Preface

1 This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2 Chapter-I deals with the findings of performance audit in the Working of Ayush Department, Chhattisgarh State Road Sector Development Project (ADB assistance), Jawaharlal Nehru National Urban Renewal Mission and Computerisation of Public Distribution System, while Chapter-II deals with the findings of transaction audit in Agriculture; Panchayat and Rural Development; Public Health and Family Welfare and Public Works Departments. Chapter-III includes comments based on Chief Controlling Officer based audit of the Agriculture Department.

3 The observations arising out of audit of Government commercial and trading activities are included in Chapter-IV of this Report.

4 The cases mentioned in the Report were observed during the course of test audit of accounts for the year 2010-11 as well as those which were observed in earlier years but could not be included in previous reports. Matters relating to the period subsequent to 2010-11 have also been included, wherever necessary.

OVERVIEW

This Report comprises four Chapters which include five performance audits, a Chief Controlling Officer (CCO) based audit of the Agriculture Department and 24 paragraphs (including three thematic paragraphs) on audit of financial transactions of various Government departments, Government Companies and Statutory Corporations.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk-based judgmental sampling. The audit conclusions have been drawn and recommendations have been made, taking into consideration the views of the Government. A summary of the key audit findings are presented in this overview.

1. Working of AYUSH Department

The Indian System of Medicine and Homeopathy (ISM&H) now renamed as AYUSH (Ayurved, Yoga & naturopathy, Unani, Siddha and Homeopathy) is providing healthcare facilities in alternative medicine system to the rural and urban people of the State. Despite the importance attached to promotion of low cost and easily accessible treatment, especially for the poor, the delivery of healthcare services in the State could not be achieved to the desired extent. Even though the popularity of indigenous systems of medicines, particularly, Ayurved, in various districts of the State was evident from the growing number of outpatients. AYUSH, however, could not invite the adequate attention of the Government. There were significant shortages in the cadre of Medical Officers and supporting staff; lack of basic infrastructure like water, electricity, diagnostic facilities and dysfunctional healthcare infrastructure in primary, secondary and tertiary healthcare institutions had adversely affected the quality of healthcare services. Audit did not notice any significant improvement over the situation as assessed by the previous audit concluded in 2004.

(Paragraph 1.1)

2. Chhattisgarh State Road Sector Development Project (ADB assistance)

Government of Chhattisgarh (GOCG), Public Works Department developed Chhattisgarh State Road Sector Development Project with the loan assistance from Asian Development Bank for improving the connectivity of the State. The Department failed to implement the project as per the targets set in the Action Plan due to delay in getting approval from Finance Department for signing the loan agreement resulting in time and cost overrun of the project.

Performance Audit of the project revealed that the department failed to reach key milestones set in the Project Action Plan. This resulted in slippage of physical targets as well as cost escalation. The poor performance of consultants and contractors delayed the project works beyond its stipulated date. There was inadequate monitoring and internal control which further hampered smooth implementation of the project.

(Paragraph 1.2)

3. Jawharlal Nehru National Urban Renewal Mission

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December 2005 with the objective of reforms driven and fast track development of cities across the country, with focus on sustainable development of physical infrastructure in cities. The duration of the Mission was seven years from 2005-06 to 2011-2012. Despite availability of funds, the construction works under various projects remained incomplete due to failure of the Municipal Corporations to acquire land at Detailed Project Report stage, delay in construction works and lack of constant monitoring and evaluation. Delay in implementation of reforms also led to deduction of Central Assistance by Government of India (GoI) to the tune of ₹ 24.29 crore. Further, as envisaged in the City Development Programme for Raipur city, the various development strategies for providing sewerage, construction of public toilets at different slum areas, storm water drainage, solid waste management and transportation for urban population could not be developed due to lack of initiative by GoCG.

(Paragraph 1.3)

4. IT Audit on 'Computerisation of Public Distribution System'

The Computerisation project of Public Distribution System (PDS) of the Food, Civil Supply and Consumer Protection Department was initiated to ensure greater efficiency and transparency in PDS. Audit of the system revealed computerisation was commenced without preparing Software Design Document or conducting a feasibility study. Tangible progress has been made in implementation of the computerised PDS. Various deficiencies that can erode its effectiveness still persist. Application controls were not properly incorporated and adherence to the password policy was weak. Discrepancies in Delivery Order, Panchnamas, Ghoshanapatras and inventory control system etc. were casting a shadow over the robustness of the system.

Despite computerisation of PDS, the department could not utilise its 'online data' for claiming subsidy from GoI. It also failed to maintain the accounts online.

(Paragraph 1.4)

5. Audit of Transactions

Audit of financial transactions in various departments of the Government revealed instances of avoidable expenditure, excess payment, undue financial aid, unauthorised expenditure, idle expenditure and irregular expenditure amounting to ₹ 190.68 crore in the Aviation Department (₹ 65.00 lakh), Agriculture Department (₹ 6.16 crore), Public Works Department (₹ 27.00 crore), Public Health and Family Welfare Department (₹ 90.36 lakh), School Education Department (₹ 1.41 crore), Tribal Department (₹ 37.78 lakh), Water Resources Department (₹ 39.78 lakh), General Administration Department (₹ 23.09 crore), Veterinary Department (₹ 2.38 crore), Panchayat and Rural Development Department (₹ 22.54 crore), Department of Technical Education, Manpower Planning, Science and Technology (₹ 2.14 crore) and Department of Labour (₹ 103.63 crore).

(Paragraphs 2.1 to 2.4)

6. CCO based Audit of Agriculture Department

Chief Controlling Officer based Audit of Agriculture Wing in Agriculture Department was carried out by Audit and noticed that the annual action plans for the State as well as district level were prepared on the basis of ceilings of expenditure fixed in the guidelines of Government of India and State Government under various schemes. Although an expenditure of ₹ 1724.19 crore was incurred during the period 2007-11, the Department failed in diversification of crops and to achieve its target of production of major crops. The department could achieve 45 *per cent* of production of paddy and pulses by the end of 2010 as against its commitment of contribution of two million tons by the end of 2012 under National Food Security Mission (NFSM). The non-achievement of the target was mainly due to poor implementation of various Central sector, Centrally sponsored and State Plan schemes and lack of proper monitoring and field control by the district officers.

The department also failed to motivate farmers for adoption of crop rotation system and use of latest variety seeds through field demonstration with latest and high yielding variety seeds. Apart from the above, use of old variety seeds, distribution of substandard fertilizers, shortage of technical staff in soil testing laboratories and training centres was also partly responsible for shortfall in achievement of the targeted production. The goals to increase the production and productivity of Paddy, Pulses and Oil seeds could not be achieved to the extent envisaged.

(Paragraph 3)

7. Government Commercial and Trading Activities

There were 16 Government Companies and two Statutory Corporations under the control of the State Government, as on 31 March 2011. The total investment in these PSUs was ₹ 9178.35 crore. As per their latest finalised accounts as on 30 September 2011, nine PSUs had shown profit of ₹ 565.24 crore and five PSUs incurred loss of ₹ 249.65 crore. Fifteen PSUs had not finalised their 39 accounts as on 30 September 2011.

(Paragraphs 4.1.2, 4.1.7, 4.1.16 and 4.1.22)

8. Power Distribution Activities of Chhattisgarh State Power Distribution Company Limited

In Chhattisgarh, the distribution of power upto 31 December 2008 was carried out by the erstwhile Chhattisgarh State Electricity Board. Consequent to unbundling of the Board, from 1 January 2009, the distribution of power is carried out by the Chhattisgarh State Power Distribution Company Limited. The performance audit was conducted to assess economy, efficiency and effectiveness of activities relating to implementation of Central and State schemes, operational activities, billing and revenue collection, financial management and consumer satisfaction. The company was not able to recover its cost of operations and the revenue gap on this account worked out to ₹ 1556.72 crore in 2010-11. There was a delay in implementation of *Atal Jyoti Yojana*, a State sponsored scheme, which deprived the targeted load saving of ₹ 115.09 crore. In implementation of the Rajiv Gandhi *Grameen Vidyutikaran Yojana*, a Centrally sponsored scheme envisaging 100 *per cent* rural electrification, as on 31 March 2011, 95.28 *per cent* villages in the State were electrified. The implementation of Restructured Accelerated Power Development Reforms Programme was slow and did not yield the desired results of targeted reduction of Aggregate Technical & Commercial Losses by 3 *per cent* per year. Failure of the Company to make long term power projections despite the availability of 17th Electric Power Survey resulted in purchase of power at higher rates on short term basis resulting in loss of ₹ 420.57 crore. The Company could not restrict the Transmission and Distribution losses to the norms prescribed by the Chhattisgarh State Electricity Regulatory Commission and the aggregate value of losses on this account worked out to ₹ 1122.21 crore during 2006-11. The Company also lost ₹ 45.64 crore due to non withdrawal of concessions extended to ineligible captive power generators in the State. Non submission of tariff petitions in time resulted in loss of ₹ 668.55 crore to the Company over the review period.

(Paragraphs 4.2)

9. Audit of Transactions in Government Companies and Statutory Corporations

Chhattisgarh Mineral Development Corporation Limited incurred anticipated loss of ₹ 1052.20 crore due to acceptance of lower rates for commercial mining.

(Paragraph 4.3.1)

Non recovery of value of minimum contracted quantity of Bauxite as per the agreement resulted in loss of ₹ 43.88 lakh to the Chhattisgarh Mineral Development Corporation Limited.

(Paragraph 4.3.2)

Chhattisgarh Infrastructure Development Corporation Limited suffered loss of interest of ₹ 20.14 lakh due to deficient investment policy.

(Paragraph 4.3.3)

Failure of Chhattisgarh State Beverages Corporation Limited to declare the actual stock for insurance cover resulted in loss of ₹ 26.99 lakh.

(Paragraph 4.3.4)

Chhattisgarh State Industrial Development Corporation Limited gave undue benefit to the allottee to the extent of ₹ 5.34 crore due to adoption of lower rate.

(Paragraph 4.3.5)

Chhattisgarh State Industrial Development Corporation Limited suffered loss of interest of ₹ 1.12 crore due to absence of investment policy.

(Paragraph 4.3.6)

Chhattisgarh State Industrial Development Corporation Limited failed to recover ₹ 50.21 lakh towards Workers' Welfare Cess.

(Paragraph 4.3.7)

Idling of asset valuing ₹ 23.96 crore resulted in non-achievement of reduction of energy loss of ₹ 9.00 crore because of non-synchronisation of work in Chhattisgarh State Power Transmission Company Limited.

(Paragraph 4.3.8)

CHAPTER-I
PERFORMANCE AUDITS

Public Health and Family Welfare Department

1.1 Working of 'AYUSH' Department

Executive Summary

The Indian System of Medicine and Homeopathy (ISM&H) now renamed as AYUSH (Ayurved, Yoga & naturopathy, Unani, Siddha and Homeopathy) is providing healthcare facilities in alternative medicine system to the rural and urban people of the State. The Department is implementing various centrally sponsored schemes and State schemes for rendering the healthcare services to the populace of the State. Providing treatment under the Ayurved etc. and other indigenous systems of medicine by establishing AYUSH wings in existing allopathic institutions, prevention of diseases, production of Ayurved medicines, drug testing, imparting medical education and training are the objectives of the Department.

The performance audit conducted by us revealed that while the staff and administrative cost to total revenue expenditure of the Department was 88 *per cent*, the expenditure on medicines, machines and scheme was only 12 *per cent* of the total expenditure. The Department had not prepared any perspective or annual action plan for implementation of various activities of the Department and had also not fixed any norms for opening the new healthcare units. Though the number of outpatients in Ayurved and Homeopathy system has increased, the same showed decreasing trend in Unani system. Inpatient facilities were not made available in District Ayurved Hospitals at Ambikapur and Dallirajahara. In Hospital attached to Government Ayurved College, Raipur the number of inpatients decreased during the period. We also noticed that except in Hospital attached to Government Ayurved College emergency maternity facilities were not available in any of the Ayush Hospitals. The constructions of 12 AYUSH wings, 20 Specialised Therapy Centres and 24 Speciality Clinics in District Allopathic Hospitals and Community/Primary Health Centres remained incomplete even after incurring expenditure of ₹ 85.77 lakh during the last five years. The machines procured for Ayurved Pharmacy remained uninstalled for want of space. The Department had not fixed any schedule or targets for manufacture of medicines. Similarly, neither norms for process loss fixed nor monitored the working of the Pharmacy during the period. The procurement of raw herbs without assessing the actual requirement resulted in unnecessary locking up of government funds. Department failed to ensure optimum utilisation of the Drug Testing Laboratory and Research Centre during the period of performance audit. The strengthening of Drug Testing Laboratory and Research Centre was adversely affected due to idling of machinery/equipment, non-availability of required equipment, shortage of trained manpower and blockade of funds. The implementation of the State scheme "*Ayurved gram*" in test checked districts except Surguja, was not satisfactory and the intended

objectives of the schemes also could not be achieved.

Only two out of 16 District Ayurved offices were having their own building. Construction work of 201 dispensaries building was sanctioned during 2007-08, of which 150 works were completed and handed over, 12 were not handed over to Department of AYUSH by Public Works Department and remaining 51 works were either not started or incomplete as of October 2011. There were significant shortages in the cadre of Medical Officers and supporting staff; lack of basic infrastructure like water, electricity, diagnostic facilities and dysfunctional healthcare infrastructure in primary, secondary and tertiary healthcare institutions had adversely affected the quality of healthcare services.

1.1.1 Introduction

The Indian System of Medicine and Homeopathy (ISM&H) Department now renamed as AYUSH (Ayurved, Yoga & naturopathy, Unani, Siddha and Homeopathy) Department is responsible for providing alternative healthcare facilities to the people in remote as well as in urban areas of the State, was established in the year 1977-78 in erstwhile State of Madhya Pradesh and after the creation of Chhattisgarh State in 2000 continues to function as part of Government of Chhattisgarh.

The Department has a network of six[1] District Ayurved Hospitals (DAH); 693[2] field level dispensaries; 399[3] AYUSH centres (319-Ayurved, 60 Homeopathy and 20 Unani) and 15 AYUSH wings, 22 Specialised Therapy Centres and 24 Speciality Clinics set up within the existing allopathic hospitals, Community and Primary Health Centres. In addition the Department runs *Shri Narayan Prasad Awasthi* Government Ayurved Medical College at Raipur (Ayurved College) with a 110 bedded Ayurved Hospital attached to it, one Government Ayurved Pharmacy (Pharmacy) meant for production of Ayurved classical medicines and one Drug Testing Laboratory & Research Centre (DTLRC) for checking the quality of medicines manufactured by departmental/private pharmacies. During the period of performance audit (2006-11), the Department was also implementing various Centrally Sponsored Schemes (CSS) and State schemes that support popularisation of alternative system of medicines.

1.1.2 Organization set-up

The overall responsibility for implementation of programmes and policies of the Department is vested in the Secretary to Government of Chhattisgarh, Department of Public Health and Family Welfare. At State level, he is assisted by Director, AYUSH and at the district level by District Ayurved Officers (DAOs). At the block and village level, dispensaries manned by Medical Officers/Assistant Medical Officers of Ayurved, Unani and Homeopathy have been set up.

[1] Bilaspur, Ambikapur (Surguja), Dallirajahara (Durg), Durg, Jagdalpur (Bastar) and Raigarh.

[2] 635 Ayurved (Rural-618 and Urban-17), six Unani (Rural-three and Urban-three) and 52 Homeopathy (Rural-29 and Urban-23).

[3] 52 in Community Health Centres and 347 in Primary Health Centres.

The Director, AYUSH being the head of the Department is responsible for overall working of the Department. The DAOs are responsible for actual implementation of the schemes in the field.

1.1.3 Scope of Audit

The performance audit of the 'AYUSH' Department covering the period 2006-11 was carried out during March- June 2011. The records maintained in the offices of the Director, AYUSH, five[4] out of 16[5] existing DAOs along with Hospitals and Dispensaries under their control and records of 54 out of 146 *Ayurved Grams* were scrutinised. Further, the records maintained in Ayurved College and attached Hospital, DTLRC, Pharmacy and *Ayushdeep Samities* (Societies) were also examined.

1.1.4 Audit objectives

The performance audit of AYUSH Department was carried out to ascertain overall status of healthcare delivery by the Department of AYUSH with specific focus on:

(i) effectiveness with which different State and Centrally Sponsored Schemes in the health sector were implemented by the Department,

(ii) the manner in which financial and non-financial resources were managed,

(iii) existence and effectiveness of the internal control system in the Department and finally

(iv) adequacy and quality of healthcare delivery system through the indigenous system of medicines.

1.1.5 Audit criteria

The sources of various audit criteria used for benchmarking the audit findings were as under:

(i) State and Central Governments' notifications and instructions issued from time to time for the implementation of State and Centrally Sponsored Schemes;

(ii) Departmental budget, general financial and other subsidiary rules, departmental manual/ policies/ rules and regulations;

(iii) procedure prescribed for monitoring and evaluation of schemes/ programmes, and

(iv) norms prescribed by the Central Council of Indian Medicines (CCIM).

1.1.6 Audit Methodology

An entry conference was held (May 2011) with the Secretary, Public Health and Family Welfare Department wherein audit objectives, audit criteria, scope of audit and methodology adopted for selection of units for test check were explained and discussed.

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[4] Bastar, Jashpur, Kabirdham, Raipur and Surguja.

[5] Total 18 districts but two districts Bijapur and Narayanpur not having separate DDOs during the period of performance audit and were functioning under DAOs, Dantewada and Bastar respectively.

Five[6], out of 16 districts including three tribal districts (Bastar, Jashpur and Surguja) were selected by adopting Simple Random Sampling Without Replacement (SRSWOR) method. In five selected districts, out of 442 Ayush hospitals, dispensaries and Ayush centres (Urban-26 and Rural-416), records of 416 (94 *per cent)* units including 26 Urban and 390 Rural units as well as records of 54 (90 *per cent*) out of 60 *'Ayurved Grams'* were test checked. In addition relevant information collected from six[7] more districts was used for analytical purposes. The sample included AYUSH Wing in District Allopathic Hospital, Durg which was test checked at the request (June 2011) of Director, AYUSH.

Audit findings, as discussed in the succeeding paragraphs, are based on scrutiny of records, responses received to questionnaires circulated to DAOs in the five test checked districts, analysis of data and information thus collected and replies furnished to audit memoranda by the above units.

An Exit Conference was held (October 2011) with the Secretary, Public Health and Family Welfare Department (Secretary) and the views of the Government/ Department received have been appropriately incorporated in the draft performance audit report at relevant places.

1.1.7 Financial Management

The Department receives funds under three[8] grants incorporated in the budget of the State Government which are supplemented by funds provided by GOI for implementation of CSSs. Since 2007-08, Central funds are being remitted directly to the nodal agencies and, hence, are not reflected by budgetary allocations of the State Government.

(a) The year-wise position of budget allotment and expenditure incurred there against by the Department during 2006-11 was as under:

Table-1: Budget and actual expenditure during 2006-11

(₹ in crore)

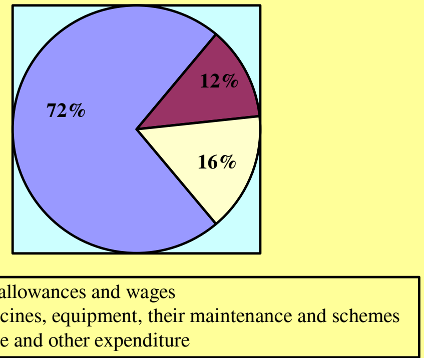
Year	Budget allocation	Expenditure incurred	Savings
2006-07[9]	37.58	30.40(81)	7.18(19)
2007-08	70.57	29.51 (42)	41.06 (58)
2008-09	76.47	35.73 (47)	40.74 (53)
2009-10	66.43	55.76 (84)	10.67 (16)
2010-11	113.34	68.97 (61)	44.37 (39)
TOTAL:	**364.39**	**220.37 (61)**	**144.02 (39)**

(Source: Figures furnished by Department. Figures in parenthesis indicates percentage)

The expenditure on pay and allowances and office expenses was 72 and 16 *per cent* respectively. Only 12 *per cent* of funds were spent on equipments, its maintenance and purchase of medicines as indicated in the **Graph-1** below:

[6] Bastar, Jashpur, Kabirdham, Raipur and Surguja.
[7] Bilaspur, Dhamtari, Durg, Korba, Raigarh and Rajnandgaon.
[8] Grant numbers 41, 79 and 80 under Major Head 2210.
[9] Includes funds received from GOI under various Centrally Sponsored Schemes.

Graph-1
Percentage of expenditure, out of total expenditure



(b) We observed that the Department received funds aggregating ₹ 20.74[10] crore under five CSSs during 2001-10. The funds directly received by the Department from GOI during the period 2007-08 to 2009-10 for following CSSs and their utilisation was as under:

Table-2: Receipt and expenditure of funds under CSS

(₹ in lakh)

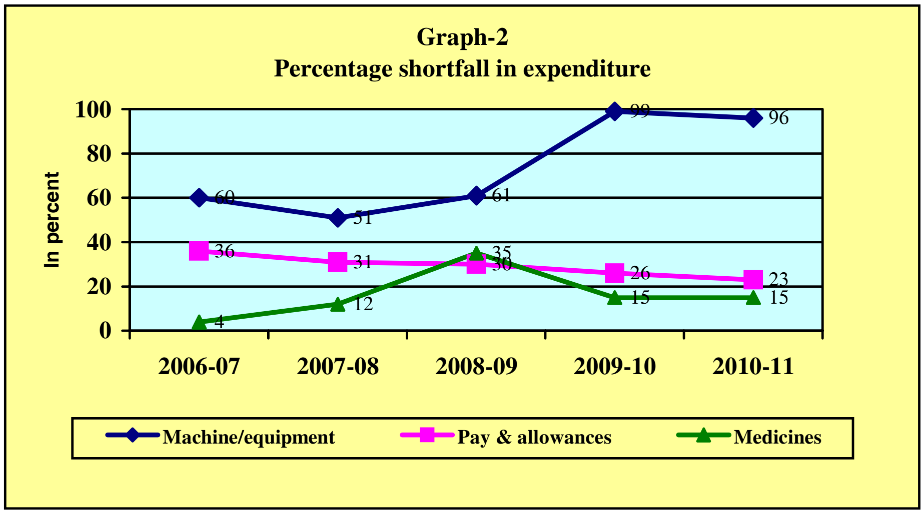
Scheme	Funds received	Expenditure incurred	Savings (kept in savings bank account)	Amount deducted/ withheld by GOI
Upgradation of academic institutes to the status of State Model Institute/ College of AYUSH	186.79	184.90	1.89	3.00
Strengthening and establishing of ASU&H Pharmacies	68.61	0.00	68.61	35.00
Strengthening and establishing of Drug Testing Laboratories for ASU&H drugs	37.60	21.80	15.80	12.00
Strengthening of State Drug Controllers of ASU&H enforcement mechanism	29.00	17.57	11.43	0.00
TOTAL:	**322.00**	**224.27 (70)**	**97.73 (30)**	**50.00**

(Source: Figures furnished by Department. Figures in parenthesis indicates percentage)

Due to non-utilisation of earlier grants, the GOI deducted/withheld an amount of ₹ 50 lakh from the subsequent grants released during 2007-11 and the same will be released after submission of utilisation certificate for unspent amount of ₹ 97.73 lakh by the State Government to GOI.

(c) During the period of test check (2006-11) the Department of AYUSH was allotted only 10 *per cent* (₹ 415.95 crore) of the total budget (₹ 4,128.84 crore) of health sector. However, it could not utilize even such limited funds as were made available to it. We observed that while shortfall in expenditure on medicines ranged between four (2006-07) to 35 *per cent* (2008-09), the shortfall in expenditure on purchase of machine/equipment and pay and allowances was far higher as depicted in **Graph-2** below:

[10] ₹ 17.52 crore from 2001-02 to 2006-07 and ₹ 3.22 crore from 2007-08 onwards.



The Secretary, Public Health and Family Welfare (Secretary) in exit conference (October 2011) attributed the reasons for shortfall in expenditure on pay and allowances to delay in recruitment process of medical staff by State Public Service Commission for which provision was made in anticipation of recruitments. It was also informed that some recruitments were made during 2010-11 and efforts are being made to fill up the remaining vacant posts.

(d) We also observed rush of expenditure during 2006-11 in purchase of medicines and machine/equipment which ranged between 71 to 100 *per cent* in the month of February-March during the period 2006-11.

The Secretary in the exit conference stated (October 2011) that the Finance Department releases budget generally in the month of May. The process of tendering which starts thereafter takes three to four months and after placing the orders materials are received during December to January along with the bills. This prolonged process was stated to be one of the main reasons for rush of expenditure in the months of February and March. The Secretary assured that necessary steps will be taken to overcome this situation.

The reply of the Department does not explain why it could not have initiated the tendering processing in advance to avoid the impact of delay in receipt of budget allocations and obviate surrender of funds and rush of expenditure.

Audit Findings

1.1.8 Planning

The National Policy on promotion of Indian Systems of Medicine and Homoeopathy-2002 envisages that vast infrastructure of Indian Systems of Medicine and Homoeopathy in the country should be optimally utilised for delivery of healthcare to the people in the country. It suggested initiation of measures to enable each of these systems of medicine and healthcare to develop in accordance with their inherent genius. Simultaneously, it also envisaged a planned effort for integration at the appropriate levels of the services available under these system of medicine, within specified areas of responsibility and functioning in the over all healthcare delivery system, specially in regard to the preventive, promotive and public health objectives. The need for preparing a perspective plan and suitably dovetailed Annual Acton Plan for this purpose was, therefore, obvious.

Annual Action plans were not prepared by the Department

We observed that the Department had not prepared any perspective or annual action plans in consonance with the National Policy or otherwise, to detail out an overall implementation strategy for various schemes/activities of AYUSH. Since planning was critical for implementation of various activities of a Department, the impact of its absence on efforts of the State Government for strengthening the network of Primary, Secondary and Tertiary level health institutions was evident in all respects of the working of AYUSH Department as brought out in the succeeding paragraphs.

Confirming the absence of the Perspective/Annual Plan, the Secretary in the exit conference stated (October 2011) that the activities included in the annual budget are being implemented and to that extent the budget itself acts as a planning mechanism. In this context, he discounted the significance of annual Administrative Reports which are placed before the State Legislature and other departmental brochures which have year after year indicated various kinds of targets for promotion of AYUSH in the State. There was, thus, a clear dissonance between the Administrative Reports of the Department and its annual budgets as a result of which AYUSH Department could not:

- establish popular facilities of *Panchakarama* and *Kshar-sutra* in DAHs, Jagdalpur (Bastar), Dallirajhara (Durg), Raigarh and Ambikapur (Surguja) and AYUSH wings in 15 districts,
- start new dispensaries of Ayurved (100), Homeopathy (50) and Unani (25) dispensaries,
- establish 10-bedded polyclinics at District headquarters,
- opertionalise AYUSH wings in 15 DHs, 22 STCs, 24 SCs and Ayush centres in Primary/ Community Health Centres,
- upgrade the only Ayurved College as State Model College,
- enhance the number of admissions in Ayurved College from 55 to 100 per year and to start post graduation courses on five additional subjects,
- start new Ayurved, Homeopathy and Unani colleges, and
- complete construction work of dispensaries and other buildings for 15 DAOs and one DAH.

Delivery of services by healthcare institutions

1.1.9 Working of Dispensaries and Ayush centres

Standards and norms for opening of new healthcare units not fixed

Dispensaries function as the primary level healthcare units and their location and number needs to have a direct co-relation with the demography of the State. We noted that the State Government has not fixed any norms for opening of new healthcare units at primary, secondary or tertiary level. As of

March 2011, 693[11] dispensaries existed in the State, of which only two[12] were opened during 2006-11. Besides these, there were six Unani and 52 Homeopathy dispensaries in the State. The Kabirdham district, however, had only Ayurved dispensaries as of October 2011.

In the exit conference, the Secretary stated (October 2011) that State Government was in the process of fixing of norms for opening of new dispensaries.

The deficiencies noticed by us in the working of 204 dispensaries in the five test checked districts were as under:

1.1.9.1 Outpatient treatment

Daily outpatient treatment per Medical Officer in 183 dispensaries was less than the norms fixed by State Government

(a) As per the norms fixed (August 2007) by the State Government each Medical Officer should attend to at least 25 outpatients per day. In 183 out of 204 dispensaries test checked, we noticed that the number of outpatients treated by Medical Officers in these dispensaries was less than the norm. In 12 out of 26 dispensaries in Surguja district, no doctors were posted during the period of test check. In several districts the number of outpatients under Homeopathy and Unani system was zero because no such dispensaries existed in these districts. The daily average of outpatients in the test checked dispensaries varied from a minimum of two to maximum of 50 as further elaborated in the table below:

Table-3: Details of district-wise number of average outpatients treated per day

Range of average outpatients per day during 2006-11	Number of dispensaries in the test checked districts														
	Bastar			Jashpur			Kabirdham			Raipur			Surguja		
	A	H	U	A	H	U	A	H	U	A	H	U	A	H	U
Upto five	3	0	0	0	0	0	0	0	0	2	0	0	3	0	0
6 to 10	3	0	0	1	0	0	4	0	0	12	4	0	4	0	0
11 to 24	36	0	1	10	2	0	12	0	0	62	3	1	17	5	0
25 to 40	2	1	0	2	0	0	0	0	0	5	1	0	1	2	0
41 to 50	1	0	0	0	0	0	0	0	0	1	0	0	1	1	1
TOTAL	**45**	**1**	**1**	**13**	**2**	**0**	**16**	**0**	**0**	**82**	**8**	**1**	**26**	**8**	**1**

A= Ayurved, H- Homeopathy and U-Unani. (Source: Information collected and compiled by Audit)

Increase in outpatient treatment in Ayurved system

(b) We noticed that out of 182[13] (93 *per cent*) Ayurved dispensaries test checked by us, overall number of outpatient treatment in 171 fully functional dispensaries had increased to 9.44 lakh in 2010-11 from 7.98 lakh in 2006-07 showing a growth of 18 *per cent*. However, in Bastar region the trend was in the reverse direction as the number of outpatients had declined to 2.01 lakh in 2010-11 from 2.45 lakh in 2006-07, thus registering a decline of 18 *per cent.* The average of outpatients treated per day in these dispensaries during 2006-11 was just 16.

Increase in outpatient treatment in Homeopathy system

(c) Test check of 19 (95 *per cent*) Homeopathy dispensaries revealed that 5.59 lakh outpatients were treated in them during the test checked period (2006-11). The overall number of outpatients that had received treatment in

[11] 635 Ayurved (Rural-618 and Urban-17), six Unani (Rural-three and Urban-three) and 52 Homeopathy (Rural-29 and Urban-23).

[12] Garhbengal (Bastar) during 2006-07 and Chief Minister House (Raipur) during 2010-11

[13] Out of 182, six were non-functional upto 2009-10, four upto 2010-11 and one was still non-functional as of March 2011.

these dispensaries had increased by 24 *per cent* during this period and increased to 1.19 lakh in 2010-11 from 0.96 lakh in 2006-07. The average of outpatients treated per day in these dispensaries during 2006-11 was just 20.

We also observed that as against the total demand[14] of plastic files and plain globules for distribution of homeopathy medicine, the supply was only 35 and 52 *per cent* respectively. Despite availability of sufficient homeopathy medicines and increase in number of outpatients, enough quantity of plastic files and plain globules could not be ensured for safe distribution of medicines.

Decrease in outpatient treatment in Unani system

(d) In three Unani dispensaries in three[15] districts, the overall number of outpatients treated had decreased by 10 *per cent* during the period 2006-11 and the overall number of outpatients treated declined to 0.27 lakh in 2010-11 from 0.30 lakh in 2006-07. The average of outpatients treated per day in these dispensaries during 2006-11 was 31.

In the exit conference, the Secretary stated (October 2011) that the popularity of AYUSH system will increase by organising awareness camps where benefits of Ayurved system of treatment will be explained by adopting Information, Education and Communication (IEC) activities.

1.1.9.2 Impact of the shortage of Medical Officers and para medical staff on the healthcare delivery

Functioning of hospitals/ dispensaries without adequate manpower

(a) The State Government sanctioned posts of one Medical Officer (MO)/ Assistant Medical Officer (AMO), one pharmacist, one peon and one part-time sweeper in a dispensary. Test check of records of selected districts revealed that during 2006-07, out of 219 dispensaries, 66, 69 and 68 were without MO/AMO, Pharmacists and supporting staff respectively. The number came down further to 61, 48 and 66 respectively, during 2010-11. In Raipur district, 40 dispensaries were without MOs/AMOs and 14 without supporting staff during 2006-07. The shortfall rose to 43 and 24 respectively, in 2010-11. However, in Raipur district during the period 2006-11, 22 dispensaries were without pharmacist. The details are shown in ***Appendix-1.1.***

Distribution of medicines by pharmacists in absence of MOs/AMOs

(b) In consequence of non-availability of doctors in 48 dispensaries in four[16] districts the pharmacists, whose responsibilities are limited to maintenance of records and distribution of prescribed medicines to the patients, were actually running the dispensaries even though they were not authorised to examine and give treatment to the patients. Medicines valuing ₹ 30.37 lakh were issued in such dispensaries to patients in an irregular and unsafe manner.

Confirming the above facts, the Secretary, in the exit conference, stated (October 2011) that shortage of Medical officers had resulted in pharmacists running the dispensaries at some places and that the Director, AYUSH had been instructed to define the mandate of pharmacists in regard to treatment of patients in absence of Medical Officer and prescription of medicine to them.

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[14] Against the total demand of 5,404 only 1,896 (35 *per cent*) plastic files and against the total demand of 6,006 only 3,145 (52 *per cent*) plain globules were supplied.

[15] Bastar, Raipur and Surguja.

[16] Bastar, Jashpur, Kabirdham and Raipur.

Further, the Secretary stated that maximum posts were filled up in tribal districts/ blocks and recruitment in other dispensaries will be made in due course.

1.1.9.3 Insufficient infrastructure affected level of healthcare services

Lack of basic facilities in dispensaries

(a) In five selected districts, out of 204 dispensaries test checked, only 30 (15 *per cent*) had all the facilities. Forty dispensaries were without basic facilities like own building and were housed in donated/ panchayat/ rented buildings, without electricity and water; 30 were without electricity and water; 19 were without own buildings and water; two were without building and electricity and 83[17] lacked one or the other facility. Our analysis indicated that there was a direct correlation between availability of electricity and the functional effectiveness of a dispensary.

(b) Further, information collected from Directorate in respect of 349 other dispensaries revealed that while 49 (14 *per cent*) were having all facilities, 78 dispensaries (22 *per cent*) were without basic facilities like own building (housed in donated/ panchayat/ rented buildings), 213 (61 *per cent*) were without water facilities and nine were without electricity. We also noticed that 101 dispensaries required new buildings, eight dispensaries were in repairable condition and 12 dispensary building were under construction.

In the exit conference, the Secretary stated (October 2011) that the dispensary buildings will be sanctioned by State Government and facilities of water and electricity will be ensured through *Ayushdeep* Societies.

Construction of dispensary building at incorrect place

(c) Our scrutiny of buildings for dispensaries in Jashpur district revealed that a dispensary was constructed (November 2009) by Public Works Department (PWD), Division Jashpur at a cost of ₹ 3.20 lakh from Backward Region Grant Fund (BRGF). The Chief Executive Officer, Zilla Panchayat, Jashpur issued work order[18] (June 2009) for construction of dispensary building in village Ranpur (Block-Jashpur) instead of village Ranpur (Block-Bagicha) and copy of the same was not endorsed to DAO, Jashpur. As the dispensary at village Ranpur (Block-Jashpur) was not sanctioned by Government, the DAO, Jashpur refused (December 2009) to take possession of the building. Thus lack of coordination between Zilla Panchayat, PWD and DAO led to construction of building at wrong place rendering expenditure of ₹ 3.20 lakh unfruitful. **(Picture-1)**.

[17] Without buildings-23, without water-58 and without electricity-two.

[18] The Collector, Jashpur approved the execution of work.

Picture-1

Idle dispensary building in village Ranpur (Block-Jashpur)

The Secretary in the exit conference stated (October 2011) that the matter would be reviewed by him.

1.1.9.4 Inadequate training to staff

We noticed that out of 204 test checked dispensaries in 156 dispensaries (Ayurved-136, Homeopathy-18 and Unani-two) no training was provided to Medical Officer and subordinate staff which indicated lack of initiatives on the part of the Department to upgrade the skills of the staff.

1.1.9.5 Establishment of Ayush centres in CHCs/PHCs

With a view to provide outpatient treatment in all systems under one roof, the State Government sanctioned (July 2008) one post of Medical Officer for each of the 399[19] Ayush centres (319-Ayurved, 60 Homeopathy and 20 Unani) established in all regular Community/Primary Health Centres of the State. In three[20] out of five selected districts, 204[21] Ayush centres were set up. No such centres had been sanctioned in Kabirdham and Raipur districts as of October 2011. Test check of 193[22] (94 *per cent*) such centres revealed the following:

Outpatient treatment

(a) Eight, out of 161 Ayush centres (in PHCs) were started during 2009-10. The remaining 153 (95 *per cent*) Ayush centres (three in CHCs and 150 in PHCs) commenced functioning from June 2010 onwards. Delay in starting these centres was attributable to non-availability of Medical Officers. Consequently, the overall outpatient treatment in the Ayush centres, in the test checked districts, increased to 1.79 lakh in 2010-11 from 7,704 in 2009-10. The average outpatients treatment per day in 114 Ayush centres was less than five and in 47 it was between five and 15 which was far below the norm of 25 outpatients per Medical Officer per day fixed by State Government. Though uptrend in the number of outpatient treatment during the period 2006-11 was steady, Medical Officers in these Ayush centres had not been sanctioned any

[19] 52 in Community Health Centres and 347 in Primary Health Centres.

[20] Bastar, Jashpur and Surguja

[21] 172-Ayurved (16 in CHCs and 156 in PHCs); 23 Homeopathy (16 in CHCs and seven in PHCs) and nine Unani (two in CHCs and seven in PHCs))

[22] 161-Ayurved (11 in CHCs and 150 in PHCs), 23-Homeopathy (16 in CHCs and seven in PHCs and nine- Unani.

supporting staff as of October 2011.

Homeopathy (23) and Unani centres (Nine) were not started in CHCs/ PHCs

(b) We further observed that in Bastar, Jashpur and Surguja districts, 23[23] homeopathy (16 in CHCs and seven in PHCs) and nine[24] Unani centres (two in CHCs and seven in PHCs) did not commence services for want of Medical Officers. Thus, the people of these areas were deprived of the full range of alternative medical healthcare services as of October 2011.

In the exit conference, the Secretary stated (October 2011) that these centres could not be made operational due to vacancies in the cadre of Medical Officers. He assured that efforts will be made to fill up the vacant posts.

The above deficiencies indicate that during period of test check the dispensaries/Ayush centres were functioning without Medical Officers, lacking basic infrastructural facilities. Besides, little had been done for building capacity of existing staff. All these factors together had adverse effect on the delivery of healthcare services at primary level.

1.1.10 Working of District Ayurved Hospitals

District Ayurved Hospitals (DAHs) provide the secondary level healthcare. There were six DAHs in the State having bed strength of 30 each. As per the norms fixed (August 2007) by the State Government the percentage of bed occupancy should be 80 and the number of outpatients should be 50 per Medical Officer per day. Test-check of records of four DAHs i.e Jagdalpur (Bastar), Durg, Dallirajahara (Durg) and Ambikapur (Surguja) and information collected in respect of remaining two (Bilaspur and Raigarh) revealed the following:

1.1.10.1 Inpatient treatment

Inpatient facilities were not available in DAH Ambikapur and Dallirajahara

The DAH at Ambikapur in Surguja district, sanctioned in 1979-80, has not had an inpatient facility since 1996 owing to lack of sufficient space in the existing building. The DAH, therefore, has been providing treatment to only outpatients. Similarly, the DAH, Dallirajahara (Durg), sanctioned in 1984-85, has been functioning in a rented building and was able to provide only day admission facility. The details of inpatients treated, bed occupancy and outpatient treated in six test checked DAHs are given in ***Appendix-1.2.***

Overall bed occupancy in District Ayurved Hospitals decreased from 51 to 48 *per cent*

It is evident from the appendix that the bed occupancy of four DAHs declined to 48 *per cent* in 2010-11 from 51 *per cent* in 2006-07 which was far below norms of 80 *per cent* fixed by the State Government. In DAH, Durg where the bed occupancy which was 83 *per cent* in 2006-07, came down steeply to 40 *per cent* in 2010-11. However, in sharp contrast to declining trend of outpatient attendance in Bastar district the bed occupancy in DAH, Bastar had increased to 85 *per cent* in 2010-11 from 18 *per cent* in 2006-07.

The Secretary in the exit conference stated (October 2011) that inpatient

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[23] CHC-Bakawand, Makadi, Bisrampuri, Darba, Farasgaon, Orcha and Londiguda (Bastar); CHC-Manora, Farsabahar, Kansabel, Kunkuri and Duldula (Jashpur) and CHC-Rajpur, Batauli, Bisrampur and Mainpat (Surguja). PHC-Dhanora (Bastar), PHC-Tapkara-6, Sanna-6, Ludeng (Jashpur) and PHC-Rewati, Biharpur-Chandni and Pratapgarh (Surguja).

[24] CHC-Narayanpur and Keshkal (Bastar). PHC-Lanjoda (Bastar); PHC-Gholeng and Narayanpur (Jashpur) and PHC-Raghunathpur, Aara, Jawaharnagar and Maharajganj.

facilities in DAH, Ambikapur and Dallirajahara could not be started due to insufficient space. He assured that the continuation of DAH, Dallirajahara will be reviewed and if necessary, the same will be shifted to some other tribal districts.

1.1.10.2 Outpatient treatment in DAHs

The overall number of outpatient treated in the six test checked DAHs had declined to 0.95 lakh in 2010-11 from 1.16 lakh in 2006-07 which indicated a percentage fall of 18 (***Appendix-1.2***). On the contrary, in Dallirajahara (Durg), the number of outpatients treated had increased to 16,672 in 2010-11 from 11,292 in 2006-07 which was a rise of 48 *per cent* thus underlining the fact that Ayurved system of medicine was gaining popularity despite the DAH having to function from a rented premises. Down trend of inpatients in the same DAH as indicated above paragraph clearly attributable to absence of credible inpatient facilities. This factor needs to be carefully evaluated and considered while deciding the future status of DAH at Dallirajahara.

1.1.10.3 Ayushdeep Samities

To improve management of healthcare facilities through public participation, the State Government decided (August 2007) to form *Ayushdeep Samities* (Societies) in all Dispensaries and Hospitals covered under AYUSH. These Societies, headed by the District Collector and supported by Senior Officers at District level, Hospital management, Senior citizens and voluntary organizations, are required to fix the rates for healthcare services provided by the Dispensaries/Hospitals. The funds received thereby or from any other sources are to be spent for the purpose of developing dispensary and patient related facilities like cleaning, white washing, paintings, furniture, medical instruments viz. stethoscope, thermometer, BP instrument, and other petty expenses. Similarly, Sub-*Ayushdeep* Societies are to be formed for every dispensary in a district.

We observed that though the *Ayushdeep* Societies were formed in all six test checked DAHs, the required number of four meetings in a year had not been held by any of these societies. As a result the intention of State Government to improve the management and healthcare facilities through regular monitoring by these societies could not be fulfilled.

The Secretary in the exit conference attributed this to lack of awareness among members of the *Ayushdeep* societies and stated that to build the capacity of these Societies their members will be trained to conduct the meetings as per their relevant bye-laws.

1.1.10.4 Incomplete DAH building at Ambikapur

Our scrutiny revealed that construction of building for DAH, Ambikapur sanctioned in 2008-09 and scheduled to be completed in October 2009 was incomplete as of October 2011. The PWD Division, Ambikapur, that was responsible for its construction revised the estimated cost to ₹ 1.65 crore owing to time overrun. The revised estimate was yet to be sanctioned (October 2011). Thus, due to delay in completion of building**,** the benefit of full-fledged DAH could not be extended to the people.

The Secretary in the exit conference stated (October 2011) that the administrative approval will be accorded after receipt of revised estimate from PWD and appropriate steps will be taken to ensure early completion.

1.1.10.5 Shortage of manpower

In six District Ayurved Hospitals on an average 31 *per cent* post of Specialists, Ayurved Medical Officers, Nursing sister, Kitchen servant etc. were vacant during the period 2006-11.

Thus, operation of these DAHs without adequate infrastructure and staff did not serve the purpose of providing quality healthcare services at secondary level to the needy patients.

1.1.11 Hospital attached to Government Ayurved College, Raipur

Under the category of alternative system of medicines, the Hospital attached to Government Ayurved College at Raipur is the only tertiary care centre in the State. As per the Central Council of Indian Medicine (CCIM) norms, the bed occupancy in Hospital attached to Government Ayurved College should be 50 *per cent* and the number of outpatients should be 100 per day. However, under the *'Chikitsalaya/ Aushadalay Sudhar Yojna',* the State Government made these norms more stringent by raising the percentage of bed occupancy to 80 and the number of outpatients to 50 per Medical Officer per day. During our audit we observed the following:

(a) The occupancy of beds and outpatients treatment in Hospital attached to Government Ayurved College was as under:

Table-4:Bed occupancy and outpatient attendance in Hospital attached to Government Ayurved College

Year	Beds available	No. of IPD during the year	Bed capacity in a year (Beds x no. of days in a year)	Actual bed occupancy in a year	Percentage of actual occupancy	Outpatient attendance
2006-07	110	890	40150	9064	23	30969
2007-08	110	952	40260	8685	22	28265
2008-09	150	1356	71175	8875	16	35985
2009-10	150	1587	54750	11148	20	43016
2010-11	150	4410	54750	21159	39	80424

(Source: Bed strength-departmental figures and Occupancy/ outpatient figures furnished by Hospital)

Bed occupancy ranged between 16 and 39 *per cent* in Hospital attached to Government Ayurved College

From the above table it is evident that the bed occupancy during the period of our audit was grossly sub normal. This also indicates that the students' opportunity to gain practical experience by treating the inpatients was constrained to that extent. On an average 12 Medical Officers were attending the outpatients during 2006-11 and the average number of outpatients each day during this period was just 146. Though attendance of outpatients had showed an increasing trend but it was still very low in comparison to the norms fixed by the State Government.

In the exit conference, the Secretary stated (October 2011) that the less popularity of AYUSH system is the main reason for low bed occupancy and stated that the number of inpatients and outpatients will be increased by organising awareness camps in which benefits of Ayurved system of treatment will be explained by adopting IEC activities. In regard to evaluation/studies the Secretary stated (October 2011) that the task has been assigned to State Health Resource Centre (SHRC) which will submit its report within six months and that suitable action will be taken to improve the acceptability and reliability of AYUSH system on the basis of the report of SHRC.

(b) Shortage of manpower

The State Government sanctioned 83 posts for the Hospital attached to the Ayurved College. But there was a shortage of 31 *per cent* in medical staff as of March 2011. We also noticed that though the State Government had sanctioned 58 posts of Medical, Para Medical and other category of staff during 2010-11 for the Hospital, these posts could not be filled up as of August 2011. The shortage of manpower had affected the quality of practical training and proper functioning of Hospital attached to Ayurved College.

(c) Diet to patients at lower rates

Diet at lower rate to AYUSH patients

The Public Health and Family Welfare Department had revised (June 2005) the rate for diet per day per patients from ₹ eight to ₹ 16 and again revised (July 2010) the same to ₹ 24. We observed that the revised rates of June 2005 were communicated in September 2007 to the Director, AYUSH by the State Government i.e. after delay of about two years. Similarly, the rates revised in July 2010 were not communicated (October 2011) to Director, AYUSH due to which the Ayurved College Hospital was providing diet to patients at old rate of ₹ 16. This was attributed mainly to non-endorsement of copy of orders to the Director, AYUSH. Likelihood of low dietary allowance impacting preference of inpatients for the Hospital attached to Government Ayurved College could not be ruled out.

The Secretary in the exit conference stated (October 2011) that orders for revised diet rate of July 2010 have since been issued (October 2011) to Department of AYUSH and assured that, in future such orders would be communicated to Director, AYUSH expeditiously.

1.1.12 Implementation of Hospital and Dispensaries Scheme

With a view to make available the benefits of AYUSH to the public at large and also to improve infrastructure and position in respect of supply of drug in the rural dispensaries, GOI launched (2005-06) Hospitals and Dispensaries Scheme to encourage setting up of general and specialised treatment centres of AYUSH in the allopathic hospitals.

The objectives of the scheme were:

- to facilitate expansion of healthcare facilities of Indian System of Medicines and Homeopathy (ISM&H) and building up confidence of the practitioners of these systems through proper propagation and to thus establish their strength and potential; and
- to provide facilities of specialized therapies like *Panchakarma*[25], *Kshar-Sutra*, Homeopathy, Yog and Naturopathy practices and regimental therapy of Unani system of medicine for utilisation as an adjunct or better alternative to conventional medical treatment.

Under the scheme, the GOI provides 100 *per cent* funds for alteration, partition, repair etc. in the existing buildings, equipment and furniture, special medicines, training of medical and paramedical staff and small contingent

[25] Vaman, Visechan, Vasti, Nasam and Shirodhrya or Raktmokshan.

Blockade of ₹ 7.26 crore under the GOI scheme

expenditure under the scheme. Accordingly, GOI provided (2005-06) an amount of ₹ 12.48 crore for implementation of the scheme in Chhattisgarh against which only ₹ 5.22 crore (42 *per cent*) was spent by the State Government leaving an amount of ₹7.26[26] crore unspent as of October 2011.

The Public Health and Family Welfare Department of Chhattisgarh had selected (September 2005 and March 2006) 15 District Allopathic Hospitals (DHs) for AYUSH wings (except Bilaspur), 22 Community Health Centres (CHCs) in 14[27] districts for Specialised Therapy Centres (STCs) and 24 Primary/Community Health Centres (CHCs/PHCs) in 14[28] districts for Speciality Clinics (SCs) in the State. The Department appointed (September 2005) the Chhattisgarh State Industrial Development Corporation (CSIDC) as the executing agency to establish these centres.

As reported in paragraph 2.4.3 in the Report of the Comptroller and Auditor General of India, Government of Chhattisgarh, for the year ending 31 March 2010, the Director, AYUSH drew the entire amount of ₹ 12.48 crore from treasury on 31 March 2006. After spending an amount of ₹ 22 lakh, deposited the balance of ₹ 12.26 crore under civil deposit head on the same day. Of this, an amount of ₹ 6.25 crore was released (October 2006) to CSIDC which incurred expenditure of ₹ 85.77 lakh for establishment of AYUSH wings in three DHs and Specialised Therapy Centres in two CHCs upto September 2008. The CSIDC expressed its inability (September 2008) to execute the remaining work of establishment of AYUSH wings in 12 DHs, STCs in 20 CHCs and SCs in 24 CHCs/PHCs due to non-availability of space in these health centres and also due to change in scope of work and increase in market price.

Despite balance of ₹ 5.39 crore with CSIDC, the Director, AYUSH released (March 2009) a further amount of ₹ 4.69 crore to CSIDC. Another amount of ₹ 1.32 crore was lying in civil deposit for more than three years lapsed to State revenue in April 2009.

Subsequently, in January 2010 an amount of ₹ 10.08 crore was refunded by CSIDC to Director, AYUSH. Out of the refunded amount the Director, AYUSH released (April 2010) an amount of ₹ 2.92 crore to district *Ayushdeep* societies. These societies also received an amount of ₹ 3.62 crore from funds provided by European Union State Partnership Programme (EUSPP). Thus, a total amount of ₹ 6.54 crore was to be used by these societies for establishment of AYUSH wings, Specialised Therapy Centres and Speciality Clinics. The following shortcomings were noticed by us in utilisation of the funds by these societies:

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[26] Unspent (October 2011) scheme fund of ₹ 5.94 crore and GOI assistance of ₹ 1.32 crore lapsed (March 2009) to State revenue.

[27] Bilaspur (two), Dhamtari (three), Durg(one), Janjgir-Champa(one), Jashpur(two), Kabirdham(one), Kanker(two), Korba(one), Koriya(one), Mahasamund(one), Raigarh(one), Raipur(one), Rajnandgaon(four) and Surguja(one).

[28] Bastar(one), Bilaspur (four), Dantewada(six), Dhamtari (one), Durg(one), Janjgir-Champa(one), Jashpur(one), Kabirdham(one), Kanker(two), Koriya(one), Mahasamund(one), Raigarh(one), Raipur(one) and Surguja(two).

1.1.12.1 AYUSH wings not established in District Allopathic Hospitals

Blockade of ₹ 2.19 crore and non-establishment of AYUSH wings in 12 DHs

As per the scheme, an AYUSH wing in each DH was to be established with a minimum space allocation of 2,400 sq. ft. that could accommodate with six therapy rooms, one room for Outdoor Patient Department (OPD) and an office room. Further, for AYUSH patients, each DH was required to dedicate 10 beds in Indoor Patient Department (IPD). On a similar pattern kitchen attached to DH was to be shared by Ayush and non-Ayush patients. We observed that the specialised facilities of AYUSH wings in 12[29] DHs were not commenced (except in four[30] districts) as the required construction works were not completed. The amount of ₹ 2.19[31] crore provided for this purpose (April 2010) to District *Ayushdeep* Societies was thus partly lying with DAO and partly with the PWD. Out of five test checked districts, in three districts (Bastar, Kabirdham and Raipur), ₹ 54.87 lakh was lying in bank deposits and in two (Jashpur and Surguja) ₹ 36.58 lakh was deposited with PWD.

Our scrutiny of AYUSH wings[32] in District Allopathic Hospitals (DHs) revealed that the AYUSH wing in DH at Jagdalpur (Bastar) was not functional as of October 2011 whereas AYUSH wing in remaining eight DHs started providing general outpatient treatment between 2008-09 and 2010-11. The overall number of outpatients treated in these eight DHs during 2008-11 was 66,796. We observed that the average outpatients treated per day in seven districts ranged between one and 19. However, in Durg district which was test checked at the request of Director, AYUSH the average number of outpatients treated per day were 54 during 2010-11 and the overall number of outpatients in Durg had thus doubled from 7,188 in 2008-09 to 16,182 in 2010-11

1.1.12.2 Specialised Therapy Centres not established in CHCs

Blockade of ₹ 3.01 crore and 20 Specialised Therapy Centres not established in CHCs

On the pattern of AYUSH wings in DHs, Specialised Therapy Centres (STCs) were to be established under the scheme in 22 CHCs. We observed that the specialised facilities of STC in 20 out of 22 CHCs had not commenced as the required construction works were not completed. Consequently an amount of ₹ 3.01 crore at the rate ₹ 15.03 lakh (₹ five lakh GOI grant and ₹ 10.03 lakh from EUSPP funds) provided for establishment of 20 STCs to District *Ayushdeep* Societies was lying unused either with DAO or with the PWD. In test checked districts an amount of ₹ 75.15 lakh was given for five STCs was either lying in bank account of respective DAOs (₹ 45.09 lakh) or was deposited with PWD (₹ 30.06 lakh).

Our scrutiny of 16[33], out of 22 STCs in CHCs revealed that except in STC, Balod (Durg) started from 2008-09, general outpatient treatment facilities were not available in any other STC. Even in STC, Balod the number of

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29 Bastar, Dantewada, Dhamtari, Jashpur, Kabirdham, Kanker, Korba, Koriya, Mahasamund, Raigarh, Raipur and Surguja,

30 Bilaspur, Durg, Janjgir-Champa and Rajnandgaon.

31 At the rate ₹ 18.29 lakh (₹ 10 lakh GOI grant and ₹ 8.29 lakh EUSPP funds).

32 Test checked-Bastar, Jashpur, Kabirdham, Raipur and Surguja and information collected- Durg, Korba, Raigarh and Rajnandgaon.

33 In test checked districts-Bagicha and Pathalgaon (Jashpur), Pandaria (Kabirdham), Dharsiwa (Raipur) and Surajpur (Surguja) and information collected from- Mungeli and Musturi (Bilaspur); Kurud, Magarlod and Nagri (Dhamtari); Balod (Durg); Pusor (Raigarh) and Dhumka, Dongargaon, Dongargarh and Khairagarh (Rajnandgaon).

outpatients had fallen to 6,545 in 2010-11 from 8,702 in 2008-09 indicating a declining trend of 25 *per cent.* On an average only 26 patients were visiting the STC every day.

1.1.12.3 Speciality clinics not established in CHCs/PHCs

Blockade of ₹ 1.34 crore and 24 Speciality Clinics not established in CHCs/PHCs

Speciality Clinics (SCs) in 24 CHCs/PHCs were to be established with a working space of 800 sq. ft. that included a consultation room and a medicine distribution room. We observed that in none of the 24 CHCs the specialised facilities of SCs were commenced as scheduled because the required construction works were not completed. The amount of ₹ 1.34 crore provided to District *Ayushdeep* societies at the rate of ₹ 5.60 lakh per society (₹ 3 lakh GOI grant and ₹ 2.60 lakh EUSPP funds) was again either lying with respective DAOs or with the PWD. In six SCs in the test checked districts, an amount of ₹ 11.20 lakh (33 *per cent*) was lying in bank account of respective DAOs and ₹ 22.40 lakh (*67 per cent*) had been deposited with PWD.

However, in 13[34] SCs general outpatient treatment facility started functioning during the year 2010-11 and 13,489 outpatients were treated upto March 2011. This indicated that on an average five patients were visiting each of these SCs every day. It is thus evident that potential of healthcare delivery through AYUSH had remained partially developed.

1.1.12.4 Inadequate manpower

The State Government had sanctioned (May 2007) eight[35] posts for AYUSH wing in each DH, seven[36] posts for each STCs in CHCs and three[37] posts for each SCs in CHCs/PHCs. These included the posts of specialists, *Panchakarma* assistants and supporting staff that remained unfilled. Thus, as of October 2011, these institutions were effectively not functional as specialised centres and were providing the services like any ordinary dispensary, thereby defeating the objective of the GOI scheme.

In the exit conference, the Secretary stated (October 2011) that the project was delayed due to non-completion of works by earlier nodal agency (CSIDC). He further intimated that out of 61 construction works, 22 have been completed, 31 are in progress and eight could not be started. He also assured that all these specialised centres will be made operational by providing necessary machinery and infrastructure from the balance scheme funds.

It was evident that due to tardy implementation of Central scheme, the populace of the State were deprived of specialised AYUSH medical services as envisaged in the scheme even after receiving sufficient financial assistance from GOI.

[34] In test checked districts-Kondagaon (Bastar); Tapkara (Jashpur); Sahaspur Lohara (Kabirdham); Abhanpur (Raipur) and Sitapur and Wardrafnagar (Surguja) and information collected from- Bilha, Gorella, Kota and Pendra (Bilaspur); Gujra (Dhamtari); Bhilai-3 (Durg) and Badebhandar (Raigarh).

[35] One post each of Specialist, Ayurved Medical Officer, Pharmacist, Peon and four posts of Panchakarma Assistant.

[36] One post each of Specialist, Pharmacist, Peon and four posts of Panchakarma Assistant.

[37] One post each of Ayurved Medical Officer, Pharmacist and Peon.

1.1.13 Deficiencies in Hospital and Dispensaries improvement scheme

With a view to improve the quality and services of Hospitals and Dispensaries at primary, secondary and tertiary level, the State Government launched (August 2007) the *'Chikitsalaya/ Aushadalay Sudhar Yojna'* and prescribed standards and norms for functioning of all Hospitals and Dispensaries of Ayurved, Homeopathy and Unani.

(a) Under the scheme, one time financial assistance of ₹ 25,000 was to be provided to a Dispensary having *Ayushdeep* Societies for meeting the contingent expenditure. Scrutiny of receipt and utilisation of such financial assistance in 204 test checked dispensaries revealed that in 58 dispensaries either no Ayushdeep societies were formed or no Medical Officer was posted. Hence, no financial assistance was given to these societies. Of the remaining 146 dispensaries, 120 had incurred expenditure on eligible items like cleaning, white wash, paintings, furniture, medical instruments viz. stethoscope, thermometer, BP instrument and other petty expenses. The remaining 26 dispensaries could not spent the amount given to them due to obvious lack of initiatives on the part of Medical Officers or due to *Ayushdeep* societies remaining dysfunctional as evidenced by us during our visit to the dispensaries.

(b) In addition, following shortcomings were also noticed in 356[38] functional health institutions:

- General, emergency services and maternity facilities were not available in any of the test checked institutions except in Ayurved College Hospital.
- The outpatient and inpatient registrations were not computerised in any of the Hospitals.
- Systems of obtaining feed back from the patients for evaluation of services, scientific methods of medical waste management and uninterrupted electricity facilities in Hospitals were not in place. Further, the provision of citizen charter, notice boards outside the rooms, details of fees for various services, details of National health programmes being implemented in these hospitals were also not displayed in most of the units.

The Secretary in the exit conference stated (October 2011) that suitable guidelines will be issued in this regard to all concerned including *Ayushdeep Societies*.

Delivery of services by educational institute

1.1.14 Working of Government Ayurved Medical College

The only Government Ayurved Medical College at Raipur (Ayurved College) was started (1950) with 55 sanctioned seats to impart medical education and to

[38] District Ayurved Hospitals-six; Ayurved Dispensaries-182; Homeopathy Dispensaries-19; Unani Dispensaries-three, AYUSH wing in District Allopathic Hospitals-four, AYUSH centres in CHCs-eight and PHCs-134.

award the degree 'Bachelor of Ayurved Medicine and Surgery (BAMS)' to students. Its attached Hospital was established (1956) with 110 bed inpatient capacity. In addition, the College offers Post Graduation courses in five subjects through 14 departments. The College has three laboratories, a library, an ambulance and a 52 seater bus. As against sanctioned strength of 70 teaching staff, 52 were in position as of October 2011. The Ayurved College and attached Hospital, however, lack facilities like animal house, separate Pharmacy, research laboratory, four lecture halls and audiovisual section, auditorium, post graduate hostel, one major operation theatre and ophthalmology operation theatre, additional inpatients wards etc.

The College has not attained standards with regard to teaching facilities, number of para medical and non-para medical staff and other necessary infrastructure for the College and attached hospitals as prescribed under Central Council of Indian Medicine Act, 1970 in spite of both the institutions having existed for the last 55 years as brought in the succeeding paragraphs.

Student bed ratio was not as per CCIM norms

- As per CCIM norms 275 beds were required to achieve a student bed ratio of 1:5. The bare minimum requirement at the ratio 1:3 was 165 beds. In addition there were five post graduate courses having eight clinical subjects from 2008-09 for which 40 additional beds were required as per norms. We noticed that during 2006-11 the bed strength ranged between 110 and 150. Therefore, the stipulated student bed ratio was not met.

Inadequate library facility

- As per the standards fixed by GOI under the scheme State Model Institute of Ayurved, an Ayurved College requires library with a minimum of 50,000 books and a full time qualified librarian. Our scrutiny revealed that as of October 2011, the College library was having 14,273 books. No books were purchased after July 2009. We noticed that though the college is having a full time qualified librarian adequate library facility was not available.

Non-setting up of herbal garden

- The CCIM has prescribed setting up of herbal garden in proximity to the Ayurved Colleges where all possible medicinal plants should be planted for identification and demonstration purpose. The Ayurved College received (August 1998) grant amounting to ₹ five lakh from GOI for development of herbal garden which was spent on preparatory works viz. fencing, bore well (with pump house), landscaping, etc. We noticed that even after lapse of more than 11 years, herbal garden could not be developed on the site as no medicinal plants were planted due to which the expenditure of ₹ five lakh rendered unfruitful.
- Due to lack of essential infrastructure, shortage in teaching staff, inadequate student bed ratio etc., the GOI declared 2008-09 year as a zero year meaning thereby that the college could not admit students for the college during that year.
- Due to non-fulfillment/ observance of CCIM norms in existing college, the proposal (April 2010) for enhancement of seats from 55 to 100 was also rejected (November 2010) by GOI.

1.1.14.1 Shortage of manpower

As per the CCIM norms, 26 Professors/Readers, 17 Lecturers and 26 other

Shortages in teaching, medical, paramedical and supporting staff in College

staff (Laboratory Technicians/Assistants/Attendant/Museum Keeper etc.) were required for Ayurved College. As against this, 37 posts of Professors/Readers, 35 posts of Lecturers/Demonstrator, two paramedical and 64 supporting staff were sanctioned by the State Government for College. We noticed that as of March 2011, the shortage in teaching staff (Professors/ Readers/ Lecturers/ Demonstrator) was 35 *per cent* and 45 *per cent* amongst the supporting staff.

In the exit conference, the Secretary stated (October 2011) that maximum posts as per norms of CCIM were filled and remaining posts will be filled up in due course after reviewing the requirement and available posts as per CCIM norms. The reply was not acceptable because the posts sanctioned in addition to minimum requirement of CCIM norms by State Government were required to be filled up to ensure availability of sufficient teaching and supporting staff for imparting quality education to students.

1.1.14.2 Scheme for development of AYUSH institutions (State Model College)

Non- development of Ayurved College as State Model College

With a view to develop one Model Institute of Indian System of Medicine & Homeopathy per system per State in the 10th Plan, the Government of India launched (2004-05) centrally sponsored scheme called *"State Model Institute of AYUSH"*. The Government institutes recognized by the Central Council of Indian Medicine (CCIM) that fulfilled at least 50 *per cent* of Council norms were eligible under the scheme for limited financial assistance of ₹ three[39] crore for hiring the additional technical staff on contractual basis, construction works, purchase of equipment, books etc. Thus by using these funds the additional technical staff required for the department of radiology, microbiology, biochemistry & anesthesia and deficient teaching staff in the post graduation departments were to be appointed by the institute on contractual basis in the plan period. The GOI released to the State Government an amount of ₹ 2.77[40] crore for various purposes covered by the scheme.

Our scrutiny revealed that out of ₹ 2.77 crore, works amounting ₹ 73.11 lakh (26 *per cent*) were completed and various works amounting ₹ 1.67 crore (61 *per cent*) were in progress (October 2011). Out of the balance amount, an amount of ₹ 34.63[41] lakh (*12 per cent*) was incurred on other components and ₹ 1.89 lakh (one *per cent*) was lying in bank account (October 2011). However, no expenditure was incurred for appointment of additional technical and teaching staff.

While accepting the observation, the Secretary intimated that the activities covered under the scheme will be completed on receipt of further funds from GOI.

Thus, failure of the Department to appoint the teaching/ technical staff and non-procurement of machines/equipments and other infrastructure defeated the purpose of simultaneous development of facilities in Ayurved College to

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39 Capital works, furnishing & renovation-₹ 1.41 crore; Machinery, equipment & computers-₹ 93 lakh; Books & journals-₹ nine lakh and Additional technical & teaching staff-₹ 57 lakh.

40 June *2004*- ₹ 90 lakh and September 2007- ₹ 1.87 crore.

41 Purchase of machine equipments-₹ 32.63 lakh, Furniture/fixtures-₹ one lakh and ₹ one lakh on books.

upgrade it as State's Model College. Due to non-observance of CCIM norms, the facilities in Ayurved College could not be upgraded as intended.

Delivery of services by subsidiary institutions

1.1.15 Working of Government Ayurved Pharmacy

The Department has set up a Government Ayurved Pharmacy (Pharmacy) at Raipur for manufacturing Ayurved *Shastrokta* (Classical) medicines and their supply to government Hospitals and Dispensaries. During the test check period (2006-11) 28 to 35 types of classical medicines were produced in Pharmacy and the State Government had provided budget allocation of ₹ 10.81 crore to the Pharmacy. In addition, since the closing years of Ninth Five Year Plan (1996-2001), the Government of India had also provided an additional assistance of ₹ 1.80 crore under the scheme 'Strengthening and establishment of Ayurved, Siddha, Unani and Homeopathy Drugs (ASU&H) Pharmacies' with a view to strengthen its drug manufacturing units and to meet norms of Good Manufacturing Practices (GMPs).

The Pharmacy has been sanctioned a total staff of 71 which includes posts of four pharmacists, 28 medicine makers, two medicine packers, four machine operators etc. At present, the Pharmacy is functioning at its own building which is used to run its office, manufacture medicines and storage of raw materials, etc. No testing laboratories exist in its premises.

The year wise production targets fixed by the Pharmacy for itself and achievements there against are given in the ***Appendix-1.3***. The targets fixed by the Pharmacy are stated to have been based on demands received from the District Ayurved Offices. We noted that no rational correlation existed, however, between the demands received from the districts and the targets fixed by the Pharmacy and actual production, both in terms of kind of medicines and the quantity, as can be seen from ***Appendix-1.3*** and ***1.4***. An analysis of the figures reflected in the appendices indicates the following mismatches:

- In the first three years (2006-09) of test check period, against 35,418.90 litres of liquid and 2,189.39 quintals of solid medicines extensively demanded by the districts, the targets fixed were either less (for liquids 20,978.60 litres) or more (for solids 3,181.64 quintals).
- Even though the targets for liquid medicines were fixed far below the demand, actual production was lower and the shortfall ranged between 26 and 94 *per cent*. Though targets were fixed higher than the demand for solid medicines from districts, actual production was even lesser than the districts had demanded. The shortfall ranged between 61 and 69 *per cent.*
- In the remaining two years of the test check period (2009-10 and 2010-11), coincidently the demand received from the district and the targets set by the Pharmacy matched to a decimal. Yet the actual production fell sharply below the targets. The shortfall ranged between 78 and 82 *per cent* for liquid and 68 and 73 *per cent* for solid medicines.

- The discrepancies have also been observed in the number of medicines for which demands have been received and for which the targets were fixed as well as those which were actually produced. Large quantities of solid as well as liquid medicines were either produced without any demands or far beyond targets. On the other hand, number of medicine for which demands existed or for which targets were fixed were not produced at all (see ***Appendix-1.3***).

The above observations made by us indicate that manufacturing activity of the Pharmacy is neither based on any rational demand forecast nor subject to any degree of control at the production stage. The factors that have hampered achievement of targets and the impact of the demand-target-production correlation in the Pharmacy are discussed in the succeeding paragraphs.

1.1.15.1 Government Ayurved Pharmacy not strengthened

Our scrutiny of utilisation of funds of ₹ 1.80[42] crore released (2007-10) by GOI under the scheme[43] for strengthening the DTLRC revealed that there was insufficient availability of equipment as well as ineffective use of funds and equipments as shown below:

(a) Inadequate infrastructure and machinery/equipments

As per GOI scheme a Pharmacy requires total area of 10,000 to 20,000 square feet for its functioning. We noticed that the entire Pharmacy was functioning in an area of maximum 1,800 square feet only. Further out of 53 machines/equipments were recommended by GOI for a Pharmacy 18 (34 *per cent*) were not available (October 2011) with the Pharmacy.

(b) Idle machinery and equipments- ₹ 28.93 lakh

Idling of machinery and equipment worth ₹ 28.93 lakh

We observed that due to space constraints in Pharmacy, out of all machinery/ equipments valuing of ₹ 85.88 lakh, 57 machines and tools equipment worth ₹ 28.93 lakh (34 *per cent*) procured during January 2002 to March 2007, and installed during January 2002 to January 2010, were non-functional and lying (***Appendix-1.5.***) in Pharmacy for period ranging from one to 10 years **(Picture-2).**

Picture-2

Idle machinery/equipment in Pharmacy

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[42] Of which ₹ 15 lakh released by GOI in January 2005 which was kept in civil deposits and released in March 2006 by State Government)

[43] Strengthening and establishment of ASU&H Pharmacies.

(c) Blockade of Central assistance of ₹ 68.61 lakh

Blockade of GOI funds of ₹ 68.61 lakh adversely affected strengthening of Pharmacy

Out of ₹ 93.61 lakh received from GOI during March 2001 and October 2008 for building works unspent balance of ₹ 68.61 lakh was parked in bank account for more than two years due to which strengthening of Pharmacy was adversely affected.

Non-operation of these machines due to insufficient space in Pharmacy led to blockade of raw materials, increase in production cost as well as shortfall in qualitative and quantitative production of medicines as discussed below:

(d) Excessive stock of raw herbs

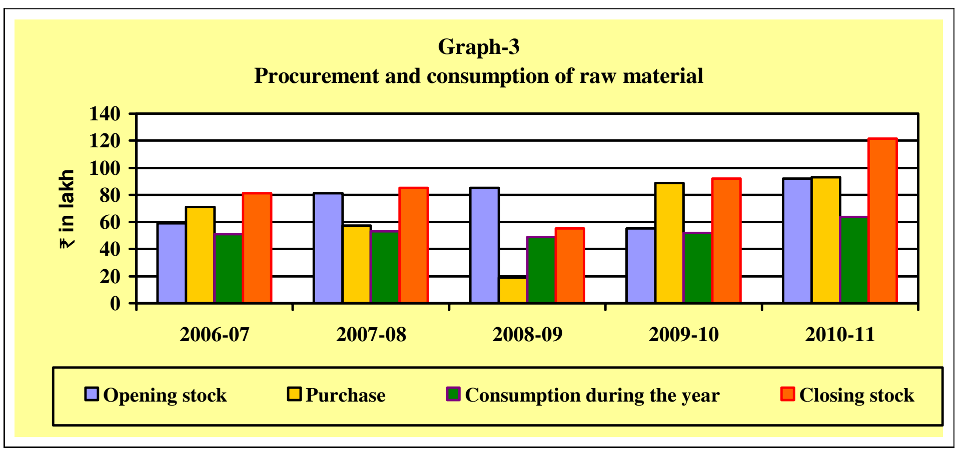
Five types of raw herbs/ material (herbal, mineral, *jantav*, metal and artificial) are used by Pharmacy for production of medicines of which the herbal items are consumed faster. The year-wise stock position of raw herbs and consumption in the Pharmacy during the period 2006-11 was as under:

Table-5: Stock position of raw herbs

(₹ in lakh)

Year	Opening stock	Receipt during the year	Total	Consumption during the year	Closing stock	Percentage of consumption
2006-07	58.89	73.15	132.04	50.96	81.08	39
2007-08	81.08	57.29	138.37	53.19	85.18	38
2008-09	85.18	19.02	104.20	49.01	55.19	47
2009-10	55.19	88.90	144.09	52.01	92.08	36
2010-11	92.08	93.06	185.14	63.80	121.34	34
TOTAL:	**58.89**	**331.42**	**390.31**	**268.97**	**121.34**	

(Source: Stock registers maintained in Pharmacy and compilation by audit)



Blockade stock of raw herbs in stores

It may be seen from the above table and graph that the consumption of raw herbs was always less than the opening balance and ranged between 34 and 47 *per cent* of total stock. Despite sufficient stock of raw herbs, subsequent purchases were made without ensuring the consumption of earlier stock. We also noticed that raw herbs valuing ₹ 56.78 lakh (***Appendix-1.6***) were lying in stock, of which 10 items valuing ₹ 26.44 lakh were lying for more than five years. Thus, procurement of raw herbs without assessing the actual requirement resulted in unnecessary locking up of government funds.

While accepting these observations, the Secretary in the exit conference stated (October 2011) that this was due to inefficient management of stores and assured that the system will be streamlined.

(e) Prohibitively higher cost of production

Standards or norms for costing not defined

Scrutiny of records in Pharmacy revealed that the system of costing of medicines being produced, as adopted by the Pharmacy, was neither prescribed by the State Government nor approved by it at any level. The method adopted by Pharmacy to work out its cost of production, therefore, was ad-hoc. The costing details of production of medicines during the period 2006-11 are indicated below:

Table-6: Cost of production in Pharmacy

(₹ in lakh)

Year	Cost of raw herbs/ materials used for production of medicines	Expenditure on various overheads viz. pay and allowances, electricity etc.	Total production cost	Percentage of expenditure on various overheads to total production cost
2006-07	47.56	50.49	98.05	51
2007-08	70.31	33.70	104.01	32
2008-09	50.10	62.26	112.36	55
2009-10	51.93	65.16	117.09	56
2010-11	63.91	65.87	129.78	51

(Source: Stock and production registers of Pharmacy)

It may be seen from the above table that the expenditure on various overheads was more than the cost of raw herbs/ materials during the period except in 2007-08. Accordingly, the percentage of various overheads to total production cost was between 32 and 56 during the period 2006-11. Moreover, no system of costing of medicines being produced in the Pharmacy had been established by the Department.

In the exit conference, the Secretary stated (October 2011) that targets were fixed in anticipation of installation of machinery/equipments but these could not be installed for want of space. It was also stated that after shifting of dental college to its new building, some space will be made available to Pharmacy and all the machines and equipments available with Pharmacy will be installed to increase the production capacity and to reduce the production cost.

The reply is not acceptable because the targets were set without ascertaining the production capacity of the Pharmacy.

(f) Norms for process loss not laid down

Norms for process losses not laid down and variations in process losses

The Government/ Department had not fixed any norms for process losses in manufacturing of medicines by the Pharmacy. Test check of records related to production of medicines revealed that 28 to 35 types of *Shastrokta* (classical) medicines were produced in Pharmacy during 2006-11. The cases of process loss[44] (10 *per cent* and above) in manufacturing of eight solid medicines are shown in table below:

[44] Output (weight of finished product) – Input (weight of raw material issued) x 100/ Input.

Table-7: Process loss in manufacturing of medicines

Sl. No.	Name of the medicine produced	Percentage of process loss incurred
1.	*Sphatik Bhashma*	50
2.	*Tankan Kshar*	38 and 42
3.	*Godanti Bhashma*	22 and 25
4.	*Hazarul Yahood Bhashma*	20
5.	*Aamlaki Rasayan*	23
6.	*Mukta Shukti Bhashma*	12 and 19
7.	*Shatawari Churna*	13
8.	*Kapard Bhashma*	10

(Source: Stock and production registers of Pharmacy)

The Secretary in the exit conference stated (October 2011) that the norms for process loss have not been laid down and the same will be fixed after carrying out studies in this regard.

1.1.15.2 Inadequate manpower

The State Government sanctioned 71 posts in various categories for Pharmacy against which on an average 30 were vacant during the period 2006-11. These included four posts each of critical staff like machine operator and pharmacist Grade-I. Thus, due to shortage of staff to the extent of 30 *per cent* in different categories, the working of Pharmacy may adversely affected and to that extent the quality during production of medicines could not be ensured.

While accepting the observation, the Secretary in the exit conference stated (October 2011) that due to space constraints some machines and equipments could not be put to use. In respect of blockade of ₹ 68.61 lakh, the Secretary stated that the requirement of construction works and the additional funds from State Government will be reviewed and a decision to return the funds to GOI will be taken accordingly. It was also stated that the efforts are being made to improve the staff position at all levels.

