

Appendix-1

(Refer Paragraph 1.2; page 1)

Brief profile of the Departments

Sl. No.	Name of Department	Objectives/Functions of the Department
1.	Civil Aviation	Main objective of the Department is to establish an integrated eco-system which will lead to significant growth of civil aviation sector, which in turn would promote tourism, industries, increase employment and lead to a balanced regional growth.
2.	Environment	Main objective of the Department is to conduct environmental appraisal at planning level related to development schemes, formulate & execute schemes, plans, Programmes for environmental conservation and scrutinize the environment related proposals prepared by other government agencies & Non-Government organizations.
3.	Factory and Boilers	The main functions of the Department are to ensure Safety, Health and Welfare of the Factory Workers. Investigation of accidents and dangerous occurrences in factories and to Conduct Medical Surveillance of Industrial Workers.
4.	Forest	Main objective of the Department is to achieve environmental stability and ecological security through increasing vegetal cover. This is to be accomplished by undertaking massive afforestation for expanding the natural cover of the State, combating desertification, conserving floral and faunal diversity and gene pool reserve through a network of protected areas, such as National Parks, Sanctuaries, Conservation reserves and Community Reserves.
5.	Industries	Main objectives of the Department are promotion of MSMEs, to assist in the marketing of their products, development of salt areas, handicrafts artisan development, development of handloom, etc. The Department also provides various concessions, facilities and assistance for setting up of industrial enterprises in the State.
6.	Mines and Geology	The Department of Mines and Geology (DMG) has been formed with the purpose of discovery, development and administration of mineral resources in the State. The Department conducts Survey and prospecting for new mineral deposits and their conformity evaluation by Geological, Geophysical, Geochemical and Drilling techniques to make them ready for exploitation.
7.	Public Health and Engineering	Public Health Engineering Department (PHED) is committed to provide potable water to every citizen of the State. PHED with a state-wide office network and use of state of art Reverse Osmosis, De-fluoridation, SCADA, IT and Solar Energy technology is providing safe drinking water in the remotest places of Rajasthan. PHED is shifting from ground water based schemes to surface water source based schemes in a phased manner. This will help in combating water quality problem and make potable water supply sustainable.
8.	Public Works	The Public Works Department is mainly entrusted with construction and maintenance of Roads, Bridges and Government buildings. The Department also act as technical advisor to the State Government in these matters.
9.	Science and Technology	Main objective of the Department is to promote new areas of Science and Technology and to play the role of a nodal department for organizing, coordinating and promoting Science and Technology activities in the state.
10.	State Enterprises	Main objective of the Department is to provide safety to the employees of public sector enterprises effected with the reconstitution of such public sector enterprises.
11.	Rajasthan State Motor Garage	Main objective of the Department is to implement motor vehicle policy of State Government. Further, it ensures availability of motor vehicles to the functionaries from State/District pool.
12.	Transport	Main objectives of the Department comprises registration & fitness of motor vehicles, levy and collection of motor vehicle tax, issuing of driving licences, issuing permits to motor vehicle, determination of routes for benefit of public at large and work towards controlling vehicular pollution.

Appendix-2

(Refer Paragraph 1.5.1; page 4)

Statement showing age-wise analysis of the outstanding inspection reports and audit paragraphs

Sl. No.	Name of the Department	Number of outstanding IRs				Number of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total	Older than five years	Between three to five years	Upto three years	Total
1	Civil Aviation	2	0	3	5	2	0	11	13	1.33	0	41.12	42.45
2	Environment	4	2	2	8	26	22	5	53	135.22	469.19	8.64	613.05
3	Factory and Boilers	5	0	0	5	7	0	0	7	0.14	0	0	0.14
4	Forest	143	84	144	371	436	437	963	1,836	542.81	594.80	576.34	1,713.95
5	Industries	20	8	9	37	42	15	50	107	21.50	31.90	94.02	147.42
6	Mines and Geology	171	68	95	334	464	265	643	1,372	1,261.70	354.07	483.30	2,099.07
7	Public Health and Engineering	793	206	222	1,221	2,319	1,297	1,593	5,209	3,981.90	4,353.32	3,963.65	12,298.87
8	Public Works	856	219	281	1,356	3,818	1,319	1,908	7,045	3,572.53	853.81	2,895.52	7,321.86
9	Science and Technology	3	1	10	14	3	2	35	40	2.02	5.07	14.54	21.63
10	State Enterprises	2	0	2	4	2	0	9	11	0.08	0	26.13	26.21
11	Rajasthan State Motor Garage	0	2	3	5	0	2	19	21	0	0.43	14.76	15.19
12	Transport	176	48	60	284	593	231	581	1,405	15.30	17.31	51.28	83.89
Total		1,830	476	578	3,644	6,735	2,851	4,145	17,119	7,571.83	5,229.94	6,965.88	24,383.73

Appendix-3

(Refer paragraph 1.4; page 26)

