



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
General, Social & Economic Sectors and
Public Sector Undertakings
for the year ended 31 March 2019**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Chhattisgarh
Report No. 02 of the year 2021

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Comptroller and Auditor General of India
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Preface

This Report of Government of Chhattisgarh for the year ended 31 March 2019 has been prepared for submission to the Governor of Chhattisgarh for being laid before the State Legislature. This Report contains two parts:

Part-I deals with the results of audit of Departments of Government of Chhattisgarh under General, Social and Economic Sectors for being laid before the State Legislature under Article 151 of the Constitution of India. It contains significant results of Performance Audit findings of the Departments of Panchayat and Rural Development, Public Works and Women and Child Development and Compliance Audit findings of Water Resources Department of the Government of Chhattisgarh.

Part-II deals with the results of audit of Public Sector Undertakings of Government of Chhattisgarh for being laid before the State Legislature under Section 19(A) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The accounts of the Government Companies are audited by the Comptroller and Auditor General of India (CAG) under Section 143 of the Companies Act, 2013. Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by the CAG for laying before the Legislature of Chhattisgarh. The audit arrangements of Statutory Corporations are prescribed under the respective Acts through which the Corporations are established.

The information in this Report is based on the audited / provisional accounts of the PSUs and the information furnished by them for the years for which the accounts were in arrears. The impact of finalization/ revision, if any, of the accounts by the PSUs would be reflected in the future reports.

The instances mentioned in this report are those which came to notice in the course of test audit during the period 2017-19, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2017-19 have also been included, wherever necessary.

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

Chapter I

OVERVIEW

CHAPTER- I: OVERVIEW

1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) contains matters arising from Performance Audit of selected programmes/schemes and Compliance Audit of transactions of various Departments of the Government of Chhattisgarh pertaining to General, Social and Economic (PSU and Non-PSU) Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as issue directives that will lead to improved financial management of organisations and contribute to better governance. This Chapter explains the planning and coverage of audit, response of Departments and Government to audit findings, preparation of audit reports and follow-up action on previous Audit Reports.

1.2 Profile of General, Social and Economic Sectors

A summary of the expenditure incurred by the Departments of Government of Chhattisgarh falling within the General, Social and Economic Sectors during the three-year period 2016-17 to 2018-19 is given in **Table 1.1**.

Table 1.1: Expenditure incurred by various departments in the State under General, Social and Economic sectors

Sl. No.	Name of the Department	Expenditure		
		2016-17	2017-18	2018-19
(₹ in crore)				
A	General Sector			
1	General Administration	296.54	360.27	533.80
2	Home Department (Police)	2656.07	3117.03	3558.87
3	Jails Department	123.57	138.11	135.77
4	Finance Department	4694.85	4990.73	6646.53
5	Law & Legislative Affairs Department	225.62	235.71	297.62
6	Planning, Economic & Statistics Department	19.82	26.80	24.51
7	Public Relations Department	131.47	153.66	248.44
8	Parliamentary Affairs Department	34.72	38.76	39.35
	Total	8182.66	9061.07	11484.89
B	Social Sector			
1	Sports & Youth Welfare Department	42.52	54.41	39.56
2	Labour Department	39.08	46.19	61.50
3	Public Health & Family Welfare Department	2876.95	3525.24	3421.95
4	School Education Department	10752.95	11502.61	12073.40
5	Panchayat & Rural Development Department	5873.57	5715.81	4041.73
6	Scheduled Tribe and Scheduled Caste Welfare Department	647.75	684.18	584.73
7	Social Welfare Department	2270.38	2557.83	1918.77
8	Technical Education Department	193.29	183.08	161.80
9	Food, Civil Supplies & Consumer Protection Department	3258.94	3460.63	4106.49
10	Culture and Archaeology Department	38.31	41.32	44.07
11	Public Health Engineering Department	1739.70	1810.47	1071.92
12	Housing & Environment Department	1276.46	3287.76	2408.24
13	Higher Education Department	569.24	730.83	683.49
14	Manpower Planning Department	180.96	208.81	165.63
15	Women and Child Welfare Department	681.47	705.26	535.79
16	Medical Education Department	415.32	482.65	335.43

Sl. No.	Name of the Department	Expenditure		
		2016-17	2017-18	2018-19
17	Urban Administration and Development Department	2360.43	1992.61	1763.35
	Total	33217.32	36989.69	33417.85
C	Economic Sector			
1	Commerce & Industry Department	144.92	200.09	159.62
2	Energy Department	2099.79	3580.24	2802.55
3	Agriculture Department	1809.46	3556.20	9360.90
4	Cooperation Department	416.33	231.42	3276.19
5	Public Works Department	4825.05	5555.76	5849.98
6	Water Resources Department	2413.41	2213.55	2155.81
7	Tourism Department	49.46	23.11	19.47
8	Animal Husbandry Department	355.36	421.67	399.75
9	Fisheries Department	76.00	88.81	74.89
10	Electronics and Information Technology Department	79.05	72.29	266.01
11	Aviation Department	15.35	24.59	2.42
12	Village Industries Department	241.05	233.74	186.62
	Total	12525.23	16201.47	24554.21
	Total (A+B+C)	53925.21	62252.23	69456.95

(Source: Appropriation Accounts and Finance accounts of Government of Chhattisgarh for the respective years)

1.3 Office of the Principal Accountant General (Audit)



Under the directions of the Comptroller and Auditor General of India (CAG), Office of the Principal Accountant General (Audit), Chhattisgarh conducts audit of 44 Departments¹ and Local Bodies/ Public Sector Undertakings/Autonomous Bodies there under in the State of Chhattisgarh. Out of these, 37 Departments are covered under General, Social and Economic Sectors Audit.

1.4 Authority for audit

The CAG's authority for audit is derived from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). The CAG audits the Departments in General, Social and Economic Sectors of the Government as per the following provisions of the DPC Act:

- Audit of expenditure is carried out under Section 13 of the DPC Act;
- Audit of autonomous bodies is conducted under sections 19(2)², 19(3)³ and 20(1)⁴ of the DPC Act;
- Local bodies are audited under Section 20(1) of the DPC Act;

¹ Including those pertaining to Revenue Sector.

² Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations.

³ Audit of accounts of Corporations (not being companies) established by or under law made by the State Legislature in accordance with the provisions of respective legislations.

⁴ Audit of accounts of any body or authority on the request of the Governor, on such terms and conditions as may be agreed upon between the CAG and the Government.

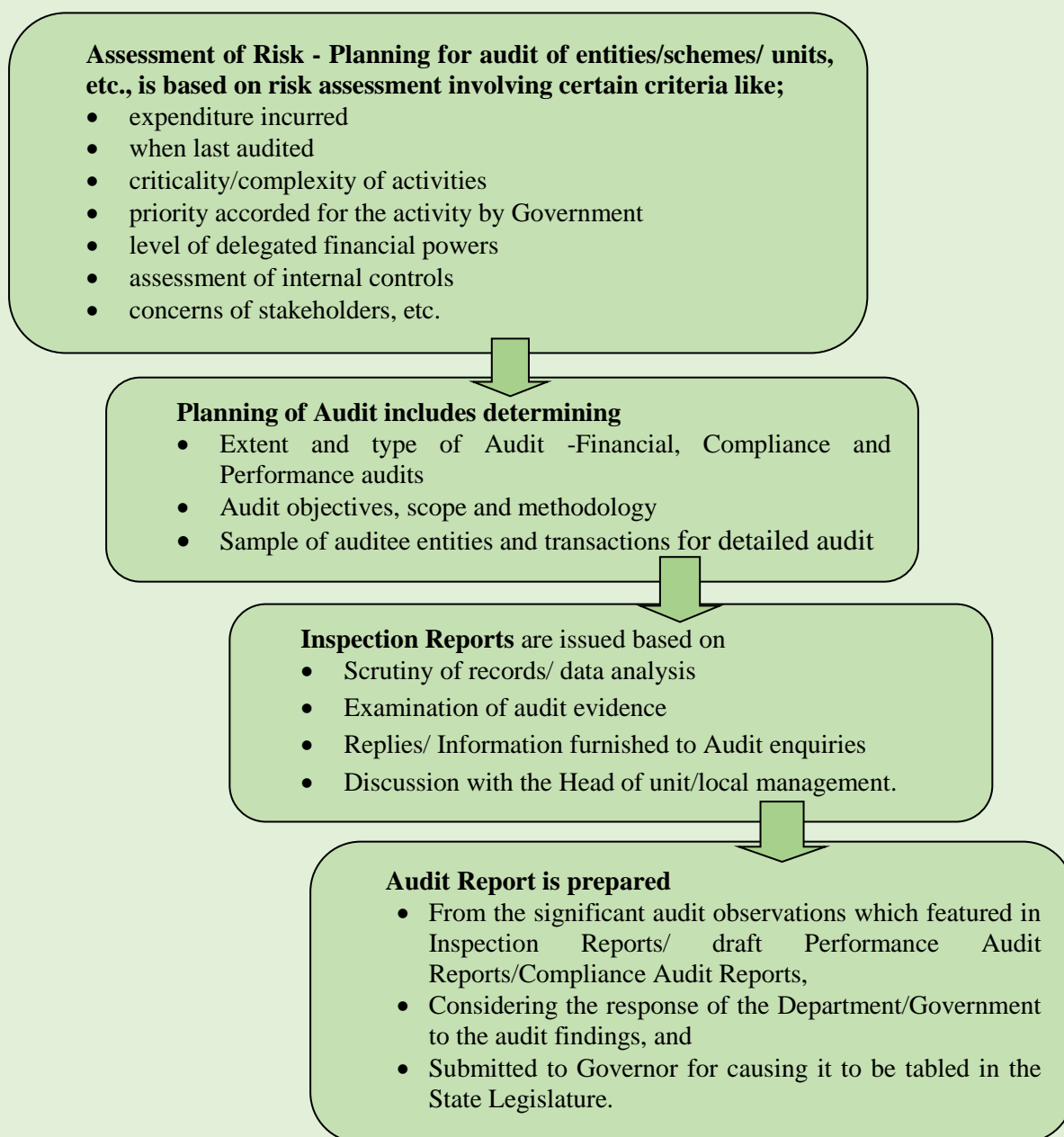
- In addition, CAG also conducts audit of other autonomous bodies, which are substantially funded by the Government under Section 14⁵ of the DPC Act.

Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, as well as other guidelines, manuals and instructions issued by or on behalf of the CAG.

1.5 Planning and Conduct of audit

The following flowchart depicts the process of planning, conduct of audit and preparation of Audit Reports:

Chart-1.1: Planning, conduct of audit and preparation of Audit Reports



⁵ Audit of all (i) receipts and expenditure of a body/authority substantially financed by grants or loans from Consolidated Fund of State and (ii) all receipts and expenditure of anybody or authority where grants or loans to such body or authority from Consolidated Fund of State in a financial year is not less than ₹ one crore.

After completion of audit of each unit, an Inspection Report (IR) containing audit findings is issued to the Head of the unit with a request to furnish replies within one month of receipt of the IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in Government, are issued as draft paragraphs to the Government for their responses, before possible inclusion after due consideration of the responses, in the Audit Reports. In addition, draft Compliance Audits and Performance Audits on specific themes, topics or schemes are also issued to the Government for their responses, before possible inclusion in the Audit Reports. These Audit Reports are submitted to the Governor of Chhattisgarh under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

1.6 Response of Departments to audit findings

1.6.1 Response to previous Inspection Reports

Heads of Offices and next higher authorities are required to respond to the observations contained in IRs and take appropriate corrective action. Audit observations communicated in IRs are also discussed at periodical intervals in meetings at District/State levels by officers of the Accountant General's office with officers of the concerned Departments. As of 31 December 2020, 4,520 IRs containing 22,565 paragraphs pertaining to previous years were pending settlement as detailed in **Table 1.2**. Of these, first replies have not been received in respect of 905 IRs (7467 paragraphs).

Table 1.2: Position of Outstanding Paragraphs

Year	Number of IRs/Paragraphs pending settlement as of 31December 2020		IRs/Paragraphs where even first replies have not been received as of 31December 2020	
	IRs	Paragraphs	IRs	Paragraphs
Up to 2014-15	3,096	12,081	20	163
2015-16	241	1,529	132	1,006
2016-17	472	3,580	273	2,333
2017-18	423	3,257	276	2,269
2018-19	288	2,118	204	1,696
Total	4,520	22,565	905	7,467

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/ services, fraud, corruption and loss to public exchequer. State Government therefore, needs to institute an appropriate mechanism to review and take expeditious action to address the concerns flagged in these IRs and audit paragraphs.

1.6.2 Response of Government to audit observations

All Departments are required to send their responses to draft audit paragraphs proposed for inclusion in CAG's Report, within six weeks of their receipt. During the year 2019-20, a total of 19 draft compliance audit paragraphs pertaining to 11 Departments were forwarded to the Additional Chief Secretaries/ Principal Secretaries/Secretaries of the Departments concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. It was brought to their personal attention

that these paragraphs were likely to be included in the Audit Report of the CAG of India, which would be placed before the State Legislature and it would be desirable to include their comments/responses to the audit findings. Despite this, four Departments⁶ did not furnish reply to seven draft compliance audit paragraphs as on the date of finalisation of this Report. The responses of the Government, wherever received, have been appropriately incorporated in the Report.

1.6.3 Response of Government to audit paragraphs that featured in earlier Audit Reports

Administrative Departments are required to submit Explanatory Notes on paragraphs and reviews included in Audit Reports, after their presentation to State Legislature duly indicating action taken or proposed to be taken. For this purpose, the Departments are not required to wait for any notice or call from the Public Accounts Committee. Explanatory Notes were yet to be received from two Departments *viz.* Urban Administration and Development Department and Panchayat and Rural Development Department in respect of 19 paragraphs/performance audit review that featured in the Audit Reports for the years upto 2016-17 as of 31 December 2020.

1.6.4 Response of Government to recommendations of the Public Accounts Committee

Administrative Departments are required to submit Action Taken Notes (ATNs) on recommendations of Public Accounts Committee (PAC) within six months from the date of receipt of recommendations. As of 31 December 2020, 19 ATNs in respect of 13 Departments were yet to be received.

1.7 Significant audit observations

This Report contains findings of audit in respect of Performance Audit of (i) Pradhan Mantri Awaas Yojana- Gramin, (ii) Construction of State Highways and Major District Roads and (iii) Integrated Child Development Services and compliance audit observations from a test-check of accounts and transactions of Departments and PSUs of Government of Chhattisgarh during 2017-19.

Significant results of audit that featured in this Report are summarised below.

PART-I

1.7.1 Performance Audit of Programmes/Activities/Department

Performance Audit is concerned with the audit of economy, efficiency and effectiveness in receipt and application of public funds. It focuses on inputs, processes, including planning and preparedness, outputs, outcomes, and results. The analyses in Performance Audit is distinct from, and goes beyond, compliance issues, and seeks to provide new

⁶ Water Resources Department, Public Works Department, Culture and Archaeology Department and Panchayat and Rural Development Department.

information, analysis or insights on the actual benefit of the activity undertaken by the entity.

Performance Audit of Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

Chhattisgarh Government completed the construction of 7,43,484 houses (94 *per cent*) against the target of 7,88,235 houses and 98 *per cent* of programme funds were utilised for disbursement of assistance to beneficiaries during the period 2016-19. Although the progress in construction of houses was good, there were issues of non-compliance with the scheme guidelines.

State Government did not prepare State specific policy framework in line with strategic goals with housing security. The scheme covered only 65 *per cent* of eligible beneficiaries as 35 *per cent* of additional beneficiaries identified by the Department remained outside the Permanent Wait List (PWL) as of September 2020. Funds received from the GoI were transferred with delays (6 to 225 days) to the State Nodal Account and funds of ₹896.22 crore were short released by State Government during the three year period 2016-19. 43,930 beneficiaries (15.19 *per cent*) were not paid full amount of assistance despite completion of houses. There were instances of delay in release of first instalment to beneficiaries ranging up to 812 days after sanction of houses and transfer of assistance in wrong bank account.

There were instances of constructed houses being used for commercial purposes and incomplete houses being shown as completed. Further, several completed houses were not provided with basic amenities due to lack of convergence with other social sector schemes. Lack of monitoring and inspection by the Departmental officials resulted in inability to identify/detect lacunae/ deficiencies at ground level.

(Paragraph 2.1)

Performance Audit of Construction of State Highways and Major District Roads

The overall length of road network in the State increased by 857 km during the period 2014- 19. Government of Chhattisgarh has upgraded 3,820 km of State highways and major district roads (MDR) by construction, strengthening, widening and renewal during the period 2015-19.

Although the Government outlined a PWD Road Policy of Chhattisgarh in 2002, it was not adopted as of the date of audit. The department lacked a transparent system of prioritization of roads for selection, funding and execution by various executing agencies. In the absence of a road database and non-establishment of Road Management System, comprehensive planning for undertaking road works was yet to be established. Road works were awarded without prior clearance of the forest department and without obtaining permissions from required agencies in some cases.

There were instances of misclassification of funds, and inclusion of works in the budget without obtaining administrative approval, irregularities in sanction of variation and grant of time extension. Deficiencies in the preparation of estimates, non-compliance with

Indian Road Congress specifications and instances of undue favour to contractors were also noticed. Road Safety Audit was not got conducted by an Independent agency.

(Paragraph 2.2)

Performance Audit of Integrated Child Development Services (ICDS)

Performance audit of implementation of ICDS scheme revealed that supplementary nutrition was not provided to 30.72 lakh children (out of 135.42 lakh) of the age group of 0-6 years and 3.81 lakh pregnant and lactating mothers (out of 26.13 lakh) during the period 2014-15 to 2018-2019. There was a gradual decline in the actual number of beneficiaries of the scheme over the years during the audit period. Aadhaar seeding of both beneficiaries and Anganwadi workers/helpers was not yet fully achieved, despite sanction of funds by the GoI.

Department was not able to ensure quality of meals as envisaged in the scheme guidelines, due to delays in sending the samples or non-receipt of Ready to Eat (RTE) food packet's test reports from the laboratories, and deviation in the tolerance limits in nutritional value from National Food Security Act (NFSA) standards. Early Childhood Care and Education curriculum was implemented with delay of more than two years and medicine kits for Anganwadi Centres (AWCs) were not procured.

Availability of infrastructure and equipment in AWCs was deficient *vis-à-vis* norms and lack of basic facilities, such as drinking water, toilet, playing area, store room, ramp, electricity, cooking and feeding utensils, equipment for cooking, essential drugs and material for monitoring health severely constrained the functioning of the AWCs. Only 37,407 AWCs were operating from dedicated buildings with delays in completing the construction of buildings of 5,915 AWCs and non-use of 1,487 AWC buildings due to dilapidated conditions and long distance from the habitations. Monitoring of AWCs was poor as was evident from acute shortfall in field visits by Child Development Project Officers and Supervisors.

(Paragraph 2.3)

1.7.2 Compliance Audit Observations

Compliance Audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material aspects with applicable laws, rules, regulations established codes etc. and the general principles governing sound public financial management and the conduct of public officials.

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (two paragraphs) are included in the Report. The major observations relate to absence of compliance with rules and regulations, cases of expenditure without adequate justification and failure of oversight/administrative control. Some of these are mentioned below:

Water Resources Department

Construction of headwork without ensuring the availability of land for canal work for four diversion schemes resulted in unfruitful expenditure amounting to ₹ 6.13 crore, as the diversion scheme remained incomplete even after eight years.

(Paragraph 3.1)

Issue of hard rock excavated at construction site of Jonk Barrage in Mahasamund district to contractor at lower rate resulted in undue advantage of ₹ 78.36 lakh to him.

(Paragraph 3.2)

PART-II

1.7.3 Functioning of State Public Sector Undertakings (PSUs)

As on 31 March 2019, 31 State Public Sector Undertakings in Chhattisgarh (including 30 Government Companies and one Statutory Corporation) were under the audit jurisdiction of the CAG. Of these 31 PSUs, six PSUs relate to power sector and 25 PSUs (including five Government Companies added during the year 2018-19) relate to sectors other than power. Out of these 25 PSUs, 22 (one Statutory Corporation and 21 Companies) were working PSUs and three were inactive as of 31 March 2019. For the purpose of analysis presented in this Report, only 20 PSUs whose accounts were in arrears for less than three years have been considered. Five of these PSUs belong to the power sector, while 15 PSUs belong to non-power sector.

As per their latest finalised accounts, State PSUs registered an annual turnover of ₹ 36,922.95 crore, which was equal to 11.85 *per cent* of the Gross State Domestic Product (GSDP) of Chhattisgarh State during 2018-19. As on 31 March 2019, the investment of the Central Government, State Government and Others in equity and long term loans in these 31 PSUs was ₹ 20,621.88 crore. Out of the State Government's total investment (equity, loans and subsidy / grants) of ₹ 3,207.10 crore in the PSUs during the period from 2016-17 to 2018-19, power sector received an investment of ₹ 2,376.99 crore (74.12 *per cent*).

Functioning of Power Sector PSUs

As on 31 March 2019, there were six Power Sector PSUs in Chhattisgarh. During 2018-19, the aggregate turnover of five power sector PSUs was ₹ 22,794.73 crore, which constituted 7.31 *per cent* of the GSDP of Chhattisgarh. One Company was added during 2018-19 but it did not commence operations. The total investment in these five PSUs on historical cost basis was ₹ 17,924.97 crore.

The overall profit earned by the five PSUs was ₹ 497.29 crore during 2018-19 as against ₹ 64.82 crore reported during 2016-17. During 2018-19, out of the five PSUs, three PSUs (Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Transmission Company Limited and Chhattisgarh State Power Holding Company Limited) earned a profit of ₹ 779.49 crore, whereas two PSUs (Chhattisgarh State Power Distribution Company Limited and Chhattisgarh State Power Trading Company Limited)

incurred a loss of ₹ 282.20 crore. During the period between 2016-17 and 2018-19, the Rate of Real Return on Investment in Power Sector PSUs was positive and ranged between 0.49 per cent and 6.69 per cent.

As against the Shareholders' funds of ₹ 6,744.33 crore, the accumulated losses reported by these PSUs were ₹ 5,339.97 crore, resulting in depletion of net worth to ₹ 1,404.36 crore.

Functioning of PSUs (Non-Power Sector)

As on 31 March 2019, 25 PSUs including three inactive PSUs in Chhattisgarh pertained to other than power sector. The 22 working PSUs included 21 Government Companies and one Statutory Corporation. During 2018-19, the aggregate turnover of these 15 working PSUs (excluding seven, out of 22, working PSUs whose accounts were in arrears for three or more years / first accounts not submitted), as per their latest finalised accounts, was ₹ 14,056.20 crore and total investment in these PSUs was ₹ 1,202.06 crore. The overall profit earned by these PSUs increased from ₹ 76.54 crore in 2016-17 to ₹ 182.46 crore in 2018-19 due to profit earned by Chhattisgarh State Warehousing Corporation (₹ 138.69 crore). Of these 15 working PSUs, nine PSUs earned a profit of ₹ 202.27 crore, four PSUs incurred a loss of ₹ 19.81 crore and remaining two PSUs had reported neither profit nor loss.

As against the Shareholders' funds of ₹ 328.13 crore, these PSUs had accumulated profits of ₹ 696.15 crore, contributing to increase in net worth of ₹ 1,024.28 crore.

1.7.4 Compliance Audit Observations (PSUs)

Compliance Audit observations included in this Report highlight cases of non-compliance by the State PSUs with established policies, rules and regulations that had financial implications. These observations have been issued to the concerned PSUs as well as to the Government for their comments and responses. Replies received have been incorporated in the Report suitably. Significant cases of deviations/ irregularities noticed during a test check in audit are given below:

Chhattisgarh State Industrial Development Corporation Limited

The Company did not consider rehabilitation grant as part of value of land to recover service charges on allotment of land to a private party on lease for 99 years. This resulted in short recovery of service charges of ₹ 34.39 lakh and land lease rent of ₹ 23.78 lakh up to 31 March 2020 (₹ 1,473.52 lakh for remaining lease period) from the private party.

(Paragraph 7.1)

The Company allotted land on lease to a private party for 99 years for commercial purposes and adopted incorrect land rate for assessment of land premium and annual lease rent thereon. This resulted in short collection of land premium by ₹ 1.37 crore and consequent short assessment of land lease rent by ₹ 5.42 crore for 99 years of lease period.

(Paragraph 7.2)

1.8 Acknowledgement

The Office of the Principal Accountant General (Audit), Chhattisgarh wishes to acknowledge the cooperation and assistance rendered by the officials of the State Government and various other Departments during the course of conduct of audit.

Part-I

Chapter II

Performance Audit

CHAPTER-II: PERFORMANCE AUDIT

Panchayat and Rural Development Department

2.1 Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

2.1.1 Introduction

Pradhan Mantri Awaas Yojana- Gramin (erstwhile Indira Awaas Yojana) was launched with effect from 1st April 2016 to provide by the year 2022, *pucca* houses with basic amenities to all houseless rural households, and those households living in *kutcha* and dilapidated houses in rural areas. To achieve the objective of “Housing for all”, 2.95 crore houses were targeted to be constructed by the year 2022 in the country. The immediate objective was to cover one crore households in rural areas in three years from 2016-17 to 2018-19. For the State of Chhattisgarh, the target was construction of 7.88 lakh houses during the three years.

Key Features of PMAY-G

The key features of the scheme are as follows.

- Identification and selection of beneficiaries based on housing deficiencies and other social deprivation parameters in the Socio-Economic and Caste Census (SECC), 2011 data and verified by the Gram Sabha,
- Unit assistance of ₹ 1.20 lakh in plain area and ₹ 1.30 lakh in hilly areas and tribal and backward districts (Integrated Action Plan districts) in three¹ instalments for construction of houses. The cost of unit (house) assistance is to be shared between Central and State Governments in the ratio of 60:40.
- Focus on construction of quality houses by the beneficiaries using local material and trained mason,
- Provision for 90/95 person days of unskilled labour wage under MNREGS for construction of houses over and above the unit assistance,
- Convergence with other Government schemes for provision of basic amenities *viz.* drinking water, LPG and electricity connection and toilet facilities etc.,
- All payments to the beneficiaries are to be made electronically to their Bank/ Post office accounts that are linked to Aadhaar Card,

Further, under PMAY-G, programme implementation and monitoring was being done through the IT enabled e-governance platform “AwaasSoft”. AwaasSoft is a work flow-enabled, web-based electronic service delivery platform through which all critical functions of the programme, right from identification of beneficiaries, fixing of targets,

¹ Four instalments from 2018-19.

sanction of houses, verification of progress in construction and release of construction linked assistance (through public funds) were managed.

2.1.2 Organizational Setup

The Panchayat and Rural Development Department (PRDD) is responsible for implementation of PMAY-G scheme in the State. The Department is headed by the Principal Secretary, who is assisted by Director (PMAY-G). At the district level, Chief Executive Officer (CEO), Zila Panchayat (ZP) is responsible for monitoring and supervision of implementation of the scheme. The implementation of scheme is carried out by Janpad Panchayats (JP), and Gram Panchayats (GP) at village level. Fund Transfer Order is generated at Janpad Panchayat/block level initially after sanction and geo-tagging of the house and thereafter at different stages of construction of houses.

2.1.3 Audit objectives

Performance Audit of PMAY-G (2016-19) was carried out with the objectives of assessing the:

- Effectiveness in implementation of the scheme with respect to planning, identification and selection of beneficiaries and achievement of targets;
- Efficiency in financial management with respect to devolution of funds;
- Extent of convergence of PMAY-G with other schemes.

2.1.4 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Framework for Implementation of the PMAY-G issued by the Ministry of Rural Development, Government of India (November 2016);
- Instructions, circulars, orders issued by GoI and the State Government from time to time.

2.1.5 Scope and Methodology of Audit

Performance Audit of PMAY-G was conducted during June to December 2019 and covered the period of 2016-19. Audit methodology involved examination of the relevant records in the office of Director PMAY-G at state level, Zila Panchayats (ZP) at district level, Janpad Panchayats (JP) at block level, and Gram Panchayats (GP) at village level. The districts were stratified on the geographical contiguity of the State *viz.*, Northern Hills, Chhattisgarh Plains, and Bastar Plateau. From each stratum 25 *per cent* of the districts were selected by probability proportional to size without replacement (PPSWOR) method with size measure as total PMAY-G beneficiaries during the last three years. Out of 27 districts, nine² districts were selected through PPSWOR method, and from each

² Raipur, Kawardha, Mungeli, Bastar, Kanker, Balarampur, Jashpur, Mahasamund and Janjgir-Champa.

sampled district, two blocks³ and 165 Gram Panchayats were selected for audit. Audit covered 1440 beneficiaries in 165 Gram Panchayats (GPs) in 18 blocks of nine selected districts for physical verification.

Audit methodology included collection and analysis of data/information, examination of records, issuing questionnaires and conducting joint physical inspection of houses. Photographic evidence was obtained where necessary to substantiate audit findings.

The Audit commenced with an entry conference held in June 2019 with the Director of PMAY-G, wherein the audit objectives, scope, and methodology were discussed. The draft Report was issued to the Principal Secretary of Panchayat and Rural Development Department (P&RDD) in May 2020. The responses of the Government have been suitably incorporated in the report. Exit conference was not held considering the pandemic (Covid-19) situation in the State.

Audit Findings

2.1.6 Planning for implementation of Scheme

As per Para 3.6.2 of the Framework for Implementation (Guidelines) of PMAY-G, the States should prepare a comprehensive Annual Action Plan (AAP), which should *inter-alia* include the road map for time bound completion of houses sanctioned and ensure convergence with other schemes. The AAP of the State should contain district wise plans, highlighting the strategy, to be adopted for saturating priority households, mason training, source for construction of material, facilitation of loan to beneficiaries etc.

Scrutiny of records in Office of the Director PMAY-G (June 2019) and nine test checked districts (July to December 2019) revealed that AAPs were prepared showing total targets and status of construction of houses without incorporating district- wise plans for the period 2016-19 highlighting strategy for saturating priority households and components like mason training, availability of loan facility, development of house typologies and convergence with different schemes.

In reply, Government stated (October 2020) that the State level AAPs, were prepared and presented online to Union Ministry of Rural Development (MoRD), in the prescribed format.

Reply is not acceptable as although for the sake of uniformity across the State, the complete details may not have been provided in the online format, the framework for implementation of scheme makes it clear that AAP including district level plans and strategy for saturation of priority households should be prepared.

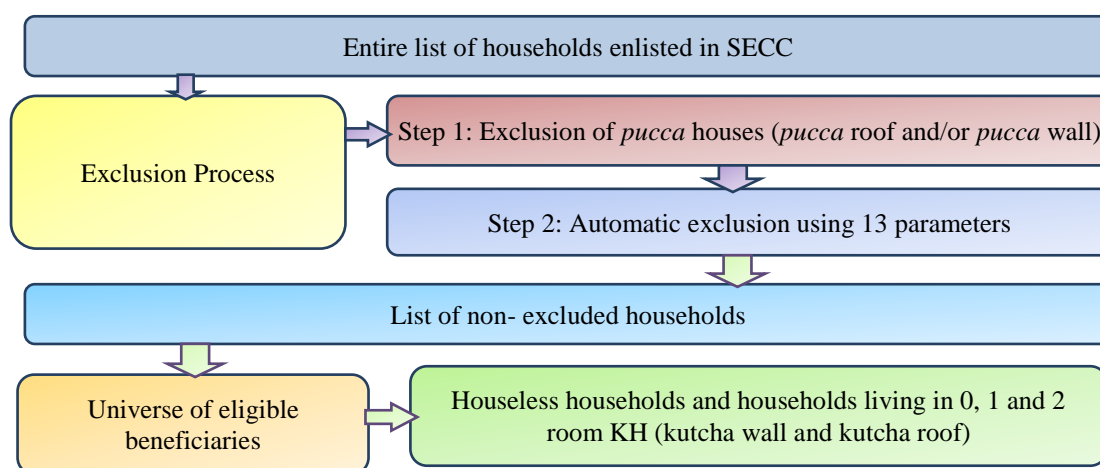
³ Raipur (Arang and Abhanpur), Kawardha (Bodla and Pandariya), Mungeli (Mungeli and Lormi), Kanker (Charama and Kanker), Bastar (Bastar and Bakawand), Balarampur (Ramchandrapur and Wadrafanagar), Jashpur (Patthalgaon and Kunkuri), Mahasamund (Saraipali and Pithora) and Janjgir-Champa (Dabhara and Malkharoda).

2.1.6.1 Identification and selection of beneficiaries

2.1.6.1(i) Preparation and updation of Permanent Wait List (PWL)

Paragraph 4 of the guidelines of PMAY-G provided for identification and prioritization of the beneficiaries on the basis of housing deprivation parameters in the SECC-2011 data. Universe of eligible beneficiaries includes all houseless, and households living in zero, one or two room *kutcha* house subject to exclusion criteria prescribed. In the exclusion process, the beneficiaries satisfying any one of the 13⁴ parameters as envisaged in the guidelines, would be excluded.

Chart 2.1.1 - Procedure of selection of beneficiaries



From the list of beneficiaries after exclusion process, GP wise list of beneficiaries of each category of SC, ST, Minorities and others⁵ are segregated. Within each category, the beneficiaries who fall in any one of the five⁶ categories designated for compulsory inclusion will be elevated to the topmost position in their respective category. Further, priority of beneficiaries will be assigned on the basis of five⁷ housing deprivation parameters and deprivation scores will be allotted to each beneficiary in each category of SC, ST, Minorities and others. Households with higher deprivation scores will be ranked higher within each category. The list thus prepared after the above process was entered in

⁴ 1- Motorised two/three/four wheeler, 2- Mechanised three/four wheeler agricultural equipment, 3-Kisan credit card, with credit limit ₹50000 above 4- Households with any member as Government employee, 5-Households with non agricultural enterprises registered with the Government, 6- Any member of the family earning more than ₹ 10000 per month, 7- Paying income tax, 8- Paying professional tax, 9- Owns a refrigerator, 10- Owns landline phone, 11- Owns 2.5 acres or more of irrigated land with atleast one irrigation equipment, 12- Five acres or more of irrigated land for two or more crop seasons, 13- Owning atleast 7.5 acres of land or more with atleast one irrigation equipment.

⁵ Others include all other communities except SC/ST and minority.

⁶ 1. Household without shelter, 2. Destitute/living on alms, 3. Manual scavengers, 4. Primitive tribal groups, 5. Legally released bonded labourers.

⁷ 1-No adult member between the ages of 16 and 59 year of age, 2-Female headed households with no adult male member between 16 and 59, 3-Households with disabled member and no able bodied adult member, 4-Households with no literate adult above 25 years, 5-Landless households deriving a major part of their income from manual casual labour.

the AwaasSoft at the district level. This system generated list would be circulated to each Gram Panchayat for verification by the respective Gram Sabha.

As per Paragraph 4.5 of the guidelines, the list verified by the Gram Sabha should be entered in AwaasSoft for further publicity. After this, a window period of 15 days would be provided for submission of complaint to district level Appellate Committee constituted at the district level headed by District Collector regarding wrongful deletion from the list.

As per Paragraph 4.5.4 of guidelines, after disposal of all cases by the Appellate Committee, the Gram Panchayat wise final Permanent Wait List for each category will be published on the notice board of GP and will be entered on website of the PMAY-G.

A list of 25,15,030 beneficiaries was generated (2016-17) from the SECC 2011 State data out of which, 6,54,623 beneficiaries were proposed for deletion after following housing deprivation parameters, exclusion criteria and verification of data by the Gram Sabha. A PWL following the above procedure duly approved by Gram Sabha of 18,60,407 beneficiaries was uploaded in AwaasSoft (April 2017).

Audit scrutiny of records revealed that 91,735 eligible beneficiaries of Raipur (32,133) and Janjgir-Champa (59,602) districts having two room *Kutcha* houses were deleted from AwaasSoft erroneously during preparation of PWL (August 2016).

Paragraph 4.4.4 of the guidelines requires that *Gram Sabha* also record a separate list for households which were otherwise eligible, but not included in the system generated priority list. MoRD, GoI (January 2018) laid down procedure for inclusion and identification of additional beneficiaries who were eligible for assistance under the scheme but were not included in the final PWL prepared and uploaded on AwaasSoft. MoRD fixed the deadline for completing this process as on 31 March 2018 which was subsequently extended to 07 March 2019.

The Department identified (March 2019) 10.26 lakh additional beneficiaries (35 *per cent*) in the State for inclusion in PWL and the details of these beneficiaries were uploaded in AwaasPlus⁸. However, these beneficiaries were not included in final PWL awaiting the approval of GoI. Thus, the scheme covered only 65 *per cent* of eligible beneficiaries under the scheme.

Similarly in nine test checked districts 6,79,649 beneficiaries were included in the PWL prepared in 2016 and 4,36,686 additional beneficiaries (39 *per cent*) identified as eligible were yet to be included in the PWL.

Government stated (October 2020) that in 2018, districts were directed to include beneficiaries in AwaasPlus and that, a letter has been written to the GoI requesting permission to include the beneficiaries in PWL. It was further stated that details of excluded beneficiaries would be entered into the AwaasSoft after approval from GoI.

⁸ A separate module named AwaasPlus was developed in AwaasSoft to facilitate geo-tagging, and specifically for data entry.

2.1.6.1(ii) Sanction of houses to permanent migrants and beneficiaries under IAY

As per Paragraph 4.4.1 of the guidelines of PMAY-G, beneficiaries who had benefited from any other scheme or those who have permanently migrated should be deleted from the priority list. This exercise was to be done during preparation of PWL after recommendation of Gram Sabha.

Scrutiny of records in nine test checked districts revealed that 67 households already benefited under IAY and 40 beneficiaries who migrated permanently from their villages during 2016-19, were sanctioned houses and a total assistance of ₹ 66.16 lakh was paid to these beneficiaries under PMAY-G.

Government stated (October 2020) that recovery was in the process from beneficiaries who were benefited earlier in IAY scheme. It was further stated that labourers did not migrate permanently from their respective villages but rather temporarily. They returned to their villages during June to December for agricultural purposes and therefore benefit of the scheme was extended to them. It was stated that in the case of permanent migration, recovery has been initiated after cancelling sanction of houses to them.

Reply is not acceptable, as these beneficiaries had migrated permanently as per the records of Gram Sabha and ₹ 44.10 lakh were recovered from these beneficiaries. Recovery of balance amount of ₹ 22.06 lakh was pending.

2.1.6.1(iii) Sanction of houses in Achanakmar Tiger Reserve

Scrutiny of records relating to allotment of PMAY-G houses in Mungeli district revealed that 593 beneficiaries of 19⁹ villages under JP Lormi (2016-19) were sanctioned houses for construction in core forest area without the permission of National Wild Life Board (NWLB). These 19 villages of JP Lormi come under the restricted forest areas of Achanakmar Tiger Reserve (ATR) and were to be relocated by the State Government away from the forest area as part of the policy and advice of National Tiger Conservation Authority.

Audit noticed that out of the 593 beneficiaries to whom houses were sanctioned, 277 beneficiaries were disbursed assistance of ₹3.14 crore. 256 houses were completed and 21 houses were at various stages of completion as of December 2019. Release of assistance to the remaining 316 beneficiaries was suspended after release of first/second installment aggregating ₹ 1.57 crore, consequent to order of the Hon'ble High Court. The Court ordered (27.08.2018) that out of 593 houses sanctioned, only 277 houses shall be completed. It further stated that construction of houses in the core area of ATR is not in any manner any assurance of any right being created in their favour to stay in the core area beyond the time for which the relocation plans are being worked out. Thus, the beneficiaries eligible for a *pucca* house were deprived of the benefit of the scheme due to

⁹ Tilaidabara, Birarpani, Chhirhatta, Achanakmar, Sarasdol, Bindaval, Chhparava, Lamni, Atariya, Ranjaki, Katami, Bamhani, Surhi, Atariya (GP Surhi), Jakadbandha, Rajak, Mahamai, Nivasakhar and Danganiya.

ab-initio sanction for construction in core forest area, delay in relocation and providing alternate land by the Government.

Government stated (October 2020) that in the State Level Committee held in August 2017, it was decided that beneficiaries under 19 GPs of the Lormi block will be relocated and initially houses were not sanctioned due to the proposed relocation. No permission was sought from the NWLB before starting the construction in ATR. Since construction was taken up under the direction of the State Government, department is seeking guidance regarding the above cases.

2.1.6.1(iv) Construction of houses in forest areas without forest right

In Chaura GP (Kawardha district), houses were sanctioned to 12 Baiga Adivasis in Bhoramdeo reserve forest area Range Rajanawagaon, and an assistance of ₹ 14.30 lakh was paid to 11 beneficiaries as detailed in **Appendix 2.1.1**. Audit noticed that nine out of the above 12 beneficiaries had applied for forest rights and occupation in forest land for dwelling purposes, but were declared (September 2016) ineligible by the Assistant Range Officer (Rajanawagaon) as they had occupied the forest land only after December 2005. Hence, these nine beneficiaries being landless should have been allotted land by the Government for construction of PMAY-G houses.

Government stated that PMAY-G beneficiaries of Gram Panchayat Chaura were residing there for many years and the houses were constructed on the land allotted under Forest Right Act 2006.

Reply is not acceptable as beneficiaries were declared ineligible for forest rights (September 2016) by the Assistant Range Officer (Rajanawagaon) in accordance with Forest Right Act 2006.