The strengthening of Pharmacy was thus adversely affected due to blockade of funds (₹ 68.61 lakh) meant for construction works and the machinery procured were lying idle for want of space as well as shortage of staff. Thus, the objectives of following Good Manufacturing Practices by Pharmacy as envisaged under the GOI scheme could not be achieved.

1.1.16 Working of Drug Testing Laboratory and Research Centre

The State Government established (December 2005) a Drug Testing Laboratory and Research Centre at Raipur (DTLRC) for carrying out quality testing of medicines produced at Government and Private pharmacies in the State to ensure production of quality medicines as per the standards of Ayurved Pharmacopeias of India and to carry out research in the field of ASU&H drugs. The DTLRC had not undertaken any research activity since its establishment. Also no norms have been fixed by Government or Department of AYUSH or by the DTLRC itself, in respect of samples required to be tested in the DTLRC over a given period. Hence, the targets fixed by the DTLRC each year in respect of samples to be tested were adhoc in their basis.

Only 691 samples were tested during 2006-11 in DTLRC

We noticed that only 82 *per cent* of the targeted number of samples had been received from Pharmacy and the various DAOs/ agencies during 2006-11. As against the target of 964[45] samples, 786 samples had reached the laboratory. Of these, 691 (88 *per cent*) were tested. The remaining 95 samples (12 *per cent*) could not be tested due to non-availability of facilities, insufficient quantity for carrying out tests and non-availability of pharmacopoeia standards. Thus, the overall functioning of the DTLRC was sub-optimal. The following related observations are made:

1.1.16.1 DTLRC not strengthened

Our scrutiny of utilisation of funds of ₹ 1.38[46] crore released (2007-10) by GOI under the scheme[47] for strengthening the DTLRC revealed that there was insufficient availability of equipment as well as ineffective use of funds and machinery as shown below:

(a) Inadequate infrastructure and machinery/equipments

We noticed that out of 46 machinery/equipments recommended by GOI for a drug testing laboratory, 30 (65 *per cent*) were not available (October 2011) in DTLRC.

Idling of machinery worth ₹ 29.12 lakh

(b) Idle machinery and equipments

We observed that due to posts of Scientific Officers not being filled up, out of machinery/ equipments valuing ₹ 65.34 lakh, equipment worth ₹ 29.12 lakh (45 *per cent*) was non-functional and lying idle in the laboratory. The Department had not taken any initiative to fill up the vacant posts to utilise the funds amounting ₹ 8.54 lakh allotted for the purposes. The details of idle machineries/equipments are given in ***Appendix-1.7.***

(c) Out of an amount ₹ 50[48] lakh deposited with PWD for various civil works, works amounting to ₹ 33.15 lakh (66 *per cent*) were in progress as of October 2011. Strengthening of DTLRC was adversely effected due to incomplete civil works.

Blockade of GOI funds of ₹ 15.80 lakh

(d) The unspent balance of ₹ 15.80 lakh was parked in a bank account for more than six years and had remained unutilised for the sanctioned purposes.

1.1.16.2 Inadequacy of manpower

The State Government had sanctioned 10 posts in various categories for DTLRC of which six to eight remained vacant at different point of time. Further, for research work no additional posts have been sanctioned by the State Government. Thus, due to shortage of staff to the extent of 60 to 80 *per cent* in different categories and posts for research works not being sanctioned, the working of DTLRC adversely affected the testing of drugs and research works.

Thus, strengthening of DTLRC was adversely affected due to idling of machinery/equipment, non-availability of required equipment, shortage of

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45 Including opening balance of 24 samples.

46 Equipment and documentation centre-₹ 77.60 lakh, human resource-₹ 10 lakh and Civil works-₹ 50 lakh).

47 Strengthening and establishment of Durg Testing Laboratory for ASU&H drugs.

48 ₹ 16.85 lakh (May 2006), ₹ 5.87 lakh (March 2007), ₹ 2.28 lakh (March 2008) and ₹ 25 lakh (October 2010).

trained manpower and blockade of funds. The objectives of the GOI scheme remained unachieved and the State Government/ Department failed to ensure optimum utilisation of the DTLRC during the period of performance audit.

1.1.17 Implementation of enforcement mechanism for ASU&H drugs scheme

Under the GOI scheme of "Strengthening of State Drug Controllers of ASU&H Enforcement Mechanism" in the State an annual financial assistance for the duration of the 11 Five Year Plan (2007-12) was to be reimbursed by the GOI against expenditure incurred after 1 April 2007 on the various components[49]. As per the scheme, the State Government was to work out the possibilities of ploughing the revenue generation towards funding of the staff proposed in the component and development of ASU&H drug control sector in the State. Accordingly, GOI released ₹ 29[50] lakh for implementation of the scheme.

Scrutiny of the records revealed that there were 31 drug manufacturing units in the State. The Department spent only ₹ 17.57[51] lakh (61 *per cent*) and ₹ 11.43 lakh (39 *per cent*) was kept in bank account (October 2011) by Directorate for period ranging from two to three years.

We further observed that meager expenditure was incurred under the head 'collection of survey samples' and 'training' and no expenditure was incurred under the head salary for Data Entry Operator and traveling allowance. Against collection and testing of 500 samples per year, only 436 samples were collected and tested during 2006-11. The possibilities of ploughing revenue generation had not been worked out as the Department realised revenue only through renewal of licenses. Though computerisation of the office of ASU&H Drug Controller was stated to have been completed but the data relating to issue and renewal of licenses, survey samples testing and inspection reports were not uploaded in State website as of October 2011.

Thus, the Department failed to utilise the earlier central assistance received and failed to obtain further assistance from third year onwards to strengthen the enforcement mechanism for ASU&H Drugs in the State Government.

Programme Implementation

1.1.18 Implementation of *"Ayurved Gram"* scheme

The State Government launched (2008-09) *'Ayurved Gram'*, scheme with objective to provide information and awareness to people regarding healthcare, identification for medicinal plants and domestic treatment through herbs, preparation of domestic Ayurved medicine in villages, promotion of *Panchakarma* and *Kshar-Sutra* treatment, information and treatment about

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[49] Expenditure on purchase of vehicle, Computerisation Drug Controller Office, collection of statutory/ survey samples and training.

[50] ₹ 15 lakh in February 2008 and ₹ 14 lakh in April 2009.

[51] Salary of Licensing Authority and Drug Inspector-₹ 9.45 lakh, purchase of vehicle-₹ 5.56 lakh, computer, fax etc.- ₹ 1.84 lakh , stationery-₹ 0.32 lakh, State level meetings-₹ 0.19 lakh, survey sample collection-₹ 0.11 lakh and training-₹ 0.10 lakh

epidemics, implementation of National health programme and to encourage the farmers in production and plantation of medicinal plants, etc.

Under the scheme financial assistance of ₹ one lakh per year for each Ayurved Gram was to be provided by the State Government. Of this, 40 *per cent* was to be spent on publication and promotion, 20 *per cent* on essential drugs, 15 *per cent* on other contingencies at Directorate level and 25 *per cent* on health fairs/ awareness camps through respective DAOs.

(a) There are 146 blocks in the State and we observed that the objective of developing of one village as 'Ayurved Gram' in every block and to organize medical camps and health fairs at district/block level was largely achieved as can be seen from the table below:

Table-8: Allotment of funds and expenditure under 'Ayurved Gram' scheme

(₹ in lakh)

Year	No. of Ayurved Gram during the year	Amount sanctioned	Expenditure incurred	Balance amount	Percentage of savings
2008-09	25	25.00	17.43	7.57	30
2009-10	121	121.00	95.17	25.83	21
2010-11	146	146.00	112.94	33.06	23
TOTAL		**292.00**	**225.54**	**66.46**	**23**

(Source: Departmental figures)

However, of the total amount of ₹ 2.92 crore sanctioned for the purpose, funds ranging between 21 to 30 *per cent* could not be utilised.

We also noticed that out of ₹2.26 crore actually spent, ₹ 1.33 crore (59 *per cent*) was incurred by Directorate on purchase of medicines (₹ 82.63 lakh), Publicity and Promotion (₹ 45.59 lakh) and Training (₹5.10 lakh). The remaining expenditure of ₹ 93 lakh was incurred by respective DAOs.

(b) Records of 54, out of 60 Ayurved Grams in five selected districts were test checked. The district-wise allotment of funds and expenditure thereagainst in five test checked districts was as under:

Table-9: Allotment and expenditure in test checked districts

(₹ in lakh)

	Bastar		Jashpur		Kabirdham		Raipur		Surguja	
Year	**All**	**Exp**	**All**	**Exp**	**All**	**Exp**	**All**	**Exp**	**All**	**Exp**
2008-09	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.59	0.00	0.00
2009-10	5.20	2.09	2.40	1.60	1.94	1.52	7.76	3.67	7.28	6.53
2010-11	5.60	1.00	3.88	2.80	1.94	1.75	7.28	6.57	9.22	9.18
TOTAL	**10.80**	**3.09**	**6.28**	**4.40**	**3.88**	**3.27**	**15.64**	**10.83**	**16.50**	**15.71**
Percentage of savings	**71**		**30**		**16**		**31**		**5**	

(Source: Figures furnished by respective DAOs)

Objectives of 'Ayurved Gram' scheme not achieved

It is evident from the above table that except in Surguja there was savings ranging from 30 to 71 *per cent* in the test checked districts. In Bastar district implementation of the scheme was very poor. Our scrutiny of records and information revealed that though expenditure of ₹ 37.30 lakh was incurred on publication, promotion, health fairs/awareness camps etc., the other objectives of the scheme to encourage the farmers for production and plantation of medicinal plants and preparing of domestic Ayurved medicines in villages remained unachieved.

(c) Under the scheme, the Department also undertook plantation of medicinal plants during 2009-10. We noticed that the overall survival rate of medicinal plants was 40 *per cent*. However, in 16 Ayurved Grams this percentage was less than 25. In 46 out of 54 Ayurved Grams no member was involved from *Rajya Vanoshadi Board* in organising committee as envisaged in the scheme guidelines.

In the exit conference, the Secretary stated (October 2011) that the concept of planting of medicinal plants on commercial lines or production of Ayurved medicines were not the objectives of the scheme and informed that the State Government had entrusted the work of evaluation/study of the scheme to SHRC.

The reply was not convincing as the concept and objectives of the scheme clearly included activities aimed at encouraging the farmers to undertake production and plantation of medicinal plants and also preparation of domestic Ayurved medicine in villages etc.

The implementation of the scheme in four districts was thus not satisfactory as the funds provided to districts for publication, promotion, health fairs/camps etc. were not utilised and the intended objectives of the schemes also could not be achieved.

1.1.19 Convergence with other on-going programmes

1.1.19.1 NRHM not implemented and refund of ₹ 3.29 crore

Refund of NRHM funds ₹ 3.29 crore

Based on the approval of State Programme Implementation Plan (PIP) for National Rural Health Mission (NRHM) its Mission Director in Chhattisgarh released (March 2009) ₹ 1.78 crore and ₹ 4.24 crore (March 2010) for implementing various activities under NRHM. We noticed that an amount of ₹ 3.29 crore (55 *per cent*) was refunded (December 2010) to the State Mission Director, NRHM as funds could not be spent on various components and activities as envisaged in the PIP of NRHM, the details of which are given in ***Appendix-1.8.***

We observed that two health camps at district level and four at block level were to be organized every year for which ₹ 65.40 lakh was received from NRHM under PIP 2008-09. Of this, ₹ 62.41 lakh (95 *per cent*) was spent upto March 2011. In five selected districts only 11 (37 *per cent*) health camps at the district level were organised during 2008-11 for which an expenditure of ₹ 1.13 lakh was incurred. Similarly, in 60 blocks of five test checked districts, only 245 health camps (34 *per cent*) were organised in that year by spending an amount of ₹ 9.90 lakh. Thus, lack of initiative on the part of the Department in organizing the health camp not only led to non-achievement of the target but also the objectives of creating awareness on the use of alternative system of medicines through the health camps also remained unachieved in the selected districts.

In the exit conference, the Secretary attributed (October 2011) the short performance of AYUSH Department under NRHM due to lack of monitoring.

The non-utilisation of NRHM funds was noticed mainly in regard to (a) establishing integrated epidemic cell, (b) purchase of essential medicines for rural, remote and tribal areas, (c) recruitment of additional manpower for AYUSH units in tribal CHC/PHC and (d) imparting training on essential maternal and child health and ward in Ayurved College etc. This had resulted in an over-optimistic estimate of activities to be under taken and expenditure to be incurred in the PIP of NRHM. Also, the objectives of the improved healthcare facilities deliverable through AYUSH institutions had remained unachieved.

1.1.19.2 Lack of coordination with State Medicinal Plant Board

The National Medicinal Plants Board (NMPB) was set up in November 2000 with the objective to coordinate all matters relating to medicinal plants. The NMPB provides financial assistance to the State Medicinal Plants Board (SMPB) for development of medicinal plants. In order to encourage growing of medicinal plants in the State and other related activities the State Medicinal Plants Board (SMPB) was established (August 2009) under the Forest Department and has been functioning under the Chairmanship of the Chief Minister with other ex-officio, technical and non-official members including the Director, AYUSH.

We noticed that no initiative was taken by the Department in coordination with SMPB for development of a herbal garden for the Ayurved College or of nurseries and plantations of medicinal plants in dispensaries having government land.

The Director, AYUSH stated (October 2011) that proposal for development of herbal garden on government land available with hospital/ dispensaries would be prepared and submitted to SMPB.

Human Resource Management and training

1.1.20 Staff position and shortages

Shortage of manpower in all categories of staff

During the period of performance audit, we observed that there was shortage of staff ranging from 63 to 85 *per cent* in Class-I, 17 to 50 *per cent* in Class-II, eight to 47 *per cent* in Class-III, 19 to 29 *per cent* in Class-IV cadres and 16 to 24 *per cent* in Contingent staff. There were shortages in Specialists/Medical Officers/ Assistant Medical Officers of Ayurved, Yog & naturopathy, Unani, Siddha and Homeopathy (17 *per cent*), paramedical staff (30 *per cent*) and other supporting staff such as Dais/Female Health Worker and Class-IV/Part Time Sweepers (21 *per cent*) as of March 2011.

We further observed that 93 *per cent* posts of Specialists, *Panchakarma* Assistants and Massager, 45 *per cent* posts of Female Health Worker, 31 *per cent* posts of peon and 18 *per cent* posts of pharmacists were vacant as of March 2011 which adversely affected the basic and important services of Ayurved treatment in Hospitals/Dispensaries.

Extent and impact of these staff shortages have been discussed for each segment of Department of AYUSH operations in the preceding paragraphs.

In the exit conference, the vacancies existing in Dispensaries, Hospitals, Ayush centres, AYUSH wings and specialised centres were discussed. In his response the Secretary stated (October 2011) that efforts are being made to improve the staff position at all levels.

1.1.21 Execution of building works for health institutions

Inadequate buildings and incomplete construction works

The impact of shortage of space and delays in completing construction works on the effectiveness of different aspects of functioning of Department of AYUSH have been discussed at appropriate places in the earlier paragraphs of this report. However, the overall position is summed up hereunder:

(a) We noticed that out of 16 District Ayurved Offices, only two (Durg and Raipur) were having own building, eight[52] were functioning in rented buildings and six[53] in other buildings.

(b) The Department has been constructing buildings for Hospitals and Dispensaries through PWD. We noticed that during the period of performance audit (2006-11), administrative approval of ₹ 12.60 crore was accorded during 2007-08 for 201[54] building works. As per the information furnished (October 2011) by the Directorate, 150 were completed of which 12 buildings were not handed over to the Department by PWD. Out of the remaining 51 works, 20 were in progress and 31 works could not be started/ incomplete as of October 2011.

The Secretary in the exit conference stated (October 2011) that the position will be reviewed.

Thus, there was lack of coordination and monitoring in respect of building works in the Department due to which the Dispensaries and Hospitals were lacking infrastructural facilities.

1.1.22 Internal Audit

An internal audit wing has been set up in the Department for conducting the internal audit of field units. Out of 20 units to be audited in a year only four[55] units were actually audited during the period 2006-11. The compliance reports on these internal audit reports from the units were also not received. It was evident that the internal audit mechanism in the Department was not effective.

The Secretary stated (October 2011) in the exit conference that due to shortage of staff, internal audits could not be done and agreed to review the position.

1.1.23 Monitoring and evaluation

We observed that the Department had not evolved any system for monitoring and execution of various CSSs and State programmes to evaluate their impact on the healthcare deliveries systems in the State as discussed below:

(a) In five test checked districts, no field inspections were conducted by the respective DAOs during the period 2006-09. Similarly, the DAOs of test checked districts intimated that inspections were conducted by Directorate but records relating to the inspections were not maintained by them.

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[52] Dantewada, Janjgir-Champa , Jashpur, Kanker, Korba, Koriya, Mahasamund and Surguja.

[53] In District Allopathic Hospital- Kabirdham and Rajnandgaon; In District Ayurved Hospital-Bastar, Bilaspur & Raigarh and In Collectorate building-Dhamtari.

[54] Scheduled Caste region-45, Scheduled Tribal region-49 and General region-107.

[55] 2006-07: two, 2008-09: one and 2009-10: one.

(b) In subsequent two years (2009-10 and 2010-11) four DAOs conducted 175[56] inspections of dispensaries during 2009-10 and three DAOs conducted 208[57] inspections of dispensaries during 2010-11 by utilizing NRHM funds. However, no inspection reports were issued nor any records maintained.

It is evident from the above that the Directorate and field functionaries had not exercised regular and adequate supervision over the functioning of the dispensaries under their jurisdiction. Thus, due to ineffective monitoring and evaluation, the Department could not have assessed the field level impact of the various GOI/ State schemes being implemented in the State nor taken cognizance of problems faced by the field units in implementing the schemes.

1.1.24 Conclusion

Despite the importance attached to promotion of low cost and easily accessible treatment, especially for the poor, the delivery of healthcare services in the State could not be achieved to the desired extent. Even though the popularity of indigenous systems of medicines, particularly, Ayurved, in various districts of the State was evident from the growing number of outpatients. The utilisation of funds allocated to the Department was very low, particularly in regard to purchase of equipments and medicines. There were significant shortages in the cadre of Medical Officers and supporting staff; lack of basic infrastructure like water, electricity, diagnostic facilities and dysfunctional healthcare infrastructure in primary, secondary and tertiary healthcare institutions had adversely affected the quality of healthcare services. The lone Government Ayurved College and Hospital attached to Government Ayurved College lacked shortage of teaching and paramedical staff as well as infrastructural facilities which had affected the quality of services provided and the education imparted by it. The in-house production of Ayurved drugs was very marginal and the testing of raw herbs could not be carried out. The services of Drug Testing Laboratory and Research Centre was also not optimally utilised.

Though these deficiencies were pointed out in paragraph 3.3 of the Report of Comptroller and Auditor General of India (Government of Chhattisgarh) for the year ending 31 March 2004, during the present performance audit no significant improvement was noticed even after lapse of seven years.

The implementation of centrally sponsored schemes was tardy as substantial funds remained unspent. The objective of establishing AYUSH wings and mainstreaming them with allopathic institutions to provide treatment in both systems of medicine under one roof also remained unachieved. The implementation of the State scheme "*Ayurved gram*" was not satisfactory and the intended objectives of the schemes also could not be achieved. Monitoring and inspection of the implementation of the schemes and working of the Dispensaries and Hospitals was inadequate.

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[56] Jashpur (17), Kabirdham (five), Raipur (83) and Surguja (70)
[57] Bastar (175), Jashpur (29) and Surguja (four)

1.1.25 Recommendations

The following recommendations may be considered by the State Government:

- To avoid rush of expenditure and surrender of funds at a late stage advance action should be taken to make procurements etc. during the relevant financial year.
- Effective steps may be taken to strengthen outpatient services in the Ayurved Dispensaries in Bastar region.
- Steps may be taken to provide plastic files and plain globules to Homeopathy Dispensaries in the State for safe distribution of medicines.
- Effective steps should be taken to ensure quality healthcare services like general, emergency and maternity services as well as basic infrastructure like computerisation of inpatient and outpatient registration, waste management system and uninterrupted power supply, in all existing Dispensaries and Hospitals in the State.
- Staff shortage should be addressed on a priority basis, especially in the case of Medical/Assistant Medical Officers, who are the backbone of the medical system. Similarly, to ensure effective delivery of healthcare facilities supporting staff in Ayush centres should be considered where only the post of Medical Officer has been sanctioned so far.
- The Drug Testing Laboratory and Research Centre and Government Ayurved Pharmacy needs to be modernised and essential steps taken for installation of machine and equipment lying idle in these institutes in order to reduce cost of production and to facilitate quality testing of drugs.
- Proper inventory management system for raw herbs needs to be put in place to avoid blockage of funds, the cost of production of medicines in Pharmacy needs to be rationalized by establishing a proper costing system. Norms for process loss should be laid down to ensure actual loss of raw herbs during process of production.
- Construction works should be closely monitored to ensure early completion so that AYUSH wings, Specialised Therapy Centres and Speciality Clinics can commence functioning to provide required medical services.
- The Government/ Department should streamline the system of monitoring and evaluation including internal audit function to ensure full and proper utilisation of funds including those provided by Government of India under various centrally sponsored schemes.
- A great deal of attention may be paid to activating field inspection of Dispensaries and Hospitals by the supervisory officers.

The Secretary in the exit conference (October 2011) agreed to the above recommendations and stated that efforts will be made by the Department to implement the same as far as possible.

PUBLIC WORKS DEPARTMENT

1.2 Chhattisgarh State Road Sector Development Project (ADB assistance)

Executive Summary

With a view to improve the connectivity of the State road network in Chhattisgarh and to provide a more effective institutional and policy framework for road sector management, Government of Chhattisgarh (GOCG), Public Works Department (PWD) developed Chhattisgarh State Road Sector Development Project (project) with the loan assistance from Asian Development Bank (ADB) for improvement of 1700 km of State's road network. Against this, the Department could award contracts for only 1249 km and was able to improve only 1229 km (72 *per cent*) roads through an investment of ₹ 1154.58 crore during 2004-11. This includes loan of ₹ 692.86 crore[1] from ADB. The Department failed to reach key milestones set in the Project Action Plan. This resulted in slippage of physical targets as well as cost escalation. The Department failed to introduce required sectoral reforms that were essential for effective implementation of the project. This resulted in the technical assistance grant received from ADB becoming unfruitful. Short drawal of the loan from ADB resulted in avoidable burden of commitment charges. Works executed were based on faulty estimates prepared by the consultants resulting in abnormal variation of the items during actual execution. The payments due to contractors were released on the basis of uncertified mode of measurements. The ambiguity in contract provisions and the non performance of duties by the consultants as per terms and conditions of the agreement led to excess and irregular payments to the contractors including avoidable extra cost on works. The poor performance of consultants and contractors delayed the project works beyond its stipulated date. During the course of project implementation the Road Management Committee (RMC) responsible for implementation of sectoral reforms and effective monitoring of the project had never met to monitor the project performance. Though the responsibility of implementing the project was assigned to the official hired on contract basis and the consultants, the Department had not conducted any internal audit to ensure the implementation of the project as per the terms and conditions of the loan agreement and also in compliance to the financial rules and regulations.

1.2.1 Introduction

The Government of Chhattisgarh (GOCG), Public Works Department (PWD), is responsible for road sector management and development. It oversees the planning, design, construction and maintenance of all the State Highways (SHs), Major District Roads (MDRs), Other District Roads (ODRs), some

[1] Loan reimbursed by ADB was US $ 153.49 million.

rural roads, major bridges etc. Having road network of 36327[2] kilometer (km) as of 2002-03, PWD identified a road length of 10223 km for improvement at an investment of ₹ 9625 crore within a span of 12 years (2005-2016). Of this, 1700 km were planned to be improved[3] under Chhattisgarh State Road Sector Development Project (project) with loan assistance from Asian Development Bank (ADB). The Performance Audit of the project was conducted during February to July 2011 covering the period 2004-11. The estimated cost of the project was ₹ 1285.65 crore (US $ 285.70 million) at the 2003 year price level. ADB's loan component in the project was ₹ 810 crore (US $ 180 million-63 *per cent*). Balance investment of ₹ 475.65 crore (US $ 105.70-37 *per cent*) was planned from State's own resources. The loan agreement with ADB initially approved in December 2003, was signed in December 2004 and made effective from 15 January 2005.

1.2.2 Organisational setup

The Public Works Department of the State is headed by the Principal Secretary to GOCG. The Engineer-in-Chief (E-in-C) is the administrative head of the Department. For the implementation of the project, the Government formed a Project Implementation Unit (PIU) headed by a Project Director who functioned under the supervision of Engineer-in-Chief (E-in-C), PWD. For implementation of the project within the jurisdiction of various existing Public Works Divisions, the Government issued orders (August 2006) designating the Executive Engineers of concerned Public Works Divisions as Nodal Officers, thus making them responsible for ensuring timely completion of the project and for assuring quality of construction. The PIU and its field officials were overall responsible for day-to-day implementation of the project. Government formed a Road Management Committee (RMC) headed by the Chief Secretary responsible for timely implementation of road sector reforms and for effective monitoring of the project.

1.2.3 Audit objectives

The performance audit was conducted to assess that :

- the objectives of the project were adhered with due economy, efficiency and effectiveness;
- the Department adhered to the comprehensive action plans prepared for the successful implementation of the project; and
- the construction activities conformed to the conditions of contracts.

1.2.4 Audit criteria

The audit findings were based on the criteria sourced from the following :

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[2] National Highways-2225 km; State Highways-3216 km, Major District Roads-2118 km and Other Roads/Village Roads-28768 km.

[3] Rehabilitation, up-gradation, improvement and construction of State's road network.

- Master Plan for Road Sector Development;
- Terms and conditions of ADB's loan agreement and project agreement;
- Procurement guidelines stipulated by ADB;
- ADB's guidelines for engagement of consultant for Project Management Consultancy;
- Specifications stipulated in the relevant IRC code and Ministry of Road Transport & Highways (MORT&H);
- Works Department (WD) Manual, Central Public Works Account (CPWA) Code and relevant Schedule of Rates (SORs);
- Detailed Project Reports of the priority roads, Administrative Approval, Technical Sanction and NIT/contract documents.

1.2.5 Audit methodology

In carrying out the performance audit, we examined (February-July 2011) records relating to implementation of the project in the offices of Project Director, Project Implementation Unit (PD, PIU) along with the records/information obtained from the seven executing divisions. Besides, for our detailed scrutiny we selected six out of 19 road works being executed under the project by using random number table applying SRSWOR[4] method. An additional road was brought within the scope of audit on the basis of a suggestion made by Principal Secretary (PS) in the entry conference held in May 2011 with him. An exit conference with the PS and other officials of the PWD was held (October 2011) to discuss the various issues raised in audit. The comments of the PS have been incorporated at relevant places in this report.

Audit findings

1.2.6 Planning

The project was planned to be completed in five years, from January 2004 to January 2009. As per the covenants of the loan, the GOCG had committed to implement a set of road sector reforms under the Institutional Strengthening and Capacity Building Component (ISCBC) to facilitate efficient implementation of the project. The works relative to upgradation of road network of 1700 km identified under the Master Plan of the project were to be executed in two phases. In phase-I, nine roads (800 km) were identified for upgradation by State Government. Each selected road was designated as candidate sub project and validated in the Master Plan. In phase-II, 21 roads (900 km) were similarly identified in the Master Plan to provide, in

[4] Simple Random Selection Without Replacement.

conjunction with phase-I roads, devised degree of continuity and spread to the State's total road network. Between July 2006-December 2007 the Department engaged 21 civil contractors for improvement of 19 roads (1249 km). Action to award contracts in respect of 11 sub project roads (469 km) from the phase-II had not been initiated/completed as of July 2011. The details of 19 sub project roads taken up for execution are shown in ***Appendix-1.9***. The Department also engaged (August 2006) three consultants for supervision of the civil works under 21 contract packages. The details of targets and achievements of the project are as below :

Target fixed for improvement in Master Plan	:	1700 km (30 roads)
Contract awarded	:	1249 km (19 roads)
Actually improved	:	1229 km (19 roads)

Table-1 : Target and achievements of the project

	Phase	Number of roads	Road length (km)	Project cost (₹ in crore)	Completion dates
Target	I	9	800	1285.65	August 2008
	II	21	900		December 2009
	Total	**30**	**1700**		
Achievement	I	9	798	1154.58	7-completed 2-In progress[5]
	II	10	431		10-completed
	Total	**19**	**1229**		17-completed 2-In progress
Shortfall		**11**	**471**	**131.07**	

Source : Compiled in audit from the information provided by the PWD.

Our scrutiny of implementation of the 19 component sub projects revealed the following deficiencies of planning-

1.2.6.1 Non-adherence to key milestone set in implementation of the project (cost overrun of ₹212.32 crore).

The project was approved by the ADB in November 2003. As per the Project Administration Memorandum per kilometer cost of the project roads was estimated at ₹ 0.61 crore. In the action plan of the memorandum, the ADB fixed key milestones for implementation of the project activities like implementation of reforms, finalization of loan, pre-construction activities etc. We observed instances of non-adherence to these key milestones during the implementation of the project, as detailed below :

(a) Non-implementation of road sector reforms.

As a part of reform measures to which the GOCG, PWD had committed itself (December 2004) under the loan covenant, it was required to establish an Agency for Road Development (ARD) responsible for management of the roads financed under the project. By the end of December 2006, the ARD was to be transformed into the Dedicated Road Authority (DRA) and made responsible for management of all State Highways (SHs) and Major District Roads (MDRs) of the State. For this purpose ADB provided (24 April 2006) Technical Assistance (TA) grant to enable GOCG to engage the services of

[5] (i) Bhanupratapur-Narayanpur-Kondagaon road & (ii) Gariaband-Bardula road.

consultants for implementation of Institutional Strengthening and Capacity Building Component (ISCBC). The services of consultants engaged were completed in August 2009.

Failure in implementation of road sector reforms and unproductive utilisation of TA grant amounting to ₹ nine crore

We observed that though the GOCG, PWD availed the services of consultants provided under the TA grant, envisaged road sector reforms to be introduced with the help of the consultants had not been implemented as of July 2011. Utilising the TA grant, however, 12 PWD officials were deputed for training abroad. Of these, only three officials were actually placed in the PIU. The remaining nine officials were never involved in implementation of the reform component (***Appendix-1.10)***. Moreover, while the trained staff were required to remain in service for at least two consecutive years after the completion of training, Chief Engineer, PWD, was deputed for training even though he was due for retirement three months after training. This contravened the conditions listed in Schedule-6[6] of the loan agreement.

Thus, despite recognizing the need of road sector reforms for efficient implementation of the project and proper management of State road network, the Department failed to bring about the necessary reforms, thus practically wasting TA grant of ₹ nine[7] crore.

In the exit conference (October 2011), the PS, PWD did not specifically address this issue.

(b) Delay in finalization of loan.

Delay in getting approval of FD, led to delay of one year in signing the loan agreement

As per Part-I, Rule 11 (i) of Rules of Business of the Executive, Government of Chhattisgarh, no Department shall, without previous consultation with the Finance Department, authorise any orders which either immediately or by their repercussions will affect the finances of the State. Further as per Part-II, of the directions issued under Rule-7, the proposals for raising of loans on the security of the consolidated fund of the State should be brought before the council.

Scrutiny in audit revealed that the loan negotiations were finalised by the PWD, GOCG in November 2003. The loan negotiations were also finalised without involving Finance Department. After negotiations, the proposal was submitted for the approval of Finance Department (FD) in December 2003. FD delayed its approval stating that the loan was finalised by the PWD without assessing other sources of funding and finalising the Master Plan. This led to delay of one year in signing the loan agreement which was finally signed in December 2004. The implementation schedule of the project, however, was left unchanged which implicitly cast on the implementing agencies, the responsibility to plan and complete lead-up activities expeditiously. This did not happen to an adequate extent as several critical actions were unduly delayed as brought out in the next sub paragraph.

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6 As per Schedule-6 of the loan agreement, the GOCG, PWD should ensure necessary measures to endeavor that the trained staff remain in service for at least two consecutive years after the completion of training.

7 The TA Grant amounting to US $ two million converted at the rate of ₹ 45 per US $.

(c) Delay in completing pre-construction activities.

From the table below it is evident that the Department failed to complete the pre-construction activities as per the completion of the project targets resulting in cascading delays.

Table-2 : Target and achievements of the preconstruction activities

Activities	Target month	Actual achievement month	Delay in months
Finalisation of DPR of priority roads	April 2005	October 2005	6
Engagement of construction supervision consultant	June 2005	August 2006	14
Finalisation of bid documents and award of contract	September 2005	August 2006	11
Project finalization	January 2009	Still in progress (July 2011)	30

Source : Compiled in audit from the information furnished by PWD.

(d) Dilution of norms in engagement of consultants.

The consultants engaged diluting the norms

(i) The loan agreement envisaged engagement of consultants for assisting execution of individual road works. Their services were to be specifically used for preparation of Detailed Project Reports (DPRs) and supervision during construction.

The selection and engagement of consultants was to be based on quality and cost consideration as per Quality and Cost Based Selection (QCBS) procedure prescribed for this purpose. The Department had empanelled 20 firms of consultants from whom offers were invited for preparation of DPRs of nine road works under phase-I. As per the Request For Proposal (RFP) documents, one consultant would be considered only for one work and technical bids were to be evaluated on the basis of equipment available with the consultants. We noticed that contrary to these provision out of 20, only three consultants were shortlisted and awarded the work of preparing DPR for all the nine works, three to each consultant. This was not only contrary to the RFP documents but also the tender evaluation norms. To ensure sufficient availability of key professionals for each work every consultant was required to respond to the tender of only one work. Since, the Department had violated this stipulation in awarding three works to each consultant, it had not taken care to ascertain and ensure availability of key professionals and survey equipments with the consultant. Consequently the DPRs were submitted by the consultant 75 to 150 days beyond the stipulated dates.

In the exit conference, the PS, PWD stated (October 2011) that the three shortlisted consultants were awarded more than one work due to non-availability of qualified consultants. He further stated that penalty will be imposed on the consultants.

The reply, however, was not based on facts as 20 consultants had been empanelled by the Department against nine works; also no provision has been made in the contracts with consultants for imposition of penalty for delay in providing required services.

The supervision consultants were engaged deviating the bid evaluation norms

(ii) The Department engaged M/s Renardat SA, Switzerland as supervision consultant for nine roads (810 km) in phase-I on the basis of the recommendations of Tender Evaluation Committee. As per the requirement of ADB agreement, the tenders were evaluated as prescribed for this process under QCBS procedure. As per the RFP document, the financial bids of only those bidders were evaluated who got 75 *per cent* marks in technical proposal, which in turn, were to be based on the curriculum vitae (CV) of key professional offered for the job and the points awarded to each of them. All the CVs submitted were required to be duly signed by nominated professionals to establish their availability with the bidder. To confirm the veracity of such facts, each member of the tender evaluation committee was required to sign evaluation work sheet (EWS).

Scrutiny however, revealed that contrary to these provisions following deviations were made, casting a shadow over the integrity of the bid evaluation process :

- The Tender Evaluation Committee recommended the proposal of M/s Renardat SA (the L1 bidder) without ascertaining the availability of signed CV with the technical proposals.
- The CVs of four key professionals of L1 bidder were considered by the Tender Evaluation Committee even though the same had not been submitted at the time of submission of technical bid.
- The evaluation worksheet was not signed by any member of the Tender Evaluation Committee.
- After award of work, the L1 firm substituted eight out of 15 key professionals with professionals having to their credit a lesser score. Of these three key professionals had not joined the work at all. This corroborates the fact that the L1 bidder submitted the CVs of key professionals who were not available with them at the time of tender evaluation. The comparison of the CVs is detailed in ***Appendix-1.11.***
- The firm qualified the bid getting 879 technical points against required 750 points. Whereas the firm supervised the work with 680 to 657 technical points in 46 out of 53 months. This had ultimately resulted in delay in completion of project works by 81 to 709 days.

The non-adherence to the set key milestones of the action plan resulted in cost overrun of ₹ 212.32 crore

Thus, the failure of the Department in adhering to the different action plans prepared for successful implementation of the project resulted in cost overrun of ₹ 212.32 crore as detailed below :

Table-3 : Cost overrun due to delay in project finalisation

Cost per Kilometre as per approved project (in 2003)	₹ 0.61 crore[8]
Cost per Kilometre at the time of finalisation of estimates (in 2006)	₹ 0.78 crore[9]
Cost overrun per Kilometre	₹ 0.17 crore (28 *per cent*)
Cost overrun of the project	₹ 212.32 crore[10]

Source : Compiled in audit from the information furnished by PWD.

1.2.6.2 Improper preparation of budget estimates and short drawal of loan resulted in accrued commitment charges of ₹ 16.42 crore.

The loan agreement with ADB[11], stipulated that the borrower shall pay a commitment charge at the rate of 0.75 *per cent* per annum on the sum drawn less than the committed drawal of funds. This depended on budgetary allocations and actual expenditure there against, as drawal of funds was incident on submission of reimbursement claims by the State Government to ADB through Controller Aid Accounts and Audit Division (CAAD), Department of Economic Affairs (DEA), Ministry of Finance (MoF), Government of India.

The position of funds allotted for the project and the expenditure there against during the period 2005-06 to 2010-11 is indicated in the table below :

Table-4 : Details of year-wise allotment and expenditure of the project

(₹ in crore)

Year	Allotment	Expenditure	Excess (+)/Savings (-)
2005-06	3.50	2.96	(-) 0.54
2006-07	130.00	72.76	(-) 57.24
2007-08	207.00	208.40	(+) 1.4
2008-09	300.00	306.33	(+) 6.33
2009-10	300.00	304.12	(+) 4.12
2010-11	260.00	260.01	(+) 0.01
Total	**1200.50**	**1154.58**	**(-) 45.92**

Source : Public Works Department

Though overall short drawal of funds by the end of 2010-11 was only ₹ 117.14[12] crore (US $ 26.50 million), in the initial four calendar years (2005-2008) the drawal of funds was far below the committed amounts (see table-5).

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8 The civil work and consultancy charges were estimated at ₹ 1030.50 crore for 1700 km road network in the approved project.

9 The estimates for 1248.97 km road network were finalized for ₹ 972.91 crore.

10 @ ₹ 0.17 crore x 1248.97 km

11 Section-2.03, Article-II.

12 As against the approved loan of ₹ 810 crore, the department could able to draw only ₹ 629.86 crore as of July 2011 resulting in short drawal of ₹ 117.14 crore.

Table-5: Details of drawal of loan against commitment

Year	Commitment with ADB as per loan agreement (Progressive in USD)	Actual withdrawal from ADB (in USD)	Progressive withdrawal from ADB (in USD)	Short drawal against commitment (col.2-col.4)	Accrual of commitment charges (in USD) @ 0.75 per cent of col.5
1	**2**	**3**	**4**	**5**	**6**
2005	2,70,00,000	Nil	Nil	2,70,00,000	2,02,500
2006	8,10,00,000	48,19,098	48,19,098	7,61,80,902	5,71,357
2007	15,30,00,000	1,61,28,095	2,09,47,193	13,20,52,807	9,90,396
2008	18,00,00,000	3,90,59,711	6,00,06,904	11,99,93,096	8,99,948
2009	--	4,85,08,234	10,85,15,138	7,14,84,862	5,36,136
2010	--	3,93,03,630	14,78,18,768	3,21,81,232	2,41,359
2011	--	56,77,485	15,34,96,253	2,65,03,747	1,98,778
Total	**18,00,00,000**	**15,34,96,253**	**15,34,96,253**		**36,40,474**

Source : *Compiled in audit from the information obtained from the official website of CAAAD, DEA, MoF, GOI, New Delhi.*

Short budget allocation and drawal of loan there against resulted in accrual of liability towards commitment charges

As against committed drawal of US $ 180 million (₹ 810 crore) by December 2008, the Department had drawn only US $ 60.01 million (₹ 270.05 crore) resulting in short drawal of US $ 119.99 million (₹ 539.95 crore). This was attributable to lower budgetary allocations during these three years (₹ 425.25[13] crore) which fell short of the committed budgetary support of ₹ 688.50 crore.

This resulted in accrual of liability amounting to ₹ 16.42[14] crore (US $ 3.64 million) towards commitment charges despite substantially higher drawal in the subsequent three years between 2009-2011.

In the exit conference, the PS, PWD stated (October 2011) that the State Government was compelled by the ADB to draw the loan from the very first year of its becoming effective, even though owing to preparatory work in the first year requirement of funds practically starts from second year onwards.

The reply of the Department is not acceptable. The Department should have mobilized to execute the work as per the schedule agreed to under the loan agreement.

1.2.7 Execution of project and contract management

As per the provision of loan agreement and guidelines issued by ADB, the Department engaged the consultants responsible for supervision, inspection and measurements of civil works. The consultants were also responsible for proper management of civil works contract, comprehensive supervision of project implementation activities carried out by the contractors and completion of the work within the stipulated period. Their agreements with the PIU stipulates that the consultant shall perform their duties with due care and diligence in accordance with acceptable criteria and standards.

[13] As against the committed drawal of ₹ 688.50 crore, the budget provision during 2005-08 was only ₹ 425.25 crore (63 per cent of ₹ 675 crore).

[14] Conversion made at the rate of ₹ 45 per US dollar (value as on date of singing of the loan agreement).

To safeguard the interest of Government, the GOCG, PWD had designated (August 2006 and May 2007) the Executive Engineers (EEs) of the divisions where under works were being executed as Nodal Officers, who along with the Sub Divisional Officers (SDOs) and Sub Engineers were delegated the power to release the contractual payments. They were simultaneously made responsible to ensure required checks in measurements as per Works Department (WD) Manual. Later in June 2009 this arrangement was modified to centralize all contractual payments under the EE, PWD Dn.3, Raipur, whereas the other Nodal Officers continued to remain responsible for checking measurement of work done by contractors.

We observed the following deficiencies in contract management :

1.2.7.1 Release of payments of ₹ 437.66 crore using uncertified mode of measurements.

No verifiable record of measurements based on which payment of ₹ 437.66 crore made to the contractor was available

The following are the provisions stipulated in the WD Manual[15] and in the contract[16] with regard to recording of measurement and their maintenance-

- The Measurement Book (MB) is the most important record since it is the basis of all accounts of quantities of work done and it must contain complete record of facts so as to be conclusive evidence in court of law.
- Every measurement, at the time it is taken, must be recorded directly in the MB and in no other book.
- The measurements should be as described under various items of the Bill of Quantities (BOQ) conforming to MORT&H specifications.
- The consultant might use all computer programs developed by him with prior written approval of the Department.
- The Nodal Officers along with the SDOs and Sub Engineers had entrusted[17] to check the measurements as required under WD Manual.

Scrutiny of the mode of measurements adopted in all the test-checked packages[18] for the items[19] to be measured in volumetric units revealed that in the MB, the consultant had shown only the area, length and volume surface area of the road to calculate payment due to the contractors. Since area would be a product of width and depth of the item, no chainage-wise width and depth of the road was recorded in MB. The cross sectional measurements derived from computer calculations were thus not conforming to the relevant specifications. The Nodal Officers responsible for ensuring necessary checks had allowed the mode of measurements without any objection. Therefore no

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15 Para 4.017 and 4.023.

16 Clause 1.1.4, section-6 of the civil contract; clause 5.2.17, 9.02 and 7 (TOR) of consultant contract.

17 As per directions of GOCG, PWD (August 2006 and May 2007).

18 Packages 1, 2,3,4,5,6, 10-A, 11-Phase-I and 3, 9-Phase-II.

19 Excavation of embankment, construction of embankment, GSB, WMM & Bituminous courses.

verifiable record of measurements based on which payment of ₹ 437.66 crore was made to the contractor was available, the computation of payments thus made to contractors through all uncertified mode of measurements was in violation of contract and should not have been accepted. This led to unrealistic calculation as detailed below :

- The levels recorded in MB were different from the levels entered in computer software for computation.
- In one case, the Nodal Officer, Khairagarh informed (June 2007) the consultant that in the calculation sheet prepared by the computer software, no levels were mentioned and the consultant's representative also was not able to explain the mode of measurements adopted. Further, the quantity evaluated manually was not matching with the computerized calculations.

In the exit conference, the PS, PWD assured (October 2011) to furnish a detailed reply and stated that since the issue being serious as the incomplete MBs cannot be accepted for payment and creates doubts about the payment made on the basis of these measurements, hence the E-in-C, PWD decided to correlate the measurements and payments. Necessary records will be produced to audit again for re-examination.

1.2.7.2 Acceptance of erroneous estimates prepared by the consultant resulted in extra expenditure of ₹61.45 crore.

According to paragraphs 2.025 and 2.017 of the WD Manual, estimates for works were required to be prepared as accurately as possible on the basis of detailed surveys.

Further as per contract, the supervision consultant should seek prior approval of the employer (GOCG, PWD) with regard to variation order exceeding 0.5 *per cent* of the individual items.

Execution of work through erroneous estimates prepared by the consultant resulted in extra expenditure of ₹ 61.45 crore

We observed that in nine[20] out of 10 test-checked packages, the quantities of items pertaining to construction of embankment and bituminous works were increased abnormally between 16 and 3772 *per cent* as detailed in the ***Appendix-1.12***. Despite huge variation, no action was initiated against the consultant by the Department. Moreover, contrary to the provision of agreement, the consultants allowed the variations without obtaining approval of the Government. While forwarding the revised estimates, the E-in-C, PWD had also pointed out the irregularity committed by the consultants as they did not obtain approval of the variations. Consequently, the Department incurred extra expenditure of ₹ 61.45 crore (72 *per cent*) over the contractual cost of ₹ 85.06 crore for these items in nine test-checked packages. The reasons for variations were mainly due to faulty estimates prepared by consultants.

In the exit conference, the PS, PWD stated (October 2011) that the variations were due to faulty DPRs submitted by the consultants and agreed to impose

[20] Package Nos.1, 2, 4, 5, 6, 10-A & 11 (Phase-I) and 3 & 9 (Phase-II).

penalty on the consultants.

The updated position of imposition of penalty on the consultant and recovery was awaited (January 2012).

1.2.7.3 Irregular release of price escalation amounting to ₹ 97.66 crore without valid extension of time and non recovery of liquidated damages.

In the civil works of 19 roads awarded to 21 contractors in 21 contract packages between July to December 2006 (for phase-I works) and March to December 2007 (for phase-II works), the stipulated period for completion was 24 months from the date of issue of work order. Out of 21 packages, four[21] were completed within stipulated period, 15[22] were completed with delay ranging between 81 and 588 days and the remaining two[23] were still in progress (October 2011).

The following conditions[24] were stipulated in the contract for regularization of the delay occurred in completing the road works :

- The contractor shall be liable to pay delay damages[25], if the delay attributable to him.
- If the causes of delay are attributable[26] to the Department, the contractor is entitled to regularization of time extension without imposition of penalty and would get price escalation for the extended period.
- The consultants engaged for supervision were also especially responsible for timely completion of the works through initiation of advance actions for handing over of site, timely issue of drawings and conducting inspections etc.
- The power to regularize the extension of time (EOT) cases was vested with the Government of Chhattisgarh in Public Works Department.

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[21] Package No.4 (Phase-I) and 6, 7, & 8 (Phase-II).

[22] Packages No.1, 2, 3, 5, 6, 9, 10-A, 12 & 13 (Phase-I) and 3, 4, 5, 9, 10 & 11 (Phase-II).

[23] Package 7-A & 11 (Phase-I).

[24] Clause 8.4, 8.7 and such-clause 13.11 of section-8 of civil contract.

[25] At the rate of 0.05 *per cent* of the final contract prices for every day of default subject to a maximum of six *per cent.*

[26] (i) substantial variation in the quantities, (ii) exceptionally adverse climatic conditions and (iii) unforeseeable shortage in materials.

Scrutiny of the records revealed the following-

Price escalation amounting to ₹ 97.66 crore for the delay period was paid to the contractors without valid extension of time and without recovery of liquidated damages

- The EOT cases pertaining to phase-I contract packages were finalised by the PD, PIU though he was not entrusted with the powers. Whereas the phase-II contract packages were not finalized (July 2011).
- While finalising the EOT cases, the PD, PIU imposed only one day penalty amounting to ₹ 2.88 lakh in package-1 (Rajnandgaon-Mohal road) for the total delay of 367 days.
- No penalty was imposed on rest 16 packages though the delay to certain extent was attributable to the contractors (***Appendix-1.13***).
- Similarly, no penalty was imposed on the consultants[27] though they failed to initiate advance actions for handing over of site and timely issue of drawings resulting in delay in completion of works.
- The consultant M/s Renardat SA responsible for supervision of phase-I project works had deployed lesser technical professionals as against the required during 46 out of 53 months. The points of technical professionals ranged between 618 and 657 against the required 750 points. Despite this, no penalty was imposed on the consultant by the Department.
- The consultants allowed the contractors to execute the work beyond the scheduled date of completion without obtaining prior approval of the Department. The factors contributing to the delay provided by the Department are detailed in the ***Appendix-1.14.***
- As a result of the delay in completion of works, the Department availed the services of the consultants beyond 24 months and incurred extra expenditure of ₹ 8.88 crore on consultancy services.
- Since the power to regularize the EOT was vested with GOCG, PWD, the orders of PD, PIU regularizing the EOT were not acceptable in Audit.
- In the absence of valid EOT the price escalation amounting to ₹ 97.66 crore paid for the delayed period was inadmissible (***Appendix-1.15)***.

In the exit conference, the PS, PWD stated (October 2011) that the EOT cases will be reviewed and penalty as required will be imposed for the delay attributable to the contractors. The PD, PIU furnished a statement at the same time showing imposition of penalty of ₹ 2.92 crore in 13 contract packages (***Appendix-1.14).***

The position of review of EOT cases along with recovery of penalty was awaited (January 2012).

[27] M/s Renardat SA engaged for supervision of 19 phase-I roads (21 packages).

1.2.7.4 Ambiguity in contract provisions led to extra payment of ₹17.80 crore to contractors.

As per the contract[28] the price variation of bitumen should have been adjusted either as an addition to or as a deduction from the contract prices. The price adjustment of bitumen as per the above clauses was to be computed by applying the difference between the basic price and current price of the actual quantity of bitumen consumed in permanent works. Whereas the *basic price*[29] of the bitumen was provided in the supplementary information of the contract (phase-I contract : bitumen-₹ 14000 and phase-II contract : bitumen-₹ 24500 and CRMB[30]-₹ 26000), the *current price* was to be reckoned as the ex-refinery price inclusive of sales tax and excise duties for bitumen, at the nearest refinery, prevailing during 28 days prior to the last day of the interim payment certificate.

Ambiguity in contract provision enabled excess payment to contractor amounting to ₹ 17.80 crore

Scrutiny of records of price adjustment on bitumen revealed that instead of computing the price differential (as per afore stated price adjustment formula) of the actual quantity of bitumen consumed in work, gross quantity of bitumen brought to the site was reckoned for computing the differential amount payable to the contractor. This resulted in extra payment of ₹.1.55 crore to the contractor.

Since the agencies executing the ADB works are exempted from payment of excise duty subject to production of Project Authority Certificate[31] (PAC) issued by GOCG, PWD, this element was excludable from the current price. However, in phase-I contracts, the current prices were taken including central excise tax despite exemption of excise duty. In phase-II contracts, the basic price of bitumen and CRMB which as per contract should have been ₹ 24500 and ₹ 26000 respectively was reckoned as ₹ 18300 and ₹ 20703 respectively. This resulted in avoidable extra payment of ₹ 14.26 crore between ₹ 0.64 to ₹ 3.12 crore to the contractors.

The contract[32] also stipulated that the contractor should, at all times, procure the material at the most economical prices. We was observed that notwithstanding the provisions, the price adjustment of bitumen in package-10A (phase-I) were computed considering the current price of packed bitumen that was higher than that of bulk bitumen. This resulted in extra payment of ₹ 1.99 crore to the contractor.

Thus the payment of price adjustment on bitumen contrary to the provisions of the agreement resulted in excess payment of ₹ 17.80 crore to the contractors in 10 test-checked packages and other 11 packages of contracts in respect of which the Department furnished the necessary data ***(Appendix-1.16)***.

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28 Clause 13.8.3 (F) and 13.10 of section-8 (PCC),

29 The price of bitumen ruling on 28 days prior to the closing date for submission of bids.

30 CRMB-Compact Rubber Modified Bitumen.

31 As per clause 14.1 (b), Section-7 (GCC) and clause-2.2, section-8 (PCC) of the contract.

32 Contract clause 13.10 (iv) of Section-8 (PCC).

The PD, PIU stated (October 2011) that the excess payments were made due to ambiguity in contract clauses and keeping these ambiguities, the PD also stated that payments made to the contractors on account of price escalation were suitably revised.

In the exit conference held in the same month, the PS, PWD also accepted the audit observations and assured to recover the excess payments from the contractors.

The updated position of recovery was awaited (January 2012).

1.2.7.5 Undue aid of ₹ 5.31 crore due to excessive issue of Project Authority Certificates for exemption of central excise tax.

Under ADB project, the contractors were entitled to avail central excise duty exemption in procuring consumable materials for use in the contract. In order to avail the exemption, the contractors were obtaining certificates titled "Project Authority Certificate (PAC)" and producing them to the concerned refineries.

Excessive issue of PAC resulted in undue aid of ₹ 5.31 crore to the contractors in the form of excise duty exemption

We observed that in eight out of 10 test-checked packages, the Department issued PACs for procurement of 36,963 MT bitumen and 7,321 MT CRMB[33] to the contractors. As against this, the contractors used 29,818 MT bitumen and 2,315 MT CRMB in the project works. Thus, the excess issue of PAC for 7,145 MT bitumen and 5,006 MT CRMB had resulted in undue aid of ₹ 5.31 crore to the contractors in the form of exemption of central excise duty as detailed in ***Appendix-1.17***.

In the exit conference, the PS, PWD stated (October 2011) that the contractors would be asked to submit certificate of lifting of bitumen against the PACs issued to them, failing which the component of duty on the excessive PACs will be recovered from the contractors. The status of updated position was awaited (January 2012).

1.2.7.6 Short deduction of commercial tax amounting to ₹ 1.13 crore.

The running bills of contractors are payable subject to deduction of commercial tax at the prescribed rates which are indicated in a certificate issued by the Commercial Tax Officer. However, tax is recoverable at reduced rates in respect of bills valuing up to a specified limit.

Commercial tax amounting to ₹ 1.13 crore was short deducted from the contractor's bills

We observed that in 12 out of 21 packages, the Department had paid contractors bills after deducting the commercial tax by applying reduced percentage in cases where the billed amounts were beyond the specified limit. This resulted in short deduction of commercial tax totaling ₹ 1.13 crore (***Appendix-1.18)*** and extension of undue aid to the contractor.

In the exit conference, the PS, PWD stated (October 2011) that any short deduction in commercial tax will be adjusted in the final bills of the

33 Compact Rubber Modified Bitumen.

contractors.

The updated position of adjustment of short deducted commercial tax was awaited (January 2012).

1.2.7.7 Irregular and unauthorised payment of ₹ 1.83 crore to the contractors ignoring the provisions.

In the Bill of Quantities (BOQ), the rates of bituminous items[34] were based on the Schedule of Rates (SOR) for roads issued by E-in-C, PWD and effective from April 2005. The SOR specified use of bitumen up to a fixed percentage of total mix of overlaid quantity of bitumen item limited to actual requirement as per the site specific job mix formula approved.

Where site specific mix design warrants use of additional quantities of bitumen over and above the percentage prescribed in the SOR, the contractor has to absorb the cost of the same within the tendered rates. Hence, as provided in the general conditions of the SOR, no extra/separate payments were to be made on this account. Any deviation from this provision required the approval of the Government and the consultant was not empowered to recommend any extra payments on this account.

Irregular and unauthorised payment of ₹ 1.83 crore made to the contractor ignoring the provisions

Scrutiny in audit revealed that the mix designs (job mix formula) of the bitumen items with provision of higher percentage of bitumen were approved by the consultant. As per the mix designs, these items required use of extra bitumen content. Based on the recommendation of consultant, the Department paid an amount of ₹ 1.83 crore in five[35] out of 10 test–checked packages for consumption of extra bitumen while executing the bituminous items (***Appendix-1.19)*** without prior approval of the Government**.**

Thus, acceptance by the Department of consultant's recommendation for extra payments of Rs.1.83 crore to the contractor without prior approval of the Government was irregular and extra sums paid to contractor were unauthorized.

Department did not reply to audit observation (January 2012).

1.2.7.8 Estimation errors in road works resulted in extra payment of ₹ 3.19 crore to contractors.

The design and supervision work of five[36] phase-II roads (239 km) was awarded (July 2006) to M/s Carl Bro, consultants for which they were paid fee of ₹ 3.95 crore.

Error in estimates resulted in extra payment of ₹ 3.19 crore to the contractors

As per clause 507 of MORT&H specifications, the minimum requirement of bitumen in Dense Bitumen Macadam (DBM) Grade-II item should not be less than 4.5 *per cent* of the mix. Accordingly, the unit rate of this item of work

[34] Semidense Bituminous Concrete (SDBC), Dense Bituminous Macadam (DBM), Bituminous Concrete (BC) and Bituminous Macadam (BM).

[35] Package Nos.3, 4, 10-A (Phase-I) and 3 & 9 (Phase-II).

[36] Package Nos.3,4,5,6 & 9.

with 4.5 *per cent* bitumen as reflected in the Schedule of Rates (April 2005) was ₹ 3327 per cum.

Scrutiny of two[37] estimates prepared by M/s Carl Bro revealed that whereas only four *per cent* bitumen content had been stipulated for DBM Grade-II item, the unit rate of the item was not appropriately marked down in the cost estimates and continued to reflect the higher rate of ₹ 3327 per cum. The PIU failed to detect the error, thus allowing it to become a contracted item rate. Consequently the contractors were paid extra amount of ₹ 79.95 lakh and ₹ 57.64 lakh respectively. Scrutiny further revealed that extra payment of ₹ 1.81 crore was paid to the contractors under packages-4, 5 & 6 of phase-II in a similar manner.

In remaining 16 packages of the project, no mismatch between the percentage of bitumen (4.5) actually recommended in execution of work and that reckoned for computing the relevant item rate was observed.

Thus, the error in preparing the estimates by the consultant M/s Carl Bro, for works in five packages of phase-II, resulted in extra payment of ₹ 3.19 crore to the contractors.

The consultant in his reply duly endorsed by PD, PIU stated that the error had arisen due to a typographical error, which was not pointed out by the Departmental authorities while according AA and TS. PD, PIU agreed to issue necessary instruction for recovery of the excess payment (August 2011).

1.2.7.9 Failure in obtaining Project Liability Insurance policy from the consultants resulted in loss to Government.

Loss to Government as the department failed to obtain the PLI policy from the consultants

As per clause-3 of the agreement with the consultants engaged for preparation of DPRs of nine phase-I (800 km) roads, the consultant should submit a Project Liability Insurance (PLI) for deficiencies and inadequacies in the design of pavement, structures and other highway features that may be noticed at subsequent stages. The minimum insurance should be for the contract value of consultants' assignment and for 10 years beyond consultancy period.

The deficiencies noticed in audit on scrutiny of records of all consultancy works that were awarded under the project are detailed below :

[37] Package Nos.3 & 9.

Table-6 : Details of consultants engaged and the status of PLI

Sl. No.	Name of consultant	Name of work	Period of work executed	Period of Insurance as per contract	Deficiencies noticed in audit
1.	M/s Scott Wilson	Preparation of DPRs for phase-I road works	December 2004 to October 2005	PLI required for 10 years beyond consultancy period.	Department had failed to obtain the PLI.
2.	M/s Feedback Ventures				
3.	M/s Gherzi Eastern				
4.	M/s Renardat SA	Supervision of phase-I road works	August 2006 to July 2011	The clause for insurance coverage was incorporated without specifying the minimum coverage of 10 years period.	The PLI submitted by this consultant was not specifically meant for this project.
5.	M/s SMEC International	Design and supervision of phase-II road works	August 2006 to July 2011		
6.	M/s Carl Bro				Department failed to obtain the PLI from the consultant.

Source : Compiled from the information provided by the PWD.

The Department noticed various risks such as preparation of faulty estimates leading to extra expenditure of ₹ 61.45 crore, late submission of DPRs resulting in overall delay, non performance of works by the consultants with due care and diligence and delay in completion of civil works as pointed out in paragraphs (1.2.7.1, 1.2.7.3, 1.2.7.7, 1.2.7.8, 1.2.7.10, 1.2.7.11, 1.2.7.12, 1.2.7.14 and 1.2.9.3). The Department however, could not recover the cost of risk due to the reasons mentioned in the table above.

In the exit conference, PS, PWD stated (October 2011) that the respective insurance companies will be asked to examine the required procedures for encashment of PLI. Accordingly, action will be initiated and audit will be informed.

The reply of the PS, PWD is not acceptable as no PLI was obtained from four consultants and in the remaining cases the PLI submitted by the consultants were not valid.

1.2.7.10 Avoidable extra cost of ₹ 2.57 crore due to application of tack coat over freshly laid bituminous surface

As per the construction procedure stipulated in the specifications,[38] during execution of the work, the contractor should provide and maintain a passage for traffic either along a part of the existing carriageway under improvement or along a temporary diversion constructed close to the highway. All these arrangement for traffic during construction were considered incidental to the works and was the responsibility of the contractor.

Execution of superfluous item resulted in avoidable extra cost of ₹ 2.57 crore.

The specification[39] stipulates that where the material to receive an overlay was a freshly laid bituminous layer, that has not been subjected to traffic, or contaminated by dust, a tack coat is not mandatory.

[38] Clause 112 of MORT&H specifications.
[39] Clause 503.1 of MORT&H specifications.

We observed that in total disregard to the specifications, the Department provided application of additional tack coat in all seven test checked roads and paid ₹ 2.57 crore (***Appendix-1.20)*** to the contractors. Since the diversion of traffic during construction was the responsibility of the contractor and application of tack coat is not necessary on a freshly laid bituminous layer, the application of the same at a cost of ₹ 2.57 crore was superfluous and could have been avoided.

In the exit conference, the PS, PWD stated (October 2011) that practically it is not possible to divert the traffic while laying the bituminous layers. Therefore, extra tack coat was required to be laid prior to laying the second layer. Moreover, the contractor's plant could not get readied for next layer within three days period, between which the layer got contaminated and required application of tack coat.

The reply is not acceptable because the traffic was already diverted by the contractor while laying the first bituminous layer and it could have been diverted for further few hours for laying the second layer. Further arrangement of materials was the responsibility of the contractor and as such application of tack coat on the ground of contamination of the layer due to contractor's inability to lay the second layer immediately after the first layer, was not justified.

1.2.7.11 Inaccurate computation of earth work resulted in excess payment of ₹ 93.11 lakh to contractor

Error in computation of earth work quantity had resulted in excess payment of ₹ 93.11 lakh to contractor.

Our scrutiny of computation of earth work (item no.2.03) in Basna-Bhilaigarh road (package-9/phase-II) revealed that the contractor was paid an excess payment of ₹ 93.11 lakh (29796.59 cum x ₹ 312.50) due to error in computation of earth work. The error was committed by the consultant in the running bills. As in the IPC-3 & 4 against the payable quantity of 81039.54 cum, the contractor was paid for 102307.54 cum. Similarly in the 8th IPC, a quantity of 8528.59 cum already paid for in IPC-3 was erroneously included in the work done indicated in that bill. Thus, erroneous calculation of earthwork by the consultant resulted in excess payment of ₹ 93.11 lakh to the contractor.

In the exit conference (October 2011), the PS, PWD agreed to recover the excess payment from the contractor.

1.2.7.12 Avoidable payment of ₹ 3.29 crore due to abnormal variation in item of work

As per clause 12.3 of the contract, a new rate or price shall be appropriate for an item of work if the measured quantity of the item is changed by more than 25 *per cent* from the quantity of this item in bill of quantities.

Avoidable expenditure due to faulty estimates.

We observed that in two road works during actual execution, the quantity of earth work was increased by more than 25 *per cent* and the contractors were paid at a rate higher than the contract rate. This had resulted in avoidable payment of ₹ 3.29 crore as detailed below :

Table-7 : Details of works in which items were paid at higher rate

Sl. No.	Name of road	Quantity as per BOQ	Quantity actually executed	Quantity for which higher rate paid	Rate as per contract	Rate paid for variation (in ₹)	Amount (₹ in crore)
		(in cum)					
1.	Basna-Bhilaigarh road	27,506	5,24,000 (1905 *per cent*)	4,89,618	250	282	1.61
2.	Sarsiwa-Saraipali-Orissa border road	10,000	3,87,224 (3772 *per cent*)	3,74,724	180	225	1.68
						Total	**3.29**

In the exit conference the PS, PWD stated (October 2011) that extra payment, if any, made will be recovered after verification of records.

The updated position of recovery was awaited (January 2012).

1.2.7.13 Irregular payment of ₹ 56.16 lakh as maintenance cost beyond the stipulated period

Payment of ₹ 56.16 lakh made beyond the contract period.

Work for upgradation of Sarsiwa-Saraipali-Orissa Border (package-3/phase-II) was awarded to the contractor in December 2007 for completion within 24 months. The contract also provided for routine maintenance of the existing road during 24 months period of construction. As per contract, the cost of maintenance of the road during the period of construction was estimated at ₹ 2.25 crore.

We observed that against the payable amount of ₹ 2.25 crore for maintenance of the road, the contractor was paid ₹ 2.81 crore. The increase in the maintenance cost was due to delay in completion of the work. Since the delay was attributable to the contractor, the payment of extra ₹ 56.16 lakh (₹ 280.80 – ₹ 224.64) was beyond the provision of the contract and, hence irregular.

In the exit conference, the PS, PWD agreed (October 2011) to recover the excess payment from the contractor. The status of recovery was awaited (January 2012).

1.2.7.14 Inadmissible payment of ₹ 41.43 lakh to the contractor

As per specifications,[40] the Open Graded Premix Carpet (OGPC) item should immediately be sealed after its laying. The contract under package-10A provided for laying of OGPC item followed by seal coat in 3,11,750 sqm area. The contract neither provided application of tack coat over OGPC prior to seal coat nor was it required as per the specifications.

Inadmissible payment of ₹ 41.43 lakh

We observed that consultant directed (March 2010) the contractor to lay tack coat over 2,95,900 sqm area of OGPC prior to seal coat as the contractor failed

[40] Clauses 513.3.2 and 513.8 of the MORT&H.

to reorganize the asphalt plant and clean the paver for placing seal coat immediately. Since the reasons for application of tack coat was attributable to the contractor, the payment of ₹ 41.43 lakh (2,95,900 sqm x ₹ 14) was inadmissible.

In the exit conference, the PS, PWD stated (October 2011) that the excess payment will be recovered from the contractor.

The updated position of recovery was awaited (January 2012).

1.2.7.15 Excess payment to consultants

Instances of non-observance of contractual provision of consultants' agreements were observed in audit as detailed below :

(a) Excess payment of ₹ 6.89 crore to phase-I consultant.

Excess payment of ₹ 6.89 crore made to the phase-I consultant beyond the contract provision.

The GOCG, PWD engaged (June 2006) the consultant M/s Renardet SA, Switzerland for supervision of nine project roads (12 contract packages) in phase-I of the project. As per contract[41] the total payment shall not exceed the ceiling amount of ₹ 12.87 crore.

Scrutiny of records in audit revealed that the payments were made to the consultant beyond the ceiling amount specified in the contract. The remuneration and other allowances for the staff were paid to the consultant for more than the period specified in the contract. Thus failure of the Department to observe the contract provision had resulted in excess payment of ₹ 6.89 crore (***Appendix-1.21)***.

(b) Extra payment of ₹ 1.99 crore to phase-II consultant.

The GOCG, PWD engaged (July-August 2006) two consultants M/s Carl Bro and M/s SMEC international for design and supervision of 17 phase-II project roads. As per contract the total payment shall not exceed ceiling amount of ₹ 11.32 crore.

Payment of ₹ 1.99 crore was paid in excess of the scope of work to phase-II consultants

Scrutiny of records in audit revealed that as per contract, the consultant was responsible for preparation of DPRs and supervision of 17[42] project roads (793 km). However, after submission of DPRs of 17 project roads, the Department planned to execute only 10 project roads (437 km). In view of this reduction, the responsibility of the consultant to supervise 17 project roads was limited to 10 project roads. Despite the above reduction, the ceiling amount payable to the consultant was not reduced and the consultant was paid ₹ 7.62 crore as against the payable ceiling amount of ₹ 5.63 crore (***Appendix-1.22)***. This had resulted in extra payment of ₹ 1.99[43] crore. Since any payment beyond this amount is likely to further increase the extra payment, the Department may take immediate action to reduce the maximum ceiling amount payable to the

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[41] The maximum ceiling amount as per section-6 of the contract was specified in clause-6 of the same contract.

[42] M/s Carl Bro : 9 roads and M/s SMEC international : 8 roads.

[43] M/s Carl Bro : ₹ 1.16 crore and M/s SMEC international : ₹ 0.83 crore.

consultants in view of the reduction in the number of project roads.

(c) Irregular reimbursement of tax of ₹ 53.29 lakh to the consultant.

As per section-12.02 of contract, the client warrants that the government shall exempt the consultant and the personnel from any taxes in respect of any payment made to the consultant or the personnel other than Indian national in connection with carrying out the services.

Tax amounting to ₹ 53.29 lakh was reimbursed to the consultant beyond the permissible limit

Scrutiny of records in audit revealed that an amount of ₹ 3.26 crore[44] was reimbursed to the consultant M/s Renardat SA towards corporate and service tax. Out of this, an amount of ₹ 53.29[45] lakh reimbursed to M/s Renardat SA was actually paid by its Indian associate M/s Theme Engineering. As the reimbursement of the taxes paid by the Indian associate is not covered under the contract, the reimbursement of the same was irregular. Similar information on phase-II consultants (M/s Carl Bro & M/s SMEC international) though called for by audit, was not made available by the Department.

Consultant in his reply duly endorsed by PD, PIU stated that the foreign consultant was paying the service tax through challan and through CENVAT credit. Hence, it was stated that the amount of service tax paid by their local associate (which they were claiming as CENVAT credit) should not be taken to be excess of service tax reimbursed to them. No reply on reimbursement of corporate tax was furnished.

In the exit conference, the PS, PWD stated (October 2011) that the matter is pending with the State Law Department for decision and action will be taken after receipt of decision from the Law Department.

Further reply of the Department was awaited (January 2012).

1.2.7.16 Inaction on the part of the Department resulted in blockage of funds.

For shifting of poles/transformers the Chhattisgarh State Electricity Board (CSEB) submits to the Department a demand note towards meeting the cost involved. Similarly the Forest Department submits a cost estimate for cutting of trees, if required. Based on these demand notes/estimates required funds are placed with the concerned authorities in advance by the Department.

Scrutiny of records revealed that the EE, PWD Dn, Khairagarh had paid (March to May 2007) an amount of ₹ 1.46 crore to CSEB and ₹ 31.72 lakh to Forest Department for shifting of electric poles and cutting of trees between Km.1 to Km.51 of Rajnandgaon-Kukamera road (package-3/phase-I) respectively. During actual execution, the scope of work was reduced and widening work between km.11 and Km.44 was not taken up. Similarly the EE, PWD Dn, Rajnandgaon also had paid an amount of ₹ 95.89 lakh to the CSEB authorities for shifting of electric poles/ transformers between 38.19 km reach

[44] Corporate tax : ₹ 1.52 crore and Service tax : ₹ 1.74 crore

[45] Corporate tax : ₹ 25.33 lakh and service tax : ₹ 27.96 lakh.

of Mohla-Maharastra border road (package-2/phase-I). Subsequently, during actual execution, the road length was reduced by 11.69 km. Despite the scope of work being reduced at later stage, the actual amount refundable by the CSEB and Forest Department was not calculated by the concerned EEs. Consequently, the unspent balances that cannot be specified in the absence of relevant details from the CSEB/Forest Departments, remained unrefunded.

In the exit conference, the PS, PWD stated (October 2011) that action will be initiated to get back or adjust the funds and audit will be informed accordingly.

1.2.8 Monitoring and Internal Control

Some instances of negligible monitoring of the project by Road Management Committee[46] (RMC), non-conducting internal audit and non-development of the required Project Performance Management System (PPMS) etc, observed in audit are detailed below :

1.2.8.1 Negligible monitoring of the project by Road Management Committee.

The Road Management Committee (RMC) formed (September 2004) by the GOCG, PWD was responsible for timely implementation of the institutional reforms in the road sector and assisting in effective monitoring of the project performance. Further, as required under the provision of the loan agreement, the GOCG, PWD was required to develop a comprehensive project performance management system (PPMS) with the assistance of the consultants appointed under the project. We noticed that :

- The RMC which was required to meet at the State level every two months, met only thrice. It met once in October 2004 and twice in August 2005.
- Though the responsibility of the project implementation was assigned to the official deputed on contract and the consultants, the Department had not conducted any internal audit of the project to ensure that the contractors and consultants were performing their role in implementing the project as per the terms and conditions of the loan agreement and in compliance to the financial rules and regulations.
- As per the Project Administration Memorandum and contract with consultant, the Department should have established baseline indicators and target values at the commencement of the project and monitor the indicators by using PPMS to evaluate the project benefits. To evaluate this, the consultants engaged for supervision of the project works were required to carry out every year the household surveys and participatory research. No such evaluation was made under the project.

[46] RMC formed by State Government was chaired by the Chief Secretary of the State and comprised representatives from PWD, Finance Department, Rural Development Department, Transport Commissioner, Police Department and Chhattisgarh Infrastructure Development Corporation (CIDC).

1.2.8.2 Irregular payment of ₹ 80.67 lakh without actual execution.

Scrutiny of the road works Sarsiwa-Saraipali-Orissa Border under package-3/phase-II indicated that the Nodal Officer, Mahasamund through a communication dated 9th December 2009 to the SDO, had asked the latter to clarify within three days about doubtful payment of ₹ 80.67 lakh paid to a contractor on the basis of entries in the measurement book showing routine maintenance of existing road and filling up of pot holes, whereas none had actually being executed. Neither the SDO had submitted any explanation nor had any disciplinary action been initiated against him by the Nodal Officer. Incidentally the same Nodal Officer had authorized the proposed payment of the claims processed by the SDO.

Thus internal controls in regard to incurrence of expenditure under the project had been vitiated due to lackadaisical attitude of the officials.

In the exit conference, the PS, PWD stated (October 2011) that there is no excess payment and the reply will be furnished after obtaining comment from the concerned Nodal Officer. The reply being self contradictory is unacceptable.

1.2.8.3 Acceptance of below specification work valuing ₹ 8.73 crore.

Acceptance of work valuing ₹ 8.73 crore executed contrary to the design and specification

The approved design and specifications of the work Hasaud-Sarsiwa-Saraipali (package-3/phase-II) road provided for laying of Dense Bitumen Macadam (DBM) Grade-II item at 50 mm thickness. We observed that the contractor had laid the DBM item at only 40 mm thickness over the entire length of the road. Yet the work value was accepted by the consultant and recommended for payment of ₹ 8.73 crore. Since the specification did not allow laying of DBM at below 50 mm thickness, the acceptance of below specification work was irregular.

Thus, the internal controls in regard to execution of work as per approved design had been vitiated due to poor supervision of the Departmental authorities. Department did not reply to audit observation (January 2012).

1.2.9 Conclusion

The Department failed to implement the project as per the targets set in the Action Plan due to delay in getting approval from Finance Department for signing the loan agreement resulting in time and cost overrun of the project. The project approvals and preparation of estimates took an unreasonably long time. Besides this, the consultants violated the tender provisions, which led to delay in finalisation of the estimates. The Department failed to utilise the borrowed funds fully due to lack of adequate financial management. The provisions made in the budget estimates were also not matching with the commitment. Moreover the commitment made in the loan agreement was beyond the capacity of the Department to expend. The same had resulted in avoidable payment of commitment charges. The Department failed to monitor the performance of the consultant, which led to extension of undue favours to the civil contractors in violation of contractual provisions. Non-delegation of powers between the project authorities had also resulted in injudicious exercise of powers by the project authority. Lack of co-ordination between project authorities and Nodal Officers resulted in blockage of funds with other Departments. The Department failed to achieve the project targets due to delayed implementation and poor performance of the consultants. There was inadequate monitoring and internal control which further hampered smooth implementation of the project.

1.2.10 Recommendations

- In order to avoid slackness in utilizing external assistance and consequential commitment charges, before finalizing the agreement for the second phase of loan, the Government should asses, year to year requirement of funds realistically and frame budget proposals of the Public Works Department accordingly.
- Department should plan execution of projects involving external borrowings in consultation with other Departments of the Government to avoid delay and subsequent time and cost overrun.
- The Government should formulate a mechanism to ensure that consultants conform to their contractual obligations.
- A penal clause should be incorporated in the agreement with consultants for imposition of penalty for non-adherence to contractual obligations.
- A well structured system for internal control and monitoring of the project should be put in place.

URBAN DEVELOPMENT DEPARTMENT

1.3 Performance Audit of Jawaharlal Nehru National Urban Renewal Mission

Executive Summary

Government of India (GoI) approved 28 projects under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to be implemented over a period of seven years with the aim to provide an enabling environment for the growth of the cities. This was to be achieved by enhancing effective urban service delivery and civic infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance in Chhattisgarh State. The nodal agency for implementation of JNNURM is State Urban Development Authority (SUDA). The Municipal Corporations, Public Health Engineering Department (PHED) and Chhattisgarh Housing Board (CGHB) are the executing agencies for the projects undertaken as a part of JNNURM. Audit studied the performance of the Municipal Corporations and PHE Project Divisions of Raipur and Bilaspur for the period from April 2011 to July 2011.

As per Memorandum of Agreement (MOA) with Government of India (GoI), Government of Chhattisgarh (GoCG) was required to implement 23 reforms for effective achievement of the Mission objectives, out of these GoCG could implement only 14 reforms. Despite availability of funds, the construction works under various projects remained incomplete due to failure of the Municipal Corporations to acquire land at DPR stage, delay in construction works and lack of constant monitoring and evaluation. GoCG could not complete a single Dwelling Unit (DU) for urban poor due to wrong selection of agency viz. M/s Hindustan Prefab Limited. The City Bus scheme for Raipur could not be implemented due to the delay in finalization of tenders. Besides this, the projects were not implemented economically as there were cases of preparation of inflated estimate, extension of undue benefits to contractors, extra cost on the projects, payment of irregular advances, diversion of funds, excess payment and payment of inadmissible mobilisation advance to contractors were noticed in audit. Delayed implementation of reforms also led to deduction of Central Assistance by GoI to the tune of ₹ 24.29 crore. Similarly, as envisaged in the City Development Programme (CDP) for Raipur city, the various development strategies for providing sewerage, construction of public toilets at different slum areas, storm water drainage, solid waste management (SWM) and transportation for urban population could not developed due to lack of initiative by GoCG.

