

## CHAPTER III

### COMPLIANCE AUDIT

#### Labour Department

#### 3.1 Compliance Audit on Implementation of Welfare Schemes by the Labour Department

##### 3.1.1 Introduction

The Labour Department of the Government of Chhattisgarh (GoCG) is the nodal department to ensure protection of workers from the organised as well as unorganised<sup>1</sup> sectors, and their economic, physical and social interests through enforcement of Labour Acts/Laws made by the Central and State Governments, and implementation of worker welfare schemes.

Under the Unorganised Workers' Social Security Act, 2008 (UWSSA) of Government of India, GoCG constituted (January 2011) the “*Asangathit Karmkar Rajya Samajik Suraksha Mandal*” (CGAKM) under the Labour Department to provide social security to the unorganised workers. In Chhattisgarh, 56 categories of unorganised workers have been notified. The CGAKM is implementing welfare schemes to provide social security to workers of the unorganised sector.

Workers engaged in the various establishments, having 10 or more workers, were categorised as organised sector workers. Chhattisgarh *Shram Kalyan Mandal* (CGSKM) was constituted (February 2001) under the provision of the Chhattisgarh *Shram Kalyan Nidhi Adhiniyam*, 1982 to protect the interest of the workers, and implement various welfare schemes for the sector.

##### 3.1.2 Organisational Setup

The Labour Department, GoCG is headed by the Secretary to GoCG and assisted by the Labour Commissioner, CGAKM and CGSKM. The CGAKM consists of a Chairman appointed by the State Government, Secretary of the Labour Department as *ex-officio* member and 28 nominated members including representative of unorganised workers, employers, State Legislative Assembly, reputed persons of civil society and related department. The CGSKM consists of Chairman, Vice-Chairman, Welfare Commissioner and 19 nominated members including representative of employers, employees and independent members. Detail flow chart of organisational set-up of the Labour Department is given in *Appendix 3.1.1*.

##### 3.1.3 Audit Objective, Scope and Methodology

Audit was conducted covering the period from 2018-19 to 2022-23 to assess the compliance with ACTs/Rules and procedure in implementation of schemes for workers welfare, for achieving the intended benefits.

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<sup>1</sup> An enterprise owned by self-employed workers engaged in the production/ sale of goods/ providing service of any kind, and any enterprise which employs less than ten workers.

Test check of records was carried out in three apex units i.e. Labour Commissioner Office, CGAKM and CGSKM and in 10 district-level units<sup>2</sup>. Out of 10 districts, six districts where both labour offices and welfare centers existed were selected. In addition, four districts were selected based on statistical sampling. 10<sup>3</sup> out of 50<sup>4</sup> welfare schemes implemented by CGAKM and CGSKM were selected for scrutiny (**Appendix 3.1.2**). There were 4.94 lakh beneficiaries who availed the benefit of welfare schemes in the selected districts during 2018-19 to 2022-23. A beneficiary survey of 506 workers was conducted to evaluate the implementation of the selected schemes.

### **3.1.4 Audit Criteria**

The audit criteria were derived from the following sources:

- The Chhattisgarh *Shram Kalyan Nidhi Adhiniyam*, 1982, UWSSA, and Labour Acts of the Government of India and the GoCG.
- Government Notifications and Instructions issued from time to time for implementation of Acts and laws by the Central and State Government.
- Welfare scheme guidelines/orders issued by the Labour Department, GoCG during 2011-18.

### **3.1.5 Financial Management under CGAKM and CGSKM.**

Allotment of funds and expenditure for the welfare schemes in CGAKM and CGSKM revealed that the Labour Department made total budget provision/allotment of ₹ 329.41 crore during 2018-19 to 2022-23 under the Scheme Heads (SH) 7435, 8977, 8989 and 4270. Funds under the scheme head 4270-*Shram kalyan Nidhi* were provided to CGSKM while remaining scheme heads operated for CGAKM. Out of allotted funds, only ₹ 210.75 crore (64 *per cent*) was spent on all the 50 welfare schemes including administrative expenditure (₹ 88.56 crore in 10 selected welfare schemes) and ₹ 118.66 crore (36 *per cent*) remained unspent during 2018-23 as mentioned in **Table 3.1.1**.

**Table 3.1.1: Year wise detail of allotment, expenditure and savings under the budget head for welfare schemes in CGAKM and CGSKM during 2018-23**

(₹ in crore)

Year	Allotment	Expenditure	Savings ( <i>per cent</i> )
2018-19	71.15	36.00	35.15 (49)
2019-20	67.82	33.53	34.29 (51)
2020-21	63.42	40.80	22.62 (36)
2021-22	61.50	42.08	19.42 (32)
2022-23	65.52	58.34	7.18 (11)
<b>Total</b>	<b>329.41</b>	<b>210.75</b>	<b>118.66 (36)</b>

(Source: Information provided by Labour Commissioner Office and CGSKM)

<sup>2</sup> Assistant Labour Commissioner (ALC)/Labour Officer (LO) Bilaspur, Durg, Janjgir-Champa, Kanker, Kondagaon, Korba, Raigarh, Raipur, Rajnandgaon and Surguja

<sup>3</sup> seven from unorganised sector and three from organised sector

<sup>4</sup> 14 under organised sector and 36 under unorganised sector

It can be seen from the above table that allotment of fund declined while, expenditure against allotted funds consistently increased from 2019-20 onwards. Out of the total expenditure of ₹ 210.75 crore, ₹ 11.96 crore was incurred under the scheme head 4270 for CGSKM and remaining expenditure of ₹ 198.79 crore was incurred under CGAKM. Besides, budget allocation CGSKM received funds through contribution from registered workers and establishment and interest income etc.

Audit noticed that in CGSKM, out of available fund of ₹ 44.86 crore, ₹ 21.27 crore (47 per cent) was spent during 2018-19 to 2022-23 Details of receipts/available fund and expenditure is given in **Table 3.1.2**.

**Table 3.1.2: Receipt, Expenditure and Saving of Shram Kalyan Nidhi during 2018-19 to 2022-23**

(₹ in crore)

Year	Opening balance	Receipts during the year	Total available fund	Expenditure	Closing balance
2018-19	3.01	5.60	8.61	4.02	4.59
2019-20	4.59	9.32	13.91	5.27	8.64
2020-21	8.64	8.28	16.92	3.46	13.46
2021-22	13.46	7.00	20.46	2.88	17.58
2022-23	17.58	11.65	29.23	5.64	23.59
<b>Total</b>		<b>41.85</b>		<b>21.27</b>	

(Source: Information provided by CGSKM)

Section 9 of the Chhattisgarh *Shram Kalyan Nidhi Adhiniyam*, 1982 provides that registered establishments have to contribute to welfare fund so that the fund would be utilised for the welfare of workers of the organised sector. Audit noticed that out of 8,777 registered establishments, 1,627 had not made contribution of at least ₹ 2.93 crore<sup>5</sup> to welfare fund during January 2017 to March 2023. The CGSKM had not taken any action for the recovery of these pending contributions.

Out of the total expenditure of ₹ 21.27 crore, only ₹ 9.05 crore (43 per cent) was incurred on various welfare schemes and remaining expenditure was incurred on administration and establishment. During 2018-19 to 2022-23, ₹ 3.74 crore was incurred by CGSKM for advertisement out of which ₹ 76.04 lakh was incurred on advertisement to raise awareness in public for prevention of covid.

The Government stated (May 2025) that in case of CGAKM saving occurred due to Covid-19 during 2020-21 and 2021-22 while in case of CGSKM there was provision of ₹ 50 crore for construction of *Shram Bhawan*, Dormitory, other buildings and implementation of new schemes. However, due to non-availability of land, constructions of these buildings could not started.

Reply of the Government indicates that focus of expenditure was more towards administrative and establishment activities than on welfare schemes.

