

**CHAPTER-II**  
**PERFORMANCE REVIEW AND**  
**AUDIT OF TRANSACTIONS**  
**PANCHAYATI RAJ INSTITUTIONS**

This chapter contains one performance review on 'Desert Development Programme', one long paragraph on 'Disposal of *abadi* Land by Panchayati Raj Institutions' and five paragraphs relating to Transaction Audit of Panchayati Raj Institutions.

**PERFORMANCE REVIEW**

**2.1 Desert Development Programme**

*Highlights*

*Desert Development Programme (DDP), a Centrally Sponsored Programme was launched in 1977-78 in the State for combating desertification and sustainable development. A performance review conducted on implementation of DDP in Rajasthan covering the period from 1999 to 2006 revealed that the programme was implemented in isolated patches, wherein mainly construction activities were taken up ignoring the other important areas of increasing productivity of land, bio-mass and overall sustainable development etc. The State incurred an expenditure of Rs 592.78 crore on 5,524 watershed projects under DDP during 1999-2006, but the achievements of objectives was not upto the desired level.*

**Contribution of Rs 13.87 crore was short collected/deposited by watershed committees/Forest Department into the Watershed Development Fund required for maintenance/ sustainable use of assets created on community land.**

*(Paragraphs 2.1.9.1 (vii) and 2.1.12.6)*

**In violation of the guidelines, Rs 29.38 crore for watershed was spent on development of private arable land instead of community land.**

*(Paragraph 2.1.12.1)*

**In 40 watersheds, earthen bund/*medbundi*/boundary walls were constructed on existing field boundaries at a cost of Rs 2.18 crore instead of contour vegetative bunds on contour lines.**

*(Paragraph 2.1.12.2)*

**Land and moisture conservation activities carried out at a cost of Rs 1.76 crore in 33 watersheds were not followed by production measures depriving the cultivators of the intended benefits.**

*(Paragraph 2.1.12.3)*

**Despite provision of Rs 2.88 crore, plantation and silviculture activities were not taken up in 109 watersheds/clusters whereas no provision for plantation (physical and financial) was made in Detailed Project Reports of 21 watershed projects.**

*(Paragraph 2.1.12.5)*

### **2.1.1 Introduction**

Desertification means degradation of land in arid, semi-arid and sub-humid areas. It has been showing increasing trends in several parts of western Rajasthan and the desert area has been estimated to be 20.8 million hectare (ha). For combating desertification and sustainable development, DDP was launched in the year 1977-78. Presently DDP is being implemented in 85 blocks of 16 districts<sup>1</sup> in the State covering an area of 1,98,744 square kilometres on an integrated watershed<sup>2</sup> area development plan basis in batches<sup>3</sup>. In 10 districts<sup>4</sup> out of these 16 DDP districts, 50 per cent of funds allocated under DDP were earmarked since 1999-2000 for DDP-Special projects to cover three specific activities viz. shelter belt plantation, sand dunes stabilisation and afforestation.

Performance review of DDP batch-I (1995-2002) covering expenditure of Rs 168.95 crore up to March 2002 on 917 watersheds (4.17 lakh hectare) had already been printed under paragraph 6.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002 (Civil) - Government of Rajasthan. New projects under DDP batches II to IV (1996-99) were not sanctioned by the Government of India (GOI) to the State due to partial utilisation of released funds by the *Zila Parishads* (ZPs) during the project period.

### **2.1.2 Aims and objectives of DDP**

The aims and objectives of DDP are:

- To develop wastelands/degraded lands, drought-prone and desert areas on watershed basis, keeping in view the capability of land, site-conditions and local needs.

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1. Ajmer, Barmer, Bikaner, Churu, Hanumangarh, Jaipur, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Nagaur, Pali, Rajsamand, Sikar, Sirohi and Udaipur.
  2. Watershed or catchment of a watercourse is a natural hydrological entity in which water from all sides collects and passes through a single drain.
  3. Projects of five years duration sanctioned in a particular year commencing from the date of sanction by GOI for development of watershed area of 500 ha in each project.
  4. Barmer, Bikaner, Churu, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Nagaur, Pali and Sikar.

- To improve the economic and social condition of the poor and disadvantaged sections of the watershed community.
- To mitigate the effects of desertification and adverse climatic conditions on crops, human and livestock population.
- To restore ecological balance by harnessing, conserving and developing natural resources i.e. land, water and vegetative cover.
- To encourage village community for post-maintenance of assets, adopt local technological solutions/material and development of human and other economic resources of the village.

### **2.1.3 Organisational structure**

The Principal Secretary, Rural Development and Panchayati Raj Department (RD & PRD) is responsible for overall implementation of the Programme at the State level. Besides, Commissionerate/Directorate of Watershed Development and Soil Conservation at the State level and ZP (Rural Development Cell) at the district level are entrusted with co-ordination, planning, supervision and monitoring of the activities. The departments of Soil Conservation and Forest and Panchayati Raj Institutions (PRIs) are the main Project Implementation Agencies (PIAs). The PIAs operate through Watershed Development Team (WDT), a multi-disciplinary team for handling 10-12 Watersheds. The day-to-day developmental activities of a watershed project were carried out by a Watershed Committee (WC) consisting of 10 to 12 members from amongst the Users Groups (UGs), Self-Help Groups (SHGs), WDT and *Gram Panchayat* (GP). WC was responsible for liaising with all the agencies concerned and had an elected chairman.

### **2.1.4 Funding pattern and release of funds**

The DDP is a Centrally Sponsored Programme and cost of the watershed project of approximate size of 500 ha is to be shared between GOI and State in the ratio of 75:25 since April 1995. The project cost was revised from Rs 5,000 per ha to Rs 6,000 per ha from DDP batch-VI (April 2000). The period of each watershed project is five years from the date of GOI's first sanction and the funds are released in seven installments<sup>5</sup> (six at 15 *per cent* each and seventh at 10 *per cent* of the project cost). The amount allocated for each watershed project was to be spent at 10 *per cent* on administrative overheads, five *per cent* each on entry point activities<sup>6</sup> of community organization and training and 80 *per cent*<sup>7</sup> on watershed treatment/development works.

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5. In five installments w.e.f. 1 April 2003 (*Hariyali* guidelines) viz. first and fourth at 15 *per cent* each, second and third at 30 *per cent* each and fifth at 10 *per cent*.
  6. Entry point activities included (paragraph 36 of Guidelines, 2001) renovation of *Panchayat*/school buildings, common places, drinking water sources/wells etc. as a part of confidence building exercise of the local people.
  7. 80 *per cent* (including 5 *per cent* for entry point activities) under DDP batch-V, 80 *per cent* under DDP batch-VI and 85 *per cent* under DDP batches-VII to XI.

### **2.1.5 Audit Objectives**

The objective of the performance audit was to ascertain whether the DDP was successful in :

- combating desertification,
- conserving natural resources viz. land, water, vegetative cover,
- creating sustainable sources of income for the village community, and
- encouraging village community for post-maintenance of assets created in the State.

### **2.1.6 Audit criteria**

The audit criteria used for the performance audit were the guidelines for Watershed development issued by GOI in October 1994 (effective from April 1995) which were subsequently revised in August 2001 (effective from April 2000) and April 2003 (*Hariyali*)<sup>8</sup> and circulars issued by GOI/State Government from time to time.

### **2.1.7 Audit methodology and coverage**

Out of 16 districts, four districts<sup>9</sup> were selected on the basis of expenditure and geographical considerations where both DDP-Normal and DDP-Special Projects were implemented. Audit of records of DDP under batches-V and VI including special projects, wherein four to five installments were released and projects were nearer to completion, for the period 1999-2006 was conducted in ZPs, *Panchayat Samitis* (PSs), Watershed Development & Soil Conservation and Forest Offices in the selected four districts involving an expenditure of Rs 156.05 crore (47 per cent of total expenditure of Rs 332.88 crore incurred in the State batches-V and VI) during May to September 2006. In addition, records of 192 Watershed Committees relating to DDP batches-V and VI were also test checked in the selected districts.

## **Audit Findings**

### **2.1.8 Planning**

#### **2.1.8.1 Non- preparation of perspective plan**

Watershed guidelines (August 2001) envisaged preparation of a perspective plan for treatment of waste/degraded land keeping in view the availability of funds, indicating ongoing project areas and new project areas to be taken up in a phased manner. It was observed that perspective plan during the period

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8. Name of Watershed Guidelines, 2003.

9. Barmer, Jaisalmer, Jhunjhunu and Jodhpur (besides pilot study was also conducted in Bikaner district during July/August 2005).

2001-2008 was not prepared. No exercise was done to find out the present status of the desert, though increase has been mainly attributed to increase in population, soil/water erosion, pollution, high temperature, low/uncertain rainfall, high wind velocity, overgrazing by herds of cattle, intensive cultivation, deforestation for mining, poverty and illiteracy of the people of the region. Thus, due to non-preparation of the plan, the DDP did not yield the desired results as discussed in the succeeding paragraphs.