Thus, due to the delay in execution of the sanctioned projects and wrong selection of agency, the urban population was deprived of the desired benefits of the Mission.

1.3.1 Introduction

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by GoI in December 2005 with the objective of reforms driven and fast track development of cities across the country, with focus on sustainable development of physical infrastructure in cities, including development of technical and management capacity for promoting holistic growth, with improved governance. The Mission period is seven years i.e. upto 2012. The Mission comprises of four components for implementation viz. (i) Urban Infrastructure and Governance (UIG), (ii) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), (iii) Basic Services to the Urban Poor (BSUP) and (iv) Integrated Housing and Slum Development Programme (IHSDP). GoI approved 28 projects in Chhattisgarh State under these four components of the Mission valuing ₹ 1,414.24 crore. This was to be shared by Central Government and State Government/Urban Local Bodies in the ratio of 80:20. Of this only ₹ 571.12 crore was released to the executing agencies and the expenditure was ₹ 513.58 crore (March 2011). All these 28 projects included in the Mission are under progress (October 2011). A brief of these projects is shown in ***Appendix-1.23.***

1.3.2 Organisational setup

A State Level Steering Committee (SLSC) headed by the Chief Minister along with members from concerned departments was formed (December 2005), to review and prioritize proposals for inclusion in the Mission. The SLSC was supported by State Level Nodal Agency (SLNA) which is referred to as SUDA in Chhattisgarh. Its responsibilities were as under:

- inclusion of the projects in the Mission;
- to obtain sanction from SLSC;
- disbursements of grants received from Central and State Governments;
- management of revolving fund and
- monitoring the physical and financial progress and implementation of reform components.

Programme Management Unit (PMU) consisting of consultant and subject matter experts is to be constituted at the State level to assist the SUDA in discharging its roles and responsibilities assigned as per JNNURM guidelines. The Project Implementation Unit (PIU) exists at the district level, meant for supplementing and enhancing the existing skill mix of the Urban Local Bodies (ULBs) to enhance the pace and quality of implementation of JNNURM.

1.3.3 Audit Objective

To assess that:

- project planning was adequate and whether the plans were implemented;
- financial management and control were adequately exercised;

- projects were executed economically, efficiently and effectively and
- appropriate mechanism existed for adequate and effective monitoring and evaluation.

1.3.4 Audit Criteria

The audit criteria used in this report have been sourced from the following :

- Guidelines of JNNURM and subsequent orders issued by GoI;
- Memorandum of Agreement (MoA) and Detailed Project Reports (DPRs) of selected projects;
- Toolkits issued by Ministry of Urban Development (MoUD)/Ministry of Housing and Urban Poverty Alleviation (HUPA) for various schemes under JNNURM, and
- Works Department Manual.

1.3.5 Audit Methodology

Under JNNURM, two cities viz., Raipur and Bilaspur were selected for audit. The capital city of Raipur has been taken as the Mission city for implementation of two components of JNNURM viz. UIG and BSUP. Bilaspur has been selected by the State Government for implementation of the remaining two components of JNNURM viz. UIDSSMT and IHSDP. The performance Audit team visited office of the SUDA, Raipur Municipal Corporation (RMC), Bilaspur Municipal Corporation (BMC), and PHE Project Divisions viz., Raipur and Bilaspur between April 2011 to July 2011.

An entry conference was held (June 2011) with the Secretary, Urban Development Department (UDD) to discuss the audit objectives, criteria, scope and methodology of the performance audit. The exit conference was held in October 2011 with Secretary, UDD and Secretary, Public Health Engineering department (PHED) and their perspectives were incorporated while drafting the review.

Scope Limitation

Year wise desegregated data relative to funds demanded by executing agencies, funds received and released by the State Level Nodal Agency, expenditure actually incurred and utilization certificates furnished to GoI was not made available by SUDA to audit until February 2012. Consequently, overall picture of financial performance of the schemes in Raipur and Bilaspur and the State as a whole could not be presented in this report.

Audit Findings

1.3.6 Planning

The signing of MoA was a necessary condition for receipt of central assistance under the Mission. As per the MoA signed (June 2006 and August 2006) between the GoI, the GoCG and ULBs, the State Government was required to follow specific milestones for implementation of the reforms. As per the guidelines of the Mission, planning of the individual projects should involve acquisition of encumbrance free land before the initiation of projects.

A City Development Plan (CDP) for the Mission city Raipur was prepared (2006) by the State Government to address the infrastructure needs and services delivery gaps. The objective of the CDP is to formulate a development strategy for meeting challenges of infrastructure, problems of urban poverty and create enabling environment for the growth of economy. The main areas covered in the CDP are Water Supply, Sewerage, Storm Water Drainage (SWD), Solid Waste Management (SWM) and Transportation for urban population.

1.3.6.1 Implementation of reforms

As per MoA signed with GoI, the GoCG is to implement 23 reforms. The status of implementation of reforms are detailed below:

Table-1.1: Status of Reforms as in September 2011

Category of Reforms	**Name of reform**	**Timeline for implementation**	**Actual achievement**
Mandatory Reforms: State Level	Implementation of 74th Constitutional Amendment Act	-	Achieved prior to MOA
	Transfer of functions to ULBs	-	
	New Rent Control Act	2010-11	2010-11
	Stamp Duty Rationalisation to 5%	2011-12	2010-11
	Repeal of ULCRA	-	Achieved prior to MOA
	Community Participation Law	2006-07 2010-11(revised)	2010-11
	Public Disclosure Law	2007-08	2010-11
Mandatory Reforms: ULB Level	E-Governance	2009-10	Not-Achieved
	Migration to Accrual based double entry system in accounts	2007-08	Not-Achieved
	Property Tax	2009-10	Not-Achieved
	Water Supply	2009-10	Not-Achieved
	Provisions of Basic Services to urban poor	2009-10	Not-Achieved
	Internal earmarking of funds in ULB budget for services to urban poor	2006-07	2010-11
Optional Reforms	Revision of Building Bye-laws to streamline the approval process	2007-08	2010-11
	Earmarking at least 20-25 *per cent* of developed land in all housing projects (public and private) for EWS/LIG category	2008-09 2009-10(revised)	Not-Achieved
	Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural process	2006-07 2009-10(revised)	2009-10
	Bye-laws on reuse of recycled water.	2007-08 2010-11(revised)	Not-Achieved
	Administrative reforms	2009-10	2009-10
	Introduction of property title certification in ULBs	2009-10	Not-Achieved
	Revision of Building bye-laws to make rainwater harvesting mandatory	2005-06 2010-11(revised)	2009-10
	Introduction of computerised process for registration of land property	2009-10	Not-Achieved
	Structural Reforms	2010-11	2009-10
	Encouraging Public-Private Partnerships	2006-07	Achieved prior to MOA

(Source: Information furnished by SUDA and compiled by audit)

Nine reforms out of 23 not achieved even after expiry of six years and subsequent deduction of Central share of ₹ 24.29 crore

It may be seen from the above table that all the State level Mandatory reforms were achieved within the timeline. However, out of the six ULB level Mandatory reforms, only the internal earmarking of funds in ULB budget for services to urban poor was achieved. E-governance under the mandatory reform was not achieved till the date of audit, though some of the functions such as issue of domicile, caste, birth, death certificates, ration cards etc. of ULB under E-governance performed through use of Information Technology (IT) by setting up of CHOICE[1] centres. The deadline for implementation of mandatory ULB level reforms has already expired. Thus, five ULB level mandatory reforms were not achieved even after expiry of the deadline. It was further observed that out of 10 optional reforms[2], four reforms were not achieved even after revision of their deadline for completion/ implementation.

Clause 2 of the MoA provides that subsequent central assistance under JNNURM would be released only on timely implementation of reforms indicated in the agreement. As the State Government failed to implement these reforms, assistance amounting to ₹ 24.29 crore was deducted by GoI (February 2011).

In the exit conference, Government stated (October 2011) that all the reforms have since been achieved except for the reforms on 'Property title certification' which is under consideration with GoI. It was also stated that the relevant documents regarding the achievement of reforms would be provided to audit. However, these documents could not be produced to audit.

1.3.6.2 Land was not acquired at the DPR stage resulting in delayed execution of works

DPRs finalized without ensuring availability of encumbrance free land resulted in delay in completion of work

(i) According to the CDP for Raipur city, development strategies for Augmentation of water supply were prepared with projection for 16 years (2006-2021). The project consisted of laying of Raw Water and Clear Water pipe lines, construction of Treatment Plants and Over Head Service Reservoirs (OHSRs) and distribution network within the city and newly developed areas of the city. The Mission guidelines stipulated that the DPR for the individual project should include factual position of availability of quantum of land along with the confirmation of availability of encumbrance free site so that the project could be completed within the stipulated period.

Under UIG scheme, the work of "Augmentation of water supply scheme including extended area of RMC" was sanctioned for ₹ 303.64 crore in the year 2006-07 for completion within three years. The DPR for the project was prepared by PHE Project Division, Raipur. As per DPR, the whole project was divided into 17 different components on the basis of the nature of work. Accordingly, 29 tenders were invited and awarded for different components and sub components. The upto date (March 2011) expenditure of the project was ₹ 234.31 crore.

Scrutiny of the records of EE, PHE Project Division, Raipur revealed that as per the DPR, the project was scheduled for completion by December 2009 and

[1] Chhattisgarh Online Information Citizen Empowerment

[2] Optional reforms were to be achieved in a phased manner within the Mission period of seven years

the department accordingly engaged 29 contractors for execution of different components/sub components of project out of which only 12 were completed (March 2011) and remaining 17 were incomplete. The incomplete works included construction of Water Treatment Plant, Intake Well, Clear Water Mains and five Over Head Service Reservoirs in two agreements.

Audit scrutinized six cases[3] which revealed that one of these works was completed in due time and five of these works were in progress. In three of these cases, the works were incomplete due to delay in obtaining permission from National Highway Authority of India (NHAI), Railway Department, Collector, Raipur, Chhattisgarh Housing Board and land dispute at the site. In the remaining two cases, the delay was on the part of the contractor. Thus, had the department taken timely action to obtain clearances from the concerned authorities, the delay could have been avoided and the benefits of these schemes could have been extended to the beneficiaries.

Picture showing incomplete work of Clari-flocculator of Water Treatment Plant at Raipur

Picture showing incomplete work of Water Filtration Block of Water Treatment Plant at Raipur

Picture showing Over Head Service Reservoir at Tatibandh, Raipur at testing and commissioning stage

Picture showing Over Head Service Reservoir at Jarway, Raipur at testing and commissioning stage

During the exit conference, Government accepted (October 2011) the audit observation and stated that the project was started with the availability of approximately 80 *per cent* of required land.

[3] Agt. No.64 DL, 65 DL, 72 DL, 73 DL, 76 DL and 77 DL (2007-08)

(ii) Similarly, under IHSDP scheme at Bilaspur, 7,836 DUs were to be constructed at 30 sites which are detailed as follows:

Table-1.2: Status of IHSDP scheme

Project Name	Approval Date	No. of Dwelling Units	Project Cost (₹ in crore)	No. of sites as per DPR	Actual No. of sites (revised)	Due date for Project Completion	Present Status (July2011)
Bilaspur I	28.09.2006	1,344	17.85	19	16	01.11.2009	Incomplete
Bilaspur II	28.09.2006	6,492	79.33	11	22	01.11.2009	Incomplete
TOTAL		**7,836**	**97.18**	**30**	**38**		

(Source: Information furnished by BMC and compiled by audit)

In **Bilaspur Phase–I,** the execution of 1,344 DUs were to be done at 19 sites as per the DPR which was later revised to 16 sites. It was observed that in five sites, works were started without acquisition of land and the project was incomplete even after the stipulated date of completion.

Similarly, in **Bilaspur Phase-II**, the execution of 6,492 DUs were to be done at 11 sites as per the DPR which was later revised to 22 sites. The construction of DUs started only at 15 sites which were taken up without land acquisition and the project was incomplete even after the stipulated date of completion.

It was further observed that even though the land acquisition in the case of one site (Khaparganj, Ward No.23, Plot No.104/1) was already disputed in court of law, BMC started the construction prior to finalization of the case. Subsequently, the court ordered (April 2011) dismantling of the structure and handing over of a portion of land to the claimant. The area of disputed land was 11.55 sq.m where work was in progress and the up-to-date expenditure on the work was ₹ 19.98 lakh.

Out of the project cost of ₹ 97.18 crore, ₹ 43.39 crore was utilised till July 2011 and none of the works undertaken were completed resulting in blockage of the entire expenditure.

During the exit conference, Government accepted (October 2011) the audit observation and stated that DPR was prepared tentatively. However, the sites were changed due to dispute in the court. Regarding the court order for dismantling of structure located in Khaparganj, department stated that court had stayed the earlier order of dismantling and a copy of the latest order would be provided to audit.

However, the latest court orders were not provided to audit. Project of IHSDP was delayed more than two years because land was not acquired at the DPR stage. Moreover, the commencement of the work without acquisition of land was irregular.

1.3.6.3 Failure to initiate scheme for Sewerage and Sanitation system, Storm Water Drainage System and Solid Waste Management System of Raipur City

According to the CDP for Raipur city under UIG scheme, development strategies for Sewerage and sanitation system was prepared with projection for 16 years (2006-2021) with an estimated cost of ₹ 303.09 crore. The project was to provide sewer lines for a length of 200 km including replacement of old system for 32 km, surface drain of 170 km, three sewerage treatment plants and construction of 350 public toilets at different slum areas of Raipur city.

The main goal of Storm Water Drainage System was to develop and manage existing nallahs (drains) and to provide high quality environment for the city. This also aimed at cleaning and widening of existing drains and construction of additional drains in new areas to avoid flooding during rainy season.

The CDP of Raipur city provided for development of strategy for Storm Water System by de-silting[4] and alignment of major drainages (44.70 km), lining and restructuring of medium drains (18.88km), construction of new drains in new colonies (11.65 km) and construction of other drains and water bodies with an estimated cost of ₹ 256.46 crore.

The main goal of Solid Waste Management was to provide an environmental friendly and sustainable waste management system with complete safe disposal facilities by putting waste reduction and recovery mechanisms.

The CDP for Raipur city provided for development of strategy for solid waste management system with projection for 16 years (2006-2021) with an estimated cost of ₹ 152.45 crore for the work of door to door collection of waste, segregation of collected wastes and treatment and disposal.

During scrutiny of records of SUDA, it was observed that even though the above works were projected in the CDP to be completed by 2012-13 in a phased manner but no initiative was taken by the State Government (September 2011).

As the above projects were not initiated, neither the old system of sewer line network was replaced nor was the new lines laid for the sewer disposal out of the city. No toilets were constructed in the slum areas resulted in lack of safe sanitation facilities for the poor and slum dwellers. Similarly, no Storm Water Drainage System was developed to avoid flooding during rainy season and illicit discharge into the drains and no Solid Waste Management System was developed to provide complete and safe disposal of solid waste.

The projects were delayed due to inadequate planning as DPRs were finalized without ensuring the availability of encumbrance free land. The various development strategies, as envisaged in the City Development Programme (CDP) for Raipur city, for providing sewerage, construction of public toilets at different slum areas, Storm Water Drainage, Solid Waste Management (SWM) and transportation for urban population could not developed due to lack of initiative by GoCG.

1.3.7 Financial Management

The funds for execution of schemes under the Mission were provided by the Central as well as the State Government and ULBs in their respective shares of the project cost. The funding pattern in different schemes are as under:

[4] To remove the clay and sand carried with running water and deposited as sediments

Table-1.3: Funding pattern of JNNURM

Scheme	Central share (percentage)	State share (percentage)	ULB/ Parastatal agency share[5] (percentage)
UIG	80	10	10
UIDSSMT	80	10	10
BSUP	80	20	
IHSDP	80	20	

(Source: Information furnished by SUDA and compiled by audit)

Against the sanctioned amount of ₹ 1,414.24 crore, expenditure incurred was ₹ 513.58 crore. The sanction and actual expenditure under different components and projects during 2006-07 to 2010-11, under JNNURM are detailed below:

Table-1.4: Name of project and financial status as on 31 March 2011

(₹ in crore)

Scheme	City	Sector	Name of Project	Project cost	Total release	Expenditure	Percentage of utilization against release	Percentage of utilization against project cost
UIG	Raipur	Water Supply	Augmentation of Water Supply Scheme	303.64	237.54	234.31	99	77
			Water Supply Scheme for Naya Raipur	156.23	0	0	0	0
		Transport	City Bus Scheme	14.85	6.68	0	0	0
BSUP	Raiput	Housing	BSUP in slums at various locations in Raipur city	391.45	96.91	94.52	98	24
			BSUP Ph. II - 1136 DU	42.25	0	0	0	0
			BSUP in slums New Raipur – 888 DU	28.79	6.22	0.91	15	3
UIDSSMT	Bilaspur Bilaspur	Water Supply	Water Supply Scheme Bilaspur	41.42	27.17	23.7	87	57
		Sewerage	Sanitary Sewerage System	190.25	55.02	55.02	100	29
	Raigarh	Water Supply	Water Supply Scheme	15.24	9.04	9.04	100	59
	Kondagaon	Water Supply	Water Supply Scheme	4.52	2	2	100	44
IHSDP	18 locations across the State	Housing	Housing and Slum Development	225.60	130.54	94.08	72	42
Grand Total				**1,414.24**	**571.12**	**513.58**	**90**	**36**

(Source: Information furnished by SUDA and compiled by audit)

It may be seen from the above table that against the funds released, the overall expenditure was 90 *per cent*. But, even while the period of JNNURM (2005 to 2012) is coming close, the expenditure on all the projects has been 36 *per cent* (March 2011) vis-à-vis the estimated cost of all the projects approved under the Mission. Even though sufficient funds were available in City Bus Scheme and BSUP scheme for New Raipur, the utilization was zero and 15 *per cent* respectively. In two other schemes viz., Water Supply Schemes for Naya Raipur and BSUP Phase-II for Raipur, no funds were released by Central and State Government.

1.3.7.1 Funds not released by Central and State Governments

Funds not released for Naya Raipur water supply scheme

During scrutiny of records of SUDA, it was observed that the Water Supply Scheme for Naya Raipur was sanctioned in February 2009 for ₹ 156.23 crore. However, no funds were released by the Central as well as the State Government for the scheme and as a result the work could not be commenced. The delay in commencement of the work not only deprived the people from the drinking water facilities but also may result in cost overrun.

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5 May include loan from financial institutions in case of UIG and UIDSSMT and includes beneficiary contribution in case of BSUP and IHSDP

During the exit conference, Government accepted (October 2011) the audit observation and stated that funds were not released by GoI as Additional Central Assistance (ACA) had been exhausted. It was also intimated that New Raipur Development Authority (NRDA) had taken up the project in Public Private Partnership (PPP) mode. outside JNNURM funds.

1.3.7.2 Inordinate delay in implementation of the City Bus scheme and BSUP Phase II (1136 Dwelling Units) for Raipur

During scrutiny of records of SUDA, it was observed that City Bus Scheme for Raipur was sanctioned during 2008-09. Under this scheme 65 mini buses, 30 semi low floor buses and five low floor air-conditioned buses were to be purchased and operators were to be engaged for operating these buses in the city. Funds amounting to ₹ 5.94 crore was released by Central Government in March 2009. Central share along with State share of ₹ 74 lakh were provided to RMC in May 2009 by SUDA. It was observed that no tenders could be finalized till September 2011, as a result the benefits of the City Bus Scheme could not be extended to the beneficiaries and the entire amount remained unutilized.

Similarly, ₹ 7.44 crore were released by GoI to SUDA in March 2010 for construction of 1,136 DUs under BSUP Phase II for Raipur but no funds were released by SUDA for implementation of the scheme. Thus, due to delay in implementation of the scheme the benefit of housing could not be extended to the urban poor.

During the exit conference, Government accepted (October 2011) the audit observation and stated that supplier for buses were also selected in May 2009 through tender. However, due to non availability of operators of these buses, the same could not be materialized. Subsequently, special purpose vehicle for operating the buses was formed in 2011 but supplier expressed inability to supply the buses at 2009 rates. Retendering has since been done and financial bids have been received. However, no specific reasons were furnished for failure to incur any expenditure under BSUP Phase-II.

Thus, due to failure of the department to take timely action to arrange special purpose vehicle, Government could not get the buses at 2009 rates. Further, the objectives of urban infrastructure development as envisaged under JNNURM guidelines also could not be fully achieved.

1.3.7.3 Diversion of funds amounting to ₹9.22 crore from the JNNURM schemes causing interest loss of ₹1.11 crore

JNNURM fund amounting to ₹ 9.22 crore diverted for other works of BMC causing loss of interest of ₹ 1.11 crore

During scrutiny of records, it was observed that the three separate bank accounts were operated from July 2009, August 2009 and April 2010 for Sewerage Scheme, IHSDP and Augmentation of Water Supply respectively. Prior to this, the amount of all the schemes was operated through one bank account. It was observed that funds amounting to ₹ 9.22 crore was diverted from Sewerage Scheme to various other works of BMC without the sanction of competent authority. Subsequently, the amount was recouped over a period of two years, resulting in loss of interest[6] amounting to ₹ 1.11 crore

[6] Fixed deposit interest at the rate of eight *per cent*

(Appendix-1.24), which could have been used as Revolving Fund as per the JNNURM guidelines.

During the exit conference, Government accepted (October 2011) the audit observation and stated that the diverted amount has already been recouped to JNNURM funds. It was also stated that besides lodging First Information Report (FIR), departmental enquiry has also been initiated against the responsible officer.

1.3.8 Execution of projects

Urban Infrastructure and Governance

The Urban Infrastructure and Governance (UIG) component, administered by Ministry of Urban Development (MoUD), envisaged urban infrastructure projects relating to water supply (including sanitation), sewerage, solid waste management, road network, urban transport and redevelopment of inner (old) city areas etc. in Mission city i.e. Raipur.

The irregularities noticed in execution of the project works are detailed below:

1.3.8.1 Discrepancies noticed during the audit of Water Supply projects of UIG

(a) Execution of work at substantially higher cost

Extra cost of ₹ 18.41 crore due to preparation of inflated estimate

As per clause 2.027, of Works Department (WD) Manual, the rates in an estimate should generally agree with scheduled rates. Where from any cause, the latter is not considered suitable or sufficient, the deviation should be explained in detail in the estimates, and if there is no relevant scheduled rate for a particular item of work in the estimate, the proposed rate should be supported by an analysis.

The work of providing, laying, jointing, testing and commissioning of clear water pumping mains from treatment plant to 17 Nos. of OHSRs under the UIG component of the Mission was awarded (December 2007) to M/s Nagarjuna Construction Co. Ltd, Hyderabad on lump sum basis for ₹ 52.92 crore by the Executive Engineer (EE), PHE (Project) Division, Raipur. The work was under progress and contractor was paid (March 2011) ₹ 48.73 crore.

Scrutiny of the records revealed that the estimated cost as per Unified Schedule Of Rates (USOR) of PHED was ₹ 38.64 crore. However, the above estimated cost was enhanced by ₹ 18.53 crore without any justification. Since the tendering procedure was available to get the most competitive price, there was no justification in enhancing the estimates in an adhoc manner without following the provision of the WD manual. This enhancement in estimates facilitated the contractor in quoting higher rates and this resulted in extra cost of ₹ 15.86 crore[7].

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[7] Estimated cost ₹ 38.64 crore (below tender percentage i.e. 4.08 *per cent*) = ₹ 37.06 crore Net extra cost: Amount of contract ₹ 52.92 crore – Amount admissible ₹ 37.06 crore= ₹ 15.86 crore.

Similarly, the work of construction of nine OHSRs of 3200 KL capacity were awarded to three contractors on lump sum contracts for ₹ 15.03 crore and the contractors were paid ₹ 13.84 crore (March 2011).

Scrutiny of the records revealed that the estimated cost as per USOR of PHED was ₹ 9.09 crore. However, the above estimated cost was enhanced by ₹ 1.86 crore without following the provision of the WD manual and without any justification. This enhancement in estimates facilitated the contractor in quoting higher rates resulting in extra cost of ₹ 2.55 crore ***(Appendix-1.25)***.

Thus, the preparation of inflated estimates resulted in extra cost of ₹ 18.41 crore (₹ 15.86 crore + ₹ 2.55 crore).

During the exit conference, Government stated (October 2011) that escalation was included in the estimate to arrive at the prevailing market rates.

Reply was not acceptable because the inclusion of escalation was not supported with any rate analysis or justification and this facilitated the contractors to quote higher rates.

(b) Inflated estimate led to extra cost of ₹7.68 crore

As per notification issued (March 2007) by GoI, the pipes with more than 20 cm outer diameter in water supply project were exempted from excise duty.

Extra cost of ₹ 7.68 crore due to inclusion of exemptable excise duty in the estimate

While finalizing the bids, it was clarified by the department that the bidders should quote the rates inclusive of applicable excise duty and the department would issue certificates for exemption of applicable excise duty. Further, it was also clarified in the tender document that the department would neither reimburse nor would ask for any refund from the contractor on this account and would also not entertain any claim on this account.

Scrutiny of records of PHE, Project Division, Raipur under UIG scheme, revealed that estimate was prepared on the basis of rate analysis for the year 2006-07 including excise duty amounting to ₹ 7.68 crore[8]. The work was awarded to the successful bidders on lumpsum basis. The department also issued certificates to the contractors for availing excise duty exemption. Thus the inclusion of excise duty in the estimate despite its exemption inflated the cost of the work by ₹ 7.68 crore.

During the exit conference, Government stated (October 2011) that there was no separate rate of pipes without excise duty in the USOR of PHE department. Hence, excise duty was included in the estimate and the same was made open to the bidders.

Reply of the Government was not acceptable because in this particular case the rates of pipes were not available in the USOR and hence rate analysis was made by the department wherein the excise duty was separately included.

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8 Rate paid for 1700 mm diameter pipe(including 16.48 *per cent* excise duty) = ₹ 4686.29 lakh, therefore rate excluding excise duty = 100/116.48*4686.29 lakh = ₹ 4023.25 lakh, Undue aid = ₹ 4686.29 - ₹ 4023.25 = ₹ 663.04 lakh
Rate paid for 1400 mm diameter pipe(including 16.48 *per cent* excise duty)=₹ 744.26 lakh, therefore rate excluding excise duty=100/116.48* 744.26 lakh = ₹ 638.96 lakh, Undue aid =₹ 744.26 - ₹ 638.96 = ₹ 105.30 lakh
Total undue aid = 663.04 + 105.30 = ₹ 768.34 lakh say ₹ **7.68 crore**

(c) Irregular payment of advance and subsequent loss of interest

Irregular payment of advance of ₹ 103.21 crore besides loss of interest of ₹ 1.76 crore

As per lump sum contract (Form F), payment schedule for supply of material should not be allowed and payment to the contractor should be made only for finished item of the work.

(i) During the scrutiny of agreement (65DL/2007-08) for the work of providing, laying, jointing, testing and commissioning of clear water pumping mains from treatment plant to 17 Nos. of OHSRs, it was observed that in the common set of conditions, payment schedule was prepared for supply of material at the rate of 64.84 [9] *per cent* of the tender cost (₹ 52.92 crore) and the contractor was paid towards supply of material ranging from ₹ 73,372 to ₹ 3.68 crore and the same was used by the contractor over a period ranging from three to 406 days before the actual execution of work. The amount of advance paid irregularly to the contractor aggregated to ₹ 66.08 crore and resulted in loss of interest amounting to ₹ 1.04 crore[10] ***(Appendix-1.26)***.

(ii) Further, as per clause 10 of common set of conditions of agreement (64/DL 2007-08) for the work of providing, laying, jointing, testing and commissioning of raw water gravity main and pumping main, in case of contractor whose contract was for finished work, requires an advance on the security of materials brought to sites, can be sanctioned advances up to an amount not exceeding 90 *per cent* of the value of material (Mild Steel Plate) and any payment to the contractor should be made only after the completion of the work.

Scrutiny of records revealed that the contractor of the above work was paid secured advance of ₹ 25.63 crore for mild steel plates for manufacturing of steel pipes. It was further noticed that besides the above, payment schedule was also prepared for supply of material at the rate of 61.06[11] *per cent* of the tender cost (₹ 61.47 crore) in common set of conditions and payment of ₹ 37.13 crore ranging from₹ 32.78 lakh to ₹ 5.03 crore was made to the contractor over a period ranging from five to 246 days. Thus, provisions made for payment of supply of material in addition to the secured advance resulted in extension of undue financial benefit of ₹ 37.13 crore to the contractor and resulted in loss of interest amounting to ₹ 71.88 lakh ***(Appendix- 1.27)***.

During the exit conference, Government stated (October 2011) that payment was made according to agreement to ensure timely completion of the works.

Reply was not acceptable because the inclusion of schedule of payment for supply of material in the agreement in violation of lumpsum contract

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9 95 *per cent* of the 75 *per cent* of 91 *per cent* of tender cost
91 *per cent* of 529200000=481572000
75 *per cent* of 481572000=361179000
95 *per cent* of 361179000=343120050
i.e., 64.84 *per cent* of tender cost

10 Calculated as per fixed deposit interest rates of State Bank of India prevailing during the period of advance

11 85.7 *per cent* of the 95 *per cent* of 75 *per cent* of tender cost
85.7 *per cent* of 614716029 =526811637
95 *per cent* of 526811637 = 500471055
75 *per cent* of 500471055 = 375353291
i.e., 61.06 *per cent* of tender cost

provisions facilitated the contractors to receive advance payment on supply of materials. Further, the works were incomplete even after payment of the advance.

Thus, the objective of providing the infrastructural services to the urban population as envisaged in the Mission also could not be fulfilled as the project was delayed and remained incomplete even after expiry of stipulated period (December 2009) for reasons which were attributable to both contractors and the department. The execution of projects was not carried out economically as the estimates were inflated and contractors were extended undue financial benefits.

Basic Services to the Urban Poor

This is administered by the Ministry of Housing & Urban Poverty Alleviation (HUPA) through the Directorate for Basic Services to the Urban Poor. The scheme envisages housing and slum development through projects for providing shelter, basic services and other related civic amenities in Mission city i.e. Raipur under BSUP.

According to the CDP for Raipur city about one-fourth of the population in RMC area was living in slums. A project was designed to provide basic services to the urban poor living in slums by providing housing with infrastructural facilities. Under this project it was targeted to construct 27300 DUs with an estimated cost of ₹ 273.00 crore to bring down the percentage of slum population by the year 2020.

1.3.8.2 Discrepancies noticed during the audit of BSUP

Government of Chhattisgarh, Urban Development Department (UDD) accorded (November 2006) administrative approval of ₹ 391.45 crore for construction of 27,976 DUs under BSUP component of JNNURM in Raipur. The estimates were technically sanctioned (July 2007) for ₹ 355.98 crore. The work of Project Management Consultant (PMC) was awarded to (August 2007) M/s Hindustan Prefab Limited (HPL), New Delhi by RMC, at the rate of seven *per cent* of the actual cost of work. M/s HPL was responsible for construction and supervision of the work. Against the project cost of ₹ 391.45 crore, the expenditure incurred was ₹ 104.83 crore. Payment of ₹ 61.96 crore was made to M/s HPL for construction of the DUs.

Scrutiny of records further revealed the following irregularities in execution of the scheme.

(a) Irregular appointment of Project Management Consultant (PMC).

Irregular expenditure of ₹ 4.34 crore made on PMC

As per JNNURM guidelines, the engagement of Project Management Consultant (PMC) was not permitted. Despite this, M/s HPL, New Delhi was engaged (August 2007) as PMC by RMC and payment of consultancy charges at the rate of seven *per cent* of actual cost of civil works was made. As per agreement, M/s HPL was responsible for construction of all the civil works approved under BSUP-Raipur. M/s HPL was paid ₹ 4.34[12] crore towards consultancy charges.

Since the engagement of PMC was not permissible as per guidelines of JNNURM, the payment of ₹ 4.34 crore to M/s HPL was irregular.

During the exit conference, Government stated (October 2011) that M/s HPL was appointed as PMC on the suggestion of Ministry of Housing and Urban Poverty Alleviation, GoI.

(b) Complete failure in construction of DUs for urban poor

(i) As a part of agreement between RMC and M/s HPL, the company was entrusted with the responsibility for construction of 27,976 DUs and was paid an amount of ₹ 61.96 crore in three[13] installments. Subsequently, M/s HPL awarded (May 2008) the construction of 7,680 DUs out of 27,976 DUs to M/s Vijeta Construction Company, Raipur at the rate of ₹ 1.60 lakh per unit for construction and infrastructure development. The scheduled date of completion as per agreement was May 2009.

Scrutiny revealed that M/s Vijeta Construction Company, Raipur failed to complete the construction of DUs awarded to them. However, no agency was engaged by M/s HPL for construction of remaining 20,296 DUs as of July 2011. Due to failure by M/s HPL to complete the work, construction work of 11,080 DUs were withdrawn by RMC. Even after reduction of scope of work, M/s HPL neither started the work for the remaining DUs nor completed the DUs already taken up for construction. Subsequently, all the construction works were abandoned by M/s HPL.

Advance of ₹ 49.84 crore paid to M/s HPL not recovered

Since M/s HPL failed to execute the construction of DUs as per agreement, the SUDA engaged the Third Party Inspection & Monitoring Agency (TPIMA) as per guidelines of JNNURM to assess the value of work executed by the M/s HPL. As per the valuation of TPIMA (August 2010), the cost of work executed by M/s HPL was only ₹ 12.12 crore. Despite the valuation of work by TPIMA and failure on the part of M/s HPL in construction of DUs, the RMC did not recover the excess payment of ₹ 49.84 crore made to M/s HPL.

Thus, it was evident from the above facts that out of the total advance of ₹ 61.96 crore paid to M/s HPL by RMC, advance amounting to ₹ 49.84 crore was still recoverable even after abandonment of the work by M/s HPL.

During the exit conference, Government accepted (October 2011) the audit observation and stated that the matter had been taken up with GoI. It was further stated that another third party inspection has been done for upto date valuation of the work for which report is awaited.

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[12] seven *per cent* of ₹ 61.96 crore=₹ 4.34 crore

[13] Payments to M/s HPL ₹ 8,69,12,100 on 30.10.2007, ₹ 34,76,48,400 on 07.06.2008 and ₹ 18,50,00,000 on 02.01.2010

(c) Complete failure to develop Slum Profile and Biometric Identification of beneficiaries

As per the agreement, M/s HPL should perform (i) development of Municipal slum profile of urban poor in a phase manner, (ii) development of phase-wise plan for making the city slum free as per vision plan of the city and assist in implementation of the plan, (iii) assist in establishing State and Municipal level poverty alleviation cells, (iv) put in place a computerized system to track the physical and financial progress of the project, slum wise, beneficiary wise and construction site wise of BSUP scheme, (v) establish quality control system both internal and external to ensure the quality in construction and (vi) undertake the work of biometric identification of beneficiaries to ensure easy identification in future.

Slum Profile, Biometric Identification of beneficiaries not developed and subsequently penalty of ₹ 2.17 crore not imposed

Scrutiny of records revealed that M/s HPL had failed to prepare slum profile, biometric identification of beneficiaries, computerized system to track the physical and financial progress of the project and establishing quality control system to ensure the quality in construction. Thus, due to failure of M/s HPL to deliver the entrusted assignment, none of the DUs were completed and in absence of proper quality control and monitoring system, sub-standard work was executed as discussed in para 1.3.9.1. In the absence of biometric identification of beneficiaries allotment of DUs to the urban poor would be further delayed.

As per para 29 of the agreement, if M/s HPL fails to complete the project within the stipulated time (December 2009), a compensation at the rate of 50 *per cent* of the consultancy charges was leviable. However, despite failure to complete even a single DU, the department did not recover penalty amounting to ₹ 2.17 crore [14] from M/s HPL.

During the exit conference, Government accepted (October 2011) the audit observation and stated that State Government had decided to go for arbitration against M/s HPL and for which opinion of Advocate General, Chhattisgarh is being sought.

(d) Failure to construct Dwelling Units (DUs) by Raipur Municipal Corporation (RMC) and Chhattisgarh Housing Board (CGHB)

All 27,976 DUs remained incomplete even after expiry of stipulated date of completion

Initially the RMC engaged M/s HPL as PMC and assigned the responsibility for construction of 27,976 DUs. Scrutiny revealed that since M/s HPL failed to initiate action for construction of the remaining DUs, construction of 11,080 DUs were withdrawn from M/s HPL. Out of these, construction of 3,360 DUs were allocated to Chhattisgarh State Housing Board (CGHB) for which ₹ 25 crore was paid and the construction of remaining DUs was taken up (April 2009) by RMC. Even after this, none of the DUs was completed either by CGHB or RMC till October 2011.

During the exit conference, Government accepted (October 2011) the audit observation and stated that Government has now reduced the target to 11000 DUs against 27,976 DUs as the market price of the construction materials has increased substantially.

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14 *50 per cent of seven per cent of ₹ 61.96 crore = `` 2.17 crore*

Reply of the Government is not acceptable as the DUs meant for the urban poor could not be constructed due to irregular engagement of consultancy agency and inadequate monitoring and supervision. This also resulted in reducing the number of DUs actually planned for construction for the urban poor.

(e) Preparation of inflated estimate resulted in avoidable extra expenditure of ₹3.18 crore

Avoidable extra cost of ₹3.18 crore due to preparation of inflated estimate

As per SOR (1999), the rate of the item "Providing and laying mechanically mixed RCC excluding centering, shuttering and reinforcement in foundation, plinth and in super structure upto height of 4 mt. above plinth level" was ₹ 1,770 per cum. Further, the rate of the item of lift payable for every 0.50 mt height or part thereof for a height beyond 4 mt above plinth level for all RCC work was at the rate of 0.20 *per cent* of ₹ 1,770.

Scrutiny of the DPR pertaining to BSUP-Raipur revealed that the rate of RCC for all heights was calculated at the rate of 20 *per cent* of ₹ 1,770 i.e., ₹ 354 per lift, instead of 0.20 *per cent* of ₹ 1,770 i.e., ₹ 3.54 per lift for each 0.50 mt. This resulted in increase in cost of RCC by ₹ 2,725 per DU. As a result the estimates for construction of 27,976 DUs were inflated by ₹ 7.62 crore. The work of 11,674 DUs was in progress and an avoidable extra expenditure of ₹ 3.18 crore was already incurred as detailed below:

Table-1.5: Extra cost due to preparation of inflated estimate

(amount in ₹)

Sl. No.	Floor	Rate of RCC taken in DPR	Height	Rate of RCC as per SOR	Difference	Quantity (in cu.m)	Inflated amount
1	Ground	1770+354=2124	3mt	1770	354	77.97	27601
2	First	1770+354=2124	6mt/4 lift	1770+14=1784	340	39.53	13440
3	Second	1770+354=2124	9mt/10 lift	1770+35=1805	319	39.53	12610
4	Third	1770+354=2124	12 mt/16 lift	1770+57=1827	297	39.53	11740
				No of DU 24			65391
				Total inflated amount for 1 DU			2725
				Total inflated amount for 27976 DU			**76234600**
				Total extra cost for 11674 DU			**31811650**

(Source: Information furnished by RMC and compiled by audit)

During the exit conference, Government stated (October 2011) that lumpsum tender was floated and payment was not made as per SOR rates.

The reply of the Government is not acceptable as the rates of lift of RCC for all heights in the estimates was erroneously taken as 20 *per cent* instead of 0.20 *per cent* and this not only increased the cost of the work but also led to extension of undue financial benefit to the contractors.

(f) Changes of plan after sanction of estimate leading to extra cost

Avoidable extra cost of ₹ 1.36 crore due to reduction in plinth area

As per approved DPR pertaining to BSUP Raipur, for construction of DUs the plinth area of each DU was to be 31.5sq.m and based on the area, estimated cost was worked out to ₹ 1.40 lakh per DU.

Scrutiny of records revealed that RMC allocated construction of 3,360 DUs to CGHB as per the approved DPR. It was noticed that 15 agreements were finalized for construction of 3,360 DUs. While awarding the works for construction of 2,816 DUs, each DU was specified with plinth area of 31.5sq.m. However, in the work order for construction of the remaining 544 DUs the plinth area of each DU was specified as 25.37sq.m. The reduction of plinth area by 6.13sq.m[15] per DU for 544 DUs was irregular and resulted in extra cost of ₹ 1.36 crore ***(Appendix-1.28)***.

During the exit conference, Government stated (October 2011) that the reduction of plinth area was made after due approval from GoI.

The reply is not acceptable because commensurate reduction in cost estimate ought to have been done also.

Thus, the objective of providing housing and integrated slum development in Raipur could not be achieved as not a single DU was completed even after expiry of stipulated period.

Urban Infrastructure Development Scheme for Small and Medium Towns

The Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) component, administered by MoUD, provides for urban infrastructure projects relating to water supply, sewerage, solid waste management, roads etc in small and medium towns (other than the Mission city identified under UIG and BSUP). Under this scheme two projects viz., Sanitation and Sewerage system and Water supply scheme in Bilaspur were sanctioned by the State Government.

1.3.8.3 Execution of Sanitation and Sewerage and Water Supply projects of UIDSSMT

Sanitary and Sewerage System for Bilaspur

The Sanitary and Sewerage System for Bilaspur project was sanctioned in the year 2006-07 for ₹ 190.25 crore and two contracts were awarded (October 2008) for ₹ 279.97 crore with stipulated period of completion of two years. The upto date expenditure on the project was ₹ 97.12 crore including recoverable amount of mobilization advance of ₹ 17.70 crore. The physical progress of the project was 28 *per cent*.

Scrutiny of the records revealed various irregularities in execution of the scheme as detailed below.

(a) Delay in completion of works

Penalty of ₹ 14 crore not imposed for delay in completion of work

As per agreement for the work of Sewerage scheme under JNNURM, penalty for works not completed within the stipulated period should be imposed at the rate of 0.5 *per cent* of the total contract price per week of delay subject to a maximum of five *per cent* of the total contract price.

During scrutiny of records of BMC, it was observed that bids for the works[16] of sewerage and road restoration were invited (August 2008) for an estimated

[15] 31.50 sq.m.-25.37 sq.m.=6.13 sq.m

[16] (i) supply, installation, testing and commissioning sewerage pipe lines, manholes and appurtenances, (ii) construction of sewage of pumping station (submersible pump type), providing and laying ductile iron rising main including electrical, mechanical and operation and maintenance for three years and (iii) road restoration where sewers are laid in BMC area

cost of ₹ 118.47 crore, the contract was awarded (October 2008) to Simplex Infrastructure Limited, Kolkata for ₹ 222.99 crore for completion within 24 months including rainy season (i.e. by October 2010). However, the work was not completed till June 2011. In view of the delay in completion of the work, penalty of ₹ 11.15 crore (5 *per cent* of ₹ 222.99 crore) was leviable against the contractor.

Further, scrutiny of records of BMC, revealed that the contract for the work of Sewerage Treatment Plant[17] was awarded (October 2008) for ₹ 56.98 crore and according to the agreement the work was to be completed within 24 months including monsoon period i.e. by October 2010. However, the work was not completed till June 2011. As the delay in execution of work was attributable to the contractor, penalty amounting to ₹ 2.85 crore (five *per cent* of ₹ 56.98 crore) was leviable.

Though the contractors were given extension of time till October 2011 without the benefit of price escalation but no penalty was imposed against the contractor.

During the exit conference, Government accepted (October 2011) the audit observation and stated that the right to penalty has been reserved and would be imposed after analysis of delay.

(b) Payment of inadmissible mobilization advance of ₹25.95 crore to contractors and loss of interest of ₹8.63 crore

Inadmissible mobilization advance of ₹ 25.95 crore paid to contractor and loss of interest of ₹ 8.63 crore

According to the Municipal Corporation Rules and Act, 1998 "In case of Municipal Council and Nagar Panchayat, the tender shall be invited for construction work or purchase of material in accordance with the provisions of the Work Department Manual of the Public Works Department".

As per provisions of Chhattisgarh WD manual, mobilization advance may be paid for tenders of ₹ one crore and above and shall not exceed five *per cent* of the contract amount and limited to ₹ 10 lakh. This advance shall bear interest at the rate of 14 *per cent* per annum.

(i) During scrutiny of records of work of sewerage and road restoration to Simplex Infrastructure Limited, Kolkata, it was observed that as against the admissible mobilization advance of five *per cent* of contract value and limited to ₹ 10 lakh, the agreement signed with the contractor provided for payment of interest free mobilization advance upto 10 *per cent* of the contract value payable in four installments of 2.5 *per cent* each. The contractor was paid mobilization advance amounting to ₹ 22.30 crore against the admissible mobilization advance of ₹ 10 lakh. This resulted in extension of undue financial benefit of ₹ 22.20 crore to the contractor. It was also noticed that no provision for time bound recovery was made in the contract. As a result, out of the mobilization advance of ₹ 22.30 crore, only ₹ 5.25 crore was recovered

[17] Work of procuring, constructing and commissioning of Sewage Treatment Plant of 54 MLD and 17 MLD capacity of Domuhani and Chilati site along with all related Mechanical and Electrical equipment and accessories, instrumentation including miscellaneous works

upto 16th RA bill (June 2011) and ₹ 17.05 crore was still due for recovery though the scheduled date of completion has expired (October 2010). The recovery should have been made before the expiry of stipulated period. Further, interest of ₹ 7.57 crore ***(Appendix-1.29)*** at the rate of simple interest of 14 *per cent* per annum recoverable from the contractor was also not levied.

(ii) Similarly, mobilization advance amounting to ₹ 3.85 crore was also paid (October 2008) to M/s GEO Miller and Company Private limited for the work of Sewerage treatment plant. The contractor was paid interest free mobilization advance amounting to ₹ 3.85 crore as against the admissible mobilization advance of ₹ 10 lakh. This resulted in extension of undue financial benefit of ₹ 3.75 crore to the contractor. It was also noticed that no provision for time bound recovery was made in the contract. As a result, out of the mobilization advance of ₹ 3.85 crore, only ₹ 3.20 crore was recovered upto 11th RA bills (April 2011) and ₹ 65.00 lakh was due for recovery though the scheduled date of completion was expired (October 2010). Further, interest of ₹ 1.06 crore ***(Appendix-1.30)*** at the rate of simple interest of 14 *per cent* per annum recoverable from the contractor was also not levied.

During the exit conference, Government stated (October 2011) that since it was a specialized nature of work and huge investment was required, mobilization advance was paid even though the payment was not permissible as per the manual. The department stated that on the basis of audit observation, they have enhanced the rate of recovery from 15 *per cent* to 20 *per cent* of the amount of the Running Account Bill.

Reply of the Government is not acceptable as the payment of the advance of ₹ 25.95[18] crore was not in conformity with the manual provision and the contractors also could not complete the works within the scheduled time even after payment of the advance.

(c) Hard rock not accounted for amounting to ₹62.51 lakh

Hard rock amounting to ₹ 62.51lakh not accounted for in the material at site account

On scrutiny of records of Sewerage work, it was observed that 9,782.231cu.m hard rock was excavated. However, the above quantity was neither taken into material at site account nor any record was available on utilization of hard rock. The value of the materials as per PWD SOR-2010 amounting ₹ 62.51 lakh[19] was recoverable from the contractor as no issue rate was fixed by the BMC.

During the exit conference, Government accepted (October 2011) the audit observation and stated that excavated hard rock was consumed by the contractor in the same work and agreed to recover the cost.

Water Supply Scheme for Greater Bilaspur

The "Augmentation of Water Supply Scheme of Greater Bilaspur" project was sanctioned for ₹ 41.42 crore in the year 2006-07 for completion within two years. The Detailed Project Report (DPR) for the project was prepared by the office of the PHE Project Division, Bilaspur. As per DPR, the whole project was divided into 12 different components as per the nature of work. Out of

[18] (₹ 22.30 crore- ₹ 10.00 lakh)+(₹ 3.85 crore- ₹ 10.00 lakh)= ₹ 25.95 crore

[19] ₹ 639/cu.m.*9782.231 cu.m.= ₹ 62.51 lakh

12 components, six components were completed, while three components viz., construction of pump houses, laying of pumping main and electrification work were incomplete (December 2011). The remaining three components viz., installation of submersible pumps, chlorinators and laying of clear water pumping main were at tender stage (December 2011). The upto date expenditure on the project was ₹ 23.70 crore.

(d) Inordinate delay in completion of work

As per Clause 3 of the agreement, if any work is abandoned by the contractor, the contract is to be rescinded and the remaining work is to be awarded to other contractor and any sum incurred in excess of the original contract resulting in execution of the remaining/abandoned work is to be recovered from the defaulting contractor.

Liquidated damages of ₹ 17.96 lakh was not recovered from defaulting contractors

Scrutiny of records of PHE Project Division, Bilaspur revealed that work of 26 Gravel Pack Tube Wells were awarded (February-March 2008) to five contractors. Since the contractors could not complete the work the contracts were rescinded (May 2009) and the balance work were awarded (November 2009) to other contactor. The department had to incur extra expenditure of ₹ 17.96 lakh for completing the balance works ***(Appendix-1.31)***. As per clause 3 of the agreement, the above extra expenditure was recoverable from the defaulting contractors. However, the department did not recover the amount.

During the exit conference, Government accepted (October 2011) the audit observation and stated that penalty has since been imposed on the defaulting contractors. Earnest Money deposited had already been forfeited and action has already been initiated for recovery of the balance amount.

Thus, the objective of providing infrastructural services in Bilaspur could not be achieved as works under UIDSSMT remained incomplete even after expiry of stipulated period.

Integrated Housing and Slum Development Programme (IHSDP)

This component, administered by Ministry of Housing and Urban Poverty Alleviation provides for housing and integrated slum development in non-Mission cities/towns. The scheme envisaged urban renewal programme i.e. re-development of inner (old) cities areas to reduce congestion and provision of basic services to the urban poor, including security of tenure at affordable prices, improved housing, water supply and sanitation.

1.3.8.4 Discrepancies noticed during the audit of IHSDP

Government of Chhattisgarh (GoCG), Urban Development Department (UDD) accorded (November 2006) administrative approval of ₹ 97.18 crore for construction of 7,836 DUs under IHSDP component of the JNNURM in Bilaspur. The estimates were technically sanctioned (July 2007) for ₹ 97.17 crore. The work of Project Management Consultant (PMC) was awarded (August 2007) to M/s HPL, New Delhi by BMC. M/s HPL was responsible for construction and supervision of the 7,836 DUs. Against the project cost of ₹ 97.18 crore, the expenditure incurred was ₹ 43.39 crore. Payment of ₹ 11.92 crore was made to M/s HPL for construction of the DUs.

Scrutiny of records revealed the following irregularities:

(a) Irregular appointment of Project Management Consultant (PMC).

Irregular expenditure of ₹ 83 lakh made on PMC

As per JNNURM guidelines, the engagement of Project Management Consultant (PMC) was not permitted. Despite this, M/s HPL, New Delhi was engaged (August 2007) as PMC by BMC, Bilaspur and payment of consultancy charges at the rate of seven *per cent* of actual cost of civil works was made. As per agreement M/s HPL was responsible for construction of all the civil works approved under IHSDP-Bilaspur. M/s HPL was paid ₹ 83 lakh[20] towards consultancy charges.

Since the engagement of PMC was not permissible as per guidelines of JNNURM, the payment of ₹ 83 lakh to M/s HPL was irregular.

During the exit conference, Government stated (October 2011) that M/s HPL was appointed as PMC on the suggestion of Ministry of Housing and Urban Poverty Alleviation, GoI.

(b) Complete failure in construction of DUs for urban poor

As part of the agreement between BMC and M/s HPL, the company was entrusted with the responsibility for construction of 7,836 DUs and paid an amount of ₹ 11.92 crore in four[21] installments. Subsequently, M/s HPL awarded (March 2009) the construction of 3,132 DUs out of 7,836 DUs to M/s Baba Construction Private Limited at the rate of ₹ 1.64 lakh per DU for construction and infrastructure development. The scheduled date of completion as per agreement was August 2009. No agency was engaged by M/s HPL for the construction of remaining 4,704 DUs.

Scrutiny revealed that out of 3,132 DUs awarded to M/s Baba Construction Private Limited, work had been started only at 1,566 DUs which remained incomplete till July 2011. Since M/s HPL failed to complete the work, construction work of 6,270 DUs were withdrawn. Even after reduction of scope of work, M/s HPL failed to complete the 1,566 DUs already taken up for construction. Subsequently, all the construction works were abandoned by M/s HPL.

Since M/s HPL failed to execute the construction of DUs as per agreement, the department engaged the Third Party Inspection & Monitoring Agency (TPIMA) as per guidelines of JNNURM to assess the value of work executed by M/s HPL. As per the valuation of TPIMA, the cost of work executed by M/s HPL was only ₹ 11.66 crore including ₹ 43.13 lakh as mobilization advance. Thus, the value of work amounted to ₹ 11.23 crore. Despite the valuation of work by the agency and failure on the part of M/s HPL to construct the DUs, the BMC did not recover the excess payment of ₹ 69 lakh[22] made to M/s HPL.

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[20] Seven *per cent* of ₹ 11.92 crore=₹ 83 lakh

[21] Payments to M/s HPL ₹ 70000000 on 07.05.2008, ₹ 20000000 on 10.11.2009, ₹ 4175000 on 14.01.2010 and ₹ 25000000 on 08.03.2010

[22] ₹ 11.92 crore-₹ 11.23 crore=₹ 0.69 crore, say ₹ 69 lakh

This Mission of providing DUs for urban poor was not achieved at all and this scheme was thus a complete failure.

During the exit conference, Government accepted (October 2011) the audit observation and stated that the matter had been taken up with GoI. It was further stated that another third party inspection has been done for upto date valuation of the work and the report is awaited.

(c) Complete failure to develop Slum Profile and Biometric Identification of beneficiaries

As per the agreement, M/s HPL was required to perform (i) development of Municipal slum profile of urban poor in a phase manner, (ii) development of phase-wise plan for making the city slum free as per vision plan of the city and assist in implementation of the plan, (iii) assist in establishing State and Municipal level poverty alleviation cells, (iv) put in place a computerized system to track the physical and financial progress of the project, slum wise, beneficiary wise and construction site wise of IHSDP scheme, (v) establish quality control system both internal and external to ensure the quality in construction and (vi) undertake the work of biometric identification of beneficiaries to ensure easy identification in future.

Slum Profile, Biometric Identification of beneficiaries not developed and subsequently penalty of ₹ 41.72 lakh not imposed

Scrutiny of records revealed that M/s HPL has failed to prepare slum profile, biometric identification of beneficiaries, computerized system to track the physical and financial progress of the project and establishing quality control system to ensure the quality in construction. Thus, due to failure of M/s HPL to deliver the entrusted assignment none of the DUs were completed and in absence of proper quality control and monitoring system, sub-standard work was executed as discussed in para 1.3.9.2. In the absence of biometric identification of beneficiaries allotment of DUs to the urban poor would be further delayed.

As per para 29 of the agreement, if M/s HPL was to fail to complete the project within the stipulated time (December 2009), a compensation at the rate of 50 *per cent* of the consultancy charges would have been recoverable. But penalty amounting ₹ 41.72 lakh[23] was not recovered by the department from M/s HPL.

During the exit conference, Government accepted (October 2011) the audit observation and stated that State Government had decided to go for arbitration against M/s HPL for which opinion of Advocate General, Chhattisgarh is being sought.

(d) Failure to construct DUs by BMC and CGHB

All 7,836 DUs remained incomplete even after expiry of stipulated date of completion

Initially, BMC engaged M/s HPL as PMC and assigned the responsibility for construction of 7,836 DUs.

Under IHSDP Bilaspur, due to the failure of M/s HPL to complete the DUs, BMC withdrew the construction of 6,270 DUs from M/s HPL (April 2009). Subsequently, 2,000 DUs were allocated to CGHB for which an amount of

[23] 50 *per cent* of seven *per cent* of ₹ 11.92 crore =₹ 41.72 lakh

₹ 3.00 crore was paid and BMC took up construction of 4,270 DUs. Despite this not a single DU was completed either by CGHB or by BMC.

(e) *Preparation of inflated estimate resulted in avoidable extra expenditure of ₹1.23 crore*

As per SOR (1999), the rate of the item "Providing and laying mechanically mixed RCC excluding centering, shuttering and reinforcement in foundation, plinth and in super structure upto height of 4 mt. above plinth level" was ₹ 1,770 per cum. Further, the rate of the item of lift payable for every 0.50 mt height or part thereof for a height beyond 4 mt above plinth level for all RCC work was at the rate of 0.20 *per cent* of ₹ 1,770.

Scrutiny of the DPR pertaining to IHSDP-Bilaspur revealed that the rate of RCC for all height was calculated at the rate of 20 *per cent* of ₹ 1,770, i.e. ₹354 per lift, instead of 0.20 *per cent* of 1,770 i.e., ₹ 3.54 per lift for each 0.50 mt. This resulted in increase in cost of RCC by ₹ 2,981 per DU. This inflated the estimates for construction of 7,836 DUs by ₹ 2.34 crore. The work of 4140 DUs was in progress and an avoidable extra expenditure of ₹ 1.23 crore was incurred as detailed below:

Table-1.6: Extra cost due to preparation of inflated estimate

(amount in ₹)

Sl. No.	Floor	Rate of RCC taken in DPR (in ₹)	Height	Rate of RCC as per SOR	Difference	Quantity (in cu.m)	Inflated amount
1	Ground	1770+354=2124	3mt	1770	354	77.97	27601
2	First	1770+354=2124	6mt/4 lift	1770+14=1784	340	39.53	13440
3	Second	1770+354=2124	9mt/10 lift	1770+35=1805	319	39.53	12610
				No of DU 18			53651
				Total inflated amount for 1 DU			2981
				Total inflated amount for 7836 DU			**23359116**
				Total extra cost for 4140 DU			**12341340**

(Source: Information furnished by BMC and compiled by audit)

During the exit conference, Government stated (October 2011) that lumpsum tender was floated and payment was not made as per SOR rates.

Reply of the Government is not acceptable as the rates of lift of RCC for all heights was erroneously taken as 20 *per cent* instead of 0.20 *per cent* and this not only increased the cost of the work but also led to extension of undue financial benefit to the contractors.

(f) *Irregular awarding of work without tender*

Work amounting to ₹ 1.21 crore awarded without tender

The work of preparation of DPR pertaining to IHSDP-Bilaspur was awarded to M/s Palliwal & Associates, Raipur (July 2007) at the rate of 1.25 *per cent* of sanctioned DPR cost i.e. 1.21 crore (project cost: ₹ 97.18 crore) plus service tax. It was observed that the above work was awarded to M/s Palliwal & Associates without invitation of tender and payment of ₹ 48.04 lakh was made to the contractor. The awarding of work amounting to ₹ 1.21 crore to consultant without tender was irregular.

During the exit conference, Government stated (October 2011) that as the consultant was awarded similar works at the State level, the preparation of DPR for IHSDP Bilaspur was awarded to the same consultant at the same rate to avoid delay.

Reply was not acceptable as the award of work without tender is violation of the WD manual.

Thus, the objective of providing housing to beneficiaries (slum dwellers) and integrated slum development with basic facilities in Bilaspur could not be achieved as not a single DU was completed even after expiry of stipulated period.

1.3.9 Monitoring and Evaluation

For effective monitoring of projects under JNNURM, the guidelines provides for Programme Monitoring and Evaluation System (PMES), mid-term evaluation by State Government/GoI at state level, physical and financial verification of programme and project level committee at ULB level. There is also provision for evaluation by Independent Review and Monitoring Agency (IRMA) and Third Party Inspection & Monitoring Agency (TPIMA).

1.3.9.1 Sub-standard work of BSUP Dwelling Units

During scrutiny of TPIMA reports, it was observed that as per the report the work of construction of DUs was sub-standard and following observations were made on the quality of construction:

i) Laboratories were not established at six sites (Hirapur, Walfort, Tatibandh, Daldal seoni, Smera and Samta II) and laboratory at one site (Mathpurena) was with insufficient testing facilities.

ii) Third party quality control agency was not maintained.

iii) Inferior quality of steel was used (rusted and under-weight).

iv) Qualified Supervising Engineers were not appointed.

v) Quality checking mechanisms was not developed.

vi) Poor workmanship-column eccentric, twisted and having honey combs, column/ beams junctions were not perpendicular and not casted monolithically.

vii) Concrete design mix for M-20 was not followed.

viii) Soil Bearing Capacity (SBC) for foundation was not confirmed before execution.

ix) Honey combs were found in the structures.

x) Columns were concreted without steel shuttering.

xi) Insufficient compaction of concrete for slabs, beams and columns.

xii) Insufficient cover for slab reinforcement leading to exposure of steel.

xiii) Insufficient curing for concrete structures.

xiv) Deficiency in measurement for thickness of waist slab.

xv) Nominal concrete mix was adopted instead of batch mix.

Sub-standard building work was executed with lower compressive strength of concrete

It was further reported by the agency that the results of compressive strength of M-20 grade concrete for three sites viz. Wallfort city (832 DUs), Heerapur (912 DUs) and Mathpurena (2,192 DUs) were found to be 111.15 kg/sq.cm , 181.41 kg/ sq.cm and 150 kg/sq.cm respectively as against the required comprehensive strength of 200 kg/sq.cm. Thus, framed structures for 3,936 DUs cannot be treated as sound structures and should have been rejected.

The above observations revealed that the works executed were sub-standard and all the above deficiencies were not rectified till the date of audit (October 2011).

Picture showing eccentricity of Column at Mathpurena site – BSUP Raipur (The compressive strength of concrete work was found 111.15 kg/sqcm against the standard of 200 kg/sqcm.

Picture showing water logged due to non progress of work and column steel has rusted at Mathpurena site - BSUP Raipur

During the exit conference, Government accepted (October 2011) the audit observation and stated that the matter is being closely monitored and action would be taken.

1.3.9.2 Sub-standard work of IHSDP Dwelling Units

During scrutiny of TPIMA reports for Phase-I Bilaspur, it was observed that the work of construction of DUs was sub-standard and following observations were made for quality of construction:

i) Laboratories were not established at five sites (Swarna Jayanti Nagar, Mangla, Ameri, Harsingar Awas Lingyadih and Near ware house Lingyadih).

ii) Qualified Supervising Engineers were not appointed at four sites (Swarna Jayanti Nagar, Mangla, Ameri and Harsingar Awas Lingyadih).

iii) Quality control Engineers were not appointed at four sites (Swarna Jayanti Nagar, Mangla, Ameri and Harsingar Awas Lingyadih).

iv) SBC was not tested but designed by assumption (Swarna Jayanti Nagar, Mangla, Amari, Uslapur, and Near warehouse Lingyadih).

v) Nominal concrete mix was adopted instead of batch mix.

vi) Rusted, underweight steel was used and 4 mm thick wire was used to tie bars instead of 8 mm thick wire.

vii) Frequency of test was not maintained.

Sub-standard building work was executed with lower compressive strength of concrete

At the Mangla site for the construction of 24 DUs for the slab casting work, 40 mm graded metal for M-20 concrete was used instead of 20 mm graded metal. It was further observed that the results of compressive strength test of M-20 grade concrete at Radhika Vihar Phase-I (18 DUs) was found as 123.88 kg/sq.cm, while it should not be less than 200 kg/sq.cm. Thus, framed structures cannot be treated as sound structures and should have been rejected.

During scrutiny of TPIMA reports for Phase-II Bilaspur, it was observed that the results of two compressive strength test of M-20 grade concrete for work Near Ward No.27 Banka Talab were 148.88 kg/sq.cm and 163.55kg/sq.cm respectively as against the requirement of 200 kg/sq.cm. It was also observed that nominal concrete mix was adopted instead of batch mix.

The above observations revealed that the work executed was below standard and all the above deficiencies were not rectified by the contractor.

During the exit conference, Government accepted (October 2011) the audit observation and stated that the matter is being monitored closely and action would be taken.

1.3.10 Conclusion

The construction works under various projects remained incomplete as land was not acquired at DPR stage, time schedule was not adhered to complete the project in stipulated time and lack of constant monitoring and evaluation. There was a complete failure on the part of GoCG to provide housing for urban poor due to arbitrary selection of M/s HPL as an agency on the basis of recommendation of Ministry of Housing and Urban Poverty Alleviation which defaulted without completing a single Dwelling Unit (DU). RMC, BMC and CGHB also failed to deliver DUs within the stipulated period. The project was not implemented economically as the DPRs were inflated which resulted in extension of undue benefits to contractors and extra cost was incurred on the projects. Projects such as Sewerage and Sanitation System, Storm Water Drainage System, Solid Waste Management System and the City Bus Scheme of Raipur City meant for the overall development were not even initiated.

1.3.11 Recommendation

- Necessary steps may be taken to utilize the funds in a time bound manner for the earmarked projects to extend the infrastructural services for the urban population and basic services to the urban poor.
- Encumbrance free land may be ensured before initiation of the project to avoid delay in completion of the project.
- Works may be executed in an economic, efficient and effective manner to prevent extra cost and also to ensure timely completion of the project along with quality of work.

FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT

1.4 Computerisation of Public Distribution System

Executive summary

Public Distribution System (PDS) is an important component of the strategy for eradication of poverty. To impart greater efficiency and transparency, Government of Chhattisgarh in 2007 modernized PDS in the State. The State Government adopted a unique Information and Communication Technology (ICT) based module to create a transparent and accountable delivery mechanism under the PDS. Computerizing the entire foodgrains supply chain. The computerisation project 'PDS-Online' was operationalised within six months of its being conceptualized in June 2007. The system has been operated successfully for the last three years. We conducted a performance audit of 'PDS-Online' during January–June 2011 to ascertain the extent to which the system has achieved its objectives.

We have noticed that even though tangible progress has been made in implementation of the computerised PDS, various deficiencies that can erode its effectiveness still persist. We found that application controls were not properly incorporated and adherence to and the password policy was weak. Discrepancies in Delivery Order (DO), *Panchnamas, Ghoshanapatras* and inventory control system etc. were also noticed thus casting a shadow over the robustness of the system. Despite computerisation of PDS, the department could not utilise its 'online data' for claiming subsidy from Government of India. It also failed to maintain the accounts online.

1.4.1 Introduction

The Food, Civil Supply and Consumer Protection Department was responsible for ensuring easy availability of the foodgrains to the public, at reasonable price. For this purpose it undertakes procurement and distribution of foodgrains and other essential commodities across the state. The Chhattisgarh State Civil Supply Corporation (CGSCSC) a corporation under the Government of Chhattisgarh, manages the entire PDS operation in the State.

The project for computerisation project of Public Distribution System of the Food, Civil Supply and Consumer Protection Department was initiated in June 2007 and the project became operational in November 2007. The project was a major initiative to reform and modernize the PDS in the State. It arrived at using information technology for managing the entire supply chain of the PDS in Chhattisgarh. The main objectives of computerisation of the project were to:

- achieve better inventory control and manage better milling operations of paddy.
- reduce fake and duplicate ration cards.
- eliminate irregularities in grant of allotment to Fair Price Shops (FPS).

- reduce delay in communicating allotment to FPS.
- reduce delay in foodgrains availability at FPS.
- check diversion and leakage in PDS commodities.
- reduce delays in capturing complaint and their redressal.
- ensure timely availability of information about lifting of commodities, and increase overall transparency in operations

The Computerisation project involved integration of processes being followed by different organizations like the Food, Civil Supply and Consumer Protection Department (nodal implementing department), Chhattisgarh Marketing Federation, CG State Civil Supply Corporation (CGSCSC), Food Controller and National Informatics Centre (NIC). With the help of the computerisation, 99 Storage Centres of the Department have been connected via V-SAT (Very Small Aperture Terminal) /Broadband/Data Card. The software developed for the purpose ensures allotment of rice, wheat and salt to 54 lakh ration card holders through 10571 fair price shops in the State.

Due to successful implementation of the project, the PDS of the State Government has been widely appreciated in the country. The IT project has received the following six awards for e-governance i.e.

- e INDIA 2008 for Best ICT enabled Department of the year.
- e INDIA 2008 for Best Government initiative of the year.
- National awards for e-Governance 2008 for online paddy procurement system.
- The Manthan award for best e-content for development.
- CSI-Nihilent e-Governance awards for best e-governed department.
- National award for e-governance 2008-09 for excellence in Government process re-engineering gold.

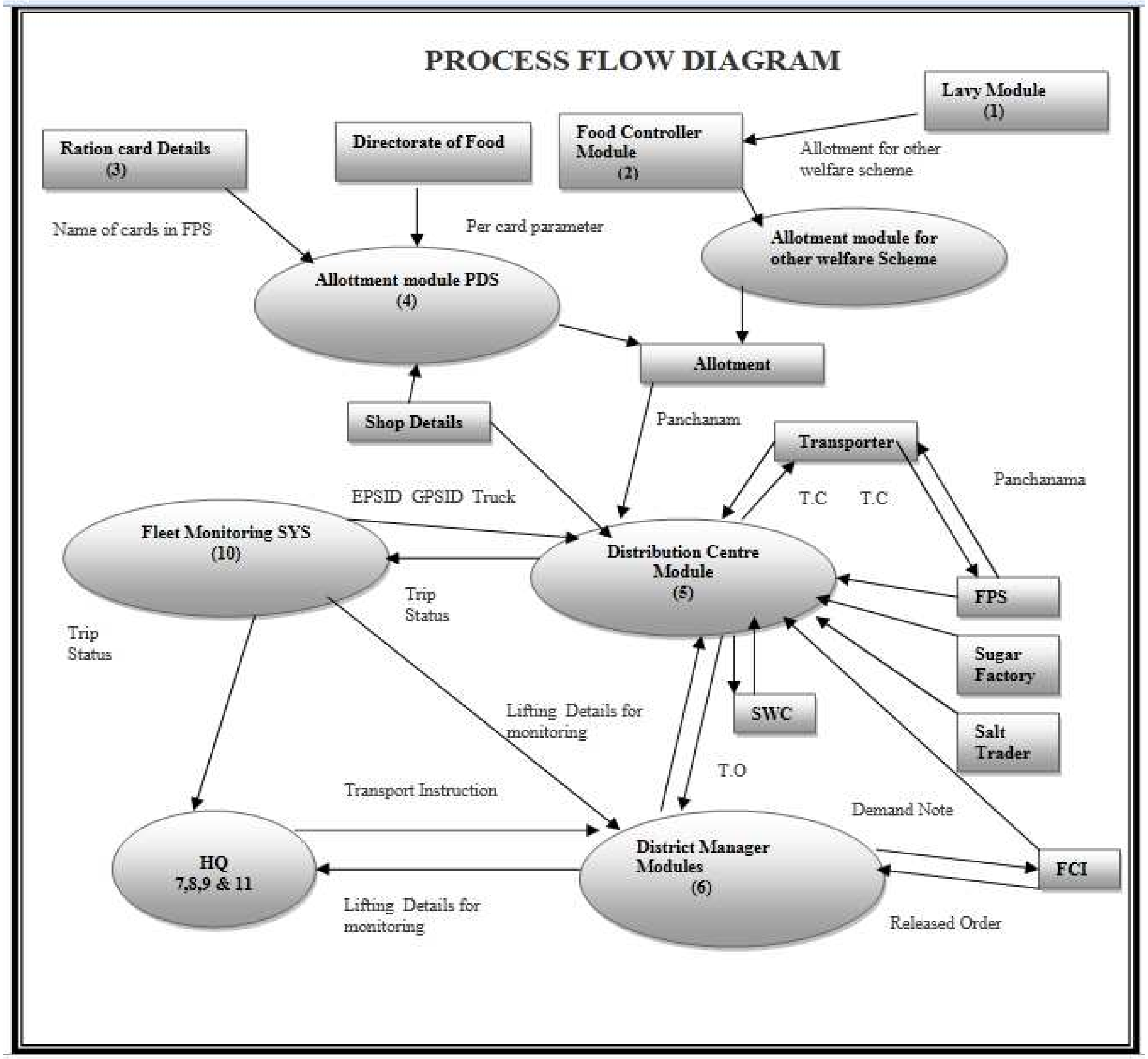
1.4.2 Organizational Structure

Food, Civil Supply and Consumer Protection Department is headed by the Principal Secretary, who is assisted by a Director at the State level, Controller Food/Food Officer (FO) at the district level, Sub Divisional Magistrate (SDM) and Assistant Food Officer (AFO) at the Tehsil level in regulating the PDS in the system. This includes registration, de-registration and modification of ration card holders and their assignation to various FPS in the State as well as approval of the latter. The CGSCSC through its District Managers (DM) procures and distributes PDS commodities.

1.4.3 System design

'Computerisation of Public Distribution System' has been designed and developed by the NIC. It is an online web-based application (online software) which has been hosted on a central server available in the NIC office in the State Secretariat. This is connected through V-SAT/Broadband/Data card to Food, Civil Supply and Consumer Protection Department, Controller Food/Food Officer (FO), CGSCSC, DM and State Warehouse Corporation

(SWC) Storage Centres. A process flow diagram indicating the transactional relationship of various participating organizations of the computerised PDS is given below:



The online software has been developed using Microsoft SQL Server 2008 and Microsoft Dot Net technology.

The software contains the following modules and other functionalities.

1. Levy Module - It creates sample slips, analysis report, acknowledgement and automatically generated bill for levy rice received from millers.

2. Food Controller module - It allows registration of mills, granting of permission for milling based on which DM issues paddy for milling.

3. Unified Ration Card Data Base - It facilities creation of new ration card, generation of PDF of ration card and deletion of existing ration cards.

4. Allotment Calculation - It facilitates calculation of FPS wise allotment under each scheme of PDS.

5. CGSCSC Distribution Centre module - It facilitates issue of foodgrains to FPS by means of DO and TC created online.

6. CGSCSC DM module-It facilitates distribution to FPS by the District Manager, CGSCSC , ensuring availability of necessary stocks at distribution centres and monitoring of PDS commodities through generation of necessary reports.

7. Citizen Participation module - It is an interface to provide information regarding ration cards, allotment of foodgrains etc. to the citizens and ensure their participation through registration of their complaints.

8. SMS/e-mail alerts - This provides the beneficiaries are provided information on issue of allotment of foodgrains to their respective FPS by means of SMS/e-mail.

9. Call Centre module - It provides a forum to the beneficiaries through a call centre, wherein they can register their complaints telephonically.

10. Transportation monitoring through GPS - Global Positioning System (GPS) is used to track the movement of vehicles carrying the foodgrains of PDS, with the help of GPS devices fitted in the trucks. GPS has now been substituted with a mobile phone based tracking system.

11. Complaint monitoring system - It provides a mechanism to track complaints received from the beneficiaries to ensure their fast redressal.

These modules are interlinked with each other as an entry in one module automatically affects input/output generated from the other modules. (see process how diagram at page 91)

1.4.4 Audit Objectives

The performance audit of computerised PDS was taken up with the objectives of ascertaining that:

- the business process of the department has become more transparent and effective.
- data integrity was being maintained at all stages.
- the business continuity plan, disaster recovery plan, backup policy and antivirus policies were in place.
- software provided adequate support in planning and decision making at Government level, and
- the overall objectives of computerisation of PDS were achieved.
- the IT resources are being acquired, maintained and used in responsible manner.

1.4.5 Audit Coverage, Scope and Methodology

Records relative to the procedure laid in the manuals of PDS were test checked in the office of the Director Food, Civil Supplies and Consumer Protection Department, CGSCSC, DM, FO, eight out of 16 Nagarik Apurti

Nigam (NAN) Distribution Centres and 32 Fair Price Shops (FPS) in five selected districts[1]. An Entry conference was held with the Principal Secretary, Food, Civil Supplies and Consumer Protection Department in January 2011. An exit conference was held on 25 November 2011 to discuss the audit findings. The methodology of audit also included the following :-

- Issue of questionnaires.
- Reviewing of Information Technology (IT) Policy and condition thereof.
- Observation of input and output controls.
- Interaction with officials as well as IT personnel.
- Data analysis using SQL and Excel worksheet.

Audit Findings

The current status of the computerised PDS vis-à-vis its various objectives is indicated in the table below:

Sl. No	Main Objective	A/NA/ PA	Remarks
1.	Achieve better inventory control (and better management of milling resulting in optimal capacity utilization and saving).	NA	The Department failed to achieved the objective of better inventory control as there exists wide variation between online stock owing to and actual stock, non existence of data of Pala bags, Sweepage foodgrains and old stock commodity in the online PDS. (Para 1.4.13.1, 1.4.13.2, 1.4.13.3, 1.4.13.5)
2.	Reduce fake and duplicate ration cards.	NA	The objective to reduce fake and duplicate ration cards has yet not been achieved as duplicate ration cards still exist in online PDS database. (Para 1.4.8.1)
3.	Eliminate irregularities like delayed allotment, biased allotment to FPS, allotment to FPS in excess of requirement, diversion of allotment etc. in grant of allotment to FPS.	PA	Although irregularities like delayed allotment, baised allotment to FPS, allotment to FPS in excess of requirement etc. have been eliminated but online still system does not have any capacity to restrict delayed running of allotment process. (Para 1.4.9)
4.	Reduce delay in communicating allotment up to FPS.	A	Automatic calculation of allotment for FPS has eliminated delays in releasing allotment. (Para 1.4.9)
5.	Reduce delay in foodgrains availability at FPS.	A	The truck challan is generated using the web application. Thus current information on allocations, stocks, issue and sales for each FPS is now available.
6.	Check diversion and leakage in PDS commodities.	A	The allotment is calculated based on number of ration cards in a FPS. Hence, there is no chance if excess or short allotment for a FPS. (Para 1.4.9)
7	Reduce delays in complaint capture and redressal	A	Citizens can register their complaint on the website or through call centre. (Para 1.4.3)
8.	Increase transparency in operations, and	PA	The transparency in operations has been achieved to some extent due to every operation being executed online. But more needs to be done in respect of tracking of vehicles carrying foodgrains, inclusion of data on sweepage foodgrains, *Pala bags* and old stock commodities in the online PDS. (Para 1.4.13.2,1.4.13.3)
9.	Insure timely availability of lifting information.	A	SMS alert or e-mail information is being sent to the beneficiaries for issue of allotment of foodgrains to their respective FPS. (Para 1.4.3)

(Note: A-Achieved, NA-Not Achieved, PA-Partially Achieved)

[1] Ambikapur, Durg, Jagdalpur, Janjgir, Raipur

1.4.6 Non-preparation of Software Design Documents

Documentation is an important part of software development. Types of documentation include:

- Requirements - statements that identify attributes, capabilities, characteristics or qualities of a system. This is the foundation for what shall be or has been implemented.
- Architecture/Design - Overview of software which includes relationship with the environment and construction principles to be used in designing software components.
- Modules, Master file, Data files, Input/Output formats, validation control and logs.
- Technical documentation of code, algorithms, interfaces.
- Manuals for the end-user, system administrators and support staff.