<sup>5</sup> 1627 (establishments) x ₹ 1500 x 2 (twice in a year) x 6 (years) = ₹ 2.93 crore

### 3.1.6 Registration of workers

#### (i) Unorganised sector:

Section 10 of UWSSA provides that every worker of unorganised sector who has completed 14 years of age shall be eligible for registration in CGAKM. The unorganised workers and establishment/workers of organised sector can apply for registration online via [shramevjayate.cg.gov.in](http://shramevjayate.cg.gov.in) and obtain registration card to avail the benefit of various welfare schemes. Year-wise details of registration of workers in the CGAKM is given in **Table 3.1.3**.

**Table 3.1.3: Status of unorganised Workers' registration in CGAKM**

Year	Number of registered workers	Application for registration received during the year	Registration during the year	Number of applications rejected	Approved from pending application	Cancellation of registration due to death and any other reason	Closing (2) +(4) +(6) - (7)
1	2	3	4	5	6	7	8
2018-19	7,38,542	7,74,040	5,46,530	2,27,510	1,253	221	12,86,104
2019-20	12,86,104	79,420	48,162	31,258	6	304	13,33,968
2020-21	13,33,968	1,75,803	96,499	79,304	10	1,102	14,29,375
2021-22	14,29,375	98,970	69,319	29,651	49	2,311	14,96,432
2022-23	14,96,432	2,44,840	1,66,539	78,301	204	1,099	16,62,076
<b>Total</b>	-	<b>13,73,073</b>	<b>9,27,049</b>	<b>4,46,024</b>	<b>1522</b>	<b>5037</b>	-

(Source: Information provided by CGAKM)

Audit observed that:

- As per the *e-Shram* National portal, 76.33 lakh workers (excluding 6.44 lakh construction workers) were registered in various occupational sectors in Chhattisgarh State as of March 2023. However, number of workers registered under CGAKM as of March 2023 was only 16.62 lakh, and balance 59.71 lakh<sup>6</sup> unorganised sector workers remained out of the targeted beneficiary number for the CGAKM.
- Out of 16.62 lakh unorganised worker registrations, only 9.25 lakh (56 per cent) were linked with Aadhaar numbers whereas 8.97 lakh (54 per cent) registrations were linked with mobile numbers. The Department identified 3.40 lakh cases (May 2024) having multiple registrations with same Aadhaar number, but only 5,013 cases were rectified and remaining 3.35 lakh cases were pending for rectification.

#### (ii) Organised sector:

Chhattisgarh *Shram Kalyan Nidhi Adhiniyam*, 2015 (amended) *inter alia* provides that every establishment<sup>7</sup> shall submit the names of the workers working under it for registration to the CGSKM. Year-wise details of registration of workers in the CGSKM is given in **Table 3.1.4**.

<sup>6</sup> 76.33-16.62 = 59.71

<sup>7</sup> As per Section 2 (5) (i) (ii) of the Chhattisgarh *Shram Kalyan Nidhi Adhiniyam*, 1982, a factory or any establishment which carries on any business or trade or any work in connection with or ancillary thereto, which employs or has employed 10 or more workers in any working day during the preceding months

**Table 3.1.4: Status of registration of Establishments and organised workers in CGSKM**

Year	Opening balance of registered establishments and workers		Registration during the year		Closing balance of registration	
	Establishments	Workers	Establishments	Workers	Establishments	Workers
2018-19	2,393	1,05,863	1,439	23,719	3,832	1,29,582
2019-20	3,832	1,29,582	1,077	17,760	4,909	1,47,342
2020-21	4,909	1,47,342	1,206	23,257	6,115	1,70,599
2021-22	6,115	1,70,599	1,737	23,838	7,852	1,94,437
2022-23	7,852	1,94,437	925	10,292	8,777	2,04,729

(Source: Information provided by CGSKM)

Audit observed that target of 2.50 lakh and 5.50 lakh was fixed for registration of workers for the years 2019-20 and 2021-22 respectively. Accordingly, funds were sanctioned and expenditure of ₹ 3.74 crore was incurred on publicity/advertisement. However, only 2.05 lakh (26 per cent) workers were registered till March 2023.

The Government stated (May 2025) that in case of CGAKM, against 85.81 lakh registered workers under *e-shram* portal of Government of India, registration of 26.62 lakh workers have been done and efforts are being made to register remaining 59.19 lakh (May 2025) workers. In case of CGSKM, efforts are being made to increase the registration of number of establishments and workers of the Organised Sector.

### 3.1.7 Implementation of the Welfare Schemes

For CGAKM, applications were sought from unorganised workers to avail the benefit of the schemes. The workers were required to submit application forms (online through the Labour portal) along with uploading of required documents as per the scheme requirements (e.g. for Maternity Assistance schemes, birth certificate and bank account details). A committee consisting of District Collector, ALC/LO of the concerned districts and Chief Executive Officer (CEO) of Nagar Nigam/Nagar Palika was the sanctioning authority for financial assistance on *e-Rickshaw* and *Mukhyamantri Cycle Assistance Scheme* for entitlement of workers. For other schemes ALC/LO/any other officer (authorised by the Collector) of the district was authorised to sanction applications of workers. Similarly, for CGSKM, applications were sought by employer of establishment through online portal. Welfare Commissioner was the competent authority to scrutinise the applications and sanction for benefit of the welfare schemes.

During the period from 2018-19 to 2022-23, 36 schemes for unorganised sector workers and 14 schemes for organised sector workers were implemented by CGAKM and CGSKM respectively for their benefit. Total number of beneficiaries and expenditure under these schemes are given in **Table 3.1.5**.

**Table 3.1.5: Status of number of beneficiaries benefited and expenditure incurred under various Labour welfare schemes during the period 2018-19 to 2022-23**

Year	CGAKM		CGSKM	
	Number of beneficiaries	Expenditure (₹ in crore)	Number of beneficiaries	Expenditure (₹ in crore)
2018-19	4,46,113	32.67	78,684	2.45
2019-20	2,91,761	7.48	1,26,861	2.25
2020-21	12,557	21.04	93,015	1.13
2021-22	17,362	37.12	1,28,775	0.90
2022-23	20,480	42.75	26,780	2.32
<b>Total</b>	<b>7,88,273</b>	<b>141.06</b>	<b>4,54,115</b>	<b>9.05</b>

(Source: Information provided by CGAKM and CGSKM)

Audit observed that

- a) Number of beneficiaries reduced sharply after 2020, however, scheme expenditure has gone up for the unorganised sector. In comparison, scheme expenditure for the organised sector has remained insignificant, even though the number of registered beneficiaries is higher for the sector from 2020 onwards.
- b) In 10 out of the 50 schemes (**Appendix 3.1.3**) for CGAKM and CGSKM put together, no expenditure was incurred during the period 2018-19 to 2022-23 despite budget provision as detailed below:

CGAKM– (i) Assistance for Smart Vending Cart (Readymade Kitchen) (ii) E-Thela Sahayta Yojna (iii) OPD treatment to Safai Karmkar (iv) OPD treatment to Contract Labourer and Hamal worker (v) Mukhya Mantri Cycle Rickshaw;

CGSKM – (i) Free Baishakhi/Calipers/Hearing Aid distribution (ii) Free Cycle Distribution (iii) Health and Eye Test Camp and Free Spectacles Distribution (iv) Accidental Death Assistance to Workers (v) Sports Competitions for workers.

Thus, the workers of both organised and unorganised sectors were deprived of the benefit of the above welfare schemes even after availability of funds.

