in for accreditation of MCHs with National Accreditation Board for Testing and Calibration Laboratories (NABL) and obtaining International Organization for Standardization (ISO) certification for DHs, SDHs and SHs and prepared the budget proposal of ₹ 26.57 crore (₹ 13.47 crore for NABL accreditation and ₹ 13.10 crore ISO certification). However, GoR did not approve the budget proposal for accreditation of the laboratories and their services could not be standardised due to paucity of funds.

(iv) Non-availability of round the clock emergency laboratory services

The scheme stipulated 24×7 emergency laboratory services for Intensive Care Unit, indoor emergency/casualties and other serious patients at MCHs, DHs, SDHs and SHs.

It was observed that round the clock emergency laboratory services were not made available in three healthcare centres[35], out of seven test checked healthcare centres as of March 2017.

GoR stated (December 2017) that the necessary instructions in this regard have been issued (November 2017) to CMHO/PMO concerned.

(v) Non-availability of patient friendly services

The guidelines issued (January 2013) for the scheme stipulated that specified patient friendly services would be provided at all healthcare centres. Further, MCHs were also required to ensure availability of online diagnostic reports. It was, however, observed that out of 24 test checked healthcare centres, the prescribed patient friendly services were not available, as enumerated below:

- Water coolers along with water purifier in 11 healthcare centres[36];
- Desert coolers in 16 healthcare centres[37], even a fan was not available in one healthcare centre (CHC Kotra);
- Counter for registration in seven healthcare centres[38];
- Sun shed upon waiting space in four healthcare centres[39];
- Sample and report collection counter in four healthcare centres[40]; and
- Online reports were not made available by two test checked MCHs[41].

[35] MCH: Zanana Ajmer; DH: Sikar and SDH: Neem Ka Thana.
[36] JLN Hospital, Ajmer, Zanana Hospital, Ajmer; DH: Tonk, SDH: Neem ka Thana; CHCs: Niwai, Toda Raisingh, Kotra and Laxmangarh; PHCs: Hamirpura, Chanani and Mamer.
[37] MCHs: JLN Hospital Ajmer, Zanana Hospital Ajmer; SHs: Chandpole, Hiranmagri, Udaipur; DH: Tonk; SDH: Neem ka Thana; CHCs: Malpura, Newai, Toda Raisingh, Reengus, Kotra, Palsana, Laxmangarh; PHCs: Bedla, Mamer and Ranoli.
[38] MCH: Zanana Hospital Ajmer; CHCs: Kotra, Palsana and PHCs: Hamirpura, Chanani, Bedla and Mamer.
[39] DH: Tonk; CHCs: Badgaon, Laxmangarh and PHC: Bedla.
[40] PHC: Hamirpura, Chanani; CHCs: Mavli and Palsana.
[41] MCH: Zanana, Ajmer and JLN Hospital, Ajmer.

GoR, while accepting the facts, stated (December 2017) that the patient friendly services were provided as per available existing infrastructure and services as prescribed in guidelines will be provided in newly constructed healthcare centres.

3.9.3 Medical equipment, reagents & infrastructure

3.9.3.1 Procurement of medical equipment

The scheme guidelines (January 2013) envisaged that all the healthcare centres should be equipped with necessary medical equipment by July 2013. Further, RMSCL was to provide equipment to the healthcare centres. It was, however, observed that in following cases there was inordinate delay in supply of equipment by RMSCL:

- RMSCL placed orders on M/s General Medical Equipment, Noida for supply and installation of 32 X-Ray machines (300 MA) at a cost of ₹ 1.57 crore during February 2014 to February 2015 in MCHs, DHs and CHCs with delays ranging from seven to 19 months. Further, there were delays of up to 32 months in installation of X-Ray machines in MCHs, DHs and CHCs.

- RMSCL placed orders for supply of Blood Cell Counter (three parts) machines for 13 healthcare centres and fully Automated Clinical Chemistry Analyser machine for 36 healthcare centres and which were provided to the healthcare centres with a delay up to 11 months and 15 months respectively.

GoR attributed (December 2017) delay in supply of equipment to flood in Uttarakhand during July 2013 where the supplier's manufacturing units were situated.

- In CHC Reengus, though the dentist was posted in February 2014 but the dental chair with X-Ray machine was not provided as of August 2017.

GoR stated (December 2017) that dental chair with X-Ray machine was not demanded by CHC Reengus from RMSCL. The reply is not acceptable as incharge of CHC Reengus repeatedly placed the demand for dental chair with X-Ray machine since January 2014 to CMHO Sikar.

- RMSCL supplied (August 2013) an additional X-Ray machine to CHC Todaraisingh even though one X-Ray machine was already functional at CHC. Additional X-Ray machine was not required in CHC as during 2013-17, only 9,003 X-Rays (188 X-Rays per month) were carried out.

GoR stated (December 2017) that efforts are being made to shift the additional machine for utilisation in other healthcare centres.

Thus, due to delay/non supply of these machines the benefits of free diagnostic tests were denied to the patients to that extent.

3.9.3.2 Back up plan for equipment

The Department prepared (May 2013) a backup plan for uninterrupted implementation of the scheme and directed to set up the backup cell at zonal level. The backup cell was to be overseen by Bio Medical Engineer (BME) and have two X-Ray machines, three ECG machines, two CBC machines and two semi auto analysers for replacement of defective machines within the zone. BME was to prepare an inventory of machines in the zone and monitor the operation within the zone.

It was, however, observed that CBC machines in CHCs Badgaon, Niwai and Reengus were out of order for 62 days (June-August 2017), 26 days (September 2014 and January 2016) and 42 days (July-August 2017) respectively but the backup machines available at respective zones were not utilised.

GoR stated (December 2017) that incharges of the healthcare centres concerned did not lodge the complaints timely to BME or through *e-Upkaran*. The reply is not acceptable as CHCs Badgaon and Reengus lodged the complaints timely through *e-Upkaran*, whereas CHC Niwai was not aware of the procedure for mitigation interruption through backup.

Thus, even though the backup cell was created at zonal level, uninterrupted implementation of the scheme could not be ensured.

3.9.3.3 Legal requirements for lab/equipment

Safety code issued by Atomic Energy Regulatory Board (AERB) stipulated that diagnostic X-Ray/X-Ray equipment would obtain the license for operation and provide radiation protection devices such as protective lead glass viewing window, barrier, apron, goggles and thyroid shields, ceiling suspended glass, couch hanging flaps, gloves etc. Instructions in this regard were also issued by GoR in May 2016. It was, however, observed that 16 test checked healthcare centres, except JLN and Zanana hospitals at Ajmer, were being operated without obtaining the requisite license.

Further, healthcare centres were exposing the patients and technicians to harmful radiations also as they did not follow the safety codes and not ensure availability of radiation protection devices such as protective lead glass viewing window (six healthcare centres[42]), ceiling suspended protective glass (16 healthcare centres[43]), couch hanging protective flaps, thyroid shield, protective goggles and gonad shield (15 healthcare centres[44]), protective doors

[42] MCH: Zanana Ajmer; DH: Tonk; CHCs: Badgaon, Laxmangarh, Palsana and Reengus.

[43] MCHs: JLN Ajmer, Zanana Ajmer; DHs: Sikar and Tonk; SDH: Neem Ka Thana, SHs: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Malpura, Mavli , Niwai, Palsana, Reengus and Todaraisingh.

[44] MCH: Zanana Ajmer; DHs: Sikar and Tonk; SDH: Neem Ka Thana; SHs: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Malpura, Mavli, Niwai, Palsana, Reengus, and Todaraisingh.