Statement showing lack of responsiveness to Inspection Reports

Sl. No.	Name of PSU	No. of outstanding IRs				No. of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total
1.	Rajasthan State Road Development and Construction Corporation Limited	16	13	28	57	29	34	118	181	19.03	31.67	287.46	338.16
2.	Rajasthan State Industrial Development & Investment Corporation Limited	9	22	44	75	15	36	205	256	58.87	38.85	490.87	588.59
3.	Rajasthan State Mines & Minerals Limited	5	8	9	22	6	26	54	86	1.12	188.35	113.45	302.92
4.	Rajcomp Info Services Limited	1	2	3	6	8	4	38	50	0.54	0.70	498.70	499.94
5.	Barmer Lignite Mining Company Limited	0	0	3	3	0	0	8	8	0	0	9.53	9.53
6.	Rajasthan Financial Corporation	16	20	32	68	31	47	120	198	37.07	105.61	108.76	251.44
7.	Rajasthan Small Industries Corporation Limited	4	2	3	9	10	14	24	48	3.45	2.46	0.56	6.47
8.	Rajasthan State Handloom Development Corporation Limited	0	1	3	4	0	1	4	5	0	0	0.07	0.07
9.	Rajasthan Tourism Development Corporation Limited	20	2	4	26	47	21	88	156	26.50	33.19	16.78	76.47
10.	Rajasthan State Hotels Corporation Limited	0	2	4	6	0	3	22	25	0	1.02	1.08	2.10
11.	Rajasthan State Ganagnagar Sugar Mills Limited	2	5	5	12	3	9	35	47	0.75	33.97	49.43	84.15

Sl. No.	Name of PSU	No. of outstanding IRs				No. of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total
12.	Rajasthan State Beverage Corporation Limited	0	2	3	5	0	2	12	14	0	0.43	34.12	34.55
13.	Rajasthan Jal Vikas Nigam Limited	0	0	0	0	0	0	0	0	0	0	0	0
14.	Rajasthan State Road Transport Corporation Limited	13	23	39	75	23	117	533	673	2.96	202.51	634.45	839.92
15.	Rajasthan State Power Finance and Financial Services Corporation Limited	0	0	0	0	0	0	0	0	0	0	0	0
16.	Rajasthan Rajya Vidyut Utpadan Nigam Limited	1	7	25	33	2	10	90	102	0	753.85	4972.85	5726.70
17.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	0	4	22	26	0	4	70	74	0	13.54	92.18	105.72
18.	Jaipur Vidyut Vitran Nigam Limited	2	4	37	43	4	9	196	209	0	5.92	795.06	800.98
19.	Jodhpur Vidyut Vitran Nigam Limited	1	6	32	39	1	7	141	149	0	4.43	6962.59	6967.02
20.	Ajmer Vidyut Vitran Nigam Limited	4	15	42	61	6	39	196	241	1.06	23.48	6462.82	6487.36
21.	Rajasthan Renewable Energy Corporation Limited	0	0	3	3	0	0	14	14	0	0	49.55	49.55
22.	Rajasthan Solar Park Development Company Limited	0	0	2	2	0	0	3	3	0	0	1.27	1.27
23.	Rajasthan Urja Vikas Nigam Limited	0	0	2	2	0	0	5	5	0	0	6.01	6.01
24.	Rajasthan State Gas Limited	0	0	2	2	0	0	12	12	0	0	2.45	2.45
25.	Rajasthan State Petroleum Corporation Limited	0	0	1	1	0	0	3	3	0	0	0.43	0.43
26.	Chhabra Power Limited	0	0	2	2	0	0	6	6	0	0	58.57	58.57
27.	Dholpur Gas Power Limited	0	1	2	3	0	1	6	7	0	0	1.25	1.25

Sl. No.	Name of PSU	No. of outstanding IRs				No. of outstanding audit paragraphs				Amount involved (₹ in crore)			
		Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total	Older than five Year	Between three to five years	Upto three Years	Total
28.	Giral Lignite Power Limited	0	0	2	2	0	0	8	8	0	0	27.87	27.87
29.	Banswara Thermal Power Company Limited	0	0	0	0	0	0	0	0	0	0	0	0
30.	Barmer Thermal Power Company Limited	0	0	0	0	0	0	0	0	0	0	0	0
	Total	94	139	354	587	185	384	2011	2580	151.35	1439.98	21678.16	23269.49

Appendix-4

(Refer paragraph 2.1.2; page 28)

Description of the functions performed by various wings/cells of the Head office and Unit offices

Wing/cell/office	Brief description of functions
BOT wing	Execution of Memorandum of Understanding (MOU) with the client department and awarding of work relating to BOT projects.
ROB and Building wing	Execution of Memorandum of Understanding (MOU) with the client department and awarding of work relating to ROB and Building projects.
Mechanical Wing	Procurement and maintenance of construction machines and execution of departmental works with the help of construction machines.
Quality Control (QC) wing	Carries out inspections of the executed works, collects and tests samples, issues inspection reports and test results for quality control of the executed works.
Accounts wing	Collects funds from the client departments/organisations for the entrusted works and arranges borrowings for BOT projects and provides funds to Unit offices for implementation of the projects.
Business Promotion and Monitoring (BP&M) wing/ Enquiry Cell	Collects monthly progress of the works executed by the Unit offices and prepares monthly progress reports (MPRs) and procurement of cement required for construction works.
Unit offices	Awarding of works to contractors with the competent approvals, execution of work contracts, assessment of execution and release of payments to contractors, inspection, testing and monitoring of works etc. relating to construction works under their jurisdiction.