2.1.6.2 Targets and Achievement

Paragraph 3.2.2 of framework for implementation provides that the annual allocation of funds and physical targets of houses to the States shall be based on the Annual Action Plan (AAP) approved by the Empowered Committee of the Union Ministry of Rural Development. The State may propose the annual target within the overall number of houses that have to be completed in three years as communicated by the Ministry and after receipt of such communication, the State was to finalize district wise and category wise targets and upload the same on the AwaasSoft.

The year wise position of targeted, sanctioned and completed houses as of September 2020 is shown in **Table 2.1.1**.

Table 2.1.1: Targets fixed and houses sanctioned under PMAY-G in Chhattisgarh State

Year	No. of houses targeted	Sanctioned	No. of houses completed	No. of incomplete houses	Percentage of houses completed
2016-17	232903	232903	226079	6824	97.07
2017-18	206372	206372	200393	5979	97.10
2018-19	348960	348960	317012	31948	90.84
Total	788235	788235	743484	44751	94.32

(Source: PMAY-G AwaasSoft)

It can be seen from the above table that against the 7,88,235 sanctioned houses, 7,43,484 (94.32 per cent) houses were completed and 44,751(5.67 per cent) houses remained incomplete as on September 2020. The percentage of houses completed declined from 97.07 per cent during 2016-17 to 90.84 per cent in 2018-19. The number of incomplete houses vis-à-vis targets was the highest (9.16 per cent) during 2018-19. Reasons for non-completion were due to lack of interest shown by the beneficiaries, death of beneficiaries, delay in release of funds, migration and land related issues etc. as discussed in succeeding paragraphs.

Chhattisgarh ranked first (2017-18) and second (2018-19) in performance index cumulative ranking for implementation of scheme. The State has completed construction of 7,43,484 houses (94 per cent) against the target of 7,88,235 during 2016-19.

2.1.6.2 (i) Assistance of ₹ 52.27 crore not released for completed houses

Audit observed in nine test checked districts that 43,930 (15.19 per cent) beneficiaries were not paid full amount of assistance despite geo-tagging and completion of houses in AwaasSoft, as shown in the **Table 2.1.2**.

Table 2.1.2: Full amount of assistance not released for completed houses

(₹ in crore)

Year	Beneficiaries received only 1 st Installment			Beneficiaries received 1 st and 2 nd Installment			Beneficiaries received 1 st ,2 nd and 3 rd Installment		
	Numbers	Amount Paid	Pending Amount	Numbers	Amount Paid	Pending Amount	Numbers	Amount Paid	Pending Amount
2016-17	111	0.57	0.85	662	6.71	1.71	0	0	0
2017-18	93	0.45	0.74	493	4.74	1.46	0	0	0
2018-19	149	0.61	1.28	1061	8.49	4.87	41361	480.88	41.36
Total	353	1.63	2.87	2216	19.94	8.04	41361	480.88	41.36
Total Number of beneficiaries-(43,930)									
Total Amount paid-₹ 501.85 crore and Total Amount Pending-₹ 52.27 crore									

(Source: As per information provided by the Department)

Government stated (October 2020) that last installments were not released due to non-availability of funds in the State Nodal Account (SNA) and that payments were made to the beneficiaries as soon as there was availability of funds in the SNA.

2.1.6.2(ii) Incomplete Houses

Framework for Implementation of PMAY-G specifies that construction of a house should be completed within 12 months from the date of sanction and consequently State has to closely monitor the construction of houses and may incentivize early and timely completion of construction by beneficiaries.

Scrutiny of nine test checked districts revealed that during 2016-19, against 3,08,748 sanctioned houses, 19,659 (6.37 per cent) houses were incomplete as on date of audit (July to December 2019) as detailed in **Table 2.1.3**.

Table 2.1.3: Statement of incomplete houses in nine test checked districts

(₹ in Lakh)

Year	Number of sanctioned houses	Number of houses completed	Number of incomplete houses (per cent)	Assistance paid in respect of incomplete houses
2016-17	93783	91427	2356(2.51)	1492.34
2017-18	83264	80990	2274(2.73)	1501.36
2018-19	131701	116672	15029(11.41)	10400.56
Total	308748	289089	19659 (6.37)	13394.26

(Source: PMAY-G AwaasSoft)

Out of 19,659 incomplete houses, 7,369 houses involving ₹ 29.21 crore were at sanction level (1st instalment released), 8,049 houses involving ₹ 61.64 crore were at plinth level (two installments released), 790 houses involving ₹ 7.33 crore were at lintel level, and 3,451 houses involving ₹ 35.76 crore were at roof cast level.

Instances of incomplete houses which came to notice during the audit are mentioned below:

- Construction of 267 houses sanctioned, could not be completed due to land ownership dispute as detailed in **Appendix 2.1.2**.
- 316 houses sanctioned (District Mungeli) could not be completed due to sanction of houses in restricted forest area of ATR without the permission of the National Wildlife Board (NWL B).
- In 644 out of 656 cases of deceased beneficiaries, houses sanctioned were incomplete as the funds could not be released to the family members of the beneficiaries in the absence of nominee details as detailed in **Appendix 2.1.3**.
- In Janjgir-Champa district, 409 houses sanctioned during 2016-19 were incomplete due to migration of beneficiaries and in 169 cases, the construction was not started even after release of first instalment.
- In 2,777 cases, the houses were incomplete due to reasons like utilization of assistance for other purposes and lack of interest of beneficiaries.

In reply, Government stated (October 2020) that after allotment of targets to the districts, registration, geo-tagging and sanction to the eligible beneficiaries were done as per class-wise availability of beneficiaries in the PWL and after receiving necessary documents from the eligible beneficiaries. After that, the first installment of assistance was sent directly to the beneficiary account through Fund Transfer Order (FTO). Many beneficiaries misused the assistance paid under PMAY-G or were not interested in construction of houses. Action was taken against such beneficiaries as per the guidelines of the GoI. Installment was released to the beneficiaries after geo-tagging at each level of house construction.

2.1.6.3 Results of Physical verification

Audit conducted Joint physical verification of 1,440 houses in 165 Gram Panchayats in nine test checked districts and observed the following:

(i) In 37 cases (2.6 per cent) incomplete houses up to foundation/plinth level (3 cases)/ lintel level (11 cases)/ without flooring, plastering and painting (23 cases) were shown as completed by geo-tagging other completed houses, as detailed in **Appendix 2.1.4.**

Case study- (i)

In GP Mayurnacha (JP Patthalgaon), house of a beneficiary (ID CH2258815) was shown completed in AwaasSoft as per MIS (29.03.2019), whereas house was still incomplete seen during the joint physical verification (13.11.2019).



Case study-(ii)

Joint physical verification (13.11.2019) in GP, Surangpani (JP Patthalgaon) revealed that the house of beneficiary (ID CH2234689) was shown completed on AwaasSoft as per MIS (04.07.2019) whereas house was still incomplete as shown below:



(ii) In Two cases of Jashpur district, houses constructed under PMAY-G for residential purpose were being used for commercial purposes.

Case study-(iii)

In Kunkuri Block, GP-Bhandari, house of one beneficiary (CH1931144) was shown as completed in AwaasSoft (MIS 17.3.2018) with rear view image of house. During joint physical verification it was found that three shops (front view of house) were constructed.



Case study–(iv)

In another case JP-Kunkuri, GP-Ranikhumbhoo, sanctioned house of a beneficiary (CH1860004) was shown as completed in MIS (17.3.18) with geo-tagging of residential house but during joint physical verification, a Hero Honda showroom was found operating.



Government stated (October 2020) that residents of JP Kunkuri, Jashpur have been instructed by the competent authorities to reside in their houses and if they don't reside in their houses, financial assistance provided to them would be recovered.

The construction of house sanctioned under PMAY-G for commercial purposes indicates lack of monitoring by the block officials during various stages of construction.

2.1.6.4 Good Practices-Construction of colony

As per para 8.1(h) of the guidelines of the scheme, States through convergence with MGNREGS should develop group/individual amenities like development of house sites, bio-fencing, paved pathways, approach roads etc. for the beneficiaries of PMAY-G.

During the joint physical verification, it was observed that 84 landless beneficiaries of GP Patsendri, Mahasamund district and 24 beneficiaries of GP Chatakpur, Jashpur district were allotted houses in well-planned colonies with all the basic amenities like roads, drains, electricity connections, plantations, solar street panels *etc.*



Gram Panchayat Chatakpur, Jashpur

Gram Panchayat Patsendri, Mahasamund

2.1.7 Financial Management

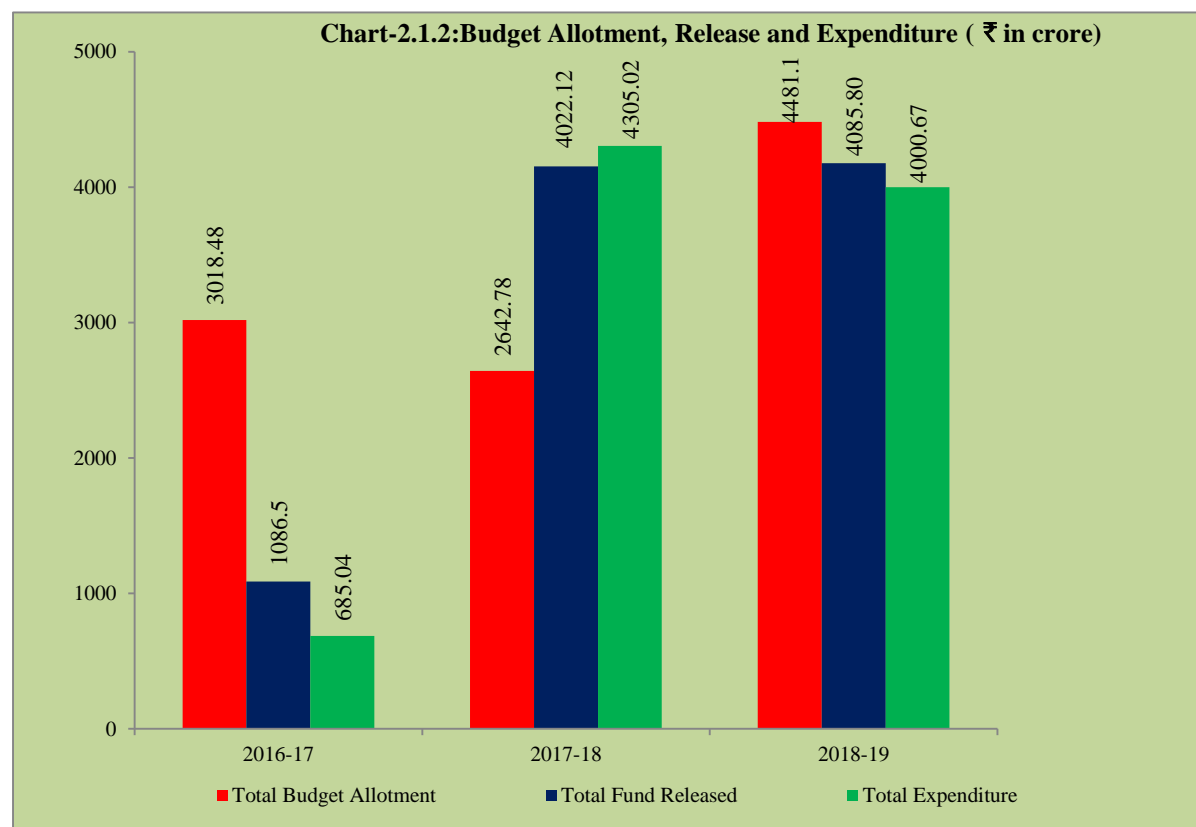
The cost of the construction of houses under the PMAY-G scheme was to be shared between the GoI and State Government in the ratio of 60:40. The central allocation was to be released in two equal installments to the State which along with the matching State's share, is required to be deposited in State Nodal Account (SNA). The details of Budget allotment, release of funds and expenditure incurred on the scheme are depicted in **Table 2.1.4 below:**

Table 2.1.4: Details of funds released and expenditure incurred

(₹ in Crore)

Year	Budget		Total Funds Released		Programme fund		Administrative Fund	
	Central	State	Central	State	Released	Expenditure	Released	Expenditure
2016-17	1811.09	1207.39	651.90	434.60	1044.72	682.32	41.78	2.72
2017-18	1585.67	1057.11	2744.85	1277.27	3890.58	4204.43	131.54	100.59
2018-19	2688.66	1792.44	2636.95	1448.85	3955.23	3909.61	130.57	91.06
Total	6085.42	4056.94	6033.71	3160.72	8890.53	8796.36	303.89	194.37

(Source: Information provided by the department)



As can be seen from the above graph and table that:

- A total of ₹ 8,990.73 crore was expended (98 per cent) against the total amount of ₹ 9194.42 crore released during the period 2016-19.
- An amount of ₹ 8,796.36 crore (98.94 per cent) was released as assistance to beneficiaries against the available programme fund of ₹ 8,890.53 crore during the period 2016-19.

- Under the Administrative fund, an expenditure of ₹ 194.37 crore (64 per cent) was incurred. The underutilization of administrative fund indicates that necessary expenditure on some of the permitted items like social audit was not incurred.

2.1.7.1(i) Operation of State Nodal Accounts

As per Paragraph 10.1(a) of guidelines of PMAY-G, the State shall maintain a single savings bank account in a scheduled commercial bank at the State level as State Nodal Account (SNA).

Scrutiny of records in the office of the Director PMAY-G revealed that scheme funds were kept in three different accounts (SNA), viz. State Bank of India (SBI) (2016-17), Industrial Credit and Investment Corporation of India (ICICI) (2017-18) Bank, and in Bank of Maharashtra (BoM) during 2018-19. Balances of ₹ 4.96 crore (SBI), ₹ 1,34,542 (ICICI) and ₹ 513.17 crore (BoM) were lying in the three SNA accounts at the end of March 2019. Maintaining three banks accounts is against the principle of a single SNA prescribed under the guidelines of PMAY-G.

Government confirmed (October 2020) that initially in the year 2016-17, SNA was opened in the SBI and later in ICICI bank in the year 2017-18 and in Bank of Maharashtra in 2018-19 primarily due to the problem of false credit¹⁰ during 2016-19. It was further stated that, SBI account has now been closed, false credit problem relating to ICICI bank was under process and the account would be closed after resolving the issue.

2.1.7.1(ii) Delay in transfer of funds to SNA

Para 10.7 of framework for implementation of PMAY-G stipulates that central allocation of funds including administrative funds sent to the State Consolidated fund should be transferred to the State Nodal Account within 15 days from the date of receipt of funds in the State Consolidated fund.

Audit observed that there were delays in the transfer of Central share along with the State share to SNA during the period 2016-19, with the delay ranging from 6 days to 225 days. The funds received against the central share were kept in the State Consolidated Fund. Funds of ₹ 896.22 crore were short released by the State Government during the three year period 2016-19.

Government stated (October 2020) that during 2016-18 the release of Central share in SNA was delayed due to delay in obtaining approval from Finance Department after receiving Central share and that, during 2018-19, loan was obtained from public sector bank for State share with approval of Finance Department, which resulted in delayed transfer of Central share to SNA.

2.1.7.1(iii) Release of advance to beneficiaries out of administrative fund

State Panchayat and Rural Development Department directed (May 2017) to release advance assistance of ₹ 10,000 from the administrative fund available in Zila Panchayat

¹⁰ It is a condition in which funds are shown as transferred as per PFMS but in reality funds are not credited to the beneficiaries' account.

to those beneficiaries who could not get the first installment after the sanction of houses and recover the same after the release of first installment.

Scrutiny of records revealed that in three districts viz. Jashpur, Kawardha, and Kanker, an amount of ₹ 72.90 lakh was disbursed as advance to 729 beneficiaries from the administrative fund. However, this amount was not recovered from the beneficiaries despite the release of first installment.

Government (October 2020) stated that during year 2016-17 and 2017-18, advance of ₹ 10,000 was given to the beneficiaries for timely completion of the houses and an amount of ₹ 44.70 lakh has been recovered against a total due of ₹ 72.90 lakh till date. It was further stated that recovery of the remaining amount was under process and no further advances were being given from the administrative fund.

2.1.7.1 (iv) Delay in release of assistance

As per Para 5.4.1 of the guidelines of PMAY-G, release of first installment to the beneficiary electronically to the registered Bank Account of the beneficiary should be within a week (seven working days) from the date of issue of sanction order. Other installments were to be released as per prescribed construction stages.

Audit Scrutiny revealed that release of first installment to 384 beneficiaries was delayed by one to 812 days after sanction due to delay in generation of order sheet. Even after generation of order sheet, the payment of first installment was delayed from one to 244 days. The delay in payment of second installment to 316 beneficiaries from the date of order sheet generation, ranged from one to 377 days. Delay in release of third installment to 202 beneficiaries from the date of order sheet generation to payment, ranged from 3 to 165 days.

Government in reply stated (October 2020) that last installments were not released due to non-availability of funds in the State Nodal Account and that payments were made to the beneficiaries as soon as there was availability of funds in the SNA.

Thus, delay in transfer of Central share and short release of funds under State share resulted in delayed release of installments to beneficiaries which in turn delayed the completion of houses.

2.1.7.2 Irregularities in disbursement of assistance to beneficiaries

Paragraph 10.1(h), of the guidelines of PMAY-G stipulates that transfer of assistance to the beneficiaries shall be done through digitally signed FTOs to the bank account/banking enabled post office account of the beneficiary frozen in the AwaasSoft. Para 13.4.2(e) further provided that all the frozen beneficiary bank accounts would be verified by PFMS and re-verified by the block officials who will ascertain that the name of the account holder matches with the name of the beneficiary as entered in AwaasSoft. The beneficiary bank accounts which had been verified by PFMS and subsequently by block officials would appear in the order sheet for payment.

Audit scrutiny of records revealed the following irregularities in disbursement of assistances to beneficiaries under the scheme.

2.1.7.2 (i) Assistance paid through cheques instead of DBT

In 409 cases, payment of ₹ 1.92 crore was made to beneficiaries through cheques instead of Direct Benefit Transfer (DBT) as detailed in **Appendix 2.1.5**. Out of 409 beneficiaries, 345 beneficiaries were paid through cheques due to discrepancies in registration of bank accounts and in the remaining 64 cases, for other reasons like payment to nominee, assistance to GP etc.

- In the case of 345 beneficiaries of test checked districts, payment of ₹ 1.63 crore was made through cheques from the administrative account of PMAY-G in 10 Janpad Panchayats.
- In the case of 30 beneficiaries of Mungeli, Bastar and Raipur districts involving ₹14.66 lakh, assistance was paid through cheques as per instruction issued by the Zila Panchayats.
- In the nine test checked districts, payment of assistance amounting to ₹ 11.75 lakh was made to the nominees of the 29 deceased beneficiaries through cheques.

Government stated (October 2020) that during the year 2016-17, the payment credited to wrong account by mistake, has been taken back into the account of the Janpad Panchayat. In the year 2016-17, there was no provision for initiating FTO again for an installment, therefore, payment was made through cheque.

Clearly, block official responsible for verification and authentication of bank accounts, have not carried out their responsibilities diligently.

2.1.7.2 (ii) FTOs rejected by bank

During the period 2016-19, 237 FTOs generated through different order sheets were rejected by banks. Scrutiny of rejected FTOs revealed that, FTOs were rejected due to discrepancies in bank account details and other technical problems like credit limit, account closed due to lack of transaction etc.

Government stated that the reasons for the rejection of FTOs were due to Jan-Dhan Accounts with maximum credit limit and accounts closed due to lack of transactions and that currently after rectification of accounts, payment of instalment is being made.

Reply is not acceptable as installments of ₹89.28 lakh to these 237 beneficiaries, were not yet paid (May 2020) despite the Government being aware of the problem related to Jan-Dhan accounts.

2.1.7.2 (iii) Payment of assistance to ineligible persons

In two blocks viz. Pathalgaon (District Jashpur) and Mahasamund (District Mahasamund), bank accounts details of other ineligible persons in four cases, were entered in the AwaasSoft instead of actual beneficiaries and assistance of ₹ 5.10 lakh was disbursed to ineligible beneficiaries as detailed in **Appendix 2.1.6**. The original beneficiaries were unaware about the sanctioning of the houses in their names. The status of houses was shown as completed in AwaasSoft as the AwaasMitra had geo-tagged completed houses of other person in whose accounts the money was transferred.

Government accepted the above observation and replied (October 2020) that under the PMAY-G scheme beneficiary account details and other documents were verified during the registration process. Registration of ineligible beneficiaries was fraudulently done by the AwaasMitra, and ₹ 3.90 lakh has been recovered and his services have been terminated.

2.1.7.2 (iv) Assistance paid to the ineligible nominee of a deceased beneficiary

As per Para 5.2.1 of the guidelines of PMAY-G, before issue of sanction order, the Block Development Officer or any block level official authorized by the State Government shall capture through mobile application ‘AwaasApp’, the geo-referenced photograph of the beneficiary in front of the land where the beneficiary proposed to construct the house and upload it in AwaasSoft.

Scrutiny of records in Mahasamund district at Zila Panchayat revealed that in one case, the house was sanctioned (11.01.2017) after the geo-tagging of proposed site(07.01.2017) without the photograph of the beneficiary in front of the house even though the beneficiary expired (03.01.2017) before geo-tagging the house. Further, two installments of ₹ 96000 were also released on 18.01.2017 and 24.05.2017.

Later, the son of the deceased was declared nominee (30.05.2017), and balance assistance was released to him for the construction of house. The house was completed on 07.10.2017. The nominee was also registered independently in PWL and was again sanctioned a house in April 2018 and two installments (₹ 80,000) were paid. Thus, two houses were allotted to a single person.

Further test check of details of 785 beneficiaries uploaded in AwaasSoft in the nine test checked districts revealed that 133 beneficiaries (17 per cent) were sanctioned houses without geo-referenced photograph of the beneficiary in front of the proposed site for construction of house.

Government stated (October 2020) that recovery of ₹ 72,000 was made from the son of the deceased beneficiary and action was initiated against the responsible officer, but regarding sanction of the beneficiary after death, Government stated that registration of the beneficiary was made after collection of documents when she was alive. Information regarding death of the beneficiary alongwith Gram Sabha *prastav* of nomination in favour of her son was reported to Janpad Panchayat after issue of two installments to deceased beneficiary.

Reply is not acceptable as geo-tagging of proposed site in GP Jhara block Mahasamund was done after the death of beneficiary and uploaded in the AwaasSoft without the photograph of the beneficiary in front of the proposed house site.

2.1.8 Convergence with other schemes

Para 8.1 of framework for implementation of PMAY-G specifies provision of some basic amenities in addition to the assistance for construction of house in convergence with other schemes viz. Mahatma Gandhi National Rural Employment Guarantee Scheme

(MGNREGS) for providing 90/95 days of wage employment, Swachh Bharat Mission (SBM) for toilets, Pradhan Mantri Ujjwala Yojana (PMUY) for Liquefied Petroleum Gas (LPG) (clean and efficient fuel), Deen Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY/Saubhagya for electricity connection) and National Rural Drinking Water Programme (NRDWP) for piped water.

Various irregularities noticed in the convergence with other schemes are discussed in succeeding paragraphs:

2.1.8.1 (i) Convergence with MGNREGS

As per guidelines of PMAY-G, Para 8.1(b), it is mandatory to provide support of 90 person days (95 person days in hilly states, difficult areas and IAP districts) unskilled wage employment at the current rate to a PMAY-G beneficiary for construction of his/her house in convergence with MGNREGS.

During scrutiny of records of nine test checked districts, it was observed that some beneficiaries were not provided the benefit of wage employment of 90/95 mandays. However, some of the beneficiaries got additional benefit of such convergence as depicted in the **Table 2.1.5** below:

Table 2.1.5: Convergence with MGNREGS

Year	No. of beneficiaries provided less than 90/95 days	Shortfall in No. of mandays	No. of beneficiaries given additional advantage	Excess mandays paid
2016-17	16638	119785	4662	25048
2017-18	23243	142140	5057	29620
2018-19	22344	112502	1592	10281
Total	62,225	3,74,427	11,311	64919

(Source: PMAY-G AwaasSoft & MGNREGS MIS)

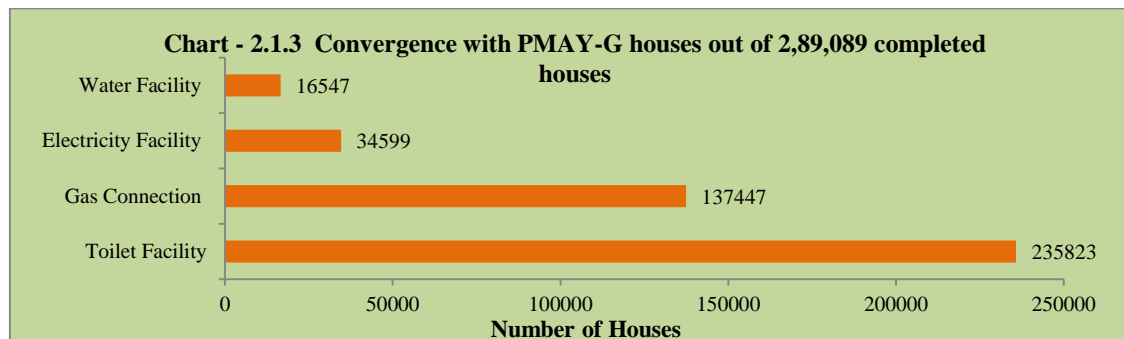
It could be seen that 62,225 beneficiaries were not provided mandatory support of employment for 90/95 mandays (provided days of employment ranged between one and 94 days) and there was shortfall of 3,74,427 mandays of employment. On the other hand, 11,311 beneficiaries received employment for 64,919 additional mandays over and above the 90/95 days.

Government accepted the audit observation and stated (October 2020) that due to lack of co-ordination between PMAY-G and MGNREGS MIS this situation arose.

2.1.8.1 (ii) Shortfall in providing toilet, electricity, water and gas connection

Para 8.1(c,d,e) of the guidelines of PMAY-G specifies that facilities like water, electricity and LPG connection should be provided to households in convergence with schemes like NRDWP, DDUGJY and PMUY. Para 8.1(a) of guidelines specifies that construction of a toilet has been made an integral part of the PMAY-G house and toilet shall be provided to beneficiaries through funding from Swachh Bharat Mission-Gramin (SBM-G), MGNREGS or any other dedicated financing source. The house shall be treated as complete only after the toilet has been constructed.

Scrutiny of records in nine test checked districts revealed shortfall in basic amenities such as toilet, electricity, water and gas connection. As per records, out of 2,89,089 completed houses in the test checked districts, toilets were constructed in 2,35,823 houses (81 *per cent*), water facilities were provided to 16,547 houses (5.7 *per cent*) under NRDWP scheme, electricity was given to 34,599 houses (11.96 *per cent*) under DDUGJY, and gas connection was provided to 1,37,447 houses (47.54 *per cent*) under PMUY scheme.



The status of various basic amenities found available in completed houses during joint physical verification is given in the **Table 2.1.6**.

Table 2.1.6: Status of various amenities/convergence in physical verification

District	No. of beneficiaries covered in joint physical verification	No. of houses without toilet	No. of houses without drinking water facility	No of houses without electric/Solar connection	No. of houses without LPG connection	No. of houses without waste management facility
Balrampur	193	139	173	36	23	193
Bastar	157	157	156	13	8	157
Janjgir Champa	174	150	170	45	27	173
Jashpur	169	157	168	62	32	169
Kanker	161	97	32	8	23	161
Kawardha	147	123	79	14	66	147
Mahasamund	152	118	121	22	60	141
Mungeli	157	157	149	22	14	157
Raipur	130	83	80	33	38	127
Total	1440	1181	1128	255	291	1425

During physical verification of newly constructed houses (1,440 beneficiaries) in the nine test checked districts, **it was noticed that 1128 (78 *per cent*) houses were not provided drinking water, 255 (17 *per cent*) houses were not provided with electricity, 291 (20 *per cent*) houses were not provided LPG connection, and 1,181 (82 *per cent*) newly constructed houses were found without toilets.**

There was thus, no correlation between the status of provision of amenities to the newly constructed houses as depicted in the records and as was visible on the ground. Clearly, convergence with other specified social sector schemes was not ensured to the envisaged extent to provide the requisite amenities in completed houses.

Government stated (October 2020) that under the scheme, assistance was provided only for the construction of the house. In the scheme, *pucca* houses were constructed on the existing *kutchha* houses; due to this reason, maximum beneficiaries already had electricity, water connections and toilets. If the house was constructed on the new site, electricity and water supply was provided by the Gram Panchayats and gas connection was provided by the Food, Civil Supplies department of Chhattisgarh.

Reply is not acceptable, as facilities like water, electricity and LPG connection should be provided to households in convergence with schemes like NRDWP, DDUGJY and PMUY in new houses under the supervision of committees at district and State level in accordance with the PMAY-G guidelines. However, records relating to working of committees both at State and district level were not found, and as per physical verification, shortfall in facilities provided in new houses were found as mentioned above.

2.1.9 Monitoring and grievance redressal

As per para 9.3.2 of the guidelines of PMAY-G, the officers at the block level should inspect as far as possible 10 *per cent* of the houses during construction and district level officers should inspect two *per cent* of the houses. During construction, every house sanctioned under PMAY-G was to be tagged to a village level functionary (AwaasMitra or Rojgar Sahayak). Monitoring of the physical progress of construction is done through geo-tagging by 'AwaasApp' along with ensuring the quality of construction.

Audit noticed that there was deficient monitoring of the quality of construction as visits of the block/district officials at the construction site were mostly for geo-tagging. The quality of construction was to be monitored by the Technical Assistants (TAs) but no documented inspection reports relating to quality of construction of houses were provided by any of the TAs in the nine test checked districts.

During joint physical verification of completed houses in Kunkuri and Wadrafnagar blocks, construction quality of houses was found to be unsatisfactory and broken windows ceiling, plastering, and flooring were noticed as depicted below:

Case Study-(v)

In Jashpur District, Bhandri GP house sanctioned to beneficiary (CH Id 2635233) found with broken windows ceiling, plastering and flooring were not completed but the house was shown as completed (20.04.2019) with plaster in the MIS.



2.1.10 Social Audit

As per paragraph 9.6 of the Framework for Implementation of PMAY-G, Social Audit is to be conducted in every Gram Panchayat at least once in a year, involving a mandatory review of all aspects with the basic objective to ensure achievement of public accountability in PMAY-G implementation.

During scrutiny of records it was observed that Social Audit was not conducted in any of the nine test checked districts.

2.1.11 Conclusion

Chhattisgarh Government completed the construction of 7,43,484 houses (94 per cent) against the target of 7,88,235 houses and 98 per cent of programme funds were utilised for disbursement of assistance to beneficiaries during the period 2016-19. Although the progress in construction of houses was good, there were issues of non-compliance with the scheme guidelines. State Government did not prepare State specific policy framework in line with strategic goals with housing security. The scheme covered only 65 per cent of eligible beneficiaries as 35 per cent of additional beneficiaries identified by the Department remained outside the Permanent Wait List (PWL) as of September 2020. Funds received from the GoI were transferred with delays (6 to 225 days) to the State Nodal Account and funds of ₹ 896.22 crore were short released by State Government during the three year period 2016-19. 43,930 beneficiaries (15.19 per cent) were not paid full amount of assistance despite completion of houses. There were instances of delay in release of first instalment to beneficiaries ranging up to 812 days after sanction of houses and transfer of assistance in wrong bank account. There were instances of constructed houses being used for commercial purposes and incomplete houses being shown as completed. Further, several completed houses were not provided with basic amenities due to lack of convergence with other social sector schemes. Lack of monitoring and inspection by the Departmental officials resulted in inability to identify/detect lacunae/deficiencies at ground level.

2.1.12 Recommendations

- *Comprehensive Annual Action Plan for the State should be prepared including district wise plan and strategy for saturation of priority household.*
- *Government should ensure adequate availability of funds in SNA for release of assistance to beneficiaries to complete the sanctioned house in a time bound manner.*
- *Government should provide constant handholding through SHGs/NGOs to motivate the beneficiaries to complete the construction of sanctioned house and also ensure allotment of land to landless beneficiaries.*
- *Government should ensure proper verification of bank accounts before freezing these in AwaasSoft, to ensure transfer of assistance to the account of only genuine beneficiaries.*

- *Government should ensure adequate and effective convergence with the specified social sector schemes as envisaged in the scheme guidelines to provide all the basic amenities in PMAY-G houses.*
- *Monitoring mechanism for quality of construction of houses under the PMAY-G should be strengthened and records of inspection/ periodic visit should be maintained for future follow-up.*

Public Works Department

2.2 Construction of State Highways and Major District Roads

2.2.1 Introduction

Chhattisgarh covers an area of 1,35,194 square kilometres, and has a population of about 2.55 crore as per Census 2011. The primary mode of transportation of goods and people in the State is roads, particularly in rural areas. The total length of road network in the State is 97845 km (as on 31 March 2017)¹¹, which includes National Highways (NH), State Highways (SH), Major District Roads (MDR), Village Roads (VR), and Other District Roads (ODR). As per road network data¹² (2016-17), road density in Chhattisgarh is 72.4 km per 100 square km, which is significantly below the national average of 179.41 km. Year-wise status of length of road network managed by the Public Works Department (PWD), Government of Chhattisgarh is given in **Table 2.2.1**. The remaining roads are managed by the Village Panchayats, Urban Local Bodies, Forest Department, Chhattisgarh Rural Road Development Agency under the Panchayat and Rural Development Department and National Highways Authority of India. All District headquarters in the State are connected through MDR/ODR/SH. However, 10 per cent¹³ village habitations (1,240 out of 12,178) are yet to be connected by all weather approach road as of March 2020.

Table-2.2.1: Length of different categories of roads

(In km)

Category of Road	Road length as of 31 March of					
	2014	2015	2016	2017	2018	2019
National Highways	2336	3073	3073	3169	3510	3526
State Highways	5058	4374	4462	4438	4176	4176
Major District Roads	11141	11111	11258	11184	11245	11501
Rural Roads & Other District Roads	13540	13674	14050	14385	13902	13729
Total	32075	32232	32843	33176	32833	32932

(Source: Data provided by Engineer-in-Chief and compiled by Audit)

While the overall length of road network in the State increased by 857 km during the five year period 2014-15 (32,075 km) to 2018-19(32,932 km), the total length shown under various categories varied during the period due to conversion of roads from one category to another.

2.2.2 Organisational Set-up

Public Works Department is headed by a Secretary at the Government level, while the Engineer-in-Chief is the head at the Department level. The Department (PWD) is divided into four Zones, seven Circles, and 37 Divisions for road works. The implementation of various road works in the Zones is carried out under the technical control of Chief Engineers (CE) who are assisted by Superintending Engineers (SE) at the Circle level,

¹¹ Basic road statistics of India 2016-17

¹² Report on MORTH website "Basic road statistics of India 2016-17"

¹³ As per the progress report of Pradhan Mantri Gram Sadak Yojana for the year 2019-20

and Executive Engineers (EE) at the Division level. Divisions are responsible for construction, repairs, and maintenance of roads.

Project Director (PD), Asian Development Bank Project, Raipur (ADB) stationed at Zonal level with four Divisional offices, is also engaged in execution of road projects financed by ADB in the State.

Chhattisgarh Road Development Corporation Limited (CGRDCL) was incorporated (2014) under the Companies Act 2013 as a wholly owned company of Government of Chhattisgarh under PWD, to promote core road network comprising primarily of State highways, and to promote and encourage private sector participation in highways in the State. It was also tasked with the development, upgradation and maintenance of important roads connecting State highways and those roads handed over from time to time by the State Government.

2.2.3 Audit Objectives

Performance Audit of construction of State highways and major district roads was taken up with the objectives of assessing whether -

- Planning for construction and maintenance of road works was comprehensive, based on laid down criteria;
- Adequate funds were provided and utilised optimally;
- Road works were executed as per the prescribed technical and financial standards with proper quality control and monitoring mechanisms.

2.2.4 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

- The Chhattisgarh Works Department Manual 2006;
- Schedule of Rates, Indian Road Congress's specifications, MORTH specifications;
- Chhattisgarh Treasury Code;
- Rules, Instructions issued by Finance Department, GoCG;
- Orders and circulars issued by the Government/E-in-C from time to time.

2.2.5 Audit Scope and Methodology

The Performance Audit was conducted from June 2019 to February 2020, and covered the construction and upgradation of State highways (SH) and major district roads (MDR) during the five year period 2014-15 to 2018-19. Audit scope included works relating to upgradation and strengthening of SHs and MDRs under the jurisdiction of PWD, as well as under CGRDCL and ADB. Audit methodology involved examination of relevant records in the offices of Engineer-in-Chief (E-in-C); four Chief Engineers (CEs), seven Superintending Engineers (SEs) and 15 Divisions out of 37 road Divisions in the State. Divisions were selected on the basis of Simple Random Sampling Without Replacement

(SRSWR) method. CGRDCL and PD, ADB along with two Project Managers (PM, ADB), Balodabazar and Rajnandgaon were also selected for examination of records. Records relating to a total of 54 works (**Appendix 2.2.1**) of SH and MDR executed in the selected Divisions/Units during the period 2014-19 were examined in Audit.

Audit methodology also included collection and analysis of data, issuing questionnaires and conducting a joint physical inspection of 15 selected road works alongwith the departmental representatives. Photographic evidence was obtained where necessary, to substantiate audit findings.

An entry conference was held with Additional Chief Secretary (ACS), PWD in August 2019, wherein audit objectives, audit criteria, scope and methodology were discussed. Draft audit findings were issued to the Department in May 2020 and discussed with Government in an Exit conference in November 2020. The replies of the Government have been suitably incorporated in the Report.

Audit Findings

2.2.6 Planning

2.2.6.1 Road Policy

Government of Chhattisgarh formulated a Road Policy in 2002 with the objectives of ensuring good road connectivity in rural areas, promoting high-speed access corridors, strengthening of road network around industrial areas and growth centers, and converting national highways into two-lane and four-lane roads. It further emphasised the need to put in place a project prioritisation framework specifying the strategic and economic rationale for allotment of Government funds to various road projects. The strategies to be adopted according to Road Policy were *inter-alia* integrated road development and management, private sector participation, dedicated funding and capacity building of State institutions, and action plan to implement the strategies.

Audit observed that Road Policy was neither implemented nor adhered to during the period of audit. Although the State Government invested ₹6435 crore¹⁴ in the construction, upgradation and strengthening of road network during 2014-19, the major objectives of the policy like project prioritization framework, capacity building, connectivity of industrial areas etc. remained unachieved as discussed in succeeding paragraphs.

One of the objectives of establishment of CGRDCL (November 2014) was to promote private partnership. However, not a single road project was constructed on Public Private Partnership mode during 2014-19.

In reply, Government stated (November 2020) that the Road Policy was only outlined, and it was yet to be adopted.

¹⁴ PWD- ₹ 3234 crore, PD, ADB- ₹ 2145 crore and CGRDCL- ₹ 1056 crore.

2.2.6.2 Prioritisation and selection of road works

The Department prepared a Master Plan for development of road sector over a period of 10 years from 2003-12. The Master Plan was updated in February 2006 using the technical assistance of ADB for implementation during 2005-2016 for the purpose of funding of road projects through ADB loans.

Under ADB projects, 109 roads (5227.71 km. length) were surveyed and 30 road projects (9 road projects with 803 km length in phase-I and 21 roads with 1005 km length in phase-II) were prioritized for construction in a phased manner based on socio-economic parameters.

Audit scrutiny revealed that the Department sanctioned 14 roads for construction/upgradation during 2014-19 under ADB phase-II project. Of these 14 roads, seven roads (383.6 km length) were neither from the priority list nor from the list of roads surveyed for the Master Plan. Reasons for selection of non-prioritized roads were not found on record. Out of the 14 sanctioned roads under ADB project, seven priority roads (33 per cent) and seven non-priority roads were completed (total 851.44 km) during May 2018 to September 2019 under ADB phase-II project.

Audit observed that during the period 2014-19, Government sanctioned ₹ 4621 crore to PWD and incurred an expenditure of ₹ 3234 crore for execution of various road works. However, the status of construction of SHs and MDRs undertaken and completed by the PWD was not available due to non-maintenance of road database by the Department.

Government stated (November 2020) that the Master Plan was updated in February 2006 using ADB technical assistance to identify road sector development needs for the period 2005-2016. It was further stated (November 2020) that seven roads were included on demand of Public Representatives, and were of public importance.

While the demand of public representatives may be genuine, if action is not taken to implement the Master Plan and prioritization accorded to various works is not implemented in terms of sanctioning and funding of the works, the purpose of preparation of a Master Plan would not be served.

2.2.6.3 Non-Establishment of Road Management System (RMS)

RMS is a tool to assist the PWD in strategic planning, programming, project preparation and implementation. For establishment and functioning of RMS, data relating to roads is required to be collected and stored/documentated in the prescribed format for each sub-section of a road. PWD circulated (July 2008) the data collection formats to all its Divisions for collection, and compilation of initial data for road database. The details of road inventory, pavement composition, history of repairs, condition of roadway, details of road and rail crossings, road accident information, inventory and condition of cross drainages structure, and average daily traffic count were required to be collected. The data was to be gathered section-wise, subdivision-wise and division-wise.

Audit observed that no such road database was prepared by the Department and RMS was not established. In the absence of database and RMS, the expected assistance to PWD in

planning, prioritization, project preparation, and implementation did not materialise. Thus, the entire system of submission of road work proposals by Divisional Officers and sanction of works by the Department lacked objective planning and transparency.

Government accepted the observation, and stated that the point raised by audit would be considered in the future.