Software Design Document was not prepared

We observed that no Software Design Documents (SDD) was prepared before developing the system. In the absence of SDD it is not possible to ascertain whether the software actually developed was comprehensively conceived and developed as per pre-set parameters. Moreover in the absence of such a basic document, modifications or upgradations of the system architecture in future are likely to pose problems. Difficulties may also be faced in proper maintenance and sustainability of the software. Since neither the Detailed Project Report (DPR) or Gap Analysis Report etc. was prepared nor any MOU executed with NIC, the software developed lacks internal consistency and integrity as indicated by our observation in para no 1.4.13

During the exit conference, Government accepted (November 2011) these audit observations and stated that SDD will be prepared before 31 March 2012.

1.4.7 Feasibility study and parallel checking of the software not conducted

Feasibility study and parallel checking was not done

The feasibility study of the system and parallel checking of software modules was not undertaken. Though the system became operational in November 2007, the System Requirement Specification (SRS) was finalised in June 2008. Hence, the extent to which the system has met the user requirements could not be ascertained. Documentation relating to detailed testing was not prepared. As evident from the various stages of system design and application development, the testing had either not been done or was completed only after implementing the system. Though a 'user manual' has been prepared by NIC it was not available at any of the test-checked distribution centres.

Government stated (November 2011), during the exit conference, that feasibility study was not done because the Government had no doubt about the feasibility of the supply chain computerisation perojecct and that various functionalities were implemented in a phased manner within a span of six months, comparing the output generated through the system with manually calculated figures, which is equivalent to parallel checking.

The above reply of the Government is not tenable because the Delivery Order (DO) and Truck Challans (TC) are being issued manually, which implies that the system is yet to meet the user requirement fully.

1.4.8 Application Controls

Application controls are applied on input, processes and outputs to ensure that only complete, accurate and valid data is entered and updated in a computer system. These controls also ensure that processing accomplishes the correct tasks and meets expectations, and output is generated and distributed with requisite controls. Application controls may consist of edit tests, totals, reconciliation, identification and reporting of incorrect, missing or exception data. Automated controls on the software should be dovetailed with manual procedures to ensure proper investigation of exceptions. Our assessment of controls exercised at various important stages of the transaction flow is presented below:

Entry of beneficiary details in Database and key controls: The proper and correct allotment of foodgrains to FPS requires that only genuine beneficiaries are listed in the database. Therefore, the key control is that the database of all genuine beneficiaries is prepared before starting of Online Public Distribution System.

It was observed from the scrutiny of the PDS database that online database of beneficiaries was hurriedly prepared in a very short period on the basis of the list of beneficiaries provided by Panchayat and Urban Local bodies without properly checking for duplication and other errors in the data. Scrutiny of 34 lakh records pertaining to the ration cards revealed various irregularities which are discussed in the following paragraphs.

Discrepancies in Ration Card Database

In the online PDS, a Ration Card database is being maintained by the Department on the basis of list furnished by Gram Sabha in rural areas, local bodies of urban areas, Special Area Development Authority and Cantonment Board of Cantonment Area. It contains information of the distinctive member of the ration cards issued by the State Government under each scheme. The different categories of beneficiaries include families above poverty line (APL-White), below poverty line (BPL- Yellow) and family drawing ration under, *Antyodaya Anna Yojana* (AAY-Red), *Annapoorna Yojana* (AY-Violet) and *Mukhayamantri Khadyan SahayataYojana* in which different coloured cards have been issued viz. *Keshariya* (35), *Slaty* (35), *Keshariya* (10), *Hara* (10).

1.4.8.1 Failure of the system to check duplicate Ration Card Number in the database

In the Online PDS system, when a new ration card is made a unique ration card number is generated by the system which is used to identify the beneficiary holding the ration card.

Failure of the system to check duplicity in the database

During our scrutiny of the Ration Card Database, 1083 cases of duplicate ration card number i.e. two or more ration card holders having same ration card number, were found. This indicates that the system is vulnerable to manipulation and creation of bogus ration cards. It also brings out the failure of the system to check such type of duplicity in the database. If any one of the duplicate ration card is deleted, there is every possibility of a genuine ration card being deleted.

In the exit conference, Government accepted the audit observation and stated (November 2011) that ration cards will be physically verified and duplicates will be deleted.

The response of the department is unacceptable because it does not address the inability of the system to prevent generation of duplicate unique numbers.

1.4.8.2 Discrepancies regarding Father's/Husband's Name in Ration Card Database

Failure of the system to check of alphanumeric and blanks entry

Ration Card is issued in the name of *Mukhiya*/Head of family. In the present case we observed 750 cases where the names of the head of the family were identical. In two or more cases, the names of the 'Mukhiya' and his father were same which puts a question mark on the genuineness of the beneficiaries. This would imply that foodgrain was allotted and distributed against pseudonymous names. Further in 6549 cases, name of Father/Husband had not been mentioned in the Ration Card Database, whereas in some cases the field Name of Father/Husband had been filled by typing a Question mark, Dash, Zero, single Hindi Alphabet or just left blanks. This indicates the failure of the system to check such type of alphanumeric entries in the fields relative to the name of *Mukhiya* or the Father /Husband name.

Government accepted the audit observation and stated (November 2011) during the exit conference that discrepancies in the database regarding father's/husband's name in ration card will be verified from the field and necessary correction will be made. The reply, however, does not address the question why suitable validation checks have not been incorporated in the system to rule out irrelevant and non-sensical data being fed into the system.

1.4.8.3 APL Ration Cards Database was not prepared

In the online PDS, no database was prepared for APL Card Holders. The system shows only the total number of APL Card Holders furnished by Gram Sabha in rural areas, local bodies of urban areas, Special Area Development Authority and Cantonment Board based on which quantum of foodgrains is allotted to FPS in these areas. In the absence of detailed personalised information of APL card holders, it would be difficult for a Fair Price Shop keeper to identify the correct APL beneficiary. At the same time verification of actual distribution of the foodgrains allotted for APL card holders cannot be facilitated.

During the exit conference, Government accepted the audit observation and stated (November 2011) that APL online database has now been prepared.

1.4.8.4 User-Id not captured in Ration Card Database

No entry showing User-Id in Ration Card Database

Ration Card Database is the foundation of online PDS and on the basis of which allotment is calculated and distributed to the FPS. Consequently, any process of insertion, deletion or updation of the Ration Card Data should be properly recorded/ documented, so that the genuineness of these operations is clearly established.

During review of the Ration Card Database it was observed that out of a total of 3592998 records, the User-Id field was not captured in 490792 records. In the absence of User-Id, the user activity cannot be captured and as a result, the data integrity of the various records in the database cannot be ascertained. Further, there is increased risk of unauthorized addition, deletion or tampering of data due to the absence of user activity logs.

In the exit conference, Government accepted the audit observation and stated (November 2011) that in the ration card database user-ID will be created.

1.4.9 Lack of systematic arrangement for running of online allotment process

The software was to be designed in such a way that allotment of PDS is issued by 15th of every month to all the FPS on the basis of number of ration cards, which implies that the system would be incapable of generating allotments for periods prior to or after that spell of 15 days.

Allotment process run on an erroneous date

During our scrutiny of database, we found that user field was left blank and no proper register was kept to record running of online PDS allotment system. We also found that in several FPS the process of allotment of foodgrains was run several times in same month. In 1423269 cases, we noticed that the allotments were generated for period before and after the month in which the process actually run. In one FPS (i.e. shop ID 391001001) the process was shown run on erroneous date (i.e. 01.01.1900). This indicates lack of application control as well as absence of robustness in the system as observed from detail given in ***Appendix-1.32.***

The Government stated that there was no hard and fast rule to process allotment only once in a month, and that if the competent authority feels that ration card number in a shop is to be changed, he may decide to generate allotments a second time. We were assured that the system will ensure that allotment once given to a shop is not reduced if delivery order for that shop has already been issued and that the user department will decide on the requirement for maintaining the register to record allotment process. However, during the exit conference (November 2011), Government accepted the audit observation and stated that systematic arrangement for running of online allotment process will be put in place within one month.

Although Government has stated that online allotment process will be put in the place within one month, the veracity of allotments made previously, however, cannot be confirmed.

1.4.10 Discrepancies in allotment and distribution of kerosene

Director, Food, Civil Supplies & Consumer Protection makes district wise allotment of kerosene which is then sub-allotted by the Food Controller/Food Officer to FPS. Further, as per the standing instructions of the Director, kerosene is to be distributed at the rate of three litres per ration card and the allotments for kerosene to FPS are released on that basis alone.

The deficiencies in the distribution of kerosene

During our review of the process, the following discrepancies were found in the allotment and distribution of kerosene

- **Manual allotment and distribution of kerosene**

The online PDS contains provision for online allotment of kerosene. Yet the allotment of kerosene was being made manually by the Directorate, which was again sub-allotted manually at the district level. Consequently, the system of allotment and distribution of kerosene was yet to become fully transparent.

During scrutiny of records, we found that the allotment released by the Directorate was being sub-allotted by Food Controller/Food Officer without any fixed criteria. Although the PDS Control Order prescribes that the sub-allotment of kerosene will not be less than three litre per ration card, the same was made at variable criteria of 2.700, 2.750 and 2.830 litre. Due to the difference of allotment of kerosene, beneficiaries received less quantity to the tune of 0.3, 0.25 and 0.17 litres. Some of these discrepancies have been depicted in ***Appendix-1.33.*** Thus distribution of kerosene through the manual process was not only amenable to inconsistency but also less transparent.

During the exit conference, Government stated (November 2011) that though kerosene is a commodity supplied through PDS, the current PDS-online system did not cover kerosene. It was also stated that the kerosene supply chain is being computerised through another project which is under implementation.

1.4.11 Discrepancies regarding Delivery Order

In the online PDS, foodgrains are sent to FPS every month from distribution centre of CGSCSC by means of Delivery Order (DO) issued online. DO can be issued only after entering the amount of foodgrains issued for current month in case of cash ration shops and the quantity of previous month in case of credit shops. DOs also serve the purpose of the online authorization for delivery of foodgrains in FPS through trucks. Thereafter, Truck Challans (TC) are issued against the DOs, which have a fixed validity period of 15 days.

1.4.11.1 Validity of DO not checked by the system

Absence of validity period of Delivery Order

During our scrutiny at distribution centre Raipur we noticed three cases in which foodgrains were shown to have been transported months after expiry of validity of DO. The system did not detect the fact that the validity of DOs had expired and allowed Truck Challan (TC) to be issued on the basis of expired DOs. This indicated that the system was not capable of ensuring transportation of foodgrains within the specified time limit thus compromising an important control feature.

During the exit conference (November 2011), Government accepted the audit observation and stated that necessary correction will be made in the system.

1.4.11.2 Issue of Manual Delivery Order for some institutions

As per PDS Online Module User Manual, the process of allotment and issue of DO and TC must be done electronically.

Manual Delivery Order issue for CISF, BSF, ITBP etc.

However, it was observed that for providing foodgrains to Central Industrial Security Forces (CISF), Border Security Forces (BSF), Indo-Tibetan Border Police Forces (ITBP) etc, DO was being issued manually and was not entered in the online PDS. Consequently, the position of stocks in the online PDS did not match with the actual stock on the ground. The stock position in online PDS was corrected at subsequent dates through an adjustment entry.

During the exit conference (November 2011), Government accepted the audit observation and stated that necessary modification in the online PDS had been effected.

1.4.12 Discrepancies in Truck Challan

In online PDS, foodgrains are sent every month from the distribution centre to FPS. To facilitate movement of foodgrains from the distribution centres to FPS, a TC is generated through the online system. We carried out test in regard to16 distribution centres and 32 FPS to ascertain whether there was any mismatch in the quantity indicated in the DO or TC and stock of FPSs. We noticed following deficiencies in the processing of TCs.

1.4.12.1 No validity period for Truck Challan

Absence of validity period of Truck Challan

During scrutiny of the records of Distribution Centre, Durg, we observed that several DOs were pending for many months against which no TCs were generated. As the DO is generated only after entering amount for current month in case of cash ration shops[2] and amount of previous month in case of credit shops[3], the non-issue of any TC against these DOs implied that the foodgrains were not sent to the concerned FPS even after payment of necessary amount of cash by that FPS. We further observed that in the absence of a definite validity period in respect of TCs, the system did not prevent issue of TCs against those DOs, that had remained pending for several months.

During the exit conference (November 2011), Government accepted the audit observation and stated that necessary corrections will be made in the system.

1.4.12.2 Issue of Truck Challan Manually

Distribution centres issued Manually Truck Challan

As mentioned earlier, issue of TC must be done electronically. However, during inspection of distribution centres at Ambikapur, Jagdalpur, Durg and Bemetara, it was noticed that in 362[4] cases, TCs had been generated manually and none of these had been entered in the online system. In such a scenario, the possibility of omitting altogether the entry of TCs in the online system cannot be ruled out. This may result in mismatch of the online stock and the actual stock.

The officers in-charge of distribution centres ascribed the above deficiency to a variety of reasons including the problem of internet connectivity. The Government during the exit conference (November 2011), accepted the audit observation and stated that issue of Truck Challan through online system has since been implemented in the system on the ground.

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2 Cash ration shops are those which pay the amount first and only then foodgrains are issued.

3 Credit ration shops are those which pay the amount after taking one month foodgrains.

4 211 cases in Ambikapur,142 cases in Jagdalpur, six cases in Durg and three cases in Bemetara

1.4.13 Deficiencies in Inventory Control System

In the online PDS system, the rice received from millers through CMR, wheat received from FCI, sugar and salt received from factories constitutes the inward entry of stock. The foodgrains issued from the godowns to the FPS constitutes the outward entry of stock. As per PDS Online Module User Manual, all the processes of inward and outward entry of stock are to be done electronically. In this regard we noticed following deficiencies in the PDS.

1.4.13.1 Mismatch between online stock and actual stock

In the distribution centres under CGSCSC and SWC, apart from the stock shown in the online PDS, the parallel stock position was being maintained manually in the distribution centres.

Difference in Manual stock and online stock

During inspection of distribution centres at Karpawand, Kondagaon, Champa and Akaltara, we found that the opening and closing balances of the online stock and manual stock did not tally and there was significant difference between the two. Similarly, difference was noticed in the closing balances of the online stock and manual stock of foodgrains. Test check of records of five selected districts[5] revealed differences in stock ranging between (-) 6363.80 quintal and 6115.6 quintal. The instances of quantum of difference are given in ***Appendix-1.34.*** These differences were mainly attributable to generation of TCs manually, allotment of foodgrains to certain institutions in manual mode and failure to account in the online system for sweepage, storage and movement losses. This is indicative of inadequacy in the system design.

During the exit conference (November 2011), Government accepted the audit observation and stated that necessary corrections will be made in the system.

1.4.13.2 No information in the online PDS system regarding Sweepage Foodgrains

No information regarding Sweepage Foodgrains

The online PDS does not record the quantum of sweepage[6] arising for different commodities being delivered to the FPS. Our test check of records of five selected districts[5] office of CGSCSC revealed sweepage in regard to rice, sugar as shown in the table 1.1.

Name of Commodity	Year	Stock in Hand (In quintal)
Sugar	2008-09	1111.37
	2009-10	2313.94
Rice Raw Common	2008-09	76.61
	2009-10	1.38
Rice Raw Grade 'A'	2007-08	2.49
	2008-09	11.15

(*Source: Information furnished by the department and compiled by audit*)

Since the sweepage is not being reflected in online PDS, stock position indicated by the system particularly in regard to the sugar and rice did not reflect the correct position of the stock.

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5 Ambikapur, Durg, Jagdalpur, Janjgir and Raipur

6 "Sweepage" is a term used to describe the spoiled foodgrains which is not fit for human consumption.

During the exit conference (November 2011), Government accepted the audit observation and stated that sweepage foodgrains is since being reflected in the system.

1.4.13.3 No information in the online PDS system regarding Pala Bags.

No information regarding Pala Bags

"Pala bag" is a term used to describe the loose foodgrains that spills out during storage and transportation and which is collected in bags. We observed that the stock level depicted by online PDS does not reflect the position of *Pala Bags* which is being maintained by the Department manually. Consequently an overall and correct view of stock position is not visible in the PDS online system. Test check of records of five selected districts revealed that 17 *Pala Bags* of sugar, 218 *Pala Bags* of wheat and 7490 *Pala Bags* of rice were not accounted for online PDS during the year 2009-10 & 2010-11 as indicated in ***Appendix-1.35.***

During the exit conference (November 2011), Government accepted the audit observation and stated that '*Pala Bags*' were now being reflected in the system.

1.4.13.4 Erroneous presentation of quantity of foodgrains in the Stock Master Table

Fields show the quantity in decimal places of 14 digits

In Stock Master table of the online PDS, the fields that are meant for entry of stock of foodgrains in quintals showed the quantities entered upto 14 decimal places. As the system picks up the figures of opening balance of the stock from these fields for subsequent calculation, digits beyond two decimal places may result in computation errors.

During the exit conference (November 2011), Government accepted the audit observation and stated that erroneous presentation of quantity of foodgrains in the stock master table will be checked and corrected.

1.4.13.5 Old stock of some commodities not included in the online PDS

Non maintenance of seized and old stock in the online system

The PDS scheme has been revamped from time to time and so the commodities being distributed have varied from time to time. For example, before 2007, certain commodities like *Mahamaya* salt used to be distributed through PDS, some stock of this salt was still lying at some godowns[7] which

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Distribution Centres	Items	Quantity (in quintal)
Ramanujganj	Mahamaya Salt	177.49
Surajpur	Mahamaya Salt	277.42
Jagdalpur	Mahamaya Salt	92.00

was not reflected in the online stock. Similarly foodgrains[8] seized by the Food Department for distribution through PDS were also not included in the online system.

During the exit conference (November 2011), Government accepted the audit observation and stated that old stock will be auctioned and reflected in the online system.

1.4.14 Limitations on the effectiveness of Online PDS owing to dependency on manual operations

The Online PDS aims at checking diversion and leakage in PDS commodities and ensuring transparency in the process of allotment of various foodgrains from CGSCSC to the FPS. The shop-wise allocations are automatically calculated on the basis of per card allocations fed into the system at the State level. All FPS salesmen are required to declare their stocks and sales of PDS commodities in the month prior to issuance in *Ghoshnapatra.* These figures are entered into the web application. Based on these figures, the software calculates the actual amount of PDS commodities to be issued to the FPS. Accordingly, a DO is issued through the application. After the release of the DO, a TC is issued indicating the truck number, driver's name and quantity dispatched. The TC generated by the system also contains a *Panchnama,* certifying that correct quantity and quality of foodgrains have reached the FPS. The date of receipt of foodgrains in FPS is to be written and attested by five[9] persons in the *Panchnama*. This is to be taken back by the transporters and deposited in the distribution centre where it is entered in the online system. It is obvious from above that the effectiveness of online system is predicated to a significant degree on manual input of data and its correctness as pointed out in para 1.4.14.1, 1.4.14.2, 1.4.14.3, 1.4.14.4. This dependence on manual data entry and amenability to manual intervention at intermediate stages has made the online-PDS system vulnerable to in accuracies and manipulation. This view of ours further reinforced by following observation:

1.4.14.1 Discrepancies in preparation of Ghoshnapatra

Unsigned *Ghoshnapatra* were being accepted

During test check of 16 distribution centres in the five selected districts, it was observed that in many cases unsigned *Ghoshnapatra* were accepted and entered in the online system. Also the *Ghoshnapatra* was not attested by the respective Food Inspectors or any other responsible person.

Further, we observed that the salesmen were not providing correct information about the closing balance in the *Ghoshnapatra*. In 17 cases, they showed nil closing stock of the foodgrains, whereas, some quantity of stock still remained

8

Distribution Centres	Items	Quantity (in quintal)
Wadafnagar	Seize Rice	5.50
Wadafnagar	Seize Wheat	1.50

9 Five reputed residents of the village/ward including the *Panch, Sarpanch* and members of vigilance committee

in the FPS as shown by their stock register. One of the instances of wrong information in *Ghoshnapatra* has been presented in ***Appendix-1.36.***

Absence of signature of salesman and attestation by designated persons in the *Ghoshnapatra* creates the risk of diversion of foodgrains. Further, since the next month's allotment is dependent on the declaration made in *Ghoshnapatra*, wrong information poses a serious risk of introducing discrepancies in the FPS.

During the exit conference, Government accepted the audit observation and stated (November 2011) that instructions regarding discrepancies in *Ghoshnapatra* will be issued.

1.4.14.2 Data entry based on un-validated Panchnama

Scrutiny of the *Panchnamas* submitted by the various truck drivers for the 16 test checked distribution centres, revealed that in many cases the date of receipt of foodgrains in FPS as well as the quality of foodgrains was not written in the *Panchnama*. Further, the *panchnama* did not contain signatures of the designated five persons. These unsigned *panchnamas* were accepted at the Distribution Centres, despite these validation gaps.

Although the data contained in these *panchnamas* was required to be entered in the online system, we observed that this was not done in most cases. Moreover, in some cases in which data had been entered, it was seen that instead of the date on which the commodities were received in the FPS, the entries in the online system were made by entering the date of receipt of the *Panchnama* in the distribution centre.

In the absence of signatures and date of receipt on the *panchnama*, neither the delivery of the stipulated quantity of various commodities to the FPS, nor the timely receipt of foodgrains in the FPS could be ascertained.

During the exit conference, Government accepted the audit observation and stated (November 2011) that necessary instructions regarding unsigned *Panchnama* and *Panchnamas* not entered in the online system will be issued. Further, the date of receipt of foodgrains in FPS will be incorporated in the system.

1.4.14.3 Non-utilization of online data in claiming subsidy and non-maintenance of PDS online accounting system.

a) In the PDS scheme, the State Government procures rice on behalf of the Central Government and claims subsidy in respect of quantity used for distribution under the PDS. The whole process of purchase of paddy, custom milling and transportation of foodgrains from distribution centre to the FPS is carried out online, but when it comes to claiming subsidy from the Central Government, the utilisation certificate is obtained manually from the districts rather than using the online data about lifting and distribution of foodgrains.

In reply, the department stated that till now the commodity-wise, scheme-wise and *kharif* year wise information regarding distribution of foodgrains is being maintained manually. Hence, the utilization certificate is sent accordingly on manual basis. However, at instance of audit, the department has started making efforts for computerization of above information for generation of future reports.

PDS accounting system not computerised

b) The online PDS project consigned maintenance of PDS account online. During review of records, it was, observed despite computerisation of PDS that PDS accounting system of the department was not being maintained online. This has resulted in difference of 15000 quintals in the stock balance of sugar as shown in December 2010 accounts, and the claim document of sugar equalisation fund for 2009-10.

In reply to audit observations, the department admitted the fact and assured that the implementation of PDS online accounting system will be made from the financial year 2011-12 onwards. During the exit conference, Government accepted the audit observation and stated(November 2011) that online accounting system has since been developed.

1.4.14.4 Non availability of *Kharif* Year wise data of foodgrains distribution in the online system

Non maintenance of Kharif Year wise stock

Rice procured in two different *Kharif* seasons is stored together at State Ware House Corporation/Central Ware House Corporation Godown and distributed in a single financial year without any demarcation of the crop season year. However, there is no information in the online PDS about the availability of Stock of rice of a particular *Kharif* Year. Yet CGSCSC claims subsidy from Central/State Government on the basis of *Kharif* Season to which foodgrains distributed pertain. As there is no mechanism in the online PDS to identically stock *Kharif* Year wise, the entire work of preparing subsidy claims is done manually. In two distribution centres (Karpawand and Kondagaon), it was noticed that stock received under APL scheme was distributed to beneficiaries under BPL and *Poorak Poshan Aahar* schemes. Hence, the claim of subsidy on that account cannot be treated as correct.

During the exit conference, Government while accepting the audit observation stated (November 2011) that year-wise data of foodgrains stored during *kharif* period has since been implemented in the system.

The above limitations of the online PDS underline the consequences of implementing the project preparation of SDD and SRS.

The reply, however, does not address excessive reliance of the system on the accuracy of manual inputs.

1.4.15 Logical access control

Logical access controls protect an IT system from unauthorized access and also from malicious codes such as viruses and worms. During audit we observed the following discrepancies:

Password Policy	Audit observation
As per 4.0 (3) of password protection under the password policy, the password should not be disclosed to anyone. Although the department had a documented password policy but no written instructions have been issued on regular change of passwords. Password control procedures like assigning alpha-numeric passwords, minimum number of characters for password, restriction on number of unsuccessful login attempts and	During review of reply furnished by the department relating to the password policy, it was seen that department had provided the same password to more than one person and even to the daily waged/temporary/contract based employee of the department. Hence, it is recommended that the laid down policy should be followed to prevent the event of misuse of password by any of the above categories of employees.

forced periodic password changes were not incorporated	
As per password policy 4.0 (13) of Password protection, the password should be kept properly written on a paper in a sealed envelope and should be kept at a safer place with the head office.	During review of records, it was, however, noticed that department had neither kept the password in a sealed envelope nor maintained any confidential register for the security of the same. In reply to audit observation, the department admitted the fact and instructed the DM to maintain the registers

During the exit conference, Government while accepting the audit observation stated (November 2011) that necessary instructions will be given to avoid issue of password to more than one person and also to keep password in safer place.

1.4.16 Non-installation of smoke detector and fire extinguisher in offices and SWC godowns

No disaster management policy

With a view to protect the computer equipments and stock of foodgrains, smoke detectors and fire extinguishers should be installed in offices and also in godowns of the department.

During review, it was, however, observed that in none of the offices and Godowns of the department, the above fire protection equipments were installed**.** Though no such calamity had occurred, but a well-structured disaster management policy for smooth functioning of PDS is absolutely necessary for the security of the system.

During the exit conference, Government accepted the audit observation and stated (November 2011) that instructions will be issued for installation of smoke detector and fire extinguisher in related offices and SWC godowns.

1.4.17 Data Backup policy

The backup policy framed by the department under policy document version 1.0 defines the backup policy for servers used for computerised paddy procurement and Public Distribution System and MS-Access database files created in PACS (Primary Agriculture Co-operative Society) Computers. This policy is designed to protect data in the organisation as well as to avoid data loss and to retrieve the data in the event of an equipment failure, intentional destruction of data or disaster.

The backup policy of the department prescribes the following timing and storage of backup:

- daily full backup by automated scheduling to other hard disk of the server.
- daily full backup to External Hard Disc Drive (HDD). The backup created on holidays are copied to external HDD on the next working day.
- daily backup of Microsoft Data Base on CD.
- a monthly backup shall be taken on CD/DVD using the backup available in the external hard disk.

During scrutiny of the records of Central Server of PDS located at NIC State Centre, Mantralaya, Raipur, following deficiencies were noticed in the maintenance of back up regine:

- **Complete system backup of PDS central server not taken**

No backup of complete system of PDS server

The backup policy is designed to ensure protection of the organisational data, so that data loss can be avoided, and data can be retrieved in the event of an equipment failure, intentional destruction of data or disaster, by taking complete system backup including all server logs.

During the inspection of NIC server room, it was observed that no complete system backup of PDS central server was found to have been taken by the department. Even though the department has not encountered data loss situation as yet, security of data should be the first priority for effective management of data recovery.

On this being pointed out, the department stated (November 2011) that requirement for complete backup of the system was not stipulated became the, server is already in mirror mode. We, however, observed that the mirror mode server and actual server were located in same place and not at different locations. So in case of any unforeseen incident at the location, both the servers might be damaged and thus vital data may get lost. Hence, it is advisable that complete backup of the system may be taken and kept at a different location.

- **Absence of fixed time for data backup on Digital Versatile Disc(DVD**

During the inspection of NIC server room, it was observed that no fixed time interval period was prescribed for data backup on DVD.

On this being pointed out, the department stated that data backup was regularly scheduled on the server and the data was transferred to secondary storage media (DVD) but not at fixed intervals. Department agreed to transfer data periodicals fixed intervals.

- **Non-maintenance of register for daily backup of transaction data**

As per the backup policy, daily backup of transaction data is being taken and errors shown during backup are to be noted in the register.

Our examination of related records revealed that daily backup of transaction data was being maintained only in the system and no register was being maintained for this purpose.

During the exit conference, Government while accepting the audit observation and stated (November 2011) that a daily backup Register will be maintained and back-up server will be shifted to another location.

1.4.18 Maintenance of computer hardware

As per procedure, Annual Maintenance Contract (AMC) is required to be made for proper upkeep and maintenance of computer hardware.

No AMC of 244 Computer Hardware

During our review, we observed that CGSCSC has 244 pieces of hardware equipments of which 11 computers were under warranty. The rest of 233 computers were neither under warranty nor was any AMC executed for them. This may result in unnecessary idling of computer hardware in the event of breakdown of computer, which would in turn affect the online PDS work adversely.

During the exit conference, Government accepted the audit observation and stated (November 2011) that instructions for AMC in respect of 244 computer hardware will be issued.

1.4.19 Conclusion

The 'Computerisation of PDS' software was envisaged to set an example of how Information Technology can be leveraged to provide transparency, accountability and convenience to the public at large. However, an IT enabled system on such a wide scale also required rigorous controls to sustain operations and to ensure that it is being run as intended, and is complying with all the relevant rules and regulations. Audit of the system has revealed various limitations and design deficiencies. The areas of concern, therefore, related to both system based and manual controls. Computerisation was commenced without preparing SDD or conducting a feasibility study. Consequently all the necessary application controls were not properly incorporated in this system which resulted in several discrepancies in the database and made system outcome susceptibly to manipulation Logical access controls were found to be weak which increased likelihood of unauthorised access to the data. Instances of manual maintenance of certain records observed despite provision for these in the online system, defeated partially the purpose of the software implementation. Though the backup policy had been framed, yet it needed to be strengthened and followed stringently. Several discrepancies in input document and outputs such as DOs, *Panchnamas, Ghoshanapatras,* inventory control system, allotment and distribution of kerosene, etc. were noticed in sum, even though the project had brought in many advantages over the manual system, yet there remained still a pressing need to review the existing deficiencies of the online PDS and overcome them in order to achieve all the objectives that were sought to be achieved through its implementation.

1.4.20 Recommendations

- The software design deficiencies should be addressed on priority through NIC. As for as possible the manual interventions in the system should be minimized.
- The completeness of the data and its correctness should be checked through the provision of adequate input controls at the data entry stage and appropriate validation controls.
- The department should define and approve access profiles, strengthen password management and load standard anti-virus software in all the computers in the distribution centres and FOs.
- An audit trail to track the transactions should be inbuilt in the system to monitor changes made in the including master data.
- The department should follow a structured disaster management policy coupled with good work practices in order to reduce the risk of disruption, especially in case of a physical disaster.

- Backup of data should be taken regularly and stored off site to ensure security against data losses.
- Efforts should be made to run the allotment process once a month or at fixed intervals for greater transparency.
- All the transactions should be carried out only through online system in order to avoid the wastage of manpower engaged in manual maintenance of stock as well as to minimise risks of loss of control in such hybrid system.
- Allotment of kerosene should be done through online system, for which the provision already exists, in order to increase transparency in allotment and distribution of kerosene.

CHAPTER-II
AUDIT OF TRANSACTIONS

2.1 EXTRA EXPENDITURE/EXCESS PAYMENT

AVIATION DEPARTMENT

2.1.1 Extra expenditure

Failure of the department to finalize the first offer for purchase of Agusta A-109 Power helicopter within the due date and its subsequent procurement at higher rate led to extra expenditure of ₹ 65 lakh

The Government of Chhattisgarh approved purchase of a new Agusta A-109 Power helicopter (January 2007) and constituted a committee comprising of Principal Secretary (PS) to Chief Minister (CM) and PS, Finance under the chairmanship of Additional Chief Secretary (ACS), Aviation for deciding options for procuring a new helicopter.

However, instead of calling tender as per Store Purchase rules, the Cabinet in its meeting approved (February 2007) the relaxation from calling global tender on the ground that the helicopter was a specialized product. Further, the Cabinet authorized the committee to carry out negotiations with the dealer on a proposal received (January 2007) from the manufacturing company's service provider in India, M/s OSS Air Management. The proposal was received for supply of the helicopter at a price of US $ 63.15 lakh including a premium of US $ 2.00 lakh. As per the terms and condition of the offer, the delivery would be made by August/September 2007, provided (i) the supply order was placed by 31 January 2007 and (ii) US $ 35.97 lakh was paid in advance to M/s Sharp Ocean Investment Limited, the authorized dealer of the company based at Hong Kong for the region.

On negotiation (February 2007) with the dealer at Hong Kong, the dealer agreed to waive the premium of US $ 2.00 lakh and supply the helicopter at US $ 61.25 lakh[1] (₹ 25.31 crore at the prevailing exchange rates). The dealer further intimated (March 2007) that the purchase contract would be signed directly between the Chhattisgarh Government and the manufacturer (Agusta) and assured delivery by September 2007. The manufacturing company forwarded their contract to Director, Aviation, Government of Chhattisgarh with a request to sign the same before 29 March 2007, failing which the offer would expire. However, instead of signing the contract before the due date, the Government wrote (April 2007) to the company to reduce the price and bring it down to US $ 55.91 lakh (₹ 24 crore at the exchange rate prevailing in 2005-06), to make it equivalent to the price paid by the Jharkhand Government in 2005-06. In response to this, the company expressed (April 2007) its inability to supply the helicopter at the above rate and informed the department that

[1] US $ 60 lakh as cost+ US $ 1.25 lakh for service

since the contract was not signed before the assigned date, the offer stands expired.

Having failed to sign the contract by the due date, the Government floated (May 2007) a global tender for purchase of Agusta A 109 Power helicopter. Out of the five bids received, the Cabinet approved (August 2007) the bid of the same Hong-Kong based dealer, who had offered to supply the helicopter earlier, and signed (October 2007) the agreement for US $ 65.70 lakh (₹ 25.96 crore as per prevailing exchange rates). The supply of helicopter was received in December 2007 and payment of ₹ 25.96 crore was made. Thus, due to avoidable delay in taking decision on signing the contract by due date for purchase of new helicopter at the first instance, the Government had to purchase the same helicopter model from the same dealer at an extra cost of ₹ 65 lakh (₹ 25.96 crore - ₹ 25.31 crore) as detailed in ***Appendix-2.1***.

On being pointed out the Government stated (May 2011) that the decision to renegotiate with the company for supply of the helicopter at ₹ 24 crore was taken by the Chief Secretary, PS to Chief Minister, PS Finance and Director, Aviation in a meeting held on 30 March 2007. As the company did not agree to supply the helicopter at the above price, the Government purchased the helicopter by floating a global tender to maintain transparency.

Reply of the Government is not acceptable as the Government failed to finalize the first offer in time. Further, relaxation from calling global tender was granted at the first instance on the ground that the helicopter was a specialized product, and, then calling tender for a particular brand and model would not have in any case increased participation and therefore was not justified. Thus, purchasing the same brand and model of helicopter from the same dealer at higher price led to extra expenditure.

PUBLIC WORKS DEPARTMENT

2.1.2 Wasteful expenditure

Improper planning in establishing a Special Purpose Vehicle company resulted in wasteful expenditure of ₹ 9.68 crore

With a view to upgrade about 1500 kilometres of roads in the State under the Chhattisgarh Accelerated Road Development Programme (CARDP), the Government of Chhattisgarh (GOCG) invited (May 2006) Expression of Interest (EOI) from Companies desirous of joining as a partner with the State Government for implementation of the CARDP. M/s Infrastructure Leasing & Financial Services Limited, Mumbai (IL&FS) was selected as Joint Venture (JV) partner for this purpose and a Programme Development Agreement (PDA) was signed (January 2007) between GOCG and IL&FS to setup a Special Purpose Vehicle (SPV). The SPV was incorporated in the name of Chhattisgarh Highway Development Company Limited (CHDCL). The validity of the PDA was three years and was extendable at the sole discretion of GOCG.

Scrutiny of records of Executive Engineer (B&R) Division No.III, Raipur (EE) revealed that for the constitution of the joint venture SPV (CHDCL), GOCG and IL&FS were to subscribe the equity capital of ₹ 10 crore in the proportion of 26 per cent and 74 per cent respectively. As per the agenda for meeting of Board of Directors held on 11 June 2009, GOCG and IL&FS had infused ₹ 10 crore towards subscription to the company's capital. The company had reported that ₹ 9.68 crore was utilized towards payment to DPRs, consultants fees and other usual working expenses and a balance amount of ₹ 32 lakh only was remaining. In the Board of Directors meeting (June 2009), it has surfaced that company had a liability of ₹ 2.80 crore balance payment due to be paid to DPR consultants against balance of ₹ 32 lakh available with the company. Details of expenditure of the remaining amount (₹ 9.68 crore) were not available on records.

Further, as per PDA, a dedicated road fund 'Chhattisgarh State Road Fund (CSRF)' for a secure source of annuity payment was required to be enacted within sixteen weeks of signing the PDA. An allotment of ₹ 200 crore was made in the budget for the year 2007-08 by GOCG for this purpose. This amount was withdrawn (March 2008) and kept in the Personal Deposit (PD) account by the Engineer-in-Chief for one year. In view of the decision of the Government not to construct the roads under Annuity, the Finance Department, GOCG issued orders (March 2009) for transfer of the amount of ₹ 200 crore kept under PD account. Accordingly, the amount was transferred (December 2009) to the Government account.

The agreement with IL&FS, which was valid for three years, also expired in January 2010 without any achievement of objective for which the SPV was created.

Thus improper planning of the department in establishing the joint venture SPV (CHDCL) resulted in wasteful expenditure of ₹ 9.68 crore on account of investment in the company as the expenditure incurred from the capital fund failed to achieve the very purpose of its creation. Reasons for not extending the validity of the agreement, although called for, was not furnished by the department. Further, the amount of ₹ 200 crore was blocked and kept out of Government account for more than one year.

On being pointed out by audit, EE stated (October 2010) that the decision was taken at the Government level and will be furnished separately.

Matter was brought to the notice of Government (June 2011), reply is awaited (November 2011).

2.1.3 Excess payment

Excess payment/extra cost of ₹ 2.58 crore and inadmissible payment of ₹ 1.34 crore on construction of new Engineering college building

Administrative Approval for the construction of new Engineering College Building at University Campus, Raipur was accorded (March 2006) for ₹ 32.43 crore by the Government of Chhattisgarh, Higher Education, Technical Education, Manpower, Science and Technology Department, Raipur. The Technical sanction was accorded (May 2006) by the Chief Engineer, PWD, Raipur for ₹ 28.03 crore. The probable amount of contract (PAC) of the above work was ₹ 27.63 crore. It was noticed that the work was awarded (September 2006) to a contractor for ₹ 30.03 crore @ 9.66 per cent above Schedule of Rates (SOR-1999) for completion within 24 months including rainy season (i.e. October 2008) without finalizing the drawing. The drawing was subsequently approved in December 2006. Meanwhile the site for the construction of building was subsequently changed (October 2006) and a new site was selected at Sejbahar, Raipur. The work was started (December 2006) without final drawing at the new site. Revised administrative approval (July 2009) for ₹ 51.51 crore and technical sanction (January 2011) for ₹ 37.35 crore was accorded. As per 34th running account bill (May 2010), the contractor was paid ₹ 45.93 crore for the value of work done by him and the work was in progress (January 2011).

Scrutiny of records (January 2011) of Executive Engineer, Public Works Department, (B&R) Division No. 2, Raipur (EE) revealed the following irregularities:

(a) Inadmissible payment of ₹ 1.34 crore due to excess excavations and filling of depth/width of foundation beyond specified levels

Under the provisions of Note 1, below the excavation and foundation chapter of schedule of rates–1999 (SOR), it is mentioned that during execution of works, the contractor should not excavate outside the specified limits of excavation. Any excess depth/width excavated beyond the specified levels/dimensions in the drawings, shall be made good by the contractor at his own cost by filling the same with concrete as specified for the foundation. Further, as per clause 12(4) of the agreement, the mode of measurement for building works shall be as provided in the SOR applicable to the contract. Where such mode of measurement is not specified in the SOR, it shall be done as per IS code of building measurement.

It was noticed that the contractor executed 67556.51 cum of earthwork in column foundation in the entire area of the Engineering College building with a depth of 3.77 to 4 metres and simultaneously filled the same with the sand/crusher dust. This work was measured by the division and paid through running bills. This extra excavation was disallowed by the Chief Engineer (CE) while according sanction to the revised estimate (January 2011) which provided for 21139.628 cum of earthwork.

Thus, payment made on excess excavation of earth work (i.e. 46416.88 cum including hard rock) over the revised estimate resulted in inadmissible payment of ₹ 39.16 lakh **(*Appendix-2.2*)** and ₹ 94.40 lakh for filling up the extra excavated area of 39295.616 cum as shown in ***Appendix-2.3*.**

On this being pointed out in audit, Government stated (December 2011) that the excavation for columns upto a depth of four metres, was not possible as the site was a black cotton area and was water logged. It was also stated that as per SOR, the works were to be executed according to specifications of Central Public Works Department (CPWD). As per IS 1200, the excavation shall conform to the lines and levels shown in the drawing and as directed by the Engineer in charge.

Reply of Government is not acceptable because the provision to follow the CPWD code clause 2.7.8 of IS 1200, as referred to by the department, also provides that in case the excavation is done wider than that shown in drawings and any additional filling where required, on this account shall be done by the contractor at his own cost. As regards site being black cotton soil and water logged area, the test report in this regard was not available for authentication. Further, CE also disallowed (December 2010) the over section excavation beyond the specified levels/dimensions in the drawings and filling after the payment was made by the EE and directed to fix responsibility in case of excess payment due to recording of measurement against the provisions.

(b) Excess payment of ₹ 1.66 crore due to erroneous application of rates in form work of Reinforced Cement Concrete (RCC)

As per agreement, for Form Work of R.C.C. (M-20), rate was to be paid for every 0.50 mt. height or a part thereof beyond 4 mts above the plinth level upto 32nd lift at a constant rate of ₹ 100/cum for which the contractor had also mentioned the total amount payable to him as ₹ 22821 for execution of 228.210 cum. Further, as per agreement, the non-scheduled rate of Form Work (i.e. per lift rate of RCC Work beyond 32 lifts) would be derived @ 0.20 per cent of the rate of RCC (i.e. ₹ 1770 per cum as provided in SOR) multiplied by number of lifts plus/minus tender percentage (13.2(i) of the Agreement clause).

During scrutiny of records, it was however, noticed that contrary to above provisions of Agreement, the department while making payment to the contractor had added ₹ 100 for every subsequent lift. Thus, making the rate of 32nd lift as ₹ 3200 instead of admissible rate of ₹ 100 as quoted by the contractor. The derivation of rate for executing the work beyond 32 lifts was also not made in accordance with the above provisions of the agreement and ₹ 3800 was also allowed for 38th lift against admissible rate of ₹ 147.51[2] . Thus, by making erroneous application of rates, excess payment of ₹ 1.66 crore was made to the contractor as shown in ***Appendix-2.4***.

On this being pointed out, the Government accepted (December 2011) the audit observation and stated that the excess payment made to the contractor would be recovered from the next running bill. However, the status of recovery is awaited (February 2012).

(c) Excess payment of ₹ 92.47 lakh due to wrong application of rate in the Form Work of rectangular beams, lintels, cantilever and walls etc.

The rates for providing and fixing of form work including centering, shuttering, strutting, propping, barcings etc, complete and its removal upto a height of 4 m above plinth level are given in Item No. 2, Chapter-II of SOR-1999. Where the height of staging for formwork exceeds 4 m, the rates for extra for every 0.5 m height or part thereof is given in Item No.3 of the SOR.

For the form work of rectangular beams, lintels, cantilever and walls, the contractor had quoted ₹ 100 per sq mt. for form work item for the first floor (4 mt.) and ₹ 200 per sq mt. for the height of 6.5 to 7 metre and 7.5 to 8 mt. For the other heights, this item was provided in the agreement. As per clause 13.2 (i) of the agreement, in the absence of rate in agreement, the rate should have

[2] 38th lift = ₹ 1770 (Rate of RCC)x0.20 *per cent* =3.54 x 38 add 9.66 *per cent* =₹147.52

been derived on the basis of rate of SOR plus/minus overall tender percentage. The rate of such item of form work, which was not available in the agreement, was to be arrived at ₹ 131.59 per sqm after addition of tender percentage (9.66 per cent) on the SOR rate of ₹ 120.

During scrutiny of payment vouchers, it was observed that the contractor was paid @ ₹ 200 per sq.m for 12654.85 sq.m of form work (4.5 mts. to 11 mts) against the admissible rate of ₹ 100 per sq mt. Similarly, for execution of 11174.74 sq.m of form work (from 11.5 mt. to 15 mt), the contractor was paid @ ₹ 300 per sq.m as against ₹ 200 per sq mt. As regards the execution of rectangular beams, lintels, cantilever and walls, the contractor was paid @ ₹ 400 per sq.m for10808.48 sq.m as against the admissible rate of ₹ 131.59 per sq mt. Thus, application of incorrect rates by the EE resulted in excess payment of ₹ 56.49 lakh to the contractor ***(Appendix-2.5).***

Further, for add extra (lifting of material) of the above work, payment was to be made where the height of staging was more than 4 mt. During scrutiny it was observed that the height of first floor was 4 meters, height of second floor was 3.5 mt. from the first floor, height of third floor was 4 meters from the second floor and height of fourth floor was 4 meters from the third floor. Thus, nowhere the height of staging exceeded 4 meters, therefore, no amount was payable to the contractor on this account. However, the Department paid ₹ 1.18 crore for 34638.1 sq.m of add extra for form work and out of which 24054.84 sq.m amounting to ₹ 81.78 lakh was withheld.

On this being pointed out, the Government accepted (December 2011) the audit observation and stated that the recovery of the excess payment made to the contractor would be recovered from the next running bill. However, the status of recovery is awaited (February 2012).

2.1.4 Excess payment, undue benefit, irregular and unfruitful expenditure

Excess payment, undue benefit, irregular and unfruitful expenditure totalling ₹ 13.40 crore on construction of New High Court Building

The High Court (HC) building was functioning in temporary buildings at Bilaspur, since formation of the Chhattisgarh State in November 2000. The new HC building complex was proposed (2005-06) for construction at village Bodari in Bilaspur and was constructed on approximately 24 hectares (62.30 acres) of land.

Administrative approval for construction of HC building complex for ₹ 65.02 crore had been accorded (March 2006) by the Government of Chhattisgarh. Accordingly the Chief Engineer (CE), PWD accorded technical sanction (TS) for ₹ 61.92 crore. The work was awarded (July 2006) by Executive Engineer, Public Works Department, Division I (EE) on item rate basis (Form-B) to M/s Engineering Projects of India Limited (EPIL), Mumbai for ₹ 69.32 crore. The work was to be completed by July 2008.

The post tender changes in the approved drawings[3] and structural drawings by the authorities of the PWD and HC authorities along with inclusion of extra items[4] enhanced the cost of the building. Consequently, the administrative approval was revised thrice by the Government as detailed below:

Administrative Approval	Amount (₹ in crore)
Original AA (2006)	65.02
Revised AA (2007)	84.55
Re-revised AA (2008)	99.48
Re-re-revised AA (2009)	106.60

The work was completed and payment of ₹ 104.15 crore was made (till December 2010). The High Court started functioning in the new building from January 2011.

Scrutiny of records pertaining to the construction of New HC building during audit (December 2010 and January 2011) of EE, PWD (B&R) Division No.1, Bilaspur revealed several irregularities as detailed below:

(i) Non-forfeiture of security deposit and release of dues of contractor against unauthorised subletting of work amounting to ₹ 6.86 crore

As prescribed in clause 7.1 of Appendix-2.10 of the agreement, the contractor shall not, without the prior approval of the authority who has accepted the tender in writing, sublet or assign to any other party or parties, any portion of the work under the contract. Where such approval is granted, the contractor shall not be relieved of any obligation or responsibility which he undertakes under the contract.

Clause 24 of the agreement further stipulates that the contract may be rescinded and security deposit forfeited if the contractor sublets the work beyond permissible limit. In addition, the contractor shall not be entitled to recover or be paid for any work actually performed under the contract.

Test check (December 2010) of records however, revealed that Engineer-in-Chief (E-in-C), PWD degraded (May 2010) the registration category of the contractor from A5 to A4 due to unauthorized subletting of the work. Accordingly as per clause 24 of the agreement, the contract should have been rescinded and the Security deposit alongwith pending payments should have been forfeited in view of the un-authorised subletting.

However, the E-in-C only degraded the contractor's category and the department released (August 2010) ₹ one crore out of security deposit of ₹ 3.57 crore available with the department. In addition to this, a sum of ₹ 3.29 crore was also released (March 2010) by the department on account of pending payments in running account bills of the contractor.

3 Deep excavation, change in slab thickness, boundary wall, change in flooring from Kota stone to Granite flooring, mosaic flooring to vitrify flooring, wooden platform for judges dias and additional payment of concrete lift etc.

4 Inclusion of extra items like Hon'ble Judges Dias, False Ceiling/Acoustic Ceiling, Wall Paneling, Blind, Shelves/Almirah/Wardrobes, Decorative lights in Garden Areas, land leveling, Art work for front boundary wall, main entrance with Arch, cornice & molding with POP, Wooden flooring & skirting, curtains & pelmets, wooden decorative doors in atrium entrance, fountain work, LCD screen for display, Art work for front main entrance, Art work for Atrium, Public address system, Watch tower & search light, EPABX system, Public utility like toilets, canteen etc.

On being pointed out, Government stated (October 2011) that on award of the work, the firm entered into the contract keeping in mind that mutually agreed terms of contract did not prohibit them from getting indefinite number of items of work executed through their associates whether with material or without material. It was further stated that if contractor gets item/items of work executed on task rate basis with/without material, this shall not amount to subletting of the contract.

The reply of the department is not based on fact because as per E-in-C's order (May 2010), the work was sublet and the contractor had also failed to reply to the show cause notice issued (January 2010) by EE in this regard. Moreover the clarification furnished by the contractor against another show cause notice issued (February 2010) by the E-in-C was not found satisfactory which ultimately resulted in de-grading the category of the contractor. Thus, non-initiation of action as per agreement clause resulted in undue financial aid of ₹ 6.86 crore to the contractor.

(ii) Non-execution of 'nil' rated items resulting in undue financial aid of ₹ 47.27 lakh to the contractor

Clause 2.3.1 of the agreement stipulated that the tenderers shall fill their tendered rates and prices for all the works described in the schedule of items in Annexure "E" i.e. the bill of quantities (BOQ) of the contract. The tendered rates of such items against which no rate or price is entered by the tenderer, will be taken as zero and the price of the same shall be deemed to have been covered by the other rates and prices of the schedule of other items indicated in Annexure-E. The rate quoted in the tender for various items of work will not be altered by the contractor during the term of contract.

Further, as per note (iv) below clause 1.11 of the tender documents, the comparative statement when made ready, should be exhibited publicly to the tenderers or their representatives.

Scrutiny (December 2010) of records of the construction work of the High Court building, revealed that the agency (i.e. M/s EPIL) which quoted 'nil' rates against seven items ***(Appendix-2.6)***, was given (July 2007) work order by EE to execute the above work valuing ₹ 56.97 crore @ 8.01 per cent below the estimated cost of ₹ 61.93 crore. The value of the 'nil' rated seven items was ₹ 47.27 lakh.

However, it was observed that the contractor did not execute these 'nil' rate items and the department also did not take any action to get the items executed by the contractor. Thus, inaction on the part of the department to get these items executed through the contractor resulted in undue financial aid to the extent of ₹ 47.27 lakh (***Appendix-2.6***). Further, while taking re-revised administrative approval of this work, the department had eliminated these items in the proposal submitted for the same, but no specific reasons for eliminating these items were mentioned in the final estimates.

On being pointed out, Government stated (October 2011) that this had happened due to malfunctioning or error of the software. It was further stated that M/s EPIL pointed out this fact right at the time of entering the contract. A meeting to resolve the matter was convened in the office of the E-in-C at

Raipur in January 2007 and it was decided that such items against which no rate appears in BOQ shall be considered as extra items.

Government's contention that the same happened due to error of the software is not acceptable because for the same work, another firm (L3[5]) had filled 'nil' rates for only two items out of the seven items appearing in the tender document. Further by considering the 'nil' rated items offered by M/s EPIL, the firm had qualified as L1 bidder, leading to undue benefit. The records relating to other two bidders (i.e. L_2 & L_4) were not made available to audit.

(iii) Excess expenditure of ₹ 3.17 crore due to excess excavation of earth work

As per schedule of rates (SOR) for building works -1999, the excavation in earth work shall conform to the lines and levels shown in the drawings and also as directed by the Engineer-in-charge of the work concerned. The contractor shall not excavate outside the limits of excavation. Any excess depth/width excavated beyond specified levels/dimensions of the drawings shall be made good at the cost of contractor with the concrete as specified for the foundation of a building work.

The sanctioned estimate and drawing design of the Bilaspur High Court building, provided for excavation 49291 cum of earth work. The design made for the preliminary estimate was examined thoroughly by the Engineering College, Bilaspur to analyse the stability, strength, safety and serviceability of the structure and to unfold any unforeseen gravity of lateral load.

Against the estimated quantity of 49291 cum of excavation of earth work, the actual quantity of excavation increased to 109700 cum on the advice of contractor who stated that the area was of black cotton soil and requires excavation foundation. Notwithstanding the recommendations of Engineering College authorities, the contractor was, however, allowed to excavate 106342.766 cum of earth work against the estimated quantity of 49291 cum approved by the department and also to back fill the foundation with moorum and sand. Thus, in this process, the department had to incur extra expenditure of ₹ 3.17 crore.[6]

On this being pointed out, Government stated (October 2011) that during excavation, loose soil was encountered which resulted in increase in the depth of foundation till sufficient hard strata was found as hard strata was indispensible for optimum safety and durability of the building. It was further stated that extra quantity of excavation has been duly sanctioned by Government in the revised administrative approval.

The reply of the Government is not acceptable because the Advisor of Public Works Department had also objected (December 2008) to the above work of excavation by stating that excavating the entire area and refilling the same

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5 M/s Nagarjuna Construction quoted 'nil' rates for two items and quoted rates for remaining five items as given in ***Appendix 2.6***.

6

Expenditure on excavation of earth work	57051.766 Cum @ ₹ 62/Cum	₹ 35.37 lakh
Expenditure on filling the moorum/sand	105054.766 Cum @ ₹ 268/Cum	₹ 281.54 lakh
	Total	**₹ 316.91 lakh**

with outside soil was not technically required and may cause unnecessary expenditure. Moreover the work was executed without prior approval of competent authority.

(iv) Extra payment of ₹ 1.66 crore on account of wrong application of rates for execution of reinforced cement concrete (RCC-M25) work

Clause-13 of the contract stipulates that, for items not existing in the Bill Of Quantities (BOQ) or substitution to the items of BOQ, rate payable should be the rates in the Schedule of Rates[7] (SOR) plus/minus overall tender percentage of contract.

As per SOR, the rate of lifting of RCC M25 concrete (concrete) beyond four metre above plinth level and for every 0.5 metre or part thereof was ₹ 4.60[8] per cum. Similarly the rate of form work beyond four metre above plinth level and for every 0.5 metre or part thereof was ₹ 15 per sqm.

The BOQ of the contract provided floor-wise rates of RCC M25 and form work required for all the four[9] blocks of the HC building. Apart from this, item of lifting of concrete and executing form work beyond four metre, required only for typist block, estimated at 770 cum and 2445 sqm respectively was provided in the BOQ at the rate of ₹ 535 per cum and ₹ 64 per sqm respectively.

We observed that against the quantity provided in the BOQ, the payment for lifting of concrete and form work was paid for 7280.5976 cum and 46036.388 sqm respectively. The excess quantity paid was pertaining to lifting of concrete from 0 to 26 metre height of blocks other than typist blocks which were not provided in the BOQ. Since the items did not exist in the BOQ, per unit rate applicable should be as per contract clause-13. Contrary to this, the payments were made at ₹ 535 per cum (concrete work) and ₹ 64 per sqm (form work), for every 0.5 metre height beyond four metre, ranging between ₹ 535 to ₹ 23540 per cum (concrete work) and ₹ 64 to ₹ 2752 per sqm (form work) respectively. This resulted in extra payment of ₹ 1.66 crore to the contractor as detailed in ***Appendix-2.7 & 2.8.***

On being pointed out, Government stated (October 2011) that extra rate for lifting concrete was paid for such parts of the building where concreting work was done at a height greater than four metre from any particular floor level and there was no intermediate floor between the level of concrete work and previous floor level. The extra rate was allowed for concrete work executed at a height of 5.4 metres and 26 metres of the building. Further the discrepancy of initial estimate was rectified while preparing subsequent estimate for obtaining revised AA and approval of Government has also been accorded to the corrected estimate.

Government's reply is not acceptable as the BOQ did not contain rate for concrete work at 5.4 and 26 metres height, therefore the rate admissible should

7 SOR for building issued by E-in-C, PWD and effective from June 1999.

8 At the rate of 0.20 per cent of the basic rate of RCC M25, i.e. 0.20 per cent of ₹ 2300/-

9 (i) High Court building, (ii) Advocates' chamber, (iii) Advocates' General chamber and (iv) Typist Block.

have been as per contract clause-13. Moreover the advisor, PWD, GOCG has also objected to the mode of payment and recommended for readjustment of the payment.

(v) Excess payment of price escalation of ₹ 1.25 crore due to inclusion of Non-SOR items in the value of work done

As per price escalation clause No. 11(c) of the agreement, value of work done shall be calculated by excluding the value of works executed under variations for which price adjustment will be worked out separately based on terms mutually agreed by the contractor and the department.

Further, as per clause 13 of the agreement, the E-in-C shall identify the non-SOR items with their quantities involved in the contract and shall ask the contractor to submit his rates for these items. The Engineer-in-charge will get the rates approved from the Superintending Engineer (SE) and will communicate the rates to contractor. However, while making payment of price escalation, the non-SOR items were to be excluded from the value of work done (R) by the contractor.

During scrutiny of records (December 2010), it was noticed that while calculating the price escalation, the value of non-SOR items of work was also included in the total value of work done (R) by the contractor. This resulted in excess payment of price escalation to the extent of ₹ 1.25 crore as detailed in ***Appendix-2.9.***

On this being pointed out, Government stated (October 2011) that if non-SOR items are included in the original agreement, then such non-SOR items becomes an integral part of the contract and escalation as per clause 11(c) of the agreement on all items of the BOQ was payable.

The reply of the Government is not acceptable because as per price escalation clause No. 11 (c) of the agreement, the value of work done shall be calculated by excluding the value of work executed under variations for which price adjustment will be worked out separately based on the terms mutually agreed by the contractor and the department.

SCHOOL EDUCATION DEPARTMENT

2.1.5 Extra expenditure

Benefit of reduced price of desktop computers could not be availed by DPI during procurement resulting in extra expenditure of ₹ 1.41 crore.

With the aim to provide computer education to the students of higher secondary schools in rural areas, the 'Information and Communication Technology (ICT) scheme' was launched by the State Government. Under the scheme, 3000 sets of computers were to be purchased for 300 higher secondary schools that were selected for the implementation of ICT Scheme in the State.

Chhattisgarh Store Purchase Rules provide for purchasing of computer directly from the suppliers with whom the Chhattisgarh State Industrial Development Corporation Ltd. (CSIDC) had finalized the rates. CSIDC finalizes the rates based on the rates approved by Director General of Supplies and Disposals (DGS&D) and intimates the rate contract along with the conditions of contract to all the departments of the State Government.

The clause 7(iii) of Special conditions of rate contract provides that the contractor shall furnish a certificate with each bill for payment to the effect that there was no reduction in sale price of the stores supplied to the Government under the contract.

CSIDC had entered into a rate contract (25 June 2008) with authorized suppliers of DGS&D rate contracted firms for supply of desktop computers (Intel Core 2 Duo configuration) @ ₹ 32,232.26 per set which was based on DGS&D's existing price for that item. DGS&D issued notification (11 July 2008) reducing the price of the same computers to ₹ 26,600 per set which was applicable to all supply orders issued on or after 01 April 2008. Accordingly, the rates of the computers with similar configurations were required to be revised proportionately by CSIDC, since it followed the DGS&D rates and to circulate the revised rates to all departments of State Government.

Test check (June 2010) of records of Director, Public Instructions, Chhattisgarh, Raipur (DPI) revealed that DPI placed three[10] supply orders on 14 July and 14 August 2008 for purchase of 2500 desktop computers with same configurations @ ₹ 32232.26 per set directly with the CSIDC rate contracted suppliers. The computers were supplied during October to December 2008. DPI released payments (October 2008-January 2009) totaling ₹ 8.06 crore to the suppliers without obtaining certificate as required under clause 7(iii) of special conditions of contract. Thus, failure on the part of DPI to avail the facility to safeguard against payment at higher rates for stores supplied led to extra cost of ₹ 1.41 crore as detailed in ***Appendix-2.10.***

Government stated (July 2011) that DPI was unaware of the reduction in the price of computers. As soon as the rate difference came to the Government's knowledge, letter was issued to CSIDC which subsequently cancelled the rate contract on 26 August 2008. Further, CSIDC had also intimated that supply orders issued prior to the cancellation date would remain valid.

Reply of Government is not acceptable. Had DPI ensured the submission of certificate under clause 7(iii) of Special conditions of contract from the supplier and insisted on payment as per the existing reduced rates, department could have saved the extra cost of ₹ 1.41 crore.

[10] M/s P.S. Associates, Raipur for 500 computers on 14-7-2008; M/s Mitshree Infotech, Raipur for 1000 computers on 14-8-2008 and M/s Mini Infotech, Raipur for 1000 computers on 14-8-2008.

ST & SC DEVELOPMENT DEPARTMENT

2.1.6 Excess payment on price escalation

Erroneous calculation of price escalation led to excess payment of ₹ 37.78 lakh to contractor

The work 'Construction of *Ekalavya Awasiya* Parisar at Antagarh, District Kanker', was awarded (July 2007) to a contractor on percentage rate basis by the Assistant Commissioner, Tribal Development Department, North Bastar, Kanker (ACTD). The stipulated period for completion of the work was 18 months including rainy season. The Tribal Development Department executes the works as per the provisions of Chhattisgarh Public Works Department (PWD).

Scrutiny (March 2010) of records of ACTD, Kanker revealed that the ACTD signed (July 2007) two sets of agreements-one in the format adopted prior to October 2005, and, the other in the format revised (October 2005) by the PWD.

Clause 11(c) of the agreements provided for payment of escalation in order to compensate/reimburse the contractor for variation in prices of Cement, Steel, Petrol, Oil and Lubricant (POL), Labour and other materials, in accordance with the procedure and formula provided in the agreement.

As per the pre-revised format, the DGS&D rates for Cement and the nearest stock yard rates of Steel Authority of India Limited (SAIL) for Steel were to be taken for calculation of price escalation.

However, the revised format provided for calculation of escalation on the basis of the All India wholesale price indices for all the components including Cement and Steel.

The calculation of escalation was done using the pre-revised formula for all the components. However, while calculating the escalation for cement, the rates from the local agencies were taken stating non-availability of DGS&D rate. Similarly for steel component, the rate of steel excluding taxes and duties was taken as base price instead of taking price inclusive of taxes, duties and other incidental charges, thus widening the gap for calculating the price escalation. Further, the base price of POL component was also not taken correctly. Consequently, escalation amounting to ₹ 67.45 lakh was paid (May 2010) to the contractor.

Audit has evaluated the escalation as per the revised format at ₹ 29.67 lakh. Thus, by calculating the price escalation as per pre-revised rates, ACTD sustained extra expenditure to the extent of ₹ 37.78 lakh as shown in ***Appendix-2.11***.

Matter was brought to the notice of the Government (May 2011). In reply, Government forwarded (July 2011) the comments of Joint Director (Finance), Scheduled Caste and Scheduled Tribe Department wherein it was stated that for execution of construction works, Public Works Manual is only partly observed and further mentioned that the agreement was entered with the contractor in the approved format in which the contractor had indicated his rates. It was also stated that the agreement containing the new procedure for calculation of escalation was erroneously entered with the contractor.

Reply forwarded by Government is not acceptable as revised format was also approved by the PWD, GoCG. Further, the Department's contention that agreement with the revised procedure for calculation of escalation was erroneously entered is also not acceptable because it was made part of the agreement.

PUBLIC HEALTH & FAMILY WELFARE DEPARTMENT

2.1.7 Extra cost

Extra cost of ₹ 90.36 lakh due to purchase of medicines at higher rates

Rule 9(i) of Chhattisgarh Financial Code provides that every Government employee is expected to exercise the same vigilance in respect of expenditure from public funds as a person exercises while incurring expenditure from his own money. Financial rules provide that purchases should be made in the most economical manner.

The Director, Medical Education (DME), Chhattisgarh, Raipur invited (July 2008) tender for supply of various medicines. The rates of successful bidders were finalized in the purchase committee's meeting (September 2008) and the rates were intimated (September 2008) to the Director Health Services, Raipur (DHS) for their use. Agreements were signed (October 2008) by the DME with the successful bidders for supply of medicines for a period of 24 months (October 2008 to September 2010).

Meanwhile, the Government of India (GoI) issued (October 2008) instructions to Mission Director (MD), National Rural Health Mission (NRHM) for purchase of medicines from five Public Sector Undertakings (PSUs) under Purchase Preference Policy (PPP). According to PPP, the State Government was required to make the purchases of 102 enlisted medicines through five PSUs for implementation of the health programmes which were funded by GoI. Accordingly, MD NRHM forwarded (November 2008) a copy of the letter to DHS and DME. However, the Government decided (September 2009) to procure the medicines on the rates already approved in 2008-09 which were valid upto October 2010, and the same was intimated (October 2009) to DHS also.

Scrutiny (December 2010) of the records of the DME, Raipur and information collected from DHS, revealed that a high level committee decided (May 2010) to purchase medicines from the PSUs, on the basis of letter of MD, NRHM. Accordingly, DHS issued (May 2010) supply orders to the PSUs for purchase of medicines worth ₹ 2.90 crore from the State budget, despite availability of valid lower rates finalized through tender.

Thus, injudicious decision of the Government to purchase the medicines out of the State budget at higher rates from the five PSUs was uneconomical, and led to extra cost of ₹ 90.36 lakh to Government as detailed in ***Appendix-2.12.***

On being pointed out, the DME (December 2010) stated that the approved rate contract was valid for 24 months, and the rates along with the validity period were intimated to the DHS and Government.

The Government stated (September 2011) that tender was invited (June 2008) by DHS with a validity of one year. Since, rates were not obtained for all medicines and re-tendering would have consumed more time, purchases of medicines were made at the L1 rates of DME and DGS&D, whichever was lower. It was further stated that the finalized rates of DME were applicable for DME only. Subsequently, the high level committee decided to procure the 102 medicines from the five enlisted PSUs.

Reply is not acceptable as the DHS was procuring medicines on the basis of rates finalized by the DME till January 2010. Also, the rate contract of DME was valid for 24 months (upto October 2010) and the medicines were available at lower rates than the rates of the above PSUs. Moreover, the orders of GoI for purchase of medicines from PSUs were applicable for health programmes funded by GoI. In respect of expenditure on medicines for non-GoI schemes, State Government was having the liberty to procure medicines in the most economical manner.

AGRICULTURE, ENERGY AND PANCHAYAT & RURAL DEVELOPMENT DEPARTMENT

2.1.8 Wasteful expenditure

Wasteful expenditure of ₹ 5.61 crore on plantation of Jatropha due to excessive mortality under bio-fuel scheme

To improve economic condition of farmers by utilizing wasteland, improving agro-forestry, checking soil erosion, and producing bio-fuel and ultimately improve economic condition of farmers, a Bio-Fuel Development Programme was launched by Chhattisgarh Bio-Fuel Development Agency (CBDA), soon after its constitution in January 2005. Chhattisgarh Renewable Energy Department (CREDA) was the nodal agency for implementation of the programme. Under the programme, 2500 plants were to be planted per hectare on waste, barren land including field fences, *badi*, tanks embankments and along side the road. A provision of 500 plants was made for gap filling in subsequent years, assuming 80 *per cent* survival of plants. The seeds/fruits from Jatropha plant were to be collected from third year onwards. As per CBDA guidelines, necessary inputs (i.e. manures, pesticide, anti-termite, fertilizer, irrigation facility at preliminary stage and training to the farmers) were to be provided during plantation.

The funds were provided by the Government of India (GoI) as well as the State Government and these funds were disbursed to Agriculture, Horticulture, Panchayat and Rural Development Department and CREDA for implementation. The monitoring was to be done by the respective departments.

The Agriculture Department, Horticulture Department and Panchayat and Rural Development Department executed plantation work on the private lands of farmers and land under Government control. Test check (between March

2010 and February 2011) of records of seven[11] DDOs revealed that an expenditure of ₹ 11.34 crore ***(Appendix-2.13)*** was incurred on plantation of 1.79 crore Jatropha plants in 5204 hectares during 2005-06 to 2007-08 by farmers/department. Of the above plants, 1.05 crore plants died and the survival of plants ranged between 0 and 61 per cent and no fruits were borne except for 50 Kg in the case of plantation done by Agriculture department in Mahasamund district. Thus, the expenditure of ₹ 5.61 crore incurred on the plantation of 1.05 crore Jatropha plants was rendered wasteful, due to the high mortality of the Jatropha plants.

On being pointed out, the seven DDOs stated that failure of crop was attributed to lack of irrigation facilities, excessive rise in temperature and improper upkeep of the plants by the farmers. It was further stated (April-May 2010) by some Gram Panchayats that no funds were made available by Janpad Panchayats for protection and irrigation facilities for the subsequent years whereas CEO, Janpad Panchayat, Durg stated (May 2010) that it was the responsibility of the Gram Panchayats to seek funds and take adequate measures for their survival but no demand for funds was made by the Gram Panchayats.

The Director, Agriculture Department stated (August 2011) that there was no provision in the scheme for irrigation, protection etc. of the plants, and the farmers themselves were responsible for protection and maintenance of the plants. The farmers did not make proper arrangements for irrigation and proper protection of plants which led to the low survival percentage. Hence, it would be unjustified to hold responsible the departmental officials for the high mortality.

The Director, Horticulture stated (February 2012) that lack of irrigation facilities, excessive heat and improper maintenance by the Gram Panchayats to which the plantations were transferred, resulted in mortality of plants.

The Executive Director, CBDA in his reply intimated (August 2011) that funds received were disbursed to the various Government departments for plantation and maintenance of the plants. The protection of plants was to be done by the departments concerned or by the farmers. Training to farmers was provided through vocal contacts and through booklet issued to each farmer. CBDA had neither prescribed any system for collection of seeds nor entrusted the work to any agency. This was to be done by the farmers themselves. It was further clarified that CBDA or Government had not fixed any minimum percentage of survival, as this was a new scheme and no past experience was available. However, it was estimated that plants' mortality would be around 20 *per cent* and hence provision for gap filling was made. Regarding monitoring, it was stated that no monitoring committee for plantation was constituted separately at any level.

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11 **Agriculture Department-(i)** Deputy Director Agriculture, Durg; (ii) Sub Divisional Officer, Agriculture, Mahasamund; (iii) Asstt.Soil Conservation Officer, Dharmajaygarh
Panchayat and Rural Development Department-(i) Chief Executive Officer, Janpad Panchayat, Durg; (ii) Chief Executive Officer, Khairagarh; (iii) Chief Executive Officer, Zila Panahayat Raigarh
Horticulture Department-(i) Asstt.Director Horticulture, Janjgir-Champa

The above replies indicate that there was improper planning, monitoring and lack of adequate irrigation facilities, which resulted in higher rate of mortality. Thus, the objective of utilizing wasteland, improving agro-forestry, checking soil erosion, producing bio-fuel and also improve economic condition of farmers could not be fulfilled.

Matter was reported (May 2011) to Government; reply awaited (February 2012).

AGRICULTURE DEPARTMENT

2.1.9 Wasteful expenditure

Wasteful expenditure of ₹ 54.78 lakh on incomplete Vermi-Compost Units

With a view to enhance biological diversity, maintain soil fertility and to promote use of bio-fertilisers, Government of India (GoI) introduced (June 2005) organic farming through construction of vermi-compost units under National Horticulture Mission (NHM) Scheme. The scheme envisaged active participation of various agencies at the National level and those of State Governments, Research Institutes and Organisations, farmer associations, self help groups and many others.

The Agriculture Department nominated Chhattisgarh *Rajya Krishi Evam Beej Vikas Nigam* Limited (Beej Nigam) for construction of vermi-compost units under the scheme. The construction works were carried out through the contractors engaged by the Beej Nigam, which were to be supervised by Mandi Board engineers.

As per scheme guidelines, 50 per cent of unit cost of ₹ 60,000 limited to a maximum of ₹ 30,000 per unit was to be provided as assistance to farmers for the construction of vermi-compost units of approved dimensions[12] including cost of vermi culture and plastic container. The assistance was payable after obtaining their willingness for construction of unit and undertaking from the farmers regarding arrangement of their share of contribution towards laying of roof, purchase of cow dung and payment of wages etc.

Test check (December 2010) of records of Deputy Director, Horticulture Surguja (DDH), revealed that the Director, Horticulture and Farm Forestry (Director), Raipur issued (March and April 2008) work orders to Beej Nigam for construction of 3361 vermi-compost units in 13 blocks of Surguja district with the directions to DDH to submit the bills to Directorate after physical verification. Out of 3361 vermi-compost units ordered, only 400 vermi-compost units were completed, of which 269 units were physically verified by the department along with the representatives of Beej Nigam. The physical verification report along with satisfaction certificate was submitted to the Directorate by the DDH.

On the basis of physical verification report of DDH, the Director issued (February 2009) instructions for making payment to Beej Nigam. Accordingly, DDH, released the payment of ₹ 45.54 lakh to Beej Nigam for

[12] Length 31’6” x width 24’10” x height 9’ per unit

180 units and the clearance of payment for remaining 89 units was awaited from the Director. The Director further incurred (January and February 2009) an expenditure of ₹ 9.24 lakh[13] on vermi culture and plastic drums for distribution to the farmers through DDH.

During the joint physical verification (December 2010) of 178 completed vermi-compost units and interaction with the beneficiaries by Audit and the departmental officials, it was observed that out of 178 units verified, only nine units were being utilized for production of vermi-compost. As many as 12 units were not in existence and 157 units were without roof and were completely/partially damaged.

Although the beneficiaries had initially agreed to do the roofing work by investing ₹ 30,000 either from their own resources or by availing loan facility and expressed satisfaction over construction of cement structure, it was, however, stated by the farmers during interaction that due to non availability of local materials for such big size of structures constructed and also due to economic reasons, roof work of the units could not be carried out. The absence of roof led to the death of earthworms resulting in non-functional vermi-compost unit.

This indicates faulty planning as the department did not assess the capability of farmers to contribute their share for construction and rest of the items. The injudicious decision of Government in planning the scheme without ascertaining the beneficiary's component and ensuring active participation led to wasteful expenditure of ₹ 54.78 lakh (₹ 45.54 lakh: construction of structures, ₹ 2.46 lakh: purchase of vermi culture and ₹ 6.78 lakh: PVC drums) towards payment of assistance for vermi-compost units. Also, the benefit of organic farming could not be provided to the farmers.

On this being pointed out, DDH, stated (December 2010) that the selection of construction agency, purchase of vermi culture and PVC drums were carried out at the Directorate level and the deficiencies noticed during physical verification of units and complaints received from farmers from time to time were brought to the notice of the Director as well as Beej Nigam.

The Director intimated (July 2011) that the statement of DDH that deficiencies were intimated to the Director, is not true, as the DDH himself had signed the reports on the basis of which directions were issued to release the payments. He further stated that it was the responsibility of DDH to complete all formalities for payment; action is being taken against him for failure to do so. Further information about action taken is awaited (January 2011).

The above replies indicate complete lack of coordination between the Director and the DDH. Further, the Department had also failed to take necessary steps to complete the balance work of vermi compost units through beneficiaries even after releasing payment to the construction agency. Thus faulty planning and failure to ensure completion of the incomplete units and consequent non-production of vermi compost resulted in wasteful expenditure.

Matter was intimated (May 2011) to Government; reply awaited (February 2012).

[13] ₹ 2.46 lakh on 1980 kg vermi culture and ₹ 6.78 lakh on 538 plastic drums

2.2 UNAUTHORISED/AVOIDABLE EXPENDITURE/ UNDUE FINANCIAL AID

WATER RESOURCES DEPARTMENT

2.2.1 Undue financial aid

Failure to enter into agreement as per the NIT clauses regarding admissibility of price escalation led to undue financial benefit of ₹ 39.78 lakh to the contractor.

Construction work of "Head work and Canal work of Gharjia Bathan Tank Project", was awarded (April 2008) to a contractor for ₹ 12.18 crore by the Executive Engineer, Water Resources Division, Dharamjaigarh (EE). The stipulated period for completion of the work including rainy season was 15 months.

During scrutiny (September 2010) of records of the EE and further information collected (September 2011), it was observed that a notice inviting tender (NIT) was issued (January 2008) for the above work wherein it was clearly mentioned that clauses from 2.40.1 to 2.40.3 relating to payment for price escalation were not applicable. Despite this, the aforesaid clauses were retained in the agreement and the contract was signed with the contractor. The contractor was paid ₹ 12.17 crore (upto December 2011), which included ₹ 39.78 lakh as price escalation. This led to extension of undue financial benefit of ₹ 39.78 lakh to the contractor.

During the exit conference held on 15 September 2011, Principal Secretary, while accepting the audit observation stated that similar bids would be scrutinized to see for more such mistakes.

DEPARTMENT OF LABOUR, PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT, WATER RESOURCES DEPARTMENT, PUBLIC HEALTH ENGINEERING DEPARTMENT AND PUBLIC WORKS DEPARTMENT

2.2.2 Undue financial aid

Non-implementation of Government order for deduction of cess for contribution towards Labour Welfare Fund led to short deposit of funds and undue financial aid of ₹ 103.63 crore to the contractors

An Act named ‘Building and Other Construction Workers’ Welfare Cess Act’ was introduced by Government of India (GoI) in 1996 effective from 3 November 1995. The Act was applicable to whole of India and *inter alia* provided for levy and collection of cess on the cost of construction incurred by the employers at the rate of not less than one *per cent* of the cost of construction incurred by the employers. The proceeds of the cess so collected are payable to the Building and Other Construction Workers’ Welfare Board, by the local authority or the State Government collecting the cess.