Appendix-5

(Refer paragraph 2.1.12; page 35)

Statement showing status of execution and handing over of the 11 selected works which belonged to those nine projects where the agreement/MOU had been executed with the client department/organisation

S. No.	Description of work	Type of work	Month/year in which MOU/ agreement was executed	Month/year stipulated in the MOU for handing over the project	Month/year in which the project was completed/ handed over	Delay in months (upto 31 March 2020)
1	Upgradation of lake fronts, Anasagar, Ajmer	Building	July 2016	March 2017	December 2018	21
2	ROB (level crossing 44) Gulabbari, Ajmer	ROB	June 2016	December 2017	WIP	27
3	Elevated Road, Ajmer	ROB	December 2017	December 2019	WIP	3
4	Construction works at Unani University, Tonk	Building	August 2017	August 2018	February 2019	6
5	Construction work of Matsya University	Building	September 2017	September 2018	WIP	18
6	Construction work of ITIs (ITI Shergarh)	Building	October 2016	April 2018	October 2018	6
7	Construction work of ITIs (ITI Lohawat)	Building	October 2016	April 2018	WIP	23
8	Construction Trauma Hospital in MDM Hospital Jodhpur	Building	February 2018	February 2021	WIP	Due in 2020-21
9	Construction works at JNVU, Jodhpur (laboratory in Electrical Engineering Department)	Building	June 2018	December 2019	June 2019	-
10	Construction works at JNVU, Jodhpur (Laboratory and two class rooms)	Building	June 2018	December 2019	WIP	3
11	ROB at level crossing number 265, Jhunjhunu	ROB	August 2017	February 2019	WIP	13

Appendix-6

(Refer paragraph 2.1.14; page 37)

Delay/deficiencies in Awarding Work Contracts

Case 1: Inordinate delay in construction of Sewerage Treatment Plant at Rajasthan Ayurvedic University, Jodhpur

Rajasthan Ayurvedic University, Jodhpur (RAU) entrusted (February 2017) the work of construction of sewerage treatment plant at its premises to the Company. Audit noticed that the Company awarded the work (May 2018) to a contractor by taking inordinate time of 15 months.

The Government stated that the Company appointed (March 2017) a consultant and sought (April 2017) a response from RAU on the query raised by the consultant. As the query remained unresponded for long, the Company belatedly directed the consultant to finalise the estimate, soil investigations *etc.* in consultation with RAU. On submission of detailed estimate by consultant, the Company finalised the technical estimate and awarded the work.

The fact remained that the Company was not prompt in coordinating with its client and resultantly, it took inordinate time in awarding the work to contractor.

Case 2: Inordinate delay in construction of Railway Over Bridge

The Company was awarded (August 2016) contract for construction of ROB at Level Crossing Number 265, Jhunjhunu at an estimated cost of ₹ 36.12 crore. The cost of the project was to be borne equally by the GoR and Indian Railways. As per MOU (August 2017) executed between the client organisation and the Company, the ROB was to be constructed by February 2019 (*i.e.* 18 months from the date of MOU). Simultaneously, the Company invited (October 2016) tenders for consultancy services required for preparation of General Arrangement Drawings (GAD) (including approval of Indian Railways and relevant road authorities), awarded (February 2017) consultancy work and submitted (September 2017 and January 2018) the GAD/modified GAD to Indian Railways for obtaining its approval. The modified GAD was approved by the Indian Railways in May 2018. Thereafter, the Company awarded (March 2019) the construction work of the ROB to the contractor which was in progress (August 2020).

Audit observed that the Company failed to finalise the tendering process initiated for awarding the work in August 2018 and belatedly, dropped (January 2019) the tender as the tender provided for supply of cement on account of the contractor however, as per practice *in vogue*, cement was arranged by the Company in all other cases. Resultantly, the Company, after taking inordinate time of more than 18 months, awarded

(March 2019) the work to a contractor after lapse of the project completion period stipulated in the MOU. Thus, inordinate time taken in finalising and obtaining approval on the GAD coupled with lacklustre and deficient approach in awarding the work contract defeated the very purpose of constructing the ROB in time. Resultantly, the benefits envisaged from construction of ROB had also been deferred to the extent of delay as the Company could not incur even one *per cent* of the envisaged expenditure upto August 2020.

The Government while accepting the facts stated that the work was delayed mainly due to re-inviting tenders after excluding cement, delay in receipt of GAD, encroachment on site and non-sanction of estimates by Indian Railways. Further, progress of the work was slow at present due to non-receipt of funds from client.