#### **2.1.8.2 Non-utilisation of database for watershed planning**

The State Remote Sensing and Application Centre (SRSAC) had prepared (1999) a database<sup>10</sup> for Watershed planning. It was observed that the database was not appropriately put to use by the executing agencies as reflected from its non-utilisation in preparation of master plan, fair selection of sites, proper monitoring and prioritization of cluster/index catchments/*khadin* etc.

#### **2.1.8.3 Lack of introduction of River Basin Management**

The rivers of the State are rain-fed and are identified by 14 river basins. Audit observed that the watershed projects based on River Basin Management were not started by the Rural Development Department (November 2008) so far in disregard of draft State Water Policy, 2006. This resulted in lack of selection of need-based watershed projects in scientific manner.

#### **2.1.9 Funds management**

The GOI (75 per cent) and the State Government (25 per cent) released funds directly to the ZPs, which in turn released funds to Project Implementation Agencies/WCs. The ZPs were the monitoring agencies at the district level which furnished utilisation certificates directly to GOI with copy to the State Government. The position of projects sanctioned, release of funds and expenditure under DDP in the State during 1999-2006 is given in the table below:

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10. (i) Watershed Atlas of the State, (ii) delineation of block-wise macro (3,149) and micro (17,829) watersheds in all the 14 river valley catchments in the State, (iii) district-wise Anicut sites (2,120), (iv) delineation of 874 Index catchments (areas having drainage but sandy terrain only) in six districts (Barmer, Bikaner, Churu, Jaisalmer, Jalore and Jodhpur), (v) sites for recharging of wells, (vi) identification and delineation of *Khadin* (topographical depressions having capacity for water retention), (vii) district-wise waste land distribution and (viii) input requirement in clusters (sandy areas where watersheds are not feasible).

(Rupees in crore)

S.No.	Batch No. of DDP	Project period	Nature of projects DDP Normal (N)/DDP Special (S)	Number of projects sanctioned by GOI	Project cost	Funds due for release	Funds released	Expenditure	Savings (8)-(9)	Funds short released (7)-(8)
1	2	3	4	5	6	7	8	9	10	11
1	V	1999-2005 (extended up to 31.3.2007) <sup>11</sup>	N	269	67.25	67.25	61.71	55.77	5.94	5.54
			S	614	153.50	153.50	138.59	123.39	15.20	14.91
2	VI	6.9.2000 to 5.9.2005 (extended up to 31.3.2007)	N	388	116.40	116.40	92.22	88.49	3.73	24.18
			S	293	87.90	87.90	73.09	65.23	7.86	14.81
3	VII	31.10.2001 to 30.10.2006	N	245	73.50	73.50	42.93	41.80	1.13	30.57
			S	264	79.20	79.20	39.24	42.31	(-)3.07	39.96
4	VIII	20.6.2002 to 19.6.2007	N	417	125.10	125.10	67.32	61.95	5.37	57.78
			S	362	108.60	97.74	38.56	38.26	0.30	59.18
5	IX (Hariyali-I)	31.7.2003 to 30.7.2008	N	418	125.40	94.05	50.31	28.47	21.84	43.74
			S	362	108.60	81.45	30.74	23.83	6.91	50.71
6	X (Hariyali-II)	1.11.2004 to 31.10.2009	N	443	132.90	59.81	28.98	12.48	16.50	30.83
			S	387	116.10	52.25	17.41	8.62	8.79	34.84
7	XI (Hariyali-III)	17.8.2005 to 16.8.2010	N	564	169.20	25.38	25.37	0.59	24.78	0.01
			S	498	149.40	22.41	22.41	1.59	20.82	-
		<b>Total</b>	N	<b>2,744</b>	<b>809.75</b>	<b>561.49</b>	<b>368.84</b>	<b>289.55</b>	<b>79.29</b>	<b>192.65</b>
			S	<b>2,780</b>	<b>803.30</b>	<b>574.45</b>	<b>360.04</b>	<b>303.23</b>	<b>56.81</b>	<b>214.41</b>
		<b>Grand Total</b>		<b>5,524</b>	<b>1,613.05</b>	<b>1,135.94</b>	<b>728.88</b>	<b>592.78</b>	<b>136.10</b>	<b>407.06</b>

Source: Information provided by the Special Secretary, Rural Development Department (Land Resources), Government of Rajasthan.

Audit observed that:

(i) As against sanction of Rs 1,613.05 crore for 5,524 watershed projects under DDP (batches-V to XI), Rs 728.88 crore had been released of which Rs 592.78 crore were spent during 1999-2006.

(ii) Rupees 407.05 crore<sup>12</sup> was short released by GOI under DDP batch-V to X during 1999-2006 due to non/under-utilisation of released funds and the beneficiaries were deprived of benefits to that extent.

(iii) Cost of the watershed project was to be shared between GOI and the State Government in the ratio of 75:25. The State Government was required to release its 25 per cent share to the ZPs within 15

11. GOI extended (October 2007) the project period up to March 2009 in respect of ZP, Churu at the time of release of VII installment.

12. Short released by Government of India under DDP batches V to X during 1999-2006 which increased to Rs 442.39 crore up to 31 March 2008.

days from the date of issue of sanction by GOI. Audit scrutiny of 15 sanctions issued by the State Government under DDP batches IX to XI during 2003-06 revealed that State Government had released its share of Rs 26.09 crore with delays ranging between 43 and 116 days.

(iv) The ZPs were required to release project funds to the PIAs/Watershed Committees/GPs within 15 days of receipt of funds from the Central/ State Government. It was observed that there were delays of six to 27 months in according financial sanctions for projects costing Rs 47.02 crore by the ZP, Jodhpur during 2003-06 which resulted in delayed release of funds and implementation of projects.

#### **2.1.9.1 Implementation of DDP (Special Projects)**

Rajasthan has large tracts of hot sandy areas. In view of the distinct problems of sand dunes, GOI relaxed (December 1998) the watershed guidelines for 10 arid districts<sup>13</sup> out of 16 DDP districts. In these 10 districts, 50 *per cent* of funds allocated to a district under DDP were to be used as per the normal guidelines for watershed development and remaining 50 *per cent* of the funds were earmarked for special projects to cover three specific activities viz. (i) sand dunes stabilization, (ii) shelter belt plantation and (iii) afforestation. The PIA of these special projects was the Divisional Forest Officer (DFO)/ Deputy Conservator of Forests (DCF) in district concerned and funds to the PIA were to be released through ZPs and works were to be executed as per approved afforestation models.

(i) As per directives (August 1999/November 2004) of the State Government, Rural Development Department (RDD), any establishment charges such as *pro-rata*, supervision, work charged establishment were not payable to any line departments (PIA) in respect of works relating to schemes being implemented through RDD. Further, any funds earmarked for meeting administrative cost were not to be credited as revenue receipts of the PIA. Contrary to above provisions, DFOs/DCFs of 10 districts charged Rs 34.02 crore on various forestry works during 1999-2006 under DDP as *pro-rata* charges without deploying the work charged staff exclusively for the project purposes. Thus, levying of the *pro-rata* charges and crediting the same in Government accounts without incurring any actual expenditure on administrative costs was irregular as the works were executed by the existing work charged/regular staff (sanctioned under Non-Plan) in addition to their regular duties resulting in diversion of funds.

(ii) The DCF, Desert Afforestation and Pasture Development, Jaisalmer incurred (October 2005 to March 2006) Rs 1.38 crore on purchase of angles and barbed wire at the fag end of DDP – Special Projects (batches-V and VI) to avoid lapse of grant and showed it as rolling stock for future projects which was contrary to provisions in the approved model estimates of DDP – Special Projects.

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13. Barmer, Bikaner, Churu, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Nagaur, Pali and Sikar.

(iii) Watershed guidelines provide for selection of areas having acute shortage of drinking water and having preponderance of non-forest waste/degraded land in the project area for watersheds. It was observed that in violation of the guidelines, plantation works costing Rs 6.09 crore were executed in forest and command areas earmarked on canal side and blocks of *Indira Gandhi Nahar Pariyojana* (IGNP) by the DCF, Overseas Economic Cooperation Fund (Rs 3.24 crore in 1,055 ha) and DCF, Wild Life Forest Project (Rs 2.85 crore in 1,920 ha) divisions of Jaisalmer district under DDP – (Special Project batches-V and VI) during 1999-2005.

(iv) Construction of small percolation tank for recharging of village well/ground water is a permissible activity under DDP Guidelines. It was observed that DFO, Bikaner and DCF, Chhattargarh spent Rs 89.63 lakh under DDP batch-V (Special Project) on construction of 214 *Vanya Jeev Jal Bindu/Jal Sangrahan Kund* (devoid of percolation) during December 2002 to June 2004.