It was observed in audit that although the Act was deemed to have come into force from 3 November 1995, the State Government published the notification of the Act in May 2008 and made it applicable from 13 June 2008 i.e. after a delay of over seven years since the formation (November 2000) of Chhattisgarh State. Subsequently, the Labour Department constituted the "Buildings and Other Construction Workers' Welfare Board" (Board) in September 2008 in compliance to the Government of India (GoI) Act and issued instructions for recovery of one *per cent* cess from the employers with effect from 13 June 2008. Examination of records and further collection of information revealed the following:

a) The State Government departments executed works and made payment of ₹ 5848.41 crore (for 66 Drawing and Disbursing Officers (DDOs)) to the contractors from January 2001 to May 2008[14], on which the leviable cess would have been ₹ 58.48 crore as detailed in ***Appendix-2.14***. However, in the absence of the Act, contribution of this amount could not be made to the Board.

b) Even after the Act was made applicable in the State, the cess was not fully deducted in all cases. Test check and information collected revealed that 101 DDOs did not recover Labour Welfare Cess amounting to ₹ 45.14 crore for building and other construction works valuing ₹ 4514.49 crore ***(Appendix-2.15)*** through various agencies between June 2008 and March 2011. The amount was not recovered and remitted to the Board, which led to extension of undue financial benefit to the contractors and short deposit of funds to the Board.

On being pointed out, the Deputy Labour Commissioner stated (April 2011) that due to issue of notification by the State Government in June 2008, the Board was constituted in September 2008 and orders for recovery of cess were issued thereafter. No amount of cess was recovered on the contracts executed prior to September 2008.

The reply of Deputy Labour Commissioner is not acceptable, since the GoI Act was applicable to whole of India. The State Government initiated action on the Act in June 2008, i.e. after a gap of more than seven years since the formation of the State, leading to denial of benefit to labourers.

With regard to non-deduction of cess despite receiving the order, the DDOs of various departments stated that the orders regarding realization of cess were received late. However, necessary deduction of cess has since been started. As regards past cases, the DDOs stated that it would not be possible to recover the amount of cess as the works had been finalized in maximum cases and the works' accounts of contractors had been closed.

Matter was referred to Government (April 2011). Secretary, PHE stated (May 2011) that no undue financial benefits were provided to any contractor as deduction would be unjustifiable in the absence of enabling provision in the contracts. The Secretary further stated that as per a decision of the Hon'ble High Court, Andhra Pradesh any deduction of cess shall not be done, unless the corresponding amount is included in the estimates of the work.

[14] As the State was formed in November 2000 and data is available from January 2001 onwards.

Principal Secretary, WRD stated (September 2011) that the orders for deduction of cess were received from the Labour Department in March 2010 and accordingly the orders were issued in July 2010.

Principal Secretary, PWD stated (October 2011) that although responsibility for enforcement of this Act lies primarily with the State Government, the respective contractor is responsible for payment of the cess. It was further stated that as the Act was introduced by the State Government in June 2008, no procedure to collect cess was introduced in the contract agreement. Condition for deduction of cess was inserted in the contract agreement in July 2010, and, the cess is now being recovered from the bills of the contractors and deposited regularly in the Labour welfare fund.

The fact still remains that the GoI Act was applicable to whole of India and was deemed to have come into force on 3 November 1995. The State Government initiated action on the Act as late as in June 2008, i.e. after a gap of more than seven years since the formation of the State, leading to denial of benefit to labourers.

Thus delay in issuing the orders for implementation of the Act and failure to constitute the Board led to non-recovery of cess amounting to ₹ 103.63 crore and extension of undue advantage to the contractor. Besides this, delay in implementation of Act also resulted in denial of intended benefits to the workers. Considering the potential social benefits that could have accrued to the labourers, the Government should have initiated timely action to constitute the Board and frame rules in compliance to the provisions of the Act.

GENERAL ADMINISTRATION DEPARTMENT

2.2.3 Unauthorised expenditure

Unauthorised utilization of ₹ 47.52 lakh from departmental receipts for meeting office expenses and irregular retention of departmental receipts totaling ₹ 22.62 crore out of Government Account

As per Rule 29 of Chhattisgarh Financial Code Vol-I for special category of receipts, it is the duty of controlling officer to see that all amounts due to Government are being recovered promptly and regularly and are being deposited in Consolidated Fund or Public Account of the State**.**

As per Rule 7(i) of Chhattisgarh Treasury Rules, all receipts which need to be deposited into the Consolidated Fund or Public Account of the State, should be deposited into Treasury or Bank immediately and included in Consolidated Fund or Public Account of the State. The above receipts should neither be utilized for meeting departmental purposes nor kept separated from the Consolidated Fund.

The Land Acquisition Officer (Collector) collects 80 *per cent* of the estimated compensation charges as specified in the award for land acquisition in advance from the applicant department and deposits the same into a Personal Deposit (PD) account maintained by the Collector. A specified percentage of compensation amounts, as determined in the award, are collected from the applicant department as Administrative cost, which are required to be credited into the Consolidated fund of the State.

Scrutiny (March 2011) of records of office of Collector, Surguja revealed that an amount of ₹ 22.62 crore, representing administrative cost on land acquisition received upto March 2011 was irregularly kept in a savings Bank account in contravention of Chhattisgarh Treasury Rule 7(i). This included interest amount of ₹ 15.22 lakh earned during 27.09.2008 to 25.02.2011.

It was further observed that out of the above amount, ₹ 47.52 lakh was irregularly utilized for various purposes such as purchase of computer accessories, furniture, petrol, oil and lubricants, hiring of vehicles etc. during December 2007 to February 2011 in total disregard to the provisions of State Treasury Rules.

On this being pointed out in audit, the Collector stated that ₹ 14.00 lakh was paid to the Protocol Section for hiring of vehicles with the condition to refund the amount as and when the allotment is received but no amount has been refunded so far. It was further stated (March 2011) that, barring a few receipts of earlier period, the amount received on account of administrative fees was regularly deposited in the head 0029-land acquisition, 800-Other Receipts. However, no reasons were furnished for keeping the funds outside Government account.

The reply is not tenable. The direct appropriation of receipts for meeting departmental expenses is contrary to the provisions of treasury rules besides being irregular as expenditure was incurred in the form of Administrative expenses over and above the budget allotment for protocol and hiring. Further, retaining ₹ 22.62 crore out of Government account is also a serious financial irregularity.

Matter was brought to the notice of Government (June 2011), reply is awaited.

VETERINARY DEPARTMENT

2.2.4 Avoidable payment

Failure on the part of the Government to monitor, coordinate and to repay the loan to NDDB as per the time schedule resulted in avoidable extra payment of ₹ 2.38 crore

Under Operation Flood-II Programme in erstwhile State of Madhya Pradesh (MP), a tripartite agreement was executed (June 1981) between Madhya Pradesh State Co-operative Dairy Federation Limited, National Dairy Development Board (NDDB) and Raipur Dugdh Sangh (RDS) for a loan of ₹ 4.08 crore, of which the RDS received a loan of ₹ 3.73 crore only and the MP government was the guarantor for the loan. In the event of failure on the part of the RDS to make repayment as required by NDDB, the Surety (Guarantor) was required to pay the amount as and when so required by the NDDB. An amount of ₹ 1.07 crore was repaid by the erstwhile State of Madhya Pradesh and the loan amount of ₹ 3.73 crore was apportioned to Chhattisgarh State after re-organisation of the State in November 2000.

Scrutiny (April 2010) of records in Directorate, Veterinary Services, Raipur and information collected from RDS revealed that the NDDB communicated (June 1999) outstanding loan of ₹ 3.73 crore as of March 1999 to RDS and also offered full time settlement of the loan on payment of ₹ 5.04 crore against the total recoverable amount of ₹ 12.71 crore. As per the offer, the amount of ₹ 5.04 crore was to be paid in 13[15]varied annual installments commencing from the year 1999-2000 upto year 2011-12. In view of the settlement offer, RDS paid an amount of ₹ 1.70 crore as the installments for the years 2000-01 and 2001-02 but no further installment was paid thereafter under the offer due to poor financial position of RDS. Again another option for converting the loan as a fresh loan @ 5.5 per cent interest per annum was offered by NDDB in October 2004 but no action was taken by the RDS in this regard.

Further information collected (April 2011) from Directorate Veterinary Services revealed that NDDB offered another proposal (April 2009) for one time settlement (OTS) of the loan after making payment of ₹ 7.41 crore and also informed about initiating legal action against RDS in case of failure to pay the dues. In view of the above, Chhattisgarh Government, being the guarantor of the loan, decided (December 2010) to pay the sum of ₹ 5.72 crore as OTS, to which NDDB also agreed (December 2010). Accordingly an amount of ₹ 5.72 crore was paid to NDDB (March 2011) by the State Government as final settlement.

This indicates lack of monitoring and coordination between the State Government and RDS. Further, there was failure on the part of State Government in making the payment as per the scheduled installments offered by NDDB during the year 1999, which led to extra payment of ₹ 2.38[16] crore.

On this being pointed out, the Managing Director/RDS stated (2011) that, due to its poor financial position, RDS was not in a position to repay any amount since 2002-03. State Government, after taking control of RDS in August 2008, held meetings with the representatives of NDDB to discuss their proposals. After considering all aspects, it was then decided (March 2011) to pay lumpsum amount of ₹ 5.72 crore as one time settlement.

The reply failed to specify the reasons for failure on the part of State Government and RDS to coordinate with each other in making the payment as per the scheduled installments offered by NDDB during the year 1999, which eventually resulted in extra payment of ₹ 2.38 crore.

Matter was brought to the notice of Government (June 2011), reply is awaited.

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[15] ₹ 84.85 lakh in 1999-2000; ₹ 84.83 lakh in 2000-01; ₹ 83.29 lakh in 2001-02, ₹ 79.86 lakh in 2002-03; ₹ 77.92 lakh in 2003-04; ₹ 56.51 lakh in 2004-05; ₹ 22.68 lakh in 2005-06; ₹ 10.02 lakh in 2006-07; ₹ 3.73 lakh in 2007-08; ₹ 0.21 lakh in 2008-09; ₹ 0.21 lakh in 2009-10; ₹ 0.21 lakh in 2010-11 and ₹ 0.10 lakh in 2011-12.

[16] ₹ 1.70 crore (paid between the year 2000-01 and 2001-02) + ₹ 5.72 crore = ₹ 7.42 crore - ₹ 5.04 crore =₹ 2.38 crore

2.3 IDLE EXPENDITURE/BLOCKAGE OF FUNDS

PANCHAYAT & RURAL DEVELOPMENT DEPARTMENT

2.3.1 Blockage of funds

Blockage of funds due to execution of works without obtaining clearance of forest land- ₹ 22.54 crore

The Forest (Conservation) Act, 1980 provides that prior approval of the Government of India (GOI) is required for use of forest land for non-forest purposes. Further, as per Para 3.6 of *Pradhan Mantri Gram Sadak Yojna* (PMGSY) guidelines, the State Level Standing Committee, set up by the State Government for monitoring the programme, is responsible to oversee the availability of lands for taking up the proposed road works.

Scrutiny of records (November 2010) of the Executive Engineer-cum-Member Secretary, Project Implementation Unit No-1, PMGSY, Jagdalpur, District Bastar (EE), and information collected from Chhattisgarh Rural Road Development Agency (CRRDA) revealed that Government of Chhattisgarh sanctioned 24 road works between 2001-02 and 2004-05. These works involved construction of Black Topping (BT) roads totaling 253.85 kms, out of which 157.95 kms length of roads pertained to forest area. These works were commenced in the forest land without prior approval from GOI/Forest Department. Consequently the works had to be stopped halfway by Department after execution of work upto earthwork and WBM only, on the objection raised by the Forest department after incurring an expenditure of ₹ 22.54 crore as detailed in ***Appendix-2.16***. Thus, commencement of the work by the respective EEs without getting the permission from competent authority was contrary to the rules and resulted in blocking of Government money totaling ₹ 22.54 crore apart from non-achievement of the objectives as envisaged.

The matter was brought to the notice of Government (September 2011). Government stated (November 2011) that although the roads were constructed in most cases upto WBM level only, they are still serving the rural traffic and providing connectivity to the targeted habitations. It was further stated that in respect of two stretches in Bastar district, the process of approval is in final stages and in respect of two stretches, necessary sanction from Forest department has since been received. In respect of some works in Dantewada and Kanker districts, clearance from Forest department was not required but the work could not be completed due to naxalite problems. It was also stated that the works were started in anticipation of sanction/approval from Forest department.

Government's reply is not acceptable as part of the road works was not executed. Further, necessary approval of GOI should have been obtained before starting the works of these roads.

DEPARTMENT OF TECHNICAL EDUCATION, MAN POWER PLANNING, SCIENCE AND TECHNOLOGY

2.3.2 Idle expenditure

Non-availability of basic infrastructure for installation led to idle expenditure of ₹ 2.14 crore

Chhattisgarh Financial Rules provide that purchase of store articles should be made economically and after accessing actual requirements. Payment should also be made only after receipt of the material as per specification and after successful installation.

For upgradation of Industrial Training Institutes (ITI) of Chhattisgarh State under the sponsorship of World Bank and to impart advance training to the trainees, the Director, Employment and Training (DET) had issued supply orders for various equipments valuing ₹ 4.07 crore, with required specifications, to various suppliers between March 2004 and February 2010. The supply of machinery/equipments /tools was to be made directly to ITIs of Chhattisgarh States. The supplies were made between May 2007 and December 2010.

Test check (January to March 2011) of records of Director, Employment and Training (DET), eight[17] Industrial Training Institutes (ITIs) and joint physical verification by the Audit and the Department revealed that the equipments valuing ₹ 2.14 crore ***(Appendix-2.17)*** were either not installed or lying idle for period ranging from one to four years. This included equipments valuing ₹ 44.50 lakh which were lying idle or uninstalled for more than two years.

On being pointed out, Additional DET stated (December 2011) that some equipments were necessary for getting recognition from the National Professional Training Council, hence these were purchased and stated that the equipments could not be utilized due to either lack of space, non-completion of building, non-operation of the specific trade, non-availability of accessories etc. It was further stated that the equipments will be utilized as soon as the respective trade or accessories are made available.

Reply is not acceptable as even though the equipments were purchased for getting recognition but the same were not put to use. Failure to utilize these equipments led to idle expenditure of ₹ 2.14 crore. Besides, the objectives of imparting advanced training to the students of these ITIs also could not be achieved.

Matter was reported to the Government (June 2011); reply is awaited (February 2012).

[17] Ambikapur (11/2002 to 2/2011), Balodabazar (4/2010 to 12/2010), Bastar (3/2006 to 2/2011), Bhilai (3/2010 to 1/2011), Durg (4/1999 to 1/2011), Koni, Bilaspur (11/2000 to 1/2011), Mana, Raipur (11/1988 to 3/2010) Raigarh (5/2007 to 2/2011)

2.4 REGULARITY ISSUES AND OTHER POINTS

2.4.1 Lack of responsiveness of Government to Audit

The Accountant General (Audit) arranges to conduct periodical inspection of State Government departments to check the transactions, maintenance of initial accounts in their prescribed formats, the adherence to the codal provisions and internal control procedures and maintenance of basic control registers. These inspections are followed by the preparation of Inspection Reports (IRs) which contain audit paragraphs prepared on the basis of various audit observations. These are issued to the head of office concerned, with a copy to the next higher authority, to examine the audit paragraphs and report the compliance to the Accountant General (Audit). Outstanding paras are settled by the Accountant General (Audit) on intimation of requisite follow up action taken by the Department.

At the end of March 2011, there were 12290 outstanding paragraphs relating to 3234 IRs The year wise break up of these outstanding IRs and paragraphs is given below.

Year	Number of outstanding IRs	Number of paragraphs
Up to 2002-03	1929	4995
2003-04	170	535
2004-05	321	1355
2005-06	218	1054
2006-07	209	1169
2007-08	49	365
2008-09	128	624
2009-10	210	1104
2010-11	184	1089
Total	**3234**	**12290**

The department - wise break-up of the outstanding IRs and paragraphs is also indicated in ***Appendix-2.18.***

Pendency of Inspection Reports due to non-receipt of initial replies

A review of the IRs issued in the previous three years 2008-09, 2009-10 and 2010-11 showed that all the IRs issued were pending due to non-receipt of satisfactory replies from the departments to the audit objections included in the IRs. In 340 cases (65 *per cent*), departments did not even furnish the first reply to the IRs. The year wise break up of pending IRs and cases where first reply has not been received is given below:

Year	Number of IRs issued	Number of outstanding IRs	Cases of non-receipt of first reply
2008-09	128	128	62
2009-10	210	210	130
2010-11	184	184	148
TOTAL	**522**	**522**	**340**

The department-wise break-up of these outstanding IRs is listed in ***Appendix -2.19.***

It is recommended that State Government should introduce adequate measures to ensure proper and timely response to the audit observations by the departments, thereby resulting in enhanced efficiency and effectiveness of the government functioning while reducing the pendency of paragraphs in the IRs.

CHAPTER –III
Chief Controlling Officer based audit of Agriculture wing of Agriculture Department

3 Agriculture Department

Executive Summary

The responsibility of the Agriculture department is to increase production and productivity of all crops including commercial crops through introduction of latest varieties of seeds, soil and water conservation, expansion of minor irrigation sources, farm mechanization, dissemination of latest technology among the cultivators and to promote organic farming, ensure availability of quality seeds and inputs and strengthening of Agriculture farms for seed multiplication as well as to train the personnel to achieve the above objectives. We conducted the audit during February to July 2011 covering the period 2007-11 and it was observed that the Annual action plans for the state as well as District level were prepared on the basis of ceilings of expenditure fixed in the guidelines of Government of India (GoI) and State Government under various schemes. Similarly the targets for production of major crops were fixed at the directorate level, keeping in view the priorities fixed by GoI and State Government. Though a target of two million tons of production of paddy and pulses was made under National Food Security Mission (NFSM) during 2007-12, the department could achieve 45 *per cent* of target as of March 2010. It was also noticed that there was improper planning and an overlapping of scheme activities.

The department also failed to motivate farmers for adoption of crop rotation system and use of latest variety seeds through field demonstration with latest and high yielding variety seeds. Audit also noticed short procurement of breeder seeds, distribution of substandard fertilizers and insecticides to the farmers, non-handing over of completed minor irrigation tanks to user groups/Gram panchayats, and foreclosure of watersheds. Full working days were not utilized by the farmers' training centers due to inadequate staff and funds.

Though there was an internal audit wing, the internal audit was not conducted as per roster despite availability of adequate staff. The State Land Use Board, even though formed, took no action to prevent the diversion of agriculture land. Project Management Team (PMT) to assist the implementation and monitoring of NFSM scheme was not formed and no concurrent evaluation was got done by the Statistical department to assess the impact of the schemes.

3.1 Introduction

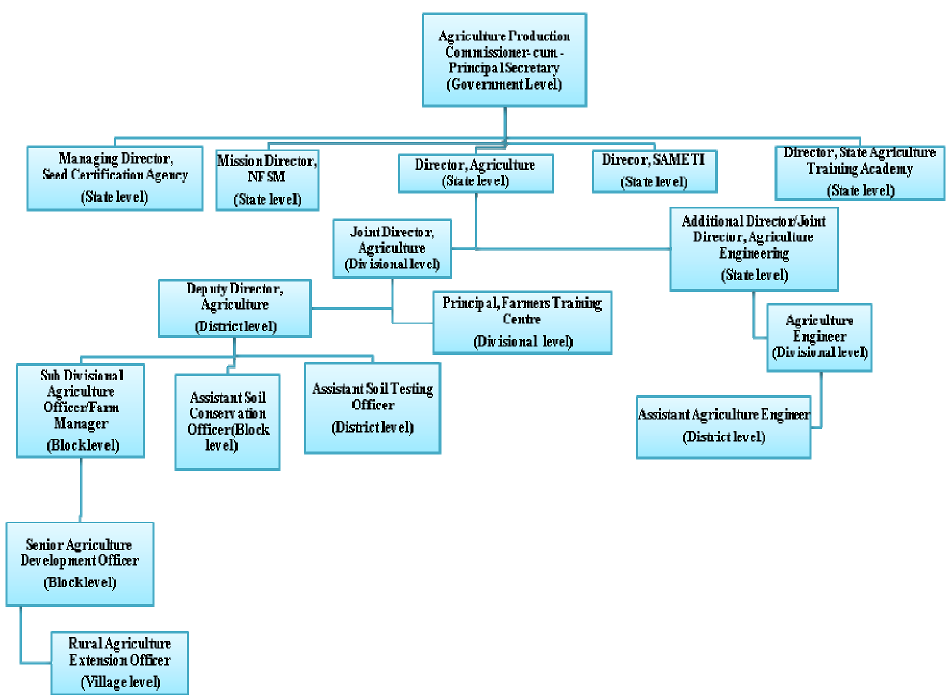
Chhattisgarh is an agro-based State with gross cropped area of 47.60 lakh hectares (29.79 *per cent*) which includes 13.23 lakh hectares irrigated area. More than 80 *per cent* of total population of the state is dependent on Agriculture and the major crop of the State is Paddy. The objective of the department is to increase production and productivity of all crops through introduction of latest varieties of seeds, soil and water management, expansion of minor irrigation sources, farm mechanization, dissemination of latest technology among the cultivators, promotion of organic farming, ensuring availability of quality inputs and to train the personnel. To achieve the above objectives, the department implemented 23 State-Plan Schemes and 11 Central and Centrally Sponsored Schemes ***(Appendix-3.1).***

The state of Chhattisgarh has been honoured by GoI with "*Krishi Karman*" Award for the exemplary work of supporting farmers of the State and achieving its highest ever production of Paddy during 2010-11.

3.2 Organisational Set-up

The Agriculture wing falls under the Agriculture department and functions under the Principal Secretary at State level, who is the Chief Controlling Officer of the Agriculture department. Director, Agriculture wing and Mission Director, NFSM are the functional heads at state level. The Director, Agriculture is assisted by Joint Directors, Agriculture (JDA) at Divisional level, Deputy Directors, Agriculture (DDA) at district level and the Agriculture engineers at Divisional level assisted by Assistant Agriculture Engineer at district level. Organizational set-up to execute the agricultural activities from the top Government level to down the village level is given below:

Chart-1-Organisational Set-up of Agriculture Wing



3.3 Audit Objectives

The audit objectives were to assess the efficiency and effectiveness of the Department in achieving the targets and to assess whether:

- implementation of schemes and input management by the Department were efficient, effective and economical and dovetailing of schemes/programmes was done wherever feasible,
- the Planning and Financial Management of the Department was effective,
- the manpower management was effective and inventory controls were in place and;
- the internal control mechanism including internal audit, administrative and operational controls were in place and effective

3.4 Audit Coverage and Methodology

The Directorate and subordinate field offices in six districts[1] were selected for test check using the Simple Random Sampling without Replacement (SRSWOR) method considering the expenditure criteria incurred in the district during 2009-10. Entry conference was held (April 2011) with the Principal Secretary, Agriculture department in which audit methodology, objective and coverage were discussed. Records of Directorate of Agriculture and 47 DDOs at district and block level were test checked. An exit conference was held (November 2011) with the Principal Secretary of the department to discuss the audit observations. The results of the discussion have been incorporated in the report at appropriate places.

3.5 Scope of CCO based audit

The Chief Controlling Officer (CCO) based audit of Agriculture wing of the Agriculture department was conducted from February to July 2011 by test check of the records of 48 out of 119 DDOs of the State covering the period 2007-08 to 2010-11. Various aspects including planning, management of funds, implementation of various schemes, farm mechanization and internal control were covered in the audit of the Agriculture wing of the Department.

3.6 General findings of Audit

3.6.1 Planning

Scheme wise annual action plans for the state as well as district level were prepared on the basis of ceilings of expenditure fixed in the guidelines of Government of India (GoI) and State Government under various schemes. Physical and financial targets under each scheme were fixed at the directorate level, keeping in view the priorities fixed by GoI and State Government. Eleventh five year plan was also prepared by the State Government for increasing the area and production of crops in the State on the basis of achievement made in Tenth Plan (2006-07 as base year). For Eleventh plan it

[1] Ambikapur, Bilaspur, Jagdalpur, Janjgir- Champa, Kabirdham and Raipur

is targeted to increase the area, production and productivity of Paddy by one *per cent*, 31 *per cent* and 133 *per cent* respectively in Kharif season. For pulses and oilseeds an increase of 30 and 60 *per cent* area and 58 *per cent* and 101 *per cent* in production is targeted respectively. The year wise targets and achievements for increase in area and production of major crops in the State during 2007-10, reported by the Directorate were as under:

Table 1 : Details of year wise Target and achievement with respect to area and production of major crops during 2007-11

(Area in lakh hectare)

Crop	Area as per X[th] Plan (2006-07)	Target of Area to be achieved by the end of XI[th] Plan (2011-12)	Target and achievement of Area under cultivation (Kharif + Rabi)							
			2007-08		*2008-09*		*2009-10*		*2010-11*	
			T	*A*	*T*	*A*	*T*	*A*	*T*	*A*
Cereals	*41.83*	41.90	40.90	41.78	41.11	42.11	41.18	40.91	*41.45*	*41.91*
Of which **paddy**	*37.39*	*37.15*	*36.20*	*37.30*	*36.85*	*37.87*	*36.63*	*36.07*	*37.83*	*37.43*
Pulses	12.95	16.20	14.71	13.80	14.42	12.51	14.38	12.12	15.20	12.61
Oil seeds	6.04	7.80	8.13	6.57	6.81	6.15	6.81	6.11	7.24	6.28

(Production in lakh MT)

Crop	Production as per X[th] Plan (2006-07)	Target of production to be achieved by the end of XI[th] Plan (2011-12)	Target and achievement of Production (Kharif + Rabi)							
			2007-08		*2008-09*		*2009-10*		*2010-11*	
			T	*A*	*T*	*A*	*T*	*A*	*T*	*A*
Cereals	59.20	77.93	76.29	65.55	70.86	65.38	68.93	57.99	*73.80*	*71.05*
of which Paddy	*55.12*	*70.94*	*70.75*	*60.53*	*65.29*	*60.22*	*62.75*	*52.65*	*66.48*	*64.97*
Pulses	6.63	11.06	9.75	7.66	10.14	7.23	9.12	7.84	*9.95*	*8.25*
Oil seeds	3.07	5.64	4.81	3.71	5.35	4.01	4.66	4.00	*5.18*	*4.47*

(Source: Information provided by the Directorate of Agriculture)
T= Target, A= Achievement

Chart- 2 Area under crops during 2006-11

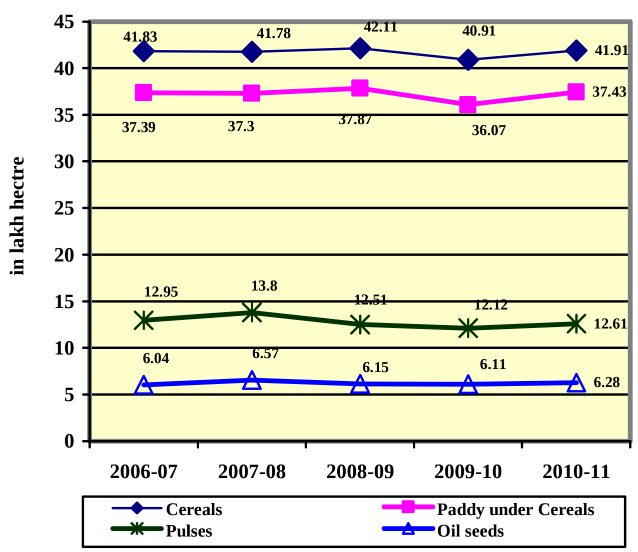
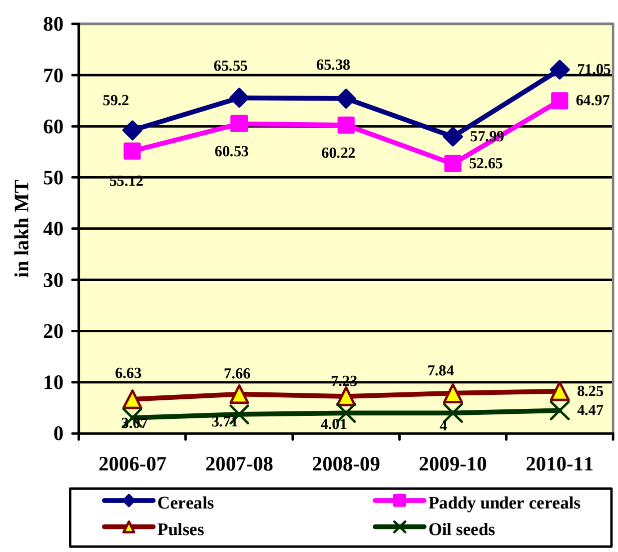


Chart-3-Production of crops during 2006-11



From the above chart, it can be seen that

- the area of Cereals and Oilseeds increased during the period while area of Pulses decreased
- the production of Cereals, Pulses and Oilseeds increased during the period.
- in respect of paddy both the area and production increased in the state.

It indicates that, even though there was increase in the production, the department could achieve 18 *per cent* in Paddy, 24 *per cent* in Pulses and 46 *per cent* in Oilseeds respectively upto 2010-11 which were far behind the target of 31, 58 and 101 *per cent* respectively to be achieved in Kharif season by 2011-12. Further, it is noteworthy to mention that at the time of preparation of 11th Plan, the two major schemes i.e. *Rashtriya Krishi Vikas Yojana* (RKVY) and National Food Security Mission (NFSM) were not in existence. These schemes were launched in 2007-08 on which huge funds were provided by the Government of India to increase the area and production of crops.

During scrutiny of plan documents of various schemes in the directorate, it was also noticed that some components/activities under Macro Management of Agriculture (MMA), RKVY, Integrated Scheme of Pulses, Oilseeds and Maize (ISOPOM) and NFSM were found to have overlapped as discussed in succeeding paragraphs. Scheme wise components which were included in more than one scheme are given in ***Appendix-3.2.***

3.6.2 Overlapping of activities under RKVY and MMA scheme due to improper planning

Activities of RKVY and MMA overlapped due to non-compliance of GoI guidelines.

A State Level Sanctioning Committee (SLSC) was constituted under RKVY which was responsible for sanctioning the projects under Stream-I of the RKVY and to ensure that no duplication of efforts or resources takes place. Government of India (GoI) further advised (June 2010) the State Government to ensure that there would be no duplication/overlapping of activities/areas covered under RKVY stream-I projects vis-à-vis existing schemes of Central or State Government.

During scrutiny of records of the schemes in the Directorate and the test checked Districts, it was observed that various agricultural equipments/machineries like tractors, power tillers, power operated/driven agricultural implements etc., were distributed both under MMA and RKVY in contravention of provisions of guidelines issued by GoI. This was despite the fact that the assistance for farm equipments asked for under MMA was entirely granted by GOI and therefore funds from RKVY ought not to have been used for providing such assistance.

Details of assistance given to the farmers on Agricultural implements/ machinery under MMA as well as under RKVY in the State as a whole are given below:

Table 2: Assistance given on agricultural implements

Name of equipments	MMA		RKVY	
	Number	Assistance paid (₹ in crore)	Number	Assistance paid (₹ in crore)
Tractor	311	0.83	428	1.92
Power Tiller	766	3.45	810	3.65
Power driven implements	1682	1.68	2099	2.10

(Source: Yearly Progress Reports of schemes)

The above status of distribution of agricultural implements and machines both under MMA and RKVY indicated that SLSC overlooked the guidelines while sanctioning the State Agriculture Plan under RKVY.

The Government accepted (November 2011) the audit observation in the exit conference and intimated that due to non-availability of adequate funds under MMA, the funds from RKVY were utilized.

The reply is not acceptable as the assistance under MMA was sanctioned as per the requirements submitted by the State Government.

3.6.3 Overlapping in implementation of NFSM and ISOPOM due to improper planning

ISOPOM- Pulse ran parallely in the NFSM-Pulse districts due to non-compliance of GoI guidelines.

Guidelines of NFSM provide (2007-08) that the pulse component of ISOPOM will be ceased and discontinued in the districts identified under NFSM (pulses).

During scrutiny of records of Directorate and test-checked districts, it was noticed that funds amounting to ₹ 6.53 crore were released during 2007-10 under ISOPOM (pulses) in the districts which were selected for the same components under NFSM-pulses.

Thus, due to failure of the department to comply with the GoI guidelines, ISOPOM–Pulse and NFSM –Pulse ran parallely during 2007-08 to 2009-10 in same areas and for same components ***(Appendix-3.3)***.

The Government stated (November 2011) that though the same were undertaken in both the schemes, but the components were different.

Reply is not acceptable as the funds for the same components such as purchase of breeder seed, production and distribution of foundation and certified seeds, integrated pest management, plant protection chemicals, micronutrients, organizing farmers' field school, etc., were released both under ISOPOM and NFSM in the same district.

Further, it was observed that despite operating both the schemes, production of pulses decreased from 586.73 thousand tons in 2007-08 to 584.81 thousand tons in 2009-10 in these districts.

3.7 Financial Management

3.7.1 Budget and expenditure

The Department is drawing funds through Grant nos.13, 41, 45, 54 and 64 under major heads 2401, 2402, 4401, 4402 and 2702. Details of budget provision and expenditure during 2007-11 are shown below:

Table 3: Details of Budget provision and Expenditure

Year		Budget provision (₹*in crore*)	Budget Released (₹*in crore*)	Short Release (₹*in crore*)	Actual Expenditure (₹*in crore*)	Percentage of short release	Percentage of short utilisation
2007-08	Centre	134.38	53.66	80.72	52.18	60	3
	State	167.80	167.80	Nil	153.94	0	8
2008-09	Centre	201.86	132.46	69.40	129.53	34	2
	State	214.43	214.43	Nil	193.62	0	10
2009-10	Centre	233.96	154.07	79.89	132.06	34	14
	State	280.10	280.10	Nil	259.77	0	7
2010-11	Centre	476.42	416.39	56.03	399.41	13	4
	State	390.68	390.68	Nil	316.66	0	19

(Source: Information furnished by the Department)

The above table shows that there was short release of funds against budget provision made by the State in respect of GoI grants and the shortfall ranged between 13 and 60 *per cent* during 2007-11.

The percentage of shortfall in utilisation of the released funds ranged between two and 14 *per cent* in respect of GoI funds and seven and 19 *per cent* in respect of State funds.

It was noticed that the short releases were mainly under ISOPOM (₹27.79 crore), MMA (₹36.44 crore), RKVY (₹116.21 crore) and the short utilisation was due to savings mainly in pay and allowances (₹96.33 crore).

Government stated (November 2011) in the exit conference that the reasons for savings were due to non-release of funds by GoI as per budget provision, release of funds at the fag end of the financial year in some cases and non-filling of vacant posts.

Failure to use of funds and lack of initiative to fill up the vacancies every year despite budget provision indicate lack of adequate action on the part of the department to utilize the available funds.

Apart from the above, the GOI released (2007-11) funds amounting to ₹117.66 crore directly to the Mission Director, NFSM of which expenditure of ₹ 104.36 crore was incurred.

3.7.2 Adjustment of Temporary advances not carried out

Huge amount of temporary advance of ₹ 8.36 crore were outstanding for adjustment due to lack of effective control over the utilisation of advance

Chhattisgarh State Financial code provides that temporary advance should be adjusted within three months from the grant of advance. Scrutiny of records of test checked districts revealed that temporary advance of ₹ 9.30 crore were given by the DDAs and Assistant Soil Conservation Officer (ASCO) of the test-checked districts to their subordinate officials during 2006-11 for distribution of assistance to the farmers and for organizing various training programmes. However, it was observed that an amount of ₹ 8.36[2]crore was outstanding for adjustment for three months to five years ***(Appendix-3.4).*** Thus, lack of effective control over the timely adjustment of the advances by the department led to non adjustment of the advances for considerable time.

[2] Ambikapur -₹ 4.62 crore, Jagdalpur- ₹ 1.22 crore, Bilaspur- ₹ 1.06crore, Raipur -₹ 0.94 crore, Janjgir - ₹ 0.35 crore, Kabirdham -₹ 0.17 crore

The Government has issued (January 2012) directions to stop the release of advances till further orders.

3.7.3 Cash Management

Rule 284 (1) of Chhattisgarh State Treasury code provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. Further, as per the instructions issued (August 2005) by the State Finance and Planning Department, any payment exceeding ₹ 2000 should be made through Bank draft/cheque.

Scrutiny revealed that in five[3] out of the six test checked DDAs, an amount of ₹ 55.61 crore were drawn from the treasury through bills prepared on CGTC-76 (permanent advance) on Simple Receipt (SR) proforma during 2007-11 and deposited in the scheme bank accounts. Subsequently, the amounts were withdrawn from the bank accounts and paid to the subordinate officers in cash exceeding ₹ 2000 in each case for making payment of assistance to the farmers, for organizing training, purchase of seeds for Government Farms and other purposes under various schemes. The procedure so adopted was violation of Chhattisgarh treasury rule. Further, as the amounts drawn through SR bills were shown as final expenditure in the cash book, no adjustment vouchers were submitted to Treasury.

During exit conference the Principal Secretary directed (November 2011) the Director, Agriculture to look into the matter and take immediate remedial action.

3.7.4 Adjustment of detailed countersigned contingent bills

As per Rule 313 of the Chhattisgarh Treasury Code, every drawing officer has to certify in each Abstract Contingent (AC) bill, that Detailed Countersigned Contingent (DC) bills for all contingent charges drawn by him prior to the first of the current month have been submitted to the respective Controlling Officers for countersignature and transmission to the Accountant General (A&E).

AC bills of ₹ 4.15 crore were pending for adjustment due to lack of timely action by the DDOs for adjustment of advances.

Scrutiny of records of ASCOs, Raipur, Kabirdham, Jagdalpur, Kondagaon and information collected from ASCO, Baloda Bazaar revealed that an amount of ₹19.24 crore was drawn on AC bills for construction of MITs during June 2006 to March 2011 out of which AC bills amounting to ₹ 15.10 crore were adjusted while an amount of ₹ 4.15 crore (including *cent per cent* advances of ₹ 1.51 crore and ₹ 0.59 crore drawn on AC bills by the ASCO, Jagdalpur and Kabirdham respectively) were pending for adjustment with controlling officer (***Appendix-3.5).*** The DDA, Kabirdham stated that the bills were pending for want of physical verification of work executed, whereas other DDAs did not specify any reasons for pendency of DC bills.

During exit conference the Government directed (November 2011) the Director, Agriculture to take immediate action for adjustment of AC bills and to recover the advance from the concerned officials in case of non-submission of DC bills.

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[3] Ambikapur- ₹ 1.81crore , Bilaspur - ₹ 17.14 crore, Janjgir-Champa - ₹ 4.94 crore, Jagdalpur- ₹ 20.75 crore and Raipur - ₹ 10.97 crore

3.7.5 Irregular payment of income tax on the interest accrued.

As per NFSM guidelines, a separate bank account should be opened to deposit the NFSM funds received from GOI. Accordingly, a joint account in the name of Mission Director (MD) NFSM and Director, Agriculture was opened.

Due to deposit of NFSM scheme funds in the account of SAMETI, the department had to pay income tax of ₹ 54.16 lakh on the interest earned

It was noticed that the funds received from GoI under NFSM and RKVY were deposited in the savings account of Director, SAMETI instead of depositing in Director, NFSM account. The income from interest accrued on the funds deposited in the accounts of SAMETI was ₹ 1.62 crore which was treated as income of SAMETI by the Income Tax Department. Accordingly, income tax of ₹ 54.16 lakh (₹ 17.14 lakh deducted by bank as Tax Deducted at Source and ₹ 37.02 lakh deposited as self assessment tax) was paid by Director, SAMETI during the financial years 2007-08 to 2009-10. Had the amount been deposited in the NFSM account as per the scheme guidelines, the payment of the income tax could have been avoided and the amount could have been utilized for NFSM activities.

The Government intimated (November 2011) in the exit conference that the matter was taken up with the Income tax authorities and the same was rejected. The position was also intimated to GoI.

The reply is not acceptable as the interest earned on the deposit of scheme funds in the bank can not be treated as income of the SAMETI. Hence, the Income tax was not payable. This indicates lack of financial control on the part of financial controlling officer of the Directorate.

3.7.6 Delay in deposit of Government revenue in the Treasury

Rule 7 (1) of Chhattisgarh Treasury code provides that revenue received for crediting into consolidated fund of the State should be deposited into Government account immediately as and when it is received.

Test- check of records of Agriculture Engineer, Raipur (AE) revealed that ₹ 17.58 lakh was received against the rent of tractors and dozers from the various farm and non farm works but these receipts were deposited into the treasury with delay of two to 11 months. Thus, the receipts were lying out of Government account for a substantial period in gross violation of financial rules indicating improper monitoring by the DDO and lack of internal control over the field functionaries.

3.8 Scheme implementation

3.8.1 Area and Production of various crops

For increasing the production of crops, the department implemented various schemes such as NFSM, ISOPOM, MMA, RKVY, Minor irrigation, farm mechanization, etc. The targeted and actual area and production of major crops in the State during 2007-08 to 2010-11 are as follows.

Table 4: Details of achievement with respect to targeted area and production of major crops during 2006-11

(Area in 'thousand hectare; Production in thousand MT)

Crops	2006-07		2007-08				2008-09				2009-10				2010-11			
	Area	*Production*	*Area*		*Production*		*Area*		*Production*		*Area*		*Production*		*Area*		*Production*	
	A	*A*	*T*	*A*	*T*	*A*	*T*	*A*	*T*	*A*	*T*	*A*	*T*	*A*	*T*	*A*	*T*	*A*
			KHARIF															
Cereals[4]	3849	5326	3716	3831	6992	5866	3763	3856	6419	5772	3783	3751	6175	5226	3787	3823	6440	6210
Paddy	3573	5092	3450	3568	6666	5566	3520	3610	6111	5477	3537	3519	5836	4955	3633	3572	6094	5857
Pulses[5]	431	155	522	444	404	174	495	436	305	187	495	415	230	192	505	409	253	193
Oil seeds	310	202	410	332	327	248	351	328	299	268	344	326	289	256	360	355	314	298
Total	**8163**	**10775**	**4648**	**4608**	**7723**	**6288**	**4609**	**4622**	**7023**	**6227**	**4622**	**4494**	**6695**	**5674**	**4652**	**4587**	**7027**	**6701**
RABI																		
Cereals	334	594	374	347	637	689	348	355	667	766	335	290	718	573	358	368	840	895
Paddy	166	421	170	162	409	487	165	170	418	545	125	88	439	310	150	170	555	640
Pulses	864	508	948	935	570	592	947	813	709	535	943	797	682	590	1015	852	742	632
Oil seeds	294	106	402	325	154	123	330	286	236	133	337	285	176	144	364	273	204	149
Total	**1658**	**1629**	**1724**	**1607**	**1361**	**1404**	**1625**	**1454**	**1612**	**1434**	**1615**	**1372**	**1576**	**1307**	**1737**	**1493**	**1786**	**1676**

(Source: Information provided by the Directorate of Agriculture)

T= Target, A= Achievement

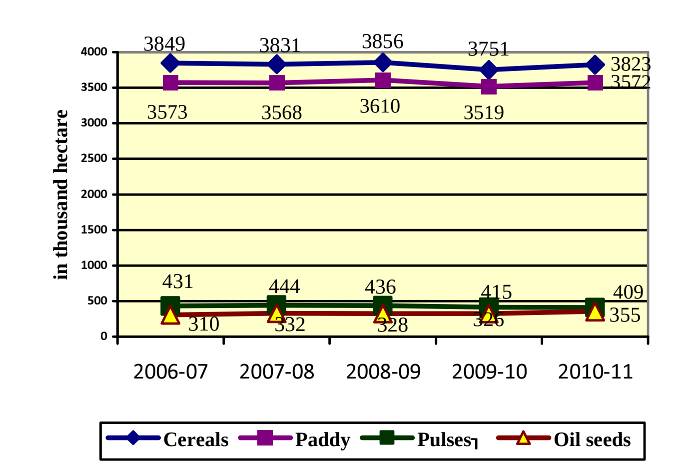

Chart-4-Area of crops in Kharif Season

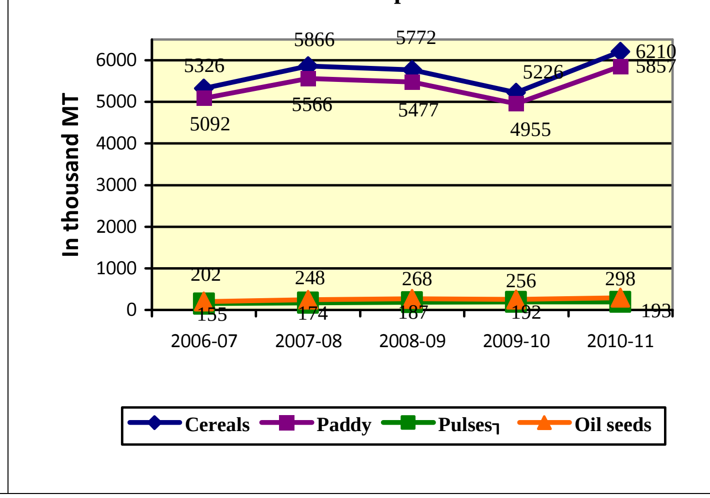

Chart-5-Production of crops in Kharif Season

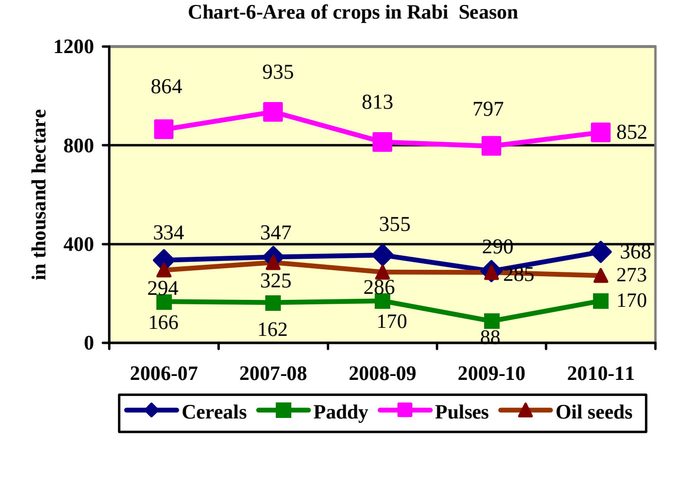

Chart-6-Area of crops in Rabi Season

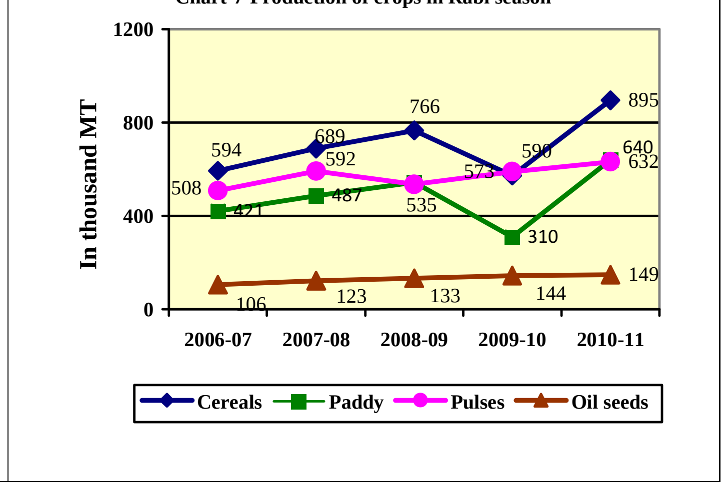

Chart-7-Production of crops in Rabi season

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[4] It includes paddy

[5] It excludes Lithyris (Tiwda) which is not included in National Pulse Programme

From the above it can be seen that:

Against target[6] for increasing area of Paddy by one *per cent* and production by 31 *per cent* in Kharif season during 2007-12, the area decreased marginally by 0.03 *per cent* and production increased by only 15 *per cent* by 2010-11.

Against target for increasing area of Pulses by 30 *per cent* and production by 58 *per cent* during 2007-12, the area decreased by three *per cent* and production increased by 24 *per cent* by 2010-11.

Against target for increasing area of oilseeds by 60 *per cent* and production by 101 *per cent* during 2007-12, the area increased by four *per cent* and production increased by 46 *per cent* by 2010-11.

This indicates that target for increasing area and production of various crops could not be achieved till 2011 and there is remote possibility of achieving the targets by 2012.

The State has achieved yield of 1640 Kg/ha in Kharif season during 2010-11 in respect of Paddy. As compared to the yield of adjoining six states the yield of the State was more than the estimated yield of Odisha, Jharkhand and Madhya Pradesh but was less than the estimated yield of Maharashtra, Uttar Pradesh and Andhra Pradesh as estimated by Directorate of Economics and Statistics, Department of Agriculture and Cooperation, GoI.

During test-check of implementation of the schemes, various deficiencies were noticed as discussed below:

(1) Impact of NFSM

National Food Security Mission (NFSM), a centrally sponsored scheme, was launched in 2007-08 by the GoI. The objectives of the schemes were to increase the production of pulses by two million tons and rice by 10 million tons by the end of Eleventh-Five year Plan (2011-12) by GoI.

Under the scheme, 10[7] districts under NFSM-Rice and eight[8] districts under NFSM (Pulses) of Chhattisgarh state were selected by GoI. The department of Agriculture, Government of Chhattisgarh had committed to contribute the production of Rice and Pulses by two million tons up to 2011-12. Achievements of production targets of Rice and Pulses in the NFSM districts were as under:

Table 5: Details of area, production and yield under NFSM

__A__= Area in thousand ha; __P__-Production in thousand tons __Y__- yields in Kg/Ha.

Year	NFSM –Pulses			NFSM-Rice		
	A	P	Y	A	P	Y
2006-07 (Base year)	964.85	514.52	533	2190.74	3096.98	1414
2007-08	1019.93	586.73	575	2161.97	3103.34	1435
2008-09	946.82	572.59	605	2126.32	3306.72	1555
2009-10	875.22	584.81	668	2238.20	3917.90	1750

(Source: Information provided by the Directorate of NFSM and Land records)
Figures for 2010-11 Not available

It can be observed from the above table that production of pulses and rice which was 3611.50 thousand tons in base year (2006-07), increased to

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[6] Source : The target fixed by the state Government in Annual Plan

[7] Dantewada, Janjgir- champa, Jashpur, Kawardha, Korba, Koriya, Raigarh, Rajnandgaon, Raipur and Surguja

[8] Bilaspur, Durg, Jashpur, Kawardha, Raigarh, Raipur, Rajnandgaon and Surguja

The department could achieve only 44.56 *per cent* of the target of production of Rice and pulses under NFSM by the end of 2010

4502.71 thousand tons at the end of 2009-10. Increase in production during 2007-10 was 891.21 thousand tons (0.891 million tons) against the targeted increase of production of two million tons for the plan period. While the State had 44.56[9] *per cent* growth in production in Paddy and Pulses between the three year period 2007-08 to 2009-10, the achievement of target of two million tons by the end of plan period 2007-12 is less likely to be achieved.

In this context it is significant to know that the department has not fixed any annual targets in order to reach the two million tons by the end of the period 2007-12. Further, failure in achievement of target, as analysed by audit, is also attributable to short purchase of breeder seeds of high yield varieties and failure to promote the latest varieties of seeds for demonstration, less coverage of area under pulses and late sowing of pulse crops in rabi season.

The Government stated (November 2011) in the exit conference that the failure in achievement of target of production was due to non-availability of latest high yield variety seeds and drought situation in some blocks in the State.

Thus, despite incurring an expenditure of ₹104.36 crore under the scheme, the department could increase production by only 0.89 million tons in three years. Considering the pace of existing production there is remote possibility of achieving the committed contribution of two million tons by 2011-12.

(2) Impact of ISOPOM

With a view to increase the production and productivity of oil seeds, pulses and maize, the Integrated Scheme of Oil Seeds, Pulses and Maize (ISOPOM) was implemented in the State from the year 2004-05.

The details of Net Sown area and production of Pulses, Oil seeds and Maize in the state are as follows:

Table 6: Details of production and productivity of crops in the State

(Area in '000 ha and production in '000 MT)

Particulars	Pulses				Oilseeds				Maize			
	2007-08	2008-09	2009-10	2010-11	2007-08	2008-09	2009-10	2010-11	2007-08	2008-09	2009-10	2010-11
Net sown area	1379.65	1250.55	1211.91	1308.45	656.92	614.04	611.79	649.72	184.68	179.67	186.79	201.31
Total production	766.05	722.31	782.69	876.56	371.52	401.88	400.79	454.59	285.80	285.11	270.54	359.29
Productivity in Kg/ ha.	555	578	646	670	566	654	655	700	1548	1587	1448	1785
permissible range of productivity	800 to 2500 kg/ha[10]				400 to 2500 kg/ha[11]				2500 to 5500 kg/ha			

(Source: Information provided by the Directorate of Agriculture)

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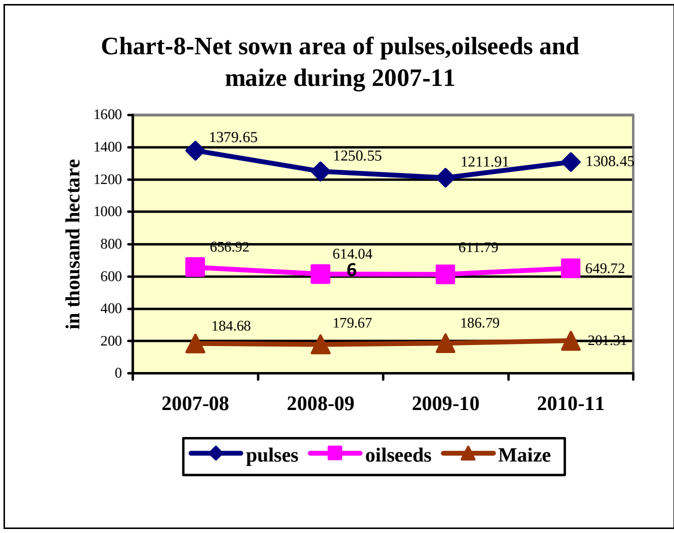
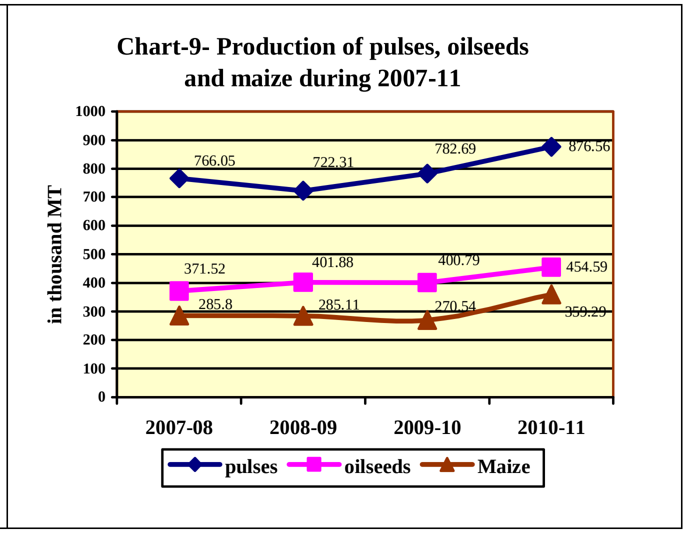
9 (891.2x100/2000)=44.56 per cent

10 Pulses - Moong/Udad- 8 to 15 quintals, Gram- 10 to 22 quintals, Aarhar 10 to 28 quintals, Masur- 7 to 18 quintals and Pea- 12 to 18 quintals per hectare.

11 Oil seeds – Soyabean- 18 to 25 quintals, Groundnut – 12 to 22 quintals, Til- 5 to 8 quintals, Ramtil- 4 to 8 quintals, Alsi 10 to 14 quintals and Mustard – 15 to 22 quintals per hectare





From the above table it can be seen that production and productivity of pulses in the State increased by 14.43 *per cent* and 20.72 *per cent*, respectively during 2007-11 but productivity remained between 555 to 670 Kg/ha which was less than the permissible range[12] of productivity of 800-2500 Kg/ha. In respect of oilseeds the production and productivity has increased by 22.36 and 23.67 *per cent* respectively but the productivity ranged between 566 and 700 kg/ha which was on the lower side of the permissible range of 400 to 2500 kg/ha. Similarly, the production and productivity of Maize increased by 20.45 and 15.31 *per cent* respectively and the productivity ranged between 1448 and 1785 kg/ha which was far behind the minimum permissible range of 2500-5500 Kg/ha.

The yield of 654 Kg/ha in the State in respect of Pulses during 2010-11 was more than the estimated yield of Odisha and Jharkhand but was less than other four states. The yield of 711 Kg/ha of the State in respect of Oilseeds during 2010-11 was more than the estimated yield of Odisha but was less than the other five states.

The Department could not achieve the objective of increasing productivity and diversification of pulse and oil seed crops, despite incurring an expenditure of ₹ 53.80 crore under ISOPOM in the test-checked districts during 2007-11.

The Government stated (November 2011) in the exit conference that the non-achievement of target of production was due to non-availability of latest high yield variety seeds and drought situation in some blocks in the State.

The reply was unacceptable because it was the responsibility of the Department to arrange supply of high yielding variety seeds to the farmers and to promote other good agricultural practices like crop rotation and use of early variety of paddy.

12 Source: Book " Krishi Digdarshika" published by the Department

3.8.2 Performance of schemes for production and distribution of Seeds

With a view to provide quality seeds of various crops to the farmers, the Government established 17 agriculture farms in the State for functioning on no profit-no loss basis. These farms were provided with technical guidance, latest agricultural implements, irrigation facilities, fertilizers and inputs. However, due to poor performance of Government agriculture farms, the desired quantity of foundation seeds could not be produced as discussed below:

3.8.2.1 Performance of Government Agriculture Farms

To assess the performance of the Government agriculture farms, records of four farms were test-checked. The targets and achievements of production of foundation seeds in three out of four test checked farms during 2008-09 to 2010-11 are shown below:

Table 7: Year wise details of target and production of foundation seeds

Name of the farm	Year	Target of production (in quintals)	Actual production (in quintals)	Shortfall in production (*per cent)*
Government Agriculture Farm, Gariyaband, Raipur	2008-09	1209	579.80	630 (52)
	2009-10	1445	904.28	540.72 (37)
	2010-11	1448	583.80	864.20 (60)
Government Agriculture Farm, Chalta Sitapur, Surguja	2008-09	444	282.66	161.34 (36)
	2009-10	697.40	339.66	357.74 (51)
	2010-11	515.80	225.50	290.30 (56)
Government Agriculture Farm, Sisal, Bilaspur	2008-09	134.00	77.80	56.20(42)
	2009-10	493.0	159.20	332.80(68)
	2010-11	406.00	96.80	309.20(76)
Government Agriculture farm, Ragja, Janjgir	2008-09	1550	1314	236(15)
	2009-10	1555	1325	230(15)
	2010-11	1555	1333	222(14)

(Source: information provided by the respective agricultural farms)
NA:- Not available

It was observed that despite providing technical guidance, latest agricultural implements, irrigation facilities, fertilizers and inputs as per recommended doses, the production of foundation seeds from breeder seeds ranged between 24 and 66 *per cent* except in the Government Agriculture farm, Ragja where the percentage of production ranged between 85 and 86.

Government agriculture farms could not achieve the target of production of foundation seeds and also incurred a loss of ₹ 10.11 lakh due to improper storage and transportation

Further scrutiny of farm produce of Government Agriculture farm, Gariyaband revealed that though 2480 quintals of paddy and 113.98 quintals of wheat seeds were produced during 2007-08 to 2010-11 in the farm, 997 quintals (40 *per cent*) and 12.77 quintals (11 *per cent*) of foundation seeds of paddy and wheat respectively were found unfit for seed production and were sold as food grains at market rates resulting in loss of ₹ 10.11 lakh.

In the exit conference (November 2011) the Government instructed the Director, Agriculture to review the performance of all the Agriculture Farms and take necessary steps for enhancing the production of seeds in the farms.

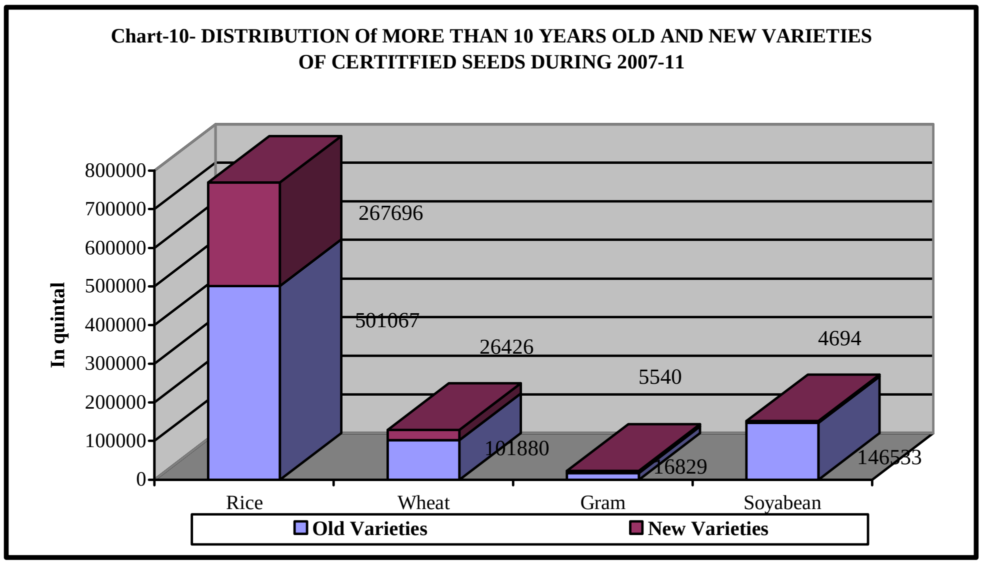
3.8.2.2 Failure in dissemination of improved and latest varieties of seeds

The GoI provides Central assistance to States to encourage them for distribution of certified seed varieties not older than 10 years. We observed that the Government has been consistently distributing seed varieties older than 10 years and, simultaneously, seeking relaxation from GoI to avail Central assistance. This indicated that, while GoI has been releasing Central assistance to the States in a manner contrary to its own guidelines, the Department has been less than serious in achieving the objectives of the scheme.

The department failed to disseminate the latest variety seeds and sought relaxation every year to use old variety seeds.

It was noticed that during 2007-11, total distribution of certified seeds viz, Paddy, Wheat, Gram and Soyabean was 107067 tons. Out of these, 76632[13] tons (72 *per cent*) of the certified seeds distributed were 12 to 33 years old varieties (as of 2007). Though GoI had notified 328 new seed varieties of these crops during 2001 to 2008, however, only 30435 tons (28 *per cent*) of these new varieties of seeds were distributed by the Department.

The details of distribution of foundation and certified seeds during 2007-11 are shown below:



It may be seen from the above chart that the department distributed only 35, 21, 25 and four *per cent* of new variety seeds in respect of Rice, Wheat, Gram and Soyabean respectively.

The Government stated (November 2011) in the exit conference that three new varieties of seeds were introduced this year and efforts would be made to introduce some more varieties of seeds in future.

The reply indicates that the Department did not make adequate efforts to provide the latest varieties of seeds to the farmers and instead sought relaxation every year from GoI from using the latest variety seeds.

3.8.2.3 Under procurement of breeder seeds (Pulses and Oil seeds)

(a) Government of India guidelines envisaged the use of quality seeds of improved varieties as one of the means for increasing productivity. For this, the breeder seeds were required for producing the foundation and certified seeds.

[13] 34179 tons-10 to 15 years; 11741 tons- 16 to 25 years; 28575 tons- 26 to 30 years; 2137 tons- beyond 30 years

The position of purchase of breeder seeds, production of foundation and certified seeds of pulses under NFSM are as below:

The department could not achieve the targeted production of foundation and certified seeds under both NFSM and ISOPOM

Table 8: Details of breeder, foundation and certified seeds of pulses

(Quantity in quintals)

Year	Purchase of Breeder Seeds		Production of foundation and certified seeds	
	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)
2007-08	245	52.46 (21)	2450	2310.70 (94)
2008-09	1060	175.97 (17)	62587.50	22121.52 (35)
2009-10	590	137.72 (23)	16251	8023 (49)
2010-11	280	90.26 (32)	13000	2760.66 (21)
Total	**2175**	**456.41 (21)**	**94288.5**	**35215.88 (37)**

(Source: Information provided by the Directorate of Agriculture)

It would be seen from the above table that the Mission Director, NFSM failed to procure targeted quantity of breeder seeds and to achieve the targets of production of foundation and certified seeds.

(b) Similarly, to increase the production and productivity of oil seeds, pulses and maize, breeder seeds of latest high yield varieties were to be purchased for producing Foundation and Certified seeds under ISOPOM.

State-wise targets and achievements of procurement of breeder seeds, production of foundation/certified seeds and distribution of certified seeds during 2006-10 are as detailed below:

Table 9: Details of breeder, foundation and certified seeds under ISOPOM during 2006-2010

(Quantity in Quintal)

Seeds	Pulses		Oil Seeds		Maize	
	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)
Purchase of Breeder seeds	640	516.86 (81)	1485	1036.60 (70)	61.70	7.32 (12)
Production of Foundation Seed	9600	1447.72 (15)	18350	4423.49 (24)	1660	246.08 (15)
Production of Certified Seed	24700	13193.41 (53)	89000	105730.04(118)	3985	3287.77 (83)
Distribution of Certified Seed	34700	15071.80 (43)	223000	193598.80 (87)	2327	1416.37 (61)

(Source: Information provided by the Directorate of Agriculture)

The year wise details of production and distribution of seeds are given in the ***Appendix-3.6.*** It was noticed that purchase of breeder seeds for pulses was made to the extent 81 *per cent* and production of certified seeds of oilseeds and Maize was good. However, the achievement in respect of production of foundation seeds was between 15 and 24 *per cent* of the target despite providing various facilities such as irrigation, pesticides and other agricultural implements, etc to the State Agriculture farms.

The Government stated (November 2011) in the exit conference that required quantity of breeder seeds could not be procured due to short supply of these seeds by the GoI. As regards the short production of foundation and certified seeds, the Government agreed to review the same.

3.8.2.4 Ineffective field demonstrations

Demonstration is an effective tool for dissemination of improved technologies. Extension functionaries were required to closely supervise the demonstration, the results of which were to be compiled and compared with the controlled plots to assess the impact. As per the guidelines of schemes, new varieties/ hybrids were to be invariably incorporated for demonstration.

Scrutiny of records of Director revealed that an amount of ₹ 3.59 crore was spent on 19960 field demonstrations in the fields of farmers under ISOPOM, ICDP and NFSM during 2007-11. It was further noticed that more than 50 *per cent* seeds, purchased from Beej Nigam and distributed for demonstrations, were 12 to 33 years old (as of 2007). The purpose of the demonstration was therefore not served as the farmers were already familiar with older varieties of seeds.

Apart from this, mini kits, meant for introduction and popularization of latest released varieties and their propagation among the farmers, were to be distributed among the farmers. However, it was observed that 1,36,640 mini kits of various crops containing old variety seeds costing ₹ 2.08 crore were also procured by the DDAs under *Harit Kranti* during 2010-11 and distributed to farmers.

As compared to the performance of the controlled plots in the test checked area, the performance of plots where demonstration was conducted was better as the production was six to 57 *per cent* higher in these areas. However, the government needs to ensure availability of newer varieties of seeds for demonstration.

3.8.3 Soil and water conservation and irrigation facilities

The major portion of cropped area (72 *per cent*) of the state is rain fed. For providing irrigation, the Department undertakes construction of ponds, minor irrigation tanks (MIT), check dams and tubewells under various schemes. The Department could provide irrigation facilities for 13.23 lakh ha (28 *per cent*) of the gross cropped area of 47.60 lakh ha. upto March 2011. The deficiencies noticed in providing irrigation facilities and water conservation are detailed below:

3.8.3.1 Foreclosure of Watershed projects

The watershed project includes soil and moisture conservation measures like construction of check dams, water harvesting structures, desilting of village ponds, treatment of drainage lines/ gullies, land leveling, bunding of farms, treatment of problem soils, agro-forestry, agri-horticulture, silvi-pasture, organic farming, use of bio-fertilizers, etc. Watershed based interventions lead to increase in groundwater recharge, increase in number of wells and water bodies, enhancement of cropping intensity, changes in cropping pattern, and higher yields of crops and reduction in soil losses.

Failure of the department to mobilize funds from NREGA and other schemes resulted in projects worth ₹2.24 crore remained incomplete

In view of the increase in the cost norms of watershed projects from ₹ 6000/ha to ₹ 12000/ha with effect from April 2008, GoI directed (July 2009) the State Government to take up only those works under MMA which are nearing completion. Accordingly, Director, Agriculture instructed that only one project may be taken up in one block and remaining projects were to be completed through NREGA. Accordingly the demand was required to be raised by the ASCOs for completion of the incomplete projects under NREGA.

Scrutiny of records of ASCOs in the test checked districts revealed that out of total 50 sanctioned/ongoing projects in the 11th Five year plan (2007-12), 19 projects (Gariaband-5, Ambikapur-7, Bilaspur-7) were closed after three years by ASCOs in 2009-10 on which an expenditure of ₹ 2.24 crore had already been incurred. The ASCOs failed to take timely action to complete the watershed projects by raising demand of funds from Zila Panchayat under NREGA scheme.

The Government stated (November 2011) in the exit conference that instructions would be issued to all the DDAs to take necessary steps for raising the demand of funds from Zilla Panchayats under NREGA to complete the works. It was further stated that funding from RKVY may also be considered as an alternative source for completion of these works and explanation of ASCOs/DDAs will be called for non-submission of proposal of funds for completion of these projects under NREGA.

3.8.3.2 Minor Irrigation Tanks (MITs) not transferred to user groups/ Panchayats

As per the instructions issued by the Government, the MITs constructed were to be handed over to the user group/Gram Panchayats for irrigation and regular maintenance.

The department did not take timely action to transfer them to user groups/ panchayats

During scrutiny of records of 10 ASCOs in the test-checked districts and further information collected from four ASCOs, it was noticed that only 343 of the 356 MITs sanctioned were reported to have been completed by ASCOs. However out of these, 202 MITs valuing ₹ 29.44 crore were not handed over to the Gram Panchayats and user groups even after lapse of one to five years ***(Appendix-3.7)***.

The Government intimated (November 2011) that 66 more MITs have since been transferred to Panchayats and handing over of remaining MITs is in progress.

Thus, due to inaction on the part of the department to transfer the MITs to user groups/panchayats, neither use of available water resources nor maintenance of MITs could be ensured.

3.8.4 Promotion of farm mechanization

Farm power is an essential input to agriculture for timely field operations for operating different types of farm equipment. Productivity of the farm depends considerably on the availability of farm power coupled with efficient farm implements and their judicious utilization. Further, audit scrutiny revealed instances of irregular payment of assistance as discussed below:

3.8.4.1 Irregular payment of assistance on Tractors and Tractor driven implements.

As per para-4(b) of RKVY guidelines, assistance is provided for purchase of agriculture implements and machinery for enhancing farm productivity. However, it was specifically provided in the RKVY guidelines that tractors were not covered under the scheme for providing assistance.

Scrutiny of records of Directorate and test-checked districts revealed that in total disregard to the provisions laid down in para 4(b) of RKVY guidelines, assistance amounting to ₹ 1.92 crore (₹ 45000 per farmer) was released to 428 farmers in the State for purchase of tractors in 2010-11.

Assistance of ₹ 1.92 crore on purchase of tractors was paid irregularly from RKVY funds in violation of GoI guidelines

Further scrutiny of records of three out of six test-checked districts revealed that assistance of ₹ 1.00 crore (DDA, Raipur ₹ 0.43 crore, DDA, Janjgir ₹ 0.42 crore and DDA, Jagdalpur ₹ 0.15 crore) was sanctioned during 2007-11 to the farmers for purchase of Tractor driven equipments/implements such as rotavators, seed drills, cultivators, etc. without ensuring the availability of Tractor with the beneficiary.

The Government accepted (November 2011) these audit observations in the exit conference and assured that necessary corrective actions shall be taken.

3.8.4.2 Irregular payment of assistance for purchase of implements

As per the guidelines of RKVY the assistance may be provided for strengthening of various existing schemes implemented by the State Government. However, the permissible limit for assistance under the existing schemes under MMA as fixed by GoI was to be adhered to by the Government while providing assistance under RKVY.

Assistance paid on agriculture implements over the maximum prescribed permissible limit from GoI funds

Scrutiny of records of test-checked districts as well as Director, Agriculture revealed that the entire assistance to the beneficiaries was paid from RKVY and the State did not contribute its share under MMA, as stipulated. This led to irregular payment of assistance of ₹ 3.78 crore from RKVY ***(Appendix-3.8)*** during 2010-11.

The Government stated (November 2011) in the exit conference that due to inadequate budget provision in the State budget (2010-11), the assistance of the State share was paid from RKVY.

The reply is not acceptable as the GoI fixed the maximum amount of assistance for the agricultural implements under RKVY and the same were also approved (May 2010) by SLSC but the assistance was paid over maximum limit prescribed and that too from the GoI funds.

3.8.5 Organic farming

The imbalanced use of fertilizers is hazardous to human as well as soil health. To encourage use of organic fertilizer, Government is providing assistance under RKVY for production of vermi compost.

Distribution of vermi beds without ensuring supply of essential components

As per RKVY guidelines, an assistance of 75 *per cent* of maximum unit cost subject to the cost of unit not being more than ₹4000, which included cost of vermi beds, worms, cow dung, leaves/grass/water and bed covers, was to be provided to farmers on purchase of portable vermi compost unit.

It was noticed in the five test-checked districts that 5035 portable vermi beds involving ₹ 1.51 crore (Raipur ₹ 0.08 crore, Jagdalpur ₹ 0.33 crore, Janjgir ₹ 0.62 crore, Bilaspur ₹ 0.33 crore and Ambikapur ₹ 0.15 crore) were distributed to the farmers through Beej Nigam without ensuring the supply of essential components for production of vermi compost such as bed covers, worms and cow dung etc, which were necessary for the production of vermi compost. No records are being maintained on verification done with respect to the availability of these essential components with the beneficiary farmers.

The Government accepted (November 2011) the audit observation in the exit conference and stated that the matter will be reviewed. It was further intimated that distribution of portable vermi beds has since been discontinued.

3.8.6 Distribution of quality seeds, fertilizers and pesticides

For ensuring the distribution of quality seeds, fertilizers and pesticides the Department established seed and fertilizer testing laboratories in the State. The Senior Agriculture Development Officers (SADOs) were responsible for collection of samples of fertilizers and Seed Inspectors of the seed testing laboratories were responsible for collection of samples of seeds.

3.8.6.1 Targets for collection of samples not achieved

Distribution of quality seeds could not be ascertained to short collection of samples of seeds by Seed inspectors/SADOs

To ensure availability of good quality inputs, the State Government has established one seed laboratory and one fertilizer and pesticides laboratory at Raipur. As per the targets fixed, inspectors/SADOs were required to take 9495 and 9320 samples of seeds and fertilizers respectively during 2008-11. Against these, 3669 samples of seeds and 6970 samples of fertilizers were drawn by the inspectors, resulting in shortfall in achievement by 61 *per cent* in seeds and 25 *per cent* in fertilizers.

Thus, due to failure on the part of the SADOs and the Inspectors of Chhattisgarh State Seed Certification Institute to collect the targeted samples of fertilizers and seeds, the quality of seeds and fertilizers distributed to the farmers could not be ascertained.

The Government stated (November 2011) in the exit conference that reply would be given after reviewing the reasons for not collecting the targeted samples by the field functionaries. Reply of Government is awaited (February 2012.

3.8.6.2 Distribution of sub-standard fertilizers to farmers

Fertilizers and insecticides were distributed without receipt of test report resulting in distribution of 2801.30 MT substandard fertilizers and 5569.20 liters of substandard insecticides.

As per provisions of Fertilizers Control Order 1986 issued by the Government of India, sample of a fertilizer drawn by the Inspectors was to be sent to laboratory for analysis. The samples were to be analyzed in the laboratory and the analysis reports were to be forwarded within 30 days. Thereafter, the results were to be communicated within 15 days to the dealer/manufacturer from whom the sample was drawn. In such cases, where samples were found sub-standard, DDA had the power to seize the stock and suspend/cancel the certificate of the dealer.

During test check of records of six selected DDAs, it was noticed that during 2007-11, out of 3588 samples of fertilizer tested in laboratory, 212 samples (six *per cent*) involving 2801.30 MT of fertilizer were found to be sub-standard. Similarly, out of 625 samples of insecticides tested, 38 samples (six *per cent*) containing 5569.20 liters were found sub-standard. However, the whole quantity of fertilizers and insecticides were distributed before receipt of the laboratory report. Thus, due to supply and distribution of fertilizers without waiting for the outcome of testing, the basic purpose of collection and analysis of samples for ensuring distribution of quality inputs to the farmers could not be fulfilled.

The Government agreed (November 2011) with the audit observation in the exit conference and stated that necessary measures would be taken to test the fertilizers before distribution.

3.8.6.3 Performance of Soil Testing Laboratories

The objective of establishing the soil testing laboratory was to test the nature of soil and micro nutrients available in the soil and to recommend the balanced and integrated use of fertilizers/micro nutrients for increasing agricultural production.

It was observed in the four test-checked laboratories that the laboratories were conducting tests upto 79 *per cent* (162329 samples received and 128624 analysed). This indicates that the testing laboratories are functioning well.

3.8.7 Training

Training plays a vital role in development of the skills of the staff and farmers regarding use of fertilizers and pesticides/insecticides, high yield varieties of seeds and newly introduced techniques of farming and agricultural equipments.

3.8.7.1 Functioning of Agriculture Training Academy

With a view to improve the capacity building of field workers of the Department, Chhattisgarh State Agriculture Training Academy was established at Raipur in the year 2005-06 with a set up of 22 posts. However, 12 posts of the sanctioned were filled up and no training was imparted up to March 2011.

The Department stated (November 2011) in the exit conference that a proposal for closing the Academy and post the staff of Academy in SAMETI has been submitted to the Government.

Thus, despite incurring expenditure of ₹1.28 crore, the purpose of establishing the Academy was not fulfilled. Further, the Academy was established without assessing the requirements.

3.8.7.2 Failure of SAMETI to utilize full working days for training

SAMETI though established for imparting training, could utilize only 226 working days in four years against the available working days of 270 days in a year

State Agriculture Management Extension and Training Institute (SAMETI), a registered society, was formed on 17 August 2006 by the Government for imparting training to Agriculture department personnel. Since the staff set-up of SAMETI was not finalized, the services of faculty members of Agriculture Training Academy were utilized for imparting training.

Scrutiny of records of SAMETI revealed that full working days (270 working days in a year) were not being utilized for imparting training to RAEOs and other departmental officials. It was observed that only 226 working days in four years were utilized for imparting trainings and the training days ranged between 31 and 87 in a year during 2007-11.