(13 healthcare centres[45]), protective aprons (Three healthcare centres[46]) and protective gloves (11 healthcare centres[47]).

An additional X-Ray machine was installed in SH Chandpole, Udaipur in the room which could accommodate only one X-Ray machine as per safety norm of AERB.

GoR stated (December 2017) that instructions have been issued (November 2017) to obtain license from AERB and to ensure availability of radiation protection devices.

Recommendation:

2. *The Department may ensure mandatory registration of laboratories for meeting minimum prescribed diagnostic standards and also ensure strict adherence to AERB safety codes so that patients and technicians are not exposed to harmful radiations.*

3.9.3.4 Reagents and consumables

The guidelines (May 2013) provided that CHCs will maintain inventory of 36 laboratory reagents/materials to carry out 28 prescribed tests. These items would be procured by healthcare centres from the budget allocated to them. It was, however, observed that:

- In CHC Malpura, CBC machine could not be utilised for pathological diagnostic tests for 13 days during June 2015 due to non-availability of laboratory reagents.

- Though funds were available with Block Chief Medical Officers (BCMOs) at Malpura and Todaraisingh for procurement of reagents, both BCMOs did not utilize the funds during 2015-17. This led to non supply of reagents to sixteen PHCs.

- In CHC Badgaon, the dentist was posted in April 2013 but the dental chair with X-Ray machine was provided in April 2015. The X-Ray machine could not be utilised as of July 2017, as X-Ray films were not purchased. Similarly, in CHC Niwai, dental X-Ray machine installed during July 2014 could not be utilized for 12 months till June 2015 due to non availability of X-Ray films.

GoR stated (December 2017) that instructions had been issued (November 2017) for procurement of reagents and consumables in advance for requirement of next three months.

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45 DHs: Sikar and Tonk; SDH: Neem Ka Thana; SHs: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Malpura, Mavli, Palsana, Reengus and Todaraisingh.

46 DH: Tonk; CHCs: Niwai and Reengus.

47 MCH: Zanana Ajmer; DH: Tonk; SHs: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Laxmangarh, Mavli, Niwai, Palsana, Reengus and Todaraisingh.

3.9.3.5 Infrastructure

The guidelines (January 2013) issued for implementation of the scheme prescribed standard size for pathology laboratory comprising store, toilets, blood collection counter, technician room, washing area and waiting space and X-Ray room comprising of dark room, store room, staff room, and waiting space. It was, however, observed that in test checked healthcare centres the laboratories were operating in existing facilities and did not have the infrastructure, such as standard size pathology laboratory (in 21 healthcare centres[48]), standard size waiting space in pathology laboratories (in six healthcare centres[49]), waiting space for patients (in seven healthcare centres[50]), standard size X-Ray rooms (in 10 healthcare centres[51]), standard size dark rooms for X-Ray (in 11 test checked healthcare centres[52]) and standard size store rooms (in seven healthcare centres[53]).

GoR stated (December 2017) that presently X-ray rooms and pathology laboratories are being constructed in new healthcare centres as per guidelines.

3.9.4 Manpower

3.9.4.1 Availability and deployment of technicians

The scheme guidelines (January 2013) envisaged deployment of Pathologists and Radiologists and recruitment of regular Laboratory Technician (LT), Laboratory Assistant (LA) and Assistant Radiographer (ARG), etc., for strengthening of the laboratories by July 2013. Further, it was also stipulated (May 2013) that to fill up the gap, manpower through contract would be engaged on visiting basis, till the regular manpower was engaged. The position of available staff as of March 2017 is given in the **Table 5**.

Table 5

Name of Post	Total sanctioned Posts	Working Staff (Regular)	Vacancies (in *per cent*)	Working staff (contract)	Vacant Posts after contract	Vacancies after contract (in *per cent*)
Medical officers	9,519	6,824	28.31	-	2,695	28.31
Laboratory Technician	4,975	2,464	50.47	956	1,555	31.26
Laboratory Assistant	2,352	559	76.23	1,032	761	32.36
Assistant Radiographer	1,565	219	86.01	576	770	49.20
Total	**18,411**	**10,066**	**45.33**	**2,564**	**5,781**	**31.40**

Source: Information provided by the Department.

[48] DHs: Tonk; SDH: Neem Ka Thana; SHs: Hiran Magri and Chandpole, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Mavli, Malpura, Niwai, Palsana, Reengus and Todaraisingh and PHCs: Bedla, Chanani, Dabok, Diggi, Divrala, Hameerpura, Mamer, and Ranoli.

[49] SDH: Neem Ka Thana; CHCs: Badgaon, Malpura, Niwai and Reengus; PHC: Divrala.

[50] DH: Tonk; SH: Hiran Magri,Udaipur CHCs: Toda raising, Kotra and Laxmangarh; PHCs: Diggi and Chanani.

[51] SDH: Neem Ka Thana; SH: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Mavli, Palsana, Reengus and Todaraisingh.

[52] SDH: Neem Ka Thana; SH: Chandpole and Hiran Magri, Udaipur; CHCs: Badgaon, Kotra, Laxmangarh, Mavli Niwai, Palsana, Reengus, Todaraisingh.

[53] DH: Tonk and Sikar; SH: Hiran Magri, Udaipur; CHCs: Niwai, Mavli, Reengus and Todaraisingh.

It can be seen from the table that there were huge vacancies of 28.31 *per cent* MOs, 50.47 *per cent* LTs, 76.23 *per cent* LAs and 86.01 *per cent* ARGs. The overall vacancy of staff was 45.33 *per cent*. The vacancy could have been filled up with persons on contract, but only 2,564 persons were deployed on contract leaving 31.40 *per cent* posts vacant as of March 2017.

GoR stated (December 2017) 128 LTs, 27 ARGs and 616 LAs have been recruited between October 2015 and April 2016 and process of recruitment was under progress for remaining vacancies.

It was observed that in following cases, the required manpower was not deployed in the test checked districts, which hampered the conduct of diagnostic tests:

- LTs were not posted in four PHCs (Kathmana, Naner, Parsotia and *Sitapura*) and three city dispensaries (Jail, Police and Old city) of Tonk district, hence none of the prescribed tests were carried out for last two years. Similarly, Radiologists and Pathologists were not deployed in nine CHCs[54] and Pathologists in eight PHCs[55]. In absence of Radiologists and Pathologists, reporting and interpretation of test results were issued under the signature of LTs as discussed in **paragraph 3.9.2.5 (ii)**.

  GoR stated (December 2017) that instructions have been issued to post LTs and however, post of Radiologist/Pathologist was not sanctioned under MNJY.

  The reply is not acceptable as the deployment of Radiologists/ Pathologists was provided in the scheme guidelines (January 2013). Further, Radiologist/ Pathologist were also required under Standards for Medical (Clinical) Laboratories issued by National Council for Clinical Establishment under the Clinical Establishment Act.

- The posts of Physician, Surgeon and Gynecologist were vacant since 2008 in CHC Laxmangarh, consequently, 10 tests (seven biochemistry, one stool, one urine analysis and ECG tests) out of 37 prescribed tests were not carried out during 2013-17.

  GoR stated (December 2017) that the data of tests conducted was not uploaded properly by data entry operator. Reply is incorrect as CHC Laxmangarh stated (August 2017) that the tests were not conducted due to vacant posts of Physician, Surgeon and Gynecologist.

- The posts of Physician and Surgeon were vacant since 2008 in CHC Kotra. Consequently, out of 37 prescribed tests to be conducted in CHC, five tests during 2013-14, nine tests during 2014-15, 16 tests during 2015-16 and five tests during 2016-17 were not conducted.