(v) It was observed that against the sanctioned (2000-02) amount of Rs 74.27 lakh for eight Watershed projects under DDP Special Projects, batch-V, three PIAs (DFO, Bikaner; DCF, IGNP Stage-II, Division-II, Bikaner and DCF, Chhattargarh) abandoned (February 2005) sand dunes stabilization/shelter belt plantation and afforestation activities after spending Rs 28.10 lakh (38 *per cent*) rendering the expenditure unfruitful. Reasons for abandoning the works were neither on records nor made available to Audit.

(vi) The State Government prohibited (August 1997) execution of watershed project on Forest and urban land. Audit observed that in violation of these instructions, Forest Department spent Rs 2.28 crore on plantation on forest land (Rs 1.78 crore) and municipal land (Rs 0.50 crore) during 1999-2006, denying the benefits to targeted/rural beneficiaries.

(vii) For maintenance of the assets created, the scheme provided for creation of Watershed Development Fund (WDF) through voluntary contribution covering at least five *per cent* of the cost of investment in case of community works. In violation of guidelines, Forest Department did not collect Rs 13.46 crore (five *per cent* of Rs 269.21 crore<sup>14</sup>) from beneficiaries for Watershed Development Fund (WDF) on the works executed under DDP special projects (batches-V to X) in 10 districts during 1999-2006. Thus, non-creation of WDF led to denial of funds for post maintenance and sustainable use of assets.

(viii) GOI fixed cost norms of Rs 5,000 per ha for treatment of land in respect of projects sanctioned under DDP batch-V (1999-2000) and thereafter at Rs 6,000 per ha<sup>15</sup> for the projects sanctioned under DDP batches-VI and onwards. Nine hundred seven projects were sanctioned for Rs 241.40 crore under DDP Special Projects batch-V (614 projects at Rs 25.00 lakh each) and

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14. Excluding administrative and work charged *pro-rata* charges of Rs 34.02 crore.

15. With effect from 1<sup>st</sup> April 2000 the cost norms of watershed were Rs 24 lakh for works and Rs 6.00 lakh for PIA and from 1<sup>st</sup> April 2003 these were Rs 25.50 lakh and Rs 4.50 lakh respectively.

batch-VI (293 projects at Rs 30.00 lakh each) for treatment of 4,53,500 ha of land. It was observed that as against 4,53,500 ha area to be treated under 907 projects, only 54,911 ha could be treated at a cost of Rs 188.62 crore as the works were executed on the basis of afforestation models approved by the Forest Department which were on higher sides (ranging between Rs 13,270 and Rs 2,19,262 per ha) in comparison to norms prescribed by GOI. Execution of works in contravention of approved norms in guidelines resulted in proportionate excess expenditure of Rs 159.39 crore<sup>16</sup>.

(ix) As per sanctions issued by GOI, expenditure on vehicles, office equipment such as photo copiers/video recorders/projectors and items of capital nature was exclusively not permissible out of funds earmarked (10 per cent of total cost) under Administrative overheads. In contravention of above provisions, Rs 13.70 lakh was irregularly spent (2001-03) by DFOs/DCFs of nine districts<sup>17</sup> on purchase of computers and peripherals out of the administrative overheads of DDP- Special Project (batches-V and VI).

#### 2.1.10 Selection of watershed

The State Government made the District Watershed Committees (DWC) responsible for approval of projects. Shortcomings noticed in the selection of projects are as under:

- Guidelines issued (August 1997) by the State Government provide that data of satellite imaging should be used for development of watersheds. Audit observed that 'Cluster'/Index-catchments' were not demarcated on Watershed Atlas (1999) by SRSAC in 44 blocks of 11 districts<sup>18</sup> due to non-existence of drainage lines. It was seen in audit that though there was no scope for watershed in those areas, the DWC sanctioned individual beneficiary activities viz. water storage tanks, *medbundi*<sup>19</sup> etc. in these blocks instead of earmarked works of percolation tank and contour vegetative hedge. Thus, the works were carried out in contravention of the guidelines without identifying the objectives and demarcation of cluster/index-catchments in these 44 blocks where there was no scope for watershed.
- DWC, Jaisalmer selected 14 clusters (under DDP batches-V and VI) despite the fact that the total land of clusters was covered under command of IGNP having sufficient water and was also owned by private persons. Works of *pacca khala* (lined water course), *patti* (covering of water course) and repair works were executed in these clusters at a cost of Rs 3.39 crore though Command Area Development and Water Utilisation Department was already performing such development activities in these areas.
- As per paragraph 42 of the Watershed guidelines, 1995, low cost farm-ponds, *nallah* bunds, check dams, percolation tanks and ground water

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16. Rs 188.62 crore - (Rs 241.40 crore x 54,911 / 4,53,500 ha = Rs 29.23 crore) = Rs 159.39 crore.

17. Barmer, Bikaner, Churu, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Nagaur and Sikar.

18. Barmer : 4, Bikaner : 5, Churu : 6, Hanumangarh : 2, Jaisalmer : 3, Jalore : 2, Jhunjhunu : 5, Jodhpur : 4, Nagaur : 7, Pali : 1 and Sikar : 5.

19. Strengthening of earthen boundary walls of fields.

recharging measures were to be included in the development of small water harvesting structures. It was observed that entire funds of Rs 40 lakh (for entry point activities and works) meant for integrated development of targeted 1,000 ha cluster areas under DDP batch-V in two contiguous clusters viz. Nokh-I and Nokh-II (sanctioned by District Watershed Committee, Jaisalmer), were spent by Executive Engineer, Irrigation Department, Jaisalmer only on one earthen dam.

#### **2.1.11 Role of PIAs**

The PIAs were to provide technical guidance, supervision and to manage project implementation. Deficiencies noticed in project implementation at PIA level are as under:

- Rupees 2.13 crore allocated/released during 1999-2006 for payment of honorarium (Rs 1.33 crore) and TA/DA (Rs 0.80 crore) to Watershed Development Team (WDT) members in respect of 192 watershed projects test checked were not utilized by PIAs due to non-appointment of full time employees/members of WDT by ZPs. This deprived the WCs of the benefit of adequate supervision and technical guidance.
- Though on record, persons of different vocations viz. Agriculture, Social Science, Veterinary and Engineering were included in WDT by 152 WCs (40 WCs did not furnish information) to handle 10-12 watersheds, yet all members (except JEN of PS) were not active which led to predominance of construction activities being taken up ignoring other activities.
- Thirteen projects sanctioned (1999-2001) by District Level Watershed Committee under DDP batches-V and VI were abandoned due to non-execution of works/selection of improper sites by the WCs in Barmer and Jaisalmer districts after spending Rs 1.09 crore on PIA activities<sup>20</sup> (Rs 0.27 crore) and works (Rs 0.82 crore), thus rendering the expenditure unfruitful.
- Villagers were required to pay user charges for use of assets created in watershed area at the rate prescribed by concerned village level organizations. These user charges were to be utilized on post maintenance of projects. It was observed that user charges were not levied on any of the activities undertaken in districts test checked. This had resulted in lack of creation of fund needed for post maintenance of projects.

#### **2.1.12 Programme implementation**

The main activities to be undertaken for Watershed development were (a) soil and moisture conservation measures like contour bunds fortified by vegetation, bench terracing in hilly terrain, drainage line treatment with a combination of vegetative and engineering structures; (b) development of

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20. Survey, Preparation of DPR, Entry Point Activities, etc.

small water harvesting structures such as low cost farm ponds, *nallah*, bunds, check-dams and percolation tanks; (c) nursery raising for fodder, timber, fuel wood and horticultural species, afforestation including block plantations, shelter belts, sand dunes stabilization; (d) crop demonstration for popularizing new crops/ varieties or innovative management practices of farm production for land owners; (e) improved livestock farming; and (f) improving the standard of living of poor farmers and landless labourers specially below the poverty line.