2.2.6.4 Road connectivity to Industrial Zones

Chhattisgarh State Industrial Development Corporation Limited (CSIDCL) is the nodal agency to facilitate and promote industrial development in the State. There are 22 industrial zones in the State. CSIDCL had been requesting (August 2015, August 2017, October 2017, and February 2018) PWD for providing proper approach roads to the nearest main roads for two industrial zones at Champa and Raigarh. As of March 2020, the PWD was yet to provide connectivity to these industrial zones.

Government stated that in the case of industrial zone Champa, for six roads, the budget provision was under process (September 2020), and in case of Raigarh the proposal for widening and strengthening of the existing village road was submitted to the SE (August 2020).

2.2.6.5 Selection of projects without prior forest clearance

(a) The Project Administration Manual of ADB provides that roads should be selected from the list of prioritized road network of Master Plan, and stipulates that as far as possible, the proposed roads should not pass through any designated wild life sanctuaries, national parks, and other sanctuaries. PD, ADB, prepared (June 2012) a Detailed Project Report (DPR) for Chilpi-Rengakhar-Salhewara (60.81 km MDR) with a total estimated project cost of ₹ 102.40 crore.

Audit scrutiny revealed that this road was not in the list of prioritized road network of Master Plan and 16.25 km of the road length was also passing through the Boramdev Wildlife Sanctuary (BWS) and 14.50 km of the road was under Eco Sensitive Zone of BWS, for which prior permission of National Board of Wild Life (NBWL) and Ministry of Environment and Forest (MoEF) was required. Due to delay in clearances from authorities, the project was not taken up by the PD, ADB and it was transferred to CGRDCL (December 2016).

CGRDCL again incurred an expenditure of ₹ 27 lakh on the DPR of the same road and work of a total length of 60.76 km, including forest area, was awarded to a contractor (June 2017) without obtaining the necessary clearances from the respective authorities. The work was to be completed in 18 months. However, the work was stopped under the orders of the Honourable High Court (August 2017) and after the final orders (February 2018), the contractor resumed the work on reduced scope (28.85 km length), limited to non-forest area alone. Further, due to slow progress of work, the contract was terminated (January 2020).

Thus, due to improper planning, the road remained incomplete even after the lapse of eight years since preparation of its DPR.

Government stated (November 2020) that the road was selected out of the list of prioritized road network of Master Plan as it was an important road connecting NH at one end and SH on the other. The time elapsed in obtaining wildlife clearance caused considerable delay and the project was handed over to CGRDL. The necessary corrections in the DPR were made as per the recommendation of NBWL. The agreement was terminated due to non-performance of contractor and that the tender for balance work was under progress.

Reply of the Government is not acceptable, as the project remained incomplete due to not seeking the prior approval of MoEF before initiating the project. Consequently, the road works remained incomplete for over eight years since the initiation of the project and the targeted population was deprived of the intended benefit of the road.

(b) The work of widening and strengthening of 16.40 km Chanti-Janakpur road was taken-up (May 2016) by EE, PWD, Manendragarh at a cost of ₹ 23.32 crore with a scheduled completion period of 24 months. The road passes through 5.83 hectare of forest land. The Division executed work upto Dense Bituminous Macadam (DBM) level on 16.40 km (as of December 2017), and incurred an expenditure of ₹ 20.68 crore. The work was stopped by the Forest Department (January 2018) due to encroachment of 5.83 hectare of forest land for widening of road without its permission. Department has applied (May 2018) to the forest Department for use of forest land for widening of road. The matter was pending with the Forest Department as of February 2020. Thus, not obtaining forest clearance for widening of road resulted in incomplete work up to DBM level remaining uncovered with the wearing course. Government stated that while it was true that the work of DBM was to be covered with wearing course, the road condition was good.

Reply is not acceptable as the work was partially executed due to non-obtaining of clearance from the Forest Department, and the crust of road without the wearing course makes the road susceptible to quick damage.

As brought out in the aforementioned paragraphs, planning for construction and upgradation of road network in the State was not based on a comprehensive policy, and identification of road projects to be taken up on priority lacked adequate due diligence due to non-establishment of RMS.

2.2.7 Fund Management

Fund Management in the context of Public works Department, involves timely availability of funds to fulfill contractual commitments, optimizing cost, allocating resources in a fair and transparent manner, ensuring funds are utilized for the intended purpose and proper record keeping. Audit observations with regard to management of funds in construction and upgradation of SH and MDR are discussed in succeeding paragraphs.

2.2.7.1 Budgetary Allocation and Expenditure

Government of Chhattisgarh provides funds for construction of SH and MDR from budgetary support, and loan taken from ADB. Expenditure on road is incurred by PWD under four scheme heads (4336-SH, State Plan, 3710-SH, Tribal Sub-Plan, 1513-MDR State Plan and 3539-MDR-Tribal Sub-Plan). In respect of CGRDCL, expenditure is incurred from the budget provision under EPC scheme head (7818). E-in-C is responsible for the control of expenditure under each Grant in the budget provided. Major capital expenditure for SH and MDR was incurred under ten heads of accounts (**Appendix 2.2.2**) in the State budget. Details of allotment, expenditure, and savings on projects of SH and MDR handled by PWD, ADB, and CGRDCL during the period 2014-19 are given in **Table 2.2.2**.

Table-2.2.2: Budget allotment and expenditure for SH and MDR during 2014-19

(₹ in crore)

Year	PWD			ADB			CGRDCL		
	Allotment	Exp.	Savings	Allotment	Exp.	Savings	Allotment	Exp.	Savings
2014-15	921	910	11	300	19	281	0	0	0
2015-16	1037	719	318	381	296	84	0	0	0
2016-17	1054	523	531	1100	706	394	115	125	-10
2017-18	927	550	377	900	665	235	732	407	325
2018-19	682	532	150	776	459	317	1157	524	633

(Source: Appropriation accounts of respective Financial Years)

As is evident from the above table, savings against the budget allotment during the period 2014-19, ranged from one *per cent* to 50 *per cent* in PWD projects. Similarly, savings under ADB projects ranged from 22 *per cent* to 94 *per cent*, and the savings under CGRDCL projects ranged from 44 *per cent* to 55 *per cent*.

Savings were due to delay in preparation of estimates, administrative approvals, tendering process and other departmental processes, besides slow progress of work/delays in execution of works.

Government attributed the savings to delay in starting construction works due to delay in preparation of estimates, tendering process, and other departmental processes. It was further added that in case of ADB projects, savings was mainly due to non-starting of works in time and due to lesser physical and financial progress than expected.

2.2.7.2 Works included in budget without Administrative Approval (AA)

Under clause 4.131, section -15 of Works Department (WD) Manual¹⁵, for construction of new roads or upgradation of existing roads, administrative approval (AA) is to be obtained from the Government. Thereafter a list of works showing in order of urgency alongwith amount of estimates, is to be submitted after due scrutiny, by the E-in-C to Government for inclusion in budget. Status of receipt of AA during the three year period 2016-19 along with the details of works included in budget are given in **Table 2.2.3**.

¹⁵ WD Manual is applicable to Water Resource Department, Public Works Department and Public Health Engineering Department.

Table-2.2.3: Details of works approved and included in budget during 2016-19

Year	No. of cases forwarded for AA to Government	AA accorded by Government	Works included in Budget
2016-17	257	70	413
2017-18	480	62	881
2018-19	482	195	1197

(Source: Information provided by Department and compiled by Audit)

As can be seen from the above table, during the period 2016-17 to 2018-19, works included in the budget of the Department ranged from 413 to 1197, whereas, the AAs accorded during the same period ranged from 62 to 195. Thus, there were gaps between the proposed and sanctioned works.

Government stated that new works were included in the budget in public interest from the proposals received from the Public Representatives on the basis of priority and financial resources. Detailed estimates of works were then prepared after scrutiny by EE, SE and CE. It was further stated that the whole procedure is a time taking process and therefore, AA for all the proposed works were not always received. It was further stated the entire process has been under continuous refinement through continuous monitoring.

It is evident from the reply that proposals were included in the budget without proper prior scrutiny at the department level as envisaged in the WD manual. This negates the concept of planning for coverage of the entire State through proper road network and providing access to inaccessible areas through a prioritized and phased construction of roads through adequate funding.

2.2.7.3 Misclassification in category of road under scheme head

The standard Major and Minor Heads of Account and their codes prescribed by Finance Department, GoCG for Works Department (WD) are used for preparing the budget estimates. As per para 3.1.2 of CPWA code read with Rule 29 of Government Accounting Rules, 1990 'the classification of transactions in Government account shall have closer reference to the function, programme and activity of the Government rather than the Department in which expenditure incurred'.

Audit observed that for construction of SH, two Accounting Heads viz. 24-5054-4336 (Construction of State Highway Roads in State-State Plan Scheme (SPS)) and 42-5054-3710 (State Highway for State - Tribal Sub Plan (TSP)) and for MDR 24-5054-1513 (SPS) and 42-5054-3539 (TSP) were allocated for PWD divisions.

Audit observed in two of the 15 sampled Divisions, that 10 village roads were constructed during the period 2014-19 at a cost of ₹ 46.22 crore from the funds provided under the Head of Account for MDR. Similarly, one MDR was constructed at a cost of ₹ 7.22 crore by PWD, Jagdalpur-I from the funds allotted for village roads. Further, in Korba district, expenditure of ₹ 26.06 crore on the work of Katghora Bye-pass road was incurred under Accounting Head of SH.

Thus, misclassification among the scheme heads resulted in mismatch between the physical and financial progress of specific category of roads.

Government stated that the Division had executed the works as per sanction granted by authority, and the subject of misclassification has been noted for future compliance.

2.2.8 Project Execution

During the five year period 2014-19, a total of 171¹⁶ road works related to construction and upgradation of SH and MDR were awarded by the three executing agencies viz. PWD, PD, ADB and CGRDCL. Out of these, 54 works were test checked in audit and 15 works were selected for physical verification. The overall status of target and achievement for construction and upgradation of SH and MDR and irregularities in execution of projects in sampled works/projects are discussed in the succeeding paragraphs.

2.2.8.1 Target and achievement

Audit noted that against the target of upgradation of 5,785 km of State Highways and District Roads by construction, strengthening, widening and renewal during the period 2015-19, 3,820 km (66 per cent) of roads were upgraded by the State Government. The year-wise achievement is as given in **Table 2.2.4**.

Table 2.2.4: Year-wise targets and achievement for upgradation of SH and MDR

Name of the scheme/programme	Year	Targets (in km)	Achievement (in km)
Construction of State Highways and District Roads including ADB and EPC (CGRDCL) projects	2015-16	1155	1153
	2016-17	1606	863
	2017-18	1388	870
	2018-19	1636	934

(Source: performance budget of the State Government)

As can be seen from the above table, while the State has achieved more or less the target for construction and upgradation of roads during 2015-16, there was a gap ranging from 518 km (37 per cent) to 743 km (46 per cent) during the three year period 2016-17 to 2018-19.

Status of achievement *vis-a-vis* target for upgradation of SH and MDR in the sampled road works is given in **Table 2.2.5**.

Table 2.2.5: Status of completion of test checked road works

Agency	No. of works/ projects test checked	Status of projects test checked (as of February 2020)			
		No. of works completed	No. of works completed within scheduled time	No. of works completed with delay	No. of incomplete works
PWD	39	32	16	16	07
ADB	07	07	0	07	00
CGRDCL	08	04	0	04	04

Against the target of upgradation of 1483 km road in 54 test checked works, 1176 km of roads were upgraded in 43 completed works during 2014-19.

¹⁶ Data compiled by audit from “Work Performance Budget” for the year 2015-2019 and Administrative Report of the Department.

It can be seen from the above table that, 16 works (30 per cent) were completed as per the scheduled date of completion, and 27 works (50 per cent) were completed with a delay ranging from one month to 60 months and 11 works remained incomplete as of February 2020.

Audit observed that the reasons attributed for delay in completion of works were change of scope, execution of extra quantity, rain, and delay in submission of design, shifting of utility, tree cutting and code of conduct for elections. It was noticed that time extension was approved by the competent authorities routinely which led to undue benefit to contractors as discussed in the succeeding paragraph 2.2.8.3 (vi).

2.2.8.2 Tendering and contract management

2.2.8.2 (i) Delay in finalization of tender

As per the GoCG order dated August 2012, after the administrative approval, generally the work should be awarded within 45 days by completing the bid inviting process. In case of re-tendering, the maximum time for completion of tendering process was prescribed as 90 days.

Audit scrutiny of records in the office of PD, ADB revealed that Government accorded AA of ₹ 1785.42 crore for 14 road projects (855.59 km length) comprising six SHs and eight MDRs during August to October 2012. Tenders for these 14 road projects were invited in 18 packages during February 2014 to August 2015. As per the Notice Inviting Tenders (NITs) published, the tender validity period was six months. However, the tenders for all the 18 packages were finalised with delays ranging from eight to 14 months from the date of NIT (**Appendix 2.2.3**). Thus there was undue delay in inviting bids and award of works.

Government stated that the tendering process usually takes six to eight months from date of NITs to award of work, and that in some packages, tender was finalized on second or third call. Government further assured that efforts would be made to reduce procurement time.

2.2.8.2 (ii) Inviting tender in dual mode - Online and manual

Government of Chhattisgarh introduced e-procurement system in 2007 to increase transparency and efficiency in public procurement. As per GoCG order, all tenders valuing above ₹ 20 lakh were to be invited through online mode only with effect from 01 October 2005. As per procurement guidelines of ADB, borrowers may use electronic systems, which permit bidders to submit bids by electronic means, provided, ADB is satisfied with the adequacy of the system.

Audit scrutiny of records of PD, ADB, Raipur revealed that tenders for 14 road projects in 18 packages were invited from bidders online as well as manually during February 2014 to August 2015. Except for one, other 17 bidders submitted the tenders manually even when value of tender was more than ₹ 20 lakh in each case. Accepting manual tenders for works defeated the objective of increasing transparency in the tendering process.

Government stated that due to difficulty in uploading voluminous bidding documents, and drawings, a hybrid system of online and manual tendering was evolved which was reviewed and accepted by ADB.

Reply is not acceptable as the PWD and CGRDCL have been inviting online tenders of similar works of comparable volume after the launch of e-Procurement portal of State Government. Further, allowing manual system of tendering is contrary to Government's own order for adopting online tendering system to increase transparency and efficiency in public procurement.

2.2.8.2 (iii) Reimbursement of GST without necessary documents

As per agreement, the contract price was to be adjusted for any increase or decrease in cost resulting from a change in the laws of the Country, introduction of new laws and the repeal or modification of existing laws which affects the contractor in the performance of obligations under the contract. If the contractor incurs additional cost as a result of these changes in the laws, the Contractor shall give notice to the Engineer and shall be entitled to payment of any such cost which shall be included in the contract price. GoCG, PWD instructed (October 2018) that the reimbursement of GST would be payable after examining proof of submission of GST returns, vouchers, and difference of amount of tax after implementation of GST.

In two¹⁷ out of two selected Project Implementation Units (PIUs) of ADB projects, audit observed that, Project Managers of the PIUs, reimbursed the claim of ₹ 13.60 crore as interim payment, towards refund of GST on the basis of contractor's undertaking and calculation sheet, without obtaining proof of submission of GST returns, vouchers, and differences of amount of tax paid after implementation of GST.

Government stated that no advance GST has been paid to any contractor, and only difference in taxes has been paid to the contractors on the basis of detailed calculation of additional expenses incurred by contractors.

Reply is not acceptable as the GST was reimbursed to contractor on the basis of calculation which was not supported by the invoices for payment of GST and tax return.

2.2.8.3 Preparation of Estimates and execution of work

Preparation of detailed estimates and issue of sanctions have a direct bearing on the total project cost, quality of works executed, and timeliness of completion of road works. It is essential that laid down rules and standards are strictly adhered to in preparing detailed estimates and in according technical sanctions. For accurate preparation of detailed estimates of a road, work must be based on reliable information of traffic density of the existing road, soil strength of the area where the road is being constructed, and the status of the existing road in terms of the crust thickness. The works should be executed as per contract and specifications on which technical sanction was accorded by competent authority. Before making payment to the contractors all provisions of the contract should be strictly followed to protect Government interest.

¹⁷ Baloda Bazar and Rajnandgaon.

Audit scrutiny revealed deficiencies in preparation of detailed estimates, obtaining technical sanctions and execution of works as elaborated in succeeding paragraphs:

2.2.8.3 (i) Deviation in crust design from standard specifications

Indian Road Congress (IRC) 37-2001 Guidelines relating to the design of flexible pavements provides that Bitumen Macadam (BM) should be provided for traffic density up to three Million Standard Axles (MSA) irrespective of California Bearing Ratio (CBR) value of the soil and, Dense Bituminous Macadam (DBM) should be provided for more than three MSA of traffic density.

Audit noticed that, in six¹⁸ works, the MSA of traffic density was between 4 and 5, however, BM was provided instead of DBM contrary to the provisions of IRC, while according technical sanction for the roads. Thus, the above works were executed with inferior layer of base course in deviation from the standard IRC specifications.

Government stated that the works were executed as per TS and as per IRC 37-2001 (Para 4.2.3.1), the use of BM binder course as per IRC/MORTH specification may desirably be restricted only to roads designed where traffic less than five MSA whereas DBM binder course is recommended for roads designed where MSA is more than five.

Reply is not in consonance with the provisions of IRC specifications. BM is to be used upto three MSA, and where the MSA is more than three, DBM is to be used.

2.2.8.3 (ii) Unwarranted execution of Wet Mix Macadam (WMM)

As per MORTH specifications (5th edition 2013) for Road (clause 602.4 Sub-base), the cement concrete (CC) pavement shall be laid over the sub-base, and if the sub-base is found damaged at some places or it has cracks wider than 10 mm, it shall be repaired with fine cement concrete or bituminous concrete.

Audit observed in two¹⁹ out of 15 test checked divisions that in respect of five works, the estimates had provided for execution of Wet Mix Macadam (WMM) and Dry Lean Concrete (DLC) in between the Granular sub Base (GSB) and cement concrete pavement. Provision of WMM was unwarranted in view of the provisions of MORTH, which specifies laying of cement concrete pavement over the sub-base. However, these estimates were technically sanctioned by CE, overlooking the prescribed provisions. Even though DLC was provided and executed, the work of WMM was also executed over the GSB in the five works given in **Table 2.2.6**.

¹⁸ Balrampur-Chando-Samri Road, Bishunpur-Surajpur-Odgi Road, Sontarai-Mainpat Road, Kameshwarnagar -Ramchandrapur-Lurgi Road, Wadrafnagar-Janakpur-Balangi Road and Sakti-Tundri Road

¹⁹ EE, PWD, Vidhansabha and EE, PWD, Champa

Table 2.2.6: - Unwarranted execution of Wet Mix Macadam (WMM)

(₹ in lakh)

Sl. No.	Name of the Road	Name of PW Division	Qty of WMM (in cum)	Cost of WMM
1	Sakti-Tundri Road	Champa	4102.31	50.81
2	Sakti-Barpali Road	Champa	2505.00	24.85
3	Sakti-Barpali Road	Champa	150.00	1.46
4	Dhaneli-Giraudh-Tekari Road	VidhanSabha	594.38	6.12
5	Birgaon-Urla-Bendri Road	VidhanSabha	3922.82	41.94
Total				125.18

(Source: Information provided by Department and compiled by Audit)

Execution of WMM was not required as DLC was already being laid before laying CC pavement. Thus, there was unwarranted execution of WMM costing ₹ 1.25 crore.

Government stated that as per condition and specifications, the TS was accorded and work was executed as per figure of cross section provided in guidelines issued by the Department of PWD, GoCG.

Response of the Government was verified in audit and it was seen that Government has not followed its own guidelines in this regard as given in Clause a (4) under section G of the *Nirman Nirdeshika* of PWD.

2.2.8.3 (iii) Additional Performance Security

As per GoCG orders (June 2016), an Additional Performance Security (APS) should be deposited by the successful bidder at the time of signing the agreement when the bid amount is seriously unbalanced (less than the estimated cost by more than 20 per cent). The APS is to be deposited to the extent of difference of 90 per cent of Probable Amount of Contract (PAC), in the form of Guarantee, and should be released after successful completion of the work.

Audit noticed in two²⁰ test checked divisions that in five out of six MDR works, awarded during July 2018 to September 2018, the lowest bid was 20 per cent below the PAC however, the APS for unbalanced bid was not obtained from the Contractors as detailed in Table 2.2.7.

Table 2.2.7: Additional Performance Security not deposited for unbalanced bids in PWD

(₹ in lakh)

Sl. No.	Name of Division (EE, PWD)	Name of Road	PAC	Tender percentage	Amount of APS
1	Dantewada	Awarabhata to Hiriya para road	549.48	(-) 25.80	86.82
2	Dantewada	Dantewada Faraspal Pandemurga road	1932.76	(-) 21.60	224.20
3	Dantewada	Bacheli to Nakulnar road	1610.78	(-) 27.00	273.83
4	Dantewada	Sukma to Dantewada road	5452.07	(-) 20.20	556.11
5	Jagdalpur Dn. II	Lohandiguda Taragaon Garda Kodenar Road	1962.19	(-) 23.72	269.21
Total					1410.17

(Source: Information provided by Department and compiled by Audit)

²⁰ EE, PWD, Dantewada and EE, PWD, Jagdalpur Division II.

Government stated that as per clause of contract the amount of increased APS shall be decided by employer (SE). Accordingly the items of NIT of concerned contract was compared with PWD SOR (2015) and the contractor was instructed to deposit the APS where the contract price was more than 20 *per cent* below the PWD SOR.

Reply was not acceptable since the tenders were invited on the basis of PMGSY SOR (2018), comparison of rates with PWD SOR 2015 to determine the unbalanced bid was not correct.

2.2.8.3 (iv) Works were not insured as envisaged in agreement

As per contract of road works under Road Connectivity Project in Left Wing Extremist Area (RCPLWEA), the contractor at his cost should provide insurance cover from the start date to the date of completion for the events which are due to the contractor's risk such as loss or damage to the works, plant and materials, loss or damage to equipment; loss of or damage to property in connection with the contract. Further, the contractor at his cost should also provide, in the joint names of the Employer and the Contractor, insurance cover from the date of completion to the end of Defects Liability Period i.e., five years after intended completion date, for personal injury or death that are due to the contractor's risks. All such insurance policies or certificates for insurance shall be delivered by the contractor to the Engineer-in-Charge for approval before the completion date/start date.

Audit observed in three selected units (SE, PWD Kanker, EE, PWD Dantewada and Jagdalpur-II) that works of seven MDRs were awarded by PWD during 2018-19 under RCPLWEA, and insurance of the projects was essential to protect the Government interest as provided in the agreements. But, contractors started the works without submitting the insurance documents. Thus, besides extending undue benefit to the contractors, the projects were also put at risk due to non-covering of projects with insurance.

Government stated that in respect of the above works, the contractors have been asked to submit the insurance documents.

2.2.8.3 (v) Sanction of variations

Clause 2.005 of Works Department Manual stipulates that revised AA from the competent authority should be obtained when the expenditure on the work exceeds or is likely to exceed the amount already approved by more than 20 *per cent* if administrative approval was based on Stage-I estimate and 10 *per cent* if approval was based on Stage-II estimate. Further, as per agreement of respective works, the E-in-C reserves the right to increase or decrease, within the scope of work any item of the work during the currency of the contract and contractor will be bound to comply with the order. However, this is subject to the total limit of (+) 25 *per cent* of any item(s), but upto (+) 10 *per cent* of the contract value only after obtaining the approval of authority competent to accord Technical Sanction. The GoCG vide its circular (December 2010) reiterated that provisions of manual relating to revised approval of the work should be strictly followed.

Audit observed that in two test checked works under EE, PWD, Champa, the above provisions were not complied with. Items of works were executed with variations, exceeding the limit of 25 per cent, and overall expenditure incurred was in excess of 10 per cent of contract value as shown in **Table 2.2.8**.

Table 2.2.8: Details of works showing variations in execution of items of works

(₹ in Crore)

Name of road	No. of items of works with variations	Range of variation (%)	AA	Contract value	Amount of Supplementary Schedule
Sakti-Barpali	09	60 to 698	22.01	15.21	1.85
Sakti-Pota-Faguram-Kharsiya	03	231 to 1172	25.91	24.23	2.18
Total	12				4.03

(Source: Information compiled by Audit)

In respect of Sakti-Barpali Road, nine items were executed in excess (60-698 per cent) of 25 per cent of estimate, and the overall cost was also more than 10 per cent of contract amount. In respect of Sakti-Pota-Faguram-Kharsiya Road, three items were executed in excess (231-1172 per cent) over and above 25 per cent of estimate, but the overall cost did not exceed 10 per cent of contract amount. The excess quantities of works were to be executed only after obtaining the approval of authority competent to accord technical sanction. However, it was observed that proposal for approval was submitted after completion of both the works, which was not in order.

Government stated (November 2020) that the works were executed on the basis of verbal instruction of higher authority in anticipation of post facto sanction, and sanction is under process.

Reply is not acceptable as the works in excess of the prescribed quantity and execution of new items should have been executed only after obtaining approval from the competent authority.

2.2.8.3 (vi) Injudicious grant of Time Extension under non-penal clause

Under the provisions of contract for ADB projects, if a contractor fails to comply with the scheduled time of completion, he will be liable to pay delay damages @ 0.05 per cent of contract price per day, limited to 10 per cent of the final contract price.

The stipulated time for completion of road projects was inclusive of rainy season. However, in four²¹ out of seven test checked packages of ADB projects, 63 days of rainy season in each package were considered for Extension of Time (EoT) under non-penal clause. Apart from this, in three packages EoT of 60 to 98 days on account of increase in executed quantity/extra items, and an additional 30 to 54 days were considered for EoT under non-penal clause as change of scope. Thus, there were double consideration of 30 to 54 days under non-penal clause which unduly benefited the contractors.

²¹ Package 8,11,12 and 14.

In Package-2, delayed commencement of the bridge work (98 days) attributable to the contractor was considered under non-penal clause. Further, there was a delay of 103 days on the part of the department in providing the drawing of retaining wall and delay of 166 days on the part of the contractor in submission of working drawing. The employer considered EoT of 166 days in lieu of 103 days under non-penal clause. Thus, total inadmissible period of 161 days²², were injudiciously considered under non-penal clause.

Similarly, in respect of works under CGRDCL, the stipulated period provided for completion of work included rainy season. Audit, however, observed that in five out of eight test checked works, 122-181 days of rainy season were considered for EoT under non-penal clause.

Injudicious grant of EoT under non-penal clause led to extension of undue financial benefit to the contractor of ₹ 54.39 crore (**Appendix 2.2.4**) by the Government.

Government stated that the final payment certificate of Packages were yet to be processed. The EoT and delay damages as determined by Engineer will be reviewed and penalty if any, shall be imposed accordingly.

2.2.9 Monitoring, Maintenance, and Road Safety Audit

2.2.9.1 Non-maintenance of Renewal Diagram

Para 2.047 of Works Department Manual stipulates that a Renewal Diagram should be maintained for each road in a Sub-Division and Division, and these diagrams will be considered to determine how many kilometers should be renewed during the ensuing financial year. Further, as per para 2.048 of the manual, a Programme Diagram in the same form as the renewal diagram should be maintained by each EE to show the programme of collection of road data and renewal of roads for the current financial year, and the progress made thereon.

In 15 selected Divisions, the Department incurred an expenditure of ₹ 765.66 crore between 2014-15 and 2018-19 on the maintenance, renewal, and repair work of all categories of roads viz. SHs, MDRs, Village roads, and others. However, no renewal diagram or programme diagram was maintained in 15 test checked Divisions.

Government stated in the exit conference that road data was being prepared and instructions would be issued for taking up maintenance of roads as per the renewal diagram.

2.2.9.2 Non-preparation of Maintenance Manual of roads

The contract clause in ADB projects stipulates that prior to commencement of the tests on completion, the contractor shall submit to Engineer the “as-built” documents and operation and maintenance manuals in accordance with the specifications and in sufficient detail for the Employer to operate, maintain, dismantle, reassemble, adjust and

²² Delayed commencement of the bridge work (98 days) + (166-103=63 days).

repair that part of the works. It was observed that in respect of 18 completed works upto November 2019, the contractors had not submitted the maintenance manual.

It was further noticed that in the contracts executed by PWD and CGRDCL, the defect liability period for maintenance of roads was provided as three and four years respectively. However, in 18 works executed by ADB, only 365 days were provided as defects liability period.

Government stated that non-submission of manual is noted for future compliance although the road was maintained by contractor. Four years defect liability period has been provided in on-going third ADB loan project and shall be proposed in future projects also.

2.2.9.3 Roads under defects liability period

In the work of the widening of road Barsoor-Geedam-Dantewada-Kirandul-Jagargunda (PWD, Dantewada) planned under LWE Scheme, work order was issued in June 2011 at contract price of ₹ 100.58 crore with completion period of 36 months including rainy season. The work was completed in July 2019.

Division proposed (December 2018) the maintenance of road in year 2019-20 for stretches 4, 5, 6, 7, 12, 13, 14 and 15, totaling eight km on the grounds of damages caused to bituminous surface during the past five years. The renewal work was proposed to be carried out from the State budget although the work was under defect liability period and therefore, was to be maintained by the contractor.

Proposing maintenance work and requesting the funds from the Government during defect liability period before completion and handing over of work to Government was irregular.

Government stated in the exit conference that some portion of the road stretches were completed well before completion of balance portion. Since the old portion required maintenance, the same was repaired by Government budget. It was further stated that provision for issue of partial completion certificate would be considered in future.

Reply is not acceptable as the work was under the defect liability period, therefore the maintenance of road was the responsibility of the contractor.

2.2.9.4 Non-maintenance of basic records

CPWA Code states that Works Abstract should be prepared in the divisional office. It should be posted day by day from the Cash book, and the connected bills of contractors and suppliers. The code also stipulates that all the works abstract of a month, when finally completed in all respects, should be examined by the Divisional Officer. Similarly, CPWA Code states that a personal account should be opened in the ledger for every contractor (Contractors ledger), whether or not a formal contract has been entered into with him, unless the work or supply entrusted to him is not important. Form CPWA 43 is a separate folio reserved for all the transactions with each contractor for whom a personal account is maintained.

Audit observed that the Works Abstract and Contractors Ledger were not maintained during 2014-19 in any of the 15 test-checked Divisions. In the absence of these important records, it was very difficult to calculate the liability of Contractors, if any and status of works. Thus, the divisional officers failed to perform one of the major duties assigned to them.

Government stated that at present as all these records (contractor ledger, work abstract etc.) are well maintained in e-works software and can be downloaded any time for reference, hence there is no need to maintain these records manually.

Reply is not acceptable as no such report was available on e-works software and no document or evidence was provided in support of the reply.

2.2.9.5 Road Safety Audit (RSA)

According to “IRC: SP: 88: 2010-Manual on Road Safety Audit”, the Road Safety Audit (RSA) is to be carried out by specialists independently other than the agency involved in design process to take a fresh look at the project without the distraction of having been involved in design. Designers and clients need to consider audit recommendations objectively as brought out from the audit outcome.

2.2.9.5 (i) Road safety audit was not conducted by independent agency

The Supreme Court of India (SC) has also issued directions (November 2017) to the State Governments to carry out RSA at design, construction and operation stages of roads by auditors accredited by National Road Safety Audit Board or the Auditors trained by the State Government.

Audit observed that the CGRDCL and PD, ADB had planned to construct 22 and 18 roads during 2014-19 respectively. The RSA of these roads was conducted by supervision consultants, who were also engaged in designing the same roads. Thus, the RSA from independent auditor was not ensured by both the agencies.

Government stated that in respect of CGRDCL, the design submitted by the contractor for construction was approved by ‘safety consultant’ during the design period prior to approval of project management consultant and proof consultant. In respect of ADB the observations of Audit were noted for future compliance.

2.2.9.5 (ii) Non-achievement of target as fixed in Road Safety Action Plan

To reduce fatalities from road accidents, a road safety action plan was prepared (2016) by the GoCG. As per the action plan, the PWD was to conduct a road safety audit of all roads once a year, and prepare yearly audit report for each District roads.

- Audit observed that the Department selected 53 road works only out of 675 works related to SHs and MDRs upto 2018-19 for RSA. Out of these, RSA of 26 road works of CGRDCL, 14 works of ADB, and only eight works of PWD divisions were conducted. The RSA for the remaining road works were not planned by the department.

- Audit further observed that in 15 selected divisions of PWD, RSA of only eight works was conducted during the period 2014-19.

Government stated that the department took initiative for road safety audit, and accordingly the RSA were conducted. In future RSA would be conducted as per the requirement.

2.2.9.5(iii) Non-compliance of instructions of road safety audit report

Test check of records of PD, ADB, Raipur revealed that road safety audit of “Rehabilitation and Upgradation of Nandghat-Bhatapara-Baloda Bazar Road (SH-10)” was conducted during preparation of DPR (June 2012). The measures proposed in DPR and RSA were not considered in preparation of estimates and during construction of road as given below:

- Noise barriers and rumble strips was to be provided near the 11 schools, and five hospitals situated along the road. However, the provision for the same was not included in the detailed estimate, and in the technical sanction.
- Provision for construction of 24 bus shelters near 24 villages, was not included in the detailed estimates.

Government stated that items provided in the BOQ covered almost all major recommendations of the RSA as per site requirement and was executed accordingly. However, some minor items were not included in the estimate to remain within the budgetary cost, in spite of this intended outcome of road safety has been achieved considerably.

Reply is not acceptable as all the measures suggested by RSA should have been implemented in the interest of road safety.

2.2.10 Joint Physical Inspection of roads

Joint Physical Inspection (JPI) of 15 roads (**Appendix 2.2.5**) was conducted by Audit with the departmental officials. It was found that in four roads, the shoulder was damaged in many patches. In five roads, no sign boards were found in prominent places like schools, curves, etc. Further, in three roads, stone pitching work was not found done in many patches where canal was running alongside the road. In four roads, crash beam barriers as a safety measure on culverts were not found. It was also observed that other safety measures like road marking, putting milestones, fixing speed limit sign boards etc. were not seen as per the requirements. However, the riding surface and road furniture of two²³ roads were found in good condition.

2.2.11 Conclusion

The overall length of road network in the State increased by 857 km during the period 2014-19. Government of Chhattisgarh has upgraded 3,820 km of State highways and

²³ Komakhan - Narra- Khatti (PWD Mahasamund) and Bhanpuri- Mundagaon- Narayanpal (PWD Jagdalpur II)

major district roads (MDR) by construction, strengthening, widening and renewal during the period 2015-19. Although the Government outlined a PWD Road Policy of Chhattisgarh in 2002, it was not adopted as of the date of audit. The department lacked a transparent system of prioritization of roads for selection, funding and execution by various executing agencies. In the absence of a road database and non-establishment of Road Management System, comprehensive planning for under taking road works was yet to be established. Road works were awarded without prior clearance of the forest department and without obtaining permissions from required agencies in some cases. There were instances of misclassification of funds, and inclusion of works in the budget without obtaining administrative approval, irregularities in sanction of variation and grant of time extension. Deficiencies in the preparation of estimates, non-compliance with Indian Road Congress specifications and instances of undue favour to contractors were also noticed. Road Safety Audit was not got conducted by an Independent agency.

2.2.12 Recommendations

- *Government needs to take expeditious measures for adoption and implementation of the Road Policy scrupulously.*
- *Government should ensure a transparent system of prioritization of roads for selection, funding and execution of road works by the different agencies for optimum utilization of available resources.*
- *Government should maintain a database of roads as a part of a comprehensive road management system.*
- *Department needs to reduce the time gap between sanction and award of work by avoiding delays in preparation of estimates, obtaining approval, and tendering.*
- *Department should ensure that the works are executed as per standard specifications, in a timely and efficient manner.*
- *Road Safety Audit should be conducted by an independent body, and its recommendations implemented.*

WOMEN AND CHILD DEVELOPMENT DEPARTMENT

2.3 Integrated Child Development Services

2.3.1 Introduction

Integrated Child Development Services (ICDS), a Centrally Sponsored Scheme was launched in 1975. The scheme aimed at providing a package of services in an integrated manner to pre-school children, expectant and nursing mothers with a view to improving the nutritional and health status of children in the age group of 0-6 years and enhancing the capability of the mother for looking after the normal health and nutritional needs of the child through proper nutrition as well as health education. The package of services provided in the scheme *inter-alia* comprised (i) Supplementary Nutrition Programme (SNP) (ii) Immunisation, (iii) Health Check-up (iv) Referral Services, (v) Non-formal Pre-school Education (PSE) and (vi) Nutrition and Health Education. Three out of the six services *viz.*, Supplementary Nutrition, Pre-school Education, Nutrition and Health Education are delivered in an integrated manner through the Anganwadi Workers (AWWs) at Anganwadi Centres at village level. The other three services *viz.* Immunisation, Health Check-up and Referral services are delivered through ASHA (Accredited Social Health Activists (ASHAs)/ANM (Auxiliary Nurse Midwives) of Public Health System. With effect from November 2017, ICDS scheme has been renamed as Anganwadi services and is functioning as a sub-scheme under the Umbrella ICDS scheme.

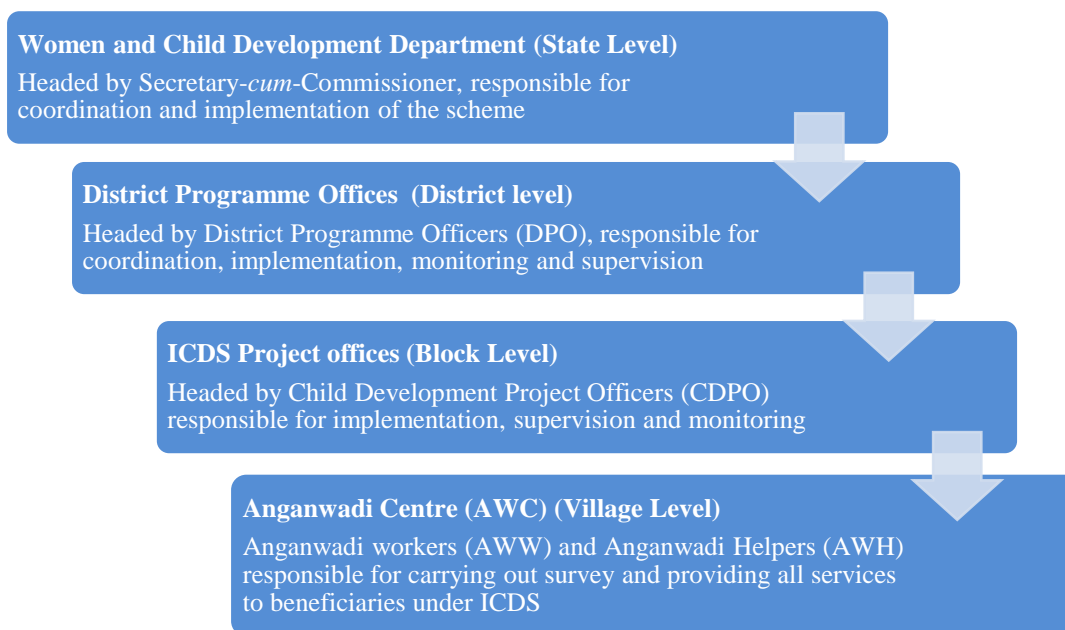
2.3.2 Objectives of the Scheme

The main objectives of the ICDS scheme are to improve nutritional and health status of the children up to 6 years, lay down the foundation for proper psychological, physical and social development of the child, reduce incidence of mortality, morbidity and malnutrition, enhance capacity of mothers to look after normal health and nutritional needs of their children, and achieve effective coordination among various departments to promote child development.

The achievement of these objectives was to be monitored through improvement in levels of Infant Mortality Rate, Maternal Mortality Rate and malnourishment status.

2.3.3 Organisational Setup

The Women and Child Development (WCD) Department of the Government of Chhattisgarh (GoCG) is responsible for implementation of ICDS Scheme in the State. Organogram of the Department for implementation of the scheme is given in **Chart 2.3.1**.

Chart 2.3.1: Organogram for implementation of ICDS Scheme in the State

2.3.4 Audit Objectives

Performance audit of ICDS scheme was carried out with the objective of assessing whether:

- planning for implementation of the scheme was oriented towards achievement of the scheme objectives;
- financial management was economical, efficient and effective;
- delivery of services at AWCs through AWWs were efficient and effective;
- availability of adequate infrastructure facilities and human resources was ensured;
- system for monitoring and evaluation of the programme was in place and effective.

2.3.5 Audit Scope and Methodology

Performance Audit of ICDS scheme was conducted from October 2018 to February 2019 and covered the period 2014-2019. Audit methodology involved test check of records of the Directorate, WCD Department, District Programme Offices (DPOs), Child Development Project Offices (CDPOs), and Anganwadi centres (AWCs). Out of 27 DPOs, eight DPOs were selected through Stratified Random Sampling without Replacement method. In each of the selected Districts, three CDPOs (total 24 CDPOs) and in each selected Project Office, 10 AWCs (total 240 AWCs) were selected through Simple Random Sampling method (detailed in **Appendix 2.3.1**). Audit methodology also included an analysis of data/information provided by the department, issue of questionnaires, and joint physical verification of selected AWCs along with the ICDS functionaries' i.e. CDPOs/Supervisors/AWWs. Photographic evidence was obtained wherever necessary, to substantiate audit findings.