- c) In 17 schemes, average financial benefit to each worker was less than ₹ 1,000 (**Appendix 3.1.4**). Audit further noticed that expenditure on welfare schemes such as marriage assistance, distribution of sewing machine, cycles, tools and equipment etc. was not incurred consistently throughout the audit period and benefits were granted in specific years. In overall, CGAKM and CGSKM incurred expenditure of ₹ 150.11 crore and only 12.42 lakh workers were benefitted during 2018-19 to 2022-23, indicating shortfall in coverage of registered workers under various welfare schemes and under-utilisation of available funds there by CGAKM and CGSKM for the welfare of workers.

- d) For two schemes i.e. financial assistance to *e-Rickshaw* and CM Cycle Assistance Scheme, provision of constituting a committee is laid down in the scheme guideline for scrutiny of applications and extends benefit to workers. However, the said mechanism was not prescribed in other schemes. This reflects that there was no uniform mechanism for selecting beneficiaries and lacks consistent approach.

The Government stated (May 2025) that out of 10 welfare schemes, five welfare schemes have been closed due to non-receipt of applications/insufficient applications during 2018-19 to 2022-23. In remaining welfare schemes, efforts are being made to increase the number of beneficiaries.

Reply is not acceptable as 6,773 applications were received in five schemes (101 applications in four schemes under CGAKM and 6,672 in one scheme under CGSKM) but no benefit was provided to the workers.

### 3.1.7.1 **CM Cycle Assistance and Newspaper Distributor (Hawker) Cycle Schemes by CGAKM**

During 2018-19 to 2022-23 six schemes<sup>8</sup> relating to free cycle assistance were implemented by CGAKM for registered workers. Audit test checked two cycle schemes of CGAKM i.e. CM Cycle Assistance and Newspaper Distributor (Hawker) Cycle Scheme. Under these schemes, a cycle would be provided to women workers (age 18-40 years) and Hawkers registered in CGAKM. Audit noticed the following irregularities:

#### (i) **Less coverage of beneficiaries**

There were 6.51 lakh women workers and 1,624 Hawkers registered under CGAKM. During 2018-19 to 2022-23 against 1.50 lakh applications received, 0.35 lakh (23 *per cent*) workers were benefitted while 0.76 lakh (51 *per cent*) applications were pending for processing by the District Labour Offices and 0.39 lakh applications were rejected. All the cycles were distributed during the year 2018-19 and no cycles were distributed to workers during 2019-20 to 2022-23.

- Scrutiny of records in District Labour Office, Raipur revealed that 18,200 cycles (4,200 for CGAKM and 14,000 for BOCW) supplied to the Raipur district for distribution to workers who had applied for cycle schemes. CGAKM made payment of ₹ 1.55 crore (March 2020) to the firm for 4,200 cycles (100 male + 4,100 female) and balance payment for 14,000 cycles were made by BOCW Board (February 2020). Out of 18,200 cycles received, 17,505 cycles were distributed to the beneficiaries and the remaining 695 cycles were not distributed to the beneficiaries and were lying idle for the last six years at Government Higher Secondary School, Kolar, Block-Abhanpur, *Krishi Upaj Mandi Samiti*, Block-Abhanpur, ITI College Mana, Gobra-Navapara and Arang. Photograph of damaged cycles were taken during the joint physical verification of the site is given below:

<sup>8</sup> (i) CM Cycle Assistance Scheme (ii) Hawker Cycle Assistance Scheme (iii) Cycle and Torch Assistance for *Kotwar* (iv) Cycle Scheme for *Raut Charwaha, Milkmen* (v) Cycle Assistance for son/daughter of *Safai Karmkar* (vi) Cycle *Chhatri, Chappal/Juta Scheme for Gharelu Kamgaar*.





**Damaged cycles kept at Government Higher Secondary, Kolar (Block- Abhanpur),  
Date: 26.06.2024**

It was also noticed that the Labour Inspector, office of the ALC, Raipur had reported (May 2022) that cycles were not in condition to use i.e. rusted and damaged. Due to non-distribution of cycles in time, not only there was wasteful expenditure of ₹ 25.76 lakh (₹ 3,707 x 695) but also the workers were deprived of the benefit of the schemes.

The Government stated (May 2025) that Ministry of Labour and Employment, Government of India issued instructions to BOCW board that materials shall not be issued to the workers. However, due to some confusion, distribution of cycles to the workers of unorganised sector was held up. As regards wasteful expenditure of ₹ 25.76 lakh, Government further stated that necessary steps will be taken after physical evaluation of remaining cycles.

Reply confirms that Department did not distribute cycles to the workers registered under CGAKM. Further, due to non-distribution and consequent damage in 695 cycles expenditure of ₹ 25.76 lakh incurred on purchase of cycle rendered wasteful.

### **3.1.7.2 Deficiencies in implementation of other schemes**

Audit observations on other schemes of CGAKM such as *e-Rickshaw* Assistance Scheme, provision for necessary equipment i.e. Gloves, Mask, Gumboot etc. to *Safai Karmakar*, Skill Development to *Safai Karmakar* and under CGSKM, Educational Scholarship Scheme, Administrative expenditure on Operation of Welfare Centre and Free Tailoring Training Scheme and *Shaheed Veer Narayan Singh Shram Anna Yojna* are given below:-

- ***e-Rickshaw* Assistance Scheme (For unorganised worker):-** As per the *e-Rickshaw* Scheme, financial assistance of ₹ 50,000 was to be provided by CGAKM to the applicant/worker aged 18-50 years on his application after his contribution of ₹ 10,000 and sanctioning of the remaining amount of loan from bank. It was observed that 1,053 workers were provided financial assistance for the purchase of *e-Rickshaw* in the State during 2018-19 to 2022-23 and in Durg district, financial assistance for the purchase of *e-Rickshaw* had not been given to any beneficiaries during 2020-21 to 2022-23 even though 39 applications were received. Further, nine beneficiaries of four districts<sup>9</sup>

<sup>9</sup> Rajnandgaon (1), Korba (4), Surguja (2) and Raigarh (2)



had got financial assistance for *e-Rickshaw* after the lapse of one year from their applications submitted to the Labour Department whereas 13 beneficiaries in eight districts<sup>10</sup> had got financial assistance in six months to 12 months of submission of their applications.

The Government stated (May 2025) that out of 39 applications received during 2020-21, financial assistance for *e-Rickshaw* have been given to 11 beneficiaries whereas in 06 cases duplicate applications were received and in 22 cases applications were rejected due to improper documentation.

The Government did not address the issue of delay in providing financial assistance to 11 beneficiaries in Durg district and 22 beneficiaries in other selected districts.

- **Grant of Necessary Equipment for *Safai Karmkar* (for unorganised worker):** -Assistance of ₹ 1,000 for purchase of Gumboot, Gloves, Masks and Apron was to be given every year to *Safai Karmkars* aged 18-60 years registered under the CGAKM. It was observed that 11,042 applications were received, out of which 6,327 workers were provided benefits of the scheme after incurring expenditure of ₹ 34.35 lakh during 2018-19 to 2022-23. Out of 11,042 applications received, 3,230 applications (29 *per cent*) were pending. Beneficiary survey of 56 workers revealed that workers were provided the benefit of the scheme for only one year instead of every year as provided in the guidelines of the scheme. Further, in three districts, i.e. Kondagaon, Janjgir-Champa and Raigarh beneficiary survey revealed that 11 workers were included in the list of beneficiaries but none of them had got necessary equipment as provided in the guidelines.

The Government stated (May 2025) that notification would be issued as per the new guidelines and equipment will be issued every year on the basis of initial application and verifying the availability of respective *Safai Karmkars* every year.

- **Skill Development to *Safai Karmkar* :-**Scheme provides that training on some selected small business would be imparted to registered workers/family members (husband, wife, son and daughter) of workers (above 18 years age) from time to time with the help of Chhattisgarh State Skill Development Authority. There were 32,623 *Safai Karmkar* registered under CGAKM (during 2018-23). It was observed that 741 applications were received in the state, out of which 440 workers were given skill development training during 2018-19 to 2022-23 but no records on their subsequent employment in any organisation were maintained by CGAKM. Further, it was observed that in test-checked districts no workers were selected for training even after receiving 188 applications under the scheme during last five years.