The activity-wise physical and financial progress as revealed during performance review of 192 WCs under DDP batches-V and VI in four districts test checked involving expenditure of Rs 38.01 crore is given in table below:

S. No.	Activity	Physical progress (Number)		Financial progress (Rupees in crore)	
		Target	Achievement	Target	Achievement
1.	<b>Development of Water resources</b>				
	<b>(A) Arable land.</b>				
	i. Water harvesting structure ( <i>Tanka</i> )	3,847	4,477	11.53	12.40
	ii. <i>Khadin/Nad/Beri/Repair</i>	1,028	712	8.07	9.64
	iii. Water courses/Repair	50	43	1.54	1.66
	<b>(B) Non-arable land</b>				
	i. Water harvesting structures. ( <i>Tanka</i> )	411	655	1.58	2.05
	ii. Small water pond ( <i>Nadi/Talai/Khadin./Anicut</i> )	368	288	3.79	4.56
	2.	<b>Development of land resources</b>			
<b>(A) Arable land</b>					
(a) Conservation measures					
(i) <i>Medbundi/Bund</i>		NA	NA	1.91	2.18
(ii) Contour Vegetative Hedge (CVH)		NA	NA	2.66	2.88
(b) Production measures					
(i) Demonstration		10,561	4,456	0.66	0.26
(ii) Minikit/Compost pits		2,472	2,178	0.16	0.24
(iii) Distribution of plants		3,81,765	70,820	0.77	0.12
<b>(B) Non-arable land</b>					
(i) Drainage Line Treatment (DLT& CVH, Mulching, Contour Furrow)		NA	NA	0.45	0.25
(ii) Loose stone check dams	NA	NA	0.22	0.19	
3.	<b>Cattle Wealth</b>				
	(i) Organisation of cattle camps.	752	308	1.34	0.35
	(ii) Bull distribution	68	8	0.05	0.01
	(iii) Artificial insemination/breed/milk production activity.	Nil	Nil	Nil	Nil
4.	<b>Bio-mass development</b>				
	(i) Plantation	9,56,525	3,08,256	4.21	1.15
	(ii) Silviculture	3,944 ha	129 ha	0.84	0.07
	<b>Total</b>			<b>39.78</b>	<b>38.01</b>

Source: Physical and financial progress report furnished by 192 Watershed Committee test checked.

Deficiencies noticed during performance audit are discussed in succeeding paragraphs.

#### ***2.1.12.1 Less treatment of non-arable land***

The Watershed programme was designed to address problems of areas characterized by relatively difficult terrain and preponderance of community resources. Contrary to this, out of Rs 36.43 crore spent on development of water and land resources, Rs 29.38 crore (81 *per cent*) was spent on private arable land neglecting non-arable/ community land. Hence, the area of arable land could not increase and remained static despite implementation of Watershed programme.

#### ***2.1.12.2 Absence of soil conservation works***

In 110 watersheds (57 *per cent*) out of 192 watersheds test checked, soil conservation measures were not taken up. In another 40 watersheds, earthen bund/*medbundi*/boundary walls were constructed on existing field boundaries at a cost of Rs 2.18 crore instead of contour bunds with vegetative support on contour lines as envisaged which defeated the objective of moisture conservation.

#### ***2.1.12.3 Lack of production activities***

Production activities on arable land were complementary to the conservation activities. However, in 33 watershed projects, conservation activities carried out at a cost of Rs 1.76 crore were not followed by production measures depriving the cultivators of the intended benefits. In another 36 watersheds, Rs 43 lakh was spent on production measures without taking up prior conservation activities. This indicated defective planning.

#### ***2.1.12.4 Cattle wealth***

Measures to increase production and productivity of milk (Artificial insemination for breed improvement, fodder arrangement and marketing of milk) were not taken up in any of the 192 watersheds test checked.

#### ***2.1.12.5 Failure of bio-mass development activity***

Despite provision of Rs 2.88 crore for plantation and silviculture activities in DPRs of 109 watersheds/clusters, no such activities were taken up. Provision for plantation (physical and financial) was not made for 21 watersheds.

#### ***2.1.12.6 Watershed Development Fund***

For maintenance of the assets created, the scheme provided for creation of Watershed Development Fund (WDF) through voluntary contribution covering at least five *per cent* of the cost of investment in case of community works and at least 10 *per cent* (five *per cent* from Scheduled Caste/Scheduled Tribe and persons

identified as BPL) in case of individual works. Expenditure on maintenance of individual works taken up on private lands was not to be met out of this fund.

The following irregularities were noticed in maintenance of WDF in 192 watersheds test checked:

- In 54 watersheds, Rs 34.42 lakh were less deposited in WDF (August 2006).
- In 104 watersheds, contribution of Rs 6.10 lakh at five *per cent* of expenditure (Rs 1.22 crore) incurred on works under entry point activities was not collected by WCs for depositing into WDF.
- Rupees 58.64 lakh was collected up to March 2006 for WDF from beneficiaries of 49 watersheds even though the works were executed only on private land, which required no maintenance out of this fund and the fund remained idle (March 2009).
- In five clusters<sup>21</sup> of Jodhpur district sanctioned under DDP batch-V (1999-2006), Rs 3.54 lakh out of WDF was irregularly spent on watch and ward of plants and repair of ditch-cum-bund by the WCs during the currency of project period (October 2003 to April 2004) though WDF was meant for maintenance of community assets during post-project period.

#### **2.1.12.7 Nature and type of assets created and their maintenance**

Of Rs 38.01 crore spent under the programme on 192 watersheds test checked, major activities carried out were (i) construction of *tanka* (water harvesting structure) at a cost of Rs 14.45 crore (arable land: Rs 12.40 crore and non-arable land : Rs 2.05 crore) for storage of rain water for drinking purposes, (ii) earthen bunds (Rs 2.18 crore) and (iii) Contour Vegetative Hedge (Rs 2.88 crore) on private arable land.

Watershed Development Fund (WDF) was to be used for maintenance of assets created on community/public land. WDF could not be utilised as majority of works exemplified above were executed on private arable land under DDP-Normal.

Thus, non-availability of funds for maintenance of assets created under DDP-Special Projects and non-utilisation of WDF on maintenance of assets created under DDP-Normal had defeated the envisaged long term objective of the programme for maintenance of assets through public participation.

#### **2.1.13 Public participation**

Watershed guidelines, *inter-alia*, provide for conducting various activities viz organizing Self Help Groups (SHGs)/ User Groups (UGs), allowing credit and thrift for starting income generating activities and appointment of social scientist and capable NGO as member of the WDT on a whole time basis for a project area

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21. Dhob : Rs 0.76 lakh, Osian : Rs 0.90 lakh, Panditji ki Dhani-I : Rs 0.61 lakh, Panditji ki Dhani -II : Rs 0.69 lakh and Panditji ki Dhani-III : Rs 0.58 lakh.

of 5,000 ha to ensure livelihood support to resource poor. Audit scrutiny of the working of 192 WCs revealed that:

- Only three *per cent* villagers were enrolled (4,713 out of 1,77,906 villagers) in UGs as against 50 *per cent* envisaged and the representation of women out of these was only 16 *per cent*. Further, only 0.65 *per cent* villagers (1,163 out of 1,77,906) inhabiting in cluster/watershed areas were enrolled as members of SHG as against 50 *per cent* envisaged in the guidelines,
- In 112 clusters, villagers were not enrolled in SHGs,
- Social status such as SC/ST was not indicated in 132 clusters,
- Saving bank accounts of SHGs were not opened in any of the watersheds test checked,
- No initial economic assistance from revolving fund was provided to any of SHGs,
- SHGs were not activated for production/income generating activities, and
- Social scientists were not appointed in 115 watersheds/clusters and in 77 watersheds, though social scientists were appointed, their role in encouraging public participation was inadequate.

#### **2.1.14 Capacity building and training**

The project guidelines provide for imparting orientation training on Watershed Project Management to all concerned functionaries and elected representatives at all levels before they assume their responsibilities. A provision of five *per cent* of total expenditure on watershed was kept for training. It was observed that: (i) funds of Rs 12.35 lakh received up to March 2004 under DDP batches V and VI for training of WDT members were not utilised by four test checked ZPs, (ii) the number of beneficiaries to be trained was not available in all the four districts and (iii) out of provision of Rs 2.10 crore for training in 153 clusters, Rs 1.25 crore (60 *per cent*) was not spent as of March 2006 by the PIAs in Barmer and Jaisalmer districts. The expenditure incurred on training component in Jhunjhunu and Jodhpur districts was not intimated by the ZPs concerned. Besides, details of any institutional training imparted to WDT/WC/UGs/SHGs were also not provided to Audit. Training was imparted to only 46 members (24 *per cent*) out of 195 members of WDTs in 192 watersheds. It was also observed that contrary to guidelines, Rs 60.72 lakh<sup>22</sup> was spent by PS, Bikaner and six WCs on items like swimming pool, *kana bundi*, community hall, etc. not covered under Watershed programme by diversion of funds from other components. The provision for watershed programme/ training was irregularly utilized on other items. Thus, it was clear

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22. PS Bikaner: Rs 45.66 lakh and six Watershed Committees viz. (i) Satta (Rs 3.44 lakh), (ii) Chaudhariya (Rs 4.16 lakh), (iii) Jhabra (Rs 1.06 lakh) in Jaisalmer district, (iv) Bhojakor (Rs 0.19 lakh), (v) Bhomsagar (Rs 1.00 lakh) in Jodhpur district and (vi) KVK Abusar (Rs 5.21 lakh) in Jhunjhunu district.

that effective institutional training was not imparted to beneficiaries of watershed projects during 1999-2006.