The reply was however silent on the core issues *i.e.* delay in preparing GAD and inviting initial tender by including supply of cement in the scope of contractor by deviating from its own practices due to which award of work was inordinately delayed.

Case 3: Inordinate delay in award and execution of a small construction work

On receipt of funds, the Unit office, Ajmer awarded (December 2016) the work of constructing a connecting corridor between buildings of Rajasthan Secondary Education Board (client) to a contractor with scheduled completion period of three months. The contractor did not initiate the work till September 2017. Meanwhile, the client revised (September 2017) the scope of work and thereafter sent (January 2018 to April 2018) several reminders to the Company. In response, the Unit office sent (May 2018) a revised estimate for the work which was also approved (June 2018) by the client. On this, the Unit office withdrew (June 2018) the work from the existing contractor and issued (October 2018) a fresh work order to another contractor with completion schedule as January 2019. The work could be completed and handed over to the client in January 2020 and February 2020 respectively.

Audit observed that the Unit office neither executed agreement with the client nor ensured commencement of initially awarded work in time as the work was not commenced even after lapse of nine months from the date of award of contract. The Unit office again inordinately delayed the cancellation of the existing work contract and awarding the new work contract. Thus, despite receipt of funds in advance, the Unit office took inordinate time of four years in executing a small magnitude work which was to be executed within a period of three months.

The Government stated that the initial work could not be taken up due to non-receipt of permission from BSER for initiation of work till May 2018 and the revised work was delayed mainly due to removal of ramp causing hindrance in foundation and furniture and other articles dumped on second floor.

The reply was factually incorrect as BSER itself had written (January 2018 to April 2018) several reminders to Unit office and Head office of the Company for initiating the work. Further, nature of hindrances mentioned for delay in revised work showed that the Company was not prompt and effective in handling the minor issues with its clients.

Appendix-7

(Refer paragraph 2.1.17; page 41)

Short levy of Liquidated Damage

Construction of trauma hospital at Mathura Das Mathur Hospital, Jodhpur

The Unit office, Jodhpur-I executed (February 2018) an MOU with the client department for construction work of trauma hospital at Mathura Das Mathur Hospital, Jodhpur. The Unit office awarded the work to the contractor for ₹ 19.86 crore with stipulated commencement date and completion date of the work as March 2018 and September 2019 respectively. Clause 5 under Section 4 (Contract Data) of the SBD relating to the work contract stipulated three milestones (*i.e.* 15 per cent, 40 per cent and 70 per cent of the contract price) for physical progress/completion of the work. Clause 49 under Section 3 (Conditions of Contract) of the SBD with corresponding clauses (clause 26 and 27) of Section 4 provided for levy of LD for delay in achievement of the milestones as well as completion of the entire work at the rate of 0.05 per cent of the contract price for delay of each day. The maximum limit of LD for delay in the work was to be 10 per cent of the contract price.

The details relating to delay/non-achievement of the three milestones as well as completion of the entire work upto August 2020 and the LD to be charged for the delays is detailed below:

Milestone wise delay in execution and applicable liquidated damage

(₹ in crore)

Benchmark	Proportionate value of work for the benchmark	Stipulated month for achieving the benchmark	Month in which the benchmark was achieved	Delay in months	LD to be deducted
i	ii	iii	iv	v	vi=ii*v*30* 0.05%
Milestone-I (15 %)	2.98	July 2018	October 2018	3	0.13
Milestone-II (40 %)	7.94	December 2018	September 2019	9	1.07
Milestone-III (70%)	13.90	April 2019	Pending	16	3.34
Entire work (100%)	19.86	September 2019	Pending	11	3.28
Total					7.82
Maximum LD to be levied/deducted					1.99

Source: Records of the Company.

It could be seen that:

- the contractor delayed in achieving the first two milestones by three months and nine months respectively whereas it could not achieve the third milestone despite lapse of 16 months from the stipulated month of its completion.
- as the work remained incomplete even after lapse of 11 months from stipulated month of its completion, the Unit office was expected to deduct proportionate LD from the concerned running bills and to deduct total LD worth ₹ 1.99 crore (*i.e.* maximum LD) from the bills of the contractor till August 2020. However, the Unit office released (May 2018 to March 2020) ₹ 12.78 crore against the 12 running bills submitted by the contractor from time to time by deducting LD of ₹ 0.05 crore only (sixth bill) till August 2020.

Audit observed that:

- the Unit office not only failed to control the delay in executing the work but also failed to deduct the applicable LD from the running bills of the contractor. This led to short deduction of LD worth ₹ 1.94 crore which was in violation of the provisions of the work contract as well as directions of the higher management.
- the hindrance register was not found updated as the entries upto November 2019 only were registered (June 2020).
- the Unit office instead of recovering the applicable LD by assessing the delay attributable to the contractor and taking stringent action against the defaulting contractor, *suo moto* granted (13 May 2020) provisional time extension (upto 31 July 2020) for avoiding expiry of the work contract. Due to this, computation of exact delay on part of contractor could not be assessed in audit.

Short recovery of LD and improper maintenance of hindrance register indicates that the Company lacked proper monitoring and financial control on the work.