An entry conference was held in January 2019 with the WCD Department, Government of Chhattisgarh (GoCG), wherein audit objectives, audit criteria, scope, and methodology of the Performance Audit were discussed. An exit conference was held with Secretary, WCD Department in October 2019, and the replies/views of the Government have been suitably included in the report.

2.3.6 Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Scheme guidelines, circulars, and instructions issued by GoI and GoCG;
- National/State Food Security Act, 2013 (NFSA) and Rules made there under;
- Prescribed monitoring and evaluation mechanism of GoI and GoCG.

Audit Findings

2.3.7 Planning

2.3.7.1 Rationalisation of AWCs

Union Ministry of Women and Child Development directed (October 2016) the State Government to rationalize the requirement of ICDS Projects and AWCs on the basis of population norms, number of children actually attending the AWCs, availability of AWCs at habitation level and possibility of clubbing/relocating/surrendering the AWCs.

In order to assess the additional requirement of AWCs in the State as per population norms, proposals were called for (June 2017) from the districts and based on these proposals, shortfall of 24,318 AWCs/mini AWCs in 17 districts and excess of 4,178 AWCs in 10 districts was identified against the total 52,474 AWCs/mini AWCs sanctioned for the State. There was an overall shortfall of 20,140 AWCs in the State, which would result in inadequate coverage of children and pregnant and lactating women as discussed in **paragraph 2.3.9.1**. However, the process of rationalization of AWCs by clubbing/relocating/surrendering is yet to be completed by the State Government.

During the Exit conference, Government stated that rationalisation of AWCs would be done by their relocation as per future requirement.

2.3.8 Financial management

2.3.8.1 Financial Outlay and Expenditure

ICDS is a centrally sponsored scheme funded on cost sharing basis between Government of India (GoI), and State Government. Funds are allocated for implementation of the scheme under two components:

- (i) ICDS (General), for meeting operational costs under which, cost is shared between GoI and State Government in the ratio of 60:40 (90:10 upto 2014-15); and
- (ii) ICDS (Supplementary Nutrition Programme) under which, cost is shared in 50:50 ratio between GoI and State Government.

The details of funds released and expenditure incurred during 2014-19 are given in **Table 2.3.1**.

ICDS (General)

Table 2.3.1: Details of funds released and expenditure incurred under ICDS (General)

(₹ in crore)

Year	Funds approved as per APIP			Funds Released			Expenditure incurred			Excess/ Savings
	Central Share	State share	Total	Central Share	State share	Total	Central Share	State share	Total	
2014-15	617.90	68.66	686.56	347.65	43.17	390.82	349.64	43.17	392.81	(+) 1.99
2015-16	215.76	143.84	359.60	161.88	153.21	315.09	229.82	153.21	383.03	(+) 67.94
2016-17	223.44	148.96	372.40	169.21	153.72	322.93	230.57	153.72	384.29	(+)61.36
2017-18	255.00	179.80	434.79	283.45	156.48	439.93	234.73	156.48	391.21	(-)48.72
2018-19	239.43	257.42	496.85	287.36	229.74	517.10	231.70	229.74	461.44	(-) 55.66
Total	1551.53	798.68	2350.20	1249.55	736.32	1985.87	1276.46	736.32	2012.78	(+) 26.91

(Source: Statements of Expenditure of Department, and compiled by audit)

During the year 2014-19, total funds of ₹ 2,350.20 crore comprising Central share of ₹ 1,551.53 crore and State share of ₹ 798.68 crore have been approved in the Annual Programme Implementation Plans (APIP). There was short receipt of Central and State share by ₹ 301.98 crore and ₹ 62.36 crore respectively during the period 2014-19 against the approved APIP. Further, excess expenditure of ₹ 26.91 crore have been incurred against the funds released by the GoI as Central share, which needs to be regularized by obtaining funds.

Government accepted (June 2019) the audit observation and stated that grants have been obtained for excess expenditure under ICDS (General), and the funds have been received from the GoI.

ICDS (SNP)

Table 2.3.2: Details of funds released and expenditure incurred under ICDS (SNP)

(₹ in crore)

Year	Funds approved as per APIP			Funds Released			Expenditure incurred			(+)/Excess/ (-) Savings (percentage)
	Central Share	State share	Total	Central Share	State share	Total	Central Share	State share	Total	
2014-15	230.00	230.00	460.00	113.02	225.00	338.02	213.54	213.54	427.08	(+) 89.06 (26)
2015-16	151.03	151.03	302.06	328.80	225.00	553.80	210.54	210.54	421.08	(-) 132.72 (24)
2016-17	199.92	199.92	399.84	224.62	225.00	449.62	202.21	202.21	404.42	(-) 45.20 (10)
2017-18	227.00	227.00	454.00	227.00	224.95	451.95	198.80	198.80	397.60	(-) 54.35 (12)
2018-19	271.00	271.00	542.00	242.80	202.53	445.33	242.80	202.53	445.33	0.00
Total	1078.95	1078.95	2157.90	1136.24	1102.48	2238.72	1067.89	1027.62	2095.51	(-) 143.21

(Source: Statements of Expenditure of Department and compiled by audit)

It can be seen from the above table that against the total funds of ₹ 2,238.72 crore released during 2014-19, expenditure of ₹ 2,095.51 crore was incurred with overall saving of ₹ 143.21 crore. There was savings to the tune of 10 to 24 per cent during 2015-18 while excess expenditure (26 per cent) was incurred during 2014-2015 against the funds released.

Government stated (June 2019) that budget was based on estimation, and savings were low and that, expenditure was incurred on actual basis.

2.3.8.2 Non Submission of Utilisation Certificates by AWWs

As per standing instructions issued (September 2009) by Directorate, WCD, the compiled Utilization certificates (UCs) of the actual expenditure incurred by the AWWs were to be obtained quarterly by the CDPOs through Supervisors. Under ICDS scheme, flexi fund of ₹ 1000 and contingency fund of ₹ 500 was provided per annum to each AWC and mini AWC to meet operational exigencies, and day to day expenditure.

Test check of records of 24 selected projects revealed that in 23 projects, during the period 2014-19, an amount of ₹ 3.06 crore as Flexi and Contingency Fund were paid to the AWWs, but their UCs were not obtained by the CDPOs.

Thus, the system of reporting the actual expenditure incurred was not adhered to by the field level functionaries i.e. AWWs, in the absence of which, it could not be ascertained that the funds were utilised for the designated purposes.

Government accepted the audit observation and stated (October 2019) that CDPOs were responsible for obtaining UCs.

2.3.9 Supplementary Nutrition Programme (SNP)

Supplementary Nutrition Programme (SNP) is one of the crucial components of ICDS scheme. The objective of SNP is to bridge the protein-energy gap between the recommended dietary allowance, and average dietary intake of children, pregnant women, and lactating mothers. Every beneficiary under the programme is to be provided with supplementary nutrition for 300 days in a year. As per the SNP guidelines, all children in the age group of six months to six years of age, pregnant women, and lactating mothers are to be provided Supplementary Nutrition (SN). Audit scrutiny revealed the following deficiencies in implementation of SNP.

2.3.9.1 Coverage of beneficiaries under SNP

2.3.9.1 (i) Coverage of children in age group 0-6 years

As per Census 2011, the total number of children in the age group of 0-6 years in the State was 36.62 lakh (14.3 per cent share of total population). The details of total number of children who were surveyed and actually benefitted during the five-year period 2014-19 are shown in **Table 2.3.3**.

Table 2.3.3: Status of surveyed and benefitted children

(figures in lakh)

Year	Total surveyed children	Actual beneficiaries	Shortfall in No. of beneficiaries vis-à-vis surveyed (per cent)
2014-15	28.94	23.09	5.85 (20)
2015-16	27.86	23.45	4.41 (16)
2016-17	28.09	22.65	5.44(19)
2017-18	26.64	19.33	7.31 (27)
2018-19	23.89	16.18	7.71 (32)

(Source: MPR/information provided by Directorate and compiled by Audit)

From the above it is evident that the surveyed children decreased from 28.94 lakh to 23.89 lakh, and actual beneficiaries decreased from 23.09 lakh to 16.18 lakh during the five-year period 2014-19. The percentage of surveyed children to whom the benefit of ICDS scheme could not be extended, ranged from 16 *per cent* in 2015-16 to 32 *per cent* in 2018-19. This percentage ranged between five and 78 in the eight test checked districts during 2014-19. The main reasons for shortfall in surveyed and benefitted children were reluctance of parents due to distance of AWC from their habitation, poor infrastructure/facility in Anganwadis and opening of private nursery schools.

2.3.9.1 (ii) Coverage of Pregnant and lactating women

The details of surveyed and actually benefitted pregnant and lactating women (PW/LW) under SNP during 2014-19 indicated a declining trend as can be seen from the **Table 2.3.4**.

Table 2.3.4: Status of surveyed and benefitted PW/LW

(figures in lakh)

Year	Total surveyed	Total No of beneficiaries	Shortfall in No. of beneficiaries vis-à-vis surveyed (<i>per cent</i>)
2014-15	5.70	4.97	0.73 (13)
2015-16	5.54	5.03	0.51 (09)
2016-17	5.23	4.56	0.67 (13)
2017-18	5.09	4.01	1.08 (21)
2018-19	4.57	3.75	0.82 (18)

(Source: Information provided by Directorate and compiled by Audit)

During 2014-19, the surveyed PW/LW by the AWCs had decreased from 5.70 lakh to 4.57 lakh, while number of beneficiaries decreased from 4.97 lakh to 3.75 lakh. As such, nine to 21 *per cent* of the surveyed PW/LW were not provided supplementary nutrition during this period. The main reason for shortfall in surveyed and benefitted women was reluctance of women towards availing the services of ICDS due to distance of AWCs from their habitations.

The declining number of children and pregnant and lactating women surveyed and benefitted is indicative of deficient implementation of the scheme and inadequate coverage of targeted beneficiaries. The shortfall in number of AWCs would also result in less coverage of children and pregnant and lactating women under the scheme. Government should have explored various options and taken adequate measures to reach out to the intended beneficiaries in all the habitations.

Government accepted the audit observations relating to inadequate coverage of children and women and stated that it was due to difficult geographical conditions, scattered population, opening of private schools, and reluctance of parents. It was further stated that shortfall would be analysed and corrective action would be taken.

2.3.9.2 Non-distribution of Supplementary Nutrition

ICDS guidelines provide for distribution of supplementary nutrition to the beneficiaries for 300 days in a year. Supplementary Nutrition (SN) includes morning snacks followed by hot cooked meal/take home rations in the form of Ready to Eat (RTE) food. To ensure continuity in distribution of SN, State Government had engaged Self Help Groups (SHGs)/Non-Governmental Organisations (NGOs) for supply of RTE to AWCs for 300 days and at least 25 days in a month.

National Food Security Act (NFSA), 2013 and Supplementary Nutrition Rules, 2017 provide that in case of non-supply of food grains or meal to the beneficiaries, the State Government should pay Food Security Allowance (FSA) to such beneficiaries at the prescribed rates.

Audit noted that the reporting format for the project-wise monthly progress report for SNP provided details for distribution of SN for ‘less than 21 days’ and ‘more than 21 days’. As a result, the status of distribution of SN by AWCs for at least 25 days in a month could not be ascertained in audit. During the period 2014-19, distribution of SN in AWCs as available in the monthly progress report of March of the year for the State is detailed in **Table 2.3.5**.

Table 2.3.5: Status of distribution of supplementary nutrition in the State

In the month of March	No of reporting AWCs	No of AWCs that distributed supplementary nutrition for more than 21 days	No of AWCs that distributed supplementary nutrition for less than 21 days
2015	43519	43197	322
2016	43533	43244	289
2017	43570	43532	38
2018	48112	46081	2031
2019	41845	41670	175

(Source: MPRs of March in each year provided by Directorate and compiled by audit)

As can be seen from the above table, the number of AWCs that distributed supplementary nutrition for less than 21 days in the month of March during the period 2015-19 ranged between 38 in 2017 (0.08 *per cent*) and 2031 in 2018 (4.41 *per cent*). In the eight test checked districts, 2,076 AWCs (77.85 *per cent*) in Bilaspur (March 2015), 907 AWCs (49.05 *per cent*) in Bastar (March 2015) and 792 AWCs in Raipur (March 2018) provided SN to beneficiaries for less than 21 days as detailed in **Appendix 2.3.2**. However, in two test-checked districts (Jashpur and Raigarh), all the AWCs distributed SN for more than 21 days during 2014-15 to 2018-19.

Audit further noted that 76 out of 240 test-checked AWCs did not distribute SN for at least 25 days in 16 to 31 months during 2014-19. The main reasons of non-distribution of supplementary nutrition were delayed supply of food items/RTE by the SHGs and absence of AWWs. Moreover, no FSA was paid as compensation to the beneficiaries in lieu of non-distribution of supplementary nutrition for the prescribed number of days.

Government stated in exit meeting that distribution of FSA would not serve the objectives of ICDS and a robust mechanism has now been instituted for distribution of SN which includes reporting distribution of RTE for 25 days.

Reply of the Government that the distribution of FSA would not serve the objectives of ICDS is contrary to the NFSA provisions of providing FSA in cases where food grains or meals could not be supplied. Also, no action was taken against concerned SHGs/officials who failed to ensure provision of supplementary nutrition and payment of food security allowance as per norms. The Department needs to fix accountability on the officials responsible for failure in providing SN to beneficiaries.

2.3.9.3 Inadequate nutrition in RTE due to allowing tolerance limit

National Food Security Act, 2013 provides the nutritional standards of food to be provided to beneficiaries, and to conform to the nutritional values mentioned in Schedule II of the Act. As per instructions (April 2013) of the State Government regarding distribution of RTE, each 100 gm of RTE should contain a minimum of 11.21 gm protein and 381 calories energy as nutritional value. Accordingly, the quantity is decided for distribution/supply of RTE packets to various categories of beneficiaries.

Scrutiny of records revealed that the Department allowed (September 2015) a tolerance limit of 5 *per cent* in the nutritional content in RTE and accordingly 100 gm of RTE containing 10.65 gm of protein, and 362 calories was considered as standard.

During a scrutiny of the analysis reports of RTE food, audit noticed that out of 127 reports, protein content in 14 reports were found below the allowed tolerance limit of 10.65 gm, while in 95 reports, it was less than 11.21 gm. Thus, adherence to norms of nutritional values contained in RTE was not ensured, which resulted in provision of inadequate nutrition/below standard quality of RTE to the beneficiaries.

Government stated (June 2019) that tolerance limit in RTE did not mean that calorific and protein content was only negative and it might be positive also.

The reply is not acceptable as allowing negative tolerance limit in calories and proteins had compromised the nutritional value of the food as per the standard prescribed under the NFS Act, 2013.

2.3.9.4 Lack of effective quality control on supply of RTE to the beneficiaries

RTE containing wheat, gram, soyabean, groundnut and sugar as main ingredients was to be prepared in a powdered form by the SHGs. Directorate, WCD instructed (August 2009) that samples of RTE of 20 *per cent* SHGs were to be sent for testing by the DPOs every month. In the absence of laboratory in the State, the samples were required to be sent to the five authorized laboratories situated outside the State. The cost of sample analysis was fixed (October 2016) @ ₹ 315 per sample, which was to be shared between the SHG and the Department.

As per revised instructions (October 2016), samples of all the SHGs were to be sent every month. The labs were required to provide test results within 15 days of the receipt of samples. It is pertinent to mention that the expiry period of the RTE was three months.

As per the provisions of NFSA Act 2013, and Rules there under, the State Government should ensure the quality of supplementary nutrition, and DPOs are primarily responsible to ensure that meals meet the nutritional standards and quality. Analysis of samples sent to Laboratories indicated that some test reports of samples were found to be substandard. Details are given in **Table 2.3.6**.

Table 2.3.6: Details of samples sent and results of test reports of RTE

Year	No. of SHGs	No. of samples to be sent	No of samples sent by DPO	Non receipt of test reports	No of samples not as per standards
2014-15	617	1415	1353	862	72
2015-16	620	1388	1177	398	121
2016-17	655	3639	4184	1381	45
2017-18	656	7956	6603	1908	20
2018-19	659	6608	6463	3337	131
Total	3207	21006	19780	7886	389

(Source: Information provided by DPOs and compiled by the audit)

Audit scrutiny of records in the test checked districts in this regard revealed the following:

- **There were delays ranging from one to eight months in sending the samples for testing by the DPOs, whereas the expiry period of RTE itself was three months.**
- **The number of samples sent for testing during 2014-19 was below the number of samples required. Test reports of 7,886 samples (40 per cent) were not yet received as of March 2019.**
- 389 samples did not conform to the standards. Protein content was found lower at 9.70 gm (13 per cent less) against the norm of 11.21 gm per 100 gm of RTE, indicating distribution of sub-standard RTE with inadequate nutritional value to the beneficiaries. Though penalty was levied on the SHGs, the objective of providing desired level of nutritional values could not be achieved.

Thus, the Government failed to ensure that the quality of nutrition provided to the beneficiaries was of required standard, which may adversely affect the health of children and pregnant and lactating women and hamper the fulfilment of their nutritional requirements. Further, it had not taken any concrete actions to rectify the recurring deficiencies and deviations in testing of samples.

While accepting the audit observation, Government stated that lab for testing the samples of RTE would be established in the State.

2.3.9.5 Supply of milk without ensuring the quality and nutritional values

Mukhyamantri Amrit Doodh Yojana was launched (April 2016) by WCD, GoCG for providing 100 ml sweetened flavoured milk once a week to the children in the age group of 3 to 6 years at the AWCs. The agency supplying the milk was Chhattisgarh

Co-operative Milk Federation. Guidelines provide for the following nutritional norms for each 100 ml of milk:

Table 2.3.7: Nutritional norms for the milk

Nutrient	Value	Nutrient	Value
Protein	3 gm	Energy	97 Kcal
Fat	3 per cent	Carbohydrates	14 gm
Solid-Not-Fat (SNF)	8.5 per cent	Added Sugar	10 gm

The Supplier agency had to submit the analysis reports on above parameters of the processing and packaging plant with every monthly bill. Also, a District committee formed by the Collector with DPO as Member Secretary, and officers from other Departments were required to visit at least five AWCs every month to examine the quality of milk, and report to the Collector quarterly. Examination of the samples was also to be conducted at the District or State level through authorised laboratories on random basis.

Scrutiny of records in the test checked districts revealed that the nutritional values contained in milk *viz.* protein, energy and carbohydrates were not being analysed by the Supplier. Independent examination of samples on random basis at State or District levels through authorized laboratory was also not conducted. Further, Audit did not find any details regarding visits to AWCs and examination of quality of the milk by the district committee. In the absence of testing of samples by the Supplier, and the examination by designated committee, nutritional values in milk provided to the children could not be ascertained in Audit.

Government accepted the audit observation (October 2019) and stated that testing of the milk samples is now being done as per the provisions.

2.3.9.6 Non-monitoring of nutritional status of children

As the objective of ICDS scheme is to improve nutritional and health status of the children in the age group of 0-6 years, GoI adopted (August 2008) the WHO Child growth standards for monitoring the growth of children.

Audit scrutiny revealed that the Department was monitoring the nutritional status of children in the age group of 0-5 years through WHO growth chart, which is designed for children up to five years. The nutritional status of children in age group of 5 to 6 years was not being monitored as no standard was adopted/developed by the Department for these children.

During the exit conference, the State Government stated appropriate action would be taken in this regard to ensure the growth of children between 5 to 6 years of age is monitored.

2.3.9.7 Shortfall in Aadhaar authentication of beneficiaries

The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 provides for use of Aadhaar as the identity document for delivery of services or

benefits to beneficiaries, and also aims to simplify the delivery processes to bring in transparency and efficiency.

MoWCD, GoI notification (February 2017) provides for Aadhaar based Direct Benefit Transfer (DBT) under SNP, and honorarium of AWW/AWHs at AWCs. As per instructions contained therein, the Aadhaar authentication of all beneficiaries and AWWs/AWHs was to be completed by March 2018. Accordingly, UIDAI approved (November 2017) WCD Department as UIDAI Registrar and Enrollment Agency for undertaking Aadhaar enrollment process for the beneficiaries of SNP and AWWs. Scrutiny of records revealed the following:

- In Chhattisgarh, Aadhaar linking of only 43 *per cent* children and 97 *per cent* of pregnant and lactating women was done as of December 2019. Further, test check of enrollment and attendance registers of selected 240 AWCs revealed that out of 11,085 enrolled children in these AWCs, 9,562 children (86 *per cent*) were attending the AWCs, and Aadhaar linking of only 5,844 children (61 *per cent*) was completed by the Department as of February 2020. Similarly, out of total enrolled 2,645 pregnant and lactating women, 2,491 (94 *per cent*) pregnant women and lactating women were availing services of AWCs and Aadhaar linking of 1,956 (79 *per cent*) was completed as of February 2020.
- GoI had sanctioned (December 2017) ₹ 9.90 crore for procurement of Aadhaar Enrollment Kits²⁴, and released its share of ₹ 5.94 crore. The Aadhaar Enrollment kits were, however, not procured, and the central share of ₹ 5.94 crore remained unutilized because sanction of GOCG for procurement of enrolment kit was awaited as of February 2020.

Aadhaar authentication for all the beneficiaries, particularly children, could not be completed by the target date due to non-procurement of Aadhaar kits by the Department. However, Aadhaar authentication of 98 *per cent* AWWs, and 96 *per cent* AWHs was completed by February 2020.

The implementation of DBT, and Aadhaar authentication of all the beneficiaries would have helped in tracking the delivery of the services to eligible beneficiaries in a transparent manner.

Department Stated (June 2019) that due to non-procurement of Aadhaar kits, registration could not be completed.

2.3.9.8 Status of IMR, MMR and Malnutrition in Chhattisgarh

The objective of the ICDS scheme was to reduce the incidence of mortality, and malnutrition as well as to improve the nutritional and health status of children under the age of six. The details of Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), and Under 5 Mortality Rate (U5MR) at National and State level are detailed in **Table 2.3.8**.

²⁴ one desktop computer, one laptop, one tablet along with scanner, printer, fingerprint scanner, Iris scanner and GPS device.

Table 2.3.8: Status of IMR, MMR and U5MR at National and State level

Year	IMR		MMR		U5MR	
	India	Chhattisgarh	India	Chhattisgarh	India	Chhattisgarh
2015	37	41	130	173	43	48
2016	34	39	130	173	39	49
2017	33	38	113	159	37	47
2018	32	41	113	159	36	45

(Source: Sample Registration System Bulletins, GoI)

As can be seen from the above table, during 2015-18, all three parameters - IMR, MMR and U5MR of the State were above the national indicators. While MMR and U5MR registered a declining trend in the State during the period 2015-18, IMR has increased from 38 in 2017 to 41 in 2018. The Department has not fixed any specific targets and time lines to reduce IMR, MMR, and U5MR.

Government stated (June 2019) that efforts had been made to reduce IMR, MMR, and U5MR.

2.3.10 Preschool Education/Early Childhood Care & Education

Early Childhood Care and Education (ECCE) is defined as holistic and integrated provision for children below 6 years, and refers to the informal early psycho-social stimulation for children below 3 years and planned non-formal Preschool Education (PSE) for children between 3 to 6 years. It aims at school readiness, development of cognitive processes, motor, and muscular skills of children.

2.3.10.1 Delay in implementation of ECCE curriculum

GoI guidelines (July 2014) for rolling out of annual curriculum of ECCE provided for *Gatavidhi Pustak (GP)*, and *Aaklan Patraaks (AP)* for children of age 3 to 6 years to be made available at every AWC within two months. As per the GOCG instruction (August 2001), all the government related printing and publication work would be done through Samvaad i.e. an agency of Public Relation Department, GOCG.

Audit noticed that GoCG accorded (January 2016) sanction for printing of ECCE material for ₹ 6.19 crore after a delay of one and a half years of rolling out the annual curriculum of ECCE by the GoI. The Directorate issued (September 2016) work order to *Samvaad* without any time frame for supply. The supply of books and child assessment cards was completed in April 2017.

Thus, the ECCE curriculum to be implemented from October 2014, was finally implemented with a delay of more than two years. Hence, 17.57 lakh²⁵ children in the age group of 3-6 years were deprived of the benefits of the ECCE curriculum during 2015-17.

2.3.10.2 Delay in supply of Pre-School Kit (PSE) to AWCs

PSE kits include puppets, soft toys, mirrors and props for play, pre number cards, shape cut out of fruits/vegetables/animals, pre reading/writing cards, story flash cards, building blocks and dolls etc. to educate the children through joyful learning at AWCs. The

²⁵ Actual beneficiaries (3-6 years) = 9.03 lakh in 2015-16 and 8.54 lakh in 2016-17.

approved cost norms for supply of PSE kits were ₹ 3,000 and ₹ 1,500 per annum for AWC and mini AWC respectively.

During 2015-16, Department released ₹ 14.11 crore for procurement of PSE kits for all the AWCs and mini AWCs. WCD (September 2015) decided that printing of discussion pictures, picture cards and puzzles would be done through *Samvaad* and other items of kits blocks, dolls and models of animals/vegetables were to be procured by the DPOs (District Project Officers). The printing order was placed by the Department in January 2016 and the items of PSE kits were supplied to AWCs in April 2017. Thus there was a delay of 18 months in supply of PSE kits items.

Government accepted the audit observations and stated that action would be taken to strengthen the mechanism to ensure timely procurement and distribution of appropriate PSE kits.

2.3.10.3 Non/short imposition of penalty in procurement of PSE kits

Rule 4.13 of Chhattisgarh Store Purchase Rules, 2002 provides that in the event of failure to supply within the stipulated time period, the competent authority shall impose penalty of two per cent per month.

Scrutiny of records in test checked districts for 2014-17 revealed that there was delay of one to 12 months in supply of PSE kits by 12 suppliers. However, no penalty was imposed by the DPOs, resulting in non/short-imposition of penalty of ₹ 42.70 lakh (**Appendix 2.3.3**) on suppliers. Thus, ECCE activities through the kits as envisaged could not be provided during the period of delay.

While accepting the audit observation, Government stated (June 2019) that instructions have been issued to the concerned officials in this regard.

2.3.11 Health Care and Referral Services

2.3.11.1 Procurement of Medicine kits for AWCs

As per ICDS guidelines, every AWC is to be provided a medicine kit containing basic medicines for common ailments like fever, cold, cough, worm infestation, etc. The cost (October 2012) per kit was ₹ 1,000 for AWC and ₹ 500 for mini AWC per annum, which was revised (November 2017) to ₹ 1,500 and ₹ 750 per kit in 2018-19.

Scrutiny of records revealed that Directorate issued (January 2014) work order valuing ₹ 4.70 crore to Chhattisgarh Medical Services Corporation (CGMSC) for supply of medicine kits at Project Offices by March 2014 and paid ₹ 93.36 lakh as advance. Further, the Directorate withdrew (March 2014) ₹ 3.77 crore and parked in Public Account (K-Deposits²⁶) in anticipation of payment. However, the kits were not supplied till the date of audit (October 2019) due to failure on part of CGMSC and the Directorate to resolve issues such as place of delivery, items/quantity of medicine in the kits etc.

²⁶ Fund not required for immediate disbursement may be drawn from treasury with prior approval of Finance Department, GoCG and can be kept in K-deposit account of DDOs.

Non-procurement of medicine kits during 2014-19 led to non utilisation of GoI's assistance of ₹ 17.31²⁷ crore approved in the AIPs 2014-19.

During physical verification of the sampled AWCs, audit noticed that in the absence of medicine kits, the AWWs had to utilise the flexi fund and contingency fund to meet immediate requirements of medicines during emergencies.

During the Exit conference, Government confirmed that for procurement of medicine kits, CGMSC was selected but the same could not be procured, and that, the Kits would be procured in 2019-20 in coordination with the Health department.

2.3.11.2 Referral of severely malnourished children to NRCs

During health check-up and growth monitoring, the sick and malnourished children were referred to Primary/Community Health Centre (PHC/CHC), while severely malnourished children were further referred to Nutrition Rehabilitation Centres (NRCs) in coordination with the Health Department. The nutritional status and overall health of severely malnourished children was monitored at NRCs by intensive treatment for 14 days through medication, dietary supplements and nutritional meals.

Scrutiny of records in selected districts revealed shortfall in referral and treatment of children at NRCs during 2016-19, as detailed in **Table 2.3.9**.

Table 2.3.9: Details of treatment of severely malnourished children at NRCs

Name of District	Total malnourished children	Severely malnourished children	
		Identified at CHCs/ PHCs (per cent)	Malnourished children not admitted in NRCs (per cent)
Rajnandgaon	27834	7467 (27)	5498 (74)
Bastar	97442	25562 (26)	21103 (83)
Jashpur	49781	17256 (35)	15613 (90)
Raigarh	5990	2117 (35)	503 (24)
Koriya	15047	2614 (17)	2475 (95)
Kondagaon	11677	8652 (74)	8220 (95)
Bilaspur	20919	4802 (23)	3447 (72)
Raipur	16643	7046 (42)	6351 (88)
	2,45,333	75,516	63,210 (84)

(Source: Information provided by DPOs and compiled by audit)

It is evident from the above table that in the eight test checked districts, out of the total 75,516 children identified as severely malnourished at CHCs/PHCs, only 12,306 (16 per cent) were admitted to NRC for intensive treatment during 2016-19. The shortfall in treatment of severely malnourished children at NRCs ranged from 24 to 95 per cent.

In the Exit conference, the State Government stated that the main reason was unwillingness of parents to take their children to NRCs due to distance and other reasons. It further stated that the concept of NRCs would be de-centralized to make it more effective.

²⁷GoI Assistance during 2014-19 = ₹ 4.20 crore + ₹ 2.82 crore + ₹ 3.00 crore + ₹ 3.00 crore + ₹ 4.29 crore = ₹ 17.31 crore.

2.3.11.3 Rehabilitation and treatment of Children with Special Needs

As per GoI directions (October 2012), the Department should facilitate integrated early childhood care and development services to all children with special needs (CWSN) through its AWCs. A provision of ₹ 2,000 per child has been made for various interventions viz., training and sensitization of AWWs/families for recognition of early symptoms of disability, and need for early action, providing assistive devices/special education activity/books to children, and referral of children to PHCs/NRCs etc. These were to be done in close convergence with Health, Education, and Social Welfare Departments.

Scrutiny of records revealed that Department had issued (February 2015) guidelines for identification of CWSN aged 0-6 years. However, no expenditure was incurred by the Department under these interventions despite approval of funds by the GoI in AIPs of 2014-17.

While accepting the audit observation, Government stated (June 2019) that action could not be taken as sufficient funds were not received from GoI. However, instructions would be given at all levels again in this regard.

Reply is not acceptable as children with special needs were deprived of the special care envisaged under the scheme.

2.3.12 Infrastructural arrangements

2.3.12.1 Availability of own AWC buildings

AWCs are the focal points for delivery of various services under ICDS. It was observed that the construction of all the sanctioned AWCs could not be completed despite availability of funds, as detailed below.

Audit noticed that as on October 2019, construction of 44,809 Anganwadi buildings was sanctioned, out of which, construction of 38,894 (87 *per cent*) buildings was completed and construction of 5,915 (13 *per cent*) was not completed (including 2,138 buildings not yet taken up for construction as of October 2019). Out of the 38,894 Anganwadis constructed, 37,407 buildings were utilized for functioning of the AWCs and the remaining 1,487 buildings were not being used either due to dilapidated condition or long distance of habitation from the constructed building.

As a result, the Government could not ensure that dedicated building for AWCs were available to provide quality services, and basic amenities, despite having funds (₹ 104.70 crore) for the purpose.

Government stated (October 2019) that efforts were being made to solve the issue for early completion of construction of AWCs.

2.3.12.2 Availability of basic facilities in AWCs

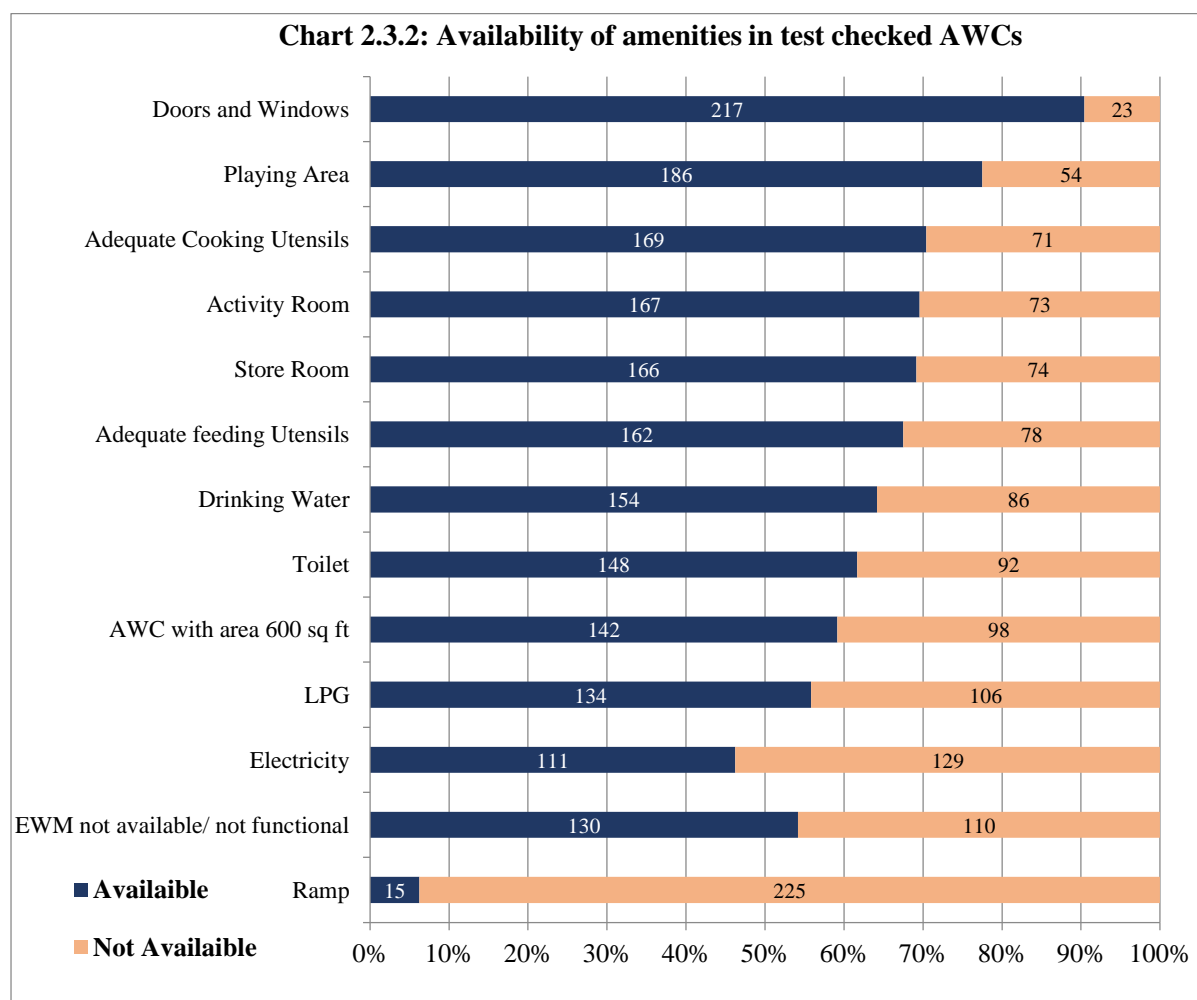
As per ICDS guidelines, the AWCs should preferably have built up space of at least 600 sq. feet with separate sitting room for children/women, separate kitchen, store room for

food items, child friendly toilets, electricity and playing area for children with all relevant infrastructure. Further, as per the provisions of NFSA 2013, every AWC should have facilities for cooking meals, drinking water and sanitation.

Audit observed that in eight test checked districts, out of 14,646 AWCs operating from their own buildings, 2,209 AWCs (15.08 per cent) did not have toilet facilities, 2,509 AWCs (17.13 per cent) were deprived of drinking water facility, 8,105 AWCs (55 per cent) did not have playing area for children, and 9,268 AWCs (63 per cent) were without electricity.

Lack of basic amenities in AWC premises expose the beneficiaries to unhealthy and unhygienic environment, which could hamper their psychological and physical development, besides impeding the process of vital behavioural changes in beneficiaries with regard to hygienic habits.

Test check of records of 240 AWCs covering 9,446 children beneficiaries, revealed that the prescribed room size, doors/windows, open space, ramp for disabled, store room, adequate cooking, and feeding utensils, drinking water, functional electronic weighing machines (EWMs), and LPG were not available in the AWCs, as detailed in the **Chart 2.3.2.**



Further, it was observed that 39 AWCs were functioning in rented buildings, of which 16 AWCs were operational in *kutchha* huts with very limited space. During physical inspection of the AWCs, audit noticed that the AWCs were operating from dilapidated buildings as depicted in Photo 2.3.12.2 (a) and 2.3.12.2 (b).



Photo 2.3.12.2 (a) - AWC Kolanpara (Gourella) operating in dilapidated building which poses safety hazard for children.



Photo 2.3.12.2 (b) - AWC Tendumunda (Gourella) dilapidated building (from inside) not being used and food was being cooked outside in open in temporary shelter

During the exit conference, Government stated (October 2019) that no provision for electricity was made in the estimates prior to 2012. It was assured that drinking water facility would be provided in every AWC and appropriate action would be taken on all the issues pointed out in audit.

2.3.12.3 Under-utilisation of electronic weighing machines

GoI guidelines provide for weighing scales at every AWC for monitoring the growth of children. Accordingly, the Department decided (January 2014) that each AWC was to be provided Electronic Weighing Machine (EWM) with integrated growth monitoring system and chargeable battery to monitor status of children. EWM had USB slot for extraction of data, and uploading the same on server for malnourishment analysis and assessment.

Scrutiny of records in test checked districts revealed that for extraction of data, pen-drives were not available with the AWCs, and data continued to be recorded and monitored manually. In AWCs without electricity, EWM could not be charged, necessitating charging from other places. Thus, the advanced features of EWM were not fully utilised as the data continued to be recorded and monitored manually.

In the test checked districts, out of 20,805 operational AWCs, 17,845 AWCs were provided with EWM, of which 13,513 machines (76 per cent) were operational while

4,332 EWMs (24 per cent) valuing ₹ 2.16²⁸ crore were non-operational (March 2019), even though funds were provided to the districts for repairing and maintenance of the EWMs.

In the exit conference, Government accepted (October 2019) the audit observation and stated that option of solar EWMs would be explored.

2.3.13 Human Resource Management

2.3.13.1 Shortfall in training

As per scheme guidelines, refresher training was to be imparted to the ICDS functionaries once in every two years. Accordingly, 50 per cent of the available strength of ICDS functionaries was to be trained every year.

Scrutiny of records revealed that targets of training for different functionaries under ICDS were not fixed as prescribed. During 2014-19, shortfall in fixation of targets was 42 to 100 per cent for CDPOs, 15 to 85 per cent for Supervisors and 40 to 65 per cent for AWWs/AWHs for refresher training. Further, the targets fixed were also not achieved and shortfall was 44 to 90 per cent for CDPOs, 25 to 51 per cent for Supervisors while 02 to 100 per cent for AWWs/AWHs as detailed in **Appendix 2.3.4**.

Government stated (June 2019) that refresher training courses for various cadres were organised as per the availability of eligible candidates and that, CDPOs were trained by NIPCCD batch-wise as per their programme.

Reply is not acceptable as targets were not fixed to ensure that the skills of all the ICDS functionaries are upgraded in at periodicity.

2.3.14 Monitoring

2.3.14.1 Monitoring and Review committees on ICDS

As per GoI circular (October 2010), monitoring and supervision was to be ensured for effective delivery of services at grass roots level. GoI issued (March 2011) further guidelines for setting up a 5-tier monitoring and review mechanism from national level to AWC level. In accordance with this, State Level Monitoring and Review Committee (SLMRC), District Level Monitoring and Review Committee (DLMRC), Block Level Monitoring Committee (BLMC), and Anganwadi Level Monitoring and Support Committee (ALMSC) on ICDS were to be set up in the State for ensuring effective monitoring/review of the performance of the ICDS scheme, while discharging designated roles.

The constitution of committees and details of their working during the period between 2014-15 and 2018-19 in the test checked Districts/Projects/AWCs is detailed in the **Table 2.3.10**.

²⁸ Number of non functional EWMs x Rate per EWM = 4332 x ₹ 4977 = ₹ 2.16 crore.

Table 2.3.10: Details of Committees and their working

Name of Committee	Constitution and frequency of meeting	Status of formation	No. of meetings held
State Level Monitoring and review committee (SLMRC)	SLMRC was to be constituted under the Chairmanship of Chief Secretary with 18 other members. SLMRC had to meet Bi-annually.	The SLMRC was formed in the State but was subsequently merged with the State Empowered Programme Committee (SEPC).	SEPC met only twice (April 2014 and March 2016) during the last five years.
District Level Monitoring and review committee (DLMRC)	DLMRCs were to be constituted under the Chairmanship of District Collector with 16 other members. DLMRC had to meet quarterly.	DLMRC was constituted in only four districts: Kondagaon, Koriya, Raigarh and Rajnandgaon	Kondagaon: 19 Koriya: No details available for the period 2014-19. Raigarh: Nil Rajnandgaon: Nil
Block Level Monitoring committee (BLMC)	BLMCs were to be constituted under the Chairmanship of Sub Divisional Magistrate with eight other members. BLMC had to meet quarterly.	Out of 24 test checked Projects, BLMCs were constituted in six projects.	Chirmiri: 10 Tilda: 30 Makdi: Nil Manendragarh, Kosir and Baikunthpur: No records of meetings available.
Anganwadi Level Monitoring and Support committee (ALMSC)	ALMSCs were to be constituted under the Chairmanship of Gram Panchayat/Ward Member (preferably woman member) with 6 other members. ALMSC had to meet monthly.	ALMSCs were constituted in all the test checked AWCs.	89 – No meetings 104 – 1 to 19 meetings 47 – 20 or more meetings (20 meetings or more in 5 years indicate that the committee was meeting at least once in a quarter)

It was noticed that the GoCG did not set up the required committees in five districts and 18 projects and there was a shortfall in conducting meetings at District/Project/AWC Level committees as brought out in the above table.