The Government stated (May 2025) that instruction for maintenance of records of such employment would be issued in case of Skill development to *Safai Karmkar*.

<sup>10</sup> Rajnandgaon (1), Durg (1), Korba (1), Kondagaon (1), Kanker (2), Janjgir-Champa (4), Raigarh (1) and Bilaspur (2)

- **Educational Scholarship Scheme (for organised worker):-**The scheme provides that Son/Daughter (up to two sons/daughters) of registered workers of establishment registered under CGSKM were eligible to get the benefit of ₹ 1,500 to ₹ 10,000 as scholarship (from class one to post-graduation). It was observed that out of 11,254 applications received, only 8,779 (78 per cent) workers were benefitted under the scheme after incurring expenditure of ₹ 3.12 crore during 2018-19 to 2022-23. Out of the remaining 2,497 applications, 2,475 were rejected and 22 were pending. In three test-checked districts (Surguja, Kondagaon and Kanker) although there were 4,859 workers in 168 number of establishments, no application was received from the workers. This indicates lack of awareness for the welfare scheme of educational scholarship in these districts.

The Government stated (May 2025) that in Educational Scholarship Scheme, efforts would be made through posters, display boards etc., in establishments for publicity of this scheme so that workers will be aware to avail the benefit of the schemes.

Reply is not acceptable as CGSKM incurred expenditure of ₹ 3.74 crore on advertisement during the same period indicating ineffectiveness in reaching out the workers through traditional mode of advertisement such as hoarding, posters etc. The CGSKM should take initiative to raise awareness among the workers for welfare schemes in innovative way.

- **Administrative expenditure on Operation of Welfare Centres and Free Tailoring Training Scheme (for organised worker):-**Family members (wife and daughter) of worker of the establishment registered under CGSKM are entitled to get the benefit of free tailoring training at Welfare Centres, and after qualifying the required examination of tailoring/embroidery conducted by CGSKM, sewing machine would be provided to them. Scrutiny revealed that 2,572 beneficiaries were given sewing training during 2018-23. Out of these 2,572 beneficiaries, 1,702 beneficiaries were entitled to availing sewing machines. These eligible beneficiaries were to be provided sewing machine during 2018-23 but they were provided benefit through DBT during the year 2023-24. Thus, there was delay in providing benefit of the scheme ranging from one to five years.

The Government remained silent for delay in providing benefit of the scheme to the beneficiaries.

- **Shaheed Veer Narayan Singh Shram Anna Yojna (for organised worker):-**Workers of registered establishments were eligible for nutritional food (Rice, Dal, Sabji and Achar) at a price of ₹ 5 per meal at specified centres. *Shaheed Veer Narayan Singh Shram Anna Yojna* was implemented in only five districts (Bilaspur, Raipur, Rajnandgaon, Durg and Raigarh) through distribution of food at Seven to eight centres in 2018-19. During 2019-20 to 2022-23, this scheme was operated in four districts (Raipur, Rajnandgaon, Durg and Raigarh). Food was not distributed during entire year in two centres i.e. Magneto Mall (Raipur) and Brihaspati Bazar (Bilaspur) and for six months in one centre of Chhavni (Durg) during 2018-19. Further, food was not distributed in Nava Raipur for 11 months during 2021-22.

The Government stated (May 2025) that in case of *Shaheed Veer Narayan Singh Shram Anna Yojna* in Brihaspati Bazar (Bilaspur) and Chhavni (Durg), workers from unorganised sector have benefitted whereas in Magneto Mall (Raipur), unregistered persons had availed the benefit, hence it was closed for some time. At present, in Nava Raipur, food centre is not operated by the engaged contractor/vendor.

Reply indicates inadequate monitoring of distribution of food in the centres i.e. Brihaspati Bazar (Bilaspur) and Chhavni (Durg) and in Magneto Mall (Raipur). Further, as per the agreement, contractor/vendor had to operate all food centres.

### 3.1.8 Non-adherence to Lok Seva Guarantee Act, 2011

Under *Lok Seva Guarantee Act, 2011* in three schemes i.e. Maternity Assistance related to women *Theka/Hamal/Gharelu Kamgaar shramik, Safai Karmkar* and other unorganised workers time limit for disposal of cases (30 working days after the date of application received) was provided. Audit scrutinised current records in selected districts offices related to scheme benefits under CGAKM which comes under the *Lok Seva Guarantee Act, 2011* and noticed that 2,837 applications of above three maternity schemes were pending beyond the time limit of 30 days from the date of application. The details are given in **Table 3.1.6**.

**Table 3.1.6: Details of Schemes in which Lok Seva Guarantee Act, 2011 was not followed**

Name of the Scheme	District	Delay Status obtained up to (Considering 20 working days in a month)	Delay ranges from date of application	No. of Applications were pending (delay beyond 30 days)
<i>Theka Shramik Gharelu Mahila Kamgaar and Hamal Shramik Prasuti Sahayta Yojna</i>	Kondagaon	31 December 2023	50 days to 55 days	02 (20 days to 25 days)
	Kanker	31 December 2023	40 days to 75 days	12 (10 days to 45 days)
	Raipur	31 May 2024	40 days to 246 days	123 (10 days to 216 days)
<i>Asangathit Karmkar Prasuti Sahayta Yojna</i>	Kondagaon	31 December 2023	40 days to 95 days	45 (10 days to 65 days)
	Kanker	31 December 2023	40 days to 84 days	25 (10 days to 54 days)
	Raipur	31 May 2024	40 days to 242 days	90 (10 days to 212 days)
	Janjgir-Champa	31 December 2023	Up to 60 and beyond 60 days	2535 (more than 60 days)
<i>Safai Karmkar Prasuti Sahayta Yojna</i>	Raipur	31 May 2024	40 days to 98 days	05 (10 days to 68 days)
<b>Total</b>				<b>2837 cases</b>

(Source: Information provided by selected district offices)

From the above, it is evident that the delay ranged from 10 days to 216 days after the time limit of 30 working days. Thus, the *Lok Seva* Guarantee Act was not adhered to properly by the Department in these schemes.

On this being pointed out, ALCs/LOs of concerned districts replied that delay in the disposal of applications was due to the Vidhan Sabha election and staffs were involved in election duty.

Reply indicates that provision of *Lok Seva* Guarantee Act was not adhered to.

### **3.1.9 Insufficient number of meetings conducted by CGAKM and CGSKM**

Records of CGAKM and CGSKM revealed that, during 2018-23, the meeting of CGAKM was conducted only once (February 2023) against the required 15 meetings and the meeting of CGSKM was conducted seven times against the required 20 meetings provided in the Unorganised Workers Social Security Rules, 2010 and the Chhattisgarh *Shram Kalyan Nidhi Niyam*, 1984 respectively.

Further, the decisions taken in meetings of CGSKM for organising free health/eye examination camp, expansion of free sewing and embroidery training centres etc. were not implemented. Due to which, workers were deprived of the benefit of the welfare programs.

The Government stated (May 2025) that desired numbers of meetings were not conducted due to non-availability of nomination of members since 2018-19 to November 2022. However, nomination was made in December 2022 but due to incomplete quorum meetings were not held.

Reply confirms that meetings were not conducted due to delayed nomination of member and incomplete quorum indicating inadequate governance by CGAKM and CGSKM.

### **3.1.10 Shortage of Manpower in State**

For the smooth implementation of various schemes and Acts under the Labour Department, the state Government has sanctioned the posts of officers and employees in Labour Offices. Details of sanctioned, working and vacant posts of staff in the Labour Department are given in the **Table 3.1.7**.