The Government stated that the LD to be levied till second span (₹ 0.05 crore) had been correctly deducted. Further, upto third span, the Company had deducted total LD of ₹ 0.10 crore as applicable for delay on part of contractor.

The reply was not convincing as while releasing the payments, the Unit office did not ensure deduction of LD as per SBD. Further, the hindrance register furnished was not found updated in absence of which, the LD calculated and deducted by the Unit office could not be vouchsafed in audit.

Appendix-8

(Refer paragraph 2.1.19; page 42)

Statement showing details of the rate contracts awarded for procurement of cement (PPC and OPC) during 2016-17 to 2019-20

S. No.	Period of rate contract	PPC			OPC		
		Ordered quantity (in bags)	Rate (₹ per bag)	Order value (₹ in crore)	Ordered quantity (in bags)	Rate (₹ per bag)	Order value (₹ in crore)
1	April 2016 to August 2016	72200	221.75	1.60	308300	234.50	7.23
2	August 2016 to November 2016	214200	209.90	4.50	144500	219.90	3.18
3	November 2016 to March 2017	138000	187.30	2.58	277000	194.30	5.38
4	April 2017 to July 2017	180000	255.00	4.59	200000	275.00	5.50
5	July 2017 to October 2017 (extended upto November 2017)	100000	210.00	2.10	200000	224.00	4.48
6	November 2017 to February 2018	156000	189.00	2.95	300000	199.00	5.97
7	March 2018 to May 2018 (extended upto June 2018)	254300	189.00	4.81	541350	203.00	10.99
8	June 2018 to December 2018 (extended upto January 2019)	541100	191.00	10.34	992400	208.00	20.64
9	February 2019 to August 2019 (extended upto November 2019)	452240	209.50	9.47	1036748	223.50	23.17
10	January 2020 to June 2020 (extended upto October 2020)	335000	245.00	8.21	842500	263.00	22.16

Appendix-9

(Refer paragraph 2.1.19; page 43)

Avoidable expenditure on procurement of cement

Rule 73 of the RTPP Rules provides for extending contract period of contracts only in those cases where ordered quantity had been increased. Further, clause 5 under the special terms and conditions of the supply order did not restrict validity of the rate contract upto six months as it also mentions for validity of the rate contract till completion of supply.

Review of records relating to test checked cases disclosed that:

- the Company issued (12 and 27 February 2019) supply orders for 1036748 OPC bags (₹ 223.50 per bag) and 452240 PPC bags (₹ 209.50 per bag) respectively.
- As per clause 5 of the special terms and conditions of the supply orders, the rate contracts were to be valid for a period of six months or till completion of supply.
- the Company could obtain supply of 484314 OPC bags (47 per cent) and 144920 PPC bags (32 per cent) only within the stipulated contract period of six months (upto August 2019) and hence, extended (August/September 2019) the contract period of both the rate contracts upto 24 November 2019. However, the Company could obtain supply of only 633734 OPC bags (61 per cent) and 182340 PPC bags (40 per cent) upto 31 October 2019.
- On the basis of incorrect interpretation¹ of irrelevant provision (Rule 73: Right to vary quantity) of the RTPP Rules, the Company decided (6 November 2019) not to extend the rate contracts for further period as it had already extended the contracts for three months or more considering it as maximum allowable period for extending the contracts. Hence, the Company could obtain supply of 723368 OPC bags (70 per cent) and 182340 PPC bags (40 per cent) upto the end of extended period.
- New rate contracts were awarded (January 2020) by inviting fresh tenders (November 2019) for 842500 OPC bags (₹ 263 per bag) and 335000 PPC bags (₹ 245 per bag) with scheduled completion upto July 2020 (extended upto October 2020).

¹ Contract period was to be extended upto 50 per cent of the originally granted period which has already been done by extending the contract for three months or more.

Audit observed that:

- the Company erred in interpreting the provisions contained under the RTPP Rules as well as supply order as major part of the quantities ordered under both types of rate contracts remained unsupplied.
- the contract was to remain valid till completion of the entire ordered quantities and there was no requirement for extending the contract period till completion of entire supply. Thus, the extensions already allowed (August/September 2019) by the Company were not needed.
- the decision to discontinue the existing rate contracts and to obtain supplies at higher rates under new rate contracts was not correct. Resultantly, the Company incurred avoidable expenditure of ₹ 2.20 crore due to procurement of cement at higher rates.

The Government stated that the supply period was not indefinite. Besides, the Company did not extend the contract period as the supplier refused to accept further extension as well as the contract could not be extended beyond 50 *per cent* of completion period.

The reply was factually incorrect as it contradicted clause 5 of the special terms and conditions of the supply order. Further, the Company did not apply due diligence in finalising as well as implementing the rate contract.