On this being pointed out, the Department stated that District and Block level committees were functioning.

Reply is not acceptable as these committees were not holding meetings as per prescribed norms.

2.3.14.2 Shortfall in Supervision by ICDS functionaries

Scrutiny of records in the 24 test checked Project offices revealed that only four²⁹ CDPOs had inspected the AWCs as per norms during 2014-19. It was noticed that records of inspection of the officials were not maintained in four³⁰ project offices during 2014-19.

The minimum requirements of official visits by Supervisors and CDPOs to AWCs are indicated in **Table 2.3.11**.

²⁹ Chirmiri, Bagicha -2, Kosir and Pussore.

³⁰ Badedongar, Bastar, Makdi and Manpur.

Table 2.3.11: Supervision of AWCs by CDPOs and Supervisors

Category of officials	Minimum requirement	Remarks	Shortfall against minimum requirement
Supervisors	A minimum of 50 per cent of AWCs under the Supervisor's jurisdiction every month.	Each AWC under a supervisor's jurisdiction should be visited at least six times in a year.	20 to 78 per cent in six project offices
CDPOs	At least 20 AWCs per month on a rotational basis and to ensure coverage of 100 per cent AWCs in a year.	Each AWC under a project should be visited by the concerned CDPO at least once in a year.	15 to 71 per cent in 19 project offices
Joint visit by CDPOs with Medical Officer	At least 5 AWCs per month and these can be part of the visits mentioned above.	-	22 to 98 per cent in 10 project offices

In the selected 240 AWCs, it was noticed that inspections were not conducted as per norms during 2014-19 by the respective Supervisors in 105 AWCs and CDPOs in 64 AWCs.

In the Exit conference, Government stated that action had been initiated for ensuring adequate supervision on delivery of services under ICDS Scheme.

2.3.15 Good Practices: Initiatives for Malnourished children

Good practices noticed during the course of audit in the test checked districts are detailed in Table 2.3.12.

Table 2.3.12: Details of new initiatives at Koriya and Kondagaon districts

Name of District	Initiatives	Target group	Salient features and achievements
Koriya	<i>Jagruk Mahtari Swastha Laika Karyakram</i> (January to April 2017)	Moderate and severely malnourished children	<ul style="list-style-type: none"> Medical examination, nourishment with additional nutritive items and counseling. Home visits by AWWs. <i>Poshan Anushravan Card</i> (records for parents of child) were maintained to monitor the nourishment. Out of the identified 14,758 moderately and severely malnourished children, 3959 children turned normal during this period.
Kondagaon	<i>Suposhan Kendra</i> (initiated in January 2018 and continuing)	Severely malnourished children	<ul style="list-style-type: none"> Treatment at <i>Suposhan Kendra</i>, nourishment and monitoring. Free transportation, distribution of medicines, and clothes to the children on discharge Information, Education and Communication (IEC). Total 1345 Severely malnourished children were treated under the scheme and 300 turned normal while 490 turned moderate.

In the Exit conference, Government stated that the initiatives taken by the District administration as pointed out by audit would be studied for implementation in other places in the State.

2.3.16 Conclusion

Performance audit of implementation of ICDS scheme revealed that supplementary nutrition was not provided to 30.72 lakh children (out of 135.42 lakh) of the age group of 0-6 years and 3.81 lakh pregnant and lactating mothers (out of 26.13 lakh) during the period 2014-15 to 2018-2019. There was a gradual decline in the actual number of beneficiaries of the scheme over the years during the audit period. Aadhaar seeding of both beneficiaries and Aganwadi workers/helpers was not yet fully achieved, despite sanction of funds by the GoI.

Department was not able to ensure quality of meals as envisaged in the scheme guidelines, due to delays in sending the samples or non-receipt of Ready to Eat (RTE) food's test reports from the laboratories, and deviation in the tolerance limits in nutritional value from National Food Security Act (NFSA) standards. Early Childhood Care and Education curriculum was implemented with delay of more than two years and medicine kits for Aganwadi Centres (AWCs) were not procured for the last one decade.

Availability of infrastructure and equipment in AWCs was deficient *vis-à-vis* norms and lack of basic facilities, such as drinking water, toilet, playing area, store room, ramp, electricity, cooking and feeding utensils, usable toilets, facility to wash hands, equipment for cooking, essential drugs and material for monitoring health severely constrained the functioning of the AWCs. Only 37,407 AWCs were operating from dedicated buildings with delays in completing the construction of buildings of 5,915 AWCs and non-use of 1,487 AWC buildings due to long distance from the habitations. Monitoring of AWCs was poor as was evident from acute shortfall in field visits by Child Development Project Officers and Supervisors.

2.3.17 Recommendations

- *Government should expedite the process of rationalisation of AWCs, and ensure that all the eligible beneficiaries are brought within the ambit of ICDS scheme.*
- *Government should ensure distribution of supplementary nutrition and make provision for food security allowance as per norms in case of failure as per the provisions of NFSA. Erring officials should be held accountable for non-provision of supplementary provision and payment of FSA in all cases.*
- *Considering the high percentage of IMR, MMR and U5MR in the State as compared to the national average, specific time bound targets for their reduction should be set by the State Government expeditiously and followed up vigorously for their achievement.*
- *Government should strengthen the quality control procedures relating to testing of food samples. It should establish a laboratory expeditiously with well equipped apparatus to enable testing of samples within the envisaged timeframe and ensure*

that RTE supplied to the beneficiaries conforms to the prescribed quality parameters.

- *Urgent steps should be taken by Government for treatment of severely malnourished and special children at NRCs/AWCs, and availability of medicine kits in AWCs should be ensured;*
- *Government should monitor the implementation of the scheme scrupulously to ensure that the envisaged benefits of the scheme reach the targeted beneficiaries.*

Chapter III

Compliance Audit observations

CHAPTER-III: COMPLIANCE AUDIT OBSERVATIONS

Water Resources Department

3.1 Unfruitful Expenditure

Construction of headwork without ensuring the availability of land for canal work for four diversion schemes resulted in unfruitful expenditure amounting to ₹ 6.13 crore, as the diversion schemes remained incomplete even after eight years

As per note 3 of para 2.006 of Works Department Manual, in exceptional cases where it is desirable to commence work on a project before the detailed estimate for the whole project has been sanctioned, it is permissible for the competent authority to sanction the final technical estimate as a whole to accord sanction to detailed estimates for component parts of the project subject to the conditions: 3(a) for each such work or component part, there must be a fully prepared detailed estimate, and in the expenditure sanction as a whole, there must be a clear and specific amount corresponding to the work or component part in question, and 3(c) the sanctioning authority must be satisfied before according sanction, that no material deviations from the whole project as prepared for the purpose of expenditure sanction are to be anticipated and that the amount of the technical sanction for the whole project is not likely to exceed the amount of the expenditure sanction.

With the objective of creating irrigation potential for 695 hectare¹ land in tribal areas, the Government of Chhattisgarh accorded (October 2012) Administrative Approval (AA) for ₹ 13.47 crore² for four diversion schemes viz., Chandoka (Chandabeda), Jondhra (Chhataudi), Bhainsabeda and Bangaon (Pare) under Accelerated Irrigation Benefit Programme (AIBP) for minor irrigation. The Scheduled Tribe and Scheduled Caste Development Department consented to the diversion schemes, subject to the condition that the work be started only after paying compensation to the owners of affected land. The diversion schemes consisted of head work and canal work i.e. distribution channel. Technical Sanction (TS) of ₹ 7.37 crore³ for headworks was granted by the Chief Engineer (CE) during November-December 2012. The estimates for canal works were, however, not included in the detailed estimates.

Scrutiny of records (October 2018) of the office of the Executive Engineer, Water Resource Division, Kondagaon (EE), revealed that the construction of head works in all the four diversion schemes was completed in March 2014 after incurring an expenditure

¹ 120 hectare through Chandoka (Chandabeda) Diversion Scheme; 130 hectare through Jondhra (Chhataudi) Diversion Scheme; 95 hectare through Bhainsabeda Diversion Scheme and 350 hectare through Bangaon (Pare) Diversion Scheme.

² ₹ 227.42 lakh for Chandoka Diversion Scheme; ₹ 245.24 lakh for Jondhra Diversion Scheme; ₹ 182.18 lakh for Bhainsabeda Diversion Scheme and ₹ 692.60 lakh for Bangaon Diversion Scheme.

³ ₹ 137.73 lakh (Bhainsabeda), ₹ 161.17 lakh (Jondhra), ₹ 163.28 lakh (Chandoka) and ₹ 274.60 lakh (Bangaon).

of ₹ 6.13 crore⁴. The construction work of canal for all the four schemes was not taken up (November 2020) as the owners of the land refused to provide their land for the construction of canal. Thus, the diversion schemes could not be completed even after eight years of the administrative approval and the objective of creating irrigation potential for 695 hectare land could not be fulfilled due to non-execution of canal work. The expenditure of ₹ 6.13 crore incurred on headworks was thus rendered unfruitful.

The EE stated (November 2020) that due to non-acquisition of land, detailed estimate for canal work was not prepared. It was also mentioned that headworks were in proper condition and stored water was being used by the farmers for irrigation purpose through their own means and water was also being used by the villagers for their daily use.

The reply is not acceptable, as the construction of head works was taken up without acquiring the land and finalizing estimates of canal works required for the completion of diversion schemes. Thus, the expenditure of ₹ 6.13 crore incurred on head works remains unfruitful in the absence of construction of canal and the objective of creation of irrigation potential for 695 hectare land was not achieved.

The matter was brought (September 2019) to the notice of the Government; reply is awaited (February 2021).

3.2 Undue advantage to contractor

Issue of hard rock excavated at construction site of Jonk Barrage in Mahasamund district to contractor at lower rate resulted in undue advantage of ₹ 78.36 lakh to him

As per Rule 58 of the Chhattisgarh Minor Mineral Rules, 2015, (CMM Rules, 2015) the Collector shall grant Quarry Permit for extraction, removal and transportation of any minor mineral specified in Part-C of Schedule-I and Part-A of Schedule-II from any specified land which may be required for the works of any department or undertaking of the Central Government or State Government. It was further specified under Rule 59 of CMM Rules, 2015 that the Collector shall grant permission for disposal of minor minerals obtained during excavation work on payment of amount equivalent to royalty of such mineral in advance.

The work of construction of head work and RBC main canal of lower Jonk Barrage, Basna Block in Mahasamund district was awarded (September 2016) to a contractor⁵ at a contracted amount of ₹ 46.32 crore with a completion period of 24 months (September 2018). The work was under progress as of January 2021, and payment of ₹ 46.14 crore has been made to the contractor.

Audit scrutiny (March 2019) of records at the office of Executive Engineer (EE), Water Resources Division, Mahasamund, revealed that—as per agreement, the issue rate of hard

⁴ ₹141.61 Lakh for Chandoka; ₹ 123.74 Lakh for Jondhra (chhataudi); ₹ 123.61 Lakh for Bhaisabeda and ₹ 224 Lakh for Bangaon (Pare).

⁵ M/s Sunil Kumar Agrawal vide Agreement No. 05 DL/2016-17 at the rate 3 per cent below the estimated rate. Stipulated period of completion was 24 month including rainy seasons i.e. up to September 2018.

rock of each work was to be decided and mentioned in Annexure-L of the agreement, which was not done. During execution of work, 50,231.43 cum⁶ of hard rock was excavated, and was issued to contractor (February 2016 to June 2018) for use in the work at a rate ₹ 88.40 per cum. This issue rate of ₹ 88.40 per cum was decided by the Superintending Engineer, Ground Water Survey Circle, Raipur in June 2014 i.e. two years prior to tender date (March 2016) of this work. The issue rate of ₹ 88.40 per cum did not include royalty charges notified from time to time by the Mineral Resources Department.

Audit compared the issue rate of hard rock fixed by another Division in 2018 (Water Resource Division Dhamtari Code No. 90) which was ₹ 244.40 per cum⁷ arrived at by taking rate for item 505 of the SOR 2010 of WRD, supervision and royalty charges. Thus, the lower issue rate of hard rock of ₹ 88.40 per cum fixed by the office of EE, Water Resources Division, Mahasamund resulted in undue favour to the contractor amounting to ₹ 78.36 lakh⁸.

Department accepted the observation and replied (February 2020) that the difference of recoverable amount at the rate of ₹ 156 per cum (₹ 244.40 per cum - ₹ 88.40 per cum) shall be deducted from the next running bill of the contractor. However, the recovery is yet to be made by the Department (January 2021) even after a lapse of 21 months.

Matter was brought to the notice of the Government in January 2020. Reply is awaited (February 2021).

⁶ 47,350.53 cum. in head work and 2880.90 in canal work.

⁷ ₹ 104 per cum (item 505 of SOR) + supervision charges ₹ 10.40 per cum + royalty charges ₹ 130 per cum.

⁸ 50231.43 cum X (₹ 244.40 – ₹ 88.40)= ₹ 78.36 lakh.

Part-II

Chapter IV

Functioning of State PSUs

CHAPTER-IV: FUNCTIONING OF STATE PUBLIC SECTOR UNDERTAKINGS

4.1 Introduction

Public Sector Undertakings (PSUs) are established by Governments to carry out activities of a commercial nature for the development of the State as well as to cater to the welfare of its people.

Chhattisgarh State was formed on 1 November 2000, following the bifurcation of the erstwhile State of Madhya Pradesh (MP) into Chhattisgarh and the residual State of MP, as per the MP Reorganisation Act, 2000. As on 31 March 2019, there were 31 State PSUs in Chhattisgarh State (including 30 Government companies and one¹ Statutory Corporation) under the audit jurisdiction of the Comptroller & Auditor General of India (CAG). None of the PSUs was listed on the stock exchange (s).

The status of submission of financial statements by the PSUs as on 31 December 2019 is presented in **Table 4.1**.

Table 4.1: Status of submission of financial statements by PSUs

Type of PSUs	Total Number of PSUs	Status of finalisation of Accounts by PSUs as of 31 December 2019				Number of PSUs whose accounts were in arrears (No. of Accounts in arrears)
		Accounts for 2018-19 ²	Accounts for 2017-18	Accounts up to 2016-17	Total	
Government Companies	27	9	13	1	23	18 (25)
Statutory Corporation	1	1	-	-	1	-
Total Working PSUs	28	10	13	1	24	18 (25)
Inactive PSUs	3	1	1	1	3	2(3)
Total	31	11	14	2	27	20 (28)

(Source: Annual accounts submitted by Chhattisgarh State PSUs)

Out of the 31 State PSUs, 28 were working PSUs (27 Companies and one Statutory Corporation) and three PSUs were inactive. Out of the 28 working PSUs, only 20 PSUs (19 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 31 December 2019 have been considered for detailed analysis of financial performances in this Report.

As per their latest finalised accounts, 31 State PSUs registered a turnover of ₹ 36,922.95 crore, which constituted 11.85 *per cent* of the Gross State Domestic Product (GSDP) of ₹ 3,11,660 crore of Chhattisgarh State during the year 2018-19. During 2018-19, the 20 working State PSUs covered in this Report, as per their latest finalised accounts, registered a turnover of ₹ 36,850.93 crore, which constituted 11.82 *per cent* of the GSDP.

¹ Chhattisgarh State Warehousing Corporation (CSWC).

² From 1 January 2019 to 31 December 2019.

The State and Central Governments and Others had invested an amount of ₹ 1,494.85 crore in the form of capital (₹ 364.65 crore) and long term loans (₹ 1,130.20 crore) in 11 PSUs, which have not been considered for detailed analysis in this Report (**Appendix 5.1 and Appendix 6.2**).

4.2 Investment in State PSUs

4.2.1 Stake of Government of Chhattisgarh

The State Government has a significant financial stake in these PSUs in the form of the following:

- (i) **Share capital and loans:** In addition to the share capital contribution, the State Government also provides financial assistance by way of loans to the PSUs from time to time.
- (ii) **Special financial support:** State Government provides budgetary support by way of grants and subsidies to the PSUs, as required.
- (iii) **Guarantees:** State Government also guarantees the repayment of loans with interest availed of by the PSUs from Financial Institutions.

The sector-wise summary of investment (equity and long term loans) in 31 PSUs as on 31 March 2019 is detailed in **Table 4.2**.

Table 4.2: Sector-wise investment in PSUs

Name of sector	Government Companies		Statutory Corporation		Total	Investment (₹ in crore)		
	Working	Non-functional	Working	Non-functional		Equity*	Long term loans*	Total
Power	5	1	-	-	6	6,791.89	11,333.08	18,124.97
Agriculture & Allied	2	-	-	-	2	27.15	25.91	53.06
Services	5	3	1	-	9	68.07	798.56	866.63
Infrastructure	4	4	-	-	8	11.15	896.22	907.37
Finance	1	-	-	-	1	5.00	56.82	61.82
Others	2	3	-	-	5	110.60	497.43	608.03
Total	19	11	1	0	31	7,013.86	13,608.02	20,621.88

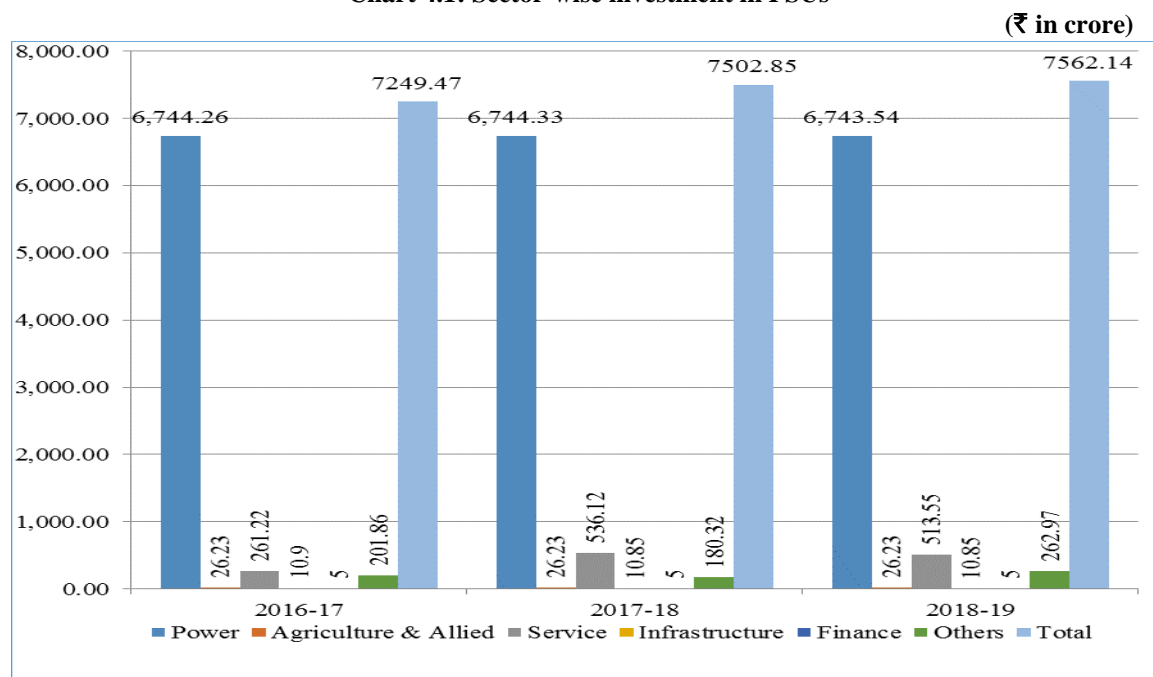
(Source: Annual accounts of PSUs and sanction/release orders for equity and loans)

*Equity includes share application money and long-term loans includes loans from Central and State Governments, Public Financial Institutions and Commercial Banks.

As on 31 March 2019, the total investment in 31 State PSUs comprised 34.01 per cent of equity capital and 65.99 per cent of long term loans. The long term loans in 31 State PSUs consisted of ₹ 889.62 crore advanced by the Central and State Governments and ₹ 12,718.40 crore raised from other sources. The thrust of the State Government's investment in PSUs was mainly in power sector during the last three years. Out of the total investment (equity, loans and subsidies/grants) of ₹ 3,207.10 crore during the period from 2016-17 to 2018-19, the share of power sector was 74.12 per cent (₹ 2,376.99 crore).

The pattern of State Government investment (equity and long term loans) in various important sectors at the end of the year from 2016-17 to 2018-19 is indicated in **Chart 4.1. 7562.14**

Chart 4.1: Sector-wise investment in PSUs



(Source: Accounts / information as furnished by PSUs)

4.3 Accountability framework

A Government Company or any other Company owned or controlled, directly or indirectly by the Central Government, or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments is subject to audit by the CAG. Audit of Government Companies is governed by respective provisions of Section 139 and 143 of the Companies Act, 2013. Section 2 (45) defines a 'Government Company' as one in which not less than 51 *per cent* of the paid-up share capital is held by the Government(s). A Government Company includes a subsidiary of a Government Company.

Statutory auditors of the Government Companies are appointed by the CAG under Section 139 of the Companies Act, 2013 for conducting audit of accounts of PSUs in accordance with Section 143 (5) of the Companies Act, 2013. The accounts of PSUs are subject to supplementary audit by the CAG under Section 143 (6) of the Companies Act, 2013. The CAG plays an oversight role by monitoring the performance of the Statutory Auditors. This role is discharged by means of the following:

- (i) Issuing direction to the Statutory Auditors under Section 143(5) of the Companies Act, 2013, and
- (ii) Supplementing or commenting upon the Statutory Auditor's report under Section 143(6) of the Companies Act, 2013.

Audit of Statutory Corporations is governed by their respective legislations. The audit of Chhattisgarh State Warehousing Corporation (CSWC) is conducted by the Chartered Accountants and Supplementary Audit is conducted by the CAG.

4.4 Submission of Accounts by PSUs

4.4.1 Need for timely finalisation and submission

According to Sections 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation, laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every Company to hold an AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration. Section 129 (7) of the Companies Act, 2013 provides for levy of penalties like fine and imprisonment of the persons including directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

4.4.2 Role of Government and Legislature

State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors of the Board are appointed by the State Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. Towards this end, the Annual Reports of the State Government Companies, together with the Statutory Auditors' Reports and comments of the CAG, are to be placed before the State Legislature under Section 394 of the Companies Act, 2013. Separate Audit Reports are also required to be placed before the Legislature in case of Statutory Corporations as stipulated in the respective Acts.

Audit Reports of the CAG are submitted to the Government for placing before the Legislature under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

4.5 Follow-up action on Audit Reports

The Reports of the CAG are products of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. As per the instructions issued (April 2017) by the Finance Department of Government of Chhattisgarh, all Administrative Departments are required to submit replies/explanatory notes to

Performance Audits (PA) / Paragraphs included in the Audit Reports of the CAG of India within a period of three months of their presentation to the Legislature, in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (COPU).

As on 31 December 2019, no Explanatory Notes (ENs) of 26 PAs/Paragraphs relating to Reports of Power Sector PSUs were awaited. However, out of 61 PAs/Paragraphs relating to Reports of Non-Power Sector PSUs, Explanatory Notes (ENs) to two Paragraphs were awaited as of this date. Details are given in **Table 4.3**.

Table 4.3: Status of receipt of Explanatory Notes

Year of Audit Report	Date of placement of Audit Report in the State Legislature	Total PAs and Paragraphs in the Audit Report		Number of PAs/Paragraphs for which ENs were not received	
		PAs	Paragraphs	PAs	Paragraphs
Power Sector PSUs					
2008-09	26.03.2010	-	2	-	-
2009-10	28.03.2011	1	-	-	-
2010-11	03.04.2012	1	1	-	-
2011-12	22.03.2013	1	5	-	-
2012-13	25.02.2014	-	3	-	-
2013-14	26.03.2015	-	4	-	-
2014-15	31.03.2016	-	6	-	-
2015-16	30.03.2017	1	1	-	-
2016-17	10.01.2019	-	-	-	-
Total		4	22	-	-
Non-Power Sector PSUs					
2008-09	26.03.2010	1	3	-	2
2009-10	28.03.2011	-	8	-	-
2010-11	03.04.2012	-	7	-	-
2011-12	22.03.2013	-	5	-	-
2012-13	25.02.2014	1	6	-	-
2013-14	26.03.2015	1	7	-	-
2014-15	31.03.2016	1	7	-	-
2015-16	30.03.2017	-	9	-	-
2016-17	10.01.2019	1	4	-	-
Total		5	56	-	2

(Source: Compiled by office of the Principal Accountant General (Audit) Chhattisgarh)

4.6 Discussion of Audit Reports by COPU

The status of PAs and Paragraphs relating to both Power and Non-Power Sector PSUs that featured in Audit Reports (PSUs) as on 31 December 2019 and discussed by COPU is given in **Table 4.4**.

Table 4.4: PAs/Paragraphs discussed vis-à-vis featured in Audit Reports

Year of Audit Report (Commercial/PSUs)	Number of PAs/Paragraphs			
	Appeared in Audit Report		Discussed	
	PAs	Paragraphs	PAs	Paragraphs
Power Sector PSUs				
2008-09	-	2	-	2 (4.3.1, 4.3.2)
2009-10	1(CSPGCL)	-	1	-
2010-11	1(CSPDCL)	1	1	1(4.3.8)
2011-12	1(CSPTCL)	5	1	5 (3.6 to 3.10)

Year of Audit Report (Commercial/PSUs)	Number of PAs/Paragraphs			
	Appeared in Audit Report		Discussed	
	PAs	Paragraphs	PAs	Paragraphs
2012-13	-	3	-	3 (3.7 to 3.9)
2013-14	-	4	-	-
2014-15	-	6	-	-
2015-16	1(RAPDRP)	1	-	-
2016-17	-	-	-	-
Total	4	22	3	11
Non-Power Sector PSUs				
2008-09	1	3	1	1
2009-10	-	8	-	8
2010-11	-	7	-	5
2011-12	-	5	-	5
2012-13	1	6	1	6
2013-14	1	7	1	7
2014-15	1	7	-	5
2015-16	-	9	-	6
2016-17	1	4	-	-
Total	5	56	3	43

(Source: Compiled by office of the Principal Accountant General (Audit) Chhattisgarh)

Out of four PAs and 22 Paragraphs relating to Power Sector PSUs, three PAs and 11 Paragraphs were discussed by COPU as of 31 December 2019. Similarly, out of five PAs and 56 Paragraphs relating to non-power Sector PSUs, three PAs and 43 Paragraphs were discussed by COPU as of this date. During 2018-19, COPU discussed eight Paragraphs in the Audit Reports relating to PSUs.

4.7 Compliance to Reports of COPU

Action Taken Notes (ATNs) on four Paragraphs pertaining to COPU Reports presented in the State Legislature in respect of Power Sector PSUs had not been received (31 December 2019), as detailed in **Table 4.5**.

Table 4.5: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total number of recommendations in COPU Report	ATNs not received
Power Sector PSUs			
2008-09	5	6	1
2010-11	1	1	0
2011-12	3	1	0
2018-19	3	3	3
Total	12	11	4
Non-Power Sector PSUs			
2008-09	5	1	0
2009-10	2	1	1
2010-11	1	1	0
2011-12	3	1	0
2017-18	1	1	0
2018-19	3	2	2
Total	15	7	3

(Source: Compiled by office of the Principal Accountant General (Audit) Chhattisgarh)

Similarly, ATNs on three recommendations pertaining to three Reports of COPU presented in the state legislature in respect of Non-Power Sector PSUs had not been received (December 2019).

Lack of action on PAs/Paragraphs that featured in CAG Reports and lack of discussion by COPU on these Reports coupled with absence of follow up action on the COPU's Reports are fraught with the risk of perpetuating serious financial irregularities pointed out in these Reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/services, fraud, corruption and loss to public exchequer.

Chapter V

Functioning of PSUs (Power Sector)

CHAPTER-V: FUNCTIONING OF POWER SECTOR PSUs

5.1 Introduction

Power sector PSUs play an important role in the economy of the State by providing critical infrastructure required for growth and development of the State. The PSUs in this sector also add significantly to the GSDP of the State as can be seen from the ratio of these PSUs turnover to GSDP. There were six Power Sector Undertakings (PSUs) as on 31 March 2019. Of these six Power Sector PSUs, analysis of financial performance of five PSUs has been presented in this Report. One PSU viz. Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (UCRVUL)¹ added during 2018-19 was yet to commence its commercial activities. **Table 5.1** below provides the details of turnover of the power sector undertakings and GSDP of Chhattisgarh for a period of three years ending March 2019.

Table 5.1: Turnover of Power Sector PSUs vis-à-vis GSDP of Chhattisgarh

Particulars	(₹ in crore)		
	2016-17	2017-18	2018-19
Turnover	20,024.86	22,756.12	22,794.73
Percentage change in turnover as compared to turnover of preceding year	32.03	13.64	0.17
GSDP of Chhattisgarh State	2,54,722	2,84,194	3,11,660
Percentage change in GSDP as compared to GSDP of preceding year	12.02	11.57	9.66
Percentage of Turnover to GSDP of Chhattisgarh	7.86	8.01	7.31

(Source: Turnover: Accounts of PSUs; GSDP: Economic Review 2018-19 of Government of Chhattisgarh)

The percentage of change in turnover of Power Sector PSUs decreased compared to preceding year's turnover from 32.03 per cent in 2016-17 to 0.17 per cent in 2018-19. The compounded average annual growth rate² of GSDP of Chhattisgarh was 6.96 per cent during the years 2016-19, while the turnover of Power Sector PSUs recorded lower compounded average annual growth of 4.41 per cent during the same period. This resulted in decrease in share of the turnover of these PSUs to the GSDP from 7.86 per cent in 2016-17 to 7.31 per cent in 2018-19.

5.1.1 Formation of Power Sector Undertakings

The erstwhile Chhattisgarh State Electricity Board (CSEB) was functionally unbundled into five new companies viz., Chhattisgarh State Power Holding Company Limited (CSPHCL), Chhattisgarh State Power Generation Company Limited (CSPGCL), Chhattisgarh State Power Transmission Company Limited (CSPTCL), Chhattisgarh State Power Distribution Company Limited (CSPDCL) and Chhattisgarh State Power Trading Company Limited (CSPTTrCL) with effect from 1 January 2009 as per State

¹ UCRVUL (erstwhile IFFCO Chhattisgarh Power Limited, a non-government public limited Company incorporated on 25 January 2006) became 100 per cent subsidiary Company of Chhattisgarh State Power Generation Company Limited on 22 March 2018.

² CAGR= $\left[\left(\frac{\text{Value of 2018-19}}{\text{Value of 2016-17}}\right)^{\frac{1}{3 \text{ years}}}-1\right]*100$.

Government's order dated 19 December 2008. All the assets and liabilities of CSEB (including equity of ₹ 4,475.90 crore³ and loans and capital liabilities of ₹ 2,985.41 crore) were distributed among these Companies according to the provisions of the Transfer Scheme Rules, 2010, as notified by the State Government on 31 March 2010. Further, as per these Rules, the properties and all interest, rights, liabilities etc. of the erstwhile CSEB stands transferred to and vested with the State Government with effect from January 2009.

5.2 Restructuring, Disinvestment and Privatisation of Power Sector PSUs

During the year 2018-19, there was no disinvestment of any Power Sector PSU in Chhattisgarh State nor was any of these PSUs privatized.

5.3 Investment in Power Sector PSUs

The activity-wise investment of Central and State Governments and Others (capital and long-term loans) in the Power Sector PSUs as on 31 March 2019 is detailed in **Table 5.2**.

Table 5.2: Activity-wise total investment in Power Sector PSUs

Activity	Number of PSUs	Investment (₹ in crore)		
		Equity	Long term loans	Total
Generation of Power	2	3,014.30	7,549.63	10,563.93
Transmission of Power	1	904.71	1,281.10	2,185.81
Distribution of Power	1	2,263.10	2,502.35	4,765.45
Other ⁴	2	609.78 ⁵	-	609.78
Total	6	6,791.89	11,333.08	18,124.97

(Source: Annual Accounts / information furnished by PSUs)

As on 31 March 2019, out of the total investment in Power Sector PSUs, 37.47 per cent comprised equity capital and 62.53 per cent comprised long-term loans. The Long term loans advanced by the State Government constituted 1.34 per cent (₹ 151.65 crore) of the total long term loans and 98.66 per cent (₹ 11,181.43 crore) raised from other sources. Details are given in **Appendix 5.1**. During 2018-19, investment of ₹ 200 crore by Chhattisgarh State Power Generation Company Limited in the form of equity in the newly incorporated Government Company, viz. Uttar Chhattisgarh Rajya Vidyut Utpadan Limited was added.

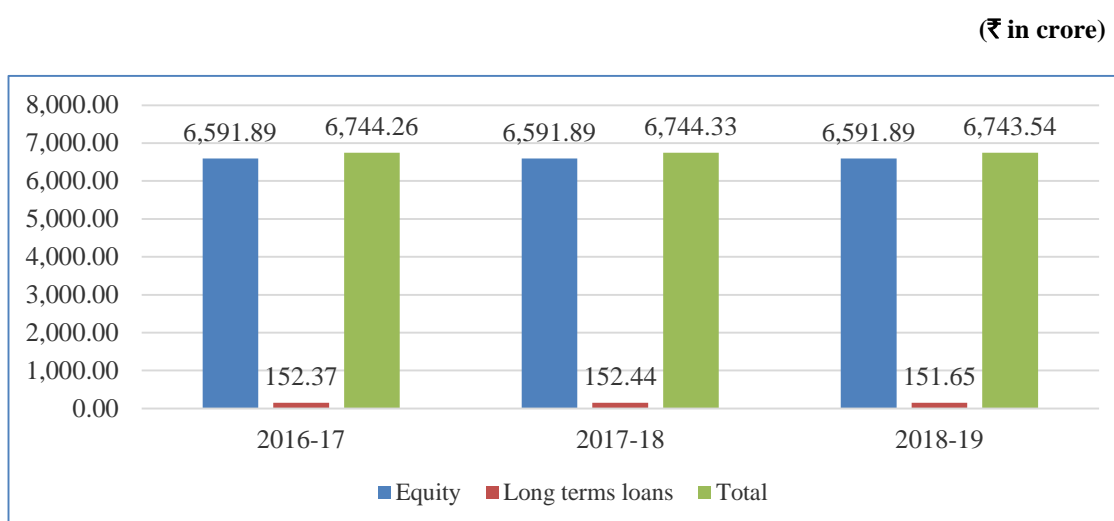
The year wise details of investment made by the State Government in the form of equity and long-term loans in the Power Sector PSUs during the period 2016-17 to 2018-19 are given in **Chart 5.1**.

³ The final amount of equity was apportioned among CSPHCL (₹ 715.58 crore), CSPGCL (₹ 1,230.26 crore), CSPTCL (₹ 749.05 crore), CSPDCL (₹ 1,780.96 crore) and CSPTTrCL (₹ 0.05 crore) by the GoCG in July 2017.

⁴ CSPHCL and CSPTTrCL.

⁵ GoCG released equity of ₹ 6,591.89 crore to CSPHCL (Holding Company), which reinvested ₹ 5,982.16 crore in its four Subsidiary Companies. Hence, balance ₹ 609.73 crore was shown as equity in CSPHCL (**Appendix-5.1**).

Chart 5.1: State Government's investment in Power Sector PSUs



5.4 Budgetary Support to Power Sector PSUs

The State Government provides financial support to Power Sector PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidy, loans written off and loans converted into equity during the year in respect of five power sector undertakings covered in this Report for the last three years ending March 2019 are given in **Table 5.3**.

Table 5.3: Details relating to budgetary support to Power Sector PSUs

(₹ in crore)

Particulars	2016-17		2017-18		2018-19	
	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
(i) Equity Capital	1	490.00	-	-	-	-
(ii) Loans	-	-	-	-	-	-
(iii) Grants / Subsidy	1	1,291.46	1	2,911.29	1 ⁶	2,333.77
Total Outgo (i+ii+iii)	2	1,781.46	1	2,911.29	1	2,333.77
Guarantees Outstanding	2 ⁷	2,739.59	1	2,318.12	1 ⁶	1,895.62
Guarantee Commitments	2 ⁸	3,118.88	1	2,955.00	1 ⁶	2,455.00

(Source: Annual Accounts / information furnished by PSUs)

As can be seen from the Table, budgetary assistance received by these PSUs increased from ₹ 1,781.46 crore in 2016-17 to ₹ 2,333.77 crore in 2018-19. During 2018-19, it comprised grants / subsidy provided to CSPDCL for implementation of various schemes such as Single Bulb Connection, Free supply of Electricity to Agriculture pump, Mukhyamantri Majra-tola Vidyutikaran Yojna, Energisation of Agriculture pumps etc. and revenue subsidy.

Further, the Ministry of Power (MoP), Government of India (GoI) also launched (20 November 2015) Ujwal Discom Assurance Yojana (UDAY) Scheme for operational

⁶ CSPDCL.

⁷ The figure pertains to CSPHCL (₹ 163.89 crore) and CSPDCL (₹ 2,575.70 crore).

⁸ The figure pertains to CSPHCL (₹ 429.30 crore) and CSPDCL (₹ 2,689.58 crore).

and financial turnaround of State owned Power Distribution companies (DISCOMs). The provisions of UDAY and status of implementation of the scheme by CSPDCL are discussed under **Paragraph 5.7** of this Chapter.

The State Government helps the Power Sector PSUs to raise loans from banks and Public Financial Institutions by providing guarantee for repayment of principal and interest under Chhattisgarh State Government Guarantee Rules (CSGGR), 2003. For the purpose, guarantee fee is charged by the State Government from the PSUs at a rate and period as specified in the grant order. Outstanding guarantee commitments given by the State Government decreased by 21.28 *per cent* from ₹ 3,118.88 crore in 2016-17 to ₹ 2,455.00 crore in 2018-19. These guarantees were, however, exempted from payment of any guarantee fee.

5.5 Submission of Accounts by Power Sector PSUs

5.5.1 Timeliness in preparation of Accounts by Power Sector PSUs

Section 96 (1) of the Companies Act, 2013 requires that the PSUs finalise their accounts within six months from the end of the relevant financial year, i.e., by September end. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013. The following **Table 5.4** below provides details of progress made by five Power Sector PSUs in finalisation of their accounts as on 31 December 2019:

Table 5.4: Position relating to finalisation of Accounts of Power Sector PSUs

Sl. No.	Particulars	2016-17 ⁹	2017-18 ⁹	2018-19 ⁹
1.	Number of PSUs	5	5	6
2.	Number of accounts submitted during current year	5	5	8
3.	Number of PSUs which finalised accounts for the current year	-	-	2
4.	Number of previous year accounts finalised during current year	5	5	6
5.	Number of PSUs with arrears in accounts	5	5	4
6.	Number of accounts in arrears	5	5	4
7.	Extent of arrears	1 year	1 year	1 year

(Source: Annual Accounts of PSUs received as on 31 December of respective years)

5.6 Performance of Power Sector PSUs

Financial position and working results of Power Sector PSUs as on 31 December 2019, as per their latest finalised accounts are detailed in **Appendix 5.2**.

Public Sector Undertakings are expected to yield reasonable return on investment made by Governments. The profitability of a Company is traditionally assessed through return on investment (RoI), return on equity (RoE) and return on capital employed (RoCE). Rate of Real Return on Investment (RoRR) is the percentage of profit or loss to the Present Value (PV) of total investment. RoRR measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for their time value. It assumes significance when compared with the conventional

⁹ Accounts received till 31 December of the respective years are considered.

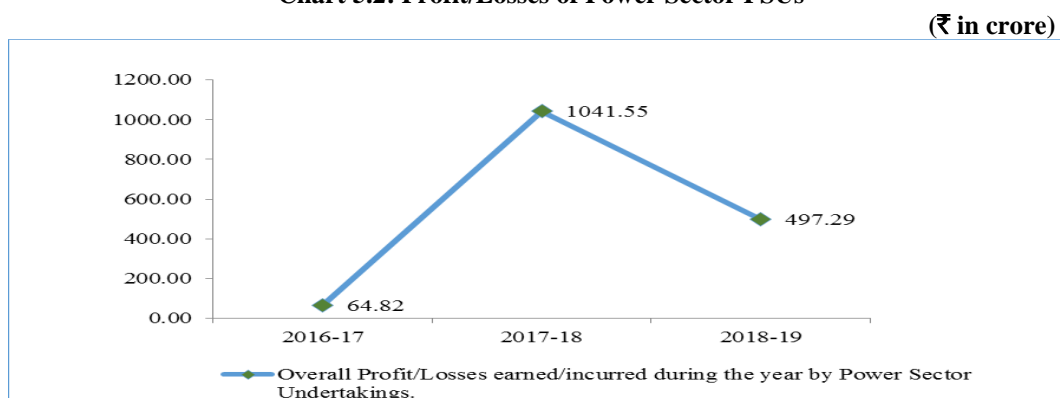
Rate of Return, which is calculated by dividing the Profit After Tax (PAT) by the sum of all such investments counted on historical cost basis. Investment for this purpose include equity, interest free loans, subsidies and grants for operational and management expenses. Return on capital employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing company's earnings before interest and taxes by capital employed. Return on Equity is a measure of performance calculated by dividing net PAT by the shareholders' fund.