### **2.1.15 Transparency in project management**

Watershed guidelines, 2001 envisaged that transparency under the programme would be promoted by various agencies. Action Plan for watershed was also to be prepared in a transparent manner. However, it was observed that (i) original/revised watershed plan/action plans were not prepared in consultation with SHGs/UGs, (ii) labourers engaged in construction activities were mostly other than UGs/SHGs, (iii) system of payment to labourers (Group leader of UGs/SHGs) by cheque was not introduced, (iv) only construction activities, ignoring soft activities (e.g. public participation, production measures, artificial insemination etc.), were taken up and (v) the cash book and other relevant documents were not prepared on day to day basis. Thus, transparency in activities was not ensured.

### **2.1.16 Monitoring and evaluation**

- A State Watershed Programme Implementation and Review Committee (SWPIRC) was constituted at the State level after a delay of four year in October 1999. It was reconstituted in May 2001 and again in February 2006 as State Watershed Committee (SWC). It was to meet twice a year. However, as against nine meetings of SWPIRC/SWC to be held during 1999-2006, it met only once on 27 September 2003. The State Government stated (August 2008) that the matter for dissolving this committee was under consideration due to lack of provision for SWC under *Hariyali* Guidelines and this programme was reviewed from time to time in the meeting of State Level Vigilance Committee (SLVC). However, the details of minutes of meetings of SLVC and reasons for not reviewing ongoing watershed projects sanctioned prior to *Hariyali* Guidelines by SWC were not furnished.

- State Government issued<sup>23</sup> instructions to ZPs for constitution of District Watershed Development Committee (DWDC) to monitor the watershed programme in the district. DWDC was to meet quarterly up to March 2002 and thereafter monthly. It was observed that meetings of DWDC were not held regularly in three districts<sup>24</sup> test checked. Information of meetings actually held was not furnished by ZP, Jhunjhunu. DWDC was dissolved in March 2007 as per decision of High Court and due to lack of provision for such Committee in *Hariyali* Guidelines (effective from 1 April 2003), and the progress under DDP was to be monitored/reviewed from April 2003 by Standing Committee of *Zila Parishad* and District Vigilance Committee. It was observed in test checked districts that neither these committees were authorized by ZP nor progress was reviewed by these committees during April 2003 to March 2008.

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23. October 1999, February 2001, March 2002 and March 2006.

24. (i) ZP, Barmer (35 meetings as against 56 between April 2000 and March 2006), (ii) ZP, Jaisalmer (18 meetings as against 52 between April 2001 and March 2006) and (iii) ZP, Jodhpur (18 meetings as against 58 between October 1999 and March 2006).

- Activity-wise physical/financial progress of actual work executed in watershed projects on the basis of quantifiable parameters was not monitored in any of the four districts test checked during 1999-2006.
- For effective implementation of the programme, physical monitoring through field inspections by officers at various levels was stipulated in DDP guidelines. Director, Watershed Development and Soil Conservation also prescribed (December 1997) norms of such field visits. In test checked districts, no records of such inspections were maintained. Hence, the impact of inspections and remedial action, if any, taken thereon could not be assessed.
- The watershed guidelines envisaged mid-term/post-completion evaluation of Watershed development projects. The mid term evaluations conducted by the evaluators nominated by State Government pointed out weaknesses (such as non-conducting of **PRAs**, non-imparting of institutional training, lack of active participation of WDT, non-taking up of animal husbandry/afforestation activities, non-formation of active SHGs etc.) in implementation of the programme, but no proper follow up action thereon was taken by ZPs/PIAs (June 2006). Despite completion of projects under DDP batches-V to VII in most of the ZPs, post evaluation of projects was not conducted.
- The RDD observed (August 2005) that despite incurring huge expenditure (Rs 592.78 crore) during 1999-06 under DDP at Rs 30 lakh per watershed of 500 ha as of March 2006, its impact was not visible in the areas and District Collectors were asked to physically verify all watershed projects completed during last five years. The impact study of works executed under the programme was stated (June 2006) to be in progress. Further progress, though called for was awaited (September 2009).
- No performance indicators and cost benefit ratio were identified by the Department/ZPs to assess achievement of the envisaged objectives/benefits of the watershed projects and as such the Village Level Organisation / Village Forest Protection Management Committees did not take interest in post management of the completed projects and the projects failed to achieve their objectives.

### **2.1.17 Conclusion**

Though Rs 592.78 crore was spent on 5,524 watershed projects under DDP in the State during 1999-2006, its impact was not visible in the areas, as the programme was continued to be implemented in isolated patches, wherein mainly construction activities were taken up with limited objects ignoring other intended activities to increase production, productivity, bio-mass and overall sustainable development of inhabitants through adequate planning and community participation needed for integrated development of watershed areas. Due to non-involvement of beneficiary Self Help Groups, watershed projects did not satisfy human needs within the project areas. Despite instructions issued by the State Government during 2006-07, corrective measures were not monitored.

### **2.1.18 Recommendations**

- Comprehensive perspective plan for the implementation of the DDP in the State should be prepared.
- Project funds need to be specifically earmarked by the State Government for development of (a) water resources, (b) land resources, (c) cattle wealth and (d) biomass for integrated development of watershed projects and should be utilized for treatment of non – arable community land.
- Unutilised amount of WDF should be utilised gainfully through GPs.
- Component wise and activity wise monitoring (physical and financial) on the basis of quantifiable parameters in respect of PIA and watershed committees/GPs respectively be ensured at all levels.
- GPs/WCs should be trained in plantation activities to ensure availability of bio-mass.
- For assessing the impact of development in watershed area, pre/post project data needs to be analyzed and corrective measures should be taken to rectify the deficiencies noticed.

These points were referred to the Government in January 2007; their reply was awaited (September 2009).

## LONG PARAGRAPH

### 2.2 Disposal of *Abadi* Land by Panchayati Raj Institutions

#### 2.2.1 Introduction

'*Abadi* land' means *Nazul*<sup>25</sup> and land lying within the inhabited areas of the *Panchayat* circle, which vests or has been vested in or has been placed at the disposal of a *panchayat* by or under an order of the State Government. It shall be managed, controlled and held by *panchayat* as a trustee. The sale, auction, purchase, possession etc. of the *abadi* land in PRIs are regulated according to relevant rules contained in the Rajasthan Panchayati Raj Rules (RPRRs), 1996 made under Rajasthan Panchayati Raj Act (Act), 1994. As per RPRRs, 1996, the *pattas*<sup>26</sup> of land shall be issued under signature of *Sarpanch* and Secretary (*Gram Sevak*) jointly. Income from sale proceeds or lease of "*abadi* land" or through material produced therefrom shall form part of the *Panchayat* fund and would be utilised for socio-economic developmental activities. Since sale proceeds and regularisation fee obtained from the disposal of *abadi* land form the major source of own revenue of the *Gram Panchayats* (GPs), these should be properly managed through adherence to norms, application of correct rates, maintenance of basic records, conduct of regular inspections etc so as to prevent leakage of revenue from the source.

Test check (May-June 2006) of records of 179 GPs of five *Panchayat Samitis* (PSs)<sup>27</sup> for the period 2001-06 and regular audit (2001-06) of other 55 GPs under 15 PSs<sup>28</sup> revealed the following :

#### 2.2.2 Loss of revenue due to sale/allotment of land below the market price

**Sale of land below market price led to loss of Rs 3.21 crore.**

Rules 141 and 156 of the RPRRs, 1996 provide that any sale of land by a GP shall ordinarily be made through auction unless there are special reasons for not doing so. Land could also be transferred through private negotiation in cases where any person has a plausible claim of title to the land or where there is a trespass or for any other reason. In no case, *abadi* land shall be transferred

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25. *Nazul* land means properties received from ex-rulers of the princely states lying within the limits of a municipality or *panchayat* or village or city and title of which vesting in the Government.
  26. *Patta*- a sale deed executed between *panchayat* and the purchaser evidencing the sale of *abadi* land.
  27. PSs, Bansoor (Alwar) : 36 GPs, Mundawar (Alwar) : 38 GPs, Kathoomar (Alwar) : 28 GPs, Malpura (Tonk) : 32 GPs and Tonk : 45 GPs.
  28. PSs, Itawa (Kota) : 17 GPs, Sangod (Kota) : 03 GPs, Jawaja (Ajmer) : 02 GPs, Dudu (Jaipur) : 01 GP, Bhadra (Hanumangarh) : 07 GPs, Balotra (Barmer) : 02 GPs, Nainwa (Bundi) : 01 GP, Jhunjhunu : 02 GPs, Bamanwas (Sawai Madhopur) : 03 GPs, Phalodi (Jodhpur) : 01 GP, Bhadesar (Chittorgarh) : 01 GP, Bandikui (Dausa) : 01 GP, Badi-Sadri (Chittorgarh) : 02 GPs, Nokha (Bikaner) : 11 GPs and Hanumangarh : 01 GP.

at a rate below index price<sup>29</sup> fixed by Sub-Registrar and conveyed by *Vikas Adhikari* to the *Panchayat* as prevailing market price for the village. Audit scrutiny revealed that 575 *pattas* were issued by 40 GPs of 16 PSs during the year 2001-06 through sale/auction or negotiation, without realising the index price. Against the index price of Rs 3.34 crore to be recovered, only Rs 13.34 lakh was recovered resulting in loss of revenue of Rs 3.21 crore (*Appendix-IV*) to the PRIs.