Appendix-10

(Refer paragraph 2.1.21; page 45)

Statement showing expenditure incurred in excess of funds received from the clients

(₹ in crore)

S. No.	Description of works/projects	Date of completion	Date of handing over the project to the client department/organisation	Expenditure incurred upto August 2020	Funds received from the client department/organisation upto August 2020	Expenditure incurred in excess of available funds
1	Development of Entry Plaza Complex at Brahma Temple, Pushkar, Ajmer	4 October 2018	5 March 2019	12.79	6.51	6.28
2	Construction works at Anasagar Lake, Ajmer	30 December 2018	9 January 2019	7.02	6.75	0.27
3	Building of Pure and Applied Chemistry Department at MDS University, Ajmer	24 August 2018	19 January 2019	3.89	3.14	0.75
4	Building for Raj Rishi Bharthari Matsaya University, Alwar	Work stopped in July 2019 (Non-availability of funds)	-	7.52	6.12	1.40
5	ITI building at Shergarh, Jodhpur	5 October 2018	6 January 2020	8.53	4.42	4.11
6	ITI building at Lohawat, Jodhpur	Work stopped in April 2019 (Non-availability of funds)	-	6.57	3.41	3.16
7	Construction of Sainik School at Jhunjhunu (Phase-I)	24 May 2018	14 September 2018	91.50	84.00	7.50
	Construction of Sainik School at Jhunjhunu (Phase-II)	WIP	-			
Total				137.82	114.35	23.47

Appendix-11**(Refer paragraph 2.1.29 and 2.1.30; page 55)****Statement showing non-maintenance of key records*****Case 1: Non-maintenance of Hindrance Register***

In compliance to the budget declaration for 2016-17, the State Government subrogated the Schedule-XIII under Part-II of the Public Works Financial and Accounts Rules which provided that Hindrance Register shall be maintained by Engineer in-charge and reasons of delay (on account of department/ contractor) shall be specifically recorded event wise with full details. Every extension case must accompany copy of Hindrance Register and record of corrective measures taken by the Engineer incharge. Thereafter, the Finance Department, Government of Rajasthan issued (22 May 2017) a circular wherein format for preparation of Hindrance Register was prescribed. The circular further provided that:

- The contractor shall provide information of hindrances in writing to the Engineer incharge and the hindrance with its complete details was to be recorded in the Hindrance Register.
- The Engineer incharge shall take immediate action for removal of the hindrance and record its complete details in the Hindrance Register.
- The supervisory officers shall review the Hindrance Register during their site inspections.
- Monthly extract of the Hindrance Register shall be reported to higher authorities by the Engineer incharge which is to be reviewed by them on quarterly basis.
- The final time extension sanctioning authority shall approve the final time extension only after examining the Hindrance Register and other records relating to this register.

Thus, Hindrance Register is a vital record for ensuring timely completion of the works and assessing reasonability of the hindrances occurred in execution of a work. The Company also issued (31 May 2017) a circular which provided to maintain Hindrance Register and utilise it while processing the time extension cases in consonance with the circular issued by the Finance Department.

During detailed scrutiny of the 42 cases, Audit noticed that the Unit offices did not prepare Hindrance Register in respect of the following five works:

Selected works executed without maintaining Hindrance Register

S. No.	Description of work	Unit office	Stipulated month in which the work was to be commenced	Stipulated month in which the work was to be completed	Month upto which completion of the work has been extended (Completion status as on 31 March 2020)
1	Construction of Elevated Road at Ajmer	Ajmer-I	May 2018	May 2020	August 2021 (WIP)
2	Construction of ROB (level crossing Number 44) at Gulabbari	Ajmer-I	August 2018	February 2020	No progress as work held due to encroachment.
3	Construction of ITI building at Shergarh	Jodhpur-I	July 2017	October 2018	August 2019 (Complete)
4	Construction of ITI building at Lohawat	Jodhpur-I	February 2017	February 2018	July 2019 (Work stopped in April 2019 due to non-availability of funds)
5	Construction of laboratory classroom at Jai Narain Vyas University, Jodhpur	Jodhpur-I	October 2018	April 2019	July 2020 (WIP)

Audit noticed that out of the above five works, one work (S. No. 2) was discontinued due to encroachment whereas three works remained incomplete despite lapse of stipulated completion period. Resultantly, the Company extended the completion period of these three incomplete works for a period ranged between 15 months and 17 months on the grounds of non-shifting of facilities, subsequent changes in the scope, shortage of funds and keeping the contract active *etc.* Besides, the only work (S. No. 3) completed by the concerned contractor within the stipulated period was also hampered/delayed due to non-receipt of funds from the client department and resultantly, the Company allowed an extension of 10 months to settle the case.

Audit observed that despite delay in execution of these five works due to one or other hindrance, the concerned Engineer in-charge did not maintain the mandatory Hindrance Register in these cases. Besides, in none of these cases, the respective supervisory officer raised objection regarding non-maintenance of Hindrance Registers. Necessary periodic reporting of hindrances was also not ensured in these cases. This indicates that the concerned authorities did not put the mechanism for monitoring the hindrances in place which was not only mandatory in nature but also vital for proper monitoring and timely execution of these works. Further, in absence of the Hindrance Registers, reasonability of time extensions allowed in these cases also could not be ensured.