As discussed in **Paragraph 5.3**, the total investment of State Government and others in the Power Sector PSUs was ₹ 18,124.97 crore consisting of ₹ 6,791.89 crore as equity and ₹ 11,333.08 crore as long-term loans (**Appendix 5.1**). Out of this, State Government's investment of ₹ 6,743.54 crore in five PSUs consisted of equity of ₹ 6,591.89 crore and long-term loans of ₹ 151.65 crore.

5.6.1 Rate of Real Return on Investment

Return on investment is the percentage of profit or loss to the total investment. The overall position of Profit/losses¹⁰ earned/incurred by five Power Sector PSUs during 2016-17 to 2018-19 is depicted in **Chart 5.2**.

Chart 5.2: Profit/Losses of Power Sector PSUs



The overall profit of the five PSUs ranged between ₹ 64.82 crore to ₹ 1,041.55 crore during the period 2016-17 to 2018-19. Of these five PSUs, three PSUs earned a profit of ₹ 779.49 crore and two PSUs incurred a loss of ₹ 282.20 crore (**Appendix 5.2**). The major profit making Companies were CSPGCL (₹ 671.82 crore) and CSPTCL (₹ 106.83 crore), while CSPDCL reported substantial losses (₹ 279.14 crore).

The number of Power Sector PSUs that earned profit/incurred loss during the three-year period 2016-19 is given in **Table 5.5**.

Table 5.5: Number of Power Sector PSUs which earned profit /incurred loss

Financial year	Total PSUs	No. of PSUs earned profit during the year	No. of PSUs incurred loss during the year
2016-17	5	3	2
2017-18	5	3	2
2018-19	5	3	2

¹⁰ Figures are as per the latest finalised accounts during the respective years.

5.6.1.1 Return on the basis of historical cost of investment

The Return on the basis of historical cost of investment of five Power Sector PSUs has been calculated on the investment made by the State and Central Governments, and Others in the form of equity, long term loans, grants / subsidy received as on the close of the respective financial year. The RoI of five Power Sector PSUs on the basis of historical cost of investment for the period 2016-17 to 2018-19 is shown in **Table 5.6**.

Table 5.6: Real Return on Investment on historical cost basis

(₹ in crore)

Financial Year	Investment on historical cost basis in the form of Equity, Long term loans, Grants and Subsidies				Total Profit / Loss for the year	Rate of Real Return on Investment (in per cent)
	State	Central	Others	Total		
2016-17	8,955.51	-	11,287.85	20,243.36	64.82	0.32
2017-18	10,293.62	-	13,359.47	23,653.09	1,041.55	4.40
2018-19	10,547.83	-	11,181.43	21,729.26	497.29	2.29

During the years 2016-17 to 2018-19, the rate of RoI in five Power Sector PSUs on the basis of historical cost of Investment was positive and ranged between 0.32 *per cent* and 4.40 *per cent*. Huge losses of the CSPDCL during 2018-19 contributed to reduction in overall RoI of the Power Sector PSUs.

5.6.1.2 Real return on the basis of Present Value of Investment

In view of the significant investment made by the Governments in the Power Sector PSUs, Rate of Real Return on such investment is essential. Traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the Present Value (PV) of money. Therefore, the return on investment has been calculated after considering the PV of money to arrive at rate of real return on investment (RoRR) made by the State Government. The PV of the investment in Power Sector PSUs was computed on the basis of following assumptions:

- State Government's investment was computed where funds were infused in the form of equity, defaulted long term loans and operational/ management expenses as on 31 March 2019.
- Long term loans on which interest payments were defaulted by the Power Sector PSUs were considered as investment of State Government. In case of repayment of loans by these PSUs, the PV was calculated on the reduced balances of loans over the period.
- There were no interest free loans or disinvestment as per the information furnished by the Power Sector PSUs. The funds provided in the form of Grants/Subsidy for management/operational expenses/capital have however, been reckoned as investment.

- The average rate of interest on Government borrowings for the concerned financial year¹¹ was adopted as discount rate for arriving at Present Value since they represent the cost incurred by the government towards investment of funds for the year. The average rate of interest on government borrowings for the concerned financial year was adopted as compounded rate for arriving at Present value, since they represent the cost incurred towards investment of funds for the year and, therefore, considered as the minimum expected Rate of Real Return on investments.
- The funds given by State Government under Ujwal DISCOM Assurance Yojana (UDAY) Scheme were considered as State Government's investment. A grant of ₹ 870.12 crore was given during 2015-16 to the CSPDCL under UDAY Scheme to take over the debts of the Company due to Banks and financial institutions.

The total investment of the State Government in these five Power Sector PSUs at the end of the year 2018-19 was ₹ 10,547.83 crore consisting of equity (₹ 6,591.89 crore), defaulted long term loans (₹ 151.65 crore) and capital grants/subsidy (₹ 3,804.29 crore). The PV of investments of the State Government as on 31 March 2019 was worked out to ₹ 17,850.27 crore. Details are given in **Appendix 5.3**.

In respect of two¹² Power Sector PSUs, which incurred losses during the period 2016-17 to 2018-19, a more appropriate measure of performance is the evaluation of erosion of net worth.

5.6.2 Erosion of Net worth

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the Shareholders has been wiped out by accumulated losses and deferred revenue expenditure.

As against the shareholders' fund of ₹ 6,744.33 crore, overall accumulated losses reported by these PSUs were ₹ 5,339.97 crore, resulting in depletion of net worth to ₹ 1,404.36 crore as on 31 March 2019. Two PSUs viz. CSPDCL and CSPTTrCL, which incurred losses amounting to ₹ 279.14 crore and ₹ 3.06 crore respectively during the year 2018-19 reported total accumulative loss of ₹ 6,286.49 crore as on 31 March 2019. Profits earned by other three PSUs contributed to improvement in net worth of Power Sector PSUs (**Appendix 5.2**).

5.6.3 Dividend Payout

As per their latest finalised accounts, three out of five PSUs earned an aggregate profit of

¹¹ The average rate of interest on government borrowings was adopted from the Reports of the CAG of India on State Finances (Government of Chhattisgarh) for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

¹² CSPDCL and CSPTTrCL.

₹ 779.49 crore on the State Government's equity of ₹ 4,328.74 crore¹³. None of these PSUs declared/paid dividend to the State Government. The State Government has not formulated any dividend policy for State PSUs, requiring them to pay dividend.

5.6.4 Return on Equity

Return on Equity (RoE)¹⁴ is a measure of financial performance to assess how effectively management is using company's assets to create profits. It is calculated by dividing net income (i.e. net profit after taxes) by Shareholders' funds. It is expressed as a percentage and can be calculated for any Company if net income and shareholders' fund are both positive numbers.

Return on Equity has been computed in respect of five Power Sector PSUs. The details of Shareholders funds and RoE relating to these PSUs during the period from 2016-17 to 2018-19 are given in **Table 5.7**.

Table 5.7: Shareholders' funds and RoE of Power Sector PSUs

Nature of PSUs	Year	No. of PSUs	Net Income/ total Earnings for the year ¹⁵	Shareholders' Fund (₹ in crore)	RoE (in per cent) 5 = 3/4*100
	1	2	3	4	
	(Amount: ₹ in crore)				
Profit Earning	2016-17	3	489.52	3,910.71	12.52
	2017-18	3	1,323.75	5,234.46	25.29
	2018-19	3	779.49	5,341.28	14.59
Loss incurring	2016-17	2	-424.70	-3,654.79	11.62
	2017-18	2	-282.20	-3,936.92	7.17
	2018-19	2	-282.20	-3,936.92	7.17
Total	2016-17	5	64.82	255.92	25.33
	2017-18	5	1,041.55	1,297.54	80.27
	2018-19	5	497.29	1,404.36	35.41

It can be seen from the above table that the RoE was positive and ranged from 25.33 per cent to 80.27 per cent during the period 2016-17 to 2018-19. During the year 2017-18, the RoE of Power sector PSUs increased mainly due to increase in revenue from generation of power by 18.36 per cent (₹ 975.80 crore) compared to 2016-17.

5.6.5 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency with which the total capital is employed by a company. RoCE is calculated by dividing a Company's earnings before interest and taxes (EBIT) by the capital employed¹⁶. The details of RoCE of five power sector PSUs covered in this report during the period from 2016-17 to 2018-19 are given in **Table 5.8**.

¹³ Paid-up capital of CSPGCL, CSPTCL and CSPHCL as per their latest finalised accounts.

¹⁴ Return on Equity = (Net Profit after Tax/ Equity)*100, where Equity = Paid up Capital + Defaulted Loan + Free Reserves/ accumulated profit.

¹⁵ As per annual accounts of the respective years.

¹⁶ Capital employed = Paid up share capital + free reserves and surplus + long term loans + accumulated profit / (-) accumulated losses. Figures are as per the latest year for which accounts of the PSUs are finalised.

Table 5.8: Return on Capital Employed

Nature of PSUs	Year	No. of PSUs	EBIT	Capital Employed	RoCE (in per cent) $5 = 3/4 * 100$
	1	2	3	4	
	(Amount: ₹ in crore)				
Profit Earning	2016-17	3	1,780.80	13,847.33	12.86
	2017-18	3	2,385.43	14,453.77	16.50
	2018-19	3	1,869.47	14,039.97	13.32
Loss incurring	2016-17	2	-126.99	-1,038.86	-12.22
	2017-18	2	89.19	-1,363.09	-6.54
	2018-19	2	89.19	-1,363.09	-6.54
Total	2016-17	5	1,653.81	12,808.47	12.91
	2017-18	5	2,474.62	13,090.68	18.90
	2018-19	5	1,958.66	12,676.88	15.45

During the period 2016-17 to 2018-19, RoCE was positive and ranged between 12.91 per cent and 18.90 per cent mainly due to increase in profit of CSPGCL and decrease in losses of CSPDCL, which resulted in overall increase in EBIT of Power Sector PSUs.

5.6.6 Analysis of Long term loans of the Companies

The ability of the Power Sector PSUs to service the debt owed by them to the Government, banks and other financial institutions is assessed through the Interest Coverage Ratio (ICR).

5.6.6.1 Interest Coverage Ratio

The ICR is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a Company's EBIT by interest expenses of the same period. The lower the ratio, the lesser the ability of the Company to pay interest on debt. An ICR of below one indicates that the Company was not generating sufficient revenues to meet its expenses on interest. The details of ICR of PSUs which had outstanding loans during the period from 2016-17 to 2018-19 are given in Table 5.9.

Table 5.9: Details of ICR of Power Sector PSUs

Year	Interest (₹ in crore)	EBIT ¹⁷ (₹ in crore)	ICR	No. of PSUs having interest burden	No. of PSUs having ICR more than 1	Number of PSUs having ICR less than 1
2016-17	1,588.51	1,655.30	1.04	3	2	1
2017-18	1,432.66	2,476.43	1.73	3	2	1
2018-19	1,362.94	1,960.47	1.44	3	2	1

It was observed that out of three PSUs having interest burden, one PSU (CSPDCL) had ICR of less than one throughout the period 2016-17 to 2018-19.

5.7 Assistance under Ujwal DISCOM Assurance Yojana (UDAY)

Government of India launched Ujwal DISCOM Assurance Yojana (UDAY) on 20 November 2015 for operational and financial turnaround of DISCOMs. As per

¹⁷ The figures pertaining to EBIT of those PSUs having long term loans.

provisions of UDAY Scheme, the participating States were required to undertake following measures for operational and financial turnaround of DISCOMs.

5.7.1 Scheme for improving operational efficiency

The participating States were required to undertake various targeted activities like compulsory feeder and distribution transformer (DT) metering, consumer indexing and GIS mapping of losses, upgrading or changing transformers and meters, smart metering of all consumers consuming above 200 units per month, Demand Side Management (DSM) through energy efficient equipments, quarterly revision of tariff, comprehensive International Electrotechnical Commission (IEC) campaign to check theft of power, assure increased power supply in areas where the Aggregated Technical and Commercial (AT&C) losses have been reduced for improving the operational efficiencies. The timeline prescribed for these targeted activities were also required to be followed so as to ensure achievement of the targeted benefits *viz.* ability to track losses at feeder and DT level, identification of loss making areas, reduce technical losses and minimize outages, reduce power theft and enhance public participation for reducing the theft, reduce peak load and energy consumption etc. The outcomes of operational improvements were to be measured through indicators *viz.* reduction of AT&C loss to 15 *per cent* in 2018-19 as per loss reduction trajectory finalised by the MoP and States, reduction in gap between average cost of supply and average revenue realised to zero by 2018-19.

5.7.2 Scheme for financial turnaround

The participating States were required to take over 75 *per cent* of DISCOMs debt outstanding as on 30 September 2015 *i.e.* 50 *per cent* in 2015-16 and 25 *per cent* in 2016-17. The scheme for financial turnaround *inter alia* provided that:

- State will issue 'Non Statutory Liquidity Ratio (Non-SLR) bonds' and the proceeds realized from issue of such bonds shall be transferred to the DISCOM, which in turn shall discharge the corresponding amount of Banks/ Financial Institutions (FIs) debt. The bonds so issued will have a maturity period of 10-15 years with a moratorium on repayment of principal up to five years.
- Debt of DISCOM will be taken over in the priority of debt already due, followed by debt with higher cost.
- The transfer to the DISCOM by the State in 2015-16 and 2016-17 will be as a grant to DISCOM. In exceptional cases, 25 *per cent* of grant can be given as equity.

5.7.3 Implementation of the UDAY Scheme

The status of implementation of the UDAY Scheme is detailed below:

5.7.3.1 Achievement of operational parameters

The achievement *vis-a-vis* targets under UDAY Scheme regarding different operational parameters relating to the CSPDCL is given in the **Table 5.10**.

Table 5.10: Parameter-wise achievements vis-à-vis targets of operational performance

Parameter of UDAY Scheme	Target	Progress	Achievement (In %)
Financial turnaround			
Takeover of loans of DISCOMs by GoCG by conversion into grant (₹ in crore)	865.20	870.12	100
Reduction of AT & C Loss (in per cent)	15	20.49	Not achieved
Elimination of ACS - ARR gap (upto ₹ per unit)	No gap	-0.04	Not achieved
Billing efficiency (in per cent)	85.28	83.40	97.80
Collection efficiency (in per cent)	99.66	96.11	96.44
Operational turnaround			
Distribution transformers metering (Urban) (in Nos.)	92,811	5,095	5.49
Distribution transformers metering (Rural) (in Nos.)	1,04,488	7,031	6.73
Feeder metering (Rural) (in Nos.)	2,023	1,898	93.82
Rural feeder audit (in Nos.)	2,793	2,565	91.84
Smart metering above 500 KWH (in Nos.)	4,88,307	Nil	Nil
Electricity access to un-connected households (in lakh)	9.88	9.71	98.28
Distribution of LEDs under UJALA scheme (in lakh)	75	135.77	181
Physical feeder segregation (in Nos.)	1179	153	12.98

(Source: Information furnished by PSUs)

The State has not initiated action for smart metering of consumers. It has performed poorly in metering of DTs in rural as well as urban areas, feeder metering and feeder segregation, whereas the performance has been excellent in terms of providing electricity to unconnected households and distribution of LEDs. Further, the AT&C loss of the State was 20.49 per cent by 2018-19 against the target of 15 per cent. So, the State could not achieve the most important target of reduction in AT&C loss.

5.7.3.2 Implementation of Financial Turnaround

A tripartite Memorandum of Understanding (MoU) was signed (January 2016) among the MoP, the GoCG and Chhattisgarh State DISCOM. As per provisions of the UDAY Scheme and tripartite MoU, out of total outstanding debt (₹ 1,740.24 crore) pertaining to CSPDCL as on 30 September 2015, the GoCG was to take over debt of ₹ 1,305.18 crore (75 per cent of total debt) by providing grant of ₹ 870.12 crore during the period 2015-16 and ₹ 435.06 crore during 2016-17. However, due to exclusion of its borrowings from State Government and CSPDCL bonds, GoCG revised the total debt of CSPDCL by ₹ 1,153.60 crore for which GoCG was liable to provide a grant of ₹ 865.20 crore (75 per cent of ₹ 1,153.60 crore) only. The amount was already released by the State Government to CSPDCL during 2015-16.

5.8 Comments on Accounts of Power Sector PSUs

Six Power sector PSUs forwarded their eight annual Accounts to the Principal Accountant General (Audit) during 1 January 2019 to 31 December 2019. All the eight Accounts

were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicated that the quality of Accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG for the accounts of 2016-19 are given in **Table 5.11**.

Table 5.11: Impact of audit comments on Power Sector companies

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18 ¹⁸		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	3	20.75	-	-	3	29.92
2	Increase in profit	-	-	-	-	1	9.40
3	Increase in loss	1	167.79	-	-	-	-
4	Decrease in loss	-	-	-	-	1	7.20
5	Non-disclosure of material facts	4	281.62	-	-	1	5.77
6	Errors of classification	-	-	-	-	1	5.13

(Source: Compiled from comments of the Statutory Auditors / CAG in respect of Government Companies)

During the year 2018-19, the Statutory Auditors had issued qualified certificates on all eight annual accounts. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 10 instances of non-compliance to the Accounting Standards in six accounts.

¹⁸ No instances of increase/decrease in profit/loss, Non-disclosure of material facts or Errors of classification in any Accounts received during the period or comments on accounts were not finalised during the said period.

Chapter VI

Functioning of PSUs (Non- Power Sector)

CHAPTER-VI: FUNCTIONING OF PSUs (NON- POWER SECTOR)

6.1 Introduction

As on 31 March 2019, there were 25 State PSUs (including four Government companies¹, whose incorporation was intimated to Audit during 2018-19) in sectors other than Power. These State PSUs were incorporated during the period 1981-82 and 2018-19 and included 24 Government Companies and one Statutory Corporation (CSWC). Of these 25, three PSUs (Chhattisgarh Sondiha Coal Company Limited, CSPGCL AEL Parsa Collieries Limited and CMDC ICPL Coal Limited) were inactive and 22 were working PSUs. Of these working PSUs, analysis of financial performance of 15 PSUs, whose accounts were in arrears for two or less years as on 31 December 2019 is presented in this Report (**Appendix 6.1**). Details of investments made by the Governments in the remaining seven PSUs, whose accounts were in arrears for three or more years / first accounts were not received/ commercial operations did not commence) along with three inactive PSUs are given in **Appendix 6.2**.

6.1.1 Contribution to Economy of the State

A ratio of turnover of the State PSUs to the GSDP shows the extent of activities of the PSUs in the State economy. The turnover of 15 working PSUs in Non-Power Sector covered between 2.38 *per cent* to 58.02 *per cent* during the period 2016-17 to 2018-19, whereas change in GSDP of the State ranged between 9.66 *per cent* and 12.02 *per cent* during the same period. The compounded average annual growth rate (CAGR²) of GSDP was 6.96 *per cent* during the three-year period 2016-19. Against this, the turnover of Non-Power Sector PSUs recorded a higher CAGR of 17.39 *per cent* during the same period. This resulted in increase in the share of turnover of these PSUs to the GSDP from 3.41 *per cent* in 2016-17 to 4.51 *per cent* in 2018-19.

The **Table 6.1** provides the details of turnover of working PSUs (Non-Power Sector) and GSDP of Chhattisgarh for a period of three years ending March 2019:

Table 6.1: Details of turnover of working PSUs vis-a-vis GSDP of Chhattisgarh
(₹ in crore)

Particulars	2016-17	2017-18	2018-19
Turnover	8,688.09	13,729.03	14,056.20
Percentage change in turnover as compared to turnover of preceding year	9.64	58.02	2.38
GSDP of Chhattisgarh State	2,54,722	2,84,194	3,11,660
Percentage change in GSDP as compared to GSDP of preceding year	12.02	11.57	9.66
Percentage of Turnover to GSDP of Chhattisgarh	3.41	4.83	4.51

(Source: Turnover: Accounts of PSUs; GSDP: Economic Review 2018-19 of Government of Chhattisgarh)

¹ Chhattisgarh State Marketing Corporation Limited, Chhattisgarh Rural Housing Corporation Limited, Chhattisgarh Katghora Dongargarh Railway Limited and Chhattisgarh Kharsia Naya Raipur Railway Limited.

² CAGR= $\left\{ \left(\frac{\text{Value of 2018-19}}{\text{Value of 2016-17}} \right)^{\frac{1}{3 \text{ years}}} - 1 \right\} * 100$.

6.2 Investment in State PSUs (Non-Power Sector)

Details of investment in equity and long term loans in 15 working PSUs as on 31 March 2019 are given in **Appendix 6.3**. PSUs in Non-Power Sector have been analysed in the following three categories³:

- 1. PSUs not in open market competition (Monopolistic Environment):** Out of 15 working PSUs, three PSUs fall under this category as they have monopolistic /oligopolistic nature of operations i.e. their operations do not have any competition or have a very limited competition.
- 2. PSUs with assured income:** This category includes PSUs whose major income comes from assured sources such as Government grants/subsidies, centage, commission, interest on bank deposits etc. 10 out of 15 PSUs fall under this category.
- 3. PSUs in Competitive Environment:** This category includes those PSUs, which are open to market competition. Remaining two PSUs fall in this category.

The summary of investment in these PSUs as on 31 March 2019 under above sectors is given in **Table 6.2**.

Table 6.2: Sector-wise investment in PSUs (Non-Power Sector)

(₹ in crore)

Sector wise	No. of PSUs	Investment						Total
		Equity			Long term loans			
		State	Central	Others ⁴	State	Central	Others ⁴	
Monopolistic Environment	3	25.88	0.92	-	339.00	-	-	365.80
Assured income	10	22.30	-	2.32	137.00	-	405.29	566.91
Competitive Environment	2	1.00	-	4.90	261.97	-	1.48	269.35
Total	15	49.18	0.92	7.22	737.97	-	406.77	1,202.06
PSUs inactive/ accounts in arrears	10	31.45	24.50	108.70	0.00	-	1,130.20	1,294.85
Grand Total	25	80.63	25.42	115.92	737.97	-	1,536.97	2,496.91

(Source: Information furnished by PSUs)

As on 31 March 2019, the total investment (equity and long term loans) in 15 PSUs consisted of 4.77 per cent in equity and 95.23 per cent in long term loans. The long term loans advanced by the State Government constituted 64.47 per cent (₹ 737.97 crore) of the total long term loans, whereas 35.53 per cent (₹ 406.77 crore) of the total long term loans were taken from other sources like National Handicapped Finance and Development Corporation (₹ 56.82 crore), Chhattisgarh Mandi Board (₹ 25.91 crore), Public sector banks (₹ 322.56 crore) and respective Holding Companies (₹ 1.48 crore).

The investment in 15 State PSUs increased by 167.54 per cent from ₹ 449.29 crore in 2016-17 to ₹ 1,202.06 crore as on 31 March 2019, mainly due to addition of ₹ 748.77 crore towards long term loans and equity of ₹ 4.00 crore.

³ Monopolistic PSUs, PSUs with assured income and PSUs in competitive sector.

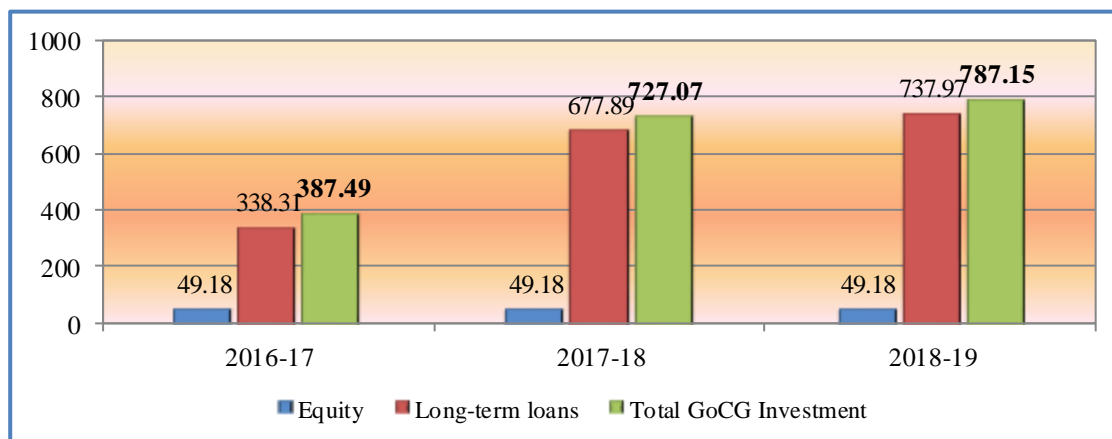
⁴ Others includes investment by Holding Companies, financial institutions, banks, etc.

As on 31 March 2019, the total investment of ₹ 1,294.85 crore (including equity of ₹ 164.65 crore and long term loans of ₹ 1,130.20 crore) in respect of 10 PSUs (out of 25 PSUs), whose accounts were in arrears for three or more years /first accounts not finalised, constitutes a substantial share (51.86 per cent) of the total investment (₹ 2,496.91 crore) of 25 PSUs in Non-Power Sector.

The year wise investment of State Government in 15 working PSUs in Non-Power Sector during the period 2016-17 to 2018-19 is shown in a **Chart 6.1**.

Chart 6.1: Total investment of GoCG in PSUs (Non-Power Sector)

(₹ in crore)



6.3 Restructuring, Disinvestment and Privatisation of PSUs (Non-Power Sector)

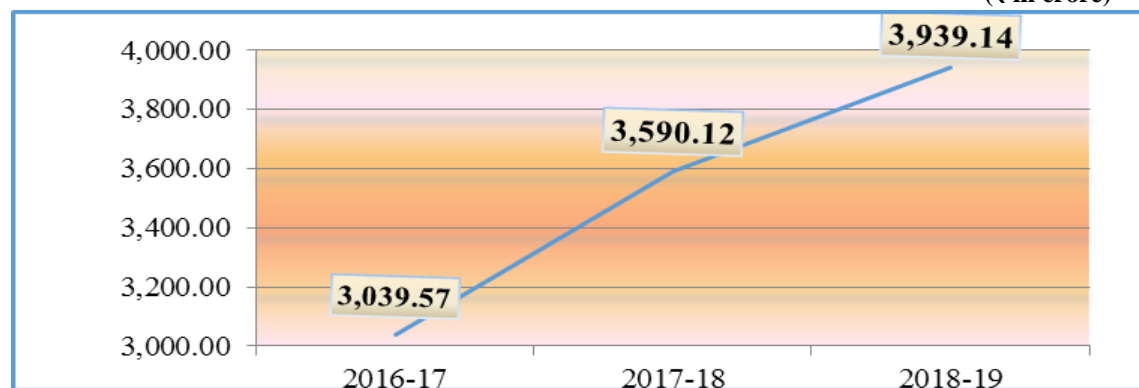
During the year 2018-19, no disinvestment, restructuring or privatisation of PSUs (Non-Power Sector) was done by the State Government.

6.4 Budgetary Support to State PSUs (Non-Power Sector)

The State Government provides financial support to State PSUs in various forms through annual budget. The details of budgetary outgo towards equity, loans and grants/subsidies for the last three years ending March 2019 are given in **Chart 6.2**.

Chart 6.2: Budgetary outgo towards Equity, Loans and Grants/Subsidy

(₹ in crore)



The summarized details of budgetary outgo towards equity, loans, grants/ subsidy, loans written off and loans converted into equity in respect of PSUs in Non-Power Sector

during the last three years ended March 2019 are given in **Table 6.3**. Details of PSU-wise budgetary support provided during the year 2018-19 are given in **Appendix 6.4**.

Table 6.3: Details of budgetary support to PSUs (Non-Power Sector)

(₹ in crore)

Particulars	2016-17		2017-18		2018-19	
	No of PSUs	Amount	No of PSUs	Amount	No of PSUs	Amount
(i) Equity Capital	1	4.00	-	-	-	-
(ii) Loans	2	151.86	2	297.81	2	82.71
(iii) Grants/Subsidy	9	2,883.71	9	3,292.31	9	3,856.43
Total Outgo (i+ii+iii)	12	3,039.57	11	3,590.12	10	3,939.14
Guarantees outstanding	1	12.00	2	178.65 ⁵	3	502.63 ⁶
Guarantee Commitment	1	32.50	2	832.50⁷	3	4,298.59⁸

(Source: Information furnished by PSUs)

As can be seen from the Table above, annual budgetary assistance received by the PSUs in Non-Power Sector increased from ₹3,039.57 crore in 2016-17 to ₹ 3,939.14 crore during the period 2018-19. During 2018-19, it constituted ₹ 82.71 crore and ₹ 3,856.43 crore in the form of loans and grants/subsidy respectively. Budgetary assistance in the form of loan (₹ 82.65 crore) was given to Chhattisgarh Mineral Development Corporation Limited for mineral exploration work. The major portion of subsidy/grants was given to Chhattisgarh State Civil Supplies Corporation Limited (₹ 2,850.23 crore) to provide food grains at concessional rate to the public apart from loan (₹ 0.06 crore) for purchase of vehicles to supply food to hill areas, and Chhattisgarh Road Development Corporation Limited (₹ 646.57 crore) for deposit works viz., construction of road projects. Grant/Subsidies were also given to Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (₹ 85.91 crore) for purchase and distribution of agricultural seed / pesticides / equipment and Chhattisgarh State Industrial Development Corporation Limited (₹ 46.95 crore) for industrial area development. Chhattisgarh State Police Housing Corporation Limited received grants (₹ 37.89 crore) for construction of police stations / quarters and ₹ 4.00 crore as establishment grant. Atal Nagar Smart City Limited received support for smart city projects (₹ 114.00 crore).

State Government helps the PSUs in raising loans from banks and financial institutions by giving guarantee for repayment of principal and interest under Chhattisgarh State Government Guarantee Rules (CSGGR), 2003. As per these Rules, the guarantee fee is charged from the PSUs at a rate, in a manner and within a time period as specified by the

⁵ Chhattisgarh State Police Housing Corporation Limited (₹ 170.15 crore) and Chhattisgarh Nishakt Jan Vitt Evam Vikas Nigam (₹ 8.50 crore).

⁶ Chhattisgarh State Police Housing Corporation Limited (₹ 374.85 crore), Chhattisgarh Rural Housing Corporation Limited (₹ 103.78 crore) and Chhattisgarh Nishakt Jan Vitt Evam Vikas Nigam (₹ 24.00 crore).

⁷ Chhattisgarh State Police Housing Corporation Limited (₹ 800.00 crore) and Chhattisgarh Nishakt Jan Vitt Evam Vikas Nigam (₹ 32.50 crore).

⁸ Chhattisgarh State Police Housing Corporation Limited (₹ 800.00 crore), Chhattisgarh Rural Housing Corporation Limited (₹ 3,427.28 crore) and Chhattisgarh Nishakt Jan Vitt Evam Vikas Nigam (₹ 71.31 crore).

GoCG in the grant order. Outstanding guarantee commitments stood at ₹ 502.63 crore in 2018-19 in respect of three PSUs. As on 31 March 2019, guarantee fee amounting to ₹ 1.62 crore was receivable from Chhattisgarh State Police Housing Corporation.

6.5 Reconciliation with Finance Accounts of State Government

The figures in respect of equity, loans and guarantees outstanding as per records of all State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not tally, the PSUs concerned and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is given in **Table 6.4**.

Table 6.4: Equity, loans and guarantees outstanding as per Finance Accounts of State Government vis-à-vis records of State PSUs (Non-Power Sector)

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of State PSUs	Difference
Equity	49.30	80.63	31.33
Loans	394.71	737.97	343.26
Guarantees	4,298.59	4,297.59	-1.00

(Source: Finance Accounts of Chhattisgarh State and information furnished by PSUs)

It was observed that differences occurred in respect of 10 PSUs as shown in **Appendix 6.5**. Major differences were observed in Chhattisgarh Rajya Van Vikas Nigam Limited (Equity: ₹ 19.18 crore), Chhattisgarh State Marketing Corporation Limited (Equity: ₹ 7,000; Loan: ₹ 165.00 crore), Chhattisgarh Railway Corporation Limited (Equity: ₹ 21.50 crore), Chhattisgarh State Industrial Development Corporation Limited (Equity: ₹ 9.50 crore) and Chhattisgarh Mineral Development Corporation Limited (Loan: ₹ 179.32 crore). The differences in equity, loans and guarantees were pending reconciliation since long period. The matter was taken up with the PSUs and Departments from time to time. The State Government needs to initiate expeditious action to analyse the reasons for the variations in figures between the two sets of figures in consultation with the concerned PSUs and ensure reconciliation in a time-bound manner.

6.6 Submission of Accounts by PSUs (Non-Power Sector)

Of the total 25 State PSUs, there were 22 working PSUs (21 Government Companies and one Statutory Corporation). The status of timeliness followed by these working PSUs in preparing accounts is detailed below:

6.6.1 Timeliness in preparation of accounts by the State PSUs

As prescribed under the Companies Act, 2013, all the working State PSUs were required to submit accounts for the year 2018-19 by 30 September 2019. However, out of 21 working Government Companies, only seven Government Companies submitted their accounts for the year 2018-19 for audit by CAG, whereas accounts of 14 Government Companies were in arrears as on 31 December 2019. Accounts of the Statutory Corporation for the year 2018-19 were presented within time for CAG Audit. Details of arrears in submission of accounts of functional PSUs (Non-Power Sector) as on

31 December 2019 are given in **Table 6.5**.

Table 6.5: Position relating to submission of Accounts by PSUs (Non-Power Sector)

Particulars	Government Companies / Statutory Corporation		
	Government Companies	Statutory Corporation	Total
Total number of PSUs under CAG's audit as on 31 March 2019	24 ⁹	1	25
Number of PSUs whose accounts for 2018-19 were due	24	1	25
Number of PSUs which presented the accounts for CAG's audit by 31 December 2019	8	1	9
Number of accounts in arrears	24 ¹⁰	--	24
Break- up of Accounts in arrears	(i) Inactive	3	3
	(ii) First Accounts not submitted	4	4
	(iii) Others	17	17
Age-wise analysis of category (iii)	One year (2018-19)	8	8
	Two years (2017-18 and 2018-19)	2	2
	Three years and more	7	7

One, out of three inactive PSUs, submitted accounts for the year 2018-19, whereas accounts of other two PSUs were in arrears as on 31 December 2019. Further, seven accounts of two State PSUs viz., Chhattisgarh State Industrial Development Corporation Limited (four accounts) and Chhattisgarh Infrastructure Development Corporation Limited (three accounts) were in arrears for three years or more.

During the year 2018-19, State Government provided budgetary support of ₹ 3,696.60 crore¹¹ to seven PSUs, whose accounts were in arrears as on 31 December 2019.

The Administrative Departments have the responsibility to oversee the activities of these entities. Therefore, they have to ensure that the accounts are finalised by these PSUs and adopted by their respective Boards within the stipulated period.

In the absence of finalisation of accounts and their subsequent audit, the accounting of investments and expenditure incurred could not be verified. The State Government's investment in these State PSUs (Non-Power Sector), therefore, remained outside the oversight of State Legislature.

6.7 Winding up of inactive PSUs (Non-Power Sector)

As on 31 March 2019, three State PSUs were inactive¹² with a total investment of ₹ 338.68 crore (Equity: ₹ 104.70 crore and long term loans: ₹ 233.98 crore). These PSUs were Chhattisgarh Sondiha Coal Company Limited (Equity: ₹ 21.94 crore), CSPGCL AEL Parsa Collieries Limited (Equity: ₹ 0.16 crore, Loans: ₹ 2.27 crore) and CMDC

⁹ The figure includes three non-functional PSUs and four newly incorporated PSUs.

¹⁰ The figure includes three accounts of two non-functional PSUs and 12 accounts of six PSUs whose accounts are in arrears for three years or more or were non-functional or first accounts were not received or were not due or did not commence commercial activities (**Appendix 6.2**).

¹¹ Loan: ₹ 0.06 crore, Grant: ₹ 760.40 crore and Subsidy: ₹ 2,936.14 crore as shown in **Appendix- 6.4**

¹² Due to cancellation of their coal blocks.

ICPL Coal Limited (Equity: ₹ 82.60 crore, Loans: ₹ 231.71 crore). The Government may take appropriate decision regarding winding up of these PSUs **Appendix 6.2**.

6.8 Impact of non-finalisation of Accounts of PSUs (Non-Power Sector)

As pointed in **Paragraph 6.6.1**, the delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the arrears of accounts, the actual contribution of the State PSUs (other than Power Sector) to State GDP and their profitability including profit earned/loss incurred for the year 2018-19 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is therefore, recommended that the State Government may issue necessary directions to the Administrative Departments to set targets for individual PSUs and strictly monitor the clearance of arrears. The State Government needs to take appropriate steps expeditiously to clear up the arrears in finalization of accounts.

6.9 Performance of State PSUs (Non-Power Sector)

The financial position and working results of the 15 State PSUs as per their latest finalised accounts¹³ as of 31 December 2019, are detailed in **Appendix 6.1**.

The PSUs are expected to yield reasonable return on investments made by Government in the undertakings. The total investment of GoCG / Government of India (GoI) and others in the 15 PSUs was ₹ 1,202.06 crore (**Appendix 6.3**) consisting of equity of ₹ 57.32 crore and long-term loans of ₹ 1,144.74 crore. Out of this, GoCG has investment of ₹ 787.15 crore in 11 State PSUs consisting of equity of ₹ 49.18 crore and long term loans of ₹ 737.97 crore.

As discussed in **Paragraph 5.6** of Chapter 5, the profitability of a Company is traditionally assessed through return on investment (RoI), return on equity (RoE) and return on capital employed (RoCE).

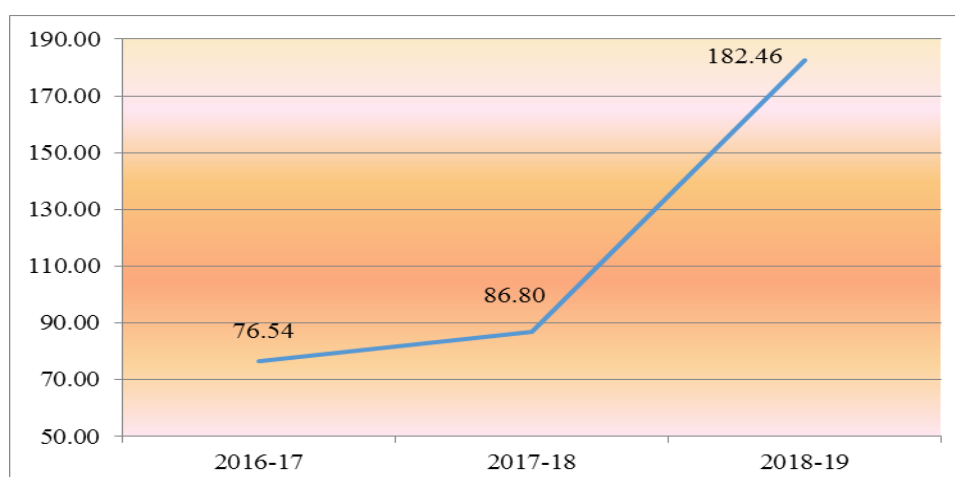
6.9.1 Rate of Real Return on Investment

The overall position of Profit/losses¹⁴ earned / incurred by the 15 working PSUs during 2016-17 to 2018-19 is depicted in **Chart 6.3**.

¹³ During the period between 2016-17 to 2018-19.

¹⁴ Figures are as per the latest finalised accounts of the respective years.

Chart 6.3: Profit/Losses of working PSUs (Non-Power Sector)
(₹ in crore)



The overall profit of working PSUs increased from ₹ 76.54 crore in 2016-17 to ₹ 182.46 crore in 2018-19, as per their latest finalised accounts. Of these, nine PSUs earned a profit of ₹ 202.27 crore and four PSUs incurred a loss of ₹ 19.81 crore, while the remaining two¹⁵ PSUs reported neither profit nor loss. Details are given in **Appendix 6.1**.

The overall profit earned by these nine PSUs increased due to profit earned by CSWC since the rate of godown rent was increased from the year 2018-19. Return on Equity in all the 15 PSUs was 17.81 per cent in 2018-19.

The details of sector wise profit of PSUs during 2018-19 are summarized in **Table 6.6**.

Table 6.6: Sector wise profit making PSUs (Non-Power Sector)

Sector	No. of Profit earning PSUs	Profit After Tax (PAT) (₹ in crore)	Percentage of profit to PAT
PSUs in Monopolistic Sector	2	30.98	15.32
PSUs with assured income	6	171.13	84.60
PSUs in Competitive Environment	1	0.16	0.08
Total	9	202.27	

(Source: Annual accounts of PSUs)

It may be seen from above table that out of 15 PSUs, eight PSUs earned 99.92 per cent profit (₹ 202.11 crore) which were either having monopolistic advantage or were having assured income from budgetary support, centage, commission, interest on bank deposits etc.

Major profit making PSUs during 2018-19 were, Chhattisgarh State Warehousing Corporation (₹ 138.69 crore), Chhattisgarh Rajya Van Vikas Nigam Limited (₹ 23.34 crore) and Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (₹ 18.55 crore) while Chhattisgarh Mineral Development Corporation Limited incurred heavy loss of ₹ 17.68 crore.

The position of profit/loss earned/incurred during 2016-17 to 2018-19 is given in **Table 6.7**.