The Government intimated (November 2011) in the exit conference that staff set-up has not yet been sanctioned by the Government. Due to shortage of staff, training could not be imparted for full working days of the year.

The reply indicates that SAMETI was established without any planning and due to which, the complete working days for imparting training could not be utilized.

3.8.7.3 Underutilization of Manpower in FTC.

Farmers Training Centers (FTC) were set up for imparting training to farmers on various aspects of agriculture farming. Farmers who attended the training were to be provided scholarship of ₹10 per day.

Scrutiny of records of three FTCs (Ambikapur, Jagdalpur and Raipur) revealed that 14 technical staff conducted 190 training sessions per year as detailed below:

Table 10: Details of staff posted in FTC and training session conducted

Name of FTC	Total staff posted		Target of training sessions per year	Mandays utilized in imparting training	Total expenditure during 2007-08 to 2010-11 (₹ in lakh)	
	Technical	Non-technical			Scholarship to farmers	Pay & Allowances
FTC, Raipur	06	05	10 (5 days per session)	300 (10x5x6)	1.05	87.50
FTC, Jagdalpur	02	06	10 (5 days per session)	100 (10x5x2) 50 (5x5x2)	1.15	65.84
FTC, Ambikapur	06	05	50 (1 day) 20 (2 days)	300(50x1x6) 240(20x2x6)	1.46	39.37
TOTAL	**14**	**16**	**190**	**990**	**3.66**	**192.71**

Failure of the department to provide the adequate funds, the FTCs could not utilize the manpower for full working days

The above table reveals that as against the available 3380[14] man days for imparting trainings, only 990 man days were utilized by the FTCs per year due to fixation of the target on the lower side by the Department. Further, it was observed that due to inadequate provision of funds for trainings, the manpower could not be utilized for full working days even after incurring expenditure of ₹ 1.93 crore on the salaries of the staff deployed in these FTCs during 2007-11. Since the department had huge savings, it could have allotted required funds to FTCs for optimum use of staff.

The Government stated (November 2011) in the exit conference that scheme funds for training purpose would be provided to all the FTCs to utilize their services.

Thus, due to failure of the department to monitor the functioning of the FTC, the services of the staff deployed in FTC could not be fully utilized and the purpose of establishing the FTCs also remained unfulfilled.

3.8.8 Human Resource Management

For effective functioning of the Department, performing the extension services, implementation of the schemes and for monitoring the activities a proper management of available personnel is necessary. However, deficiencies in human resource management were noticed in audit as discussed below:

3.8.8.1 Inadequate field staff strength

Government has sanctioned the staff strength at each level in the Department and the position of staff in the department as on 31 March 2011 was as under:

[14] 270 days X 14 = 3380 mandays

Table 11: Details of sanctioned and men-in-position in Agriculture wing of the Department

Category	Sanctioned Strength	Men-in-position	Shortage (*per cent*)
Class-I (Director, JDAs and DDAs)	66	51	15 (23)
Class-II (ADAs, SDOs)	244	123	121 (50)
Class-III(SADOs/RAEOs and clerical staff)	6225	3911	2314 (37)
Class-IV (Peons)	628	513	115 (18)
Total	**7163**	**4598**	**2565 (36)**

The above table shows that only 64 *per cent* posts were filled. Further, as per norms, one RAEO for every 1000 farmer families was required to be posted. However, it was noticed that one RAEO was posted for 1582 farmers[15] in the state.

Thus, due to shortage of RAEOs, the provision of extension services viz. distribution of implements, collection of samples of soil, analysis of results of demonstrations, training and monitoring, etc. were adversely affected.

The Government intimated (November 2011) in the exit conference that recruitment for vacant posts is under process.

3.8.8.2 Injudicious attachment of Staff

Despite shortage of staff the department attached staff injudiciously with other departments

Scrutiny of records of five test checked districts revealed that ten officials were attached to other departments and their pay and allowances were being drawn by the agriculture department. Expenditure incurred on pay and allowances of these attached staff amounted to ₹ 82.02 lakh during the period 2000-11. Since the Department is facing acute shortage of staff, the attachment of the staff with other departments was injudicious ***(Appendix-3.9).***This resulted in further shortage of staff, thereby affecting the implementation and monitoring of the various agricultural schemes.

The Government stated (November 2011) in the exit conference that the matter will be reviewed and action will be taken.

3.8.9 Inventory Control and Stores Management

Neither physical verification nor store and stock account was prepared by the Engineering wing of the department

A sound store management system involves planning of purchases as per requirement, efficient procurement, timely distribution, proper accounting and physical custody of the available inventory.

3.8.9.1 Maintenance of Store and Stock Accounts

Various agriculture implements and equipments are supplied by Beej Nigam on the basis of supply order of the Department for distribution to farmers. Similarly, the Engineering wing of the department also purchases tractors, dozers, machines, spare parts and tractor driven implements etc. for demonstration and for providing the equipments on hire.

Rule 126 and 133 of Financial code Volume-I lays down that the physical verification of stores and stock, such as equipment, machinery, tools etc. should be ensured once in a year by the head of the office through any designated officer and store and stock account of the stores available in the department should be maintained.

[15] Total No. of Farmers--3255062/ No. of RAEOs--2058 = 1582

During scrutiny of records of 48 DDOs in the selected districts, it was noticed that neither annual physical verification of stores was conducted nor the stock accounts were prepared by the 16 DDOs including three Engineering wings of the department during the period 2007-08 to 2010-11.

During the exit conference (November 2011) the Government advised the Additional Director (Finance) to look into the matter and to ensure the compliance of store purchase rules and maintenance of store and stock account every year.

3.8.9.2 Distribution of Agricultural implements/equipments

Agriculture implements valuing ₹ 1.08 crore were lying undistributed

The assistance to the farmers for the purchase of agricultural equipments/implements and inputs were released to the Nodal Agency and as per the order of Nodal Agency, supply of the equipments/implements and inputs were made by the firms to the office of SADOs for distributing them among the authorized beneficiaries/farmers. However, scrutiny of records of SADOs in test checked districts revealed that the implements valuing ₹ 1.08 crore (***Appendix-3.10***) supplied to SADOs for distribution were lying undistributed (March 2011).

The Government agreed (November 2011) with the audit observation in the exit conference and instructed the Director, Agriculture to collect the status of implements lying undistributed in the stock of SADOs and to find out the reasons for purchase and non-distribution of these items.

The reply indicates that equipments were procured without obtaining the requirement from the farmers.

3.8.10 Internal Audit

Lack of internal audit

Internal Control is an integral component of an organization’s management processes which are established in order to provide reasonable assurance that the operations are carried out effectively and efficiently.

Periodic inspection by the departmental officers is an important and effective tool with the management to ensure compliance of rules, procedures, statutory provisions of guidelines and for proper implementation of the schemes. For carrying out periodical audit in the department, an Internal Audit (IA) wing was established at the Directorate under the supervision of Additional Director (Finance) at state level and Joint Director (JD) at divisional level.

During test check of records in the Directorate, it was noticed that out of 173 offices, only 109 (63 *per cent*) inspections were carried out during 2007-11 as per the roster of inspection. Further details of internal audit conducted by four divisional offices are as detailed below:

Table-12: Details of units audited by IA wing at Division Level

Name of the Office	No of auditors /sub-auditors posted in Joint Directors office	No of Units to be audited	No of units audited	Shortfall	Percentage of shortfall
JDA, Ambikapur	NIL	21	NIL	21	100
JDA, Jagdalpur	08	91	9	82	90
JDA, Raipur	08	84	22	62	74
JDA, Bilaspur	08	136	62	74	54
Total	**24**	**332**	**93**	**239**	

(Information provided by the Joint Directors, Agriculture)

Despite availability of adequate staff, the department could conduct only 28 *per cent* of targeted inspections

The above table indicates that only 28 *per cent* inspections were carried out during 2007-11 by the JD offices.

The Government agreed (November 2011) with the audit observation in the exit conference and stated that steps would be taken to complete the audit of all field offices by the end of the financial year by deploying additional staff in the IA wing.

The reply is not tenable in view of the fact that even though 14 auditors and 15 sub-auditors were posted against the sanctioned strength of 17 auditors and 16 sub auditors, the Department failed to cover the units as per target of inspection.

3.8.11 Monitoring and Evaluation

Systematic, result-oriented and intensified field monitoring is essential to assess the impact and the implementation of the schemes as per guidelines.

3.8.11.1 Lack of monitoring over implementation of schemes

Due to non-formation of PMT adequate monitoring of implementation of NFSM could not be done

As per guidelines of NFSM, a Project Management Team (PMT) consisting of one consultant and four Technical Assistants (TAs) in NFSM Rice districts and one consultant and two TAs in NFSM pulses districts to assist in the implementation and monitoring of the NFSM schemes was to be constituted. The PMT was responsible to co-ordinate with various line departments in the Centre/ State/ Districts to achieve the targets.

Test check of records of Director, NFSM and selected districts revealed that against the total requirement of 18 PMTs[16] (18 consultants and 56 TAs)[17], only one complete PMT was constituted for NFSM-Rice in Raipur district and in other districts (Korea, Kabirdham, Raigarh and Jashpur), the PMT was formed with only one or two technical assistants. Due to non-formation of PMTs, the assistance of consultants and technical assistants in implementation and monitoring of the scheme could not be availed.

The Government stated (November 2011) in the exit conference that due to non-availability of desired qualified personnel in the existing pay scale, PMT could not be formed. It was further stated that a proposal for upgrading the pay scale of consultants and technical assistants has been sent to GoI.

[16] NFSM Rice- 10 and NFSM Pulses-08

[17] one consultant and four technical assistants each for 10 districts of NFSM-Rice and one consultant and two technical assistants each for eight NFSM-Pulse districts

Further, due to inadequate monitoring by the department some serious financial irregularities were noticed by audit and the same are discussed below:

Excess payment of ₹ 7.68 crore was made on purchase of micronutrients due to non-compliance of GoI guidelines

(a) Excess Payment of assistance on distribution of micronutrients

NFSM guidelines provided that assistance at the rate of ₹ 500 per ha or 50 *per cent* of the cost of micronutrients and assistance of ₹ 750 per ha or 50 *per cent* of cost of Integrated Pest Management (IPM), whichever is less was payable.

Scrutiny of records of DDA Janjgir-Champa, Ambikapur and Bilaspur revealed that DDAs had purchased micro nutrients amounting to ₹ 20.91 crore from MARKFED during 2007-10 on which an amount of ₹ 7.79 crore was payable as assistance portion to MARKFED by the DDAs and the remaining ₹ 7.68 crore was to be paid to MARKFED by collecting from the farmers. However, it was noticed that an amount of ₹ 15.47 crore was paid to MARKFED as against the payable amount of ₹ 7.79 crore. Thus, ₹ 7.68 crore was paid in excess of limit to MARKFED. Moreover, the farmers' share amounting to ₹ 3.33 crore was also not collected by DDA, Ambikapur.

Further, it was also noticed that 13870 Kgs of micronutrients valuing ₹ 60.66 lakh procured by DDA, Ambikapur during 2009-10 for distribution to farmers were lying undistributed in the godowns of SADOs. The non-distribution of procured micronutrients reflects that procurement was done without assessing the requirement which led to blockage of government fund of ₹ 60.66 lakh.

The Government stated (November 2011) in the exit conference that a departmental enquiry has been instituted against the erstwhile DDA, Ambikapur and similar action will be taken against the DDAs wherever such irregularity has occurred.

(b) Irregular procurement of Bentonate Sulphur

Bentonate sulphur costing ₹ 70.42 lakh was irregularly procured as micronutrient

As per approved list of micronutrients, Sulphur was not to be distributed as micronutrient. However, it was noticed in DDA Ambikapur and Bilaspur, that Bentonate Sulphur (BS) (90 *per cent*) was procured at a cost of ₹ 70.42 lakh through MARKFED during 2008-10 and distributed to farmers. Since BS was not to be distributed to farmers, the purchase and distribution of the same was unwarranted. Thus, the expenditure of ₹ 70.42 lakh was irregular.

The Government stated (November 2011) in the exit conference that GoI has allowed the use of BS as micronutrient. Reply is not acceptable as no proof of its categorization as micronutrient was made available to audit.

(c) Excess payment on Portable vermi compost bed

Excess payment of ₹ 24.75 lakh was made on purchase of portable vermi compost beds in violation of GoI guidelines

As per RKVY guidelines, 75 *per cent* assistance of unit cost was payable on purchase of High Density Polyethelene (HDPE) portable vermi compost unit to beneficiaries and the balance amount was to be borne by the beneficiaries.

Scrutiny of records of DDA Janjgir (2050), Ambikapur (550) and Bilaspur (1100) revealed that a total of 3700 units of HDPE vermi compost beds worth ₹ 1.15 crore (₹ 3108 per bed) were provided to farmers through Beej Nigam during the period 2009-11 on which assistance of ₹ 3000 per unit was paid instead of paying ₹ 2331 (75 *per cent* of 3108). This led to excess payment of assistance of ₹ 24.75 lakh (3000-2331=669 x 3700 units) on purchase of HDPE portable vermi compost beds.

On being pointed out, the DDAs stated that as the unit cost of portable vermi compost unit, including other essential items was ₹ 4000. The remaining cost of worms and labour which is equivalent to ₹ 892 (₹ 4000 *minus* ₹ 3108), was to be borne by the farmers and their bills have to be submitted by the farmers.

Reply is not acceptable as the assistance at the rate of ₹ 2331 (75 *per cent* of ₹ 3108) per vermi bed was payable against which ₹ 3000 was paid. This led to excess payment of ₹ 24.75 lakh. Further, no expenditure was incurred for supply of worms and no proof of production of vermi compost was produced to Audit.

The Government while accepting the audit observation intimated (November 2011) in the exit conference that the matter will be reviewed. It was further stated that the distribution of portable vermi compost units have since been discontinued

The reply indicates that the scheme was implemented without properly assessing the feasibility of production of vermi compost through portable vermi compost units.

(d) Irregular sanction of assistance under Shakambari Scheme

Assistance on digging of tubewells under Shakhambari scheme was sanctioned without ensuring growing of vegetables by the farmers

With a view to create their own irrigation resources for small, marginal and other category farmers having 0.5 acres or more land, the State Government launched *Shakhambari* scheme. Under the scheme, Diesel/Electric/Kerosene pumps upto five HP were to be distributed, preferably to the farmers who were growing vegetables in their fields. Maximum assistance of ₹ 16875 (75 *per cent* of the unit cost ₹ 22500) on the purchase of pumps and ₹ 25200 (50 *per cent* of unit cost of ₹ 50400) on digging of tubewells were to be given.

Scrutiny of records of test-checked DDAs revealed that assistance amounting to ₹ 27.10 crore was sanctioned to 22113 farmers during 2007-11 on purchase of pump sets and digging of tubewells without ensuring that the farmers were growing vegetables in their fields, as no information was available in the application forms submitted by the beneficiaries. Further, after distribution of assistance to the farmers, no physical verification was done by the DDAs to ascertain the growing of vegetables by the farmers.

Further test check of records of four DDAs, Ambikapur, Bilaspur, Jagdalpur and Janjgir-champa and information collected revealed that 10619 kerosene pumps, out of 21657 pumps, were sanctioned during 2009-11 in the State without assessing the availability of required quantity of kerosene to the farmers. As only three liters of kerosene per ration card would be available through public distribution system, the Department did not ascertain the viability of using kerosene pumps with such a meager quantity of kerosene oil.

The Government stated (November 2011) in the exit conference that sanctioning process of assistance would be reviewed and necessary modifications in the application form will be made to include the basic requirement necessary for sanctioning the assistance.

(e) Inadmissible payment of assistance on production of wheat seeds

Under Krishak Samagra Vikas Yojna (KSVY), assistance of ₹ 300 per quintal on Seed Production and ₹ 200 per quintal on seed distribution were payable to the farmers. The assistance was payable only on paddy.

However, scrutiny of records of DDA, Jagdalpur, Kabirdham, Ambikapur and Bilaspur revealed that assistance of ₹ 1.32 crore on production of 43916.90 quintals and ₹ 51.80 lakh on distribution of 2590.35 quintals of wheat seeds was paid irregularly to the farmers through Beej Nigam during 2009-11.

The Government while accepting (November 2011) the audit observation in the exit conference stated that action will be taken against the erring officials and stated that letter has been issued to the concerned DDAs for adjustment of inadmissible payment from the payment of assistance on paddy in coming years.

(f) Idling of seed grading machines

Seed grading machines were purchased without assessing the requirement and availability of infrastructure

With a view to strengthen the Government farms in the State, the department purchased (June 2008) six[18] Seed grading machines through Beej Nigam at the rate of ₹ 14.35 lakh. The grading capacity of each of the machines was three MT per hour. Scrutiny of records of Chalta Sitapur farm in Ambikapur revealed that the annual production of seeds of various crops ranged between 200 and 254 quintals during 2007-11 which shows that the grading machines were utilized upto 10 hours per year for which the Department had incurred an idle investment of ₹ 18.35 lakh (₹ 14.35 lakh on machines; ₹ four lakh on construction of shed).

Further, test check at Chorbhatti in Bilaspur and information collected from Bhanwarmara in Rajnandgaon revealed that the grading machines valuing ₹ 28.70 lakh procured in June 2008 were lying idle due to lack of electric connection. Despite non-utilisation of the available grading machine at Chorbhatti at Bilaspur, another mobile grading machine was received from Dharampura farm and the same was also lying idle since 2008-09 as shown in the picture below:

Mobile grading machine lying idle outside at Chorbhatti, Bilalspur

Thus, purchase of seed grading machines without assessing the production of seeds and the required infrastructure and failure of the Department to monitor the use of available grading machines resulted in idling of grading machines valuing ₹ 53.55 lakh.

[18] Ambikapur-1, Bilaspur-1, Raipur-2, Rajnandgaon-1 and Raigarh-1

In the exit conference (November 2011) the Government instructed the Director, Agriculture to review the status and utilization of the available grading machines in the farms.

Farmers' share of ₹ 98.88 lakh against the distribution of implements were not collected by RAEOs and deposited with the SADOs

(g) Farmers' share not collected by the RAEOs

The Department distributes the implements/inputs through Chhattisgarh Seed and Agriculture Corporation (Beej Nigam) and Chhattisgarh Marketing Federation (MARKFED). The Rural Agriculture Extension Officers (RAEOs) distribute the implements to farmers and collect the farmers' share and deposit it with the Senior Agriculture Development Officers (SADOs) who were responsible to transfer the amount to these agencies.

Scrutiny of records of 19 SADOs in test-checked districts revealed that inputs/implements were issued to the RAEOs for distribution to the farmers of villages which come under their jurisdiction. After distribution of implements/inputs, the amount of farmers' share was to be deposited in the SADOs office. However, the farmers' share amounting to ₹ 98.88 lakh[19] was not collected and deposited by the RAEOs with the SADOs during 2007-11.

The Government informed (November 2011) in the exit conference that necessary instructions have since been issued (November 2011) to RAEOs to deposit the outstanding amount of farmers' share.

This indicates lack of monitoring over the distribution of implements/inputs by the SADOs. Moreover, in view of non-collection of farmer's share and non-submission of supporting documents with respect to distribution of implements by RAEOs, the actual distribution of implements to beneficiaries could not be ascertained.

3.8.11.2 Status of Departmental Inquiry cases

During test-check of records of Director, Joint Directors and Deputy Directors in the selected districts, it was noticed that large number of cases were pending for disposal. The details of cases pending as on 31 March 2011 are as follows:

Table 13 : Details of inquiry cases pending for settlement

Name of Office	Court cases	Departmental enquiry	Pension cases	Compassionate appointment	Total
Directorate, Raipur	01	03 (NA)	--	13 (2010)	17
DDA, Raipur	01	01 (2010)	--	--	02
DDA, Kabirdham	--	07 (2007-08)	--	--	07
JDA, Jagdalpur	--	01 (2009)	--	--	01
DDA, Jagdalpur	10	04 (2003)	--	--	14
DDA, Janjgir	1	01 (2011)	02 (NA)	--	03
DDA, Ambikapur	15	02	12	--	29
DDA Bilaspur	-	15	2	--	17
Total	**28**	**34**	**15**	**13**	**90**

The above table shows that four cases of departmental inquiry were pending for last seven years and seven cases were pending for the last four years. This shows lack of monitoring and absence of timely action on the part of the department to ensure speedy disposal of these pending cases.

[19] Ambikapur -₹ 33.10 lakh, Bilaspur- ₹ 1.98 lakh, Jagdalpur- ₹ 5.73 lakh, Janjgir - ₹ 52.54 lakh, Kabirdham -₹ 2.38 lakh, Raipur - ₹ 3.15 lakh.

The Government stated (November 2011) in the exit conference that pending enquiry cases in the department would be reviewed and instructions will be issued to concerned officials for early disposal of pending cases.

3.8.11.3 Lack of response to audit observations

Audit observations made by the Accountant General on serious financial and other irregularities, which could not be settled during local audit are communicated to the head of the office and next higher authority through inspection reports (IRs).

It was observed that 142 IRs containing 515 paragraphs covering the period from 1996 to 2010 were pending for compliance at the end of March 2011. This indicates that the department failed to ensure timely compliance on pending audit paragraphs.

The Government stated (November 2011) in the exit conference that the pending paras of inspection report will be discussed by organizing Audit Committee Meetings regularly.

3.8.11.4 Concurrent Evaluation

The NFSM envisaged conducting of concurrent evaluation by State Statistics Department every year. However, no evaluation to assess the performance of the scheme was done. The Director, NFSM replied (April 2011) that the correspondence (December 2009) with the Economics and Statistics Department was done but no reply was received from the Department.

3.9. Other points of interest

3.9.1 State Land Use Board

The State Land Use Board (SLUB) was launched in 1983 with the objective to prevent conversion of agriculture land to non-agriculture land and to identify non-agricultural land for its development for non-agricultural purposes within the state. The Board was established (December 2004) under the chairmanship of the Chief Minister with Ministers and Secretaries of the concerned departments as members.

For operation of the activities of SLUB, a Nucleus cell of five posts was sanctioned (April 2008) headed by Joint Director, Agriculture. It was noticed by audit that the net sown area (agriculture land) decreased from 4721929 hectare in the year 2007 to 4696542 hectare in the year 2011 i.e. agricultural land decreased by 25387 hectare and no action was taken by the Board to prevent it**.** Although an expenditure of ₹ 18.76 lakh was incurred on pay and allowances of the members of the cell during 2009-11, the Cell failed to prevent the conversion of Agricultural land for other purposes and the objective of establishment of SLUB in the State has been defeated.

On being pointed out, the Joint Director, SLUB stated that due to non availability of staff and infrastructure, no work was carried out. However, six meetings were held and it was decided to collect information from Land records, Commerce and Industry and Town and Country planning departments.

The Government stated (November 2011) in the exit conference that the matter will be taken up with the Board members.

3.9.2 Implementation of the 'Shallow tube well scheme' without any guidelines.

With the aim to provide assured irrigation facility to the fields near the banks of the rivers, the State Level Sanctioning Committee (SLSC) had approved (December 2008) "Shallow Tube well scheme" under RKVY. According to the scheme, assistance of ₹ 5000 was to be given on digging of shallow tubewells (upto 50 feet) on the banks of rivers. Also assistance of ₹ 15000 was to be provided for installation of pumps. However, Government had not issued any specific guidelines for implementation of the scheme with regard to selection of farmers, distance of tubewell from the river bed, maximum depth of the well and capacity of pumps to be installed.

During scrutiny of records of Directorate and selected districts, it was noticed that in the absence of any specific guidelines, the tubewells were drilled near the ponds, canals and 100 m to 1000 m away from the banks of the rivers with a depth ranging between 60 and 110 feet. This shows lack of uniformity in implementation of scheme in various districts. The department also released assistance of ₹ 8.82 crore for digging of shallow tubewell to 4458 farmers. Thus, introduction of the scheme by the department without any specific guidelines led to lack of uniformity in its implementation.

The Government accepted (November 2011) the audit observation in the exit conference and stated that all the schemes undertaken under RKVY would be reviewed and specific guidelines would be issued.

3.10. Conclusion

Even though the production of paddy, pulses and oil seeds has increased during 2007-11, the target set for production could not be achieved due to short purchase of breeder and latest high yielding variety seeds, poor performance of Government agriculture farms, under utilization of manpower for imparting training to farmers, distribution of substandard fertilizers and field demonstrations with older varieties etc. Failure to comply with the scheme guidelines and improper monitoring led to excess and irregular payment of assistance, pending advances with the officials and assets such as minor irrigation tanks etc not having been transferred to user groups /Panchayats for usage and maintenance.

There was an overlap in planning same activities under different schemes and year wise target for increasing production of cereals, pulses and oil seeds were not fixed under NFSM. The prescribed departmental inspections were not carried out at any level. Thus while the internal control and monitoring system was not satisfactory, Internal Audit was inadequate and ineffective.

Thus, the goals to increase the production and productivity of Paddy, Pulses and Oil seeds could not be achieved to the extent envisaged.

3.11. Recommendations

- In addition to targets to be achieved over the plan period, annual targets of production should also be fixed under various schemes for different crops to allow specificity of targets and better monitoring to achieve the desired production in a particular period.
- Scheme funds should be utilized for the purpose as envisaged in the guidelines.
- Functioning of Farmers Training Centre and Soil Testing Laboratory should be reviewed and these units may be revitalized to ensure optimum utilization of staff.
- Functioning of Government Agricultural Farms should be reviewed to ensure achievement of target of seed production.
- Demonstration of more than 10 years old variety seeds and seeking relaxation from GoI for distribution of old variety seeds should be avoided and distribution of latest variety seeds should be promoted.
- The Department should promote other good practices such as crop rotation system and use of early variety seeds of Paddy to increase production of crops other than Paddy.
- Guidelines for implementation of all the schemes should be prepared and issued to ensure uniformity in implementation of schemes.
- Minor Irrigation Tanks created by the department should be handed over to concerned User Groups/Gram Panchayats to ensure their maintenance and utilsation.
- Distribution of fertilizers and pesticides should be done only after receipt of the outcome of the test report to prevent supply of sub-standard seeds.
- The Department should take necessary steps to reduce the shortage of field staff through recruitment to provide better extension services in the fields.

CHAPTER-IV
GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

4.1 Overview of State Public Sector Undertakings

Introduction

4.1.1 The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Chhattisgarh, the State PSUs occupy an important place in the State economy. The State PSUs registered a turnover of ₹ 8804.03 crore for 2010-11 as per their latest finalised accounts as of September 2011. This turnover was equal to 6.79 *per cent* of State Gross Domestic Product (GDP) for 2010-11. Major activities of Chhattisgarh State PSUs are concentrated in the power sector. The State PSUs earned a profit of ₹ 315.59 crore in the aggregate for 2010-11 as per their latest finalised accounts. They employed 19650[1] employees as of 31 March 2011.

4.1.2 As on 31 March 2011, there were 18 PSUs as per the details given below. Of these, no company was listed on the stock exchange.

Type of PSUs	Working PSUs	Non-working PSUs[2]	Total
Government Companies	16	-	16
Statutory Corporations	2[3]	-	2
Total	**18**	**-**	**18**

4.1.3 During the year 2010-11, one PSU namely, CSPGCL AEL Parsa Collieries Limited was established.

Audit Mandate

4.1.4 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company.

4.1.5 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (CAG) as

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[1] As per the details provided by 10 PSUs

[2] Non-working PSUs are those which have ceased to carry on their operations

[3] Including Chhattisgarh State Electricity Board (CSEB), which was unbundled into five companies with effect from 1 January 2009 as per the State Government Gazette Notification dated 19 December 2008. Further, as per the Transfer Scheme Rules, 2010 notified (31 March 2010) by Government, the properties and all interests, rights, liabilities, etc. of the CSEB stand transferred to and vested with the State Government w.e.f. 1 January 2009. Hence, CSEB did not virtually hold any assets, liabilities, etc. The name of CSEB has been included in the Chapter for reconciliation purposes as CSEB, having pendency in finalisation of accounts is appearing under ***Appendix-4.1.2***

per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per the provisions of Section 619 of the Companies Act, 1956.

4.1.6 Audit of Statutory corporations is governed by their respective legislations. In respect of Chhattisgarh State Warehousing Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG whereas in respect of Chhattisgarh State Electricity Board, CAG is the sole auditor.

Investment in State PSUs

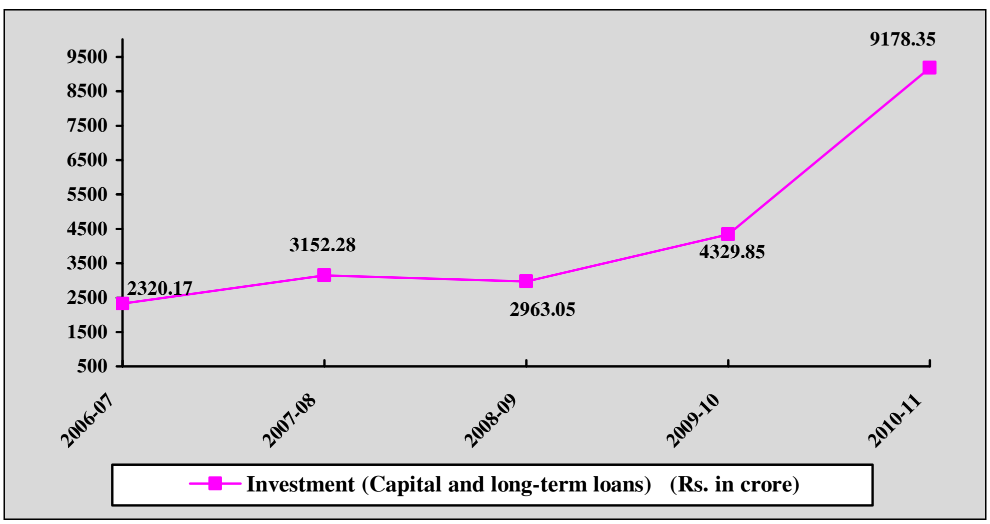
4.1.7 As on 31 March 2011, the investment (capital and long-term loans) in 18 PSUs was ₹ 9178.35 crore as per details given below.

(₹in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	3919.29	5251.56	9170.85	1.00	6.50	7.50	9178.35

A summarised position of Government investment in State PSUs is detailed in ***Appendix-4.1.1***.

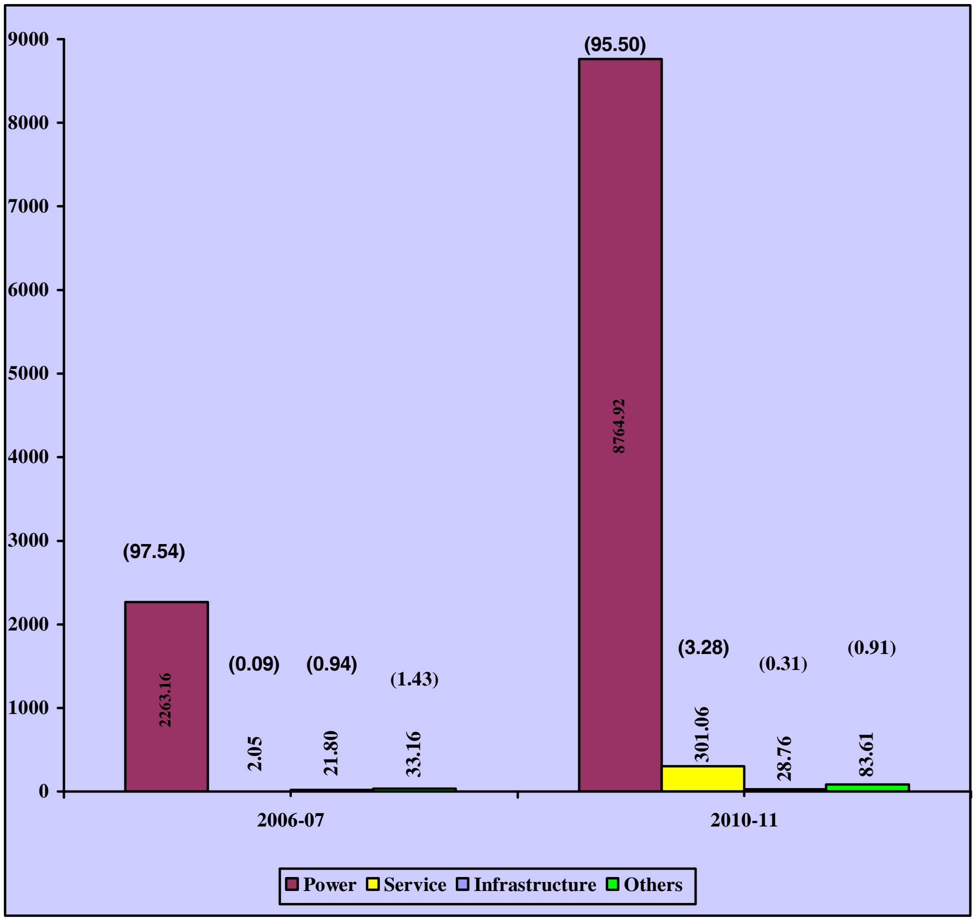
4.1.8 As on 31 March 2011, the total investment consisted of 42.71 *per cent* towards capital and 57.29 *per cent* of long-term loans. The investment has grown by 295.59 *per cent* from ₹ 2320.17 crore in 2006-07 to ₹ 9178.35 crore in 2010-11 as shown in the graph below.



It may be seen that during the year 2010-11, there was an increase of ₹ 4848.50 crore in the investment in State PSUs mainly due to increase of ₹ 3836.08 crore in the investments in power sector by way of Share capital.

4.1.9 The investment in various important sectors and percentage thereof as of 31 March 2007 and 31 March 2011 are indicated below in the bar chart.

(Amount ₹ in crore)



(Figures in brackets show the percentage of total investment)

As may be seen from the above chart, the major investment of the State Government in PSUs was in power sector, which increased from ₹ 2263.16 crore during 2006-07 to ₹ 8764.92 crore during 2010-11.

Budgetary outgo, grants/subsidies, guarantees and loans

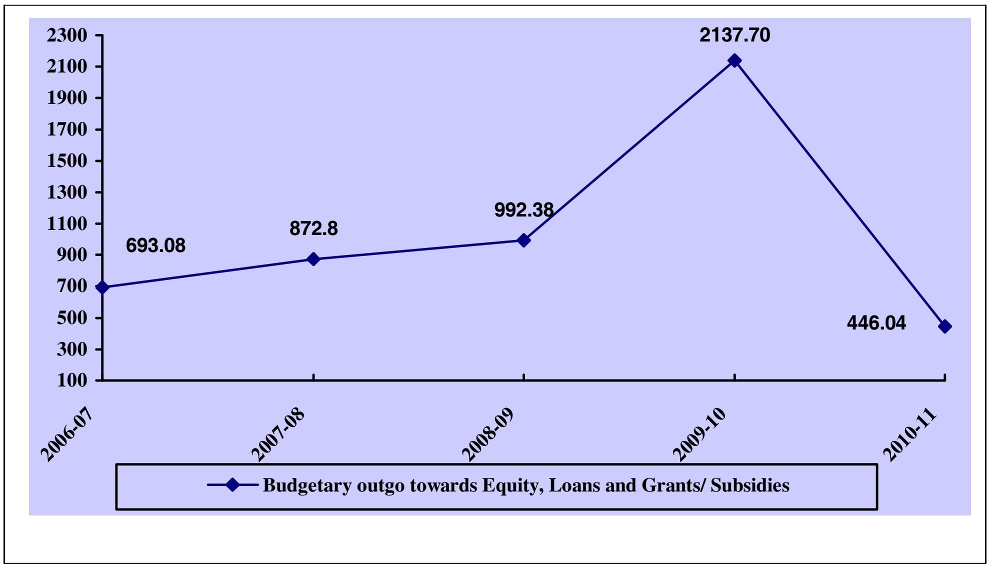
4.1.10 The details regarding budgetary outgo by the State Government towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in ***Appendix-4.1.3***. The summarised details are given below for three years ended 2010-11.

(Amount ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	-	-	-	-	-	-
2.	Loans given from budget	1	1.95	1	500.00	1	0.01
3.	Grants/Subsidy received	6	990.43	7	1637.70	7	446.03
4.	Total Outgo (1+2+3)	7[4]	992.38	7[4]	2137.70	7[4]	446.04
5.	Loans converted into equity	1	20.11	-	-	-	-
6.	Guarantees issued	2	108.11	1	1.46	1	2.33
7.	Guarantee Commitment	1	22.98	2	376.53	2	345.61

4.1.11 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in the graph below.

(Amount ₹in crore)



The budgetary outgo towards Equity, Loans and Grants/Subsidies decreased from ₹ 693.08 crore (2006-07) to ₹ 446.04 crore (2010-11). This is substantially less than budgetary outgo of ₹ 2137.70 crore in 2009-10. The budgetary outgo of ₹ 446.04 crore during 2010-11 included support of ₹ 279.59 crore extended to one PSU (Chhattisgarh State Power Distribution Company Limited) by way of subsidy (₹ 201.10 crore) and grants (₹ 78.49 crore).

4.1.12 The guarantees outstanding increased from ₹ 22.98 crore in 2008-09 to ₹ 376.53 crore in 2009-10 but decreased to ₹ 345.61 crore in 2010-11. None of the PSUs has paid any guarantee fee/commission to the State Government during 2010-11.

[4] These are the actual number of PSUs which have received budgetary support in the form of equity, loans, grants and subsidy from the State Government during the year

Reconciliation with Finance Accounts

4.1.13 The figures in respect of equity and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2011 is stated below.

(Amount ₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	26.37	39.63	13.26
Guarantees	2849.35	345.61	2503.74

4.1.14 We observed that the differences occurred in respect of three PSUs and some of the differences were pending reconciliation since 2004-05. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

4.1.15 The financial results of PSUs and financial position and working results of working Statutory corporations are detailed in ***Appendix-4.1.2, 4.1.5, 4.1.6*** respectively. The ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSUs turnover and State GDP for the period 2006-07 to 2010-11.

(Amount ₹ in crore)

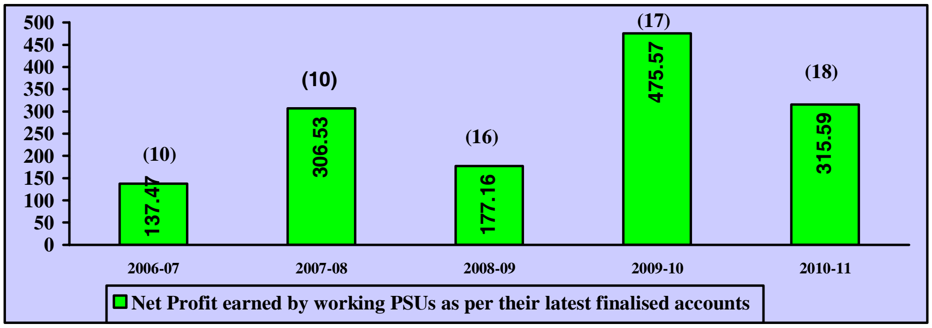
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover[5]	3709.55	4493.73	4773.05	5449.33	8804.03
State GDP[6]	57782.00	67455.00	80698.41	107848.23	129717.54
Percentage of Turnover to State GDP	6.42	6.66	5.91	5.05	6.79

There is steady increase in aggregate turnover of State PSUs primarily due to increase in business activities in power sector which was comparatively lesser during 2008-09 and 2009-10 as compared to other three years.

4.1.16 Profit earned by State working PSUs during 2006-07 to 2010-11 is given below in a bar chart.

[5] Turnover as per the latest finalized accounts as of 30 September 2011
[6] The State GDP in respect of 2010-11 is Advance estimate

(Amount ₹ in crore)



(Figures in brackets show the number of working PSUs in respective years)

During the year 2010-11, out of 18[7] working PSUs, nine PSUs earned profit of ₹ 565.24 crore and five PSUs incurred loss of ₹ 249.65 crore as per their latest finalised accounts as on 30 September 2011. One PSU (Chhattisgarh Infrastructure Development Corporation Limited) prepared their accounts on "no profit no loss" basis. Two PSUs had not prepared their profit & loss accounts since these were yet to commence their commercial operations. The remaining one PSU did not finalise its first accounts. The major contributors to profit were Chhattisgarh State Electricity Board (₹ 457.01 crore), Chhattisgarh Rajya Van Vikas Nigam Limited (₹ 24.46 crore) and Chhattisgarh State Warehousing Corporation (₹ 21.84 crore). Losses were mainly incurred by Chhattisgarh State Power Generation Company Limited (₹ 173.49 crore), Chhattisgarh State Civil Supplies Corporation Limited (₹ 41.23 crore), Chhattisgarh State Power Transmission Limited (₹ 33.78 crore) and Chhattisgarh Mineral Development Corporation Limited (₹ 1.13 crore). It needs to be mentioned here that CSEB though did not had any operations from 1 January 2009, the profit mentioned above is in respect of 2007-08 which was finalized during 2010-11. It may also be noted that though CSEB had shown the above net profit of ₹ 457.01 crore in its accounts, based on our audit comments, the Board had incurred net loss of ₹ 1421.73 crore during 2007-08.

4.1.17 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 2527.93 crore and infructuous investments of ₹ 81.06 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

(Amount ₹ in crore)

Particulars	2008-09	2009-10	2010-11	Total
Net Profit (+)/ loss (-) of working PSUs	177.16	475.57	315.59	**968.32**
Controllable losses as per CAG's Audit Report	10.28	420.70	2096.95	**2527.93**
Infructuous investments	0.14	80.92	0	**81.06**

4.1.18 The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses may be much more. The above table shows that with better management, the profits can be

[7] Including erstwhile CSEB, which was unbundled into five power sector companies (serial number A-10 to 14 of ***Appendix-4.1.2***) in December 2008, but had finalised its accounts upto the year 2007-08 as on 30 September 2011

enhanced substantially. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards the need for professionalism and accountability in the functioning of PSUs.

4.1.19 Some other key parameters pertaining to State PSUs are given below.

(Amount ₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Return on Capital Employed (*Per cent*)	14.35	22.76	14.38	12.09	5.10
Debt	2277.16	3108.27	2861.68	4249.60	5258.06
Turnover[8]	3709.55	4493.73	4773.05	5449.33	8804.03
Debt/ Turnover Ratio	0.61:1	0.69:1	0.60:1	0.78:1	0.60:1
Interest Payments	193.93	216.20	180.99	213.31	353.87
Accumulated Profits (losses)	451.76	728.52	836.89	1808.06	2052.21

4.1.20 It may be noted that the Debt turnover ratio had improved upto 2010-11 from 0.61:1 (2006-07) to 0.60:1 showing better working results. The accumulated profits of the State PSUs had shown gradual improvement during previous five years and had registered a growth of about 5 times from the year 2006-07 (₹ 451.76 crore) to 2010-11 (₹ 2052.21 crore). It shows that the performance of State PSUs is good enough to absorb the debt burden.

4.1.21 The State Government had not formulated any dividend policy for payment of minimum return on the paid-up share capital contributed by the State Government. As per their latest finalised accounts, nine PSUs earned an aggregate profit of ₹ 565.24 crore of which only two PSUs[9] declared a dividend of ₹ 2.64 crore as per the provisions of the relevant Act.

Arrears in finalisation of accounts

4.1.22 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2011.

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Number of Working PSUs	10	10	16[10]	17	18
2.	Number of accounts finalised during the year	5	10	9	16	15
3.	Number of accounts in arrears	31	31	36	37	39
4.	Average arrears per PSU (3/1)	3.10	3.10	2.25	2.18	2.17
5.	Number of Working PSUs with arrears in accounts[11]	10	10	13	15	15
6.	Extent of arrears	1 to 5 years	1 to 5 years	1 to 5 years	1 to 6 years	1 to 5 years

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8 Turnover of working PSUs as per the latest finalised accounts as of 30 September 2011

9 Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL) and Chhattisgarh State Warehousing Corporation Limited (CGSWCL) in Serial number A-2 and B-2 of ***Appendix-4.1.2***

10 Including two companies (serial number A-12 and 13 of ***Appendix-4.1.2***) incorporated on 30 December 2008 and not considered to be in arrears as their first accounts were being prepared for 15 months period

11 Including Chhattisgarh State Electricity Board which is not in existence

4.1.23 From the above table, it would be seen that there was increase in arrears of accounts. The main reason for delay in finalisation was non-closure /non-reconciliation of books of accounts. It was observed that many organisations were formed after bifurcating from the erstwhile organisations in Madhya Pradesh and importance of timely preparation and finalisation of annual accounts was not given by the management. Further, consequent upon un-bundling of Chhattisgarh State Electricity Board, five Companies were formed in respect of which against 14 accounts falling due for finalisation till 30 September 2011, only 5 accounts have been finalised. This could be attributed to delay in notification (31 March 2010) for bifurcation of assets and liabilities of erstwhile CSEB into the five companies with effect from 1 January 2009.

4.1.24 The State Government had invested ₹ 3504.59 crore (Equity: ₹ 0.05 crore, loans: ₹ 952.62 crore, grants: ₹ 362.04 crore and others (subsidy): ₹ 2189.88 crore) in 15 PSUs during the years for which accounts have not been finalised as detailed in ***Appendix-4.1.4.*** Delay in finalisation of accounts gives rise to the risks of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

4.1.25 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though we informed the concerned administrative departments and officials of the Government of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this we could not assess the net worth of these PSUs. We had also taken up (June 2011) the matter of arrears in accounts with the Chief Secretary/Registrar of Companies to expedite clearance of the backlog of arrears in accounts in a time bound manner.

4.1.26 In view of above state of arrears, it is recommended that:

- **The Government may set up a cell to oversee the clearance of arrears and set the targets for individual companies which would be monitored by the cell.**
- **The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.**

Accounts Comments and Internal Audit

4.1.27 Thirteen working companies forwarded their audited accounts to Accountant General during the period from 1 October 2010 to 30 September 2011. Out of these, 10 companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	3	1.04	1	3.92	3	1027.92
2.	Increase in loss	-	-	3	5.91	1	0.36
3.	Increase in Profit	-	-	-	-	2	3.66
4.	Non-disclosure of material facts	-	-	3	70.14	1	15.62

4.1.28 During the year, the statutory auditors had given unqualified certificates for one account and qualified certificates for 12 accounts. The compliance of companies with the Accounting Standards (AS) was generally satisfactory as there were only three instances of non-compliance with AS–15 and one instance with respect to AS-1 and AS-2 during the year.

4.1.29 Some of the important comments in respect of accounts of companies finalised during 2010-11 are stated below.

Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (2004-06)

- The Profit for the year was overstated by ₹ 13.68 lakh due to over valuation of closing stock and consequent overstatement of inventories.
- The Profit for the year was overstated by ₹ 5.98 lakh due to short provision of gratuity liability for employees as on 31 March 2006.
- The Profit for the year was overstated by ₹ 0.20 lakh due to short charging of depreciation.

Chhattisgarh State Industrial Development Corporation Limited (2005-06)

- The Profit for the year was overstated by ₹ 1.47 crore due to inclusion of amount collected from two allottees on behalf of the State Government towards cost of roads etc. on allotment of land.
- The Profit for the year was overstated by ₹ 89.90 lakh due to non inclusion of the liability towards leave encashment in respect of the employees of the company for the period upto March 2006.
- The Profit for the year was overstated by ₹ 1.57 crore due to non inclusion of interest accrued in respect of SLR Bonds and other borrowings for the period September 2005 to 31 March 2006.

4.1.30 Similarly, two working Statutory corporations forwarded accounts to Accountant General during the year 2010-11. Of these, audit of accounts (2007-08) of one corporation (Chhattisgarh State Electricity Board) which pertained to sole audit by CAG, was finalised in October 2011. The remaining accounts of the other corporation (Chhattisgarh State Warehousing Corporation) were also selected for supplementary audit. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Increase in profit	3	3.71	1	23.13	-	-
2	Decrease in profit	-	-	2	82.71	2	3607.91
3	Non-disclosure of material facts	-	-	1	900.77	1	1.93
	Total		**3.71**		**1006.61**		**3609.84**

4.1.31 During the year, one account of Chhattisgarh State Warehousing Corporation received qualified certificate from Statutory Auditor. CAG being the sole auditor of CSEB issued negative certificate for 2006-07 and 2007-08.

4.1.32 Some of the important comments in respect of accounts of statutory corporations are stated below.

Chhattisgarh State Electricity Board (2007-08)

- Overstatement of profit by ₹ 7.44 crore (₹ 1.36 crore on account of power supplied by MPSEB and ₹ 6.08 crore being Income Tax reimbursement due for 31 March 2008) and consequent understatement of Current liabilities towards purchase of power.
- Overstatement of profit due to non-inclusion of expenditure on purchase of power by ₹ 2.74 crore and consequent understatement of current liabilities on that account (towards wheeling charges payable to Orissa Power Transco ₹ 1.70 crore and ₹ 1.04 crore payable on account of differential Bill towards restoration of equity for seven projects of CERC).
- Non-accountal of cost of water charges of ₹ 2.71 crore consumed at HTPS Korba West, DSPM Korba East and Hydel Project for generation of energy resulted in understatement of cost of water used and overstatement of profit by that extent.
- Non-provision of ₹ 5.43 crore towards Company's contribution to CPF due on 31 March 2008 resulted in understatement of Employees cost and overstatement of profit by that amount.

Recoveries at the instance of audit

4.1.33 During the course of audit in 2010-11, recoveries of ₹ 4.34 crore were pointed out to the Management of various PSUs of which ₹ 2.04 crore were admitted by PSUs. An amount of ₹ 1.49 crore was recovered during the year 2010-11.

Status of placement of Separate Audit Reports

4.1.34 The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG on the accounts of Statutory corporations in the State Legislature.

Sl. No.	Name of Statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs placed in Legislature		
			Year of SAR	Date of issue to the Government	Date of placement in Legislature
1.	Chhattisgarh State Electricity Board	2002-03	2003-04	01.04.2009	30.08.2011
		-	2004-05	09.12.2009	
		-	2005-06	22.06.2010	
		-	2006-07	21.01.2011	
			2007-08	24.10.2011	Yet to be placed (October 2011)
2.	Chhattisgarh State Warehousing Corporation	2009-10	2009-10	17.01.2011	28.03.2011

Disinvestment, Privatisation and Restructuring of PSUs

4.1.35 The process of unbundling of Chhattisgarh State Electricity Board was completed as per the Electricity Act, 2003. The Board was unbundled into five companies[12] with effect from 1 January 2009.

Reforms in Power Sector

4.1.36 The State has formed Chhattisgarh State Electricity Regulatory Commission (Commission) in May 2004 under Section 17 of the erstwhile Electricity Regulatory Commission Act, 1998 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences. During 2010-11, Commission issued 72 orders (seven on annual revenue requirements and 65 on others).

4.1.37 Memorandum of Understanding (MoU) was signed in May 2000 between the Union Ministry of Power and the State Government (of Madhya Pradesh) as a joint commitment for implementation of reforms programme in power sector with identified milestones. However, no MoU was signed between the Union Ministry of Power and State of Chhattisgarh after formation of Chhattisgarh State in November 2000 bifurcating erstwhile Madhya Pradesh under Madhya Pradesh Reorganisation Act. Hence, the implementation of reforms programme and achievement of identified milestones could not be assessed.

[12] Serial number A-10 to 14 of ***Appendix- 4.1.1.***

4.2 Performance Audit on the working of the Chhattisgarh State Power Distribution Company Limited

Executive Summary

Electricity is an essential requirement for all facets of life. It has been recognized as a basic human need and critical infrastructure for socio-economic development of the country. Availability of quality supply of electricity is very crucial for sustained growth of this segment. Recognizing this, the nation has set itself the target of providing access to electricity for all households in next five years. Major responsibility for achieving the above key parameter devolves on the distribution sector since it is the nearest and first point of contact in the electricity sector for millions of Indians. It serves various objectives of electricity sector such as access to electricity for all households, supply of reliable and quality power in an efficient manner and at reasonable rates besides protecting the consumer interest. To achieve the above, distribution Companies need to make a financial turnaround and should be commercially viable.

In Chhattisgarh, distribution of power upto 31 December 2008 was carried out by the erstwhile Chhattisgarh State Electricity Board (CSEB). Consequent to unbundling of the CSEB, from 1 January 2009, the same is now carried out by the Chhattisgarh State Power Distribution Company Limited (Company). The performance audit covering period from 1 April 2006 to 31 March 2011 was conducted to analyse how far the CSEB/ Company planned their operations to achieve above objectives, their financial performance and the problems encountered during the last five year period from 2006-07 to 2010-11.

Distribution Network Planning

Per capita consumption of electricity in Chhattisgarh increased from 1075 to 1380 units during the review period, while the Company's contribution as a State distribution licensee has come down from 70 to 53 per cent. Against the planned additions of 385 sub-stations over the review period, only 222 sub-stations were actually added. Further, increase in transformation capacity was not commensurate with the increase in connected load over the review period.

Implementation of Sponsored Schemes

Atal Jyoti Yojana was introduced (2005-06) by the State Government envisaging the separation of 11 KV feeders from the existing 33/11 KV substations to regulate supply to the cultivators resulting in substantial load saving during peak period. Non completion of the Phase II of the project has resulted in non achievement of targeted load saving and consequent reduction in line loss of ₹ 115.09 crore.

The Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched in April 2005, which aimed at electrifying all villages and habitations. As on 31 March 2011, out of 20126 villages in the State (as per 2011 census), 19177 villages were electrified (95.28 per cent). Also, to carry on the reforms further, the Restructured Accelerated Power Development Reforms Programme was launched in July 2008 which aimed at establishment of IT enabled system for achieving reliable and verifiable baseline data alongwith strengthening of regular sub-transmission & distribution system and upgradation projects. However, in this respect, the Company could utilize only ₹ 8.10 crore against ₹ 36.74 crore received from Power Finance Corporation as of March 2011.

Operational Efficiency

The Company purchased majority of power from the State Power Generation Utility followed by the purchases from Central Sector Generation Utilities. While percentage of purchases through Long Term Power Purchases increased from 89.65 to 98.01 per cent over 2006-11, the percentage of UI purchases declined from around two per cent

to less than one per cent over the corresponding period. However, failure of the CSEB/Company to enter into long term Power Purchase Agreement with Jindal Power Limited and subsequent purchase of power on short term basis resulted in avoidable expenditure of ₹331.15 crore. Further, lack of proactive approach in restricting the private power producers from under injection of electricity beyond specified limits has resulted in loss of ₹102.40 crore.

The percentage of energy losses to available power indicates the effectiveness of Distribution system. During the last five years ending 31 March 2011, the energy losses of the Company increased from 28.90 to 36.88 per cent mainly due to non installation of capacitor banks, low power factor, heavy quantum of unmetered consumers, theft of electricity etc. Non achievement of reduction in T&D losses to the level of the norms fixed by the State Regulatory Commission led to loss of ₹1122.21 crore over 2006-11.

Financial Performance and Working Results

The Company was not able to recover its cost of operations during 2009-11. During the last three years ending 2010-11, average realisation per unit declined from ₹ 4.28 to ₹ 3.57 while the average cost per unit increased from ₹3.72 to ₹4.85.

There was delay of 117 days to 352 days in filling tariff petition by the Company resulting in loss of ₹668.55 crore.

Subsidy and cross-subsidisation

The State Government is providing subsidy with a view to ensure supply of power to specific categories of consumers at concessional rates of tariff. The percentage of subsidy support to sales went up from ₹ 1.99 to ₹ 4.64 during the review period. Further, against the subsidy claim of ₹ 511.56 crore over the review period, only ₹ 491.23 crore was actually released. Section 61 of the Electricity Act 2003 stipulates that the tariff should progressively reflect the average cost of supply (ACOS) of electricity and also reduce cross subsidy in a phased manner. However, the percentage of cross subsidy remained in the range upto 74.01 *per cent* on negative side to 332.89 *per cent* on positive side as per the Tariff order applicable for the year 2010-11. It was also observed that in 2010-11 while agricultural metered consumers were highly subsidized, start-up power consumers were the most over charged.

Billing and Revenue Collection Efficiency

As revenue from sale of energy is the main source of income, the efficiency lies in timely billing of energy sold to consumers and prompt collection of revenue in time. It was observed that the percentage of amount realised to total dues declined during the review period from 63.88 to 58.38. Further, test check revealed short recovery of service line charges amounting to ₹61.51 lakh from the new HT consumers besides irregular waiver of surcharge of ₹24.32 lakh under one time settlement scheme. Further, the balance dues outstanding at the end of each year under review period increased from ₹1358.24 crore to ₹2084.21 crore. As of March 2011, the arrears outstanding for more than three years was ₹1384.33 crore constituting 66.42 per cent of the total arrears recoverable.

Financial Management

A review of financial management of the Company revealed that there was no laid down inventory policy leading in accumulation of slow and non moving inventory. As a result, on 31 March 2011, the Company had a non moving inventory of ₹34.20 crore besides slow moving inventory of ₹12.63 crore. Further, despite availability of Computerized Banking Solutions (CBS) system to transfer the fund directly, Company continued to transfer the fund through demand draft by paying avoidable commission of ₹38.52 lakh.

Consumer Satisfaction

The State Commission had notified Chhattisgarh State Electricity Regulatory Commission (Standards of Performance in Distribution of Electricity) Regulations 2006 prescribing the overall standards of performance for enhancing consumer satisfaction towards discharge of various functions of the Company. However, detailed records in this regard were not maintained by the Company. Further, it failed to review *whether such standards were adhered to in its day to day functions. It was observed that the company did not create any awareness among public about the prevalence and functioning of Consumer Grievances Redressal Fora as is evident from a few number of complaints received as compared to the total consumers.*

Conclusion

The Company failed to recover its cost of operations. Its share in power distribution in State declined from 70 to 53 per cent. Failure of the Company to enter into long term Power Purchase Agreement led to avoidable expenditure of ₹ 420.57 crore. Lack of proactive approach in restricting private power producers from under injection of electricity has resulted in loss of ₹ 102.40 crore. The energy losses of the company increased from 28.90 to 36.88 per cent. Delay of 117 to 352 days in filing tariff petitions by the Company resulted in loss of ₹ 668.55 crore.

4.2.1 Introduction

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends. Supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation. Services sector has made significant contribution to the growth of our economy. Availability of quality supply of electricity is very crucial to sustained growth of this segment. Recognizing that electricity is one of the key drivers for rapid economic growth and poverty alleviation, the nation has set itself the target of providing access to electricity for all households in next five years.

Major responsibility for achieving the key parameters of the above said importance of electricity devolves on the distribution sector. Distribution sector is very near to people. Distribution Companies are first point of contact in the electricity sector for millions of Indians. This is the sector which provides electricity to the door step of every house hold. It serves various objectives of electricity sector such as access to electricity for all households, supply of reliable and quality power of specified standards in an efficient manner and at reasonable rates and at the same time protects the consumer interest. To achieve the above objectives, distribution Companies need to make a financial turnaround and they should be commercially viable.

In this review, it proposes to analyse how far the State power distribution Company in Chhattisgarh planned their operations to achieve above objectives, their financial performance and the problems encountered during the last five year period from 2006-07 to 2010-11.

Electricity Reforms and electricity scenario in Chhattisgarh

As part of power sector reforms, the erstwhile Chhattisgarh State Electricity Board (CSEB) was unbundled (January 2009) and five companies were formed. Consequently, the business of distribution of power in Chhattisgarh State is carried out by Chhattisgarh State Power Distribution Company

Limited (Company), which was incorporated on 19 May 2003[1] under the Companies Act 1956 under the administrative control of Energy Department, Government of Chhattisgarh. The Management of the Company is vested with a Board of Directors comprising four Directors appointed by the State Government. The day-to-day operations are carried out by the Managing Director, who is the Chief Executive of the Company with the assistance of Executive Directors, Chief Engineers and General Managers. During 2006-07, 9441.92 MUs of energy was sold by the Company which increased to 12139.13 MUs in 2010-11, i.e. an increase of 28.57 *per cent* during 2006-11.

As on 31 March 2011, the Company had distribution network of 1.32 lakh Circuit Kilometers (CKm), 691 sub-stations and 70987 transformers of various categories. The number of consumers was 33.05 lakh. The turnover of the Company was ₹ 4332.10 crore in 2010-11, which was equal to 54.45 *per cent* and 3.34 *per cent* of the State PSUs turnover and State Gross Domestic Product, respectively. It employed 10641 employees as on 31 March 2011.

4.2.2 Scope and Methodology of Audit

The present performance audit conducted during 18 January 2011 to 30 June 2011 covers the performance of the Company during the period from 2006-07 to 2010-11. The review mainly deals with Network Planning and its execution, Implementation of Central Schemes, Operational Efficiency, Billing and Collection efficiency, Financial Management, Consumer Satisfaction, Energy Conservation and Monitoring. The audit examination involved scrutiny of records at the Head Office and 14 out of 47 Operation and Maintenance Divisions, two out of six Sub Transmission and Rural Electrification (STRE) Divisions and two out of seven Regional Accounts Offices (RAO).

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at the Head Office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

4.2.3 Audit Objectives

The objectives of the performance audit were to assess:

- Whether aims and objectives of National Electricity Policy, Plans were adhered to and distribution reforms achieved;
- Adequacy and effectiveness of network planning and its execution;
- Efficiency and effectiveness in implementation of central schemes such as, Restructured Accelerated Power Development & Reform Programme (RAPDRP) and *Rajeev Gandhi Grameen Vidyutikaran Yojana* (RGGVY);

[1] The Company was originally incorporated as Mahanadi Power Development Company Limited and later renamed as Chhattisgarh State Power Distribution Company limited with effect from 22.03.2005.

- Operational Efficiency in meeting the power demand of consumers in the State;
- Billing and Collection efficiency of revenue from consumers;
- Whether financial management was effective and surplus funds, if any, were judiciously invested;
- Whether a system is in place to assess consumer satisfaction and redressal of grievances;
- That energy conservation measures were undertaken; and
- That a monitoring system is in place and the same is utilised in review of overall working of the Company.

4.2.4 Audit Criteria

The audit criteria adopted for assessing the achievement of audit objectives were:

- Provisions of Electricity Act 2003;
- National Electricity Plan, Plans and norms concerning distribution network of DISCOMs and planning criteria fixed by the SERC;
- Terms and conditions contained in the Central Scheme Documents;
- Standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness;
- Norms prescribed by various agencies with regard to operational activities;
- Norms of technical and non-technical losses;
- Guidelines/instructions/directions of State Government/SERC; and
- Best performance under various parameters in the regions/ all India averages.

4.2.5 Audit Findings

We explained the audit objectives to the Company during an 'Entry Conference' held on 16 June 2011. Subsequently, audit findings were reported to the Company and the State Government in July 2011 and discussed in an 'Exit Conference' held on 9 September 2011. The Exit Conference was attended by Principal Secretary (Energy) and Managing Director of the Company. The Company/State Government replied to audit findings in August 2011. The views expressed by them have been considered while finalising this Review. The audit findings are discussed in subsequent paragraphs.

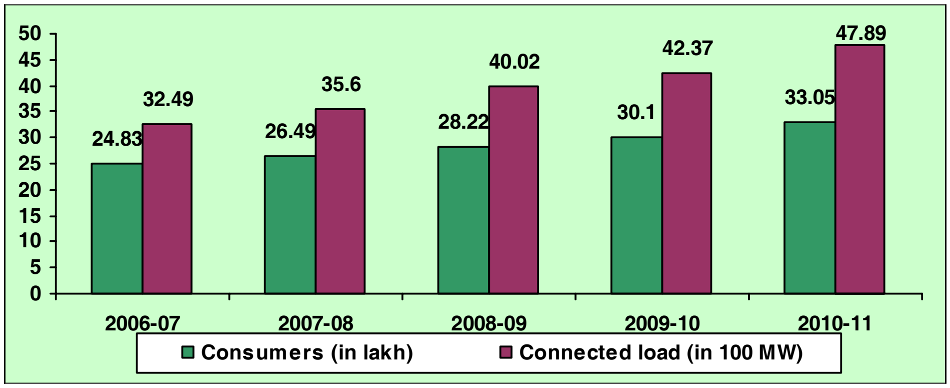
4.2.6 Distribution Network Planning

The National Electricity Policy was evolved with the following aims and objectives to be achieved.

- Access to electricity –Available for all household in next five years from 2005
- Supply of reliable and quality power of specified standards in an efficient manner and reasonable rates.

To ensure access by all to electricity the Power Distribution Companies in the State are required to prepare long term/ annual plan for creation of infrastructural facilities for efficient distribution of electricity so as to cover maximum population. Besides, the Company was required to upkeep the existing network and expand the same keeping in view the new connections and growth in demand.

The particulars of consumers and their connected load are given below.

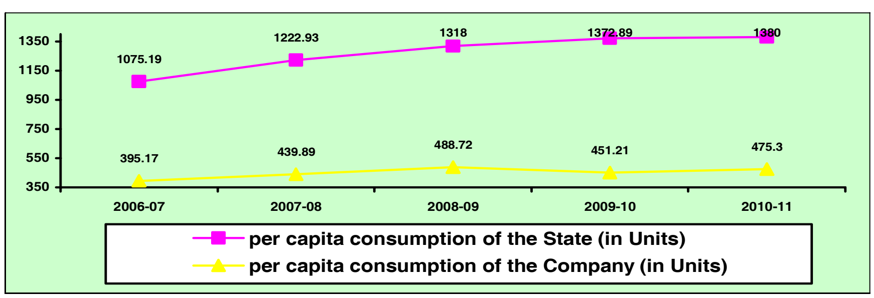


It may be seen from the above that the number of consumers increased from 24.83 lakh in 2006-07 to 33.05 lakh in 2010-11 (33.11 *per cent*) while the connected load went up from 3248.85 MW to 4789.48 MW (47.42 *per cent*) during the same period.

The particulars of distribution network planned *vis-à-vis* achievement there against in respect of CSEB/Company are depicted in ***Appendix – 4.2.1***. It may be seen from the ***Appendix*** that against the planned additions of 385 sub-stations over the review period, only 222 sub-stations were actually added. Further, as against the increase in the connected load from 3248.85 MW in 2006-07 to 4789.48 MW in 2010-11 (equivalent to 4061.06 MVA in 2006-07 and 5986.85 MVA in 2010-11 at 0.80 power factor), the CSEB/Company could increase the transformation capacity from 2653 MVA to 3718 MVA during 2006 to 2011. Though the CSEB/Company increased its transformation capacity, the same was, however, not commensurate with the increase in connected load resulting in huge gap in transformation capacity. This was mainly due to non completion of the construction of the sub- stations as planned.

Per capita consumption of the State vis-à-vis the company

The per capita consumption of the electricity of the State showed an increasing trend during the review period as shown in the graph below:



It may be observed from the graph that the per capita consumption of the State grown from 1075 units to 1380 units per year during the review period which is higher than the national average of 612 units per year. However, the

CSEB/Company's share in the power distributed in the State, as a State Distribution licensee, declined from 70 *per cent* in 2006-07 to 53 *per cent* in 2010-11. The reasons for the reduction in the CSEB/Company's share could be attributed to the increasing number of the Captive Power Plants and Individual power plants in the State and consequent reduction in the erstwhile HT consumers of the CSEB/Company.

4.2.6.1 Inadequate transformation capacity

Transformer is a static device installed for stepping up or stepping down voltage in transmission and distribution of electricity. In order to cater to the entire connected load, the transformation capacity should be adequate. The ideal ratio of transformation capacity to connected load is considered as 1:1. The table below indicates the details of transformation capacity at 33/11 KV sub-stations and connected load of the consumers during the period from 2006-11.

(In MVA)

Year	Transformation Capacity	Connected load	Gap in Transformation capacity	Ratio of Transformation capacity to connected load
1	**2**	**3**	**(4 = 3 - 2)**	**(5 = 2 / 3)**
2006-07	2653	4061.06	1408.06	0.65:1
2007-08	2981	4449.40	1468.40	0.67:1
2008-09	3231	5003.09	1772.09	0.65:1
2009-10	3515	5295.62	1780.62	0.66:1
2010-11	3718	5986.85	2268.85	0.62:1

The ratio of transformation capacity to connected load declined from 0.65:1 in 2006-07 to 0.62:1 in 2010-11. Further, though the additions actually made during the year was higher than the additions planned by the management (as is available from the ***Appendix-4.2.1***), the same was not commensurate with the increase in connected load leading to gap in the transformation capacity. The huge gap in transformation capacity led to overloading of the system resulting in frequent tripping and adverse voltage regulation with consequential higher quantum of energy loss.

Management replied (August 2011) that the transformation capacity was ranging between 1.24:1 and 1.09:1 during the review period by reckoning the transformation capacity calculated with reference to connected load at 11KV HT+LT instead of total connected load. However, with reference to the total connected load there remained shortfall in all the years under review. It may be mentioned here that unscheduled load shedding went up abnormally from 79.52 hours in 2009-10 to 775.55 hours in 2010-11. This also indicates that the transformation capacity needs to be increased so as to match the connected load.

4.2.6.2 Implementation of LT less system

High Voltage Distribution System is an effective method of reduction of technical losses, prevention of theft, improved voltage profile and better consumer service. The GOI has also stressed (February 2001) the need to adopt LT less system of distribution through replacement of existing LT lines by HT lines to reduce the distribution losses. However, the HT:LT ratio over the review period is depicted below:-

Sl.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Ratio of HT load to LT load (in MW)	0.78:1	0.76:1	0.75:1	0.68:1	0.64:1
2.	Ratio of HT line to LT line (In CKm)	0.14:1	0.13:1	0.13:1	0.13:1	0.13:1

It may be seen from the above table that the ratio of HT load to LT load declined from 0.78:1 to 0.64:1 during the review period while the HT line to LT line ratio declined marginally from 0.14:1 to 0.13:1. Such low HT:LT ratio of 0.13:1 is indicative of reasons for the high amount of T&D losses.

Management replied (August 2011) that HT-LT ratio in respect of connected load ranged between 0.70:1 and 0.78:1 while the HT-LT line ratio ranged between 0.45:1 and 0.56:1.

4.2.6.3 Performance of Distribution Transformers

The SERC had fixed the norm of failure of Distribution Transformers (DTRs) in its tariff orders. The details of norms fixed, actual DTRs failed and the expenditure incurred on their repairs is depicted in the table below.

S.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Existing DTRs at the close of the year (in Number)	47182	50711	56718	61374	67180
2.	DTR Failures (in Number)	7031	6798	7733	8518	8615
3.	Percentage of failures	14.90	13.41	13.63	13.88	12.82
4.	Norm allowed by SERC (in percentage)	12	12	12	12	12
5.	Excess failure percentage over norms	2.90	1.41	1.63	1.88	0.82
6.	Expenditure on repair of failed DTRs (₹ in crore)	0.59	0.42	0.11	0.08	---

(Figures for the year 2010-11 is awaited)

It may be seen from the above table that though the number of DTR failures was registering an increasing trend, the percentage of failures ranged between 12.82 to 14.90 *per cent*, which was higher than the norms allowed by the SERC. The reasons for the excess failure percentage was never analysed by the Company.

The management replied that the actual percentage of failure was ranging between 9.41 and 10.40 by excluding the transformer failed within the guarantee period and it was well within the SERC norm of 12 *per cent*. The management contention does not appear to be correct as the failure of transformers causes disturbance to the entire system of distribution network and it is immaterial whether such failure was within the guarantee period or not.

4.2.6.4 Capacitor Banks

Capacitor bank improves power factor by regulating the current flow and voltage regulation. In the event of the voltage falling below normal, the situation can be set right by providing sufficient capacity of capacitor banks to the system as it improves the voltage profile and reduces dissipation of energy to a greater extent thereby saving loss of energy. The position as regards capacitor banks is shown in ***Appendix-4.2.2***. It may be seen from the ***Appendix*** that as against the targeted addition of capacitor banks of 556 MVAR (Mega Volt Ampere Reactive Power) during the review period, the actual addition was only 331.20 MVAR. Thus, there was significant shortfall in addition of capacitor banks ranging between 17.67 and 74.67 *per cent* on annual basis.

4.2.6.5 Loss of ₹49.31 lakh due to non installation of capacitors

The tariff order 2005-06 provided that every industrial consumer whose connected load was above 3 HP (which was later revised to 5HP in the tariff order for the year 2007-08) was required to install capacitor to maintain the power factor above 0.85 and in case of consumers who did not maintain power factor above 0.85, penalty at the rate of 30 paise per unit was to be levied. Test check in audit of the records of the Bhatapara, Siltara, Ghariaband, Dhamthari, Jagdalpur and Durg Divisions for the period from 2006-07 to 2010-11 revealed that billing was continued to be made even without recording power factor and the penalty was not levied. This resulted in loss of revenue aggregating to ₹ 49.31 lakh.

The management replied that strict instructions were issued to comply with tariff order guidelines.

4.2.6.6 Performance of Raid Team

In order to minimise the cases of pilferage/ loss of energy and to save the Company from sustaining heavy financial losses on this account, Section 163 of Electricity Act 2003, provides that the licensee may enter in the premises of a consumer for inspection and testing the apparatus. For this purpose, the Company has separate vigilance team entrusted with the task of conducting surprise checks on the premises of the consumers with an intention to detect and assess the loss, if any, on account of unauthorized availment of demand in excess of the sanctioned load, theft of energy, etc. The data on assessment pointed out by the Vigilance team and actual recovery pointed out during the last five years is furnished below:

(₹ in crore)

Sl. No.	Year	Total number of consumers as on 31 March (in lakhs Nos.)	No. of consumers checked (in lakhs Nos.)	Assessed amount	Realised amount	Unrealised amount	Percentage of checking to total nos. of consumer
1.	2006-07	24.83	1.05	21.96	12.34	14.98	4.23
2.	2007-08	26.49	1.06	33.52	26.36	20.48	4.00
3.	2008-09	28.22	1.80	26.43	23.40	15.80	6.38
4.	2009-10	30.10	1.85	38.92	30.25	28.31	6.15
5.	2010-11	33.05	2.43	46.96	39.67	7.29	7.35

It may be observed from the above that the percentage of checking to the total number of consumers increased from 4.00 to 7.35 during the review period. It was also observed that in one of the findings of the vigilance team (February 2010) 39 employees of the erstwhile CSEB (presently working under Transmission Company) were found to have indulged in theft of energy involving bypassing of energy from metered supply and penalty of ₹ 5.97 lakh was recoverable from them. However, action against such erring officials was pending till date (September 2011) even after lapse of more than one and half years.

In view of the high percentage of energy losses, the management may consider enhancing the performance parameters assigned to vigilance teams so as to increase the coverage of consumers, more and frequent field visits, monitoring of the recoveries pointed out, etc.

Management replied (August 2011) that the targets were fixed for vigilance team and the recovery pointed out by vigilance is pursued/ monitored by the O&M teams. It was further stated that the penalty from erring officials has been recovered and departmental proceedings are under way. However, no records to substantiate the Management's version were furnished to Audit.

Implementation of Sponsored Schemes

4.2.7 *Atal Jyoti Yojana* – State Scheme

The erstwhile CSEB introduced *Atal Jyoti Yojana* (AJY) (January 2006) in the State envisaging the separation of 11 KV feeders from the existing 33/11 KV substations exclusively to meet the agricultural pump load as part of a better load management measure. The separation was intended to regulate supply to the cultivators resulting in substantial load saving during peak period. The details of implementation of the scheme in two phases are furnished below:

Sl. No.	Particulars	Provision	Achievement	Provision	Achievement
		I Phase		II Phase	
1.	Village to be covered (Nos.)	732	732	2745	1971
2.	Pumps to be separated (Nos.)	30336	30336	25625	20911
3.	No of 11 KV Feeders (Nos)	130	130	215	81
4.	11 KV lines (KM)	2326.43	2185	7603	3790
5.	LT Line (KM)	805.90	678.18	1803	326
6.	Distribution Transformers (No)	1291	1257	3263	1357
7.	Amount (₹ in lakh)	7867.32	7099.37	23516	9001

The Phase I of the Scheme was completed (2008) at the cost of ₹ 70.99 crore. The Company introduced (September 2007) Phase II of the Scheme at a projected cost of ₹ 235.16 Crore with the scheduled date of completion by January 2010. However, it could be seen from the above that the company could not implement Phase II of the project and the percentage of achievement was only 37.67 *per cent*[2].

Following irregularities were noticed in the implementation of the scheme.

[2] Percentage of achievement was calculated with reference to number feeders actually separated.

4.2.7.1 Non-achievement of load saving valuing ₹ 115.09 crore due to delay in implementation of Atal Jyoti Yojana phase II

The delay in completion of *Atal Jyoti Yojana* Phase II has deprived targeted load savings of ₹ 115.09 crore.

The Company awarded (December 2007 and January 2008) the contract for execution of AJY to two agencies namely Gammon India (Pvt) limited and ICSA towards Phase II with a completion period of 24 months from the date of contract. Though a period of more than 24 months had lapsed, the works were yet to be completed (September 2011).

The delay in implementation of Phase II could be attributed mainly to unprecedented shortage of transformers due to procurement of faulty transformers and consequent diversion of transformers meant for the scheme and inability of the implementing agencies to handle the labour and other local level problems involved in the execution.

Since the project aimed at substantial load saving during the peak hours, the non completion of the project resulted in non achievement of targeted load saving and consequent reduction in line loss of ₹ 115.09 crore as projected by the management for the incomplete portion of the Phase II of the project. Besides this, the delay in completion of the project also led to time and cost over run.

The management replied (August 2011) that the work in Phase II could not be completed due to awarding of the work to the agencies who were from outside the State and could not solve the local problems. It was further stated that Phase II was implemented after considering the benefits derived in the initial years of implementation of Phase I of the Scheme. The management should have considered the prior experience of these agencies also in execution of such technical works.

4.2.7.2 Non levy of liquidated damages aggregating to ₹23.52 crore

The contract awarded to the agencies for execution of Phase-II of the Scheme provided that they would complete the work within the specified time limit failing which the liquidated damages at the rate of 0.5 *per cent* for each week of delay subject to a total limit of 10 *per cent* will be recovered. Though the agencies had delayed the completion of work even after lapse of more than 18 months from the scheduled date of completion of the work, the Company did not levy liquidated damage amounting ₹ 23.52 crore on these agencies. This resulted in extension of undue financial benefit to the agencies.

The management replied (August 2011) that the work was delayed due to diversion of the transformers meant for the scheme and the completion period was extended up to June 2011. However, the management had earlier stated (refer Paragraph 4.2.7.1) that the agencies could not solve the local problems involved in execution. Further, the work was not completed even during the extended time limit.