[54] CHCs: Badgaon, Kotra, Laxmangarh, Malpura, Mavli, Niwai, Palsana, Reengus and Todaraisingh.

[55] PHCs: Bedla, Chanani, Dabok, Diggi, Divrala, Hameerpura, Mamer and Ranoli.

Further, the posts of LT and MO were vacant in PHC Mamer. Consequently, out of 15 prescribed tests to be conducted in PHC, two tests during 2013-14, four tests during 2014-15, three tests during 2015-16 and five tests during 2016-17 were also not carried out.

GoR stated (December 2017) that the efforts will be made to fill up the post of MO in PHC Mamer.

3.9.4.2 Minimum requirements of skilled technicians

Section 38 of Rajasthan Para Medical Council Act, 2008 provided that all paramedical professional should be registered with the Council. It was, however, observed that 93 paramedical professionals in 19 test checked healthcare centres[56] were not registered with the Council.

Further, GoR did not sanction posts of ECG technicians under the scheme and nursing staff/X-Ray technician was carrying out ECG test in 10 test checked healthcare centres[57].

GoR stated (December 2017) that cadre of ECG technicians have been sanctioned and registration of paramedical staff was under process.

Recommendation:

3. *GoR may urgently fill up the vacant posts either by recruitment or by contractual engagement so that quality delivery of services is not compromised.*

3.9.5 Internal control and monitoring

3.9.5.1 Monitoring Committee

GoR directed (March 2013) to constitute monitoring committees for monitoring the progress of scheme at State, zonal and district levels.

It was observed that zonal monitoring committees at Ajmer and Udaipur and district level committees at Sikar, Tonk and Udaipur were not constituted to monitor the progress of scheme.

GoR stated (December 2017) that monitoring and progress of the scheme was being discussed in RMRS meetings.

The fact however, remains that formation of zonal/district monitoring committees for each zone/district as provided in the scheme has not been completed till date.

[56] MCH JLN, Ajmer: 28; MCH Zanana, Ajmer: seven; DH Tonk: 14; SH Chandpole, Udaipur: six; SH Hiran Magri, Udaipur: nine; SDH Neem Ka Thana: eight; CHCs-Badgaon: two; Kotra: two; Laxmangarh: two; Malpura: three; Mavli: two; Palsana: two; Reengus: two and PHC-Bedla: one; Diggi: one; Divrala: one; Hameerpura: one; Mamer: one and Ranoli: one.

[57] MCH: JLN Ajmer; DHs: Tonk and Sikar; SDH: Neem ka Thana; SH: Hiran Magri Udaipur and CHCs: Badgaon, Mavli, Niwai, Palsana and Todaraisingh.

3.9.5.2 Incomplete and incorrect data base

As per the scheme guidelines, every healthcare centre covered under the scheme was required to upload the data of the tests conducted to 'daily test report' module of '*e-Aushadhi*' software.

Scrutiny of the report generated through BMEM software revealed that 255 healthcare centres (in 2013-14), 155 healthcare centres (in 2014-15), 554 healthcare centres (in 2015-16) and 501 healthcare centres (in 2016-17) were not uploading the data of radiology, biochemistry, cardiology and pathology tests conducted by them. Thus, data was incomplete to such extent.

It was further observed that the healthcare centres were maintaining the record of tests conducted by them in their registers. Reconciliation of the data of their registers and data uploaded on *'e-Aushadhi'* revealed that there were discrepancies in the data in following cases in 21 test checked healthcare centres:

- Out of nine test checked PHCs, one PHC[58] over reported the number of tests conducted whereas five PHCs[59] under reported the number of tests conducted on '*e-Aushadhi*'.

- Out of nine test checked CHCs, seven CHCs[60] under reported the number of tests carried out by them on '*e-Aushadhi*'.

- All five test checked DH/SDH/SHs[61] under reported the number of X-Rays carried out by them and two test checked MCHs[62] under reported the number of Combo test (direct/indirect) and X-Rays carried out by them.

- In case of USG tests (sonography), the number of test was also required to be uploaded on IMPACT[63] as well as '*e-Aushadhi*' software. It was, however, observed that the data uploaded by DH, Sikar[64] and SH Hiranmagri[65] on IMPACT match with the record maintained in healthcare centres but did not match with the data uploaded on '*e-Aushadhi*'.

Thus, the healthcare centres were uploading incomplete data on the portal and the data uploaded to the portal was not reconciled with the data captured in the registers maintained by the healthcare centres.

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58 PHC: Ranoli.
59 PHCs: Hameerpura, Chanani, Bedla, Mamer and Dabok.
60 CHCs: Laxmangarh, Kotra, Mavli, Niwai, Palsana, Reengus and Todaraisingh.
61 DHs: Sikar and Tonk; SDHs: Neem Ka Thana and SHs: Chandpole and Hiran Magri, Udaipur.
62 MCHs: JLN and Zanana, Ajmer.
63 Integrated system for monitoring of PCPNDT Act.
64 Data uploaded on IMPACT: 14,958 and *e-Aushadhi*: 14,724.
65 Data uploaded on IMPACT: 4,394 and *e-Aushadhi*: 3,876.

3.9.5.3 Monitoring of faulty equipment through 'e-Upkaran'

RMSCL launched '*e-Upkaran*'[66] for monitoring of usage and repair and maintenance of equipment and instruments from one platform. RMSCL noted that all healthcare centres were not uploading the data of utilization of equipment and intimated (September 2017) CMHOs that 1,318 healthcare centres out of total 2,237 healthcare centres were not uploading the data regularly on '*e-Upkaran*'.

Further, the GoR engaged (August 2016) M/s Kirloskar Technology Delhi (service providers) for repair and maintenance of biomedical equipment installed in the healthcare centres in the State. The service provider was to ensure that no equipment remained dysfunctional beyond 48 hours of registration of the complaint by the user.

Scrutiny of information extracted from '*e-Upkaran*' revealed that 418 complaints of faulty biomedical equipment were pending for periods beyond four days which included 73 complaints of biomedical equipment provided for MNJY.

GoR stated (December 2017) that disposal of complaints were under progress.

Thus, a large number of equipment remained out of order and hampered the free diagnostic services at healthcare centres despite rate contract for repair and maintenance of the equipment.

3.9.6 Conclusion

Mukhyamantri Nishulk Janch Yojana was launched on 7 April 2013, to provide free diagnostic tests to the patients at the government healthcare centres. During 2013-17, the scheme covered 7.67 crore patients at an expenditure of ₹545.75 crore. However, a large number of healthcare centres newly opened (627 PHCs/CHCs) and upgraded (121 CHCs/SHs) were not brought under the scheme even after four years of implementation of the scheme.

Instances of delayed supply and installation of machines were noticed. Though GoR set up the backup cells at the zonal level, defective machines and equipment were not replaced in time. Non-availability of reagents, consumables and infrastructure as per standards also adversely impacted the delivery of services.

In absence of mandatory registration of laboratories under the Act, the availability of the minimum standards of facilities and services in Government healthcare centres could not be ensured. Further, most of the radiology laboratories were functioning without adherence to AERB safety codes thereby exposing the patients and technicians to harmful radiations.

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[66] '*e-Upkaran*' is a web based application and deals with the management and maintenance of equipment and instruments installed at healthcare centres across the State. The healthcare centres were required to uploaded details of machinery and equipment and test carried out on the equipment daily.

There was also substantial shortage of Medical Officers, technicians and radiographers in the laboratories and these shortages adversely impacted the delivery of services under the scheme.