¹⁵ Atal Nagar Smart City Corporation Limited and Bilaspur Smart City Limited.

Table 6.7: Details of PSUs (Non-Power Sector) which earned/ incurred profit/loss

Financial year	Total number of PSUs (Non Power Sector)	Number of PSUs which earned profits during the year	Number of PSUs which incurred loss during the year	Number of PSUs which had Marginal ¹⁶ /Zero profit/ loss during the year
2016-17	14	10	2	2 ¹⁷
2017-18	15	10	4	1
2018-19	15	9	4	2

6.9.1.1 Return on the basis of historical cost of investment

The Return on the basis of historical cost of Investment for the period 2016-17 to 2018-19 is shown in Table 6.8.

Table 6.8: Return on State Government Investment on historical cost basis

Financial Year	Investment on historical cost basis in the form of Equity, Long term Loan, Grants and Subsidies				Total Profit / Loss for the year	Rate of Real Return on Investment (in per cent)
	State	Central	Others	Total		
2016-17	420.61	0.92	60.88	482.41	76.54	15.87
2017-18	765.83	0.92	238.02	1,004.77	86.80	8.64
2018-19	830.31	0.92	413.99	1,245.22	182.46	14.65

The Return on the basis of historical cost of investment of 15 working PSUs was positive and ranged between 8.64 per cent and 15.87 per cent during the period 2016-17 to 2018-19.

6.9.1.2 Real Return on Investment on the basis of Present Value of Investment

As discussed in Paragraph 5.6.1.2, return on investment has been calculated after considering the Present Value (PV) of money to arrive at real return on the investment made by the State Government, as traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the PV of money. The PV of the State Government investments in these PSUs was computed on assumptions as mentioned in Paragraph 5.6.1.2. The consolidated position of PV of the State Government investment relating to these PSUs for the period from 2016-17 to 2018-19 is indicated in Appendix 6.6. The PV of investment made by the State Government as on 31 March 2019 was ₹ 504.40 crore.

6.9.2 Return on Equity

Return on Equity (RoE) is a measure of financial performance of companies calculated by dividing net income by shareholders' fund and interest free loans given by the State

¹⁶ PSUs which earns profit/loss less than ₹ one lakh.

¹⁷ The figure includes one PSU viz, Chhattisgarh State Marketing Corporation Limited which was incorporated on 27 February 2017 and account of which for the period from its date of incorporation to 31 March 2017 were prepared along with the accounts for the year 2017-18 for a period of thirteen months.

Government. Sector-wise RoE of PSUs is depicted in **Table 6.9**.

Table 6.9: Sector-wise RoE of PSUs (Non-Power Sector)

Sector		2016-17				2017-18				2018-19			
		No. of PSUs	Net PAT	Share holders' fund	RoE (%)	No. of PSUs	Net PAT	Share holders' fund	RoE (%)	No. of PSUs	Net PAT	Share holders' fund	RoE (%)
Profit Earning	Monopoly	2	11.90	298.94	3.98	2	20.94	318.39	6.58	2	30.98	347.52	8.91
	Assured	6	64.33	215.61	29.84	6	65.83	284.48	23.14	6	171.13	408.29	41.91
	Competitive	2	0.41	110.18	0.37	2	2.47	200.70	1.23	1	0.16	5.38	2.97
	Total	10	76.64	624.73	12.27	10	89.24	803.57	11.11	9	202.27	761.19	26.57
Loss incurring	Monopoly	-	-	-	-	1	-2.01	-2.01	-100.03	1	-2.01	-2.01	-100.03
	Assured	2	-0.10	4.58	-2.18	3	-0.43	4.27	-10.07	2	-0.12	4.48	-2.68
	Competitive	-	-	-	-	-	-	-	-	1	-17.68	260.42	-6.79
	Total	2	-0.10	4.58	-2.18	4	-2.44	2.26	-107.93	4	-19.81	262.89	-7.54
Nil Profit / Loss	Monopoly	1	-	-	-	-	-	-	-	-	-	-	-
	Assured	1	-	0.10	-	1	-	0.10	-	2	-	0.20	-
	Competitive	-	-	-	-	-	-	-	-	-	-	-	-
	Total	2	-	0.10	-	1	-	0.10	-	2	-	0.20	-
Total	Monopoly	3	11.90	298.94	3.98	3	18.93	316.38	5.98	3	28.97	345.51	8.38
	Assured	9	64.23	220.29	29.16	10	65.40	288.85	22.64	10	171.01	412.97	41.41
	Competitive	2	0.41	110.18	0.37	2	2.47	200.70	1.23	2	-17.52	265.80	-6.59
	Total	14	76.54	629.41	12.16	15	86.80	805.93	10.77	15	182.46	1024.28	17.81

It could be seen that the overall RoE of all these PSUs was positive and ranged between 10.77 per cent and 17.81 per cent during the three-year period 2016-19. During 2018-19, RoE was positive and increased under Monopolistic and Assured income sectors, which was due to increase in profits of CSWC (**Appendix 6.1**) since rate of godown rent was increased from the year 2018-19. Further, despite huge investment made by State Government in competitive sector PSU (CMDc) in the form of interest free loans (IFL) of ₹ 261.97 crore up to end of 2018-19, RoE ranged from (-) 6.59 per cent to 1.23 per cent during the period 2016-19.

6.9.3 Return on Capital Employed

Return on Capital Employed (RoCE) of 15 working PSUs in non-Power Sector during the period from 2016-17 to 2018-19 are given in **Table 6.10**.

Table 6.10: RoCE of PSUs (Non-Power Sector)

Nature of PSUs	Year	No. of PSUs	EBIT	Capital Employed	RoCE (in per cent) $5 = 3/4 \times 100$
	1	2	3	4	
	(₹ in crore)				
Profit Earning	2016-17	10	121.96	874.94	13.94
	2017-18	10	138.03	1,228.34	11.24
	2018-19	9	292.52	1,308.71	22.35
Loss incurring	2016-17	2	-0.10	4.58	-
	2017-18	4	29.48	341.26	8.64
	2018-19	4	12.11	601.89	2.01
No profit / loss	2016-17	2	-	0.10	-
	2017-18	1	-	0.10	-
	2018-19	2	-	0.20	-
Total	2016-17	14	121.86	879.62	13.85
	2017-18	15	167.51	1,569.70	10.67
	2018-19	15	304.63	1,910.80	15.94

It was observed that RoCE of 15 working PSUs was positive during three-year period 2016-19 and increased to 15.94 per cent during the year 2018-19 compared to the year 2016-17 mainly due to increase in profits of CSWC.

6.9.4 Erosion of Net worth

As on 31 March 2019, there were five¹⁸ PSUs, which were having negative RoE and accumulated losses of ₹ 215.68 crore. Out of these five PSUs, four¹⁹ PSUs incurred losses in the year 2018-19 amounting to ₹ 19.81 crore and one²⁰ PSU had not incurred loss in the year 2018-19, even though it had accumulated loss of ₹ 210.46 crore.

Out of these five PSUs which had accumulated losses, net worth of, Chhattisgarh State Marketing Corporation Limited (₹ 2.01 crore) and Chhattisgarh State Civil Supplies Corporation Limited (₹ 205.08 crore) was completely eroded, as the accumulated loss of these PSUs was ₹ 2.01 crore, and ₹ 210.46 crore against equity investment of ₹ 0.0007 crore and ₹ 4.43 crore respectively as on 31 March 2019.

6.9.5 Dividend Payout

The State Government had not formulated any dividend policy under which all profit making PSUs are required to pay a minimum per cent of return of the profit after tax/paid up capital.

Dividend Payout relating to 11 PSUs where equity was infused by State Government during the period is shown in **Table 6.11**.

¹⁸ CSMCL, CSCSCL, CRDCL, RSCL and CMDC.

¹⁹ CSMCL, CRDCL, RSCL and CMDC.

²⁰ CSCSCL.

Table 6.11: Details of Dividend Pay-out of PSUs (Non-Power Sector)

(₹ in crore)

Year	No. of PSUs where equity infused by GoCG		No. of PSUs earned profit during the year		No. of PSUs declared/paid dividend during the year		Dividend Payout Ratio (%)
	Number of PSUs	Equity by GoCG	Number of PSUs	Equity by GoCG	Number of PSUs	Dividend declared/paid	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=7/5*100)
2016-17	10	49.18	9	44.28	1	1.03	2.33
2017-18	11	49.18	9	43.28	2	2.41	5.57
2018-19	11	49.18	8	43.28	2	3.14	7.26

The Dividend Payout Ratio during 2016-17 to 2018-19 ranged between 2.33 *per cent* and 7.26 *per cent* only. During 2018-19, Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh State Warehousing Corporation declared/paid dividend of ₹ 2.33 crore and ₹ 0.81 crore respectively.

6.9.6 Analysis of Long Term Loans of the PSUs (Non-Power Sector)

Analysis of the Long Term Loans of the PSUs which had leverage during 2016-17 to 2018-19 was carried out to assess the ability of the companies to serve the debt owed by the companies to the Government, banks and other financial institutions. This is assessed through the interest coverage ratio and debt turnover ratio.

6.9.6.1 Interest Coverage Ratio

Interest Coverage Ratio (ICR) is calculated by dividing earnings before interest and taxes (EBIT) of a PSU by interest expenses of the same period. The details of positive and negative ICR of PSUs which had interest burden on loans during the period from 2016-17 to 2018-19 are given in **Table 6.12**.

Table 6.12: ICR of PSUs (Non-Power Sector)

Year	Interest (₹ in crore)	EBIT (₹ in crore)	No. of PSUs having interest burden	No. of PSUs having ICR more than one	No. of PSUs having ICR less than one
2016-17	11.75	86.67	4	3	Nil
2017-18	46.44	124.08	6	3	1
2018-19	42.78	269.93	6	3	1

Out of all the PSUs (Non-Power Sector) having interest burden during the period 2016-17 to 2018-19, three²¹ PSUs paid interest on loans, which had ICR of more than one. Further, Kerwa Coal Limited had ICR of less than one since it did not pay interest on long term loans during the period.

6.10 Comments on Accounts of PSUs (Non-Power Sector)

Out of 15 Government Companies covered in this Report, 12 Companies forwarded 13 audited accounts to the Principal Accountant General (Audit) during the period from 1 January 2019 to 31 December 2019. Of these, 10 accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit

²¹ CSWC, CRBEKVN and CNJVAVN.

conducted by the CAG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG are given in **Table 6.13**.

Table 6.13: Impact of audit comments on Functional Companies (Non-Power Sector)

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1.	Decrease in profit	6	93.89	6	152.23	14	186.18
2.	Increase in profit	3	1.46	5	38.41	8	28.15
3.	Increase in loss	1	0.01	4	68.11	2	6.17
4.	Decrease in loss	-	-	2	179.34	1	8.71
5.	Non-disclosure of material facts	1	2,007.02	4	2218.82	-	-
6.	Errors of classification	1	15.37	-	-	-	-

(Source: Compiled from comments of the Statutory Auditors/ CAG in respect of Government Companies)

During the year 2018-19, the Statutory Auditors issued qualified certificates on 13 annual accounts of 12 PSUs. Compliance to the Accounting Standards by these PSUs remained poor as the Statutory Auditors pointed out 12 instances of non-compliance to the Accounting Standards in 11 annual accounts.

The State has one Statutory Corporation *i.e.* Chhattisgarh State Warehousing Corporation which forwarded its accounts for the year 2018-19 and the same were selected for supplementary audit. The details of aggregate money value of the comments of Statutory Auditors and supplementary audit by the CAG in respect of Statutory Corporation are given in **Table 6.14**.

Table 6.14: Impact of audit comments on Statutory Corporation

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1	Decrease in profit	1	2.60	-	-	1	2.60
2	Non-disclosure of material facts	-	-	-	-	1	0.25

(Source: Compiled from comments of the CAG in respect of Statutory Corporation)

Chapter VII

Compliance Audit Observations

CHAPTER-VII: COMPLIANCE AUDIT OBSERVATIONS

Chhattisgarh State Industrial Development Corporation Limited

7.1 Short recovery of service charges and lease rent from a Private party

The Company did not consider rehabilitation grant as part of value of land to recover service charges on allotment of land to a private party on lease for 99 years. This resulted in short recovery of service charges of ₹ 34.39 lakh and land lease rent of ₹ 23.78 lakh up to 31 March 2020 (₹ 1,473.52 lakh for remaining lease period) from the private party

Chhattisgarh State Industrial Development Corporation Limited (Company) acquires land¹ on receipt of application of entrepreneurs for allotment of land outside the industrial areas. For allotment of land, the Company collects the land premium equal to the amount of land compensation awarded by Land Acquisition Officer (LAO) and service charge at the prevailing rate. The Company also collects annual lease rent at the prevailing rate from the allottees outside the industrial area. After receipt of total amount of land premium and one year advance deposit towards lease rent, land allotment order is issued. The possession of land is transferred in favour of allottees after execution of lease deed.

For setting up a Railway siding, a Private party² requested (January 2018/ August 2018 and March 2018) the Company for allotment of 23.199 hectares of land at village Kunkuni, Raigarh District. Accordingly, the Company acquired (December 2017, March 2018 and August 2018) 23.199 hectares of private land through LAO, Kharsia under Raigarh District Collector. LAO decided the amount of rehabilitation grant in November 2017 (₹ 2.60 crore for 18.558 hectare) and March 2018 (₹ 83.36 lakh for 4.641 hectare) covering the entire extent of 23.199 hectare under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Rehabilitation Act, 2013). This amount was recovered by the Company from the Private party and paid to the LAO. The Company allotted (January 2018, March 2018 and August 2018) 23.199 hectare of land to the private party at a total land premium of ₹ 22.69 crore and annual lease rent of ₹ 68.06 lakh and also executed (February 2018, April 2018 and September 2018) the Lease deeds with the private party for 99 years. These Lease deeds were registered in February, April and September 2018.

Audit scrutiny of the above transactions revealed (January 2019) that while calculating the service charges for the above land, the Company did not consider the amount of rehabilitation grant of ₹ 3.44 crore under Rehabilitation Act, 2013 as part of value of land acquired, although the same was already computed by the LAO (November 2017/March 2018) and collected by the Company from the Private party. Consequently, Company's

¹ Company acquires Government land through transfer from Revenue Department, Government of Chhattisgarh (GoCG) and private land through Land Acquisition Officer (LAO).

² D.B. Power Limited, Raipur.

service charges to be recovered at the rate of 10 *per cent* on total land value was fixed at lower value resulting in short recovery of ₹ 34.39 lakh. Further, annual lease rent, which was required to be recovered at three *per cent* of land premium (land value *plus* service charges) was also fixed at a lower amount which would result in short recovery of lease rent by ₹ 1,497.30 lakh (₹ 23.78 lakh up to March 2020 and ₹ 1,473.52 lakh for remaining period) over the lease period of 99 years. This may also impact recovery /payment of Goods and Service Tax (GST) on service charges and lease rent over the lease period of 99 years to the Government.

Government stated (June 2020) that the Company issued (May 2020) a letter to the Collector (Land Acquisition Branch), Raigarh District to communicate the amount of rehabilitaiton award under Rehabilitation Act, 2013 so that the premium of land may be revised and differential amount may be recovered.

Reply is not acceptable. The Company issued the letter to LAO only after audit pointed out the issue of short recovery. Since LAO had already decided (November 2017/ March 2018) the amount of land compensation under the Rehabilitation Act, 2013, which was paid by the allottee, the Company should have recalculated the service charges accordingly to recover shortfall in service charges and lease rent from the Private party to safeguard its financial interest.

7.2 Short collection of land premium and lease rent from a Private party

The Company allotted land on lease to a private party for 99 years for commercial purpose and adopted incorrect land rate for assessment of Land premium and annual lease rent thereon. This resulted in short collection of land premium by ₹ 1.37 crore and consequent short assessment of land lease rent by ₹ 5.42 crore for 99 years of lease period

Chhattisgarh State Industrial Development Corporation Limited (Company) allots land to industries within the industrial areas as well as outside the industrial areas on receipt of specific request of entrepreneurs for establishing their projects as per Chhattisgarh Land and Building Management Rule, 2015 (Land Allotment Rule, 2015). For allotment of land to the industries outside the industrial areas, the Company collects land premium equal to value of land assessed as per the annual Central Valuation Board (CVB) guidelines of Government of Chhattisgarh (GoCG) *plus* Solatium at the rate of 100 *per cent*, interest at the rate of 12 *per cent* and service charge at the prevailing rate. In addition, the Company also collects annual lease rent equal to three *per cent* of the land premium.

For setting up a fly ash brick plant, a Private party³ requested (October 2017) the Company to allot 16,697.50 Sq. feet (1,551.24 square meters or 0.1551 hectare) of land at *Kohadiya* in Korba District. The Company allotted (June 2018) 1,551.24 Sq. meters of land available with it⁴ to the Private party at a total land premium of ₹ 11.76 lakh and annual lease rent of ₹ 35,267 under Chhattisgarh Land and Building Management Rule, 2015. Accordingly, a lease deed for 99 years was executed (June 2018).

Audit scrutiny revealed (January 2019) that the said land was situated at Ward No. 16 of *Kohadiya*, which was within 20 meters from the main road and within the jurisdiction of Municipal Corporation, Korba. According to CVB Rules 2017-18 for valuation of land situated in Municipal Corporation, Korba the applicable rate was ₹ 5,400 per sq. meter for 0.202 hectare (or less than 0.202 hectare) of land. As the allotted land was 0.1551 hectare, which was less than 0.202 hectare and within Municipal Corporation area, rate of ₹ 5,400 per sq. meter was applicable. However, the Company did not consider the rate applicable for the plot (₹ 5,400 per sq. meter) and the nature of land (Commercial) for calculating land premium to be recovered from the Private party. Instead, land premium was calculated by adopting the land rate applicable to non-irrigated agricultural land in *Kohadiya* on hectare basis at the rate of ₹ 325 per sq. meter. As a result, the Company short collected land premium of ₹ 1.37 crore. As the annual lease rent was calculated based on the land premium, incorrect calculation of land premium will also result in short

³ M/s. Krishna Bricks, Korba.

⁴ Erstwhile Chhattisgarh State Electricity Board having 4.729 hectare of Government land at village *Kohadiya* in Korba District transferred (July 2005) the same to District Trade and Industries Centre, Korba (DTIC, Korba) for allotment of land to entrepreneurs for construction of fly ash bricks. DTIC, Korba transferred (April 2008) it to the Company for subsequent allotment to entrepreneurs for subject purpose.

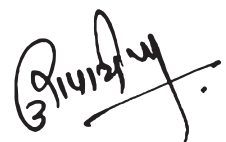
assessment of lease rent over the lease period of 99 years by ₹ 5.42 crore (considering 25 per cent increase for interval of every 30 years as per lease deed). Details are given below:

Particulars	Land Value and calculation of Premium and Lease Rent (Amount in ₹)		
	Rate of land as non-irrigated Agriculture land on Hectare basis (As per Company)	Rate of land situated within 20 meters of main road and within the Municipal Corporation area (As per CVB Guidelines)	Shortfall/ Difference
1. Land Rate per square meter	325	5,400	5,075
2. Area of Land allotted (Square Meters)	1,551.24	1,551.24	1,551.24
3. Value of land	5,04,098	63,74,268	58,70,170
4. Add: Solatium @ 100% of Sl. No. 3	5,04,098	63,74,268	58,70,170
5. Interest @12% p.a. on Sl. No. 3	60,492	7,64,912	7,04,420
6. Total value of land (Sl. No. 3+4+5)	10,68,688	1,35,13,448	1,24,44,760
7. Add: Service Charge @ 10% on Sl. No. 6	1,06,869	13,51,345	12,44,476
8. Land Premium (Sl. No. 6 + 7)	11,75,557	1,48,64,793	1,36,89,236
9. Annual Lease Rent @ 3 per cent of Sl. No. 8	35,267	4,45,944	4,10,677

Government stated (April 2020) that the said land was situated at village and was 170 meters from the main road. It was further stated that the revenue authorities had also registered the lease deed of the land for commercial purpose, while the purpose of allotted land was industrial; therefore land premium was calculated as per Chhattisgarh Land and Building Management Rules, 2015.

Reply is not acceptable because the lease deed registered with Stamps and Registration Department of Chhattisgarh Government clearly showed that the said land was situated at Ward No. 16 of *Kohadiya* within 20 meters of main road and within the Municipal Corporation area. Further, CVB Guidelines did not specify a separate rate for industrial or commercial purpose, whereas registered lease deed showed the purpose as commercial. Thus, incorrect adoption of land rate and consequently under assessment of land premium and annual lease rent resulted in undue benefit to the Private party.

Raipur
The: 17 June 2021



(DINESH R. PATIL)
Principal Accountant General (Audit)
Chhattisgarh

Countersigned



New Delhi
The: 23 June 2021

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.1.1
(Referred to in Para : 2.1.6.1(iv))
Sanction of PMAY-G houses in forest area

(Amount in ₹)

Sl. No.	District	Block	Gram Panchayat	Registration Number	Beneficiary Name	Sanctioned Amount	Installment paid	House construction Status
1	Kawardha	Bodla	CHAURA	CH1049890	Saharu	1,30,000	1,30,000	Completed
2	Kawardha	Bodla	CHAURA	CH1049995	Kartik	1,30,000	1,30,000	Completed
3	Kawardha	Bodla	CHAURA	CH1051040	Daram	1,30,000	1,30,000	Completed
4	Kawardha	Bodla	CHAURA	CH1051050	Jethu	1,30,000	1,30,000	Completed
5	Kawardha	Bodla	CHAURA	CH1795489	Khelan	1,30,000	1,30,000	Completed
6	Kawardha	Bodla	CHAURA	CH1046758	Nanhu	1,30,000	1,30,000	Completed
7	Kawardha	Bodla	CHAURA	CH1051038	Hirade	1,30,000	1,30,000	Completed
8	Kawardha	Bodla	CHAURA	CH1051049	Ghanglu	1,30,000	1,30,000	Completed
9	Kawardha	Bodla	CHAURA	CH1051051	Udasiya Bai	1,30,000	0	Not Started
Grand Total						11,70,000	10,40,000	

(Source: Information provided by the department)

Appendix 2.1.2
(Referred to in Para : 2.1.6.2(ii))
Beneficiaries with Disputed Land ownership

(Amount in ₹)

Sl. No.	District	No. of Land Dispute cases	Amount disbursed
1	Balrampur	6	2,78,000
2	Bastar	3	1,48,000
3	Janjgir-Champa	114	65,81,000
4	Jashpur	82	40,69,000
5	Kanker	8	4,10,000
6	Kawardha	14	7,20,000
7	Mahasamund	0	0
8	Mungeli	18	9,40,000
9	Raipur	22	39,05,000
Grand Total		267	1,70,51,000

(Source: Information collected from the department)

Appendix 2.1.3

(Referred to in Para: 2.1.6.2(ii))

Incomplete houses due to lack of details of nominee of deceased beneficiaries

(Amount in ₹)

Sl. No.	District	Incomplete houses in the absence of nominee of deceased beneficiaries	Amount disbursed
1	Balrampur	46	29,70,000
2	Bastar	15	8,40,000
3	Janjgir-Champa	298	1,77,45,000
4	Jashpur	27	12,64,000
5	Kanker	8	3,03,000
6	Kawardha	56	29,87,000
7	Mahasamund	151	95,30,000
8	Mungeli	23	10,00,000
9	Raipur	20	12,96,000
Grand Total		644	3,79,35,000

(Source: Information provided by the department)

Appendix 2.1.4
(Referred to in Para : 2.1.6.3(i))
Results of physical verification

Sl. No.	Name	Block	Registration Number	Gram Panchayat	Total Amount Paid in ₹	Date of Completion as per MIS	Date of Joint Physical Verification	Work Remained to be Completed as per Physical Verification
1	Anuranjan Bada	Kunkuri	CH3098020	Khutgaon	1,30,000	04.07.2019	05.11.2019	Inside and outside plaster Flooring, window, door, painting.
2	Jayapal	Kunkuri	CH3283135	Bhandri	1,30,000	31.03.2019	05.11.2019	Inside and outside plaster Flooring, window, door, painting
3	Emerinsiya	Kunkuri	CH3265568	Bhandri	1,30,000	02.07.2019	05.11.2019	Inside and outside plaster Flooring, window, door, painting
4	Halena Lakra	Kunkuri	CH2635233	Bhandri	1,30,000	20.04.2019	05.11.2019	Inside and outside plaster Flooring, window, painting
5	Dharn Say	Kunkuri	CH2184875	Lodhma	1,20,000	21.12.2018	05.11.2019	Inside and outside plaster, door window, painting etc.
6	Fransis Ekka	Kunkuri	CH3395774	Kudukela	1,30,000	25.04.2019	05.11.2019	Inside and outside plaster, door window, painting etc.
7	Sampatram	Patthalgaon	CH2176480	Buldega	1,30,000	13.01.2019	13.11.2019	Inside and outside plaster Flooring, window, door, painting.
8	Bal Ram	Patthalgaon	CH1355780	Buldega	1,30,000	12.01.2019	13.11.2019	Inside and outside plaster, door window, painting etc.
9	Roman	Patthalgaon	CH2413190	Kukur Bhuka	1,30,000	16.03.2018	13.11.2019	Inside and outside plaster, window, painting etc.
10	Manbodh	Patthalgaon	CH1355796	Buldega	1,30,000	13.01.2019	13.11.2019	Work completed up to Lintel level
11	Ranbir Sidar	Patthalgaon	CH2057453	Surangpani	1,30,000	02.07.2019	13.11.2019	Work completed up to Lintel level
12	Shyam Lal Sidar	Patthalgaon	CH2234689	Surangpani	1,30,000	04.07.2019	13.11.2019	Work completed up to Lintel level

13	Uday	Patthalgaon	CH2141084	Kukargaon	1,30,000	04.05.2018	13.11.2019	Work completed up to Plinth/Foundation level
14	Sadhram	Patthalgaon	CH2417026	Kukur Bhukha	1,30,000	19.08.2019	13.11.2019	Work completed up to Lintel level
15	Savitri Taigar	Patthalgaon	CH1389009	Bagbahar	1,30,000	18.02.2018	13.11.2019	Work completed up to Plinth/Foundation level
16	Asiya Ram	Patthalgaon	CH3154320	Bagbahar	1,20,000	13.07.2019	13.11.2019	Work completed up to Lintel level
17	Ratani Painkra	Patthalgaon	CH2787316	Bagbahar	1,20,000	19.07.2019	13.11.2019	Work completed up to Lintel level
18	Sulochana	Patthalgaon	CH1713028	Mayur Nacha	1,20,000	16.07.2019	13.11.2019	Work completed up to Lintel level
19	Somaru Ram	Patthalgaon	CH1712900	Mayur Nacha	1,20,000	07.08.2019	13.11.2019	Work completed up to Lintel level
20	Ayaso Bai	Patthalgaon	CH1139724	Mayur Nacha	1,20,000	24.06.2019	13.11.2019	Work completed up to Lintel level
21	Chandrika	Patthalgaon	CH2258815	Mayur Nacha	1,20,000	29.03.2019	13.11.2019	Work completed up to Plinth/Foundation level
22	Gajanand	Pithora	CH2226995	Bagardarha	1,10,000	09.06.2019	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
23	Narendra	Pithora	CH1575932	Bagardarha	1,20,000	13.12.2018	18.12.2019	Inside plaster Flooring, painting etc.
24	Yarunabi	Pithora	CH1381509	Sankara(Jonk)	1,10,000	13.06.2019	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
25	Sundarnaag	Pithora	CH1912631	Saldih	1,10,000	28.05.2019	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
26	Jibani	Pithora	CH2147670	Saldih	1,10,000	28.03.2019	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
27	Rajesh Kumar Jaiswal	Wadrafnagar	CH1898177	Girwani	1,30,000	25.03.2018	12.11.2019	Geo-tagged to other house

28	Ashok Kumar Jaiswal	Wadrafnagar	CH1886376	Girwani	1,30,000	21.01.2018	12.11.2019	Inside and outside plaster Flooring, window, door, painting
29	Deepak	Saraipali	CH1412503	Baidpali	1,20,000	23.01.2018	20.12.2019	Inside and outside plaster Flooring, window, door, painting.
30	Sunaibai	Saraipali	CH1107277	Barihapali	1,20,000	21.10.2017	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
31	Mahesh	Saraipali	CH2058479	Patsendri	1,20,000	22.08.2017	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
32	Palak	Saraipali	CH1886054	Bodesara	1,20,000	07.01.2019	18.12.2019	Inside and outside plaster Flooring, window, door, painting.
33	Aasik	Ramchandrapur	CH1676927	Kalikapur	1,30,000	24.02.2018	06.11.2019	Inside and outside plaster Flooring, window, door, painting.
34	Pirmohmad	Ramchandrapur	CH1434594	Kalikapur	1,04,000	30.03.2019	06.11.2019	Work completed up to Lintel level
35	Parmeshwar	Ramchandrapur	CH2809545	Piproul	1,20,000	10.05.2019	06.11.2019	Inside and outside plaster Flooring, window, door, painting.
36	Bhagvan Das	Ramchandrapur	CH2788011	Piproul	1,20,000	10.05.2019	06.11.2019	Inside plaster Flooring, window, painting.
37	Basant Singh	Ramchandrapur	CH2360490	Mahavirganj	1,20,000	19.05.2019	07.11.2019	Work completed up to Lintel level
Grand Total					45,54,000			

(Source: Information provided by the department)

Appendix 2.1.5

(Referred to in Para : 2.1.7.2 (i))

Payment made through Cheque to beneficiaries instead of Direct Benefit Transfer (DBT)

(Amount in ₹)

Sl. No.	Name of District	Name of Block	Name of office	No. of beneficiaries	Amount of disbursement made through cheques
1	Mungeli	Mungeli/pathariya	Zila Panchayat Mungeli	12	5,76,000
2	Mungeli	Mungeli	Janpad Panchayat Mungeli	11	4,13,000
3	Mungeli	Lormi	Janpad Panchayat Lormi	28	13,31,000
4	Raipur	Arang	Janpad Panchayat Arang	275	1,28,46,000
5	Balrampur	Wadrafnagar	Janpad Panchayat Wadrafnagar	11	5,71,000
6	Kawardha	Pandariya	Janpad Panchayat Pandariya	11	5,01,500
7	Raipur	Abhanpur	Janpad Panchayat Abhanpur	8	4,84,000
8	Kawardha	Bodla	Janpad Panchayat Bodla	40	19,62,630
9	Bastar	Bakawand	Janpad Panchayat Bakawand	2	50,000
10	Mahasamund	Saraipali	Janpad Panchayat Saraipali	11	5,02,000
Grand Total				409	1,92,37,130

(Source: Information provided by the department)

Appendix 2.1.6*(Referred to in Para : 2.1.7.2 (iii))***Payment of assistance to wrong persons due to error in entering bank account details of the beneficiaries.***(Amount in ₹)*

Sl. No.	Name of Block	Name of Beneficiary as per MIS data	Name of Gram Panchayat	Amount paid	Name of the person whose bank details was erroneously registered instead of actual beneficiary	Account number of the person whose bank details was erroneously registered instead of actual beneficiary	Name of the Bank
1	Patthalgaon	Rajkumari	Kachar	1,30,000	Rudna Bai	3994315587	Central Bank of India, Pathalgaon
2	Patthalgaon	Gurubari	Kachar	1,30,000	Tobha Yadav	3995274886	Central Bank of India, Pathalgaon
3	Patthalgaon	Mangalibai	Kachar	1,30,000	Duryodhan Yadav	3138781189	Central Bank of India, Pathalgaon
4	Mahasamund	Lachhani Bai	Mordha	1,20,000	Kanwal Singh	xxxxxx9397	Oriental Bank of Commerce
Grand Total				5,10,000			

(Source: Information provided by the department)

Appendix 2.2.1

(Referred to in Para : 2.2.5)

List of selected works

Sl. No.	Division /Agency Name	Name of Works	Category
1.	EE, PWD, Dantewada	Gidam-Barsur Road (km 01 to 20.40)	SH
2.	EE, PWD, Dantewada	Teknar-Balpet-Gumda Road (km 08 to 14)	MDR
3.	EE, PWD, Dantewada	Sukma-Dantewada Road (km 33 to 69/8 = 36.80 km)	MDR
4.	EE, PWD, Dantewada	Dantewada-Pharaspal Road (km 01 to 13)	MDR
5.	EE, PWD, Dantewada	Awarabhata-Hiriyapara Road (km 0 to 6.25)	MDR
6.	EE, PWD, Dantewada	Bacheli-Khutepal-Shyamgiri-Nakulnar Road (km 01 to 20/8)	MDR
7.	EE, PWD, Baloda Bazar	Bhatapara-Chandkhuri Road	MDR
8.	EE, PWD, Baloda Bazar	Mudiyadih-Boirdih-Bhadra-Amalkunda-Nayapara-Damru Road	MDR
9.	EE, PWD, Baloda Bazar	Datan-Purena-Khapri-Kosmanda Road	MDR
10.	EE, PWD, Mahasamund	Komakhan-Narra-Khatti Road	MDR
11.	EE, PWD, Mahasamund	Kauwajhar-Pirda-Lahangar Road	MDR
12.	EE, PWD, Jagdalpur Dn-1	Aasna-Bakawand-Kolawal Road	MDR
13.	EE, PWD, Jagdalpur Dn-2	Jagdalpur-Bademurma to kakarwada biranpal-mawalipadar to kamnar Road	MDR
14.	EE, PWD, Jagdalpur Dn-2	Bhanpuri-Mundagaon-Narayanpal-Lohandiguda Road	MDR
15.	EE, PWD, Jagdalpur Dn-2	Lohandigunda-Taragaon-Garda_Kodenar	MDR
16.	EE, PWD, Jagdalpur Dn-2	Chitrakot-Barsoor Road	MDR
17.	EE, PWD, Kanker	Kanker-Deori-Pidhapal Road	MDR
18.	EE, PWD, Kondagaon	Keskal-Banskot-Makdi-Amravati Road	MDR
19.	EE, PWD, Gariyaband	Chhura-Fingeshwar Road	MDR
20.	EE, PWD, Vidhansabha	Zora - Saddu - Dhaneli, km 8/6 to 18/2 Road	MDR
21.	EE, PWD, Vidhansabha	Urkura - Daldalseoni - Saddu - Kachna - Khamhardih-Shankarnagar Road	MDR
22.	EE, PWD, Vidhansabha	Birgaon - Urla - Bendri - Kara - Bana – Nandanvan Road	MDR
23.	EE, PWD,	Dhaneli - Giraud - Tekari - Baroda - Amasiwni – Sankri Road	MDR

	Vidhansabha		
24.	EE, PWD, Kawardha	Fasterpur - Kunda - Mohgaon - Pandatarai	MDR
25.	EE, PWD, Kawardha	Bodla - Mohgaon-Pratappur Road	MDR
26.	EE, PWD, Durg	Dhamdha-Gandai Road	SH
27.	EE, PWD, Durg	Durg - Junwani - Kohka - Kurud - Jamul Road	MDR
28.	EE, PWD, Jashpurnagar	Jashpur - Sanna Road, km 14/6 to 53	MDR
29.	EE, PWD, Jashpurnagar	Kunkuri - Kaliba - Ranpur Road	MDR
30.	EE, PWD, Jashpurnagar	Balachhapar - Aara-Sakardegga Road	MDR
31.	EE, PWD, Manendragarh	Chanti - Janakpur road, km 32/8 to 48/10 Road	SH
32.	EE, PWD, Manendragarh	Baikunthpur - Badgowa - Patrapali - Bachrapodi - Ratanpur	MDR
33.	EE, PWD, Champa	Sakti-Tundri Road	MDR
34.	EE, PWD, Champa	Sakti-Barpali-Basinpat Road (Km 11 to 15)	MDR
35.	EE, PWD, Champa	Sakti-Barpali-Basinpat Road (Km 01 to 10)	MDR
36.	EE, PWD, Champa	Akaltara-Baloda Road	MDR
37.	EE, PWD, Champa	Naila-Pantora Road, Rogda-Birgahani Road	MDR
38.	EE, PWD, Champa	Sakti-Pota-Faguram-Kharsia Road	MDR
39.	EE, PWD, Korba	Hardibazar to Utrada Road	MDR
40.	PM, ADB Baloda Bazar	Bhainsa-Baloda Bazar Road	SH
41.	PM, ADB Baloda Bazar	Nandghat-Baloda Bazar Road	SH
42.	PM, ADB Baloda Bazar	Baloda Bazar-Kasdol-Gidhauri Road	SH
43.	PM, ADB Rajnandgaon	Rajnandgaon-Kachche Road	SH
44.	PM, ADB Rajnandgaon	Dhamdha-Ronhada-Zoratarai-Atariya-Khairagarh Road	MDR
45.	PM, ADB Rajnandgaon	Khairagarh-Dongargarh-Tumdibod Road	MDR
46.	PM, ADB Rajnandgaon	Anda-Funda Road	MDR
47.	CGRDCL	Durg-Dhamdha-Bemetara Road	SH
48.	CGRDCL	Chikhali-Padumtara Road	MDR
49.	CGRDCL	Dhara-Thelakadih Road	MDR
50.	CGRDCL	Sakari-Ganiyari-Kota Road	SH

51.	CGRDCL	Janjagir-Pamgarh Road	MDR
52.	CGRDCL	Sipat-Baloda-Urga Road	MDR
53.	CGRDCL	Birkona-Pipariya-Maraka-Chuchrungpur-Dadhi Road	MDR
54.	CGRDCL	Selud-Jamgaon-Ranitarai-Patan Road	SH

Appendix 2.2.2
(Referred to in Para : 2.2.7.1)
Budgetary allocation and expenditure

Sl. No	Head of Account	Name of the Head	2014-15		2015-16		2016-17		2017-18		2018-19	
			Allot.	Exp.	Allot.	Exp.	Allot.	Exp.	Allot.	Exp.	Allot.	Exp.
1	24-5054-03-337-0101-4336-97-002	Construction of State Highway Roads in States	150.00	150.94	234.17	115.10	200.00	58.74	96.55	65.72	100.00	65.74
2	42-5054-03-337-0102-3710-97-002	State Highway for State	85.00	86.09	104.14	104.95	150.00	46.33	111.54	40.50	81.54	59.17
3	24-5054-04-337-0101-1513-97-002	Construction of Main Roads in Districts	551.00	550.01	423.71	396.78	410.00	223.62	425.00	310.31	300.00	258.72
4	42-5054-04-337-0102-3539-97-002	District Main Roads	135.12	122.98	275.08	102.48	293.53	194.46	294.00	133.12	200.00	148.26
Total (PWD)			921.12	910.02	1037.1	719.31	1053.53	523.15	927.09	549.65	681.54	531.89
5	76-5054-03-337-1201-7433-97-002	Chhattisgarh State Road Dev. Sec. Project Phase-II	125.00	14.66	189.00	202.12	500.00	463.81	450.00	343.85	373.58	174.99
6	76-5054-03-337-1202-7433-97-002		114.00	3.75	114.00	31.64	250.00	82.88	150.00	91.96	135.55	105.50
7	76-5054-03-337-1203-7433-97-002		61.00	0.35	78.00	62.71	350.00	159.36	300.00	229.32	266.47	178.26
Total (ADB)			300	18.76	381	296.47	1100	706.05	900	665.13	775.6	458.75
8	24-5054-05-337-0101-7818-97-002	Engineering Procurement & Construction	0.00	0.00	0.00	0.00	100.00	100.00	650.00	325.00	350.00	0.00
9	42-5054-05-337-0102-7818-97-002		0.00	0.00	0.00	0.00	15.00	15.00	0.00	0.00	416.00	270.40
10	64-5054-05-337-0103-7818-97-002		0.00	0.00	0.00	0.00	0.00	10.00	82.00	82.00	391.00	253.40
Total (CGRDCL)			0.0	0.0	0.0	0.0	115	125	732	407	1157	523.8
Grand Total			1221.12	928.78	1418.1	1015.78	2268.53	1354.2	2559.09	1621.78	2614.14	1514.44

(Source: Appropriation Accounts of respective Financial Years)

Appendix 2.2.3

(Referred to in Para : 2.2.8.2(i))

Delay in finalization of tender under PD, ADB Project

Sl. No.	Package No. and Name of Road	Date of NIT	Date of Work Order	Delay award of work from the date of NIT (in days)
1.	Package 1; Raipur-Bhainsa Road	21/02/2014	14/04/2015	417
2.	Package 2; Bhainsa-Baloda Bazar Road	21/02/2014	14/04/2015	417
3.	Package 3; Nandghat-Baloda Bazar Road	21/02/2014	14/04/2015	417
4.	Package 4; Baloda Bazar-Kasdol-Gidhauri Road	27/12/2014	08/08/2015	224
5.	Package 5; Simga-Tilda-Arang Road	21/02/2014	14/04/2015	417
6.	Package 6; Arang-Nayapara-Kurud Road	21/02/2014	14/04/2015	417
7.	Package 7; Raipur-Urala-Patharidih-Kodwa Road	21/02/2014	21/04/2015	424
8.	Package 8; Rajnandgaon-Kachche Road	07/01/2015	17/09/2015	253
9.	Package 10; Chankhuri-Sambalpur-Nawagarh-Umariya Road	18/08/2015	18/04/2016	244
10.	Package 11; Dhamdha-Ronhada-Zoratarai-Atariya-Khairagarh Road	07/01/2015	17/09/2015	253
11.	Package 12; Khairagarh-Dongargarh-Tumdibod Road	21/02/2014	21/04/2015	424
12.	Package 13; Balod-Dhamtari Road	07/01/2015	17/09/2015	253
13.	Package 14; Anda-Funda Road	07/01/2015	17/09/2015	253
14.	Package 15; Bodala-Tarregaon-Daldali Road	27/12/2014	16/10/2015	293
15.	Package 16; Shiwarinarayan-Birra-Champa Road	21/02/2014	20/04/2015	423
16.	Package 17; Ratanpur-Kota-Lormi Road	18/08/2015	12/04/2016	238
17.	Package 18; Lormi-Pandariya & Pandariya-Mungeli Road	18/08/2015	12/04/2016	238
18.	Package 19; Jairamnagar-Masturi-Lawan Road	21/02/2014	20/04/2015	423