4.2.7.3 Non adjustment of Mobilisation Advance of ₹9.75 crore resulted in extension of undue benefit to the agency

The contract awarded to the agencies provided that the Mobilisation Advance shall be recoverable in ten equal installments through the Running Account bills. It was observed that the advance aggregating to ₹ 23.51 crore was sanctioned to these agencies in respect of Raipur and Durg Regions. Out of

Non enforcement of contractual conditions resulted in extension of undue benefit of ₹ 9.75 crore to the contractors.

this, the advance amounting to ₹ 9.75 crore was lying unadjusted as of March 2011. Though the agencies were paid ₹ 79.35 crore through 23 Running Account bills, the outstanding advance was not adjusted against these. The management though imposed interest at the rate of 14.25 *per cent* per annum, interest amounting to ₹ 1.13 crore was still to be recovered (September 2011).

The non adjustment of advances and also non recovery of interest resulted in extension of undue benefit of ₹ 10.88 crore to the agencies. The management replied (August 2011) that the action is being taken for the recovery from the pending bills and also the Bank guarantee available with the company.

4.2.8 Rural Electrification – Central Scheme

The key development objective of the power sector is supply of electricity to all areas including rural as mentioned in Sec 6 of the Electricity Act. Rural Electrification Corporation of India is the nodal agency to implement the programme of giving access to electricity to all households in the next five years beginning from 2005. The *Rajiv Gandhi Gramin Vidyutikaran Yojana* (RGGVY) scheme initiated by REC aims at electrifying all villages and habitations.

As per the new definition of village electrification in RGGVY with effect from 2004-05, a village would be declared as electrified, if *(a)* basic infrastructure such as distribution transformer and distribution lines are provided in the inhabited locality as well as dalit basti hamlet where it exits, *(b)* electricity is provided to public places like schools, panchayat office, health centers, dispensaries, community centers, etc. and *(c)* the number of households electrified should be at least ten *per cent* of the total number of households in the village.

The Government of Chhattisgarh (August 2005) entered into four party agreement with Rural Electrification Corporation, NTPC/NHPC/PGCIL and CSEB/Company. The agreement envisaged implementation of the project involving rural electrification of the selected villages, BPL households in the villages, etc within a period of two years from the date of release of first installment to the implementing agencies (released in September 2008). The agreement further envisaged that 90 *per cent* of the project cost would be released as loan/capital subsidy by REC and 10 *per cent* would be released by State Government. CSEB/Company role was limited to the extent of furnishing of the basic data on electrification, handing over of site and the requisite approvals from the concerned authorities for the scheme and the final take over. In compliance with the Agreement, individual DPR for each district was prepared by CSEB/Company and approved by REC.

As on 1 April 2006, out of 19744 villages in the State (as per 2001 census), 18630 villages were electrified (94.36 *per cent*). As per the provisions contained in the Agreement, the entire work was to be completed by September 2010 for the entire State except in respect of Dantewada and Bastar. In respect of these districts, the scheme was to be implemented by the company itself with the target date of May 2012. The actual achievement of the targets in respect of the electrification of villages, electrification of Rural households, BPL connections, etc. is furnished in the ***Appendix 4.2.3***. As on 31 March 2011, out of 20126 villages in the State (as per 2011 census), 19177 villages were electrified (95.28 *per cent*).

It may be seen from the ***Appendix*** that while the achievement of the electrification of electrified villages was 31.05 *per cent*, the actual achievement in respect of the electrification of BPL households was only 13.98 *per cent*. Similarly, the achievement against targetted electrification of un-electrified and de-electrified villages was only 3.28 and 4.98 *per cent*, respectively.

The details of the funds released towards the implementation of the scheme are furnished below:

(₹in crore)

Year	Funds released by REC		Funds released by the State Government
	For rural electrification	For BPL consumers	
2006-07	35.08	-	4.09
2007-08	53.14	-	2.51
2008-09	92.69	7.93	11.34
2009-10	258.21	69.49	7.16
2010-11	126.04	15.06	40.72
Total	**565.16**	**92.48**	**65.82**

On review of the implementation of the scheme in the State, it was observed that as against the targeted completion of work within 24 months from the date of release of funds to the implementing agency, the work was not completed and the delay in completion of work ranged between 24 and 29 months. The delay could mainly be attributed to the delay in approval of DPR by REC and delay in execution of works by the implementing agencies nominated by the Central PSUs. The slow implementation of the project could also be attributed to awarding of the contracts by central PSUs to the agencies who have no practical presence in the state of Chhattisgarh and their inexperience in the business of distribution of electricity, etc. It was also observed that the schemes for two districts namely Jashpur and Korea were not sanctioned by REC till date (August 2011).

Further, in respect of rural households, as against 18.11 lakh households to be electrified as per 2001 census, the scheme envisaged the electrification of 14.28 lakh number of households resulting in non coverage of 3.73 lakh rural households. Moreover, the project in the state did not envisage electrification of villages with population of less than 100.

Management replied that the REC in July 2011 intimated that the implementation period was extended upto November 2011. It was also stated that more than 90 *per cent* of rural household were covered in the DPRs prepared for the scheme. Further, the electrification of villages with population less than 100 would be covered during the 12th Five Year Plan. In view of the slow progress of the work and also non coverage of all the villages under the existing scheme, the objective of the Government of India to provide 100 *per cent* electrification by 2012 remains unachievable.

4.2.9 Restructured Accelerated Power Development Reforms Programme –Central Scheme

The Government of India (GOI) approved the Accelerated Power Development Reforms Programme (APDRP) to leverage the reforms in power sector through the State Governments. This scheme was implemented with the objective of upgradation of sub-transmission and distribution system including energy accounting and metering, for which financial support was provided by GOI. In order to carry on the reforms further, the GOI launched the Restructured APDRP (R-APDRP) in July 2008 as a Central Sector Scheme for XI Plan. The R-APDRP scheme comprises of Part A and B. Part A is dedicated to establishment of IT enabled system for achieving reliable and verifiable baseline data system in all towns besides installation of SCADA[3]/Distribution Management System. For this, 100 *per cent* loan was provided, and is convertible into grant on completion and verification of same by Third Party independent evaluating agencies. The Part B of the scheme deals with strengthening of regular sub-transmission & distribution system and upgradation projects.

4.2.9.1 Financial Performance

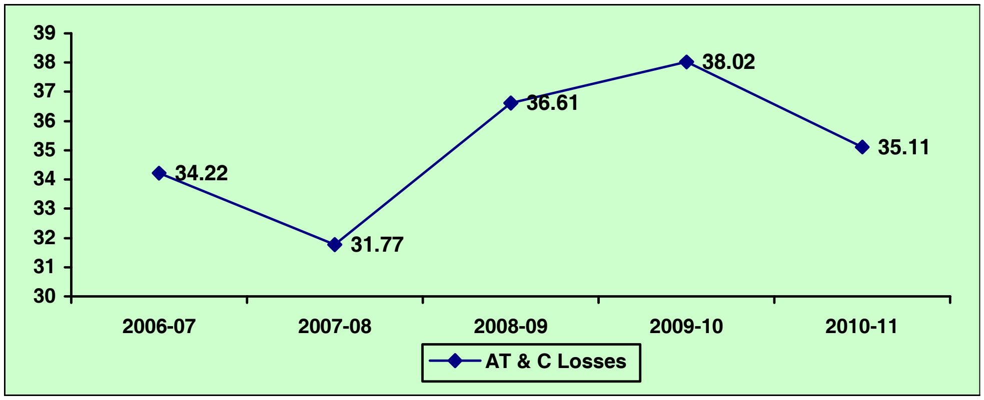
Under Part – A of the Scheme, the Power Finance Corporation (PFC) in September 2009 sanctioned the loan of ₹ 122.45 crore towards the implementation of the scheme in the State. Out of this, an amount of ₹ 36.74 Crore was disbursed to the company in March 2010. As against the amount so received, the company could spent only ₹ 8.10 crore (December 2010) as Mobilisation Advance to the KLG systel, Gurgaon identified for the implementation of the scheme in the State. As the agency was not in a position to implement the scheme, the company opted for the encashment of Bank Guarantee available with them towards the recovery of ₹ 8.10 Crore sanctioned to them as Mobilisation Advance.

Audit observed that the implementation of the scheme in the State is very slow and the targeted objective to achieve the entire implementation of the scheme in the State appears remote. As such, the conversion of loan to grant as envisaged in the Scheme may not be achievable.

4.2.9.2 Aggregate Technical & Commercial Losses

One of the prime objectives of the R-APDRP was to strengthen the distribution system with the focus on reduction of Aggregate Technical & Commercial Losses (AT&C losses) on sustainable basis. The transmission and distribution losses linked to collection efficiency of the company are termed as AT&C losses. The AT&C losses include theft, non-billing, incorrect billing and inefficiency in collection besides transmission and distribution losses. The scheme also envisaged reduction of AT&C losses by 3 *per cent* per year. The graph below depicts the AT & C losses over the review period in the Company.

[3] **Supervisory Control And Data Acquisition –** It generally refers to industrial control systems: computer systems that monitor and control industrial, infrastructure, or facility-based processes.



It may be seen from the above that the percentage of AT&C losses declined from 34.22 in 2006-07 to 31.77 in 2007-08. However, it increased upto 38.02 in 2009-10 and marginally declined to 35.11 in 2010-11. As contradictory to the objective of the scheme to bring down the AT&C losses by 3 *per cent* every year with effect from 2009-10, the AT&C losses has gone up by 0.89 *per cent* (net) over the review period.

Management replied (August 2011) that the AT&C losses has gone up in 2008-09 and 2009-10 due to increase in LT consumption and decrease in HV/LV consumption It was further stated that PFC has sanctioned (June 2011) an amount of ₹ 220.68 crore under Part B of the R-APDRP and for execution of the required work, NIT has been issued. Management reply is not convincing as the time bound action plan aiming at reduction in AT&C losses needs to be in place for achieving the objectives of the Scheme.

4.2.9.3 Consumer metering

Attainment of 100 *per cent* metering was one of the objectives of the R-APDRP scheme. Accordingly, the work of metering of unmetered consumers and replacement of defective and stopped meters of the company was taken up at a total cost of ₹ 277.71 crore during the review period. The achievement of metering of all consumers (of various categories) in the Company is indicated in the ***Appendix 4.2.4***.

The review of the billing records at the field offices revealed that the 100 *per cent* metering involving the provision of electronic meters, replacement of faulty meters in time was not ensured by the Company. This is evident from the fact that in Durg Billing Zone 1 of the Company, the Black meters[4] provided to 59 consumers were not replaced till October 2010. As on 31st March 2011, the company had total number of 0.68 lakh Black Meters provided to various categories of the consumers and the quantum of loss arisen on account of these meters remains unassessed.

In respect of HT consumers 100 *per cent* checking of meters is done on periodical basis. However, in respect of LT consumers though the company achieved almost 100 *per cent* metering as of March 2011,the defective meters remained in excess of the norms prescribed by CSERC. The status of defective meters at the end of each year during the review period is furnished below:

[4] Black meters were the traditional meters which were not provided with the facility to record power factor and maximum demand.

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	No. of LT consumers (in lakh)	24.82	26.48	28.21	30.09	33.03
2.	No of Defective Meters (in lakh)	0.81	1.39	1.57	2.92	5.18
3.	Percentage of Defective Meters	3.26	5.25	5.57	9.70	15.68
4.	Norms of CSERC on defective meters	2.50	2.50	2.50	2.50	2.50
5.	Excess over the norm	0.76	2.75	3.07	7.20	13.18

It may be observed from the above that the percentage of defective meters ranged between 3.26 and 15.68 and the same were in excess over the norm of CSERC. The prevalence of such excess percentage of defective meters was fraught with the risk of incorrect assessment of energy consumption and consequent pilferage of revenue on this account.

Management replied (August 2011) that the 100 *per cent* metering has been done and further stated that the percentage of defective meters only ranged between 0.93 and 7.32 *per cent*. The management reply is factually incorrect as the R15 submitted to the State Government confirms that the actual percentage of defective meters ranged between 3.26 and 15.68.

Operational efficiency

The operational performance of the DISCOM is judged on the basis of availability of adequate power for distribution, adequacy and reliability of distribution network, minimizing line losses and detection of theft of electricity, *etc*. These aspects have been discussed below.

4.2.10 Purchase of Power

Assessment of future demand and requirement of power is calculated on the basis of past consumption trends, present requirement, load growth trends and T & D losses and its trend. State Electricity Regulatory Commission (SERC) approves the sources of purchase of power and the purchase cost based on the estimates made in the Annual Revenue Requirement (ARR). In addition depending on the requirements, additional power purchases are made a portion is subsidised by the Government.

The details of demand of power assessed for the State based on the 17th Electric Power Survey, purchase of power approved by CSERC and actual power purchased during the period 2006-07 to 2010-11 in respect of the State as a whole were as under:

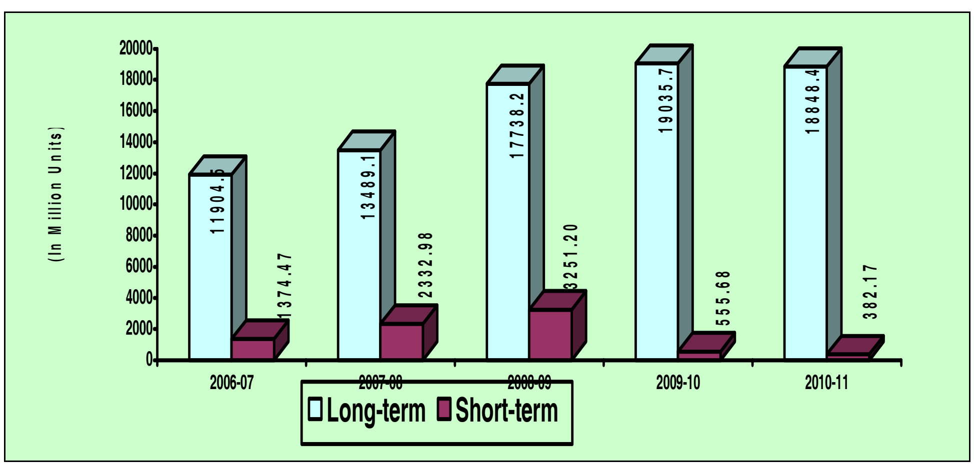
(in Million Units)

Year	Demand assessed in EPS	Purchases approved by CSERC	Actual Power purchased	Excess/ Shortfall in purchase against approved
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3 – 4)**
2006-07	14377	12955.36	13278.97	-323.61
2007-08	15623	14637.00	15822.08	-1185.08
2008-09	16977	-	20989.64	-
2009-10	18448	19885.00	19591.34	293.66
2010-11	20047	20619.00	19230.59	1388.41

(-) indicates the power purchase in excess of the approval by SERC while the (+) indicates the power purchases lesser than the approval by SERC.

It is observed from the above that the actual purchases were higher than the quantum approved by the SERC for the years 2006-07 and 2007-08 where as the same was less than the quantum approved by SERC for the last two years ending 2010-11**.** The reasons for variation in purchases could be attributed to the incorrect estimation of the tentative quantity to be purchased and submission of the same to SERC. However, the excess purchases so made by CSEB/Company were not objected by the Commission subsequently in its tariff orders.

For meeting the power requirement, the Company entered into long term as well as short term power purchase agreements with various agencies viz., State Generation Companies, Central PSUs, IPPs, etc. besides Unscheduled Interchange purchases on need basis. The source-wise purchase of power during review period is given in the ***Appendix-4.2.5.*** It may be seen from the ***Appendix*** that the procurement from CSPGCL (State Generation Utility) was the cheapest while the procurement through the central sector was the second lowest in terms of average cost per unit. The cost per unit of procurement of power from IPP/CPP ranged between ₹ 2.04 and ₹ 2.97 during the review period. The break up of power purchased through Long term and Short term was as follows:



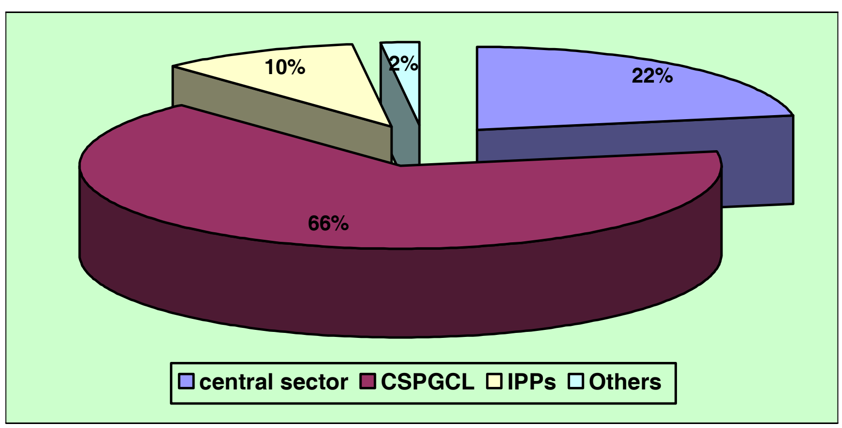
In respect of the power purchased from the central sector, there were deviations in the committed schedules involving UI Purchases indicated by Overdrawal and UI sales indicated by Underdrawal. The quantum of underdrawal and overdrawal during the last four years ending 31 March 2011 was as follows:

Year	Underdrawal (in MUs)	Average Rate (in ₹ per unit)	Overdrawal (in MUs)	Average Rate (in ₹ per unit)
2007-08	737.73	3.04	379.36	3.04
2008-09	1617.39	4.86	102.05	4.75
2009-10	2151.30	3.60	135.25	2.17
2010-11	1552.95	2.93	129.44	2.84

It may be seen from the table that UI sales registered an increasing trend as it moved from the 737.73 MUs in 2007-08 to 2151.30 MUs in 2009-10 and marginally declined to 1552.95 MUs in 2010-11. However, the UI purchases declined from 379.36 MUs in 2007-08 to 129.44 MUs in 2010-11. The improvement in UI sales and reduction in UI purchased could be attributed to the overall improvement in the power supply situation in the State and also the commissioning of the new Power Station.

Though the CSEB/Company earned UI rate per unit ranging between ₹ 2.93 and ₹ 4.86 during the review period, the CSEB/Company also paid for these committed units in the Central Sector at the rates ranging between ₹ 1.54 and ₹ 1.96. As a result, the real average rate per unit earned from the UI income varied between ₹ 0.97 and ₹ 3.38 during the review period. However, as the rates prevailing in the market was much higher than the UI rate, the same could have been sold through Power Exchange or through the traders at the rate ranging between ₹ 6 per unit and 10 per unit. This resulted in potential loss of revenue.

The break up of the total purchase by the company during the year 2010-11 is shown in the graph below:



Further, the analysis of the purchases made by CSEB/Company during the last five years ending 31.03.2011 revealed that

- The percentage of purchases through the Long Term Agreements which was 89.65 in 2006-07 has improved to 98.01 in 2010-11.
- The average rate of purchases (₹ 2.10) through the Long Term Agreements was lower than the average rate of purchase through the Short Term Agreements (₹ 3.01).

- The percentage of purchases from Central Sector in each year varied from17.12 to 24.46 *per cent* during the review period as compared to the total annual purchases of the CSEB/Company in the respective years.
- The UI purchase rate during the review period ranged between ₹ 2.17 and ₹ 4.75 per unit while the average cost of supply ranged between ₹ 2.98 and ₹ 3.20 per unit. The UI Purchase rate was higher than the company's average cost of supply for the year 2007-08 and 2008-09 while the same was lower than the company average cost of supply for the years 2009-10 and 2010-11.
- The company's purchases through the UI were two *per cent* in 2007-08 and decreased to less than one *per cent* during the 2008-09 to 2010-11.

The irregularities noticed by audit on scrutiny of power purchase agreements entered into by the Company during the review period are stated below:

4.2.10.1 Belated decision to enforce MOU resulted in non availment of power at long term rate and consequent loss of ₹89.42 crore

Non conversion of MOU into PPA resulted in purchase of power at higher rates and consequent loss of ₹ 89.42 crore

The Government of Chhattisgarh (October 2002) entered into MOU with LANCO Amarkantak Power Private Limited for implementation of 2 X 67.5 MW coal based Thermal power plant at Korba. The provisions contained in the MOU empowered that the CSEB would not take guarantee towards power purchase but reserved the first claim on CSEB towards the purchase of 25 *per cent* of power from LANCO at mutual terms and conditions. LANCO in May 2004 offered to the CSEB 25 *per cent* of the power at a levellised tariff rate of ₹ 2.14 per unit for a period of 12 years. CSEB decided (June 2004) not to enter into PPA for purchase of power. LANCO again in June 2005 offered the entire quantum of power from this project at the rate of ₹ 2.25 per unit for a period of 12 years. The CSEB communicated (October 2005) that it was willing to avail 80 *per cent* of the power at the rate decided by the CSERC. However, this was turned down by LANCO. CSEB again in November 2006 requested LANCO for supply of 150 MW which was refused by LANCO. LANCO commissioned its first unit in May 2009. As a result, CSEB had to purchase power from other IPPs at an average rate of ₹ 2.97 per unit during this period. Thus, failure of the CSEB to enter into PPA in pursuance of the MOU resulted in loss of ₹ 89.42 Crore (Loss is reckoned for 75 MW for a period since 09.05.2009 at a differential rate of ₹ 0.72 (2.97-2.25) per unit).

Management replied (August 2011) that non conversion of MOU into a formal contract (PPA) was on account of uncertainty in power purchase requirements and also on account of LANCO refusing to execute the PPA on one ground or the other. However, the management ignored the power projection requirements projected in 17th EPS. Further, the management has also not taken up the issue before CSERC for enforcement of MOU despite the availability of such option before it.

4.2.10.2 Avoidable expenditure of ₹331.15 crore in the purchase of power from Jindal Power Limited due to non-execution of long term Power Purchase Agreement

Failure to enter into Long term PPA in compliance with MOU resulted in purchase of power at higher rates and consequent avoidable expenditure of ₹331.15 crore

A Memorandum of Understanding (MoU) was signed (21 October 1994) between the erstwhile Madhya Pradesh Electricity Board (MPEB) and Jindal

Strips Limited (Jindal) for establishing 1000 MW power plant at Raigarh. Accordingly, a Special Purpose Vehicle (SPV), Jindal Power Limited (JPL) was promoted for the project. Consequent upon formation of Chhattisgarh State, the agreements were inherited to the Chhattisgarh Government and Chhattisgarh State Electricity Board (CSEB). Accordingly, a revised MoU was also signed (21 May 2001).

In compliance to the MoU, JPL offered (October 2005) 250 MW power from the first unit at a firm rate of ₹ 2.10 per unit for 15 years and requested CSEB to finalise the power purchase agreement. Though JPL commenced commercial operation from December 2007, CSEB/Company failed to pursue the matter further to finalise the long term PPA within the ambit of the MoU and purchased 4614 MUs of power from JPL on short term basis at rates ranging from ₹ 2.448 to ₹ 3.015 per unit during December 2007 to March 2011. Thus failure of the CSEB/Company to enter into long term PPA with JPL and subsequent purchase of power on short term basis at higher rates from the same firm resulted in avoidable expenditure of ₹ 331.15 crore.

Management stated (February 2011) that on commissioning of the first unit, the power market was at boom and JPL tried to compel CSEB/Company to procure power at competitive bidding rates. Further, Electricity Act, 2003 allowed a generation Company to sell power to any consumer. Based on this, JPL has turned down the MoU. Moreover, as CSEB/Company was facing acute shortage of power, it was decided to purchase 300 MW of power at short term power purchase rates from JPL for one year from 8 December 2007. Thereafter, it was decided to purchase 150 MW power from JPL for one year at the short term power purchase rates and accordingly, the PPA was executed on 8 May 2009.

The reply ignored the fact that JPL offered (October 2005) 250 MW power at firm rate of ₹ 2.10 per unit for a period of 15 years. The MoUs/agreements executed under the earlier Act were still valid and enforceable as per the Electricity Act, 2003 as confirmed by Chhattisgarh State Electricity Regulatory Commission. Had the CSEB/Company accepted the above offer and executed long term PPA the above extra expenditure could have been avoided.

4.2.10.3 Lack of proactive approach in restricting Captive Power Plants and Independent Power Plants from Under Injection of electricity and potential loss of ₹102.40 crore

Non prevention of private power generators from under injection of electricity resulted in loss of ₹ 102.40 crore

CERC regulations on Open Access transactions and Unscheduled Interchange charges provides that the under injection of electricity by a Generating station or a seller during a time block shall not exceed 12 *per cent* and 3 *per cent* on daily aggregate basis. The Electricity Supply Act 2003 also provide that State Load Despatch Center (SLDC) was responsible for optimum scheduling and dispatch of electricity within the State and empowered the SLDC to issue directions to the private generators and sellers (from under injection of electricity) which shall be final and binding on them. CSERC also in its tariff order for the year 2007-08 directed the Company to maximize its income potential through UI income.

Test check in audit of the injection of electricity by the private power generators in the state revealed that the quantum of under injection of electricity varied from 18.62 to 80.74 *per cent* in 2008-09, 12.54 to 89.20 *per cent* in 2009-10 and 22.16 to 97.67 *per cent* in 2010-11. Since SLDC was empowered to issue directions to generators and seller thereby restricting the under injection to permissible limits, the CSEB/Company could have obtained more power from the Grid. This additional power could have been sold through power exchange at higher rates. This resulted in potential loss of revenue of ₹ 102.40 crore for the period from August 2008 to February 2011.

Management stated (August 2011) that although there is a limit of under injection but the same is linked with the grid frequency with prescribed limit of under injection. However, there is no specific provision of penalty except additional UI charge to generator under which such under injection can be restricted. Further, there is no loss as the company was compensated by levy of extra five *per cent* UI charges. However, it may be mentioned that loss worked out above is after reduction of the UI charges levied for under injection based on the monthly weighted average rate for sale in power exchange. Further, CERC Regulations empowered SLDC to issue directions for under injection which were binding on them.

4.2.11 Sub-transmission & Distribution Losses

The losses at 33KV stage are termed as sub-transmission losses while those at 11 KV and below are termed as distribution losses. The losses occur mainly on two counts, *i.e.*, technical and commercial. Technical losses occur due to inherent character of equipment used for transmitting and distributing power and resistance in conductors through which the energy is carried from one place to another. On the other hand, commercial losses occur due to theft of energy, defective meters and drawal of unmetered supply, etc. The loss of energy on account of these factors must be kept at the bare minimum level.

The table below indicates the energy losses for the last five years upto 2010-11.

(In Million Units)

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Own generation	8750.46	9414.25	12358.82	No own generation	
2.	Purchases from others	4528.51	6407.83	8630.82	19591.34	19230.59
3.	**Total purchases**	**13278.97**	**15822.08**	**20989.64**	**19591.34**	**19230.59**
4.	Energy sold	9441.92	10613.21	12021.46	11311.39	12139.13
5.	Losses	3837.05	5208.87	8968.18	8279.95	7091.46
6.	Percentage of losses	28.90	32.92	42.73	42.26	36.88
7.	Percentage of losses approved by SERC	33.81	32.54	37.15	34.32	34.00
8.	Excess losses (in percentage)	0	0.38	5.58	7.94	2.88
9.	Excess losses (in MUs)	0	60.12	1171.22	1555.55	553.84
10.	Avg rate of realisation[5]	3.63	3.45	3.34	3.32	3.50
11.	Value of loss (₹ in crore)	0	20.74	391.19	516.44	193.84

Non adherence to CSERC directives in controlling T&D losses resulted in cumulative loss of ₹ 1122.21 crore over 2006-11.

It may be seen from the above table that losses ranged between 28.90 and

[5] Average rate of realisation adopted here is based on the figures furnished in R-15 by the Company.

42.73 *per cent* during the last five years ending 31 March 2011. The percentage of losses registered an increasing trend during the review period as is evident from the fact that the energy losses moved up from 28.90 *per cent* in 2006-07 to 42.26 *per cent* in 2009-10 and declined to 36.88 *per cent* in 2010-11. The aggregate value of loss on this account worked out to ₹ 1122.21 crore.

Reduction in these losses was the most significant step towards making the Company financially self-sustaining. The importance of reducing losses can be gauged from the fact that a one *per cent* decrease in losses could add ₹ 67.30 crore[6] to the profits of the Company annually. Besides, bringing down the T&D losses to the national level of 28.44 *per cent* may contribute to the profitability of the company to the extent of ₹ 568.07 crore. The main reasons for such high energy losses were non installation of capacitor banks, low power factor, heavy quantum of unmetered consumers especially in respect of BPL consumer, theft of electricity etc.

Management stated (August 2011) that the Distribution loss is coming down from 33.77 *per cent* in 2008-09 to 31.49 in 2010-11 by reckoning the distribution loss with reference to the units fed into the feeder. The CSERC has also expressed concern over the higher T&D losses.

4.2.12 Financial Position and Working Results

One of the major aims and objectives of the National Electricity Policy of 2005 is ensuring Financial Turnaround and commercial viability of electricity sector. As mentioned in the paragraph 4.2.1, though the Company was incorporated in May 2003 (and later renamed from March 2005), it started operational activities with effect from 1 January 2009 consequent upon unbundling of erstwhile CSEB. Accordingly, the financial position of the Company for the period from 1 January 2009 to 31 March 2011 is given below.

(₹in crore)

Particulars	**Jan 09 to Mar 09**	2009-10 (Provisional)	2010-11 (as per ARR submitted to CSERC)
A. Liabilities			
Paid up Capital[7]	1987.35	2222.78	3605.51
Reserve & Surplus (including Capital Grants but excluding Depreciation Reserve)	55.84	-	- 1854.29
Borrowings (Loan Funds)			
Secured	69.84	165.41	-
Unsecured	266.08	163.95	935.01
Current Liabilities & Provisions	1682.51[8]	2058.06[9]	1278.14
Total	**4061.62**	**4610.20**	**3964.37**

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6 The amount is reckoned at one *per cent* of 19230.59 MUs energy available for distribution at the rate of average realization per unit of ₹ 3.50.

7 The Paid up Capital includes Share Capital Suspense of ₹. 1913.26 crore for the period ending 31.03.2009 and for the year 2009-10. In addition to this, the Share Capital also includes an amount of Deferred Capital Contribution of ₹ 74.04 crore, ₹ 309.47 crore and ₹ 1582.46 crore for the period ending 31.03.2009, 31.03.2010 and 31.03.2011 respectively.

8 Includes deferred tax liability of ₹19.20 crore.

9 Includes Intercompany adjustment liability of ₹ 82.49 crore.

B. Assets			
Gross Block	1812.31	2029.56	3359.43
Less: Depreciation	667.76	773.66	826.80
Net Fixed Assets	1144.55	1255.90	2532.63
Capital works-in-progress	716.65	932.97	1176.03
Investments	-	-	197.59
Current Assets, Loans and Advances	2200.42[10]	2162.26	58.12
Profit & loss A/c		259.07	
Total	**4061.62**	**4610.20**	**3964.37**
Debt : Equity	**0.16:1**	**0.14:1**	**0.53:1**
Networth	**2043.19**	**1963.71**	**1751.22**

It may seen from the above that:

- The profits of the company were registering a declining trend. This is evident from the fact that the Reserves and Surplus of the company declined from ₹ 55.84 crore as of March 2009 to a negative amount of ₹ 1854. 29 crore. The reasons for the increase in losses could be attributed to non recovery of cost of operations, increased borrowings on account of the working capital problems, poor billing efficiency and poor Revenue collection efficiency, etc. Further, the annual revenue requirement of the transmission company was also borne by the company.
- The Debt: Equity ratio of the company was less than one as the company resorted to only short term borrowings to tide over its working capital problems.
- The Net worth of the company declined from ₹ 2043.19 crore in March 2009 to ₹ 1751.22 crore as of March 2011 due to increase in the losses.
- The investments as of March 2011 represent the investment of funds lying unutilized with the company received in respect of Central Sector Schemes.
- The high amount of Capital work in progress could be attributed to non transfer of the same to Fixed Assets due to non preparation of Work Completion Reports. As a result, the erstwhile CSEB could not claim the benefit of depreciation on these amount resulting in enhanced Income Tax liability of ₹ 134.27 crore for the period from 2006-07 to 2008-09.
- The increase in borrowings could be attributed to the working capital problem faced by the Company as the cost of power purchased paid on monthly basis while the approximate sales were realized after more than two months.

The particulars of cost of electricity vis-à-vis revenue realization per unit there from are indicated below.

10 Includes inter company adjustment of ₹ 104.37 crore.

(₹in crore)

Sl. No.	Description	2008-09[11]	2009-10 (provisional)	2010-11 (as per ARR submitted to CSERC)
1	**Income**			
(i)	Revenue from Sale of Power [12]	5149.01	4085.47	4332.10
(ii)	Other income	164.49	118.69	235.06
	Total Income (i) + (ii)	**5313.50**	**4204.16**	**4567.16**
2	**Distribution (In MUs)**			
(i)	Total power purchased	20989.64	19591.34	19230.59
(ii)	Less: Transmission losses	921.62	934.51	899.14
(iii)	Net Power available for Sale	20068.02	18656.83	18331.45
(iv)	Less: Sub-transmission & distribution losses	8046.56	7345.44	6192.32
	Net power sold	**12021.46**	**11311.39**	**12139.13**
3	**Expenditure on Distribution of Electricity**			
(a)	**Fixed cost**			
(i)	Employees cost	801.74	626.78	675.73
(ii)	Administrative and General expenses	92.85	85.51	89.98
(iii)	Depreciation	263.59	105.89	105.12
(iv)	Interest and finance charges	273.52	72.16	212.55
	Total fixed cost	**1431.70**	**890.34**	**1083.38**
(b)	**Variable cost**			
(i)	Purchase of Power	2072.91	3317.23	4191.22
(ii)	Electricity Duty	685		
(iii)	Transmission/ Wheeling Charges	103.98	246.3	517.97
(iv)	Repairs & Maintenance	181.64	90.82	96.25
	Total variable cost	**3043.53**	**3654.35**	**4805.44**
(c)	**Total cost 3(a) + (b)**	**4475.23**	**4544.69**	**5888.82**
4	Realisation (₹ per unit) (1(i)/2)	4.28	3.61	3.57
5	Fixed cost (₹ per unit)	1.19	0.79	0.89
6	Variable cost (₹ per unit)	2.53	3.23	3.96
7	Total cost per unit (in ₹) (5+6)	3.72	4.02	4.85
8	Contribution (4-6) (₹ per unit)	1.75	0.38	-0.39
9	**Profit (+)/Loss(-) per unit(in ₹) (4-7)**	**0.56**	**-0.41**	**-1.28**

It may be seen from the above that the realisation per unit decreased from ₹ 4.28 per unit in 2008-09 to ₹ 3.57 per unit in 2010-11 (16.59 *per cent*), while the cost per unit increased from ₹ 3.72 per unit to ₹ 4.85 per unit (30.38 *per cent*) during the corresponding period. Consequently the contribution per unit declined from ₹ 1.75 per unit in 2008-09 to a negative ₹ 0.39 per unit.

It was also evident from the above table that 'Purchase of Power' and 'Employees Cost' constituted the major elements of cost in 2010-11 which represented 71.17 and 11.47 *per cent* of the total cost in that year. On the other hand, the Sale of Power including UI income constituted the major elements of revenue in 2010-11 which represented 94.85 *per cent* of the total revenue.

It may be seen from the working results that there remained a revenue gap of ₹ 459.22 crore in 2009-10 which increased to ₹ 1556.72 crore in 2010-11. The steep increase in revenue gap needs immediate attention of the State Government for necessary remedial action. Audit analysis revealed that the main reasons for increase in loss per unit could be attributed to the reduction in revenue realisation as compared to the previous years and increase in variable cost.

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11 Figures for the year 2008-09 is compiled from the records of CSPHCL for nine months and from CSPDCL for three months.

12 Revenue from sale of power includes subsidies and grants receivable from the State Government and income earned through Unscheduled Interchange charges.

The financial viability of the Company are generally influenced by the various factors such as

- Timely revision of tariff;
- Adequacy of revision of tariff to cover the cost of operation;
- Timely release of promised subsidy by the Government;
- Cross subsidization policy of the Government and its implementation by the DISCOMs;
- The Financial Management of DISCOMs; and
- The Revenue billing and collection efficiency.

These factors are discussed in the following paragraphs.

4.2.13 Tariff Fixation

The tariff structure of the Company is subject to revision approved by the State Electricity Regulatory Commission (SERC) after the objections, if any, received against Annual Revenue Requirement (ARR) petition filed by them within the stipulated date. The Company was required to file the ARR for each year 120 days before the commencement of the respective year. The SERC accepts the application filed by the Company with such modifications/conditions as may be deemed just and appropriate.

The table below shows the due date of filing ARR, actual date of filing, date of approval of tariff petition and the effective date of the revised tariff.

Year	Due date of filing	Actual date of filing	Delay in days	Date of approval	Effective date
2006-07	01.11.2005	13.04.2006	163	13.09.2006	01.10.2006
2007-08	01.11.2006	17.08.2007	289	22.10.2007	01.11.2007
2008-09	01.11.2007	No petition filed			
2009-10	01.11.2008	26.02.2009	117	30.05.2009	01.07.2009
2010-11	01.11.2009	18.10.2010	352	Tariff not issued due to delay	

Non submission of tariff petitions in time resulted in loss of ₹ 668.55 crore over 2006-11.

It may be observed from the table that the CSEB/Company had delayed filing of tariff petitions every year and the period of delay ranged between 117 and 352 days except 2008-09, where no petition was filed. The delay in filing the tariff application resulted in loss of revenue amounting to ₹ 668.55 crore to the Company for the years 2006-07 to 2010-11 based on the average cost of supply approved in the tariff orders of respective years since the delay in implementation of tariff order led to non-recovery of approved cost for the delayed period.

The Company replied that through the tariff process, neither the profit nor the loss is retained and the same is passed on to the consumer. The management reply ignored the fact that the tariff petition is filed based on the projected annual revenue requirements for a particular period for which the tariff fixation was sought and the delay in implementation had deprived the management the revenue targeted for that particular year/period.

4.2.13.1 Non implementation of Tariff Regulations in respect of BPL consumers resulted in loss of ₹57.95 crore

The Tariff Schedule since 2006-07 provided that the State Government shall provide subsidy to BPL consumers up to 30 units per month. It further provided that in case if the consumption of the BPL consumers exceeded 30 units in any month (i.e. 360 units per year) or the connected load exceeded 120 Watts, then the consumer would cease to be covered under LV1.1 (BPL consumers) and would be covered under LV 1.2 (Other Domestic consumers) envisaging the billing on the basis of slab tariff provided therein. The same provisions were applicable to the BPL consumers in the subsequent tariff schedules also. In order to implement these provisions, CSERC also directed the CSEB/Company (September 2006) to resort to 100 *per cent* metering by March 2007, (the target date was further extended from time to time) so as to bring the entire BPL consumers to billing.

Review in Audit of the billing records (LT R-15) revealed that despite the consumption of the BPL unmetered consumers exceeding 360 units per year on average basis, they were not provided with metering up to 2009-10 and did not make payment for consumption according to various slabs ranging between ₹ 0.75 per unit and ₹ 1.45 per unit. Thus, failure on the part of the Company to migrate the consumers to LV 1.2 despite their consumption of electricity in excess of the limit prescribed and non subjecting these consumers to meter reading led to revenue loss of ₹ 57.95 crore from 2006-07 to 2009-10 as shown in ***Appendix- 4.2.6***.

Management replied that it was difficult to check the entire 14 lakh BPL consumers in the State and despite this, 1.64 lakh consumers were converted into metered category.

4.2.13.2 Non compliance with the CSERC directives

Normally, the Regulatory Commission while finalizing the Tariff orders issues directions to the CSEB/Company which is to be complied with in the interest of tariff fixation. The review of the directions issued by the CSERC during the review period revealed that many of the directives issued by the CSERC were not complied with as detailed below:

- Though the commission directed (Tariff order 2007-08) that there should be no direct electrical connectivity between an industry and the generation plant that avails start up power from Company, it was observed that the Company had no monitoring mechanism in place to ensure this. The Company stated that the information in this regard is available with the SE/CE (T&C) which functions under Transmission Company. In the absence of such mechanism, there is a potential risk of direct sale leading to loss of revenue to the company.
- Despite the repeated directives by CSERC to improve the operational efficiency involving the reduction of T&D losses, establishment of credible database, etc. no improvement in this regard was done. It is evident from the fact that T&D losses had increased over the review period.
- Commission's directive (October 2007) on the preparation of Tariff card in Hindi, a pamphlet detailing the internal grievance redressal machinery in the CSEB/Company and the details of the load shedding and pre arranged shut down be sent to the mobile numbers of the major HT customers was not complied with by the Company.

- CSERC's directive towards the establishment of credible data base and correct preparation of R15 is yet to be complied with. (September 2011).

It is pertinent to mention that compliance to these directives especially in respect of reduction in T&D losses and improvement of revenue collection efficiency may help in reduction of losses of the Company thereby bringing in better operational efficiency and financial sustainability of the Company.

Management replied that the cent *per cent* metering was extended by CSERC from time to time. It further stated that the improvement of operational efficiency depended on several factors including the policy of the State Government, growth of CPP/IPPs in the State, etc. It further stated that the Tariff card is published in Hindi and the R 15 is generated through SAP software since April 2011.

The management reply ignored the fact that improvement of the operational efficiency is the need of the hour for the company in the light of its loss making scenario since 2009-10 onwards. Further, though the policies of State Government and overall power scenario has a bearing on the system, strengthening of the sub-transmission and distribution network so as to bring in reduction in T&D losses, improving revenue collection efficiency and enhancing operational efficiencies as discussed in subsequent paragraphs can be achieved by the Company itself thereby bringing in financial sustainability without increasing the tariff structure. The company should lay down a time bound action plan in close coordination with the State Government. Further, the copy of the tariff card published in Hindi was not made available to Audit for verification.

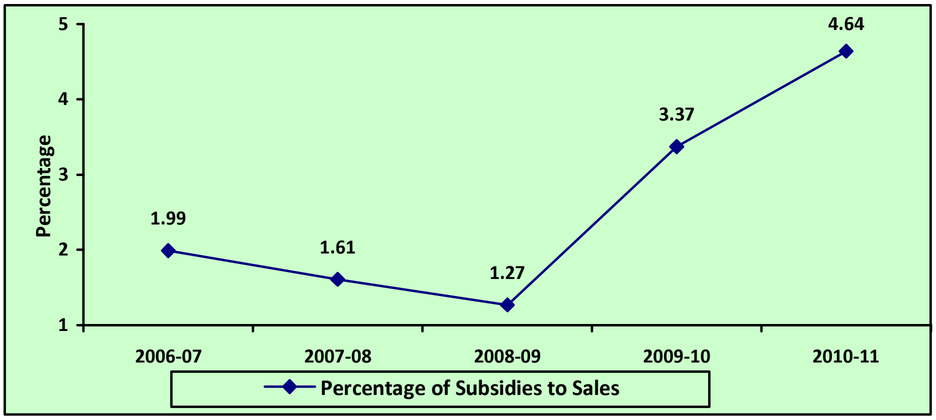
4.2.14 Subsidy Support and Cross Subsidisation

The State Government is providing subsidy with a view to ensure supply of power to specific category of consumers at concessional rates of tariff.

4.2.14.1 Non release of subsidy by State Government

The graph below indicates revenue subsidy support[13] from State Government (against concessional tariff) as a percentage of sales for the last five years ending 31 March 2011.

[13] The subsidy support is issued in the form of reimbursement of sale of energy upto 30 units per month in respect of BPL consumers and subsidy for providing agricultural pump connection at the rate ₹ 50000 per connection.



It is observed from the above that subsidy support from the Government was showing increasing trend over the review period. The percentage of subsidy support to sales went up from 1.99 in 2006-07 to 4.64 in 2010-11. Further, as per Section 65 of Electricity Act, the State Government was required to pay in advance the subsidy element to the Company so that their operation is not financially effected. In this regard, it was observed that against the subsidy claim of ₹ 511.56 crore over the review period on above account, only ₹ 491.23 crore was actually released by the State Government till 2010-11 as detailed in the table below.

(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Opening balance	1.07	11.24	31.66	44.92	32.40
Add: Due from State Government during the year	58.20	60.42	65.26	137.58	190.10
Total Due	59.27	71.66	96.92	182.50	222.50
Less: Received during the year	48.03	40.00	52.00	150.10	201.10
Closing balance	11.24	31.66	44.92	32.40	21.40

It may be seen from the table above that the closing balance of subsidy receivable increased over the review period indicating that the State Government had not fully reimbursed the subsidy becoming due in each year of the review. This would not only adversely affect the financial health of the Company but also infringes the provisions of Section 65 of the Electricity Act 2003 requiring the State Governments to pay the subsidy in advance. As the Company was resorting to overdrafts to tide over its working capital problems, the delay in preferring the subsidy claim and also lesser receipt of the funds from the State Government adversely affects the financial position of the Company. Despite such huge accumulation, the Company had not sincerely pursued with the State Government for release of the subsidy claim to tide over its working capital problems.

The management replied that the subsidy claim is pursued with the State Government on quarterly basis and the release of subsidy by the State Government depends on its financial and budgetary provisions.

Cross subsidization

4.2.14.2 Extension of cross subsidy in excess of norms laid down in National Tariff Policy

Section 61 of Electricity Act 2003 stipulates that the tariff should progressively reflect the average cost of supply (ACOS) of electricity and also reduce cross subsidy in a phased manner. National Tariff Policy (paragraph 8.2.5) also envisaged that the tariff of all categories of consumer should range within plus or minus 20 *per cent* of the ACOS by the year 2010- 2011. The position in this regard over the review period as per approved tariff is indicated in ***Appendix-4.2.7***.

It may be seen from the ***Appendix*** that the target laid down in the National Tariff Policy was not achieved as the percentage of cross subsidy remained in the range of 7.24 to 74.01 *per cent* on negative side and 0.99 to 332.89 *per cent* on positive side as per the Tariff order applicable for the year 2010-11. It may also be seen from the ***Appendix*** that in 2010-11 while agricultural metered consumers were highly subsidized, start-up power consumers were the most over charged. Over the review period, agricultural metered category remained highly subsidized whereas start-up power category remained heavily over charged.

The management replied that the extension of cross subsidy was not in the hands of Company and the amount of cross subsidy is registering a decreasing trend during the review period.

4.2.15 Billing Efficiency

Billing of all L.T consumers were being done at Division level while the billing of HT consumers were being done at the Regional Accounts Officers level on the meter reading statement done by the Divisions. All consumers were billed on monthly basis except domestic consumers in rural areas who were billed on quarterly basis. The assessed units refer to the units billed to the consumers in case the meter reading was not available due to meter defects, door locked, etc. The efficiency in billing of energy lies in distribution/sale of maximum energy by the Companies to its consumers and realise the revenue there from in time.

(Figures in MUs)

S.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Energy sold	9441.92	10613.21	12021.46	11311.39	12139.13
2.	Free Supply	20.00	23.75	24.62	29.87	36.88
3.	Assessed sales	137.85	177.51	94.97	110.83	202.10
4.	Energy billed (1-2-3)	9284.07	10411.95	11901.87	11170.69	11900.15
5.	Assessed sales as percentage of metered sales {(3 x 100)/4}	1.48	1.70	0.80	0.99	1.70

It may be seen from the table that the free supply has gone up from 20MUs to 36.88 MUs during the review period. Besides the assessed sales has also gone up from 137.85 MUs to 202.10 MUs during the review period and the assessed sales as a percentage of metered sales has moved from 1.48 in 2006-07 to 1.70 in 2010-11.

4.2.15.1 Short recovery of service line charges aggregating to ₹ 61.51 lakh from the new HT consumers

As per the provisions contained in the Supply Code effective from 1 October 2007, the cost of providing service connection was to be recovered from the consumer concerned. Test check in audit of the 121 new service connections (including load enhancement) provided to the HT consumers by the Durg, Raigarh and Rajnandgaon circles revealed that in respect of nine cases, the actual cost of supply arranging charges recovered from the HT Consumers was less than the actual cost of providing such service connections. The amount less recovered on this account was worked out to ₹ 92.39 lakh.

The management in its reply (August 2011) stated that an amount of ₹ 6.93 lakh pointed out by Audit was recovered and an amount of ₹ 23.95 lakh is disputed by a consumer in the Hon'ble High Court. The management should have recovered the charges before extending the service connection which would have avoided the legal dispute also.

4.2.15.2 Irregular waiver of surcharge of ₹ 24.32 lakh under one time settlement scheme

The Company introduced (September 2010) 'One Time Settlement Scheme' providing for recovery of arrears from LT consumers who were permanently disconnected or the consumers who were disconnected for at least six months. As per the approved terms of One Time Settlement Scheme, surcharge as on 15 October 2010 was to be waived off, if the consumer pays the outstanding principal amount under the scheme. The Company authorised the Executive Engineer (O&M) of the concerned Division for waiver of Surcharge under the Scheme.

Test check in audit of the records relating to One Time Settlement Scheme at seven out of 12 Distribution Centers (DCs) (481 cases) under the Ambikapur O&M Division revealed that in 340 cases (70.69 *per cent*) the benefit of the scheme was extended to ineligible consumers i.e. connected consumers or those consumers who were disconnected for less than six months. Despite the above, the Executive Engineer (O&M) Division, Ambikapur accorded approval for waiver of surcharge in violation of the terms of the Scheme. Waiver of surcharge to ineligible consumers in contravention to the terms of the scheme approved by CSERC was not in order and resulted in irregular waiver amounting to ₹ 24.32 lakh and undue financial benefit to the defaulters in respect of the cases test checked in Audit.

Management replied (August 2011) that the audit findings would be verified after detailed verification from field office. However, this highlights the deficiencies in the internal control system of the Company as there may be other similar cases besides those being test checked in Audit.

4.2.16 Revenue collection efficiency

As revenue from sale of energy is the main source of income, its prompt collection assumes great significance. The salient features of the collection mechanism being followed were as follows:

HT Consumers of the company can make payments of the bills by cash, cheques or by demand draft, direct remittance into the Board account through RTGS, etc. In respect of LT services, electricity bills are generally collected by the revenue cashiers (RC) except in some areas where collection work is entrusted to spot billing agencies. In addition, consumers also have an option to make payments through ATM centres. Consumers are required to pay current charges within 15 days from the date of bill, failing which the consumers are liable for payment of delayed payment charges at the rate of 1.5 *per cent* of the bill amount for a month.

The table below indicates the balance outstanding at the beginning of the year, revenue assessed during the year, revenue collected and the balance outstanding at the end of the year during last five years ending 2010-11.

(₹in crore)

S. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Balance outstanding at the beginning of the year	1483.34	1358.24	1463.00	1715.75	1923.21
2.	Revenue assessed/Billed during the year[14]	3305.49	3661.63	4000.86	3767.38	3085.03
3.	Total amount due for realisation (1+2)	4788.83	5019.87	5463.86	5483.13	5008.24
4.	Amount realised during the year	3059.20	3556.87	3748.11	3559.92	2924.03
5.	Amount written off	371.39	-	-	-	-
6.	Balance outstanding at the end of the year	1358.24	1463.00	1715.75	1923.21	2084.21
7.	Percentage of amount realised to total dues (4/3)	63.88	70.86	68.60	64.92	58.38
8.	Arrears in terms of No. of months assessment.	4.93	4.79	5.15	6.13	8.11

We observed from the above details that:

- The balance dues outstanding at the end of the year increased from ₹ 1358.24 crore in 2006-07 to ₹ 2084.21 crore in 2010-11.
- As of March 2011, the amount of arrears outstanding for more than three years was ₹ 1384.33 crore constituting 66.42 *per cent* of the total arrears recoverable.
- As against ₹ 1384.33 crore outstanding for more than three years, ₹ 1111.25 crore was recoverable from Government consumers while the remaining amount of ₹ 273.08 crore was recoverable from the private parties. Arrears of such huge amount from private parties only indicate the non implementation of the legal provisions empowering the erstwhile Board/Company to resort to permanent disconnection to recover the dues in time.
- The percentage of amount realised to total dues declined during the review period from 63.88 to 58.38. Also, the increase in arrears in terms of number of month's sales from 4.93 to 8.11 could be attributed to the enhancement of arrears outstanding at the end of the year to revenue billed during the year from 41.09 to 67.56 *per cent*.

[14] The Revenue assessed/billed refers only to the energy charges issued during the year. The amount do not tally with the Sales shown in the working results as the sales shown in working results comprises of the income earned through UI duly adjusted for underdrawal and overdrawal of power under central sector allotment.

- The increase in number of month's sales would aggravate the working capital requirements of the Company. Therefore there is an urgent and immediate need for the Company to improve its collection efficiency.

4.2.16.1 Loss of ₹ 45.64 crore due to extension of open access facility to ineligible Captive Generating Plants at concessional rates

Non withdrawal of concessions extended to ineligible captive generators led to loss of ₹ 45.64 crore.

The Electricity Act, 2003 defines "Captive Generating Plant (CGP)" as a power plant set up by any person for his own use. Electricity Rules, 2005 further provides that no power plant shall qualify as a CGP unless not less than fifty one *per cent* of the aggregate annual electricity generated in such plant is consumed for its own use. If any plant does not qualify as CGP for any year the entire electricity generated shall be treated as if it is a supply by a generating Company. The Act further provides (Section 42) that open access shall be allowed to the distribution system on payment of a surcharge in addition to the wheeling charges. However, such surcharge shall not be leviable in case open access is provided to CGP. In Chhattisgarh State there were 49 CGPs during the period 2008-11 availing open access facility from Distribution Company without paying the surcharge.

On scrutiny of the data regarding generation and consumption of electricity, it was observed that captive consumption of electricity by 16 out of 49 power plants during 2008-11 was less than 51 *per cent* prescribed in the Rules and hence they stood to lose the status of CGP. Though the Company was aware of this, it did not make any effort to withdraw the concessions already allowed despite enabling instructions in this regard. This resulted in undue financial advantage to the power generating plants and loss to the Company to the extent of ₹ 17.64 crore worked out at the rate of cross subsidy surcharge fixed by the commission. Further, for the year 2010-11, the Company stand to loose ₹ 28.00 crore in respect of 16 power plants if the status of CGP for them is not revoked.

The Management stated (April 2011) that the Commission itself took the responsibility to verify the status of CGP based on the submission of monthly data by the generators and as such, the Company cannot take its own decision. It was further stated that as soon as the commission take the decision, the Company will recover the charges. For 2009-10, the Commission intimated (June 2011) to the Company regarding the status of six CGPs and accordingly, the bill was raised on these to pay cross-subsidy charges. However, it may be mentioned that as the Company stands to lose heavily on account of extension of concession to ineligible CGPs and the generation records being available with it, the Company should have taken up the matter with the Commission to avoid losing on that account. Further, the Commission in few instances took *suo moto* petition and passed its ruling in favour of the Company to recover the cross subsidy surcharge from ineligible CGPs. Despite these favourable orders, the Company failed to initiate action against the ineligible CGPs and did not withdraw the concession already extended.

4.2.16.2 Non initiation of action for Permanent Disconnection despite default in payment of outstanding dues of ₹91.82 crore

As per the provisions contained in the Supply Code, the consumers who were not paying the bills consecutively for more than three months were liable for temporary disconnection. The amount due from the temporary disconnected consumers and remaining unpaid for more than six months were liable for permanent disconnection. Audit observed that as on 31 March 2011, an amount of ₹ 91.82 crore was due for recovery from the temporary disconnected consumers who happen to be other than Government/water works/street lights. However, the management neither disconnected the connections permanently nor filed C forms for recovery of the arrears as arrears of land revenue.

4.2.16.3 Non reconciliation of UI income of ₹5.95 crore

Test check in audit of the records of the Company revealed that in respect of the UI income recoverable from captive power producers such as M/s IEEL, Real Ispat and SKSIP for the period of the open access transactions in 2008-09, an amount of ₹ 5.95 Crore though shown as recovered from these consumers but the same was not actually credited into the books of accounts of the Company even after lapse of more than two years. Despite this, the CSEB/Company had neither reconciled the accounts nor taken steps for recovery of the amount from the agencies.

Management replied that the matter would be pursued with SLDC. During exit Conference, it was acknowledged that the amount has not been recovered till date as per records and the issue is being vigorously pursued.

4.2.17 Financial Management

Efficient fund management serves as a tool for decision making, for optimum utilization of resources and borrowing at favorable terms at appropriate time. The financial management of the company includes revenue collection, billing, borrowings, transfer of funds, interest recovery/payments, restructuring of loans, and other related transactions. While revenue and billing have dealt with in preceding paragraphs, certain irregularities noticed in audit in respect of financial management are discussed below:

4.2.17.1 Blockage of ₹49.11 crore due to storage of non moving and slow moving inventory

As of March 2011, the Company had an inventory of ₹ 36.48 Crore as non moving inventory as against the total inventory of ₹ 100.85 Crore and some of these items were lying in the Stores since 1987. Besides, the Company also had slow moving inventory of ₹ 12.63 Crore. Despite such huge accumulation of non moving and slow moving inventory, the Company had not taken any steps for disposal of the same. This resulted in blockage of funds worth ₹ 49.11 crore. The non removal of these items had an impact on the enhanced stores carrying cost and was detrimental to the financial interests of the Company. The Company should lay down a policy to identify the slow moving and non moving inventory lying in its seven Area Stores and should frame an action plan for the alternate uses of these inventory through a task force.

The management replied that the company is already having a policy on non moving and slow moving inventory and further stated that due to problems in the SAP software, the slow moving and non moving were not reckoned properly. The management failed to address the fact that some of the inventory was lying as early as from 1987 onwards. During exit conference, the State Government acknowledged that proper policy in the matter needs to be in place.

4.2.17.2 Avoidable expenditure of ₹ 38.52 lakh on bank charges due to transfer of funds through Demand Drafts

The test check of records of 20 Distribution Centers of five Divisions, namely, Siltara, Bhatapara, Gariyaband, Dhamtari and Urla, revealed that these Distribution Centers were transferring funds through demand drafts and sending the same by Post to the Regional Accounts Office, Raipur. The existing method followed by the Distribution Centers was time consuming in realizing the money to the CSEB/Company's account and also costlier. Computerised Banking Solutions (CBS) i.e. direct credit to the head office account or the issue of standing instructions to transfer the funds directly to the head office account was not availed. This resulted in avoidable expenditure of ₹ 38.52 lakh on bank charges during the years 2006-07 to 2010-11.

The management stated that as per prevailing bank rules amount exceeding ₹ 50,000 cannot be deposited by Distribution Circle into third party RAO account. Accordingly commission on DD cannot be avoided. However, the CBS facility in respect of giant organization/Corporate houses is commonly available with many banks and the Company/State Government may consider formulating a policy on the matter.

4.2.18 Consumer Satisfaction

One of the key elements of the Power Sector Reforms was to protect the interest of the consumers and to ensure better quality of service to them. The consumers often face problems relating to supply of power such as non-availability of the distribution system for the release of new connections or extension of connected load, frequent tripping on lines and/or transformers and improper metering and billing.

The CSERC also notified Chhattisgarh State Electricity Regulatory Commission (Standards of Performance in Distribution of Electricity) Regulations – 2006 prescribing the overall standards of performance towards discharge of various functions. However, the detailed records in this regard was not maintained at the Distribution Centre level. The Head Office of the company was also not reviewing whether such standards were adhered to in its day to day functions.

Some of the other irregularities noticed in this regard are detailed below:

- As against the time limit of 15 days from the date of remittance of deposit in case of LT connections (if connection is required to be given from existing network) and 30 days from the date of receipt of estimated charges in case of HT connections (if no extension work is involved) provided in the Supply Code, the delay in providing new service connection ranged between 15 days to 4.5 years.

- There was delay in providing service connection to the agricultural pumps up to more than one year as against the time limit of 180 days from the date of payment by consumer.
- The meter reading was awarded to private contractors. However, it was observed that the meter reading was not regularly undertaken by these contractors. As a result, the consumers were issued the bills on average basis for months together and with the huge amount of bill on the basis of actual meter reading resulting in accumulation of arrears besides inconvenience to the consumer in repaying such huge amount in one single bill.
- The fuse call registers maintained in the DCs did not indicate the time when the consumer grievance was settled/addressed.
- Though the bills issued to the consumers were subsequently revised on the basis of complaints received from consumers, the detailed records and authentication of such correction is not maintained through Debit/Credit registers in the Distribution Centers.

The management replied that the meter readings contracts were awarded under "Meter Vaachan Yojana" as the Meter Readers post was abolished. The faulty meters were normally replaced and the consumption was assessed on the basis of past six months readings. Management reply failed to address the hardships and problems faced by the consumers.

Further, the Company was required to introduce consumer friendly mechanism such as introduction of computerized billing, establishment of customer care centers, etc. to enhance satisfaction of consumers and reduce the advent of grievances among them. While the billing issues have already been discussed in preceding paragraphs, as regards the redressal of grievances, the Company as on March 2011 was having two Consumer Redressal fora at Raipur and Bilaspur. To enable the compilation of complaints for assessing the performance on this account, separate registers were maintained by the Company. Audit observed that as against the total number of 679 complaints received during the review period by the Consumer Redressal Fora, 416 complaints were settled within the prescribed time limit. Audit further observed that the company did not create any awareness among public about the prevalence and functioning of such redressal fora as is evident from a few number of complaints received as compared to the total consumers.

The management replied that one more member has been deputed to the forum to settle the redressal of grievances in time.

4.2.19 Energy Conservation

Recognizing the fact that efficient use of energy and its conservation is the least-cost option to mitigate the gap between demand and supply, the GoI enacted the Energy Conservation Act, 2001. The conservation of energy being a multi-faceted activity, the Act provides both promotional and regulatory roles on the part of various organizations. The promotional role includes awareness campaigns, education and training, demonstration projects, R & D and feasibility studies. The regulatory role includes framing rules for mandatory audits for large energy consumers, devising norms of energy consumption for various sectors, implementation of standards and provision of fiscal and financial incentives. It was observed that the Company, other than celebrating Energy Conservation week and creating awareness among the public about energy conservation, had not initiated any other effective steps towards Energy Conservation. The SERC also in its tariff orders had repeatedly directed the CSEB/Company to introduce energy conservation measures involving distribution of CFL to ensure substantial load reduction which was not complied with. The irregularity noticed in this regard is furnished in the succeeding paragraph.

4.2.19.1 Non achievement of savings of ₹ 168 crore due to non implementation of BLY in the State

Non implementation of energy conservation measures led to non achievement of savings of ₹ 168 crore.

The CSEB in July 2007 entered into an Agreement with Banyan Environmental Innovations Private Limited, Hyderabad towards the introduction of the Bachat Lamp Yojana (BLY) in the State envisaging the distribution of the CFL lamps at a rate of ₹ 10 per CFL in place of incandescent lamps by Banyan to the Domestic Category consumers in the State. As the usage of the CFL results in reduction in carbon emission levels, the Banyan was entitled for carbon credit which would be monitored by Bureau of Energy Efficiency and based on their certification; the Banyan would be entitled for financial assistance from foreign countries which would be shared between Banyan and CSEB in the ratio of 95:5.

The review of the implementation of the BLY in the State revealed that despite the directives (October 2007 and May 2009) of CSERC to implement the Scheme in the whole State, the scheme was implemented only in the Rajnandgaon District. Though the Agency had again offered (October 2010) to Company for implementation of the BLY in other districts of the State, the scheme was not yet implemented. (September 2011) Though the Scheme envisaged the reduction in load saving during the peak hours to the extent of 480 MUs per year, the reasons for the non implementation of the Scheme in the State especially involving savings in load during peak hours to the extent of 480 MUs was not on record. It was observed in Audit that as the CSEB/Company was resorting to power purchases from various sources at the rates ranging between ₹ 1.44 per unit and ₹ 3.01 per unit, the implementation of the scheme would have resulted in substantial savings of ₹ 168.00 Crore (reckoned at ₹ 3.50 for 480 MUs for peak hours for one year).

Management replied that the distribution of CFL through the same agency was carried out in Rajnandgaon district and the distribution of CFL has not brought down the consumption. Management reply ignored the directives issued by the commission in this regard and the efforts initiated in this regard only indicate that the management was not proactive.

4.2.19.2 Energy Audit

A concept of comprehensive energy audit was put in place with the objective of identifying the areas of energy losses and take steps to reduce the same through system improvements besides accurately accounting for the units purchased/ sold and losses at each level. The main objectives of energy audit are as follows:

- better and more accurate monitoring of the consumption of electricity by consumers;
- elimination of wastages;
- reduction of downtime of equipment;
- Massive savings in operational costs and increase in revenue, etc.

CSERC in its tariff orders directed (October 2010) the Company to form Energy Conservation Cell and implement the Energy Audit measures. Accordingly, the Energy audit involving the comparison of the units sent out of the feeder with the units billed in that area and the reasons for the disparity between the two were being analysed. However, this system was introduced only in 524 feeders out of 2445 feeders of 11 KV constituting only 21.43 *per cent*. Further, no corrective measures were initiated out of such exercise.

4.2.20 Monitoring by top Management

The Power Distribution Company plays an important role in the State economy. For such a giant organisation to succeed in operating economically, efficiently and effectively, there has to be a Management Information System (MIS) for monitoring by top management. We observed that

- No Audit Committee has been constituted so far (August 2011) though the Company started functioning way back in January 2009.
- The monitoring mechanism prevalent in the industries towards the performance of the outsourcing agencies to whom the contracts for meter reading, spot billing, and franchisee was awarded was inadequate. This is indicative from the fact that the average consumption per consumer recorded a declining trend subsequent to spot billing though the power consumed by the State has shown an increasing trend over the review period.
- Though the post reforms scenario has totally redefined the procurement of power from the open market, the Company had not laid down any monitoring mechanism towards the UI income, over drawal/under drawal of electricity, procurement of power from private power generators based on grid frequency as discussed in previous paragraphs.
- In one case of R.R.Energy (firm), CSERC directed (October 2008) that since the status of the firm has changed from being a bio mass consumer to non Bio mass consumer, it was not entitled for any concessions applicable to such consumers. Accordingly, CSEB/Company should have levied the demand charges in accordance with the changed status. However, this was not done (up to February 2011) resulting in under billing to the extent of ₹ 33.68 lakh. In the reply, the management stated (August 2011) that the same has been recovered from the firm. The time taken from October 2008 to February 2011 itself indicates the casual monitoring approach.
- Despite occurrence of frauds through drawal of materials from stores for the turn key contracts causing loss to the erstwhile Board, the

management has not issued any circular/directions preventing the issuance of materials in respect of the turnkey contracts.

The management stated that the monitoring mechanism is not inadequate now. The field engineers could not monitor due to overloading of their work and other assignment.

4.2.20.1 Inordinate delay in implementation of ERP

The erstwhile CSEB embarked upon a project to introduce Enterprise Resource Planning (ERP) through SAP. The contract to this effect was entered into (July 2005) with Tata Consultancy Services at a project cost of ₹ 16.50 crore and the project was to be completed within a period of 15 months (September 2006). Though a period of more than five years had lapsed, the total project was not completed so far (September 2011). As a result, ERP was not commissioned fully even after incurring expenditure of ₹ 59.18 crore. Though the management claimed to have achieved success, the total implementation was not done as is evident from the followings:-

- The integration of individual modules involving the inventory management, finance management, billing module, etc. was not completed (June 2011).
- The inventory management though claimed to have been introduced successfully, the actual implementation was only to the generation of the Purchase Order. The inventory module did not verify the availability of the same item in the stock before generation of the Purchase order. Further, the software did not facilitate the age wise analysis of inventory. Besides, the software did not check the reservation of transformers against the indents. In respect of Bilaspur Area Stores 29 transformers were issued to the field offices against the indent for 14 transformers.
- The billing module in vogue through this software, suffered from the following deficiencies :-
    - ➢ Though the tariff rules provides for the levy of penalty on the LT industrial consumers who do not maintain power factor above 0.85, the software continued to generate the bills even without recording power factor which might have resulted in under billing.
    - ➢ Though the rules provided for the levy of surcharge at the rate of 0.30 paise per unit for non installation of capacitor banks, the software had no such facility causing loss of revenue on this account.
    - ➢ The system had no validation checks towards the arrears amount as the system accepted the arrears amount in negative while such events can never occur.
- Though the rules provided for the recovery of the additional security deposit from the consumers whose consumption exceeded the contract demand twice in a year, the system failed to generate such reports.

- Despite the options available under the software to auto generate reports in respect of the consumers who exceeded their contract demand, such reports were never generated by the field offices as part of the monitoring activity. This assumed importance especially in respect of the LT industrial consumers with 100 HP and in case of the excess availment of the contract demand, these consumers should have been converted into HT consumers and auto generation of the reports would have enabled such conversion.

Management replied (August 2011) that the all individual modules including Billing, Finance, Inventory, HR, etc. are well integrated since their implementation. However, despite the implementation of an ERP software at a cost of ₹ 59.18 crore, the Company awarded a separate contract for preparation of Assets Register in August 2011 at a cost of ₹ 3.00 lakh. Further, the Company also awarded (March 2011) a separate contract for preparation of trial balance and final accounts at a cost of ₹ 33.10 lakh.

During the course of Audit, it was observed that the information furnished by the company on different occasions did not match/tally with that furnished earlier. In view of the same, it was felt that credentials of the data base/information lacked integrity. The management may consider establishing a strong ERP cell/system to ensure the same information in respect of any particular aspect is furnished to all authorities.

4.2.21 Internal Controls

Internal control is a management tool used to provide reasonable assurance that the objectives of the industries are being achieved in an efficient, effective and orderly manner. A good system of internal control comprises proper allocation of functional responsibilities within the industries, proper procedures for operating and co-ordination among different units/ wings of the organization. Effective internal control system also helps the management in taking preventive & corrective measures. Review in Audit of the Internal Controls prevalent in the CSEB/Company revealed the following inadequacies:

- The directives issued by the Board of Directors were not adhered. This is evident from the fact that State’s Principal Secretary (Finance), as member of the Board of Directors, directed (March 2006) to write a letter to the CSERC requesting for the prescription of minimum and maximum rates in the PPA which was not complied with.
- Internal audits were conducted (August 2009) by Chartered Accountants for the period from 2006-07 to 2010-11 at the cost of ₹ 88.98 lakh, but the Reports were not submitted to higher authorities and even recoveries aggregating to ₹ 52.51 lakh (for the period pertaining to 2008-09) pointed out in the Reports were not made.
- In an effective internal control system, involvement of Finance in process of procurement starting from invitation of NIT to passing the bill is must. However, in the Company, the same was very negligible resulting in occurrence of the fraudulent drawal of materials of ₹ 2.57 crore.

The management stated that the non recovery of amount pointed out by Internal Auditor was due to the fact that their reports were received belatedly after two years. The management reply only reinforces the basic fact that the company has no effective Internal Audit mechanism and even the outsourcing in this regard did not yield results. Besides, the firm to whom the work was awarded in 2008-09 and the recovery was not made due to belated receipt of their reports, were again favored with orders worth ₹ 23.32 lakh in January 2011 revealing the inadequate internal control.

Conclusion

- Company failed to develop & augment the distribution network system. As against the planned additions of 385 sub-stations over the review period; only 222 sub-stations were actually added. Further, the increase in the transformation capacity was not commensurate with the increase in connected load resulting in high gap between the two.
- The Phase II of *Atal Jyoti Yojana* was lagging behind the schedule (2009-10) resulting in non achievement of targeted load saving and consequent reduction in line loss aggregating to ₹ 115.09 crore.
- Under Rajeev Gandhi *Grameen Vidyutikaran Yojana* as on 31 March 2011, out of 20126 villages in the State (as per 2011 census), 19177 villages were electrified (95.28 *per cent*). However, in respect of Restructured Accelerated Power Development Reforms Programme, Company could utilize only ₹ 8.10 crore against ₹ 36.74 crore received from GOI.
- The Company failed to enter into long term Power Purchase Agreements in time. Consequent purchase of power on short term basis resulted in avoidable expenditure of ₹ 420.57 crore.
- The lack of proactive approach in restricting private power producers from under injection of electricity beyond specified limits led to loss of ₹ 102.40 crore.
- During the last five years ending 31 March 2011, the energy losses increased from 28.90 to 36.88 *per cent* mainly because of non installation of capacitor banks, low power factor, heavy quantum of unmetered consumers, theft of electricity etc.
- Company was not able to recover its cost of operations. During the last three years ending 2010-11, realization per unit was ranging between ₹ 3.57 and ₹ 4.28 against the cost per unit of ₹ 3.72 and ₹ 4.85.
- Delay in filing tariff petitions ranging from 117 days to 352 days in each year of the review period resulted in loss of ₹ 668.55 crore.
- Revenue collection efficiency of the company declined from 63.88 to 58.38 *per cent* over the review period. However, the revenue of ₹ 2084.21 crore was outstanding as on 31 March 2011. Out of this the amount of arrears outstanding for more than three years was ₹ 1384.33 crore constituting 66.42 *per cent* of the total arrears recoverable.

- The Company had not laid down any inventory policy resulting in accumulation of non moving and slow moving inventory of ₹ 34.20 crore and ₹ 12.63 crore as on 31 March 2011.
- The ERP software implemented at a cost of ₹ 59.18 crore suffers from system deficiencies and is not implemented in total.

Recommendations

The Company should:

- have comprehensive plan in place for complete implementation of in time to improve network & distribution system besides enhancing the transformation capacity to achieve the objective of National Electricity Policy;
- ensure timely execution of civil works through effective control and monitoring so as to ensure that various Schemes are implemented as scheduled to achieved the desired results;
- regularly approach the State Regulatory Commission/ State Government for enforcing the various regulations so as to restrict undue benefits by private power players in the State ;
- take concrete measures for bringing reduction in energy losses like installation of capacitor banks, ensuring optimum power factor, avoidance of theft of electricity, etc;
- file tariff petition in time with the Regulatory Commission to avoid loss of revenue;
- improve revenue collection so as to minimize the outstanding arrears especially those due from private parties;
- devise proper inventory policy and stores procedures ensuring timely determination of non moving and slow moving inventory and its proper utilization/weeding out;
- give wide publicity about the mechanism of consumer grievances redressal forum so as to enhance early satisfaction of end consumers;
- constitute an audit Committee and install a strong and viable internal audit system alongwith adequate follow-up of their Reports for ensuring exhaustive coverage of the core areas; and
- install proper billing module under SAP ensuring 100 *per cent* compliance with the tariff order provisions. The field level staff should also be adequately trained in using SAP.

4.3 Transaction Audit Observations

Chhattisgarh Mineral Development Corporation Limited

4.3.1 Acceptance of lower rates for commercial mining of Coal Block led to potential loss of revenue

Potential loss of ₹ 1052.20 crore due to acceptance of lower rates for commercial mining of Coal Block

Anticipated loss of ₹ 1052.20 crore due to acceptance of lower rates

The Government of India allotted (July 2007) the Shankarpur Coal Block comprising of Bhatgaon II and Bhatgaon II Extension to Chhattisgarh Mineral Development Corporation Limited (Company) for commercial mining purpose. The Company decided (June 2008) to float separate joint venture companies for undertaking exploration, development, mining and marketing of coal from the Bhatgaon II and Bhatgaon II Extension blocks. Accordingly, the Company invited tenders (2 July 2008) for the purpose of identifying firm(s) for formation of joint venture companies. In response, five firms for Bhatgaon II Block and two firms for Bhatgaon II Extension Block submitted their offers before the due date and the bids for both the blocks were opened (25 July 2008). The techno-commercial part of the bids were scrutinised and two firms for Bhatgaon II and one firm for Bhatgaon II Extension were found to be technically qualified. The price bids of these firms were opened on 28 July 2008 and evaluated. The highest consideration received for the two blocks were found to be ₹ 552 (460 *per cent* of royalty of ₹ 120) and ₹ 129.60 (108 *per cent* of royalty of ₹ 120) per metric tonne (MT) of coal excavated/ sold for the Bhatgaon II and Bhatgaon II Extension Block respectively. Though the rates obtained for Bhatgaon II Extension Block was abnormally low, the Company accepted (August 2008) these rates offered by the bidder and accordingly created two joint venture companies.

It was observed that both the coal blocks were contiguous and the quality of coal available in both the blocks was similar. Bhatgaon II Extension Block contained superior grade A to C of coal (55 *per cent*) which is scarce and highly priced. Even the Company while seeking environmental clearance (July 2009) had claimed that about 57 *per cent* of coal reserve is of superior quality, which is a Coal Asset. Further, about 90-95 *per cent* of this can be extracted through Open Cast Mining, which is less expensive. Though the Company was aware of all these facts, it accepted the lower rate quoted by the single bidder. Thus, the evaluation and acceptance of the rate offered by the bidder in respect of Bhatgaon II Extension Block was not in order. In view of the above, the Company should have either extended the tender opening date or re-invited the tenders in respect of Bhatgaon II Extension Coal Block to generate fair competition instead of justifying the low rate quoted by the lone bidder. This resulted in potential loss of revenue of ₹ 1052.20 crore[♣] over the lease period of 32 years (as per Mining Plan) as compared to the rate obtained for

[♣] (₹ 552.00 – ₹ 129.60) per MT x 24.91 Million MTs (being the total coal reserve available in the block) = ₹ 1052.20 crore the contiguous Bhatgaon II Coal Block since the ratio of various grades of coal in the two coal blocks was more or less on the similar pattern.

The Management stated (April 2011) that a conscious decision was taken to accept the rates offered by the lone bidder in respect of the Extension Block on the basis of the advice from the Coal Advisor since the average grade of coal in the mine was D only as per Mining Plan. It was further stated that Extension Block requires removal of very large amount of overburden as compared to Bhatgaon II Block for winning the same quantity of coal. The State Government further added (June 2011) that the consideration receivable by the Company would be additional royalty (₹ 129.60 per metric tonne) or 51 per cent of the net profit of the Joint Venture Company, whichever was higher and as such there would be no loss to the Company. However, it may be mentioned that the detailed seam-wise coal reserve in the Mining Plan (prepared according to the Geological Report and approved by the Government of India) indicated that Grade A to C constitute around 55 *per cent* of the total reserve in the Extension Block. Further, in respect of the Bhatgaon II Block also the average grade of coal indicated in the Mining Plan was D only and Grade A to C was also in the similar range and comparable to that of Extension Block. It may be added that the opinion of the Coal Advisor, who was a private consultant, was not in accordance with the approved Mining Plan and the Geological Report. This does not justify the core issue of getting guaranteed consideration which is abnormally low in case of Bhatgaon II Extension as compared to Bhatgaon II Block. Before floating the tender for selection of the bidder, the Company failed to fix the minimum reserve price based on the quality of coal available in both the mines.

Superior Grade (A to C) coal being highly priced and scarce in the country, the Company could have taken all earnest efforts to allot the mining lease at most competitive rates so as to maximise its revenue and to protect its financial interest.