**Table 3.1.7: Details of sanctioned, working and vacant posts (as of March 2023)**

Category	State		
	Sanctioned posts	Men in position	Vacant posts (per cent)
Assistant Labour Commissioner/Labour Officer/Assistant Labour Officer	53	34	19 (36)
Labour Inspector/Labour Sub Inspector	150	113	37 (25)
Assistant Grade-3	103	21	82 (80)
Data Entry Operator	27	15	12 (44)
Peon and Choukidar including outsourced.	110	28	82(75)

(Source: Information provided by Labour Commissioner office)

It was observed that 80 *per cent* of post in case of Assistant Grade-3, 44 *per cent* in case of Data Entry Operator, 36 *per cent* of ALC/LO and 25 *per cent* of post in case of Labour Inspector/Labour Sub Inspector were vacant, which resulted in shortcomings in implementation of schemes, delay in pursuing pending cases in Labour Court, improper maintenance of records and non-adherence to the *Lok Seva* Guarantee Act, 2011 etc. as mentioned in previous paragraphs.

The Government stated (May 2025) that Steps are being taken for new appointment and promotion of staff in due time.

### **3.1.11 Conclusion**

The Labour Department is the nodal department of GoCG to protect the workers' economic, physical and social interests through enforcement of Labour Acts and Laws made by the Central and State Governments, and implementation of welfare schemes for them.

We noted that the GoCG did not ensure expenditure on schemes commensurate with the allotments, and number of registered workers. Registration of workers of the unorganized sector was far below the number of registration under the *e-Shram* portal of GoI, while in the Organised Sector registration was only 26 *per cent*. Monitoring/evaluation of welfare schemes by CGAKM/CGSKM was insufficient due to lack regular and periodic meetings of the monitoring agencies.

### **3.1.12 Recommendations**

*The Government may ensure:*

- *Better utilisation of the funds allotted for the benefit of workers.*
- *Fixing the responsibility on erring officials who failed in distribution of purchased cycle and other equipment/protective gears/materials etc.*
- *Specific measures to register remaining and eligible workers on IT labour portal and to effectively conduct IEC activities to educate and create awareness among workers about various government welfare schemes and procedure to take advantages of these schemes.*
- *A robust IT sub-module in existing labour portal may be made for user friendly registration and disbursal of benefits for better implementation, transparency and monitoring.*

## Energy Department

### 3.2 Long Paragraph on Installation of Solar Pumps by Chhattisgarh Renewable Energy Development Agency

#### 3.2.1 Introduction

The Chhattisgarh Renewable Energy Development Agency (CREDA) has been constituted (May 2001) under Society Act, 1973 by the Government of Chhattisgarh (GoCG) as a nodal agency for development and promotion of renewable energy in the State. The main objective of the CREDA is to promote the utilization of renewable energy resources like solar, wind, hydro, biomass, biogas and geothermal which are either limitless or abundantly available in nature to produce energy for domestic and industrial purposes and at the same time reduce the dependence on the limited conventional sources of energy like coal, fossil fuels, petroleum etc. CREDA functions as an agency for installing solar pumps based on Solar Photo Voltaic (SPV) devices in different sources of water such as tubewells, wells, rivers, ponds etc. to provide individual/community minor irrigation under *Saur Sujla Yojna* (SSY) and supply drinking water from spot source under *Solar Dual Pumps* (SDPs) and through pipeline under *Jal Jeevan Mission* (JJM). Under the SDP/JJM scheme, the CREDA installs solar pump sets and elevated storage tanks as deposit works.

During the period 2017-23, CREDA had installed 1,26,908 solar pumps with expenditure of ₹ 4,495.24 crore for providing minor irrigation and supply of drinking water under the three schemes. The details of number of solar pumps installed by CREDA under different schemes along with expenditure incurred during 2017-23 is shown in the following *Table 3.2.1*.

**Table 3.2.1: Details of solar pumps installed by CREDA under different schemes during 2017-23**

(₹ in crore)

Sl.	Name of Schemes	No. of solar pump installed	Expenditure
1	<i>Minor Irrigation-</i>		
	(i) Individual Saur Sujla Yojna (SSY)	1,12,392	3,404.09
	(ii) Solar Community Irrigation (SCI)	171	60.61
2	<i>Supply of Drinking Water-</i>		
	(iii) Solar Dual Pumps (SDPs)	9,594	482.54
	(iv) Jal Jeevan Mission (JJM)	4,751	548.00
	<b>Total</b>	<b>1,26,908</b>	<b>4,495.24</b>

(Source: Physical/financial progress intimated by the CREDA for year 2017-23).

Audit test checked (between April 2021 and September 2023) records maintained by the CREDA, its Regional Offices and offices functioning at district level covering the period from 2017-18 to 2022-23 with the objective to assess whether the installation of solar pumps was done in an economical, efficient and timely manner. Audit also conducted field survey of beneficiaries



(farmers) who has received solar pumps under the SSY. Out of 28 districts in the State, eight districts<sup>11</sup> and from each of the selected district, two Blocks (or 25 per cent) and in each selected block, 15 solar pumps were selected for field survey through Stratified Random Sampling Without Replacement method.

Audit findings were benchmarked against the criteria sourced from the Scheme guidelines, circulars, and instructions issued by the Ministry of New and Renewable Energy (MNRE), Government of India (GoI), GoCG, Energy Department/Finance Department and Works Manual of the CREDA.

Being a registered society, CREDA executes work from the deposits made available by various Departments/Authorities/Bodies.

During 2017-23, CREDA had received funds of ₹ 5,147.66 crore under SSY/SCI from Energy Department and, SDPs/ JJM from Public Health Engineering Department and other districts authorities. Out of the available funds of ₹ 5,195.63 crore (including opening balance of ₹ 47.97 crore for year 2017-18), fund totaling ₹ 4,495.24 crore (86.52 per cent) was utilised for installation of solar pumps under various schemes and ₹ 700.40 crore was lying as closing balance at the end of March 2023, as enumerated in **Table 3.2.2**.

**Table 3.2.2: Status of fund flow for installation of solar pumps during 2017-23**

(₹ in crore)

Year	Opening Balance	Receipts	Total	Expenditure (per cent)	Closing Balance (per cent)
2017-18	47.97	901.5	949.47	891.69 (93.91)	57.78 (6.09)
2018-19	57.78	677.05	734.83	621.25 (84.54)	113.59 (15.46)
2019-20	113.59	496.19	609.78	559.70 (91.79)	50.08 (8.21)
2020-21	50.08	988.64	1038.72	651.10 (62.68)	387.62 (37.32)
2021-22	387.62	790.90	1178.52	941.11 (79.86)	237.41 (20.14)
2022-23	237.41	1293.38	1530.79	830.39 (54.25)	700.40 (45.75)
<b>Total</b>		<b>5147.66</b>	<b>6042.11</b>	<b>4495.24 (86.52)</b>	

(Source: Financial progress intimated by the CREDA for year 2017-23)

The closing balance increased from ₹ 50.08 crore at the end of year 2019-20 to ₹ 700.40 crore at the end of year 2022-23 and the percentage of expenditure from available fund shows fluctuating trend from 93.91 per cent to 54.25 per cent during 2017-23 indicating under utilisation of available funds.

The District Water and Sanitation Committees (DWSCs) had deposited funds for installation of solar pumps under Jal Jeevan Mission at the fag end of financial year 2022-23 and unspent fund of these deposits reflected as more closing balance.