Appendix 2.2.4

(Referred to in Para : 2.2.8.3(vi))

Injudicious grant of time extension under non-penal clause

(₹ in crore)

Package No	Final Contract Sum	Total delay in completion (in days)	Delay considered by employer under penal clause (in days)	Delay not considered under penal clause (in days)	Rate of penalty	Amount of penalty recovered by employer	Recoverable Amount of penalty	Short claim
A	B	C	D	E	F	G	H	I
Works under ADB								
2	118.62	658	00	161	0.05 % per day, limited to 10 % of contract sum	00	9.55	9.55
8	215.38	432	02	93		0.18	10.23	10.05
11	80.90	461	04	103		0.15	4.33	4.18
12	128.85	434	03	117		0.15	7.73	7.58
14	76.59	461	05	63		0.17	2.60	2.43
Total						0.65	34.44	33.79
Works under CGRDCL								
Sl. No.	Name of road	Contract price	Total EOT granted (days)	Days considered for rainy season	Recoverable amount of penalty			
1	Dhara – Thelkadih Road	41.19	302	122	2.51			
2	Chikhali – Padumtara Road	33.85	326	122	2.06			
3	Birkona - Pipariya – Marka Road	66.21	540	181	5.99			
4	Selud - Jamgaon – Ranitarai Road	95.07	440	145	6.89			
5	Janjgir – Pamgarh Road	51.57	339	122	3.15			
Total					20.60			
Total recoverable amount					54.39			

Appendix-2.2.5

(Referred to in Para : 2.2.10)

Joint Physical Inspection of roads

Sl.	Division	Name of the road	Category of road	Road Length in km
List of roads where shoulders were found damaged during JPI				
1	EE, PWD, Korba	Hardibazaar to Utarda Road	MDR	16.4
2	EE, PWD, Champa	Akaltara-Baloda Road	MDR	18
3	EE, PWD, Baloda Bazar	Bhatapara-Chandkhuri Road	MDR	13.15
4	PM, ADB, Baloda Bazar	Baloda Bazar-Kasdol-Gidhour Road	SH	49.04
List of roads where shoulders were found excavated during JPI				
1	PM, ADB, Rajnandgaon	Rajnandgaon-Kachche Road	SH	77.13
2	EE, PWD, Durg	Junwani-Kohka-Kurud Road	MDR	11.2
List of roads where no sign boards were found at important points like schools, hospitals, etc. during JPI				
1	EE, PWD, Korba	Hardibazaar to Utarda Road	MDR	16.4
2	EE, PWD, Durg	Junwani-Kohka-Kurud Road	MDR	11.2
3	EE, PWD, Manendragarh	Baikunthpur-Badgowa-Patrapali-Bachrapodi-Ratanpur Road	MDR	47.6
4	EE, PWD, Jashpur	Jashpur-Sanna Road	MDR	51.8
5	EE, PWD, Jashpur	Balachhappar-Ara-Sakerdega Road	MDR	19.8
List of roads where stone pitching work was not found during JPI				
1	EE, PWD, Durg	Junwani-Kohka-Kurud Road	MDR	11.2
2	EE, PWD, Manendragarh	Baikunthpur-Badgowa-Patrapali-Bachrapodi-Ratanpur Road	MDR	47.6
3	EE, PWD, Jashpur	Jashpur-Sanna Road	MDR	51.8
List of roads where crush beam barrier was not found during JPI				
1	EE, PWD, Jashpur	Jashpur-Sanna Road	MDR	51.8
2	EE, PWD, Jashpur	Balachhappar-Ara-Sakerdega Road	MDR	19.8
3	EE, PWD, Manendragarh	Baikunthpur-Badgowa-Patrapali-Bachrapodi-Ratanpur Road	MDR	47.6
4	EE, PWD, Durg	Junwani-Kohka-Kurud Road	MDR	11.2
List of roads where other miscellaneous works like road marking, milestones etc. were not found during JPI				
1	EE, PWD, Champa	Akaltara-Baloda Road	MDR	18
2	EE, PWD, Baloda Bazar	Bhatapara Chandkhuri Road	MDR	13.15
3	PM, ADB, Baloda Bazar	Baloda Bazar-Kasdol-Gidhour Road	SH	49.04
4	EE, PWD, Durg	Junwani-Kohka-Kurud Road	MDR	11.2
5	CGRDCL	Chilpi-Rengakhar-Salhewara Road	MDR	40
6	EE, PWD, Kawardha	Kawardha-Rabeli-Pratappur Road	MDR	19.8
7	EE, PWD, Kawardha	Bodla-Mohgaon-Pratappur Road	MDR	16.2

Appendix 2.3.1

(Referred to in para : 2.3.5)

Statement showing selected District, Project and Anganwadi Centers

Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC	Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC
1	Raipur	Tilda	Mura 2	51	Rajnandgaon	Rajnandgaon (urban)	Gaurinagar 14 no.-1
2			Khapridihkhurd	52			Bakhshi 04 no.-2
3			Khaprikhurd	53			Baldevprasad 16 no.1
4			Adsena	54			Hira moti 38 no.1
5			Jalso	55			Ambedkar ward 13 no.-4
6			Kohka	56			Shankar pur 10 no.1
7			Gaitra	57			Janta colony 30 no.2
8			Hathbandh	58			Mohara 47 no.2
9			Ghivra – 2	59			Guru govindsingh 23 no.1
10			Ghivra – 1	60			Mahatma buddha 2 no.1
11	Raipur	Dharsiwa,	Pirda	61	Raigarh	Pussore	Guddudipapara
12			Dharampura	62			Nawapali (mini awc)
13			Mana camp -8	63			Lingir 2 dipapara
14			Boriyakhurd	64			Tadola main basti
15			Nakti 2	65			Loharsingh 3 riyadipa
16			Ayodhyanager	66			Nawapara 1
17			Saddu 3	67			Thengagudi
18			Hathbandh 2	68			Dewalsurra
19			Dunda 5	69			Jogitaraibadenayak (mini)
20			Nakti 1	70			Chhatamura 5 school para
21	Raipur	Raipur 2	Danganiya-3	71	Raigarh	Lailunga	Ghumagudaaamapali
22			Kalinagar	72			Labhanipara
23			Tarunnagar	73			Ledarimouhabhakurra
24			Yadavpara	74			Imlipararupdega
25			Rajiv nagar-2	75			Rajpur “sha”
26			Ramsagarpara	76			Ghatgaon
27			Khamardih-2	77			Rukukelakendatikra
28			Aamanaka	78			Basdand
29			Kalingnagar	79			Daduparajhagarpur
30			Kushalpur	80			Fitingpara
31	Rajnandgaon	Manpur	Sarkheda no.-2	81	Raigarh	Kosir	Amlipali 1
32			Bukmarka	82			Kapisda
33			Raja boria-1	83			Devgaon
34			Tumrikasa	84			Mudwabhantha 1
35			Manpur no.-4	85			Chhatouna
36			Ghotia-2	86			Sindhanpur 1
37			Pitemeta	87			Tilaimuda
38			Medha	88			Salhe 1
39			Rajkatta-1	89			Bhajjnar
40			Michgaon-2	90			Tedhinala
41	Rajnandgaon	Rajnandgaon 2	Badhera-1	91	Bilaspur	Sarkanda	Lingiyadih 5
42			Upawah-1	92			Bahatarai 3
43			Bharkatola	93			Semertal
44			Padumtara-3	94			Pathrapali
45			Basula-1	95			Bitkuli 1
46			Botepara-2	96			Sendri 1
47			Bhendarwani-2	97			Birkona 3
48			Badhera-2	98			Sidhri 1
49			Turipaar	99			Manikpur
50			Baatgaon	100			Basha 1

Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC	Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC
101	Bilaspur	Sakri	Khamhriya-1	151	Koriya	Baikunthpur	Schoolpara
102			Pendari-1	152			Jagatpur
103			Chorbhattikhurd-2	153			Piparpara
104			Bhilouni	154			Odgi
105			Khamhriya-2	155			Pandopara
106			Muru-1	156			Manpur
107			Sakri 7	157			Ahirapara
108			Sakri 8	158			Chitmarpara
109			Kharkena 1	159			Devri
110			Belmundi 3	160			Narkeli
111	Bilaspur	Gaurella	Chotianjani	161	Koriya	Chirmiri	Kapursingh dafai-2
112			Padvaniya	162			Sarkaridafai -3
113			Kotriyadand	163			Shankar dafai-6
114			Tendumunda	164			Gairejdafai
115			Ward n0 4	165			Balmikivard
116			Khattapara	166			Santravidas ward
117			Uparpara	167			Sonamani
118			Baldhar	168			Masjitdafai
119			Bhariyanpara	169			Kalsidafai
120			Jogidongri	170			Behra dafai-1
121	Jashpur	Tapkara	Khadiyatoli	171	Koriya	Manendragarh	Navaparachenpur
122			Sindribahla	172			Tendudand
123			Saajibahar	173			Ward no. 9
124			Ghanshyamnagar	174			Eitadaphai
125			Beladeepa	175			56 dphai
126			Uparkachhar	176			Harra
127			Kadelkachhar	177			Shroli
128			Kadamtoli	178			Maleipara
129			Bhatthitola	179			Kariyabhra
130			Aawaratoli	180			Shrirampur
131	Jashpur	Bagicha-2	Majhatoli	181	Bastar	Jagdulpur (Rural)	Nangur 3
132			Devarkona	182			Asnapurananpara
133			Ekamba	183			Sanjay nagar 2
134			Bhadu	184			Khuta para
135			Gurguri	185			Amaguda
136			Poskat	186			Pujaripara, khaspara
137			Kakmaitola	187			Babusemra
138			Manjurchuon	188			Kalcha , khaspara
139			Manjhapara-2	189			Billori, betalpara
140			Gariyapath	190			Alipur, haplbapara
141	Jashpur	Kansabel-2	Darupisa	191	Bastar	Bastar	Satnamiparadeora
142			Kachuvakani	192			Lamker 1
143			Bhaytoli	193			Sadhuparamadhota
144			Mundatoli	194			Fafni
145			Muskuti	195			Bhursundi
146			Raigarhia	196			Ichchapur 1
147			Naktimunda	197			Mundapal
148			Togritoli	198			Madigudapara
149			Girjapara	199			Semalnar
150			Majhatoli	200			Bhawliguda

Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC	Sl. No.	Name of District	Name of the Child Development Project office	Name of AWC
201	Bastar	Tokapal	Sadakpara 2	221	Kondagaon	Badedongar	Bangolikhalepara
202			Kadamguda	222			Kohlakotplatpara
203			Mawliparapatellpara	223			Alorbhimbhata
204			Telimarenga	224			Amgaon
205			Boingpara	225			Kolanga
206			Raikot	226			Palna
207			Taragaon	227			Banachpai
208			Thothapara	228			Kotparda
209			Pakhnarcha	229			Mohpalkohilpara
210			Irikpalmangharpara	230			Badedongarsarakpara
211	Kondagaon	Makdi	Amodipara	231	Kondagaon	Baderajpur	Pujaripara,
212			Nayapara	232			Semerdihi
213			Anantpur 1	233			Bhandarpara
214			Hirapur 1	234			Palna 3
215			Shampurplatpara	235			Palnplatpara 2
216			Bijapur 1	236			Pendravan 1
217			Kerawati 1	237			Halbapara 1
218			Dhadigaonawaspara	238			Marangpuripatelpara
219			Lubha 1	239			Honavandikhaspara
220			Bhatgaon	240			Bishrampuri

Appendix 2.3.2

(Referred to in para : 2.3.9.2)

Statement showing non-distribution of SNP

District	For the Month of March	No. of AWCs sanctioned	No. of operational AWCs	SNP distribution in AWCs			
				Not Provided	1-14 days	15-20 days	More than 21 days
Kondagaon	2015	1445	1445	0	0	0	1445
	2016	1445	1445	0	0	0	1445
	2017	1445	1445	0	0	0	1445
	2018	1830	1830	0	0	0	1830
	2019	1827	1827	10	0	0	1817
Bilaspur	2015	2667	2667	0	684	1392	591
	2016	2667	2667	0	0	0	2763
	2017	2667	2667	0	0	0	2763
	2018	2763	2763	0	0	0	2763
	2019	2763	2763	0	0	0	2763
Baster	2015	1849	1849	0	623	284	942
	2016	1849	1849	6	1	242	1600
	2017	1849	1849	6	1	242	1600
	2018	2040	2040	0	0	19	2021
	2019	2040	1987	0	0	1	1452
Jashpur	2015	2946	2929	0	0	0	2929
	2016	2946	2929	0	0	0	2927
	2017	2946	2929	0	0	0	2929
	2018	4333	4278	0	0	0	4278
	2019	4333	4305	0	0	0	4305
Koria	2015	1357	1357	0	0	1	1356
	2016	1357	1357	0	0	0	1357
	2017	1357	1357	0	0	0	1357
	2018	1797	1775	0	0	0	1775
	2019	1792	1792	6	0	1	1785
Raipur	2015	1828	1825	0	0	0	1825
	2016	1828	1825	0	0	26	1799
	2017	1828	1825	0	0	13	1812
	2018	1886	1849	0	0	792	1057
	2019	1886	1874	4	0	3	1867
Rajnandgaon	2015	2463	2434	0	0	0	2434
	2016	2463	2434	0	0	0	2434
	2017	2463	2433	0	0	0	2433
	2018	3159	2881	0	0	8	2873
	2019	2999	2999	0	0	0	2999
Raigarh	2015	2680	2680	0	0	0	2680
	2016	2680	2680	0	0	0	2680
	2017	2680	2680	0	0	0	2680
	2018	3409	2897	0	0	0	2897
	2019	3358	3358	0	0	0	3358

Appendix 2.3.3

(Referred to in para : 2.3.10.3)

Short- imposition of penalty on suppliers of PSE Kits

(₹ in lakh)

Name of District	Years of supply	Value of Supply	Period of delay	Penalty to be imposed	Penalty actually imposed	Short imposition of penalty
Raigarh	2014-15 and 2015-16	163.8	one to four months	3.47	0	3.47
Rajnandgaon	2014-15 and 2016-17	135.25	One to seven months	11.42	1.56	9.86
Bastar	2015-16 and 2016-17	62.66	Three months	3.76	0	3.76
Raipur	2014-15 and 2015-16	64.75	Two to four months	4.04	0	4.04
Kondagaon	2015-16 and 2016-17	51.96	Two to three months	2.6	0	2.6
Jashpur	2014-15 and 2015-16	189.55	One to four months	4.03	0	4.03
Koriya	2014-15, 2015-16 and 2016-17	52.55	One to two months	0.82	0	0.82
Bilaspur	2014-15, 2015-16	157.54	One to 12 month	14.12	0	14.12
Total		878.06		44.26	1.56	42.70

Appendix 2.3.4

(Referred to in para : 2.3.13.1)

Statement showing shortfall in fixation of target and achievement of refresher training

Year	Post	Person in position	Target required	Target fixed	Shortfall in fixation of target	Percentage shortfall	Achievement	Percentage shortfall in achievement
			50%					
2014-15	CDPO	156	78	40	38	49	20	50
2015-16		159	80	40	40	50	4	90
2016-17		159	80	40	40	50	8	80
2017-18		166	83	48	35	42	27	44
2018-19		166	83	0	83	100	0	--
2014-15	Supervisor	1632	816	500	316	39	374	25
2015-16		1687	844	175	669	79	124	29
2016-17		1687	844	125	719	85	91	27
2017-18		1548	774	450	324	42	220	51
2018-19		1699	850	725	125	15	378	48
2014-15	AWW	48884	24442	9440	15002	61	4347	54
2015-16		48793	24397	8640	15757	65	5887	32
2016-17		48793	24397	11120	13277	54	9166	18
2017-18		48886	24443	8837	15606	64	8647	2
2018-19		50210	25105	15000	10105	40	3738	75
2014-15	AWH	42555	21278	11000	10278	48	8580	22
2015-16		42320	21160	8000	13160	62	2400	70
2016-17		42320	21160	10300	10860	51	0	100
2017-18		42758	21379	10000	11379	53	0	100
2018-19		43985	21993	11550	10443	47	0	100

Appendix 5.1

(Referred to in para : 4.1, 5.3, 5.6)

Statement showing position of equity and outstanding loans relating to State Power Sector PSUs as on 31 March 2019

₹ in crore)

Sl. No.	Sector & Name of the PSU	Name of the Department	Incorporation Date	Equity ^s at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19			
				GoCG	GoI	Others	Total	GoCG	GoI	Others [#]	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)
(I) PSUs whose accounts were in arrears for two years and below											
A. Generation											
1	Chhattisgarh State Power Generation Company Limited (CSPGCL)	Energy	19.05.2003	2,814.30	-	-	2,814.30	50.33	-	7,499.30	7,549.63
Sub-Total				2,814.30	-	-	2,814.30	50.33	-	7,499.30	7,549.63
B. Transmission											
2	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	Energy	19.05.2003	904.71	-	-	904.71	15.69	-	1,265.41	1,281.10
Sub-Total				904.71	-	-	904.71	15.69	-	1,265.41	1,281.10
C. Distribution											
3	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	Energy	19.05.2003	2,263.10	-	-	2,263.10	85.63	-	2,416.72	2,502.35
Sub-Total				2,263.10	-	-	2,263.10	85.63	-	2,416.72	2,502.35
D. Others											
4	Chhattisgarh State Power Holding Company Limited (CSPHCL)	Energy	31.12.2008	609.73 ^e	-	-	609.73	-	-	-	-
5	Chhattisgarh State Power Trading Company Limited (CSPTTrCL)	Energy	30.12.2008	0.05	-	-	0.05	-	-	-	-
Sub-Total				609.78	-	-	609.78	-	-	-	-
Total (I)				6,591.89	-	-	6,591.89	151.65	-	11,181.43	11,333.08
(II) PSUs who did not commence their business operation											
A. Generation											
6	Uttar Chhattisgarh Rajya Vidyut	Energy	13.03.2018	-	-	200.00	200.00	-	-	-	-

Sl. No.	Sector & Name of the PSU	Name of the Department	Incorporation Date	Equity ^{\$} at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19			
				GoCG	GoI	Others	Total	GoCG	GoI	Others [#]	Total
	Utpadan Limited (UCRVUL)										
Sub-Total				-	-	200.00	200.00	-	-	-	-
Total (II)				-	-	200.00	200.00	-	-	-	-
Grand Total (I+II)				6,591.89	-	200.00	6,791.89	151.65	0.00	11,181.43	11,333.08

^{\$} Includes share application money pending allotment.

[#] Includes financial institutions, Banks and PSUs etc.

[€] ₹5,982.16 crore out of ₹ 6,591.89 crore equity released by State Government to CSPHCL was invested by CSPHCL (Holding Company) in its Subsidiary Companies viz., CSPGCL (₹2,814.30 crore), CSPTCL (₹ 904.71 crore), CSPDCL (₹2,263.10 crore) and CSPTCL (₹ 0.05 crore) as shown at Sl. No. 1, 2, 3 & 5. Therefore, the amount of equity in CSPHCL has been shown at ₹ 609.73 crore net after excluding ₹ 5,982.16 crore of investment in Subsidiary Companies.

Appendix 5.2

(Referred to in para : 5.6, 5.6.1 and 5.6.2)

Summarised financial position and working results of State Power Sector PSUs as on 31 March 2019

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Period of accounts	Net Profit/loss before interest and tax	Net Profit/Loss after interest and tax	Turnover	Paid up capital	Accumulated Profit/ loss	Long term Loans		Net Worth	Capital employed
								Defaulted Loan	Total Long term Loan		
1	2	3	4	5	6	7	8	9	10	11 = (7+8+9)	12 = (7+8+10)
A. Generation											
1	Chhattisgarh State Power Generation Company Limited (CSPGCL)	2018-19	1,605.06	671.82	6,925.85	2,814.30	261.62	50.33	7,499.30	3,126.25	10,575.22
Sub-Total			1,605.06	671.82	6,925.85	2,814.30	261.62	50.33	7,499.30	3,126.25	10,575.22
B. Transmission											
2	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	2018-19	263.16	106.83	1,060.83	904.71	642.31	15.69	1,265.41	1,562.71	2,812.43
Sub-Total			263.16	106.83	1,060.83	904.71	642.31	15.69	1,265.41	1,562.71	2,812.43
C. Distribution											
3	Chhattisgarh State Power Distribution Company Limited(CSPDCL)	2017-18	92.25	-279.14	14,806.80	2,263.10	-6,275.42	86.42	2660.25	-3,925.90	-1,352.07
Sub-Total			92.25	-279.14	14,806.8	2,263.10	-6,275.42	86.42	2,660.25	-3,925.90	-1,352.07
D. Others											
4	Chhattisgarh State Power Holding Company Limited(CSPHCL)	2017-18	1.25	0.84	1.25	609.73	42.59	-	-	652.32	652.32
5	Chhattisgarh State Power Trading Company Limited(CSPTrCL)	2017-18	-3.06	-3.06	-	0.05	-11.07	-	-	-11.02	-11.02
Sub-Total			-1.81	-2.22	1.25	609.78	31.52	-	-	641.30	641.30
Grand Total			1,958.66	497.29	22,794.73	6,591.89	-5,339.97	152.44	11,424.96	1,404.36	12,676.88

Appendix 5.3

(Referred to in para : 5.6.1.2)

Statement showing Present Value (PV) of the investment by the State Government in Power Sector PSUs and return on the PV of investments during 2016-17 to 2018-19

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state government during the year	Net Interest Free Loan / Defaulted Loan during the year	Capital and Establishment Grant / Subsidy during the year	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	Percentage of return on total investment
A	B	C	D	E	F = (C+D+E)	G = B + F	H	I = $G*(1+H/100)$	J = $G*J/100$	K	L = $K*100/G$
Upto 2015-16	-	6,103.69	152.37	1,914.78	8,170.84	11,829.87	6.25	12,569.23			
2016-17	12,569.23	488.20 [¥]	0.00	296.47	784.67	13,353.90	6.62	14,237.93	884.03	64.82	0.49
2017-18	14,237.93	0.00	0.07	1,338.04	1,338.11	15,576.04	6.38	16,569.79	993.75	1,041.55	6.69
2018-19	16,569.79	0.00	-0.79 [€]	255.00	254.21	16,824.00	6.10	17,850.27	1026.26	497.29	2.49
Total		6,591.89	151.65	3,804.29	10,547.83						

¥ The figure includes budgetary support in the form of equity of ₹ 490 crore given by GoCG to Chhattisgarh State Power Generation Company limited through Chhattisgarh State Power Holding Company Limited (CSPHCL). Further, the equity of CSPHCL was adjusted by ₹ (-) 1.80 crore in light of the final Balance sheet vide notification No. 1816/F-21/13/13-2/2014 dated 17 July 2017 of GoCG. Thus, the net equity infusion by GoCG during the year 2016-17 has been taken as ₹ 488.20 crore (₹ 490.00 crore - ₹ 1.80 crore).

€ The figure pertains to repayment / adjustment of GoCG loans by Chhattisgarh State Power Distribution Company limited during the year 2018-19.

Appendix 6.1

(Referred to in para : 6.1, 6.9, 6.9.1 and 6.9.2)

Summarised financial position and working results of PSUs (Non-Power Sector) whose accounts were in arrears for two or less years as on 31 December 2019

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Period of accounts	Year in which finalised	Net Profit/ Loss before interest and tax	Net Profit/ Loss after interest and tax	Turnover	Paid up capital	Reserve & Surplus	Accumulated Profit/ Loss	Long term loans		Net Worth	Capital employed
										Defaulted Loan	Total Long term Loan		
1	2	3	4	5	6	7	8	9	10	11	12	13 = (8+9+10+11)	14 = (8+9+10+12)
I. PSUs working in Monopolistic environment													
A. Government Companies													
1	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	2018-19	2019-20	25.93	23.34	56.41	26.65	7.37	236.04	-	-	270.06	270.06
2	Chhattisgarh State Beverages Corporation Limited (CSBCL)	2018-19	2019-20	11.09	7.64	1,028.65	0.15	-	77.31	-	-	77.46	77.46
3	Chhattisgarh State Marketing Corporation Limited (CSMCL)	2017-18	2019-20	29.91	-2.01	4,904.41	-	-	-2.01	-	339.00	-2.01	336.99
Total (I)				66.93	28.97	5,989.47	26.80	7.37	311.34	-	339.00	345.51	684.51
II. PSUs with assured income from centage, commission, revenue grants/subsidies													
A. Government Companies													
4	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	2017-18	2019-20	2.17	0.13	6,967.43	4.43	0.95	-210.46	-	-	-205.08	-205.08
5	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	2017-18	2019-20	31.48	18.55	469.44	0.50	0.38	192.05	-	34.40	192.93	227.33
6	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	2017-18	2019-20	1.98	0.65	2.57	5.00	-	13.52	-	52.08	18.52	70.60
7	Chhattisgarh Medical Services Corporation Limited (CMSCL)	2017-18	2019-20	13.31	8.57	260.81	3.45	-	23.11	-	-	26.56	26.56
8	Chhattisgarh Police Housing Corporation Limited (CPHCL)	2018-19	2019-20	6.48	4.54	8.58	2.00	-	43.03	-	322.56	45.03	367.59
9	Chhattisgarh Road	2017-18	2018-19	-0.10	-0.10	38.80	4.90	-	-0.50	-	-	4.40	4.40

Sl. No.	Sector, Type & Name of the PSU	Period of accounts	Year in which finalised	Net Profit/ Loss before interest and tax	Net Profit/ Loss after interest and tax	Turnover	Paid up capital	Reserve & Surplus	Accumulated Profit/ Loss	Long term loans		Net Worth	Capital employed
										Defaulted Loan	Total Long term Loan		
1	2	3	4	5	6	7	8	9	10	11	12	13 = (8+9+10+11)	14 = (8+9+10+12)
	Development Corporation Limited(CRDCL)												
10	Raipur Smart City Limited (RSCL)	2016-17	2018-19	-0.02	-0.02	2.98	0.10	-	-0.02	-	-	0.08	0.08
11	Atal Nagar Smart City Corporation Limited (ANSCL)	2018-19	2019-20	-	-	0.01	0.10	-	-	-	-	0.10	0.10
12	Bilaspur Smart City Limited (BSCL)	2017-18	2018-19	-	-	0.77	0.10	-	-	-	-	0.10	0.10
Total II (A)				55.30	32.32	7,751.39	20.58	1.33	60.73	-	409.04	82.64	491.68
B. Statutory Corporation													
13	Chhattisgarh State Warehousing Corporation (CSWC)	2018-19	2019-20	199.87	138.69	294.60	4.04	-	326.29	-	137.00	330.33	467.33
Total II (B)				199.87	138.69	294.60	4.04	-	326.29	-	137.00	330.33	467.33
Total (II)				255.17	171.01	8,045.99	24.62	1.33	387.02	-	546.04	412.97	959.01
III. PSUs working in Competitive environment													
A. Government Companies													
14	Chhattisgarh Mineral Development Corporation Limited (CMDC)	2018-19	2019-20	-17.68	-17.68	20.30	1.00	0.14	-2.69	261.97	261.97	260.42	260.42
15	Kerwa Coal Limited(KCL)	2018-19	2019-20	0.21	0.16	0.44	4.90	-	0.48	-	1.48	5.38	6.86
Total (III)				-17.47	-17.52	20.74	5.90	0.14	-2.21	261.97	263.45	265.80	267.28
Grand Total (I + II + III)				304.63	182.46	14,056.20	57.32	8.84	696.15	261.97	1,148.49	1,024.28	1,910.80

Appendix 6.2

(Referred to in para : 4.1, 6.1, 6.6.1 and 6.7)

Statement showing the financial position and working results of PSUs (Non-Power Sector), whose accounts were in arrears for three or more years as on 31 December 2019

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Date of Incorporation	Period of accounts	Year in which finalised	Net Profit/ loss after interest and tax	Turnover	Paid up capital	Total investment at close of the year 2018-19			
								Equity ^{\$}	Long term loans	Total	
1	2	3	4	5	6	7	8	9	10	11	
I. PSUs with arrears of accounts for three or more years / first accounts not received / did not commence business operation											
A. Government Companies											
1	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	16.11.1981	2014-15	2019-20	-0.0047	70.33	1.60	1.60	-	1.60	
2	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	26.02.2001	2015-16	2019-20	-0.26	0.59	4.20	4.20	-	4.20	
3	Chhattisgarh Railway Corporation Limited (CRCL)	07.12.2016	2017-18	2018-19	-4.18	1.10	50.00	50.00	-	50.00	
4	Chhattisgarh State Information Infrastructure Corporation Limited (CSIIC)	12.12.2017	First accounts not submitted	-	-	-	-	0.05	-	0.05	
5	Chhattisgarh Rural Housing Corporation Limited (CRHCL)	15.03.2018	First accounts not submitted	-	-	-	-	0.10	896.22	896.32	
6	Chhattisgarh Katghora Dongargarh Railway Limited	29.05.2018	2018-19	2018-19	-0.05	-	2.00	2.00	-	2.00	
7	Chhattisgarh Kharsia Naya Raipur Railway Limited	29.05.2018	First accounts not submitted	-	-	-	-	2.00	-	2.00	
Total - I					-4.49	72.02	57.80	59.95	896.22	956.17	
II. Inactive PSUs											
A. Government Companies											
8	Chhattisgarh Sondiha Coal Company Limited (CSCCL)	30.12.2008	2018-19	2019-20	-0.01	-	21.94	21.94	-	21.94	
9	CMDC ICPL Coal Limited (CICL)	11.04.2008	2016-17	2018-19	-	-	82.60	82.60	231.71	314.31	
10	CSPGCL AEL Parsa Collieries Limited (CAPCL)	13.01.2011	2017-18	2018-19	-	-	0.16	0.16	2.27	2.43	
Total - II					-0.01	-	104.70	104.70	233.98	338.68	
Grand Total (I + II)					-4.50	72.02	162.50	164.65	1,130.20	1,294.85	

\$ Includes share application money pending allotment.

Appendix 6.3

(Referred to in Para : 6.2 and 6.9)

Statement showing position of equity and outstanding loans relating to PSUs (Non-Power Sector) as on 31 March 2019

(₹ in crore)

Sl. No.	Sector & Name of the PSU	Name of the Department	Incorporation Date	Equity ^s at close of the year 2018-19				Long term loans at close of the year 2018-19			
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [#]	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)
I. PSUs working in Monopolistic environment											
A. Government companies											
1	Chhattisgarh Rajya Van Vikas Nigam Limited	Forest	22.05.2001	25.73	0.92	0.00	26.65	0.00	0.00	0.00	0.00
2	Chhattisgarh State Beverages Corporation Limited	Commercial Tax	29.11.2001	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00
3	Chhattisgarh State Marketing Corporation Limited (CSMCL)	Commercial Tax	27.02.2017	0.00 [¥]	0.00	0.00	0.00	339.00	0.00	0.00	339.00
Total (I)				25.88	0.92	0.00	26.80	339.00	0.00	0.00	339.00
II. PSUs with assured income from centage, commission, revenue grants/subsidies											
A. Government companies											
4	Chhattisgarh State Civil Supplies Corporation Limited	Food Civil Supplies and Consumer Protection	13.03.2001	4.43	0.00	0.00	4.43	0.00	0.00	0.00	0.00
5	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	Agriculture	08.10.2004	0.50	0.00	0.00	0.50	0.00	0.00	25.91	25.91
6	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	Social Welfare	04.07.2004	5.00	0.00	0.00	5.00	0.00	0.00	56.82	56.82
7	Chhattisgarh Medical Services Corporation Limited	Health	07.10.2010	3.45	0.00	0.00	3.45	0.00	0.00	0.00	0.00
8	Chhattisgarh Police Housing Corporation Limited	Home	14.12.2011	2.00	0.00	0.00	2.00	0.00	0.00	322.56	322.56
9	Chhattisgarh Road Development Corporation Limited	PWD/Urban Administrative and Development Department	11.11.2014	4.90	0.00	0.00	4.90	0.00	0.00	0.00	0.00
10	Raipur Smart City Limited	Urban Administrative and	16.09.2016	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00

Sl. No.	Sector & Name of the PSU	Name of the Department	Incorporation Date	Equity ^{\$} at close of the year 2018-19				Long term loans at close of the year 2018-19			
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [#]	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)
		Development Department									
11	Atal Nagar Smart City Corporation Limited	Urban Administrative and Development Department	16.10.2017	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00
12	Bilaspur Smart City Limited	Urban Administrative and Development Department	19.09.2016	0	0	0.1	0.1	0	0	0	0
Total (II-A)				20.28	0.00	0.30	20.58	0.00	0.00	405.29	405.29
B. Statutory Corporation											
13	Chhattisgarh State Warehousing Corporation	Food Civil Supplies and Consumer Protection	02.05.2002	2.02	0.00	2.02	4.04	137.00	0.00	0.00	137.00
Total (II-B)				2.02	0.00	2.02	4.04	137.00	0.00	0.00	137.00
Total (II)				22.30	0.00	2.32	24.62	137.00	0.00	405.29	542.29
III. PSUs working in Competitive environment											
A. Working Government companies											
14	Chhattisgarh Mineral Development Corporation Limited	Geology and Mining	07.06.2001	1.00	0.00	0.00	1.00	261.97 [@]	0.00	0.00	261.97
15	Kerwa Coal Limited	Geology and Mining	20.01.2015	0.00	0.00	4.90	4.90	0.00	0.00	1.48	1.48
Total (III)				1.00	0.00	4.90	5.90	261.97	0.00	1.48	263.45
Grand Total (I + II + III)				49.18	0.92	7.22	57.32	737.97	0.00	406.77	1,144.74

^{\$} Includes share application money pending allotment.

[£] Includes investment by respective holding company and others.

[#] Includes investment by financial institutions, Banks and holding company and PSUs etc.

[@] The amount of loan has been received from Chhattisgarh Mineral Development Fund, Mineral Resources Department, GoCG and hence has been considered as GoCG investment

Appendix 6.4

(Referred to in para : 6.4 and 6.6.1)

Statement showing Budgetary Outgo in the form of Equity, Loans, Grants and Subsidy to PSUs (Non-Power Sector) during 2018-19

(₹ in crore)

Sl. No.	Name of the PSU	Period up to which accounts finalized	Paid up capital as per latest accounts finalised	Equity			Loans			Grants [§]			Subsidy		
				GoCG	GoI	Total	GoCG	GoI	Total	GoCG	GoI	Total	GoCG	GoI	Total
A. PSUs who had finalized their accounts for the year 2018-19															
1	Chhattisgarh Police Housing Corporation Limited	2018-19	2.00	-	-	-	-	-	-	41.89	-	41.89	-	-	-
2	Atal Nagar Smart City Corporation Limited	2018-19	0.10	-	-	-	-	-	-	118.00	118.00	236.00	-	-	-
3	Chhattisgarh Mineral Development Corporation Limited	2018-19	1.00	-	-	-	82.65	-	82.65	-	-	-	-	-	-
Total (A)				-	-	-	82.65	-	82.65	159.89	118.00	277.89	-	-	-
B. PSUs whose accounts were in arrears															
4	Chhattisgarh State Civil Supplies Corporation Limited	2017-18	4.43	-	-	-	0.06	-	0.06	-	-	-	2850.23	4441.77	7292.00
5	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	2017-18	0.50	-	-	-	-	-	-	-	3.14	3.14	85.91	-	85.91
6	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	2017-18	5.00	-	-	-	-	-	-	0.40	-	0.40	-	-	-
7	Chhattisgarh Road Development Corporation Limited	2017-18	4.90	-	-	-	-	-	-	646.57	-	646.57	-	-	-
8	Bilaspur Smart City Limited	2017-18	0.10	-	-	-	-	-	-	56.00	56.00	112.00	-	-	-
9	Chhattisgarh State Industrial Development Corporation Limited	2014-15	1.60	-	-	-	-	-	-	46.95	-	46.95	-	-	-
10	Chhattisgarh Infrastructure Development Corporation Limited	2015-16	4.20	-	-	-	-	-	-	10.48	-	10.48	-	-	-
Total (B)				-	-	-	0.06	-	0.06	760.40	59.14	819.54	2936.14	4441.77	7377.91
Total (A+B)				-	-	-	82.71	-	82.71	920.29	177.14	1097.43	2936.14	4441.77	7377.91

[§] The figures include capital as well as revenue (establishment) grant.

Appendix 6.5

(Referred to in para : 6.5)

Statement showing the differences in Equity, Loans and Guarantee between the Finance Accounts of State Government and records of PSUs (Non-Power Sector) as on 31 March 2019

(₹ in crore)

SL. No.	Name of the PSUs	As per records of the State PSUs			As per Finance Accounts of Government of GoCG			Difference		
		Paid-up Capital	Loans outstanding	Guarantee Committed	Paid-up Capital	Loans outstanding	Guarantee Committed	Paid-up Capital	Loans outstanding	Guarantee Committed
PSUs other than Power Company										
1	Chhattisgarh Rajya Van Vikas Nigam Limited	25.73	0.00	0.00	6.55	0.00	0.00	19.18 [€]	0.00	0.00
2	Chhattisgarh State Marketing Corporation Limited	0.0007	339.00	0.00	0.00	174.00	0.00	0.0007	165.00 [£]	0.00
3	Chhattisgarh Railway Corporation Limited	25.50	0.00	0.00	4.00	0.00	0.00	21.50 [¥]	0.00	0.00
4	Chhattisgarh State Industrial Development Corporation Limited	1.60	0.00	0.00	11.10	0.00	0.00	-9.50 ^α	0.00	0.00
5	Chhattisgarh Infrastructure Development Corporation Limited	4.20	0.00	0.00	4.20	1.00	0.00	0.00	-1.00	0.00
6	Chhattisgarh State Civil Supplies Corporation Limited	4.43	0.00	0.00	4.43	0.06	0.00	0.00	-0.06	0.00
7	Chhattisgarh Nishakt Jan VittAvam Vikas Nigam	5.00	0.00	70.31	5.00	0.00	71.31	0.00	0.00	-1.00
8	Chhattisgarh State Information Infrastructure Corporation Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
9	Chhattisgarh Rural Housing Corporation Limited (CRHCL)	0.10	0.00	3427.28	0.00	0.00	3427.28	0.10	0.00	0.00
10	Chhattisgarh Mineral Development Corporation Limited (CMDCL)	1.00	261.97	0.00	1.00	82.65	0.00	0.00	179.32 ^μ	0.00

€ Conversion of loan of ₹ 20.11 crore into equity as per orders of the GoCG's in January 2008 was not accounted for in the Finance Accounts.

£ Loans given by GoCG to CSMCL was shown at ₹ 339.00 crore, whereas it was shown at ₹ 174.00 crore (₹ 200.00 crore less ₹ 26.00 crore repaid by CMSCL on 31 March 2018) in Finance Accounts and the difference of ₹ 165.00 crore was shown as ₹ 95.00 crore under the head "State Excise Duty-Other receipts-Misc. Receipts" given in April 2017 and ₹ 70.00 crore under the head "Material Supply-Other Expenditure" given in March 2017.

¥ The figure includes ₹ 21.50 crore given to CRCL from CMDF. It was shown as equity investment by GoCG in the accounts of CRCL.

α Equity of ₹ 9.50 crore is due to keeping equity of erstwhile MP Financial Development Corporation (which was merged into CSIDC after the bifurcation of the State).

μ The figure pertains to loan amounting to ₹ 179.32 crore given by the GoCG to CMDCL from CMDF and was shown as loan from CMDF in the accounts of CMDC.

Appendix 6.6

(Referred to in Para : 6.9.1.2)

Statement Showing Present Value (PV) of the investment by the State Government in PSUs (Non-Power Sector) and real rate of return thereon during 2016-17 to 2018-19

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state government during the year	Net Interest Free Loan / Defaulted Loan during the year	Interest free loans converted during the year	Capital and Establishment Grant / Subsidy during the year	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	Percentage of return on total investment
A	B	C	D	E	F	G = (C+D-E+F)	H = B + G	I	J = H*(1+I/100)	K = H*I/100	L	M = L*100/H
Upto 2015-16	-	49.18	102.16	20.11 [£]	24.90	156.13	221.97	6.25	235.84	-	-	-
2016-17	235.84	0.00	14.11	0.00	8.22	22.33	258.17	6.62	275.26	17.09	76.47	29.62
2017-18	275.26	0.00	84.16	0.00	5.64	89.80	365.06	6.38	388.35	23.29	86.90	23.80
2018-19	388.35	0.00	82.65	0.00	4.40	87.05	475.40	6.10	504.40	29.00	182.32	38.35
Total		49.18	283.08	20.11	43.16	355.31						

£The figure pertains to budgetary support in the form of conversion of interest free loan of ₹ 20.11 crore into equity of Chhattisgarh Rajya Van Vikas Nigam Limited.

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