Further it was seen that market price and index price were not made available to 160 GPs of five PSs<sup>30</sup> by the concerned *Vikas Adhikari* of the *Panchayat Samitis*.

### 2.2.3 Irregular issue of pattas

**Irregular issue of 905 pattas in 72 GPs of six PSs for vacant land on the nominal rates applicable to old constructed houses deprived PRIs of own income of Rs 5.15 crore.**

According to Rule 157 of the RPRRs, 1996, regularisation of old houses may be done by issuing *pattas* to persons in possession of old houses in *abadi land* by charging Rs 100 for old house constructed more than fifty years ago and Rs 200 for old house constructed during the last fifty years from the date of commencement of these rules. Audit scrutiny of 72 GPs of six PSs<sup>31</sup> revealed that 905 *pattas* were issued (2001-06) by charging nominal rates of Rs 100/ Rs 200 which were applicable for already constructed old houses whereas their *Site Inspection Reports/site maps* attached with *pattas/reports* of Secretaries to GPs did not show construction on any part of the area. This was in contravention of Rules 143, 144 and 157 of RPRRs 1996, because such *abadi land* had to be sold through auction on prevailing market price for the village. Thus, the *pattas* were issued without verifying the construction on the land by the *Sarpanch/Secretary* of GPs resulting in a loss of revenue to the extent of Rs 5.15 crore to PRIs as shown below:

(Rupees in crore)

Year	Number of PS	Number of GPs	Total number of pattas	Amount due as per DLC*	Amount deposited	Loss
2001-02	3	26	160	0.76	0.01	0.75
2002-03	3	18	68	0.32	0.00	0.32
2003-04	4	21	111	0.53	0.01	0.52
2004-05	5	44	493	3.20	0.03	3.17
2005-06	4	20	73	0.40	0.01	0.39
<b>Total</b>			<b>905</b>	<b>5.21</b>	<b>0.06</b>	<b>5.15</b>

\* District Level Committee.

29. **Index price-** The market price below which no sale of land shall be finalised by the *panchayats*.
30. PSs, Bansoor : 36 GPs; Kathoomar : 28 GPs; Malpura : 14 GPs; Mundawar : 37 GPs and Tonk : 45 GPs.
31. PSs, Bansoor (16 GPs and 211 *pattas*) : Rs 84.93 lakh, Mundawar (04 GPs and 06 *pattas*) : Rs 4 lakh, Malpura (21 GPs and 488 *pattas*) : Rs 331.74 lakh, Tonk (23 GPs and 96 *pattas*) : Rs 65.53 lakh, Bhadesar (01 GP and 07 *pattas*) : Rs 2.21 lakh and Bhadra (07 GPs and 97 *pattas*) : Rs 26.84 lakh.

### 2.2.4 Irregular allotment of extra land to weaker sections

Issue of *pattas* to persons of weaker sections in excess of prescribed area led to loss of Rs 35.75 lakh.

Rule 158 of the RPRRs, 1996 empowers GPs to allot *abadi* land up to 150 square (sq) yards in villages at concessional rate of Rs 2 to Rs 10 per sq metre to the weaker sections of the society who do not have their own house sites/houses. Audit scrutiny revealed that contrary to the rule, 153 *pattas* covering extra land ranging between 151 sq yards to 3,634 sq yards were issued to weaker sections of the society during the period 2001-06 by 19 GPs in nine PSs. Thus, issuing *pattas* of land of bigger sizes led to loss of Rs 35.75 lakh<sup>32</sup> (calculated at the rate of market price for land in excess of 150 sq yards). Besides issuing of *pattas* for areas in excess of prescribed limit of area i.e. 150 sq yards, it was also not ensured by *panchayat* authorities/officials before issuing of *patta* that the applicants did not own house sites.

### 2.2.5 Allotment of land free of cost/at concessional rates

Free allotment of land led to loss of Rs 62.96 lakh

- Rules 158 (Proviso), 159 (2) and 162 of the RPRRs, 1996 stipulate that GPs may allot land of the size not exceeding (a) 150 sq yards free of cost (with prior approval of the State Government) to the weaker sections of the society, (b) 1,500 sq yards at 50 *per cent* of market price to Co-operative Societies (*gram seva sahkari samiti*, primary agriculture co-operative societies) and (c) 500 sq yards free of cost to other Government institutions (schools, dispensaries, *anganwaris*, etc.) subject to confirmation of the ZP (*Panchayat Cell*) concerned,. Audit scrutiny revealed that in 47 GPs under six PSs, plots of sizes up to 8,110 sq yards were allotted free of cost/at concessional rates in violation of the rules in 160 cases<sup>33</sup> during 2001-06 resulting in loss of Rs 62.96 lakh<sup>34</sup>.

- Rule 158(3) of the RPRRs, 1996 provides that a seal 'Not For Sale' was to be affixed on the face of *pattas* issued to weaker sections at free of cost, to prevent its re-sale. Audit scrutiny revealed that in 971 *pattas* issued by 73 GPs of six PSs<sup>35</sup> free of cost, the required seal was not affixed by the concerned officials of GPs. In absence of seal the misuse of such *pattas* can not be ruled out.

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32. PS Bamanwas (02 GPs, 45 *pattas*) : Rs 1.30 lakh, Balotra (01 GP, 06 *pattas*) : Rs 3.74 lakh, Bandikui (01 GP, 02 *pattas*) : Rs 0.03 lakh, Bhadesar (01 GP, 10 *pattas*) : Rs 1.35 lakh, Bansoor (02 GPs, 05 *pattas*) : Rs 2.95 lakh, Jawaja (01 GP, 53 *pattas*) : Rs 6.26 lakh, Malpura (08 GPs, 24 *pattas*) : Rs 17.14 lakh, Nainwa (01 GP, 06 *pattas*) : Rs 2.45 lakh and Tonk (02 GPs, 02 *pattas*) : Rs 0.53 lakh.

33. 132 cases (Rule 158) for *awas* to weaker section : Rs 21.96 lakh, 05 cases (Rule 159 (2)) to Cooperative Societies : Rs 3.20 lakh, 23 cases (Rule 162) to Government Institutions : Rs 37.80 lakh.

34. PS, Bansoor (05 GPs) : Rs 5.58 lakh, Bhadra (01 GP) : Rs 0.04 lakh, Kathoomar (02 GPs) : Rs 1.14 lakh, Malpura (17 GPs) : Rs 13.02 lakh, Mundawar (16 GPs) : Rs 32.85 lakh and Tonk (06 GPs) : Rs 10.33 lakh.

35. PS, Bansoor : 7 GPs and 83 *pattas*, Bhadra : 02 GPs and 02 *pattas*, Kathoomar 06 GPs and 157 *pattas*, Malpura : 27 GPs and 445 *pattas*, Mundawar : 23 GPs and 240 *pattas* and Tonk : 08 GPs and 44 *pattas*.

Half yearly survey of trespassers was not conducted.

### 2.2.6 Lack of survey of trespassers

Rule 165 (1) of the RPRRs, 1996 stipulates that GP shall form a committee of three members of *panchayat* assisted by Secretary to conduct a survey in *abadi* land, tank bed and grazing grounds twice a year (January and July) to detect cases of trespass and all such cases should be entered in a register. Audit scrutiny of 179 test checked GPs revealed that no such survey was conducted by 175 GPs of five PS<sup>36</sup>. In absence of such surveys, the possibility of encroachment and unauthorised construction cannot be ruled out.

### 2.2.7 Other irregularities

- As per Rule 167 (2) of RPRRs 1996, the *pattas* are required to be signed by *Sarpanch* and Secretary jointly. However, audit scrutiny revealed that 1,582 *pattas* were irregularly issued by 114 GPs of 14 PSs<sup>37</sup> without joint signatures of both the authorised signatories (1,506 and 18 *pattas* were issued only with the signature of *Sarpanches* and Secretaries of GPs respectively while 58 *pattas*<sup>38</sup> were issued without signatures). This resulted in issue of invalid *pattas*.
- Rule 154(3) of the RPRRs, 1996 provides that sale of land by GP with cost exceeding Rs 10,000 was to be confirmed by competent authority<sup>39</sup> according to price of the land before issue of *pattas*. Test check revealed that in 2,225 cases of 157 GPs of 17 PSs<sup>40</sup> where market price as worked out by audit was found in excess of Rs 10,000 no confirmation of sale was obtained from the competent authority. This resulted in unauthorised issue of *pattas*.