Healthcare centres were either not uploading or uploading incomplete data on the 'e-Aushadhi' and 'e-Upkaran' portals and as a result, the Department could not utilise these online monitoring systems effectively for ensuring uninterrupted delivery of services.

Thus, the Government needs to address the shortcomings to ensure effective implementation of scheme.

Department of Skill, Employment & Entrepreneurship

3.10 Skill Development for Employment in Rajasthan

3.10.1 Introduction

As per census 2011, the population of Rajasthan was 6.85 crore, of which total labour force[67] was 2.99 crore with an annual increase of eight lakh. According to the 2011 census, there were 33 lakh unemployed youth in the State.

Rajasthan is having a young population with 55 *per cent* of its population below 25 years, and hence providing employment to the youth continues to be of paramount importance to the Government. Government of Rajasthan (GoR) has given focus to skill training programmes for employment under the overall policy guidance of the National Policy for Skill Development and Entrepreneurship 2015.

Department of Skill, Employment and Entrepreneurship (DSEE) was established to accelerate and better coordination of skill development and employment generation programmes in the State. Rajasthan Skill and Livelihood Development Corporation (RSLDC) was designated as the premier agency for imparting skill training programmes in the State. Various departments transferred the funds to RSLDC for conducting skill development training programmes under the convergence initiative. RSLDC has established a mechanism to conduct skill training programs through 300 enlisted private Training Partners (TPs). RSLDC would convey the sector/area for training courses and TPs would come up with proposals for training programmes, establishing Skill Development Centers (SDCs), and conducting training programmes.

Currently, RSLDC is organizing three skill training programmes (i) Regular Skill Training Programme (RSTP) for self employment, (ii) Employment Linked Skill Training Programme (ELSTP) to train youths in various skills set where TPs are responsible to provide employment to a minimum number of trainees, and (iii) *Pandit Deen Dayal Upadhyaya Grameen Kaushalya Yojana*

[67] Persons who are either 'working' (employed) or 'seeking or available for work' (unemployed) or both during the major part of the reference period.

(DDU-GKY) - a centrally sponsored scheme focusing on skills development for the rural poor. During 2014-17, expenditure of ₹ 189.81 crore was incurred on these three skill training programmes.

The compliance audit was conducted to ascertain whether the schemes for skill development for employment were effectively implemented with proper monitoring and evaluation. Test check of seven[68] out of 33 districts offices and the headquarters office of the RSLDC was undertaken during April to August 2017. Audit findings, in this regard are discussed in the succeeding paragraphs.

Audit findings

3.10.2 Non-achievement of targets

RSLDC intimated (April 2017) that no targets for RSTP and ELSTP were fixed during 2014-17. It was, however, observed that DSEE planned the target for providing skill training under the programmes which were to be implemented by RSLDC in its annual plans. Further, GoI allotted targets for DDU-GKY during 2014-17. Accordingly, the position of targets and achievement there against during 2014-17, is given in **Table 6**.

Table 6

Scheme	Targets	Achievements	*Per cent*
RSTP	26,000	14,134	54.36
ELSTP	2,30,000	1,27,548	55.46
DDU-GKY	1,00,000	32,418	32.42
Total	**3,56,000**	**1,74,100**	**48.90**

Source: Annual Plan and information provided by the Department.

It is evident from the above table that achievement of target was only 48.90 *per cent* during 2014-17 for the three skill training programmes. The target set may be viewed in the context of the gap study Conducted by National Skill Development Corporation (NSDC-2012) which stated that the requirement of total skilled people was 24 lakh by the end of 2017.

3.10.3 Inadequate emphasis to key sectors

The skill gap study reports of ICRA[69] Management Consulting Services Limited (iMaCS) and NSDC identified 12 key sectors[70] for Rajasthan, in which human resource would require to be skilled.

The information of details of total trainings imparted under various programmes, key sector training provided by RSLDC and the comparisons there against, are given in **Table 7**.

[68] Ajmer, Bharatpur, Bikaner, Jaipur, Jodhpur, Kota and Udaipur.

[69] Investment Information & Credit Rating Agency (ICRA) on behalf of Department of Labour and Employment conducted the study to assist in mapping the human resources and skill of Rajasthan.

[70] Construction, Textiles, Healthcare, Auto Mechanics & Engineering, Tourism & Hospitality, Handicrafts, Food Processing, Mines & Minerals, Gems & Jewellery, Banking & Financial Services, Retail and IT.

Table 7

Skill Programmes	Total trained	Total Trainings in Key Sectors	*Per cent* of trainings in Key Sectors
RSTP	14,134	2,005	14.19
ELSTP	1,27,548	71,152	55.78
DDU-GKY	32,418	23,881	73.67
Total	**1,74,100**	**97,038**	**55.74**

Source: Information provided by the Department.

It is evident from the above table that only 14.19 *per cent* of the trainings under RSTP were in key sectors and it was 55.78 *per cent* for ELSTP. Further, the trainings conducted for key sectors were 73.67 *per cent* under DDU-GKY. Higher number of training programmes in key sectors under DDU-GKY was due to more stringent condition in the scheme guideline to ensure 70 *per cent* employment to the trained youth. This shows that RSLDC did not give adequate emphasis to the key sectors in its two main skill development training programmes i.e. ELSTP and RSTP.

Thus, failure to give adequate emphasis to the key sectors identified by the skill gap study could have been one of the reasons for reduced availability of placements after skill trainings under ELSTP and RSTP.

GoR stated (November 2017) that the skill gap studies of NSDC and iMaCS published in 2013 and 2014 respectively, were at best, indicative only and not exhaustive and employability of each sector were best judged by training partners who were responsible for imparting skills.

The reply is not tenable as NSDC and iMaCS studies assessed the skill gap requirement up to 2015 and 2017 on the basis of specified criteria and RSLDC did not conduct any further study/survey/analysis to identify skill gaps separately. Further, leaving the skill gap employability only to TPs also needs to be viewed in the light of the fact that TPs were unable to provide minimum placement as mentioned in paragraph 3.10.5.

3.10.4 Failure in providing minimum employment

- As per guidelines of the three skill programmes organized by RSLDC, a minimum of 50 *per cent* employment under ELSTP/RSTP and 70 *per cent* under DDU-GKY was required to be provided for the minimum period of three months, within 45 days of completion of the training programme.

Further, as per the guidelines of ELSTP, every placement made by TPs was to be verified by RSLDC's Placement Verification Cell (PVC) through telephone. A minimum of 20 *per cent* placements were also required to be physically verified.

The payment to TPs was to be made in three installments in the proportion of 40:40:20. The last installment of 20 *per cent* was to be released only after ensuring placement of minimum 50 *per cent* of the trainees. The details of number of youth trained and employed as of August 2017 are given in **Table 8**.

Table 8

Name of the Scheme (2014-17)	Information provided	Number of youth trained	Minimum employment required to be given	Number of employment provided	*Per cent* of total trained
1	2	3	4	5	6 (5/3*100)
ELSTP	August 2017	1,27,817	63,908	42,758	33.45
RSTP	August 2017	15,555	7,777	2,807	18.05
DDU-GKY	August 2017	32,418	22,692	16,979	52.38
Total	August 2017	**1,75,790**	**94,377**	**62,544**	**35.58**

Source: Information provided by the Department.

As of August 2017, from the table it was evident that RSLDC was able to provide employment to only 66.27 *per cent* of the minimum requirement and 35.58 *per cent* of the total trained youth.

Verification of placements by PVC for RSTP and DDU-GKY was not made available. However, the detail of verification made by the PVC under ELSTP during 2014-17, is given in **Table 9**.