The Government in reply furnished copy of hindrance registers maintained for three of the five cases highlighted in the observation whereas the reply was silent in other two cases. Further, the copies of hindrance registers furnished with reply were incomplete as well as not updated.

Case 2: Non-obtaining mandatory program/updated program of construction

Clause 27 under Section 3 (Conditions of Contract) of the SBD provided that the contractor is required to submit a program² and thereafter an updated program³ to the Engineer for approval within the time stated in the Section 4 (Contract data). It further provided that if the contractor does not submit an updated program within the stipulated period, the Engineer may withhold ₹ one lakh in each case from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue program has been submitted.

During review of records relating to selected 42 works, it was noticed that the Company awarded 21 of these selected works having work order value of ₹ five crore and above (except one departmental work) by adopting the SBD for tendering and award of works. Audit noticed that in none of these 21 works, the concerned contractor submitted the mandatory program as well as updated program relating to construction works. However, the respective Unit office neither made efforts to obtain the program/updated program nor withheld the amount of 21 lakh (₹ one lakh in each case) from the payments released to these contractors. Thus, not ensuring compliance with the mandatory provisions laid down in the SBD defeated the purpose of inclusion of this provision in the SBD. In the absence of submission of program/updated program, proper monitoring of the work execution was not possible which indicates that the Unit offices did not monitor execution of these works effectively. This is also evident from the fact that 15 out of these 21 works got delayed for a period ranging upto 20 months till March 2020.

Audit further observed that the Company did not incorporate the clause for submission of program/updated program in the remaining 20 selected construction contracts having work order value upto ₹ five crore. However, reasons for non-inclusion of such a vital clause in the construction contracts were not found in the records of the Company.

The Government stated that there were initial/subsequent delays in these works due to non-finalisation of site, drawings and designs and lack of funds due to which it had been very difficult to furnish updated completion program.

The reply is not relevant as it did not address the issue highlighted in the observation.

2 A program showing general methods, arrangements, order and timing for all the activities in the works along with monthly cash flow forecast.

3 A program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work including any changes to the sequence of the activities.

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(Refer paragraph 2.1.31; page 55)

Non-obtaining insurance policy from contractors

During review of records relating to selected works, Audit noticed that in 20 cases belonged to five⁴ selected Unit offices, the Contractors defaulted in furnishing the insurance cover as per provisions of the SBD as detailed in table given below:

Table: Statement showing projects/works where the contractors defaulted in providing requisite insurance cover

S. No.	Description of work	Schedule as per work order		Insurance policy provided in actual		Period for which insurance was not submitted/delayed (in months)	Period for which insurance was not renewed upto August 2020 (in months)	Value of work executed upto August 2020 (₹ in crore)
		Month/Year from which insurance was to commenced	Month/Year by which insurance was to be provided (including DLP)	Month/Year from which insurance effected	Month/Year in which insurance expired/to be expired			
A	Unit office, Jodhpur-I							
1	Construction of ITI building at Shergarh, Jodhpur	June 2017	October 2021	November 2017	November 2018	5	21	9.25
2	Construction of ITI building at Lohawat, Jodhpur	February 2017	February 2021	January 2018	July 2018	- ⁵	13 ⁶	3.44
3	Trauma Hospital at MDM, Hospital, Jodhpur	March 2018	September 2022	Not provided	Not provided	29	NA	11.27
4	Construction of laboratory at Electric Engineering Department, JNVU, Jodhpur	December 2018	June 2019	Not provided	Not provided	6	NA	0.25
5	Construction of Laboratory and two classrooms at JNVU, Jodhpur	October 2018	August 2020 (WIP)	Not provided	Not provided	22	NA	0.27
6	Construction of Police Housing Quarters, Jodhpur	September 2017	August 2020 (WIP)	December 2017	December 2020	3	-	1.78
7	Construction works at Umaid Stadium, Jodhpur	May 2018	August 2020 (WIP)	Not provided	Not provided	27	NA	0.31