<sup>11</sup> Balodabazar, Balrampur, Gariyaband, Jashpur, Kanker, Kondagaon Narayanpur and Rajnandgaon

### 3.2.2 Audit findings

#### 3.2.2.1 Preference to costlier DC solar pump over AC pumps for installation under SSY scheme

The SSY scheme aims to provide minor irrigation facility particularly in unapproachable areas devoid of electricity through installation of solar pumps. As per the scheme guidelines for the year 2016-17, 2017-18 and 2018-19, only AC solar pumps were to be installed under the category of three to five HP capacity while option of DC solar pumps was available for the category of one to two HP capacity. However, in revised guidelines for the year 2019-20 the option of AC and DC solar pumps was extended to all category i.e. two to five HP of pumps.

During the period 2016-23, CREDA invited open tenders for supply and installation of two to five HP AC and DC submersible and surface solar pumps. The lowest accepted rates of submersible and surface solar pumps ranged between ₹ 1,38,585 and ₹ 4,50,000 per pump set for AC pump sets while for DC solar pump sets these rates ranged between ₹ 1,86,219 and ₹ 4,90,500. Thus, the accepted rates of DC solar pumps were ₹ 40,500 to ₹ 47,634 more than the accepted rates of AC solar pumps.

Audit observed (between April 2021 and September 2023) that under SSY CREDA had installed 1,24,472 solar pump sets comprising 88,806 DC (71.35 per cent) and 35,666 AC (28.65 per cent) pump sets during the period 2016-23. Out of which, during 2016-17 to 2018-19, 24,427 DC solar pumps of three to five HP were installed instead of AC pumps in contravention to the scheme guidelines. As a result an extra cost of ₹ 49.39 crore incurred on the scheme due to preference to DC pumps over AC pumps shown in **Table 3.2.3**.

**Table 3.2.3: Details of DC solar pumps installed with different capacity from 2016-19**

(₹ in lakh)

Sl. No	Type and Capacity of the solar pumps	Phase-I (2016-17)			Phase-II (2017-18)			Phase-III (2018-19)		
		No. of DC pumps	Rates (DC/AC)	Difference	No. of DC Pumps	Rates (DC/AC)	Difference	No. of DC Pumps	Rates (DC/AC)	Difference
1	3 HP Surface	631	3.60/3.36	0.24	3011	2.99/2.82	0.17	573	2.09/2.10	0.00
2	3 HP Submersible	2107	3.72/3.48	0.24	5945	3.18/3.02	0.16	6910	2.48/2.25	0.23
3	5 HP Submersible	728	4.91/4.50	0.41	1929	4.19/3.94	0.25	1820	3.15/2.89	0.26
4	5 HP Surface	0	0	0	229	4.33/3.98	0.35	544	3.33/3.11	0.22
	Total	3466	Extra cost ₹ 955.60		11114	Extra cost ₹ 1927.41		9847	Extra cost ₹ 2056.02	
Total no. of solar pumps installed in year 2016-19					24427	Gross extra cost ₹ 4939.03 lakh				

(Source: - Financial progress intimated by the CREDA for year 2016-23)

It is evident from the above table that costlier DC pumps of three to five HP were installed while the guidelines prescribed for installation of AC pumps during the period from 2016-17 to 2018-19. This resulted in extra expenditure of ₹ 49.39 crore.

On being pointed out, the Government replied (January 2024) that as per Indicative Technical Specification of the MNRE water discharge capacity of the DC solar pumps is more in comparison of AC solar pump. There is no other use of DC solar pumps hence the possibility of theft cases is low.

Reply is not in consonance with the scheme guidelines prescribed for installation of AC Pumps under three to five HP category.

### **3.2.2.2 Payment to SIs for installation of solar pumps without conducting yield test of tube well under SSY**

As per the scope of contract, the work of installation of solar pumps shall also include survey of sites, estimation of yield of bore well/water source, right selection of size and type of pumps, submission of site clearance certificate and yield report where the Solar Photo Voltaic (SPV) pumps are to be installed. The sanction order, work order and letter of intent issued by the CREDA for installation of solar pumps under SSY stipulate the responsibility of System Integrators (SIs)<sup>12</sup> to check the yield of bore well before the installation of solar pumps. Further, it was directed that the work orders will be cancelled with immediate effect in case the water is not found sufficient with respect to the sanctioned capacity of pump. Moreover, as per orders (June 2019) of CREDA minimum five geo-tagged photographs were to be submitted with the Joint Completion Certificate of every project executed by CREDA. This included photographs before and after completion of work, photographs of different components and one photograph of the established plant with beneficiary.

Scrutiny of the records revealed (between April 2021 and September 2023) that during the period 2016-23, CREDA had installed 1,24,472 solar pumps (90,130 submersible pumps in tube wells and 34,342 pumps on surface water sources like river, ponds etc.) under SSY scheme. However, the necessary yield tests were not carried out before installing solar submersible pumps as no reports of yield test or other record of execution of yield test was found and provided to Audit. During field survey (April 2022 to December 2022) in eight selected districts, 236 solar pumps (3HP-188 and 5HP-48) were physically inspected, and interaction was made with the beneficiaries. Out of these, 15 solar pumps (six *per cent*) were found yielding low water and 13 solar pumps were not working/collapsed.

The beneficiaries had also confirmed that the SIs did not perform the yield tests before installation of solar pumps. CREDA however, released entire payment to SIs as per the rate contract. In the absence of break-up of component wise cost in rate contract, audit has adopted the rate of yield test component prescribed in Schedule of Rates (SoR) effective from February 2015 and June 2020 in the Public Health Engineering Department (PHED) to calculate payment of ₹ 4.66 crore<sup>13</sup> made to the SIs for yield test. This resulted in

<sup>12</sup> System Integrator is a Contractor/Agency registered with CREDA/MNRE to execute installation of solar pumps along with allied work.

<sup>13</sup> 56301 nos x ₹ 415 per hour + 34083 nos x ₹ 688 per hour = ₹ 2.32 crore + ₹ 2.34 crore

extension of undue benefit to contractors of ₹ 4.66 crore as payment was made without ensuring execution of an item of work by CREDA.

On being pointed out, the Government stated (January 2024) that due to remote and un-electrified region all the SIs/Vendor examine water source by general method of static level and total depth of water before installation of solar pump and the same information was provided in Form- 2 of the application based on which work orders were issued by Regional offices. It was further stated that instructions will be issued for mandatory execution of yield test and geo-tagged photograph before installation of solar pump. It was further stated that in compliance to audit observations, provisions for conducting yield test and geo-tagged photographs has been adopted in tender documents.

Reply is self-explanatory that yield test was not conducted before installation of solar submersible pump and capacity (3HP/5HP) of solar pump was determined on the basis of static level and total depth of tube well instead of testing of water yield in tube wells.

### **3.2.2.3      *Avoidable extra cost due to installation of submersible solar pumps in well instead of surface pumps***

Under the SSY scheme guidelines (May 2017), farmers with less than one-hectare land are eligible for solar pumps on the basis of availability of water in their shallow tube well or own other source. SSY guidelines envisage that as per availability of water in sources like Tube Well/Well/Tank/River/Anicut, submersible/surface solar pump of 2HP to 5HP shall be installed.