Table 9

S. No.	Particulars	Total
1.	Number of trainees trained	1,27,817
2.	Number of trainees placed by TPs	42,758
3.	Number of placements forwarded to PVC for verification	26,444
4.	Number of placements found genuine by PVC	9,904
5.	*Per cent* of placements found correct by PVC (4/3*100)	37.45

Source: Information provided by the Department.

From the table, it can be seen that only 61.85 *per cent* of the placements (26,444 out of 42,758) were verified by PVC through telephonic verification. Of the cases verified, only 37.45 *per cent* of the placements (9,904 out of 26,444) were genuine placements. This shows that the employment figures reported by RSLDC in its reports were incorrect to that extent. Further, PVC did not carry out the mandatory physical verification of 20 *per cent* placements. Hence, in the absence of physical verification by RSLDC, the authenticity of the telephonic verifications could also not be validated.

GoR stated (November 2017) that the data on placements by large number of TPs were yet to be received and the deadline for accepting the placement records was revised till November 2017 and hence the placement figures could become better. It was also stated that a decision was taken by the Board to accept placement based on complete documents as final proof of placement. The verification of placed youth by telecalling/physical verification was to be used only for research and impact assessment. Accordingly, revised details of number of youth trained and employed as of November 2017 were provided, which have been compared with the information given in August 2017 in **Table 10.**

Table 10

Name of the Scheme (2014-17)	Information provided	Number of youth trained	Minimum employment required to be given	Number of employment provided	*Per cent* of minimum requirement	*Per cent* of total trained
1	2	3	4	5	6 (5/4*100)	7 (5/3*100)
ELSTP	August 2017 November 2017	1,27,817 1,27,548	63,908 63,774	42,758 53,525	66.91 83.93	33.45 41.96
RSTP	August 2017 November 2017	15,555 14,134	7,777 7,067	2,807 6,619	36.09 93.66	18.05 46.83
DDU-GKY	August 2017 November 2017	32,418 32,418	22,692 22,692	16,979 18,087	74.82 79.71	52.38 55.79
Total	August 2017 November 2017	**1,75,790** **1,74,100**	**94,377** **93,533**	**62,544** **78,231**	**66.27** **83.64**	**35.58** **44.93**

Source: Information provided by the Department.

- It was also observed that TPs, after completion of the training programme were required to submit the final bill to RSLDC. Further, the third installment of 20 *per cent* payment was to be paid only after TP had ensured the placements of minimum number of candidates, within a period of five months of completion of the programme. During 2014-17, third installment of 20 *per cent* was released to only 71 out of 4,849 batches conducted by TPs. In remaining 4,778 (98.54 *per cent*) batches, there were no records of either TPs having claimed the third installment or having been paid.

Thus withholding of 20 *per cent* payment for achieving minimum employment was not having the desired effect of ensuring placement of the candidates by TPs.

3.10.5 Monitoring and Evaluation

- ***Failure of the Department to monitor TPs:*** As per provisions of ELSTP guidelines, RSLDC was to review the performance of TPs, who failed to provide minimum 50 *per cent* of employment after completion of training programmes. Further, no programme was to be allotted for a minimum period of six months to TPs who were unable to provide minimum 35 *per cent* of placement after training. The details of cases in which the percentage of placement of trained youth was less than 50 *per cent* in two or more batches during 2014-17, is given below in **Table 11**.

Table 11

Per cent of placement of trained youth	Number of batches completed	Number of youth trained	Number of placement	*Per cent of placement with total trained*
0	530	14,560	0	0.00
< 35	1,068	29,270	6,460	22.07
35 < 50	1,091	29,315	13,006	44.37
Total	**2,689**	**73,145**	**19,466**	**26.61**
0 – 100	**4,752**	**1,27,548**	**53,525**	**41.96**
***Per cent* with total batches**	***56.59***	***57.35***	***36.37***	

Source: Information provided by the Department.

From the table, it can be seen that mandatory 50 *per cent* employment was not achieved in 2,689 (56.59 *per cent*) out of 4,752 batches. The placement ratio was less than 35 *per cent* in 1,068 batches and no placements were made in another 530 batches. RSLDC was to review all those batches and their TPs for their performance.

This shows that RSLDC was not monitoring the performance of TPs. RSLDC should have scrutinized the TPs for their capacity to provide placement before handing them the training programmes, as 56.59 *per cent* of batches conducted, do not have the required placement ratio.

GoR stated (November 2017) that their review of the TPs' performance was inadequate in view of not receiving complete details from TPs and they in fact, have taken action against 10 and 30 TPs in 2015-16 and 2016-17 respectively.

The reply is not acceptable as despite having 2,689 non-performing batches (relating to 133 TPs) with less than 50 *per cent* placements during 2014-17 only action against 40 TPs was taken, which was inadequate. Further, as a result of not taking action against the non performing TPs, the number of batches with less than 50 *per cent* placements increased from 43.69 *per cent* in 2014-15 to 58.60 *per cent* in 2016-17.

- As per guidelines of ELSTP, the Assessment and Certification (A&C) was to be done by an independent third party, approved by the National Council for Vocational Training (NCVT)/Rajasthan Council for Vocational Education and Training (RCVET)/Sector Skill Council (SSC) or RSLDC. But no evidence of conducting A&C was available on the records of RSLDC.

  GoR accepted (November 2017) the facts and stated that third parties assessment was not fully done in the preceding period as only a few agencies in few sectors conducted the A&C for State funded schemes. Accordingly, A&C for only 1,172 batches (34,953 trainees) were conducted during 2014-17. It was further stated that trained youth would be assessed by independent third party from 2017-18 onwards.

- District Level Skill Development Committees under District Collector were established to review the progress of Skill Development Centers (SDCs). They were required to hold meetings every month to monitor the training programmes. However, only 38 *per cent* of the required number of meetings was held and no records of follow up on the decisions and recommendations taken in the meetings were available with RSLDC.

  GoR accepted the facts and stated (November 2017) that given the vast responsibilities of District Collectors, it was difficult to hold monthly review meetings.

The reply is not acceptable as the Department should have identified a suitable alternate authority to hold review meeting given the importance of monitoring of the training programmes at the district level.

3.10.6 Conclusion

Rajasthan is having a young population with 55 per cent of its population below 25 years, and hence providing employment to the youth continues to be of paramount importance to the Government as there are 33 lakh unemployed youth in the State.

Rajasthan Skill and Livelihoods Development Corporation (RSLDC) designated as the premier agency for imparting skill training programmes could achieve only 48.90 per cent of the targets for the three skill training programmes during 2014-17.

Only 55.74 per cent of the trainings were conducted in identified key sectors (construction, textile, Healthcare, auto Mechanics and Engineering, Banking and Financial Services and IT, etc.).

RSLDC was able to provide employment to 35.58 per cent of the total trained youth and only 37.45 per cent of the placements were genuine.

Thus, there is an urgent need to tackle unemployment through skill development in a holistic manner and ensure effective implementation, monitoring and evaluation of the skill development trainings, so that the problem of unemployment in Rajasthan is adequately addressed.

Urban Development and Housing Department

3.11 Unfruitful expenditure

Non-completion of Sewage Treatment Plant even after lapse of six years, resulted in unfruitful expenditure of ₹ 19.09 crore.

Sewage Treatment Plant (STP) of 30 MLD[71] capacity at village Ralawata, as a part of "Sewerage Network for North West and South East area of Jaipur City" under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) was approved (January 2007) by Jaipur Development Authority (JDA). The work of STP was awarded (December 2009) to M/s Hindustan Dorr-Oliver Limited, Mumbai (firm) on lump-sum basis for ₹ 26.25 crore[72]. The work was stipulated to be completed by 20 June 2011 including three months trial run period. The Operation and Maintenance (O&M) of five years was to commence after commissioning of STP and after issue of the completion certificate by the competent authority.

