

CHAPTER III

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COMPLIANCE AUDIT PARAGRAPH

Chhattisgarh Rural Housing Corporation Limited

3.1 Avoidable loss of interest to the tune of ₹ 5.32 crore due to non-availing auto sweep facility

Chhattisgarh Rural Housing Corporation Limited (Company) was formed (March 2018) as a Special Purpose Vehicle (SPV) under the administrative control of the Department of Panchayat and Rural Development, Government of Chhattisgarh (GoCG). The primary objectives of the Company are to make financial arrangements by obtaining loans from various financial institutions for the construction of rural houses under Pradhan Mantri Awaas Yojana - Gramin (PMAY-G).

The Company, on behalf of the GoCG, obtained loans (September 2018) amounting to ₹ 1,000 crore from Canara Bank. As per Clause 4 (b) of Supplementary Agreement (October 2018), “the Company had to ensure the availability of funds in District Mineral Fund (DMF)/ Rural Development accounts to meet repayment obligations on which the Bank would have general lien”. Accordingly, the Company retained (October 2018) its Canara Bank account as a general lien and deposited ₹ 55.00 crore into this account during October 2018 and February 2019. Canara Bank offers auto-sweep facilities to its customers. This facility automatically converts funds exceeding a specified minimum balance (i.e. threshold limit of ₹ 10.00 lakh) in the bank accounts, into fixed deposits (FDs), which attract interest at prevailing rates for FDs.

Audit observed (November 2022) that the Company deposited the amount of ₹ 55.00 crore into Canara Bank towards lien; in a general savings bank account without opting for an auto sweep facility, ignoring that the auto sweep facility fetches a higher interest rate as compared to general savings bank account. Had the Company opted for an auto sweep facility for the said lien account, it could have earned higher interest at rates ranging from 3.25 *per cent* to 6.75 *per cent* during the years 2018 to 2023. This has resulted in a loss of interest to the tune of ₹ 5.32 crore, as detailed in the *Appendix 10*.

The Company accepted the comment (August 2023) and availed the auto sweep facility (July 2023) in its savings bank account.

The audit acknowledges the corrective action taken by the Company following the observation and emphasises the strengthening of internal controls to prevent similar issues in future.

The matter was reported to the GoCG (August 2024) for their remarks. However, the reply was awaited (August 2025).



Raipur

The : 30 October 2025

(MOHD. FAIZAN NAYYAR)

Accountant General (Audit) Chhattisgarh

Countersigned



New Delhi

The : 10 November 2025

(K. SANJAY MURTHY)

Comptroller and Auditor General of India