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36. PS, Tonk : 45 GPs, Bansoor: 33 GPs, Mundawar : 37 GPs, Kathoomar : 28 GPs and Malpura : 32 GPs.
37. PS, Badi Sadri (01 GP, 17 *pattas*), Balotra (02 GPs, 6 *pattas*), Bamanwas (01 GP, 61 *pattas*); Bandikui (01 GP, 29 *pattas*), Bansoor (14 GPs, 188 *pattas*), Bhadesar (02 GPs, 52 *pattas*), Hanumangarh (01 GP, 22 *pattas*), Jawaja (01 GP, 01 *patta*), Kathoomar (15 GPs, 161 *pattas*), Malpura (30 GPs, 771 *pattas*), Mundawar (20 GPs, 143 *pattas*), Nainwa (01 GP, 02 *pattas*), Nokha (03 GPs, 45 *pattas*) and Tonk (22 GPs, 84 *pattas*).
38. PS, Badi-Sadri : 01 *patta*, Bandikui : 08 *pattas*; Bansoor : 01 *patta*; Bhadesar : 01 *patta*; Kathoomar : 01 *patta*; Malpura : 32 *pattas*, Mundawar: 08 *pattas* and Tonk : 06 *pattas*.
39. Not exceeding Rs 50,000 by PS Not exceeding Rs 1,00,000 by ZP (RDC) and exceeding Rs 1,00,000 by State Government.
40. PS, Bansoor (19 GPs, 215 cases), Balotra (2 GPs, 109 cases), Bamanwas (2 GPs, 15 cases), Bandikui (01 GPs, 24 cases), Badi-Sadri (01 GP: 33 cases), Bhadesar (01 GP, 50 cases), Bhadra (07 GPs, 94 cases), Dudu (01 GP, 10 cases), Hanumangarh (01 GP: 22 cases), Jawaja (02 GPs, 69 cases), Kathoomar (20 GPs, 95 cases), Malpura: (30 GPs, 703 cases), Mundawar (27 GPs, 309 cases), Nainwa (01 GP, 13 cases), Phalodi (01 GP, 02 cases); Sangod (02 GPs, 19 cases) and Tonk (39 GPs, 443 cases).

- Eleven *pattas* shown to have been issued by three GPs of three PSs<sup>41</sup> during 2001-02 to allottees were lying with GPs as of March 2009 despite lapse of seven years. Misuse of these *pattas* cannot be ruled out.

### 2.2.8 Conclusion

Audit of disposal of *abadi* land in selected GPs revealed that the GPs did not adhere to the prescribed rules and rates at the time of sale/auction/regularisation of *abadi* land. *Pattas* for vacant lands were irregularly issued at nominal rates applicable to old constructed houses. There were also instances of sale of land below market price, irregular allotment of land in excess of the prescribed area to weaker sections and free of cost/at concessional rates to beneficiaries.

The audit findings were communicated to the State Government in January 2007. In reply the State Government stated (June 2007) that directions had since been issued to the Chief Executive Officers of the ZPs concerned to take disciplinary action against defaulting officials for irregular disposal of *abadi* land. Orders were also stated to have been issued for cancellation of *pattas* issued wrongly and to recover the dues from the allottees. The Government was further requested (May 2008 and April 2009) to intimate the compliance to the above directions, reply was awaited (August 2009).

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41. PS, Kathoomar (01 GP : 01 *patta*), Mundawar (01 GP : 09 *pattas*) and Tonk (01 GP : 01 *patta*).

## AUDIT OF TRANSACTIONS

### 2.3 Non-utilisation/diversion of funds

#### *Irregular diversion of funds*

**Gram Panchayats irregularly diverted Sampoorna Grameen Rozgar Yojana funds amounting to Rs 17.37 lakh on repair and maintenance works of canals/minors of Irrigation (Command Area Development) Department.**

*Sampoorna Grameen Rozgar Yojana (SGRY)* guidelines issued (April 2002) by Government of India (GOI), permit *Gram Panchayats* to spend a maximum of 15 per cent funds on maintenance of public assets created under any wage employment programme of the Ministry of Rural Development (MoRD).

Test check (March-April 2006) of records of *Zila Parishad* (Rural Development Cell) (ZPRDC), Kota for the year 2004-05, revealed that 21 *Gram Panchayats* (GPs) of *Panchayat Samiti* (PS), Itawa sanctioned (August-December 2004) 40 works relating to repair and maintenance of canals/minors of Right Main Canal, Command Area Development (CAD), Sub-division, Itawa and incurred an expenditure of Rs 17.37 lakh out of SGRY funds. As these canals were not constructed under any wage employment programme of MoRD, undertaking their repair and maintenance tantamount to unauthorised diversion of Rs 17.37 lakh from SGRY. This also led to denial of execution of developmental works to that extent.

Government intimated (August 2009) that (i) the case has been sent to Panchayati Raj Department, Jaipur for initiating necessary action against the then defaulting *Vikas Adhikari*, PS, Itawa, (ii) Charge-sheets have been served (June 2009) upon 16 *Gram Sevaks* and (iii) the case for initiating action against *Sarpanchs* has been sent (June 2009) to Divisional Commissioner, Kota. However, final action in this regard was awaited (September 2009).

### 2.4 Wasteful /unfruitful/unproductive expenditure

#### *2.4.1 Wasteful expenditure on works lying incomplete/damaged*

**Failure of Panchayat Samitis and concerned Gram Panchayats in timely completion of works resulted in wasteful expenditure of Rs 20.86 lakh on works lying incomplete for 13 to 21 years depriving rural people of better infrastructure facilities.**

The Rajasthan Panchayati Raj Rules, 1996 stipulate that all works taken up for execution should be completed within the stipulated time and while preparing

the annual action plan, completion of the incomplete works should be given priority over new works. No work should be taken up which cannot be completed in two financial years.

Test check (August 2005 and October 2005) of records of *Panchayat Samitis* (PSs), Dhorimanna (District Barmer) and Shahabad (District Baran) for the year 2004-05 revealed that 23 works sanctioned during January 1988 to February 1996 at a cost of Rs 37.80 lakh were lying incomplete after spending Rs 20.86 lakh as per details given below:

Name of PS	Number of works	Name of works	Period of sanction/ amount	Actual expenditure	Period of works lying incomplete as of May 2009	Remarks
Dhorimanna	18	Construction of buildings, <i>varandah</i> in schools and tourist centre	January 1988 to February 1996 Rs 29.77 lakh	Rs 15.56 lakh	13 to 21 years	Works have been lying incomplete due to lack of interest in execution of works by the <i>Sarpanchs</i> .
Shahabad	5	Construction of primary school buildings, training and production centre	March 1995 Rs 8.03 lakh	Rs 5.30 lakh	14 years	While four works have been damaged, one was lying incomplete as of May 2009 despite lapse of more than 14 years due to lack of interest in execution of works by the <i>Sarpanchs</i> /Gram <i>Sevaks</i> .

Thus, failure of *Panchayat Samitis* and concerned *Gram Panchayats* in timely completion of works resulted in wasteful expenditure of Rs 20.86 lakh on works lying incomplete/damaged depriving the rural people of the intended benefits of these works.

The matter was referred to the Government in December 2005; reply has not been received (September 2009).

#### 2.4.2 Unfruitful expenditure

**Assets constructed to provide educational, residential and drinking water facilities in one ZP and three PSs were lying unused resulting in unfruitful expenditure of Rs 25.98 lakh.**

Test check (July 2005 to April 2006) of the records of *Zila Parishads* (ZPs), Rural Development Cell (RDC), Alwar and *Panchayat Samitis* (PSs), Osian (District Jodhpur), Ratangarh and Sujangarh (District Churu) for the period

2003-2005 revealed that various assets constructed at a cost of Rs 25.98 lakh between May 1995 and September 2004 to provide educational, residential and drinking water facilities under various schemes<sup>42</sup> were lying unused since their construction as detailed below:

S. No.	Name of PS/ZP (RDC)	Works sanctioned	Month of sanction (estimated cost)	Month of completion (expenditure)	Status of works
1.	ZP (RDC), Alwar	Middle School building at Hamidpur, PS, Behror (11 rooms and one boundary wall)	March 1994 to January 2003 (Rs 14.60 lakh)	May 1995 to June 2003 (Rs 14.68 lakh)	The construction of the rooms was completed between May 1995 and June 2003. However, the building had not yet been handed over to Education Department (September 2008) and was lying unutilised.  The constructed rooms got damaged due to passage of time and for want of proper upkeep. An estimate of Rs 4.50 lakh was proposed (October 2006) for repair of damaged rooms. However, no repair had been done as of September 2008 and the school was running in the old building.
2.	PS, Osian (Jodhpur)	Two <i>Girdawar</i> <sup>43</sup> <i>Bhawan</i> under Famine Relief	April 1996 (Rs 4.00 lakh)	June 1996 (Rs 3.51 lakh)	Both the <i>Bhawans</i> , though completed in June 1996 were handed over to Revenue Department only in October 2006 after being pointed out by Audit (July 2005). The <i>Bhawans</i> were however lying unused (May 2009) due to non-posting of officials. The buildings were not put to use even after 12 years which is indicative of the fact that buildings were constructed without assessing its proper requirement. An amount of Rs 1.20 lakh was spent on repair of these buildings during 2006-07 before transferring them to Revenue Department.
3.	PS, Ratangarh (Churu)	Six water tanks under Famine Relief	January 1999 to January 2004 (Rs 1.95 lakh)	March 1999 to March 2004 (Rs 1.93 lakh)	Of 29 water tanks completed between March 1999 and September 2004, eight water tanks (Ratangarh: six - Rs 1.93 lakh and Sujangarh: two - Rs 0.92 lakh) have still not been connected to water source

42. *Jawahar Rozgar Yojana, Apna Gaon Apna Kam*, Tenth Finance Commission, Member of Parliament Local Area Development, Member of Legislative Assembly Local Area Development (MLALAD), Famine Relief Works, Second State Finance Commission (SSFC) and *Sampoorna Grameen Rozgar Yojana (SGRY)*.
43. *Girdawar Bhawan* - Residential building of land revenue inspector.

S. No.	Name of PS/ZP (RDC)	Works sanctioned	Month of sanction (estimated cost)	Month of completion (expenditure)	Status of works
4.	PS, Sujangarh (Churu)	Two water tanks under SGRY and SSFC	September 2003 to May 2004 (Rs 0.92 lakh)	October 2003 to September 2004 (Rs 0.92 lakh)	been connected to water source (May 2009) and 21 water tanks were connected to water source after being pointed out in Audit (July 2005).
		One Police <i>chowki</i> under Relief works and MLALAD	April 2003 (Rs 5.00 lakh)	June 2003 (Rs 4.94 lakh)	The Police <i>Chowki</i> constructed in <i>Gram Panchayat</i> , Randhisar was handed over to Police Department in January 2006 after being pointed out in audit (July 2005). The <i>chowki</i> was however lying unused due to non-posting of staff (May 2009).
<b>Total</b>				<b>Rs 25.98 lakh</b>	

It would be seen from above that the Chief Executive Officer (CEO) of ZP (RDC), Alwar did not hand over school building to Education Department (September 2008) and *Vikas Adhikaris* (VA) of these *Panchayat Samitis* took more than two to 10 years in handing over the completed buildings to respective departments and in connecting water tanks to the source of water for use resulting in additional expenses on repairs in some cases. The buildings were lying unutilised as of May 2009 which indicated that these were constructed without any requirement and eight water tanks were lying unconnected to the source of water. Consequently infrastructure created at a cost of Rs 25.98 lakh could not be put to use for two to 10 years.

On this being pointed out (November 2005), the Government while accepting the facts stated (March 2006) that buildings constructed had been handed over to departments concerned and out of 29 water tanks constructed, 11 water tanks had been connected and the work of connecting the remaining water tanks was stated to be under progress. It was further stated (June 2008) that District Collector and CEO, ZP, Alwar had been directed to initiate action against defaulters. Moreover, information collected (May 2009) by Audit indicated that eight water tanks were yet to be connected and buildings were lying unused, as such the expenditure of Rs 25.98 lakh proved unfruitful.

## 2.5 Blocking of funds

### *Blocking of funds on incomplete project*

**Non-commissioning of an irrigation scheme led to blocking of funds of Rs 13.50 lakh for more than five years.**

Tribal Area Development Department (TADD) of the State Government issued (May 2002) sanction for construction of a Community Lift Irrigation Scheme (CLIS) under Modified Area Development Approach (MADA)

scheme in Pali village of *Panchayat Samiti*, Keshoraipatan (District Bundi) to provide irrigation facility in 54.95 hectare (ha) of land belonging to 29 farmers. Based on the technical sanction issued (January 2003) by the Executive Engineer (EE), Irrigation Division, Bundi *Zila Parishad* (ZP) Rural Development Cell (RDC)<sup>44</sup>, Bundi accorded (March 2003) financial sanction for Rs 19.05 lakh (MADA share: Rs 15.47 lakh and beneficiaries/other agency share: Rs 3.58 lakh). The work was to be executed by EE, Irrigation Division, Bundi and completed by June 2003.

ZP (RDC), Bundi transferred Rs 13.92 lakh under MADA scheme to EE, Irrigation Division, Bundi for construction work of the scheme against which Rs 13.50 lakh were spent on supply of material and construction works as of April 2004.

Test check (January 2006) of records of ZP (RDC), Bundi for the year 2004-05 revealed that despite incurring an expenditure of Rs 13.50 lakh, the irrigation scheme could not be made operational as the demand of Rs 2.12 lakh raised (July 2005) by *Jaipur Vidhyut Vitran Nigam Limited* (JVVNL), Lakheri (Bundi) for providing 11 KV line, transformers and other accessories could not be deposited. The ZP (RDC)/ Irrigation Department failed to ensure collection of the beneficiary contribution of Rs 3.58 lakh from the beneficiary farmers as per financial sanction (March 2003). Had this been collected, the same could have been utilised for providing electricity connection. Moreover, ZP (RDC) also could not release the balance amount of Rs 1.55 lakh from MADA scheme funds as the same being last installment was to be released only after completion of the project as envisaged in *Gramin Karya Nirदेशिका*.

EE, Irrigation Division, Bundi and Chief Executive Officer, ZP (RDC), Bundi while accepting the facts stated (January 2006) that efforts were being made to deposit Rs 2.12 lakh with JVVNL.

Government stated (November 2006) that electric connection of the irrigation scheme would be got installed soon after receiving the contribution from the beneficiaries who had agreed to deposit the amount in November 2006. However, ZP (RDC), Bundi has subsequently intimated (March 2009) that the share of beneficiary farmers had not been received and its possibility is remote.

Thus, non-completion of the project due to non-ensuring availability of adequate funds resulted in blocking of funds of Rs 13.50 lakh for more than five years.

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44. Previously known as District Rural Development Agency.

## 2.6 Non-eviction of unauthorised possessions

### *Loss of revenue due to encroachment on farm land*

#### **Failure of Panchayat Samiti to remove encroachment on its land resulted in non-utilisation of land worth Rs 37.88 lakh.**

As per Rule 165 of Rajasthan Panchayati Raj Rules (RPRR), 1996, for prevention of encroachment on land owned by Panchayati Raj Institutions (PRIs) and safeguard the *Gram Panchayat* (GP) properties, the GP should (i) every year conduct a survey of trespassers in *abadi* land, tank bed, grazing grounds, (ii) all such cases of trespassers alongwith details of area and nature of trespass should be entered in a register and (iii) issue notices to such trespassers in *abadi* area for eviction from trespassed land. *Sarpanch* of GP should remove trespass at trespasser's risk and cost.

Test check (October 2005) of *Panchayat Samiti* (PS), Hindoli (District Bundi) for the year 2004-05 revealed that a farm land measuring 178 *bigha* and 15 *biswa*<sup>45</sup> was allotted to PS by Government of Rajasthan (Prior to 1978) at GP, Chattarganj to generate its own income and registered in *Khatoni*<sup>46</sup> No 299 (old 262) in the name of PS, Hindoli. Out of 178 *bigha* and 15 *biswa*, 103 *bigha* was being let out for farming on annual contract basis and balance 75 *bigha* 15 *biswa* was encroached prior to 1984 by the adjoining land holding farmers and PS had never tried to vacate that land. A joint physical verification of the land carried out (October 2005) by Audit with *Gram Sevak*, GP, Chattarganj also revealed that no security arrangements like stonewall, barbed wire fencing etc. were made.

On this being pointed out (October 2005), PS, Hindoli while accepting the facts stated (November 2006) that regular correspondence was being made with *Tehsildar* and District Collector, Bundi to get the encroached land vacated. The reply is not tenable as regular correspondence was being made with *Tehsildar* and District Collector only after being pointed out by Audit. The fact remains that due to lackadaisical approach of GP as well as PS, encroached land of 75 *bigha* and 15 *biswa* worth Rs 37.88 lakh<sup>47</sup> could not be got cleared of encroachers.

The matter was referred (April 2009) to the Government; reply was awaited (September 2009).

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45. One *Bigha* = 20 *Biswa*

46. Account No. of land owner.

47. Rs 0.50 lakh per *bigha* as per DLC rates of 2004.