Test check (May 2017) of records of JDA, revealed that the work was started in October 2010 belatedly, due to delay in approval of drawing by JDA and environment clearance from State Pollution Control Board (SPCB). The work

[71] Million Litres Daily.

[72] Cost of construction was ₹ 22.69 crore and five years Operation and Maintenance was ₹ 3.56 crore.

was lying incomplete since May 2014 after incurring expenditure of ₹ 19.09 crore against the construction cost of ₹ 22.69 crore.

JDA stated (May 2017) that the firm had completed all the work related to treatment of sewage and only automation of the system and minor works remained to be completed. Further, the firm was manually carrying out O&M work and the treated water satisfied the norms as per the report of SPCB. JDA also stated that no payment was being made to the firm towards O&M, as it had not completed all the work. Delay in completion of STP was caused by feeble financial position of the firm and liquidated damage would be recovered only after deciding the final time extension for the work. Meanwhile, penalty of ₹ 1.35 crore had been recovered.

Reply of JDA is not acceptable as the completion certificate had not been issued and trial run of three months has not been carried out till date which indicated that the firm had not completed the work of STP. SPCB while inspecting (April 2016) the STP noted that the existing sewer tank along with additional sewer network was not connected with STP and the treated waste water was mixed with untreated waste water in the Dravyavati River. Further, waste water measuring devices was not installed to measure the daily quantity of treated and untreated waste water and STP was operated without obtaining consent[73] required under the Water Act, 1974. Accordingly, SPCB recommended connecting the sewer network with the STP at the earliest to operate it in full swing and to prepare an action plan to use the treated waste water for gainful purpose. SPCB further noted (May 2016) that polluted effluent was discharged in the river due to poor O&M of STP. This also indicates that STP was not completed up to May 2016.

A physical inspection, conducted in June 2017 by Audit along with JDA officials[74], showed various deficiencies in STP. The deficiencies includes absence of chlorination, sludge digester belt and belt filter process was not operational, constructed plant, tank *etc.*, was not painted and equipment were rusted. Flow meter to measure the inflow and outflow of sewerage was not operational and the system was not automated. In the absence of basic operational monitoring equipment like flow meters etc., the claims of JDA that manual O&M was being done and STP was functioning, could not be verified. The fact remained that the two processes which were essential for treatment of thickened sludge were not yet operational. This fact was also noticed by the SPCB during its inspection in April 2016. The deficiencies noticed in STP in physical inspection, are depicted in pictures below:

[73] Section 25 of the Act provided for prior consent of SPCB for use of new outlet for the discharge of the sewage.

[74] Executive Engineer and Assistant Engineer of JDA and the Plant Manager of the firm, who accompanied the Audit team during physical inspection on 20 June 2017 refused to the sign the joint inspection report.

	
Nominal sewage inflow in Bar Screen Chamber	Rusting lift pump

Thus, failure of JDA in ensuring completion of STP even after lapse of six years, resulted in unfruitful expenditure of ₹ 19.09 crore.

The matter was referred to the GoR, reply is awaited.

Agriculture Department

3.12 Undue benefit to Insurance Companies

Not adhering to operational guidelines of Weather Based Crop Insurance Scheme in selection of Insurance Companies and selecting companies other than L-1 bidder resulted in undue benefit to Private Insurance Companies of ₹ 2.29 crore.

Government of India (GoI) introduced Weather Based Crop Insurance Scheme (WBCIS) as a component of National Crop Insurance Programme to provide insurance cover to all food, oilseeds and annual commercial/horticultural crops. WBCIS aimed to cover all loanee farmers (compulsorily) and non-loanee farmers (optional) of the State, for insurance cover. WBCIS covered substantial crop loss due to Adverse Weather Incidence[75] as decided by the Government of Rajasthan (GoR) through State Level Coordination Committee on Crop Insurance[76] (SLCCCI).

Paragraph 8.3.2 of the Operational Guidelines of WBCIS provided that the GoR would invite the Companies empanelled with GoI to finalise the insurance product and SLCCCI would select lowest bidder (L-1) on the basis of the company quoting the lowest weighted premium for all crops within the district. The weighted premium for each crop was to be calculated by multiplying the *per cent* premium rate quoted by the Insurance Company, sum insured and the estimated area sown. Further, as per paragraph 10.2 of the guidelines, the sum insured was to be reduced in proportion to premium rates capped by the Government, where the premium offered by Insurance Company is higher than the capped level, which was 10 *per cent* of sum insured for *Kharif* season and eight *per cent* for *Rabi* season.

[75] Rainfall (Deficit/Unseasonal/Excess Rainfall, Rainy days, Dry-spell, Dry days etc.); Relative Humidity; Temperature (High and Low); Wind Speed and Hailstorms.

[76] An apex committee in the State to oversee the implementation of NCIP.

Scrutiny of records revealed that the Agriculture Department invited (May 2014 and May 2015) premium rates from empanelled Insurance Companies for both the cropping seasons (*Kharif* and *Rabi*) of 2014-15 and 2015-16. The companies offered crop wise and district wise rate of premium as *per cent* of sum insured. The Department incorrectly evaluated the offers of the companies just by multiplying the percentage premium rates quoted and the estimated area sown, instead of multiplying the percentage premium rates quoted, the estimated area sown with the sum insured[77]. The method adopted by the Department was not in consonance with the provisions of the guidelines, which stated that weighted premium should be calculated by multiplying the sum of premium (to be calculated by sum insured multiplied by percentage premium quoted) with the area sown.

Resultantly, Iffco Tokio, ICICI Lombard and Bajaj Allianz were incorrectly declared as the lowest (L-1) for Karauli, Sirohi and Dausa Districts respectively. Audit scrutiny revealed that by adopting the correct methodology, ICICI Lombard, HDFC Ergo and AIC were in fact the L-1 (lowest) in the respective districts. Consequent upon application of incorrect method, weighted premium calculated by the Department for the allocation of Karauli, Sirohi and Dausa Districts to Iffco Tokio, ICICI Lombard and Bajaj Allianz respectively, was higher by ₹ 4.32 crore (₹ 47.48 crore (-) ₹ 43.16 crore) for the actual area sown in the districts. When this amount is scaled down proportionately to the capped premium percentages, the amount of excess premium paid works out to ₹ 2.29 crore as given in the **Table 12**.

Table 12

(₹ in crore)

Year	District	Capped Weighted Premium as per actual area sown*	Weighted Premium of incorrectly notified insurance company after adopting correct method			Weighted Premium of insurance company was to be notified after adopting correct method			Difference of weighted premium as per actual area sown	Excess premium paid (scale down in respect of capped amount) to notified insurance company
			Name of Insurance Company incorrectly declared as L-1	As per estimated area sown*	As per actual area sown	Name of Insurance Company which was actually L-1	As per estimated area sown*	As per actual area sown		
1	2	3	4	5	6	7	8	9	10(6-9)	11(10/6*3)
2014-15	Karauli	6.91	Iffco Tokio	**59.92**	**14.10**	ICICI Lombard	**48.74**	**13.75**	0.35	0.17
	Sirohi	5.62	ICICI Lombard	**30.07**	**15.46**	HDFC Ergo	**24.36**	**12.71**	2.75	1.00
2015-16	Dausa	16.45	Bajaj Allianz	**36.73**	**17.92**	AIC	**34.57**	**16.70**	1.22	1.12
Total					**47.48**			**43.16**	**4.32**	**2.29**

Source: Information provided by the Department.