Scrutiny of records revealed (between April 2021 and September 2023) that during 2016-23 CREDA had installed 1,24,472 solar pumps (Submersible-90,130 and surface-34,342) under SSY. Out of which 5,297 submersible solar pumps (4865-3 HP and 432-5 HP) were installed in wells as given in **Table 3.2.4.**

**Table 3.2.4: Regional Office wise installation of solar pumps in wells**

Name of Regional Offices	Three HP solar pumps		Five HP solar pumps	
	Submersible	Surface	Submersible	Surface
Bilaspur <sup>14</sup>	99	346	25	11
Durg	409	466	66	137
Jagdalpur	386	1096	9	125
Dantewara	624	95	14	35
Raigarh	81	327	14	65
Raipur	524	495	88	69
Surguja	2742	2306	216	152
<b>Total</b>	<b>4865</b>	<b>5131</b>	<b>432</b>	<b>594</b>

<sup>14</sup> Data relating to district Gourell-Pendra-Marwahi, Mungeli, Korba

Generally submersible pumps are used for deep wells while surface pumps are for shallow water sources. It can be seen from the above table that submersible were installed across the regions irrespective of depth of water table. Audit noticed that the general water level depth ranged between 0-2 meter below ground level (mbgl) in 13 *per cent* of wells, 2-5 mbgl in 46 *per cent* of wells and up to 10 mbgl in 37 *per cent* of wells in Chhattisgarh as per the ground water Report 2021-22 of Chhattisgarh. Deeper water level ranging between 20 to 40 mbgl occur only in parts of Bilaspur and Kabirdham. However, it can be seen from above table that in Bilaspur region which has deeper well than rest of Chhattisgarh more surface pumps had been installed than submersible pumps while in Surguja and Raipur more submersible pumps had been installed. This indicates that surface pumps that are more economical in cost could have been installed instead of submersible pumps under the scheme. Audit further noticed that as per the lowest rates accepted by CREDA during 2016-23 there was an average rate difference of ₹ 28,697 and ₹ 95,551 between submersible and surface solar pumps of 3HP and 5HP respectively, as detailed in **Table 3.2.5**.

**Table 3.2.5: Rate difference between surface and submersible solar pump**

(Amount in ₹)

Year of average Rate of solar Pumps in Rate Contract	3 HP solar pumps			5 HP solar pumps		
	Average rate of Submersible pumps	Average rate of surface pumps	Difference in average rate	Average rate of Submersible pumps	Average rate of Surface pumps	Difference in average rate
2016-17 to 2022-23	2,88,337	2,59,640	28,697	4,38,805	3,43,254	95,551

(Source:-During 2016-17 to 2022-23 lowest rates accepted for installation of solar pumps under SSY by the CREDA).

Thus, installation of 2,746 (2,474 nos. of three HP and 272 nos. of five HP) solar submersible pumps instead of surface pumps in 14<sup>15</sup> districts resulted in extra avoidable cost of ₹ 9.70 crore<sup>16</sup>.

On being pointed out the Government replied (January 2024) that suction head of surface pump is low and submersible pumps were installed in few wells where depth was more. It was further stated that in compliance to audit observation, installation of submersible solar pumps are not being done now.

Reply is not acceptable because as per MNRE specification surface pump available with suction head capacity of 20 to 30 meter and as per the Ground water report of GoI the maximum depth of well was within 25 mbgl.

#### **3.2.2.4 Undue benefit to SIs due to non-deduction of labour cess of ₹ 12.47 crore**

The GoI notified “The Building and Other Construction Worker’s Welfare Cess Act, 1996” with a view to augment the resources for the welfare of the workers engaged in building and other construction works. As per Section 3(1) of the

<sup>15</sup> Bastar, Dhamtari, Durg, Jangir-Champa, Jashpur, Kabirdham, Kanker, Korba, Koriya, Mahasamund, Raigarh, Raipur, Rajnandgaon and Surguja available in ground water report of 2021-22.

<sup>16</sup> ₹ 7.10 crore (2,474 nos of three HP at the rate ₹ 28,697) + ₹ 2.60 crore (272 nos of five HP at the rate ₹ 95,551)

Act, cess is to be levied and collected at the rate of one *per cent* on the cost of construction as “deduction at source” in relation to construction works of Government or public sector undertakings. CREDA is the nodal agency for the implementation of various State schemes viz. SSY for individual minor irrigation, Solar Community Irrigation (SCI), Solar Dual Pump (SDP) and JJM for supply of drinking water in Chhattisgarh. CREDA followed rate contracts with the SIs for installation of solar pumps under SSY/SCI/SDP/JJM schemes during 2016-17 to 2022-23 which contains supply, installation and civil works. The condition of rate contracts also contains conditions for deduction of labour cess on civil works from the bills of the SIs during release of payments.

During 2016-17 to 2022-23, CREDA had installed 1,39,643 solar pumps under SSY/SCI for minor irrigation and SDP/JJM for supply of drinking water and payment aggregating to ₹ 5,006.57 crore made to SIs as per accepted costs. Thus, during this period labour cess (one *per cent* of cost) was to be affected to the extent of ₹ 50.06 crore.

Scrutiny of records revealed (between April 2021 and September 2023) that during 2016-21, CREDA had not deducted labour cess from the payment of ₹ 3,235.07 crore released to SIs for installation of solar pumps which was violation of codal provisions. However, CREDA had started deduction of labour cess on installation of solar pumps since year 2021-22. It was further noticed that during 2021-23, CREDA had deducted labour cess on 30 *per cent* cost i.e. installation of solar pumps.

However, CREDA had not deducted the labour cess from the payment made to SIs during the period 2016-17 to 2020-21. This had resulted in undue benefit to the SIs by non-deduction of labour cess to the extent of ₹ 12.47 crore<sup>17</sup> which was not recovered from the responsible SIs and not deposited with Building and other Construction Worker’s Welfare Board till December 2024.

On being pointed out, the Government replied (January 2024) that at present, one *per cent* labour cess is being deducted on civil work of installation cost. It was further stated that in compliance to audit observation, provision for deduction of labour cess on total cost of a pump has been adopted in the tender document of 2024-25.

### **3.2.3 Conclusion**

The objective of promoting renewable source of energy by implementation of projects for installation of solar pumps by CREDA suffered due to deficient utilization of funds and deviation from scheme guidelines. This led to installation of pumps without ascertaining suitability with the water sources, release of contract payment without testing the yield of tube wells, and opting for costlier pumps. All of these affected the performance of the schemes, and caused avoidable expenditure. CREDA also defaulted in statutory compliance by not recovering royalty and labour cess, where it was due.

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<sup>17</sup> One *per cent* of (30 *per cent* of ₹ 5,006.57 crore) = ₹ 15.02 crore – ₹ 2.55 crore (labour cess recovered and deposited for the period 2021-22 to 2022-23 to respective final head of accounts) = ₹ 12.47 crore



#### **3.2.4 Recommendations**

- *It is recommended that CREDA should frame clear guidelines specifying the suitable type and category of solar pumps to be installed for respective source of water, and enforce strict adherence to scheme guidelines.*

## **Audit Paragraphs**

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit are featured in this Chapter. The observations relate to non/absence of compliance with rules and regulations and deficiency in oversight/administrative control. These are mentioned below:

### **Public Works Department**

#### **3.3 Undue benefit to contractor**

**Misclassification of hard rock as ordinary rock and excess payment of ₹ 1.19 crore to the contractor for embankment work in excess of actual quantity executed, resulted in loss to the Government and undue benefit to contractor.**

As per clause 4.023(v) of Works Department Manual regarding the use of measurement books, “Interpolations/erasures/overwriting of figures are strictly prohibited. If corrections are necessary, they must be made by drawing a line over the wrong entry and writing the correct figure above it. The correction must be initialled and dated by the party making it. When corrections are necessary in group of figures the whole group should be rewritten, initialled and dated. Initials must contain first letters of person’s name and surname. If any measurement is cancelled, the reasons for the cancellation must be recorded on the same page and dated signature made there under”. Further, as per provision of Schedule of Rates (SoR) for Road Works, 2013 issued by the Public Works Department (PWD), Government of Chhattisgarh (GoCG), the hard rock obtained during excavation shall be issued to the contractor at the rate of ₹ 200.00 per cum.

GoCG, PWD issued a work order (October 2014) to a contractor for contract amount of ₹ 6.46 crore (13.80 *per cent* below SoR) for *Ghat* cutting and construction of cement concrete (CC) road on Masanki- Bedmi Road (length 4.36 km), PWD, Surguja circle, with stipulated period of completion as 15 month including rainy season i.e. 19.01.2016.