4 Jodhpur-I, Alwar, Ajmer-I, Ajmer-II and Jhunjhunu.

5 The work commenced in January 2018 and the insurance cover also provided in January 2018.

6 Delay was taken upto July 2019, when the contractor asked the Company for finalisation of work.

S. No.	Description of work	Schedule as per work order		Insurance policy provided in actual		Period for which insurance was not submitted/delayed (in months)	Period for which insurance was not renewed upto August 2020 (in months)	Value of work executed upto August 2020 (₹ in crore)
		Month/Year from which insurance was to commenced	Month/Year by which insurance was to be provided (including DLP)	Month/Year from which insurance effected	Month/Year in which insurance expired/to be expired			
8	Stone Alleviation work at Shooting Range, Umaid Stadium, Jodhpur	October 2018	August 2020 (WIP)	Not provided	Not provided	22	NA	0.11
9	Construction of STP at RAU, Karwar, Jodhpur	May 2018	August 2020 (WIP)	Not provided	Not provided	27	NA	0.71
	Total A							27.39
B	Unit office, Alwar							
10	Residential (Police) quarters at Alwar	August 2017	November 2021	March 2018	November 2018	7	21	4.03
	Total B							4.03
C	Unit office, Ajmer-I							
11	Upgradation works at Anasagar Lake, Ajmer	September 2016	December 2021	January 2017	January 2020	4	7	5.01
12	Elevated Road, Ajmer	May 2018	August 2020 (WIP)	September 2019	May 2021	16	-	23.25
13	ROB at Level Crossing Number 44, Gulabbari, Ajmer	August 2018	August 2020 (WIP)	May 2019	February 2020	9	6	4.88
14	Development work at Brahma Temple, Pushkar	August 2017	April 2021	July 2018	July 2019	11	13	8.95
	Total C							42.09
D	Unit office, Ajmer-II							
15	Construction of Todaraisingh -Bhaghera-Kekri Road (46/00 KMs to 67/00 KMs)	January 2018	September 2021	January 2019	June 2025	12	-	27.98
	Total D							27.98
E	Unit office, Jhunjhunu							
16	Construction of Six block of Hostel Sainik School, Jhunjhunu	October 2018	August 2020 (WIP)	December 2018	August 2020	2	-	23.76
17	ROB at Level Crossing Number 265, Jhunjhunu	March 2019	September 2020	June 2020	June 2021	15	-	4.73

S. No.	Description of work	Schedule as per work order		Insurance policy provided in actual		Period for which insurance was not submitted/delayed (in months)	Period for which insurance was not renewed upto August 2020 (in months)	Value of work executed upto August 2020 (₹ in crore)
		Month/Year from which insurance was to commenced	Month/Year by which insurance was to be provided (including DLP)	Month/Year from which insurance effected	Month/Year in which insurance expired/to be expired			
18	Development of four lane of Sikar-Jhunjhunu-Luharu Road NH-08 (95/100 KMs to 122/600 KMs)	November 2017	November 2021	February 2018	February 2019	3	18	63.53
19	Construction of Multi-purpose Hall at Stadium, Jhunjhunu	January 2019	October 2019	March 2019	January 2020	2	-	3.72
20	Laying of Synthetic track at Stadium, Jhunjhunu	January 2019	August 2020 (WIP)	August 2020	April 2021	19	-	0.44
	Total E							96.18
	Grand Total							197.67

Audit noticed that:

- in six cases (Sl no. 3, 4, 5, 7, 8 and 9), the contractors did not furnish insurance cover and resultantly, one work remained uninsured throughout its currency of execution (December 2018 to June 2019) and the remaining five works which were under progress/DLP remained uninsured despite lapse of period ranging between 22 months and 29 months from the stipulated date of commencement of insurance.
- in remaining cases, the contractors furnished insurance cover with delay ranging between two months and nineteen months. Besides, period of the insurance cover provided by the contractors had already elapsed in seven cases and thus, these works remained uninsured for a period ranging between six months and twenty one months as these works were under progress/DLP till August 2020.
- Despite having provisions in the work contracts, the Unit offices did not ensure receipt/renewal of requisite insurance cover from inception of the concerned works till currency of the work/DLP due to which a large number of works remained uninsured for a significant period/entire currency of the contract. Thus, Company failed to ensure compliance with the stipulated provisions.
- The Unit offices did not exercise the option to obtain/renew the insurance cover on their own though provided in the SBD/agreement. Resultantly, works worth ₹ 197.67 crore remained uninsured for a significant period.

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(Refer paragraph 2.2; page 60)

Budgetary estimates for total profit, total taxable income and total tax for the year and instalments of advance tax deposited during the year 2018-19

S. No.	Particulars	Date	Amount (₹ in crore)
1	Estimated total profit for the year	15.06.2018	172.85
2	Estimated total taxable income for the year	15.06.2018	162.29
3	Estimated total tax for the year @34.944% of S. No. 2	15.06.2018	56.71
4	Estimated advance tax deposited for the I st Instalment (15% of S. No. 3)	14.06.2018	8.51
5	Estimated advance tax deposited for the II nd Instalment (45% of S. No. 3 - ₹ 8.51 crore)	13.09.2018	17.01
6	Revised estimate of total taxable income for the year ⁷	14.12.2018	122.29
7	Revised estimate of total tax for the year @34.944% of S. No. 6	14.12.2018	42.73
8	Estimated advance tax deposited for the III rd Instalment (75% of S. No. 7 - ₹ 25.52 crore)	14.12.2018	6.53
9	Revised estimate of total tax for the year (S. No. 7 + ₹ 15 crore ⁸)	15.03.2019	57.73
10	Estimated advance tax deposited for the IV th Instalment (₹ 57.73 crore i.e. 100% of S. No. 9 - ₹ 32.05 crore)	15.03.2019	25.68

7 Worked out after deducting ₹ 40 crore contributed to Rajasthan Chief Minister Relief Fund.

8 Adhoc impact on tax liability envisaged from reviewing the policy of valuing land stock under encroachment/litigation at nil value.