GoR stated (December 2017) that insurance companies were selected on the basis of weightage of estimated area sown. The reply was not acceptable as the method adopted for selection of insurance companies was not in consonance with the provisions of the guidelines and the percentage premium rate quoted, the estimated area sown and the sum insured should have been taken account to calculate the weighted premium of insurance companies.

Thus, by not adhering to the provisions of the guidelines in selection of insurance companies, the Department unduly benefited the private insurance companies by ₹ 2.29 crore besides putting additional burden to the state/central government and the farmers to that extent.

[77] Multiplying the percentage premium rates quoted and the estimated area sown without multiplying with the sum insured, the actual premium quoted by the company could not be arrived at.

3.13 Less claims to the farmers

Lesser payment of claims of ₹ 1.49 crore to farmers due to selection of less beneficial indemnity option.

Government of India (GoI) introduced (February 2014) Modified National Agricultural Insurance Scheme (MNAIS) as a component of National Crop Insurance Programme to support growth and competitiveness in the agriculture sector and protect farmers from production risks. MNAIS was aimed at providing comprehensive risk insurance to the farming community to cover yield losses arising due to non-preventable risks.

Paragraph 7.5.2 of the Operational Guidelines of MNAIS provided that the Government of Rajasthan (GoR) would invite all the empanelled insurance companies to submit the premium rates at block/district level, both at 80 *per cent* and 90 *per cent* of indemnity levels[78] along with threshold yield[79], sum insured etc., for the season. The insurance provider was to be selected on the basis of best value for the premium and overall benefits of the product. GoR would evaluate the products and allocate the notified crops/areas to companies on the basis of merit. Further, as per paragraph 8.3 of the guidelines, the actuarial premium was capped at 11 *per cent* of sum insured. As the rates quoted by insurance companies were higher than the cap level, the sum insured was to be scaled down in proportion to the capped premium as provided in paragraph 8.4 of the guidelines [80].

With regard to the selection of insurance companies for *Kharif* 2014 in Pali District, scrutiny of the records of Director (Agriculture) revealed that premium rates (25 and 26.67 *per cent* of sum insured for indemnity levels of 80 *per cent* and 90 *per cent* respectively) submitted by the Future Generali India Limited (Insurance Company), was lowest for all crops. GoR notified (July 2014) the premium rates of the insurance company at 25 *per cent* for all crops of *Kharif* 2014 (except cotton) at indemnity level of 80 *per cent* without comparing the benefits of the other option i.e. 26.67 *per cent* at 90 *per cent* indemnity.

Comparison of claims entitled to the farmers for both the indemnity levels at the scaled down sum insured due to capping of premium at 11 *per cent* of sum insured[81], revealed that the option for indemnity level of 90 *per cent* at premium rate 26.67 *per cent* was more beneficial to farmers, as the amount of premium was same for both the indemnity levels and the farmers would receive more claims on losses. As such GoR should have notified the premium

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78 Indemnity level: Indemnity is compensation for damages or loss whereby one party (the insurer, or the indemnitor) agrees to compensate the other (the insured, or the indemnitee) for any damages or losses, in return for premiums paid by the insured to the insurer. Indemnity levels are levels to which guarantee of threshold yield against the loss are indeminified.

79 Average guaranteed yield of previous seven years excluding two calamity years.

80 In case of crops whose premium will be higher than the cap level, then their sum insured will be reduced in proportion to the cap level.

81 Sum insured for Bajara, Gawar, Jawar and Til was ₹ 6,600/- per hectare and for Maize and Mung ₹ 7700/- per hectare for Kharif 2014.

rate 26.67 *per cent* for indemnity level of 90 *per cent* instead of notified premium of 25 *per cent* at indemnity level of 80 *per cent*.

Thus, due to selection of less beneficial option, 1,17,080 farmers received less claims amounting ₹ 1.49 crore for *Kharif* 2014 in Pali district for 1,07,401 hectare area covered, as given in the **Table 13**.

Table 13

Crop	No. of Farmers	Area Covered (In Hect.)	Scaled Down Sum Insured at 25% premium for 80% Indemnity Level per hectare (in ₹)	Scaled Down Sum Insured at 26.67% premium for 90% Indemnity Level per hectare (in ₹)	Average production per hectare	Average guaranteed yield at 80% of Indemnity Level (Kg./ hectare)	Average guaranteed yield at 90% of Indemnity Level (Kg./ hectare)	Less claim received (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = [{(8)-(6)}/(8)*(5)-{(7)-(6)}/(7)*(4)]*(3)
BAAJRA	17,997	12,750	2,904	2,722	475	627	705	23,46,362
GAWAR	37,359	33,912	2,904	2,722	288	432	486	47,80,336
JAWAR	9,366	5,749	2,904	2,722	248	441	497	5,33,662
MAIZE	1,941	1,497	3,388	3,175	829	946	1,064	4,22,817
MUNG	25,817	26,332	3,388	3,175	215	400	450	24,12,743
TIL	24,600	27,161	2,904	2,722	162	226	254	44,42,170
	1,17,080	**1,07,401**						**1,49,38,090**

Source: Information provided by the Department.

GoR stated (December 2017) that the premium was higher at the indemnity level of 90 *per cent*. The reply was not convincing as the actuarial premium was capped at 11 *per cent* of actual sum insured and option for indemnity level of 90 *per cent* at premium rate 26.67 *per cent* was more beneficial to farmers due to capping in premium.

Thus, selection of insurance company without comparison of its premium rates at both levels of indemnity, resulted in lesser payment of claims of ₹ 1.49 crore to 1,17,080 farmers of Pali District, thereby undermining the main objective of the scheme of providing best value and overall benefits of the insurance product to the farmers.

3.14 Loss of claims to loanee farmers

Loss of claims to loanee farmers amounting to ₹ 31.27 crore besides paying excess premium of ₹ 8.68 crore due to application of incorrect Area Correction Factor by the Insurance Companies.

Crop insurance is a financial mechanism to protect the farmers against uncertainties of crop production due to natural factors and to minimise the loss in crop production, by factoring in large number of uncertainties having impact on crop yields.

The Operational Guidelines for National Crop Insurance Programme (NCIP) issued by Government of India (GoI) provided that the risk period (i.e. insurance period) would be from sowing period to maturity of the crop and depends on the duration of the crop and weather parameters and vary with

individual crop and Reference Unit Area[82] (RUA.) These details would be notified by State Level Coordination Committee on Crop Insurance (SLCCCI) before the commencement of each risk period. However, in case, the acreage insured under a crop in a RUA or part thereof is more than the acreage sown for the crop, the claims shall be proportionately reduced by applying the 'Area Correction Factor' (ACF[83]) in concurrence with the Government of Rajasthan (GoR). GoR would be free to verify the details of individual farmers to arrive at accurate acreage sown within a maximum period of three months. Further, guidelines entrusted the Department of Agriculture and Co-operation (DAC) of GoI to decide the disputed claim cases received through the GoR.

Scrutiny revealed that the GoR issued notifications for crop insurance for different seasons in four districts (Alwar, Bikaner, Jhalawar and Pali) in favour of four Insurance Companies[84] with condition that the claims would be settled on the basis of the crop area reported in the *Girdawari*[85]. The Insurance Companies applied ACF and treated the acreage insured under the crops in RUAs less than the acreage sown for the crops, based on the *Girdawari* reports. Accordingly, sown area was reduced by 2,27,030 hectares for *Rabi*-2013-14, *Kharif* 2014, *Kharif* 2015 and *Rabi* 2015-16 by the Insurance Companies, which resulted in loss to 3,89,296 farmers on account of insurance claims amounting to ₹ 31.27 crore, as detailed in **Table 14**.