The original scope of work was revised due to change in alignment of road and additional work including new item of Bituminous Macadam (BM) and Semi-Dense Bituminous Concrete (SDBC), and GoCG approved (April 2018) supplementary schedule for the work with the instruction to ensure that the net excess cost should not exceed ₹ 4.71 crore of the contracted amount. The work was completed in March 2018, and payment of ₹ 11.51 crore<sup>18</sup> was released (March 2022) to the contractor. An amount of ₹ 33.92 lakh was paid in excess to the amount of ₹ 11.17 crore<sup>19</sup> approved by GoCG in supplementary schedule.

Scrutiny of records showed the following:

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<sup>18</sup> Vide Vr. No. 13 DL dated 11.03.2022 including cost escalation of ₹ 12.82 lakh

<sup>19</sup> ₹ 6.46 crore (contracted amount) + ₹ 4.71 crore (additional net cost in supplementary schedule)

**(A) Loss of ₹ 2.02 crore to Government due to misclassification of hard rock as ordinary rock**

Audit scrutiny showed that the original estimates of the work included item of excavation in ordinary rock with quantity as 44,528.16 cum and excavation in hard rock with quantity as 66,792.24 cum while in the revised estimate (June 2016), the quantity of items of excavation in ordinary rock and hard rock was revised as 3,72,566.90 cum and nil respectively.

Audit further noticed that time extension for the period April 2017 to March 2018 was granted (December 2017) to the contractor by the Superintending Engineer for reasons such as ghat cutting in hard rock and delay in permission from forest department.

Audit noted from the supplementary schedule submitted (February 2018) to GoCG, PWD for approval of variation in quantities and cost of items, actual quantities executed under the item of excavation in ordinary rock and in hard rock were shown as 2,41,064.28 cum (60 *per cent*) and 1,60,709.52 cum (40 *per cent*) respectively. The quantities included here were in agreement with the initial recordings (26 February 2018) made in the Measurement Books (MBs), for the 8<sup>th</sup> and final bill<sup>20</sup>.

Audit however noticed that the above initial recordings were struck off in the MBs and overwritten, showing the entire quantity i.e. 4,01,773.80 cum (2,41,064.28 cum plus 1,60,709.52 cum) as cutting in ordinary rock without recording any justification/reasons for the overwriting. Accordingly, payment was made to contractor considering cutting in ordinary rock for 4,01,773.80 cum at the rate of ₹ 129 per cum in 8<sup>th</sup> running bill.

The above facts indicates that hard rock was excavated and as per provision of SoR of the Department, the hard rock obtained during excavation was required to be issued to the contractor. Thus, non-issue of 1,60,709.52 cum of hard rock to the contractor and misclassification of hard rock as ordinary rock resulted in net loss of revenue of ₹ 2.02 crore<sup>21</sup> to the Government.

On this being pointed out, Secretary, GoCG, PWD replied (August 2024) that there was mix material (hard rock, ordinary rock and soil) in *ghat* portion and it was difficult to differentiate the material into hard rock, ordinary rock during the excavation and stacking & transport of the material was also difficult due to deep trench on both side of the road. Thus, payment of cutting material was done after classifying the material at lesser rate item i.e. ordinary rock. Besides this, 40 *per cent* of material had fallen in the trench during *ghat* cutting due to steep slope at one side of the road and remaining 60 *per cent* was used in construction of embankment. It was further stated that no clarification for overwriting in the MB and bill MB was received from the then Sub-Engineer and the then Sub-division Officer. Further, it was also informed that classification of rock was done by the then Executive Engineer and no permission letter for classification was as such available in the record.

Reply is not acceptable due to the following reasons:

<sup>20</sup> Later on 9<sup>th</sup> final bill for escalation was submitted.

<sup>21</sup>  $1,60,709.52 \times [200 - (215 - 129)] \text{ less } 13.80 \text{ per cent}$

- No record/documentary evidence for excavation of mixed material and correspondence by contractor for difficulties in differentiation and stacking of excavated material was provided in support of reply. In the absence of stacking quantification of material fallen in trench as 40 *per cent* is also questionable;
- Classification of excavated material was done without obtaining permission letter; and
- Excavation of hard rock was cited as a factor by the contractor and considered by the GoCG at the time of granting extension for the work. Striking out the initial entries of hard rock in MB and overwriting as ordinary rock just prior to final payment without any justification confirms that cutting material was misclassified as ordinary rock to avoid recovery from the contractor in lieu of hard rock excavated and issued to him.

**(B) Payment of ₹ 1.19 crore to the contractor for embankment work in excess of actual quantity executed**

The above work also included construction of embankment with material deposited from roadway cutting and material obtained from borrow pits with quantity as 50,721.60 cum at the rate of ₹ 74.00 per cum and 53,176.91 cum at the rate of ₹ 145 per cum respectively, as approved (April 2018) in supplementary schedule by GoCG.

It was seen that for 8<sup>th</sup> and final bill, Sub-Engineer recorded (February 2018) measurement of total filling volume of 1,01,837.26 cum in the MB (at Page 57 of MB No. 919), which included total fill quantity obtained from roadway cutting (50,721.60 cum) and borrow pit (51,115.66 cum). However, the quantity of item obtained from roadway cutting was increased to 2,37,492.11 cum by overwriting and striking out the initial measurement of 50,721.60 cum in the MB. Additional quantity of 1,86,770.51<sup>22</sup> cum of the item of construction of embankment with material of roadway cutting was paid (October 2018) to the contractor vide 8<sup>th</sup> final bill without recording any detailed measurements for increased quantity. This resulted in excess payment of ₹ 1.19 crore<sup>23</sup> to the contractor for quantity of work that was apparently not executed.

Later, a show cause notice for overwriting in the MBs was issued (February 2024) to the then Sub-Engineer and Sub-divisional Officer by the EE but no clarification was received (August 2024) from them.

Secretary, GoCG, PWD replied (August 2024) that out of the total cutting of 4,01,773.80 cum on the *ghat* side of road 60 *per cent* of material i.e. 2,37,492.11 cum was used in construction of embankment and payment was made on the basis of LxBxD measurement till 7<sup>th</sup> running bill and the final payment was done after the final levelling of road. It was further stated that no clarification for overwriting in the MB and bill MB was received from the then Sub-Engineer and the then Sub-Division Officer.

Reply is not acceptable as only 1,01,837.26 cum quantity was required for filling as per the final calculation of quantity of earthwork recorded in MBs. Quantity of 50,721.60 cum of the material obtained from roadway cutting was changed as 2,37,492.11 cum by overwriting/striking out in MB and 50,721.60

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<sup>22</sup> 2,37,492.11 cum – 50,721.60 cum

<sup>23</sup> 1,86,770.51 X ₹ 74 less 13.80 *per cent*

cum was the actual executed quantity which was also approved in the supplementary schedule (April 2018) by GoCG. The additional quantity of 1,86,770.51 cum was paid to contractor without recording any detailed measurement for work done.

Thus, the government made excess payment to the contractor due to non-maintenance of the sanctity of measurement books by allowing striking out/overwriting of entries, as a result, the exchequer suffered a loss of ₹ 3.21 crore<sup>24</sup>.

*It is recommended that responsibility may be fixed and action taken against the defaulting officers and strict adherence to norms for maintenance of measurement book may be ensured to prevent alterations in records critical for assuring correctness of payment against work executed.*

**Raipur**  
**The: 11 NOV 2025**

  
**(MOHD. FAIZAN NAYYAR)**  
**Accountant General (Audit)**  
**Chhattisgarh**

**Countersigned**

**New Delhi**  
**The: 19 NOV 2025**

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

<sup>24</sup> (₹ 2.02 crore + ₹ 1.19 crore)