Table 14

(Area in hectares)

District	Crop Season	Area Insured before applying ACF	Area Insured after applying ACF	Area Corrected for 'sowing failed down area' (*per cent*)	No. of Farmers	Premium paid on account of 'sowing failed down area' (in ₹)	Claim Disbursed (in ₹)	Loss of Claims to Loanee Farmers (in ₹)
(1)	(2)	(3)	(4)	(5) (3- 4)	(6)	(7)	(8)	(9)
Bikaner	*Rabi* 2013-14	33,488	14,472	19,016 (56.78%)	13,286	85,38,184	4,60,23,428	6,03,08,018
	Kharif 2015	67,243	26,883	40,360 (60.02%)	21,303	1,11,29,260	2,31,81,510	3,49,02,400
Jhalawar	*Rabi* 2013-14	77,366	55,242	22,124 (28.60%)	71,396	2,16,24,636	18,09,96,710	7,42,65,196
	Kharif 2014	1,19,539	55,419	64,120 (53.64%)	31,756	1,48,11,720	3,67,54,622	4,25,11,560
	Kharif 2015	1,01,285	86,367	14,918 (14.73%)	58,659	61,16,380	16,29,65,912	2,81,50,266
	Rabi 2015-16	87,721	64,547	23,174 (26.41%)	74,794	1,47,85,012	5,41,93,003	1,94,66,160
Pali	*Kharif* 2015	80,199	46,431	33,768 (42.10%)	81,680	71,93,777	6,16,48,985	4,54,32,709
Alwar	*Kharif* 2014	23,215	19,335	3,880 (16.72%)	22,215	6,53,947	48,14,295	10,18,572
	Kharif 2015	9,848	4,178	5,670 (57.58%)	14,207	19,05,120	49,31,309	66,90,600
	Total	**5,99,904**	**3,72,874**	**2,27,030 (37.84%)**	**3,89,296**	**8,67,58,036**	**57,55,09,774**	**31,27,45,481**

Source: Data provided by the Insurance Companies.

Besides the loss of claims, additional premium of ₹ 8.68 crore was also paid for "sowing failed down area" without having any insurance coverage as the insurance companies reduced in the acreage insured by applying ACF. As such the premium of ₹ 8.68 crore should have been refunded to the farmers.

[82] Reference unit area shall be considered as a unit area of insurance for the purpose of acceptance of risk and assessment of compensation as well.

[83] Area Correction Factor is arrived at by dividing the area sown by the area insured for a given unit area, and applied on the claim amount in order to scale it down. As a result, the claims of all the farmers in a unit area are scaled down uniformly.

[84] Bajaj allianz, Cholamandalam MS General insurance, HDFC Ergo and ICICI Lombard.

[85] Girdawari : The crop area statistics collected by village accountant (Girdawar) on the basis of complete enumeration of operational holdings called girdawari.

In this context, it is also pertinent to mention here that while making settlement of the disputed claims of Churu district for *Rabi* 2011-12, DAC admitted (May 2012) that application of area reduction/correction factor was not justified for those farmers who have recorded their correct acreage in loan application forms/ insurance proposals. As the farmers had taken loans for the sown area and crop insurance premium was charged accordingly, therefore insured area should be the sown area and not the crop area reported at the time of *Girdawari.*

GoR stated (December 2017) that a web portal has been created for crop insurance which would enable in assessment of actual crop loss and relief from ACF method. However, the facts remained that the loanee farmers suffered a loss of claims of ₹ 31.27 crore besides paying excess premium of ₹ 8.68 crore due to incorrect application of Area Correction Factor.

3.15 Delayed submission of premium amount by the Bank deprived the farmers of their insurance claim

Lack of proper monitoring and adequate follow up by Government of Rajasthan resulted in deprival of insurance claim of ₹ 6.92 crore to the farmers.

Weather Based Crop Insurance Scheme (WBCIS) was launched by Government of India from Kharif 2007 with an aim to mitigate the hardship of the insured farmers against the likelihood of financial loss on account of anticipated crop loss resulting from incidents of adverse conditions of weather parameters. As per the scheme, all loanee farmers of the State were compulsorily required to be covered by insurance through the loan disbursing Bank. The loan disbursing branch was required to remit the collective premium to the nodal branch of the Bank, who would furnish the premium along with details to the Insurance Company. As per the Paragraph 8 B (c) of the operational modalities of WBCIS, a State Level Co-ordination Committee on Crop Insurance (SLCCCI) was authorized to oversee the implementation of the Scheme. It also provided for setting up a monitoring and review committee to review the performance of the scheme by Government of Rajasthan (GoR).

Scrutiny of the records of Director, Agriculture Department, revealed that GoR issued (December 2012) notification regarding WBCIS which prescribed 31 January 2013 as the cut off date for submission of declaration forms of cultivators along with premium to Agriculture Insurance Company Limited (AIC) for Rabi 2012-13 in Jodhpur district. It was also mandatory for the Banks to cover all loanee cultivators under the Scheme to whom the loan was disbursed up to 31 December 2012. The responsibility to submit the declaration forms and premium to the Insurance Company rested with the Bank. Further, as per the notification, the Bank concerned would be responsible for any delay in submission of premium to the Insurance Company and any claim payable on such delay would be borne by the Bank.

Further information collected (April 2017) from State Bank of India (SBI), Branch-Osian, Jodhpur revealed that the lending branches of SBI belatedly

deducted premiums from the accounts of loanee cultivators and remitted to its Nodal Branch-Osian, Jodhpur in February 2013. Thereafter, the Nodal Branch submitted premium of ₹ 1.65 crore relating to 7,485 farmers to the Insurance Company i.e. AIC in February and March 2013 i.e. after cut off date of 31 January 2013. Consequently, AIC rejected the applications and returned the premium amounts to the Bank.

The farmers of the area suffered crop loss due to adverse weather and other loanee farmers of the area received their claims through banks (Bank of Baroda, ICICI Bank Limited, Jodhpur Central Co operative Bank Limited etc.), whereas the loanee farmers of SBI of the area did not receive insurance claims worth ₹ 8.57 crore. This resulted in depriving the farmers of insurance benefits of ₹ 6.92 crore (₹ 8.57 crore claim amount reduced by ₹ 1.65 crore of premium amount) on loss to their crops. It was further observed that the matter of delay in submission of premium by SBI to AIC was not taken for consideration in the meeting of SLCCCI, held during June 2013 despite the fact that it was impacting 7,485 small and marginal farmers of area, who suffered crop loss due to adverse weather conditions.

While accepting the facts, the GoR stated (December 2017) that directions have been issued to SBI to remit the insurance benefits into farmers' accounts.

Thus, lack of proper monitoring and adequate follow up in review of the Scheme by GoR resulted in deprival of the 7,485 farmers from insurance claim of ₹ 6.92 crore on their crop loss for Rabi 2012-13. Moreover, GoR did not initiate any action on its own against SBI for delays caused and subsequent loss of claims to farmers. Only after being pointed out by Audit in September 2016, GoR directed SBI in February and November 2017 to disburse the claim amount into the account of the loanee farmers.

JAIPUR,
The 21 May 2018

(R. G. VISWANATHAN)
Principal Accountant General
(General and Social Sector Audit), Rajasthan

Countersigned

NEW DELHI,
The 22 May 2018

(RAJIV MEHRISHI)
Comptroller and Auditor General of India