4.3.2 Non compliance with contractual provisions led to loss of revenue

Non recovery of value of Bauxite for the minimum contracted quantity as provided in the agreement resulted in loss of ₹ 43.88 lakh to the Company

Non recovery of value of Bauxite for the minimum contracted quantity resulted in loss of ₹ 43.88 lakh

Chhattisgarh Mineral Development Corporation Limited (Company) invited (November 2006) open tenders for mining and marketing of Mainpat Bauxite deposit at Surguja District. After due evaluation of the tender, it was decided (December 2006) to award the work to Bharat Aluminum Company Limited, Korba (contractor) at the highest offered rate of ₹ 160 *per* MT. Accordingly, an agreement was entered (January 2007) for mining and marketing of bauxite, which was valid for three years with effect from 16 February 2007. As per the agreement, the contractor should mine and market minimum quantity of 120000 MT of Bauxite per year. The total quantity lifted during a year was to be compared with contracted quantity and payment for excess quantity mined, if any, was to be made in the first month of next year. It was further specified in the agreement that even if the contractor fails to mine and market the contracted quantity annually, for whatsoever reasons, the payment was to be made to the Company for the annual contracted quantity.

On scrutiny of records, it was noticed that the contractor mined only 96993.74 MT and 115583.42 MT in 2007-08 and 2008-09 respectively against the contracted quantity of 120000 MT each year but paid ₹ 1.92 crore in the respective years towards the value of annual contracted quantity. During 2009-10, the contractor mined 207465.50 MT against the revised contracted quantity of 195000 MT. However, the Company treated the contracted quantity for 2009-10 as 180000 MT and adjusted the excess quantity of 27465.50 MT mined during the year against the shortfall of 27422.84 MT mined in 2007-08 and 2008-09 as compared to the contracted quantity. Consequently, it recovered only ₹ 2.88 crore in 2009-10 for the balance quantity of 180042.66 MT. This resulted in loss of ₹ 43.88 lakh[∝] to the Company since the recovery was to be made for the minimum contracted quantity or actual quantity mined, whichever was more on yearly basis.

The Company stated (February 2011) that the tendered quantity of Bauxite as per agreement was 360000 MT for the contract period as provided in various clauses of the agreement and the monthly schedule fixed for production of Bauxite. Further, for the entire contract period of three years against the minimum guarantee of ₹ 5.76 crore, the contractor remitted ₹ 6.72 crore and hence there was no loss. The State Government further stated (May 2011) that the provisions of the agreement was not clear as to how the shortfall in mining during each year was to be treated. However, it may be mentioned that the agreement provisions clearly stipulated that the contractor should mine and market a minimum quantity of 120000 MT per annum and the contractor was bound to pay for the contracted quantity even if he fails to mine and market the contracted quantity of Bauxite for what so ever reasons. Though the contract did not provide for compensation of shortfall in the preceeding years by the excess production in the succeeding years, the Company adjusted the excess production towards the shortfall in the production of preceeding years. As a result, it failed to ensure the receipt of revenue of ₹ 43.88 lakh for the agreed minimum production in the respective years.

The Company should interpret the provisions of the agreement correctly and ensure strict compliance of the same in future so as to avoid loss of revenue.

Chhattisgarh Infrastructure Development Corporation Limited

4.3.3 Deficient long-term investment policy led to loss of interest

Loss of ₹ 20.14 lakh on interest earned due to investment of surplus funds for shorter period

Deficient investment plan resulted in loss of interest of ₹ 20.14 lakh

The Company received (upto March 2005) ₹ 4.20 crore from the State Government towards initial Share Capital contribution. As the Company had

∝ {{(120000 + 120000 + 207465.50) X 160} – {19200000 + 19200000 + 28806825}}=₹ 43.88 lakh not undertaken any major works, the major part of the funds so received remained unutilised. For investment of surplus funds, the State Government had issued (April 2003) the guidelines, which required that the surplus fund should be invested in Fixed Deposits at least for one year.

The Company invested (10 May 2008) surplus funds of ₹ 2.80 crore in term deposit with Bank of India for 365 days at the rate of 9.15 *per cent* at quarterly rests. On maturity, these funds were reinvested (May 2009 and May 2010) for 365 days each at the rate of 8.00 and 6.50 *per cent per* annum respectively, thereby earning a total interest of ₹ 68.24 lakh over three years. It was observed that in respect of investment for a fixed term of three years, the bank offered (May 2008) higher rate of 9.25 *per cent.* Had the Company invested the funds initially for three years instead of one year and re-investing every year, it could have earned additional interest of ₹ 20.14 lakh[♥].

The Management stated (March 2011) that as per clause 4 (iv) of the directions issued (April 2003) by the State Government, surplus funds should be invested in Fixed Deposits at least for one year. Therefore, the Company deposited the funds for one year. It was further stated that the Company had liability of ₹ 3.00 crore towards Chhattisgarh State Industrial Development Corporation Limited and anticipated payment of the same in a short period. However, it may be mentioned that the State Government's directions encouraged investment for longer period by prescribing minimum period of at least one year. Further, the Company was having fixed deposits of more than ₹ 6.00 crore continuously from July 2008 onwards which were sufficient for discharging the above liability.

The Company should formulate long-term investment policy to maximise the internal resources by investing surplus funds judiciously. Further, the State Government may also consider utilising the surplus fund lying with the PSUs for its financial and budgetary planning.

The matter was reported (March 2011) to the Government; their reply had not been received (August 2011).

Chhattisgarh State Beverages Corporation Limited

4.3.4 Under insurance

Loss of ₹ 26.99 lakh due to failure of the Company to declare the highest value of stock for insurance cover

Loss of ₹ 26.99 lakh due to failure to declare the highest value of stock for insurance cover

Chhattisgarh State Beverages Corporation Limited, Raipur (Company) purchases Indian Made Foreign Liquor (IMFL) from different suppliers on landing price and stores it in the two godowns at Raipur and Bilaspur rented from State Warehousing Corporation (SWC). The hire charges of godowns include insurance charges as stocks are insured by the SWC against loss/damages with Bajaj Allianz General Insurance Company Limited

♥ {{₹ 2.80crore $(1+9.25/4X100)^{3x4}$ }–₹ 2.80 crore}–₹ 68.24 lakh=₹ 20.14 lakh

(Insurer) through Standard Fire and Special Perils Policy (material damage). The Company was required to declare the value of its stock based on the highest value at risk during every month to the insurer under Declaration Clause of the policy. It was further stipulated that if after the occurrence of any loss, it is found that the amount of the last declaration, previous to the occurrence of the loss was less than the amount ought to have been declared, then the admitted insurance claim shall be reduced proportionately as the amount of the said last declaration bears to the amount that ought to have been declared.

During scrutiny of records of the Company (January 2011) it was observed that on 10 June 2007, due to cyclone and heavy rainfall, godown at Bilaspur was inundated causing damage to the stored stock of IMFL worth ₹ 44.14 lakh. The godown was having insurance cover for stock worth ₹ 4.60 crore and the Company assessed the stock as on 9 June 2007 at ₹ 3.43 crore. Accordingly, it filed (September 2007/ March 2008) claim for ₹ 44.88 lakh (including ₹ 0.74 lakh on salvaging) with the insurer through SWC. While assessing the damages as ₹ 40.17 lakh, the insurer found that the Company was having stock of IMFL worth ₹ 6.32 crore on 9 June 2007 as against ₹ 3.43 crore reported and the company accepted the same. As the Company failed to declare the monthly stock, the SWC declared ₹ 3.00 crore on adhoc basis in the declaration in May 2007 for insurance cover. Based on this, the insurer restricted (December 2010) the claim proportionate to the declared amount and admitted ₹ 13.18 lakh invoking the provisions of the declaration clause.

Had the Company declared the value of stock based on the highest stock holding and enhanced the insurance coverage, it could have got admitted the assessed loss of ₹ 40.17 lakh. Thus, failure of the Company to declare the actual stock resulted in loss of ₹ 26.99 lakh.

The Management while accepting the fact stated (March 2011) that though they had to submit the date wise statement of stock to SWC they did not furnish the same as the prescribed format was not made available by SWC. It was further stated that the Company did not suffer any loss since the Company incurred the costs for the stock only when the retail sales were made there against. Till such sales, the Company holds the stock only as custodian of manufacture / suppliers. However, since the admitted loss was ₹ 40.17 lakh against which the Company received only ₹ 13.18 lakh, had the Company furnished the actual stock position, it could have got ₹ 26.99 lakh more from the insurer. The Company should take all earnest efforts to furnish the date wise statement of stock to SWC as per the agreement so as to get full insurance coverage.

The matter was reported (March 2011) to the Government; their reply had not been received (April 2011).

Chhattisgarh State Industrial Development Corporation Limited

4.3.5 Undue favour to the allottee

Undue benefit to the allottee to the extent of ₹ 5.34 crore due to adoption of rate lower than the market rate fixed as per CVB guideline

Undue benefit to the allottee to the extent of ₹ 5.34 crore due to adoption of lower rate

Chhattisgarh State Industrial Development Corporation Limited (Company) allots Government land outside industrial areas on request of entrepreneurs for establishing their projects. Land is allotted after collecting land premium at market rate fixed annually as per the guidelines issued by the Central Valuation Board (CVB). It was observed in Audit that Jaiprakash Associates Limited (firm) applied (September 2009) for allotment of 46.172 hectare of land in Devsundra Village, Palari Tehsil in Raipur district for setting up a Cement Industry. After considering the application, the company intimated (October 2009) the firm that the total land premium was ₹ 1.21 crore and requested the firm to remit ₹ 12.10 lakh being 10 *per cent* of the same as advance. On receipt of the same (October 2009), the company allotted (December 2009) 46.172 hectare of land on lease for 99 years at a land premium of ₹ 1.21 crore (land value ₹ 83.11 lakh, solatium ₹ 24.93 lakh, interest ₹ 1.91 lakh and service charge ₹ 11.00 lakh) reckoning the land value at ₹ 1.80 lakh per hectare. The annual lease rent was also fixed at ₹ 3.02 lakh.

Our scrutiny revealed that the allotted land was facing Pradhan Mantri Gram Sadak Yojana road on one side. Accordingly, as per CVB guidelines, it should have been valued at ₹ 3.60 lakh per hectare as against ₹ 1.80 lakh per hectare adopted by the company. This resulted in undue benefit to the allottee to the extent of ₹ 1.22 crore towards land premium and Security Deposit (₹ 9.16 lakh) besides loss of lease rent of ₹ 4.03 crore over the lease period of 99 years.

Management while accepting the Audit observation stated (April 2011) that they have issued Demand Notice to the allottee demanding remittance of ₹ 1.34 crore towards land premium short recovered as pointed out by Audit together with Security Deposit. However the amount has not been recovered so far (September 2011). Further, lease rent (₹ 6.08 lakh) for the year 2010-11 was also not included in the Demand notice. The company should be allotted land as per guidelines of CVB for financial benefit in future.

The matter was reported (April 2011) to the State Government; their reply had not been received so far (September 2011).

Despite the similar instances being pointed out in the Para No. 6.2.26 of the Report of the Comptroller & Auditor General of India (Civil & Commercial) for the year ended 31 March 2008, Government of Chhattisgarh, the Company is yet to evolve a strengthened system to ensure that the land is allotted by the Company in accordance with the guidelines issued by CVB.

4.3.6 Absence of investment policy led to loss

Absence of investment policy resulted in loss of interest amounting ₹ 1.12 crore

Absence of investment policy resulted in loss of interest amounting ₹ 1.12 crore

Chhattisgarh State Industrial Development Corporation Limited (Company) allots Government /private land to potential industrialists and collects land premium, lease rent, etc on behalf of the Government. The Government allowed the company to retain the same and to utilize the interest earned by investing it in Fixed Deposits. Accordingly, the company invests these funds in fixed deposits with banks and utilises the interest earned there from for meeting its establishment expenses. During the period 2009-11, the company invested surplus funds around ₹ 500 crore in Fixed deposits with various nationalised /scheduled banks at interest rates ranging between five *per cent* and 10.50 *per cent*.

Test check in Audit of investment made in fixed deposits, it was noticed that the Company invested ₹ 43.69 crore in seven fixed deposits during 2008 to 2010 initially for one year at interest rates ranging from 7.50 to 9.75 *per cent*. It was observed that these deposits were subsequently renewed during 2009 to 2011 further for the periods from one to two years at lower interest rates ranging from five to nine *per cent* only. Had the Company invested these funds at least for a period of five years initially, it could have earned additional interest of ₹ 60.49 lakh in seven instances noticed by Audit. It was also observed that the reinvestment decision in two of these seven instances of ₹ 36.10 crore were inordinately delayed by nine months. During this period, the Company earned the interest at the minimum rate of five *per cent* only.

Further, though the company invited prevailing interest rates from few banks, it did not prepare comparative statements and failed to invest the funds judiciously to optimize the interest income. On test check in Audit of the deposits made in February and April 2010, it was observed that the Company invested ₹ 28.00 crore at rate of interest ranging from five to 6.50 per cent instead of higher rate of interest available in other Banks. This resulted in loss of interest of ₹ 9.11 lakh in 37 instances. Thus, non-formulation of long term investment policy, non-preparation of periodical cash/fund flow statements to assess surplus funds available for investment and inadequacy in monitoring of investments led to loss of interest of ₹ 69.60 lakh.

On being pointed out (8 February 2011) by Audit, the Company short closed (19 February 2011) two Fixed Deposits aggregating ₹ 49.02 crore which were carrying lower interest rates (six *per cent* and *6.75 per cent* respectively) and reinvested in fixed deposits bearing higher interest (9.25 *per cent* and 9.96 *per cent* respectively). The reinvestment was made at two interest rates (9.25 *per cent* / 9.96 *per cent*) resulting in loss of interest of ₹ 42.22 lakh on ₹ 19.82 crore invested at the lower rate. Thus, due to lack of proper investment policy the Company incurred a loss of ₹ 1.12 crore.

Management stated (March 2011) that keeping in view of the factors such as maximisation of interest earning, to meet the immediate and anticipated obligations/expenditure, safety of funds, etc., funds are invested or retained for investment. The State Government also added (June 2011) that the higher interest rates as mentioned by the Audit were not available at the time of renewal. Further, higher interest offered by Banks was available subsequently only after the investment had been made. However, it may be mentioned that the higher rates mentioned were offered by nationalised banks only and hence the safety of the funds was not at stake. Moreover, the funds mentioned above were not encashed and reinvested, hence the contention regarding retention of fund for immediate and anticipated expenditure does not hold good.

In view of the huge funds available for investment and the Company should formulate long term investment policy, prepare periodical cash flow/ fund flow statements and should set up a committee to monitor the investments so as to maximise the revenue from interest on Fixed Deposits.

4.3.7 Non compliance with statutes

Non-recovery of Workers' Welfare Cess in violation of statutory provisions led to loss of ₹ 50.21 lakh

Non-recovery of Workers' Welfare Cess amounting to ₹ 50.21 lakh

With a view to augment the resources of the Building and Other Construction Workers' Welfare Board, the Government of India notified (August 1996) the Building and Other Construction Workers' Welfare Cess Act, 1996. Under the Act, one *per cent* cess was to be levied and collected from the contractor where the cost of construction was more than ₹ 10 lakh. It was also provided that in relation to buildings or other construction works of a public sector undertaking, the cess shall be collected by way of deduction at source. In pursuance to the Act, the Government of Chhattisgarh notified (June 2008) the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The State Government also constituted (September 2008) the Chhattisgarh Building and Other Construction Workers Welfare Board (Board) and directed all the public sector undertakings to deduct at source one *per cent* of the cost of construction (excluding cost of land) of building or other works as cess and remit the same to the Board within thirty days of deduction. Further, failure to pay the cess as above attracted interest on the amount of outstanding cess at the rate of two *per cent per* month or part thereof till such amount is actually paid.

It was observed that Chhattisgarh State Industrial Development Corporation Limited (Company) executed building and other construction works through contractors and made payments of ₹ 50.21 crore during the period from June 2008 to March 2010. The Company, however, did not deduct the cess amounting to ₹ 50.21 lakh while releasing the above payments. After March 2010, the Company has been regularly recovering and depositing the cess with the Board. Thus, failure of the Company to deduct the same resulted in violation of the provisions of the Act and extension of undue financial benefit of ₹ 50.21 lakh to the contractors. Further, due to non-deduction and failure to remit the cess, Company became liable to pay interest at the rate of two *per cent per* month which worked out to ₹ 20.28 lakh upto March 2011.

The State Government stated that (May 2011) that suitable clause on recovery of Workers' Welfare Cess have been incorporated by the Company in the subsequent tenders issued after 31 December 2009 and amount is recovered accordingly. For non-recovery of cess for the period prior to 31 December 2009, the State Government stated that the same could not be recovered because there was no such enabling provision in the tender and moreover there was no loss to the Company because the Company had to pay and recover the cess from the contractors. However, it may be mentioned that this does not justify non-adherence to the provisions of the Building and Other Construction Workers' Welfare Cess Act. The non-compliance with the provisions resulted in loss of ₹ 50.21 lakh to the State Exchequer.

Chhattisgarh State Power Transmission Company Limited

4.3.8 Non-synchronisation of work

Non-synchronisation of work resulted in idling of asset valuing ₹ 23.96 crore and non-achievement of reduction of energy loss of ₹ 9.00 crore

Non-synchronisation of work resulted in idling of asset valuing ₹ 23.96 crore

To maintain the reliability of supply and considering the load growth in Raipur city and adjoining areas, the Chhattisgarh State Power Transmission Company Limited (Company – a successor of Chhattisgarh State Electricity Board) approved (March 2005) the proposal for construction of 220 KV sub-station at Doma (Boriakurd) District Raipur which *inter alia* included erection of one 40 MVA power transformer with the feeder line of 220 KV Bhatapara – PGCIL Raipur. It was envisaged that the construction of the sub-station would help in reduction of energy losses worth about ₹ 3.00 crore *per* annum.

Scrutiny of records of the construction of sub-station revealed that the Company placed an order (November 2005) with EMCO Limited, Thane (the firm) for supply of structures, equipments and accessories at a total cost of ₹ 21.50 crore, which was completed in November 2006. However, the work for construction of feeding transmission line was awarded in January 2008 to M/s Easkay at a total cost of ₹ 1.52 crore after a lapse of more than two years and nine months from the date of sanction (March 2005). The reasons for this delay were not on record. Further, the same was completed in July 2010 against the scheduled completion date of October 2008. In the meantime, the dispatch instruction for the 40 MVA transformer with accessories was issued (16 January 2008) to the firm by the Company after ensuring that the foundation for the same was ready. Accordingly, the transformer was received (21 January 2008) at the construction site and payment of ₹ 2.46 crore (being 90 *per cent* of the cost of the transformer) was released in February 2008. As per the purchase order, the transformer was guaranteed for a period of 24 months from the date of commissioning or 30 months from the date of receipt, whichever was earlier. Though the above transformer was charged in August 2010 after completion of the 220 KV Bhatapara – PGCIL line in July 2010, but the same failed immediately due to manufacturing defects. Alternative transformer was diverted to Doma sub-station and line was finally charged in November 2010. Further, though the failed transformer was sent for repair the same was repaired by the firm in July 2011. No action was initiated by the

Company against the firm on the ground that the firm had agreed to repair the transformer free of cost.

We observed that as both the works of sub-station and transmission line were interlinked, the same could have been taken up simultaneously. Thus non-synchronization of work and improper planning in procurement of power transformer resulted in locking up of funds of ₹ 21.50 crore for more than 47 months in respect of sub-station and ₹ 2.46 crore for more than 32 months in respect of transformer up to November 2010. Further, the anticipated reduction in energy loss worth approximately ₹ 9.00 crore also could not be achieved.

The Company stated (February 2011) that the delay in completion of the transmission line was due to delay in grant of permission by Railway Authorities (about two years and five months) and PGCIL for the overhead power line crossing. Pending completion of the works, the transformer could not be charged. However, the reply does not explain the reasons for not taking up of the transmission line work alongwith the construction of sub-station simultaneously. Thus, non-synchronization of the two works resulted in idling of assets. Further, the Management could have postponed the delivery of 40 MVA transformer till the line was ready instead of issuing the dispatch instructions just when the foundation for the transformer was ready thereby losing the benefits of warranty of 24 months from the date of installation. The Company needs to take up the linked works in a co-ordinated manner to ensure timely completion.

The matter was reported (June 2011) to the Government; their reply is awaited.

Raipur **(PURNA CHANDRA MAJHI)**
The **Accountant General (Audit), Chhattisgarh**

Countersigned

New Delhi **(VINOD RAI)**
The **Comptroller and Auditor General of India**

Appendix-1.1

(Referred to in paragraph 1.1.9.2(a); page no 9)

Details of dispensaries functioning without Medical Officer and supporting staff

Sl. No.	Name of district	2006-07			2007-08			2008-09			2009-10			2010-11		
		MO/ AMO	Compounder	Peon/ PTS	MO/ AMO	Compounder	Peon/ PTS	MO/ AMO	Compounder	Peon/ PTS	MO/ AMO	Compounder	Peon/ PTS	MO/ AMO	Compounder	Peon/ PTS
1	Bastar	4	21	16	10	4	14	11	16	15	14	16	19	2	16	8
2	Raipur	40	22	14	32	23	13	33	23	13	41	22	21	43	22	24
3	Jashpur	2	7	14	1	2	12	2	2	13	0	3	14	0	4	14
4	Sarguja	7	14	16	9	14	14	9	5	14	9	5	12	13	5	12
5	Kabirdham	13	5	8	13	5	8	2	7	8	2	2	8	3	1	8
TOTAL:		**66**	**69**	**68**	**65**	**48**	**61**	**57**	**53**	**63**	**66**	**48**	**74**	**61**	**48**	**66**

MO/AMO : *Medical Officers/ Assistant Medical Officers (Ayurved, Unani & Homeopathy)*

PTS : *Part-Time Sweeper*

(Source: Figures furnished by respective DAOs and compiled by Audit)

Appendix-1.2

(Referred to in paragraph 1.1.10.1& 1.1.10.2; page no 12 & 13)

Statement showing hospital-wise details of patients in Outdoor Patient Department (OPD) and Indoor Patient Department (IPD) during 2006-11

Sl. No.	Name of DAH	Year of sanction	Beds available for IPD	Occupancy capacity in a year	2006-07			2007-08			2008-09			2009-10			2010-11		
					Total OPD	Total IPD	Bed Occupancy	Total OPD	Total IPD	Bed Occupancy	Total OPD	Total IPD	Bed Occupancy	Total OPD	Total IPD	Bed Occupancy	Total OPD	Total IPD	Bed Occupancy
1	Bilaspur	1972-73	30	10950	20220	275	4815 (44)	17683	383	5279 (48)	15915	278	4412 (40)	15947	292	4815 (44)	17172	226	3234 (30)
2	Sarguja # (Ambikapur)	1979-80	0	10950	23386	0	0	21415	0	0	18136	0	0	18495	0	0	16317	0	0
3	Durg	1980-81	30	10950	27298	803	9125 (83)	25345	1129	10220 (93)	19967	516	4380 (40)	16529	319	2920 (27)	14331	368	4380 (40)
4	Bastar (Jagdalpur)	1982-83	30	10950	13614	255	1961 (18)	16425	93	593 (5)	18795	948	8166 (75)	15025	968	10301 (94)	13335	1088	9323 (85)
5	Raigarh	1982-83	30	10950	20286	233	7300 (67)	17274	76	2555 (23)	17130	169	5110 (47)	16469	76	2555 (23)	17233	149	4745 (43)
6	Dallirajahara *	1984-85	5	10950	11292	55	0	10572	84	0	14900	177	0	15728	536	0	16672	554	0
TOTAL:			**125**	**45625**	**116096**	**488**	**23201 (51)**	**108714**	**169**	**18647 (41)**	**104843**	**1117**	**22068 (48)**	**98193**	**1044**	**20591 (45)**	**95060**	**1237**	**21682 (48)**

\# IPD not functional since 1996. * Facility of only day admission available. *(Source: Figures furnished by respective Hospitals and* Figures in parenthesis indicates percentage*)*

Appendix-1.3

(Referred to in paragraph 1.1.15; page no 22)

Target and Achievement in Government Ayurved Pharmacy

Year	Demand from districts		Target set by pharmacy		Actual production		Shortfall in production		Percentage of shortfall to target set by pharmacy
	No. of Medicines	Qty.	No. of Medicines	Qty	No. of Medicines	Qty	No. of Medicines	Qty.	
A-Production of Liquid medicine (In litres)									
2006-07	2	9048.60	2	2714.60	1	2016.00	1	698.60	26
2007-08	2	5202.30	1	3498.00	1	1771.20	1	1726.80	49
2008-09	3	21168.00	2	14766.00	1	864.00	1	13902.00	94
2009-10	3	7920.00	3	7920.00	2	1746.90	1	6173.10	78
2010-11	3	8236.80	3	8236.80	3	1445.80	1	6791.00	82
TOTAL-A		**51575.70**		**37135.40**		**7843.90**		**29291.50**	
B-Production of Solid medicine (In quintal)									
2006-07	51	629.71	51	1161.49	26	357.38	25	804.11	69
2007-08	55	635.85	52	1071.66	29	418.28	23	653.38	61
2008-09	52	923.83	52	948.49	23	359.24	29	589.25	62
2009-10	50	1024.32	50	1024.32	21	330.73	29	693.59	68
2010-11	50	1115.84	50	1115.84	20	303.77	30	812.07	73
TOTAL-B		**4329.55**		**5321.80**		**1769.40**		**3552.40**	

(Source: Figures furnished by Pharmacy and compiled by Audit)

Appendix-1.4

(Referred to in paragraph 1.1.15; page no 22)

Details of production of medicines (Liquid and solid)

Year	Production without demand and target			No production against District's demand		No production against target of pharmacy	
	No. of medicine	Production	Value (₹ in lakh)	No. of medicine	Production	No. of medicine	Production
Solid medicines (in quintals)							
2006-07	6	37.60	7.11	25	234.52	25	398.03
2007-08	4	12.72	2.49	27	214.95	23	340.65
2008-09	5	39.08	6.55	29	358.19	29	360.59
2009-10	12	27.74	11.73	29	352.00	29	352.00
2010-11	5	18.04	13.60	30	316.80	30	316.80
TOTAL:	**--**	**135.18**	**41.48**	**--**	**1476.46**	**--**	**1768.07**
Liquid medicines (in litres)							
2006-07	1	445.50	3.47	1	2281.00	1	1140.50
2008-09	0	0.00	0.00	2	8214.00	1	774.00
2009-10	0	0.00	0.00	1	316.80	1	316.80
TOTAL:	**--**	**445.50**	**3.47**	**--**	**10811.80**	**--**	**2231.30**

(Source: From figures of target and achievement compiled by Audit)

Appendix-1.5

(Referred to in paragraph 1.1.15.1.(b); page no 23)

List of equipments not used after its receipt/installation in Pharmacy

Sl. No.	Name of the equipment	Date of receipt	Quantity (In nos.)	Total cost of the equipment (In ₹)
1	Air compressor machine	15/02/2007	1	31990.00
2	Arc elating Granulator	19/02/2004	1	92500.00
3	Automatic pouch filling machine (powder)	30/03/2006	1	174174.00
4	Automatic pouch filling machine (tablet)	30/03/2006	1	172199.00
5	Automatic twin head liquid filling machine	12/09/2003	1	74326.00
6	Automatic twin head liquid filling machine	31/01/2007	1	74326.00
7	De-humidifier	12/09/2003	1	45136.00
8	De-humidifier	07/10/2005	1	43400.00
9	Disintegrator	17/11/2003	1	92405.00
10	Disintegrator	12/09/2003	1	92404.00
11	Disintegrator	13/10/2006	2	184810.00
12	Dust extraction equipment	19/02/2004	1	36500.00
13	Gas cylinders	31/01/2002	14	12600.00
14	Gas cylinders	13/01/2005	4	2600.00
15	Gravity Liquid filling machine	16/06/2004	2	48600.00
16	Gravity Liquid filling machine	13/10/2006	2	48600.00
17	High Speed Automatic label coding machine	31/03/2005	1	60000.00
18	Hot air oven	09/12/2003	2	82784.00
19	Kharel musal stone (pistol)	15/02/2007	1	24890.00
20	Melting point apparatus	07/10/2005	1	5076.00
21	Melting point apparatus	13/10/2006	1	5076.00
22	Melting point apparatus	24/02/2006	1	4150.00
23	Multi punches/ tablet machine with dia set	19/02/2004	1	95500.00
24	Ointment mixer	06/08/2003	1	116640.00
25	Ointment mixer	13/10/2006	1	116640.00
26	Powder mixture	12/09/2003	1	76960.00
27	Powder mixture (capacity 100 kgs)	10/05/2005	1	101724.00
28	Powder mixture (capacity 50 kgs)	13/10/2006	1	76960.00
29	Semi-automatic labeling machine	31/03/2005	1	130000.00
30	Steam Distillation Plant	27/04/2004	1	320000.00
31	Sticker labeling machine	07/03/2007	1	120000.00
32	Sugar coating machine	17/11/2003	1	83625.00
33	Tablet coating and polishing machine	10/05/2005	1	110053.00
34	Tablet Didsting machine	19/02/2004	1	34500.00
35	Filter/Tier press	06/08/2003	1	56246.00
36	Tube filling machine	17/11/2003	1	22599.00
37	Tube filling machine	13/10/2006	1	22599.00
TOTAL:			**57**	**2892592.00**

(Source: Figures from stock register of Pharmacy collected and complied by Audit)

Appendix-1.6

(Referred to in paragraph 1.1.15.1(d); page no 24)

Details of raw herbs lying in stores of Pharmacy

Sl. No.	Name of raw herb	Opening balance of stock on 01/04/06 (in Kgs)	Value of Opening balance stock (In ₹)	Purchased during the period 2006-11 (in Kgs)	Total stock [3+5] (in Kgs)	Consumed during the period 2006-11 (in Kgs)	Closing balance of stock on 31/03/2011 [6-7] (in Kgs)	Value of closing balance stock as 31/03/2011 (In ₹)
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
1	Misri/ Sugar	0.020	0.40	16083.360	16083.380	9090.860	6992.520	218308.00
2	Kali Mirch	2594.000	228038.00	7016.930	9610.930	7661.770	1949.160	470205.60
3	Choti Ilayachi	299.000	128869.00	2231.568	2530.568	1687.046	843.522	1366919.72
4	Kapard	0	0	1809.000	1809.000	1105.000	704	180928
5	Laung	691.000	186111.36	1616.000	2307.000	1458.162	848.838	375375.62
6	Sauchar Lawan	545.000	4768.75	1857.000	2402.000	1193.500	1208.500	13892.00
7	Anardana	178.000	23424.72	1022.000	1200.000	678.000	522.000	39531.30
8	Pipra Mool	42.600	2358.72	806.000	848.600	536.561	312.039	168358.20
9	Chandan (Shakt)	393.900	23859.23	721.500	1115.400	785.400	330.000	41671.90
10	Dhaipushp	396.000	4277.16	1074.000	1470.000	727.980	742.020	13890.62
11	Jeera (White)	0.000	0.00	917.000	917.000	269.100	647.900	86818.60
12	Mahua Phul	0.000	0.00	331.000	331.000	15.000	316.000	12816.96
13	Imli	0.000	0.00	900.000	900.000	10.000	890.000	23042.00
14	Chandan (White)	21.000	41031.00	68.480	89.480	24.150	65.330	22047.52
TOTAL-A		**5160.52**	**642738.34**	**36453.838**	**41614.358**	**25242.529**	**16371.829**	**3033806.04**
15	*Purnatta*	200.000	7072.00	351.000	551.000	123.000	428.000	16727.92
16	*Rasaut*	130.000	17711.00	0.000	130.000	51.600	78.400	13093.00
17	*Vang*	99.100	12337.95	0.000	99.100	0.000	99.100	12337.95
18	*Hingul*	307.000	672023.00	0.000	307.000	0.000	307.000	672023.00
19	*Parad*	469.500	773255.63	0.000	469.500	30.000	439.500	757955.63
20	*Kuchala*	510.900	10198.03	0.000	510.900	0.000	510.900	10198.03
21	*Hajrul Yahud*	942.000	119909.60	0.000	942.000	0.000	942.000	119909.60
22	*Gugul*	1234.575	232530.80	1385.825	2620.400	72.000	2548.400	656000.33
23	*Sankhnabhi*	1253.000	21739.50	0.000	1253.000	0.000	1253.000	21739.50
24	*Vatsnaam*	1919.000	449107.04	0.000	1919.000	300.500	1618.500	363735.52
TOTAL-B		**7065.075**	**2315884.55**	**1736.825**	**8801.90**	**577.10**	**8224.80**	**2643720.48**
GRAND TOTAL (A+B)		**12225.595**	**2958622.89**	**38190.663**	**50416.258**	**25819.629**	**24596.629**	**5677526.52**

(Source: Figures from stock register of Pharmacy collected and complied by Audit)

Appendix-1.7

(Referred to in paragraph 1.1.16.1(b); page no 27)

Idle machinery/equipment in Drug Testing Laboratory and Research Centre

(₹in lakh)

Sl. No	Name of the machine	Purpose	Cost	Date of supply order	Date of installation
1.	UV Visible Spectrophotometer	For checking the functional groups in drug samples like alcholoids etc.,	4.70	06/02/2004	06/04/2009
2.	High Performance Liquid Chromatography (HPLC)	For checking the subsistent/chemical components present in the drug samples	16.75	28/02/2009	21/04/2009
3.	Atomic Absorption Spectrophotometer (AAS)	For determining the metals present in the drug samples	7.67	22/08/2007	17/10/2007
Total:			**29.12**		

(Source: Expenditure records of scheme and audit scrutiny)

Appendix-1.8

(Referred to in paragraph 1.1.19.1; page no 30)

Details of refund of NRHM funds

(₹in lakh)

Sl. No.	Component/ activity	Amount received	Amount refunded
Project Implementation Plan: 2008-09			
1.	Media material production	8.00	0.94
2.	Ayush mela at block level	58.40	2.99
3.	State level preparation and coordination	1.00	0.43
4.	Arogya fair 2010	2.00	0.01
5.	Setting up of labour room and maternity ward in College	20.00	20.00
6.	Expert trainer’s cost	7.20	2.42
7.	Incentive per delivery (JSY)	21.60	21.60
8.	Other human resource	4.80	4.80
9.	Contingencies for IEC	1.40	1.16
10.	Technical consultant	2.40	2.40
11.	Establishment cost including computers	1.00	1.00
12.	Travel, communication and Office expenditure	1.80	1.80
TOTAL: (2008-09)		**129.60**	**59.55**
Project Implementation Plan: 2009-10			
1.	Ayush medicines for rural, remote and tribal areas	99.75	99.75
2.	Manpower for CHCs	59.75	59.75
3.	Manpower for PHC	72.00	72.00
4.	Training of Ayush doctors for maternal and child health	10.00	10.00
5.	Workshop for District Ayurved Officers & others	15.00	14.82
6.	Training of Ayush physicians for Ayush mainstreaming	7.50	7.50
7.	Documentation and publication	1.00	1.00
8.	Technical experts	2.40	2.40
9.	Supporting staff	2.08	2.08
TOTAL: (2009-10)		**269.48**	**269.30**
GRAND TOTAL (2008-10)		**399.08**	**328.85**

(Source: Figures of receipt and expenditure provided by Directorate and complied by Audit

Appendix-1.9
(Referred to in paragraph 1.2.6; page no 38)
Statement showing details of roads upgraded under ADB project

(Roads at Sl. No. 1, 2, 3, 7, 8, 10 and 17 were selected in Review for detailed audit).

Sl. No.	Name of Road	Length in Km	Nodal Officer	Package No.	Approved cost of work (₹ in crore)	Up to date expenditure (₹ in crore)
1.	Rajnandgaon – Mohla – Manpur – Maharashtra Border	110.59	EE, PWD Rajnandgaon	1 & 2 (PI)	94.29	92.27
2.	Rajnandgaon – Kukamera - Kawardha Marg	114.50	EE, PWD, Khairagarh & Kawardha	3 &4 (PI)	95.15	97.88
3.	Bilaspur-Mungeli-Pondi	106.00	EE, PWD, Bilaspur-2 & Kawardha	5 & 6 (PI)	93.42	105.85
4.	Bhanupratappur-Narayanpur-Kondagaon	141.90	EE, PWD, Kondagaon	7 A (PI)	107.09	53.00
5.	Ambikapur – Semersot	61.09	EE, PWD, Ambikapur	9 (PI)	65.18	75.62
6.	Kapsar – Hathidad-Rajkheda-Dhanwar	53.60	EE, PWD, Ramanujganj	10 A (PI)	118.073	135.41
7.	Ramanujganj-Wadrafnagar Road	53.80	EE, PWD, Ramanujganj			
8.	Gariaband – Bardula Marg	58.82	EE, PWD, Raipur No.3	11 (PI)	40.82	35.67
9.	Kumhari – Bemetara-Mungeli	109.83	EE, PWD, Durg and EE, PWD, Bemetera	12 & 13 (PI)	83.05	93.09
10.	Hasaud – Sarsiwa – Saraipali – Padampur (Orissa Border)	71.65	EE, PWD, Mahasamund	3 (PII)	55.43	45.10
11.	Nandghat – Mungeli Marg	36.32	EE, PWD, Bemetara	4 (PII)	23.25	22.10
12.	Baloda Bazar – Hathbandh – Simga Marg	51.07	EE, PWD, Balodabazar	5 (PII)	44.83	38.93
13.	Raipur – Amleshwar – Phunda Marg	22.40	EE, PWD, Durg	6 (PII)	22.47	21.71
14.	Abhanpur – Rajim	63.22	EE, PWD, Gariaband	7 (PII)	58.39	50.57
15.	Rajim-Garyaband Road					
16.	Rajim – Fingeshwar – Mahasamund Marg	39.12	EE, PWD, Mahasamund	8 (PII)	40.62	35.98
17.	Basna – Bhilaigarh Marg	51.20	EE, PWD, Mahasamund	9 (PII)	47.64	44.37
18.	Dhamtari – Nagri Marg	64.72	EE, PWD, Dhamtari	10 (PII)	58.46	38.94
19.	Dhamtari – Gundardehi Marg	38.83	EE, PWD, Durg	11 (PII)	52.63	55.51

Appendix-1.10

(Referred to in paragraph 1.2.6.1 (a); page no 39)

Statement showing details of officials deputed for training abroad under ADB's Technical Assistance grant

Period : Training – Australia : 07.08.2007 to 16.08.2007

Sl. No.	Name of officials S/Shri	Designation	Whether engaged on ISCBC with PIU or not (yes/no)
1	2	3	5
1	B. M. Choudaha	Chief Engineer	Not engaged
2	C. S. Trivedi	Director, ADB	Posted in PIU
3	J. M. Lulu	Under Secretary, PWD, Raipur	--do--
4	Kamlesh Pipri	Superintendent Engineer, NH, Raipur	Not engaged
5	D. K. Agrawal	Executive Engineer, PWD, Durg	
6	S. K. Jain	Executive Engineer, PWD, Ambikapur	
7	D. K. Sehgal	Executive Engineer, PWD, Vidhansabha, Raipur	Posted in PIU
8	Gyaneswar Kashyap	Executive Engineer, PWD, Kondagaon	Not engaged
9	Rajiv Nasine	Assistant Engineer, PWD, Raipur	
10	Vinaya Kumar Runijha	Assistant Engineer, NH-1, Raipur	
11	V. N. K. Sastri	Sub Engineer, PWD, Bilaspur	
12	C. S. Chandrakar	Sub Engineer, PWD, Raipur	

Appendix-1.11

(Referred to in paragraph 1.2.6.1 (d) (ii); page no.41)

Statement showing the month-wise change in technical points of key personnel

Status/month	selec points	July-Aug 06	Sep - Nov 06	Dec-06	Jan-06	Feb-06	Mar-07	Apr-07	May-jun-06	Jul-07	Aug-07	Sep-07	Oct-Nov-06	Dec-07	Jan-08	Feb-08	Mar-may-06	jun-Aug-06	Sep-08	Oct-08-Jun-10	Jul-10
Points for firm																					
Qualification	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Appro&metho	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162
Points of Key Personnel																					
Team Leader	150	150	150	150	150	150	150	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	142.5	132
Pavement Er	120	120	120	120	120	120	120	120	120	120	0	0	0	0	0	0	0	0	0	0	0
Highway Er	25	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	0	0	0	0
Bridge Er	31	0	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Material Er	39	0	0	44	0	0	0	0	0	0	0	0	0	0	0	0	38	38	38	38	38
Pavement Er	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Surveyor	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
Social	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environment	17	0	0	0	0	0	0	0	0	0	0	0	0	0	17	0	0	0	0	0	12
CADD-1	5.2	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	0	0	0
CADD-2	6.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RE-1	29	0	0	0	0	37	0	36.8	0	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4
RE-2	33	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	31.2	29	29	29	29	0	31	31	31
RE-3	39	0	0	34	34	34	34	34	34	36.78	36.78	36.78	36.78	36.78	36.78	36.78	36.78	36.78	36.78	36.78	36.78
RE-4	37	0	29	29	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	0	0	0	0	0	0	0	29.6	29.6
Total	879	648	707	**785**	746	**783**	746	**775**	738	**775**	655	655	622	620	637	620	658	595	619	648	650

Appendix-1.12

(Referred to in paragraph 1.2.7.2; page no 45)

Statement showing extra expenditure due to abnormal variation

(Amount in ₹)

Item No.	Name of item	BOQ Qty	Executed Qty	Rate	Excess	Percentage	Excess amount	Amount as per BOQ
Pacakge-10-A								
1.05 (a)	Excavation of embankment in hard soil	138825	329671	58	190846	137	11069068	8051850
1.08	Preparation of sub-grade in cut formation	20047	44450	30	24403	122	732090	601410
2.01	Providing laying GSB	173323.88	209637	1000	36313.12	21	36313120	173323880
3.01	Primer Coat	530006	616930	35	86924	16	3042340	18550210
3.02	Tack Coat in BT surface	390600	996932	14	606332	155	8488648	5468400
3.02	Tack Coat in Granular Surface	530006	667974	15	137968	26	2069520	7950090
3.05	Providing DBM 50 to 75	24570	29294	4800	4724	19	22675200	117936000
	Total Excess						**84389986**	**331881840**
Package-2								
1.04	Excavation of embankment	144979	179014	65	34035	23	2212275	9423635
1.05	construction of embankment	107830	138323	160	30493	28	4878880	17252800
	Total						**7091155**	**26676435**
Package-1								
1.05	Construction of embankment	226334	365324	126	138990	61	17512740	28518084
2.01	Providing laying GSB	65260	93547	990	28287	43	28004130	64607400
3.01	Primer Coat	267735	317143	14	49408	18	691712	3748290
3.02	Tack Coat in BT surface	521150	754654	6	233504	45	1401024	3126900
3.03	Tack Coat in Granular surface	267735	317143	7	49408	18	345856	1874145
3.04	DBM 50 to 75	20811	27431	3778	6620	32	25010360	78623958
	Total						**72965822**	**180498777**
Package-4								
2.1	Excavation of embankment	318301	671473	52	353172	111	18364944	16551652
2.01	Construction of embankment	219378	515240	222	295862	135	65681364	48701916
	Total						**84046308**	**65253560**
Package-5								
2.1	Excavation of embankment	231811	305296	38	73485	32	2792430	8808818
2.2	Construction of embankment	167224	325994	211	158770	95	33500470	35284264
	Total						**36292900**	**44093082**
Package-6								
2.2	Construction of embankment	230799	332521	223	101722	44	22684006	51468177
4.1	Primer Coat	258926	385250	22	126324	49	2779128	5696372
4.3	Tack Coat in Granular surface	258926	385250	8	126324	49	1010592	2071408
	Total						**26473726**	**59235957**
Package-3 (Phase-II)								
2.03	Construction of embankment	109351	132566	150	23215	21	3482250	16402650
2.04	Construction of embankment	10000	387224	225	377224	3772	84875400	2250000
3.02	WMM	71457	121025	1200	49568	69	59481191	85748400
4.2	Tack Coat in BT surface	508280	652310	8	144030	28	1152240	4066240
	Total						**148991080.8**	**108467290**
Package-9 (Phase-II)								
2.03	Construction of embankment	27506	524000	250	496494	1805	124123500	6876500
	Total						**124123500**	**6876500**
Package-11 (Phase-I)								
2.01	Excavation of embankment	62000	197479	71.28	135479	219	9656943.12	4419360
2.02	Construction of embankment	85800	186625	46.53	100825	118	4691387.25	3992274
2.03	Construction of embankment	88100	160920	217.8	72820	83	15860196	19188180
	Total						**30208526.37**	**27599814**
	Grand Total						**614583004**	**850583263**

Appendix-1.13

(Referred to in paragraph 1.2.7.3; page no 47)

Statement showing status of regularisation of time extension cases

Package No./ Phase No.	Stipulated date of completion	Actual date of completion	Delay (in days)	Status of regularisation of time extension	Audit remark
1/I	11.8.2008	14.8.2009	367	Sanctioned by PD, PIU and imposed one day penalty only.	The earlier time extension case with penalty was reviewed and penalty minimised.
2/I	11.8.2008	31.01.2008	81	Sanctioned by PD, PIU and no penalty imposed.	--
3/I	21.7.2008	22.6.2009	334	--do--	The earlier time extension case with penalty was reviewed and penalty minimised.
5/I	11.8.2008	30.9.2009	415	Time extension not regularised.	--
6/I	11.8.2008	30.9.2009	415	--do--	--
10-A/I	13.3.2009	20.3.2010	372	Sanctioned by PD, PIU and no penalty imposed.	The contractor responsible for the delay to some extent as was observed from the correspondence, but no penalty was imposed.
11/I	11.8.2008	In progress	992	Time extension not regularised	--
3/II	19.12.2009	31.01.2011	407	--do--	--
9/II	19.12.2009	4.4.2011	470	--do--	--

Appendix-1.14

(Refer to in paragraph 1.2.7.3; page no 47)

Statement showing details of reasons attributing to delay in execution of the works

(₹ in lakh)

Package No./Phase No.	Delay (in days)	Delay due to anti social elements/ naxal	Delay due to utility shifting	Substantial variation in the quantities	Exceptional adverse climatic conditions	Unforeseeable shortage in material	Lapse of consultants	Amount of penalty proposed on contractors	Amount of penalty proposed on consultants
1/I	367	150	125	--	8	--	--	14.40	--
2/I	81	81	--	--	--	--	--	--	--
3/I	334	--	126	110	52	38	--	12.44	--
5/I	415	--	25	170	--	81	--	25.00	--
6/I	415	3	10	225	--	--	--	13.80	--
7A/I	852	530	--	--	24	--	--	--	--
9/I	472	107	210	--	--	--	--	16.25	--
10A/I	372	100	20	40	30	--	--	28.70	--
11/I	992	662	--	--	--	--	--	--	--
12/I	336	--	103	130	60	38	--	17.97	--
13/I	344	84	80	120	22	--	--	6.38	--
3/II	407	25	269	--	34	2	--	83.15	--
4/II	209	--	145	--	52	2	--	11.63	--
5/II	376	8	199	--	62	2	--	15.69	--
9/II	470	--	30	298	93	2	--	16.67	--
10/II	588	202	293	79	4	--	--	30.50	--
11/II	301	--	240	61	--	--	--	--	--
							Total	**292.85**	--

Source: Furnished by the PD, PIU, ADB Cell

Appendix-1.15

(Referred to in paragraph 1.2.7.3; page no 47)

Statement showing price adjustment paid beyond the stipulated period without regularisation of time extension cases.

(₹ in crore)

Sl. No.	Name of road	Length	Package No.	Up to date expenditure	Stipulated date of completion	Actual date of completion	Delay (in days)	Escalation paid for delayed period
1	Rajnandgaon – Mohla	72.4	1 (PI)	70.04	11.08.2008	14.08.2009	367	8.04
2	Manpur – Maharashtra Border	38.19	2 (PI)	22.23	11.08.2008	31.10.2008	81	3.15
3	Rajnandgaon – Kukamera	62	3 (PI)	38.83	21.07.2008	22.06.2009	334	3.68
4	Bilaspur-Mungeli	51	5 (PI)	52.31	6.8.2008	30.06.2009	415	7.14
5	Mungeli-Pondi road	55	6 (PI)	53.54	11.08.2008	30.09.2009	415	5.06
6	Bhanupratappur-Narayanpur-Kondagaon	141.9	7A (PI)	53	29.12.2008	Work in progress	852	4.26
7	Ambikapur – Semersot	61.09	9	75.62	19.08.2008	04.12.2009	472	7.22
8	Kapsar – Hathidad-Rajkheda-Dhanwar Ramanujganj-Wadrafnagar Road	107.46	10A (PI)	135.41	13.03.2009	20.3.2010	372	13.38
9	Gariaband – Bardula Marg	58.82	11	35.67	11.08.2008	Work in progress	992	6.41
10	Kumhari – Bemetara road	67.39	12 (PI)	58.11	21.07.2008	22.06.2009	336	4.50
11	Bemetera-Mungeli road	42.44	13 (PI)	34.98	11.08.2008	21.07.2009	344	3.02
12	**Hasaud – Sarsiwa – Saraipali – Padampur (Orissa Border)**	**71.65**	**3 (PII)**	**45.10**	**19.12.2009**	**31.01.2011**	407	6.81
13	Nandghat – Mungeli Marg	36.32	4 (PII)	22.10	19.12.2009	31.07.2010	209	3.20
14	Baloda Bazar – Hathbandh – Simga Marg	51.07	5 (PII)	38.93	19.12.2009	31.12.2010	376	5.69
15	**Basna – Bhilaigarh Marg**	**51.2**	**9 (PII)**	**44.37**	**19.12.2009**	**4.4.2011**	470	4.98
16	Dhamtari – Nagri Marg	64.72	10 (PII)	38.94	19.12.2009	30.7.2011	588	5.21
17	Dhamtari – Gundardehi Marg	38.83	11 (PII)	55.51	19.12.2009	15.10.2010	301	5.91
	Total							**97.66**

Appendix-1.16

(Referred to in paragraph 1.2.7.4; page no.48)

Statement showing details of excess payment made to contractors against bitumen escalation

(₹ in crore)

Phase No.	Package No.	Escalation paid	Escalation payable	Excess paid
Phase-I	1	8.87	8.59	0.28
	2	2.16	1.25	0.91
	4	7.34	4.21	3.12
	5	6.01	5.00	1.01
	6	4.25	4.18	0.07
	7	3.96	3.83	0.13
	9	7.54	5.84	1.70
	10-A	11.70	9.71	1.99
	11	2.96	2.80	0.16
Phase-II	3	4.31	2.21	2.10
	5	3.56	2.29	1.27
	6	1.76	0.74	1.02
	7	3.12	1.92	1.20
	8	1.39	0.75	0.64
	9	2.77	1.46	1.31
	11	3.14	2.25	0.89
	Total	**74.84**	**57.03**	**17.80**

Appendix-1.17

(Referred to in paragraph 1.2.7.5; page no 49)

Statement showing details of PACs issued to the contractors for tax exemption

Sl. No.	Package No.	PAC issued (in MT)	Actually consumed in work[1] (in MT)	Excess PAC issued (in MT)	Rate of central excise[2] (in `)	Amount (₹ in lakh)
1.	1 (PI)	7500	7082.90	417.098	4181	17.43
2.	2 (PI)	2429	1423.62	1005.38	3643	36.63
3.	4 (PI)	5200	4020.59	1179.41	3916	46.18
4.	6 (PI)	5050	4040.30	1009.70	3898	39.36
5.	10-A	7900	7234	665.61	4553	30.30
6.	11 (PI)	4527	2188	2338.13	4287	102.09
7.	3 (PII)	2584	2146	438	4914	21.52
	CRMB	5883	1563	4320	4669	201.70
8.	9 (PII)	1773	1683	91	4423	4.02
	CRMB	1438	752	686	4669	32.03
Total						**531.26**

[1] As per calculations made in MB against bitumen items.
[2] As per the latest invoice submitted by the contractor.

Appendix-1.18

(Referred to in paragraph 1.2.7.6; page no 49)

Statement showing short deduction of commercial tax

(Amount in ₹)

Package No./ Phase No.	CT to be deducted as per exemption certificate	Amount on which exemption certificate issued	CT to be deducted on exemption amount	Up to date payment made to contractor	Difference amount (Col.5-3)	CT to be deducted on difference amount @ 2%	Total CT to be deducted (Col.4+7)	Total CT deducted	Difference amount
1	2	3	4	5	6	7	8	9	10
PHASE-I									
1	Not exempted	Not exempted	Not exempted	70,04,09,855	70,04,09,855	1,40,08,197	1,40,08,197	1,40,08,197	--
2.	Not exempted	Not exempted	Not exempted	22,23,48,994	22,23,48,994	44,46,980	44,46,980	44,14,827	32,153
3.	Not exempted	Not exempted	Not exempted	38,83,12,775	38,83,12,775	77,66,255	77,66,255	74,98,531	2,67,725
4	0%	46,51,23,994	0	59,05,42,283	12,54,18,289	25,08,366	25,08,366	11,51,194	13,57,172
5	Not exempted	Not exempted	Not exempted	52,31,54,060	52,31,54,060	1,04,63,081	1,04,63,081	99,25,566	5,37,515
6.	0 %	43,40,43,479	0	51,95,22,209	8,54,78,730	17,09,575	17,09,575	1,02,952	16,06,623
10-A	0.5%	118,07,33,435	59,03,667	135,40,60,017	17,33,26,582	34,66,532	93,70,199	71,48,889	22,21,310
11	Not exempted	Not exempted	Not exempted	39,14,56,032	39,14,56,032	78,29,121	78,29,121	76,28,901	2,00,220
13	Not exempted	Not exempted	Not exempted	35,35,67,257	35,35,67,257	70,71,345	70,71,345	68,63,615	2,07,730
TOTAL									**64,30,448**
PHASE-II									
3	1 %	55,43,66,648	55,43,666	64,89,35,798	9,45,69,150	18,91,383	74,35,049	59,92,332	14,42,717
5	1 %	44,81,67,736	44,81,677	53,00,81,871	8,19,14,135	16,38,283	61,19,960	53,06,855	8,13,105
6	1%	22,47,89,860	22,47,899	24,29,18,919	1,81,29,059	3,62,581	26,10,480	22,61,582	3,48,898
11	0%	41,74,83,000	0	64,11,15,752	22,36,32,752	44,72,655	44,72,655	22,16,627	22,56,028
TOTAL									**48,60,748**
GRAND TOTAL									**1,12,91,196**

Appendix-1.19

(Referred to in paragraph 1.2.7.7; page no 50)

Statement showing details of amount paid for use of extra bitumen

(₹ in lakh)

Sl. No.	Name of road	Package No./Phase No.	Details of payment on extra bitumen			
			Item	Bitumen percentage as per BOQ	Actually consumed bitumen percentage	Amount paid for extra bitumen
1.	Rajnandgaon-Kawardha Road	3/I	Bituminous Concrete	5	5.3	16.61
2.		4/I	Bituminous Concrete	5	5.41	49.38
3.	Ramanujganj-Wadrafnagar Road	10-A/I	Dense Bituminous Macadam	4.5	4.6	42.81
			Bituminous Concrete	5	5.62	
			Bituminous Macadam	3.4	3.5	
4.	Saraipali-Sarsiwa-Orissa Border Road	3/II	Semidense Bituminous Concrete	5	5.62	56.94
5.	Basna-Bhilaigarh Road	9/II	Semidense Bituminous Concrete	5	5.5	17.48
TOTAL						**183.22**

Source: Compiled from the records furnished by the PWD.

Appendix-1.20

(Referred to in paragraph 1.2.7.10; page no 53)

Statement showing superfluous provision of tack coat over freshly laid BT surface

Sl. No.	Name of road	Package No./Phase No.	Quantity of extra tack coat (in Sqm)	Rate per unit (in ₹)	Amount (₹in lakh)
1.	Rajnandgaon-Mohla-Maharashtra Border	1/I	516597	6	31.00
		2/I	145750	9	13.12
2.	Rajnandgaon-Khairagarh-Kawardha Road	3/I	323263	9	16.16
		4/I	397393	8	31.79
3.	Bilaspur-Mungeli-Poindi Road	6/I	384459	9	34.60
4.	Ramanujganj-Wadrafnagar Road	10-A/I	310097	14	43.41
5.	Garyaband-Bardula Road	11/I	223394	9	20.11
6.	Saraipali-Sarsiwa-Orissa Border	3/II	469854	9	42.28
7.	Basna-Bhilaigarh Road	9/II	226508	11	24.92
	TOTAL				**257.38**

Appendix-1.21

(Referred to in paragraph 1.2.7.15 (a); page no 55)

Statement showing excess payment made to the consultant

(Amount in ₹)

	Particulars	As per agreement (maximum)	Paid	Admissible	Excess (3-4)
	1.	2.	3.	4.	5.
	International				
1	Remuneration Key personnels @ 47 per $	24252000	37289471	24252000	13037471
2	Out of pocket expenses @ 47 per $	329000	564000	329000	235000
	Domestic				
1	Remuneration Key personnels	14510000	20996210	12727475	8268735
2	Remuneration Assist. Ers	16688000	23563092	16688000	6875092
3	Remuneration Field Ers	24750000	32670165	24294900	8375265
4	Remuneration managerial staff	10042000	15670356	7000000	8670356
	Other Expenses				
1	Per Diem & Local Travel	8823500	12873504	8163990	4709514
2	Transport	17544000	21680504	12774400	8906104
3	Communications	1040000	2208000	1040000	1168000
4	PM Office rent	780000	1659000	780000	879000
5	Site Office rent (9 no)	3240000	4065000	2520000	1545000
6	0ffice furniture & Equipment - Main office	442000	923000	247000	676000
7	Office equipment & Software - Main office	1729000	3255590	1548300	1707290
8	Office Furniture & Equipment - Field Office	655176	661194	72792	588402
9	Office Equipment - Field Office	2628000	2088170	274584	1813586
10	Office Supplies	1040000	2200000	1040000	1160000
11	Report Preparation	220000	480000	205000	275000
	TOTAL	**128712676**	**182847256**	**113957441**	**68889815**

Appendix-1.22

(Referred to in paragraph 1.2.7.15 (b); page no 55)

Statement showing the excess payment due to reduction of road length

Package	**Road Length**	**contracted Amount**			**Contracted Amount (in INR)**		**Per KM cost**		**Per KM cost after deducting the provisional sum & contingency (104000$)**	**Reduction in road length**	**Net road length to be executed after reduction**	**Payment made**			**Total payment for supervision in INR**	**Payable (INR)**	**Excess Payment (INR)**	**Waste-ful Expndr. (INR)**	**Probable Excess Payment (INR)**
		DPR	Supervision		DPR	Supervision	DPR	Supervision	Supervision			DPR	Supervision		Supervision	Supervision	Supervision	in DPR	Supervision
	(in KM)	*(in INR)*	*(in USD)*	*INR*	*(in INR)*	*(in INR)*	*(in INR)*	*(in INR)*	*(in INR)*	*(in KM)*	*(in KM)*		*(in USD)*	*(in INR)*	*(in INR)*				
1	2	3	4	5	6	7	8(col6/col2)	9(col7/col2)	10(col.7-104000x45)/col 1	11	12(col2-col11)	13	14	15	16(col 14x45+col 15)	17(col10xcol12)	18(col16-col17)	19(col8xcol11)	20(col7-col17)
PackageA	400.5	11600000	354375	39272000	11600000	50751500	28964	126720	115035	172.7	227.8	10033532	291618	24665539	37788349	26204963	11583386	5002047	24546537
PackageB	392.5	10977440	104000	51491000	10977440	62468440	27968	159155	147232	188	204.5	10977440	0	38431913	38431913	30108881	8323032	5257984	32359559
Total	**793**									**360.7**	**432.3**				**76220262**	**56313845**	**19906417**	**10260031**	**56906095**

Appendix-1.23

(Referred to in paragraph 1.3.1; page no 61)

Statement showing sanction and expenditure under different projects in JNNURM

(₹ in lakh)

S. No.	Scheme	City	Sector	Name of Project (s)	Year of Sanction	Approved Project Cost	Sanctioned Amount			Released to implementing Agency (s)	Expenditure	Percentage of utilisation with project cost
							Central	State	ULB			
A	B	C	D	E	F	G	H	I	J	K	L	M
1	UIG	Raipur	Water Supply	Water Supply Scheme	2006-07	30364.00	24291.20	3036.40	3036.40	23754.43	23431.42	99
		New Raipur	Water Supply	Water Supply Scheme	2008-09	15623.00	10000.00	4060.00	1562.30	0	0	0
		Raipur	Transport	City Bus Scheme	2008-09	1485.00	1188.00	148.50	148.50	668	0	0
2	BSUP	Raipur	BSUP	BSUP in slums in Raipur city- 27976 DU	2006-07	39144.60	31315.68	3914.46	3914.46	9691.21	9452	98
		Raipur	BSUP	BSUP Ph. II - 1136 DU	2009-10	4225.00	3380.00	422.50	422.50	0	0	0
		New Raipur	BSUP	BSUP in slums New Raipur – 888 DU	2008-09	2878.77	2303.02	287.88	287.88	621.81	91	15
3	UIDSSMT	Bilaspur	Water Supply	Water Supply Scheme	2006-07	4142.60	3314.08	575.75	252.77	2717	2369	87
		Bilaspur	Sewerage	Sanitary Sewerage System	2006-07	19025.00	15220.00	1902.50	1902.50	5502	5502	100
		Raigarh	Water Supply	Water Supply Scheme	2006-07	1524.50	1219.60	152.45	152.45	904.45	904.45	100
		Kondagaon	Water Supply	Water Supply Scheme	2006-07	451.55	361.24	45.16	45.16	200	200	100
4	IHSDP	18 Locations across State	IHSDP	Housing and Slum Development -17922 DU	2006-07	22560.42	18048.34	2256.04	2256.04	13053.79	9408	72
				TOTAL		**141424.44**	**110641.15**	**16801.63**	**13980.95**	**57112.69**	**51357.87**	90

Appendix-1.24

(Referred to in paragraph 1.3.7.3; page no70)

Statement showing diversion of funds amounting to ₹ 9.22 crore from the JNNURM schemes causing interest loss of ₹ 1.11 crore

(Amount in ₹)

Sl.No	Diverted amount	Diversion date	Recouped amount	Recoupment date	Balance	No. of Days	Interest loss @8%
A	B	C	D	E	F	G	H=(F*8%*G)/365
1	92241757	12/11/2008	0	23/12/2009	92241757	406	8208253
2			2241757	24/12/2009	90000000	1	19726
3			10000000	05/01/2010	80000000	12	210411
4			7500000	18/3/2010	72500000	72	1144110
5			35000000	15/4/2010	37500000	28	230137
6			2500000	28/9/2010	35000000	166	1273425
7			35000000	24/11/2010	0	57	0
Total	**92241757**		**92241757**				**11086061**

Appendix-1.25

(Referred to in paragraph 1.3.8.1(a); page no 71)

Statement showing extra cost of ₹ 2.55 crore due to preparation of inflated estimate

(₹ in crore)

S.No.	Agreement Number	Name of the work	Estimate as per DPR	Addition of price index variation as per DPR(@20%)	Total estimate including price index variation as per DPR	Amount of estimate	Tender Cost	Above/below tender percentage	Work Order	Stipulated period	Excess payment
A	B	C	D	E	F=D+E	G	H	I=(H-G)*100/G	J	K	L=(E+I)%*E
1	72 -DL/ 2007-08	Design construction, testing and commissioning of 3200 KL capacity of RCC Over Head Service Reservoir of 20 M staging at **Idgahbhata, Changorabhata, Sarona and Deendayal Upadhyay Nagar.**	4.04	0.81	4.85	4.84	6.64	37	587/ dt.28.02.2008	21 months including rainy season	1.11
2	76 -DL/ 2007-08	Design construction, testing and commissioning of 3200 KL capacity of RCC Over Head Service Reservoir of 20 M staging at **Kota , Kabir Nagar and Tatibandh**	3.03	0.65	3.68	3.61	5.1	41	651/ dt.05.03.2008	18 months including rainy season	0.89
3	77 -DL/ 2007-08	Design construction, testing and commissioning of 3200 KL capacity of RCC Over Head Service Reservoir of 20 M staging at **Gogaon and Jarway**	2.02	0.4	2.42	2.44	3.29	35	676/dt.07.03. 2008	15 months including rainy season	0.55
		Grand total	**9.09**	**1.86**							**2.55**

Appendix-1.26

(Referred to in paragraph 1.3.8.1(c)(i); page no 72)

Statement showing irregular payment of advance amounting to ₹ 66.08 crore to contractors and subsequent loss of interest of ₹ 1.04 crore

(Amount in ₹)

S. No.	Item(DI Pipe class K9)	Quantity of supply (in metres)	Quantity of laying	Cumulative balance of unused material after laying	Rate paid (per metre)	Payment on supply of materials	Date of payment	No. of days for which contractor was having the amount of unused material	Loss of interest to Government @ 8 *per cent*[1]
A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	400	8688	0	8688.00	3672.00	31902336.00	10/03/2008	21	146838
2	400	1336.5	0	10024.50	3672.00	36809964.00	31/03/2008	45	363057
3	400	0	4434	5590.50	3672.00	20528316.00	15/05/2008	29	130481
4	400	2226.5	3164.23	4652.77	3672.00	17084971.44	13/06/2008	13	48680
5	400	292	696.7	4248.07	3672.00	15598913.04	26/06/2008	40	136758
6	400	440	1980.5	2707.57	3672.00	9942197.04	05/08/2008	73	159075
7	400	2522	1163.96	4065.61	3672.00	14928919.92	17/10/2008	124	405739
8	400	5340.5	1340.73	8065.38	3672.00	29616075.36	18/02/2009	72	467366
9	400	1622.5	3693.85	5994.03	3672.00	22010078.16	01/05/2009	70	337689
10	400	0	3579.47	2414.56	3672.00	8866264.32	10/07/2009	3	5830
11	400	51.96	747.43	1719.09	3672.00	6312498.48	13/07/2009	18	24904
12	400	0	63.42	1655.67	3672.00	6079620.24	31/07/2009	201	267836
13	400	43.405	626.83	1072.25	3672.00	3937302.00	17/02/2010	42	36245
14	400	0	109.36	962.89	3672.00	3535732.08	31/03/2010	122	94545
15	400	0	237.27	725.62	3672.00	2664476.64	31/07/2010	151	88183
16	400	0	295.866	429.75	3672.00	1578042.00	29/12/2010	59	20406
17	400	0	288.15	141.60	3672.00	519955.20	26/02/2011	32	3647
18	400	0	4	137.60	3672.00	505267.20	30/03/2011	0	0
		22563.37	**22425.77**			**232420929.12**			0

[1] Interest applied as per the fixed deposit interest rates of State Bank of India prevailing during the period of advance

A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	500	1292.5	264	1028.5	5045.40	5189193.90	15/05/2008	42	47769
2	500	0	814.21	214.29	5045.40	1081178.77	26/06/2008	40	9479
3	500	60.5	70	204.79	5045.40	1033247.47	05/08/2008	197	44614
4	500	0	14.32	190.47	5045.40	960997.34	18/02/2009	142	29909
5	500	5.5	18.17	177.8	5045.40	897072.12	10/07/2009	3	590
6	500	3.12	0.215	180.705	5045.40	911729.01	13/07/2009	18	3597
7	500	2.59	36.335	146.96	5045.40	741471.98	31/07/2009	201	32665
8	500	6.92	81.5	72.38	5045.40	365186.05	17/02/2010	406	32497
9	500	0	19.08	53.3	5045.40	268919.82	30/03/2011	0	0
		1371.13	**1317.83**			**11448996.45**			0
A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	600	1330.5	0	1330.5	6218.10	8273182.05	10/03/2008	21	38079
2	600	1771	0	3101.5	6218.10	19285437.15	31/03/2008	45	190213
3	600	170.5	0	3272	6218.10	20345623.20	15/05/2008	42	187291
4	600	0	533.5	2738.5	6218.10	17028266.85	26/06/2008	40	149289
5	600	0	41	2697.5	6218.10	16773324.75	05/08/2008	73	268373
6	600	0	38.5	2659	6218.10	16533927.90	17/10/2008	124	449360
7	600	0	49	2610	6218.10	16229241.00	18/02/2009	72	256111
8	600	0	401.5	2208.5	6218.10	13732673.85	01/05/2009	70	210693
9	600	0	2161.59	46.91	6218.10	291691.07	10/07/2009	3	192
10	600	4.5	31.91	19.5	6218.10	121252.95	13/07/2009	219	5820
11	600	699.32	623.23	95.59	6218.10	594388.18	17/02/2010	42	5472
12	600	373.5	138.83	330.26	6218.10	2053589.71	31/03/2010	122	54912
13	600	0	86.53	243.73	6218.10	1515537.51	31/07/2010	210	69756
14	600	0	180.69	63.04	6218.10	391989.02	26/02/2011	32	2749
15	600	18	93.04	-12	6218.10	-74617.20	30/03/2011	0	0
		4367.32	**4379.32**			**133095507.99**			0

A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	700	1144	0	1144	8505.00	9729720.00	26/06/2008	40	85302
2	700	792	327.2	1608.8	8505.00	13682844.00	05/08/2008	73	218926
3	700	111.5	0	1720.3	8505.00	14631151.50	17/10/2008	124	397647
4	700	880	412.85	2187.45	8505.00	18604262.25	18/02/2009	72	293591
5	700	0	1120.14	1067.31	8505.00	9077471.55	01/05/2009	70	139271
6	700	62.5	444.82	684.99	8505.00	5825839.95	10/07/2009	3	3831
7	700	593.86	884.76	394.09	8505.00	3351735.45	13/07/2009	0	0
8	700	32.725	0	426.815	8505.00	3630061.58	13/07/2009	219	174243
9	700	50.98	147.99	329.805	8505.00	2804991.53	17/02/2010	42	25821
10	700	0	84.05	245.755	8505.00	2090146.28	31/03/2010	122	55890
11	700	0	9.29	236.465	8505.00	2011134.83	31/07/2010	0	0
		3667.565	**3431.1**			**85439358.90**			0
A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	800	429	395.03	33.97	10926.90	371186.79	05/08/2008	73	5939
2	800	231	0	264.97	10926.90	2895300.69	17/10/2008	124	78689
3	800	385	0	649.97	10926.90	7102157.19	18/02/2009	72	112078
4	800	535.5	518.97	666.5	10926.90	7282778.85	01/05/2009	70	111736
5	800	1331	775.59	1221.91	10926.90	13351688.38	10/07/2009	3	8779
6	800	10.76	824.06	408.61	10926.90	4464840.61	13/07/2009	219	214312
7	800	1.41	199.5	210.52	10926.90	2300330.99	17/02/2010	164	82686
8	800	0	5.5	205.02	10926.90	2240233.04	31/07/2010	151	74143
9	800	0	49.67	155.35	10926.90	1697493.92	29/12/2010	0	0
		2923.67	**2768.32**			**41706010.46**			0

A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	900	66	0	66	13340.40	880466.40	05/08/2008	269	51911
2	900	605	665.5	5.5	13340.40	73372.20	01/05/2009	70	1126
3	900	4546	2334.48	2217.02	13340.40	29575933.61	10/07/2009	3	19447
4	900	5.16	532.585	1689.595	13340.40	22539873.14	13/07/2009	219	1081914
5	900	282.27	1393.15	578.715	13340.40	7720289.59	17/02/2010	42	71069
6	900	0	292.24	286.475	13340.40	3821691.09	31/03/2010	122	102191
7	900	0	223.69	62.785	13340.40	837577.01	31/07/2010	151	27720
8	900	0	36.01	26.775	13340.40	357189.21	29/12/2010	0	0
		5504.43	**5477.655**			**65806392.25**			0
A	B	C	D	E	F	G=E*F	H	I	J=G*0.08*I/365
1	1000	198	0	198	16546.84	3276274.32	05/08/2008	73	52420
2	1000	593	0	791	16546.84	13088550.44	17/10/2008	196	562270
3	1000	956	126.5	1620.5	16546.84	26814154.22	01/05/2009	70	411395
4	1000	1105	1482.72	1242.78	16546.84	20564081.82	10/07/2009	3	13522
5	1000	0.72	0	1243.5	16546.84	20575995.54	13/07/2009	219	987648
6	1000	136.02	1209.88	169.64	16546.84	2807005.94	17/02/2010	42	25840
7	1000	30	0	199.64	16546.84	3303411.14	31/03/2010	122	88332
8	1000	0	185.91	13.73	16546.84	227188.11	31/07/2010	210	10457
9	1000	0	1.29	12.44	16546.84	205842.69	26/02/2011	0	0
		3018.74	**3006.3**			**90862504.21**			0
		Total				**660779699.38**			**10416855**

Appendix-1.27

(Referred to in paragraph 1.3.8.1 (c)(ii); page no 72)

Statement showing irregular payment of advance amounting to ₹ 37.13crore to contractors and subsequent loss of interest of ₹ 71.88 lakh due to the amount paid in advance to the contractor in addition to secured advance.

(amount in ₹)

Sl. No.	Item	Secured Advance	Vr.No./date	MB.No./ Page	Supply of Quantity (in mt)	Cumm. total	Qt. of laying (in mt)	Diff.	Rate of supply (in Rs)	Amt. (in Rs)	Vr. No./ Date	Date	Days	Loss of interest
A	B	C	D	E	F	G	H	I=G-H	J	K=J*I	L	M	N	O=(K*8%[2]*N) 365
1	1700 mm steel pipe	48974412	84 DL/ 29.02.2008	1011/17	2209.24	2209.24	1060.7	1148.58	22225	25527191	16 DL/ 23.08.2008	23/8/2008	5	27975
2		98468641	80DL/ 29.07.2008	21	271.84	1420.42	0	1420.42	22225	31568835	17 DL/ 28.08.2008	28/8/2008	246	1702122
3		73323377	140DL/ 17.10.2008	31	6726.27	8146.69	6068.9	2077.79	22225	46178883	4 DL/ 01.05.2009	1/5/2009	70	708498
4				45	3799.16	5876.95	4524.8	1352.17	22225	30051978	3DL/ 10.07.2009	10/7/2009	13	85628
5				57	1434.16	2786.33	830.55	1955.78	22225	43467211	59DL/ 23.07.2009	23/7/2009	37	352501
6				65	306	2261.78	0	2261.78	22225	50268061	37DL/ 29.08.2009	29/8/2009	198	2181496
7				75	0	2261.78	1169.4	1092.41	22225	24278812	19DL/ 15.03.2010	15/3/2010	16	85142
8				85	0	1092.41	560.92	531.49	22225	11812365	32 DL/ 31.03.2010	31/3/2010	122	315859
9				93	1.33	532.82	533.48	-0.66	22225	0	21 DL/ 31.07.2010	31/7/2010	0	0
					14748	14747.34	14749	-1.32		0			0	0

[2] Interest applied as per the fixed deposit interest rates of State Bank of India prevailing during the period of advance

A	B	C	D	E	F	G	H	I=G-H	J	K=J*I	L	M	N	O=(K*8 %[3]*N) 365
1	1400 mm steel plate	28556826	84 DL/29.02.2008	37	3388.28	3386.96	786.39	2600.57	15658	40719725	4 DL/ 01.05.2009	1/5/2009	70	624741
2		5150719	80DL/29.07.2008	47	0	2600.57	1124.5	1476.07	15658	23112304	3DL/ 10.07.2009	10/7/2009	13	65854
3		1875955	140DL/17.10.2008	57	0	1476.07	223.48	1252.59	15658	19613054	59DL/ 23.07.2009	23/7/20099	37	159054
4				65	85.72	1338.31	191.66	1146.65	15658	17954246	37DL/ 29.08.2009	29/8/2009	198	779165
5				77	0	1146.65	924.82	221.83	15658	3473414	19DL/ 15.03.2010	15/3/2010	16	12181
6				85	0	221.83	12.5	209.33	15658	3277689	32 DL/ 31.03.2010	31/3/2010	122	87645
7				93	0	209.33	210.68	-1.35	15658	0	21 DL/ 31.07.2010	31/7/2010	0	0
					3474	3472.65	3474	-1.38		0			0	0
								Grand Total		**371303767**				**7187861**

[3] Interest applied as per the fixed deposit interest rates of State Bank of India prevailing during the period of advance

Appendix-1.28

(Referred to in paragraph 1.3.8.2(f); page no 77)

Statement showing extra cost of ₹ 1.36 crore due to reduction in Plinth Area of BSUP Dwelling Unit

(₹ in lakh)

Sl. No	Name of work	No. of DU	Plinth Area of DU (in Sqm)	NIT No./ Date	Estimated cost	Tender Received Cost	Cost per DU	Agreement No.	Date of Work Order	Name of Contractor	Upto Date Payment
A	B	C	D	E	F	G	H=G/C	I	J	K	L
1	RP Real city, Saddu, Gr I	192	31.50	EE/Div-3/RPReal Gr I / 09.11.2009	278.40	288.00	1.50000	85/ 2009-10 / 08.03.2010	01.04.2010	Amit Jain	252.80
2	RP Real city, Saddu, Gr II	256	31.50	EE/Div-3/BSUP/ RP Real Gr II / 18.02.2010	371.20	383.49	1.49801	93/ 2010-11 / 09.06.2010	09.06.2010	VAS Nirman	183.59
3	RP Real city, Saddu, Gr III	192	31.50	EE/Div-3/BSUP/ RPReal Gr III / 18.02.2010	278.40	287.81	1.49901	91/ 2010-11 / 29.05.2010	29.05.2010	Hemant Construction	217.28
4	RP Real city, Saddu, Gr IV	256	31.50	EE/Div-3/BSUP/ RP Real Gr IV/ 09.11.2009	371.20	381.81	1.49145	84/ 2009-10 / 06.03.2010	01.04.2010	VAS Nirman	282.53
5	RP Real city, Saddu, Gr V	224	31.50	EE/Div-3/BSUP/ RPReal Gr V/ 09.11.2009	324.80	333.50	1.48884	83/ 2009-10 / 25.02.2011	01.04.2010	Sevak Ram Balani	289.19
6	RP Real city, Saddu, Ph II Gr VI	224	25.37	CGHB/ EE/Div-3/ RPReal Gr 6/ 10.09.2010	324.80	329.00	1.46875	106 / 2010-11 / 14.01.2011	14.01.2011	Rajiv Gupta	223.72
7	RP Real city, Saddu, Ph II Gr VII	160	25.37	CGHB/ EE/Div-3/ RPReal Gr 7/ 10.09.2010	232.00	234.00	1.46250	107 / 2010-11 / 14.01.2011	14.01.2011	Rajiv Gupta	163.80
8	Sajan Das Builder Saddu	160	25.37	M/ s Sajan das/ 24.12.2010	232.00	231.31	1.44569	110 / 2010-11 / 28.03.2011	30.03.2011	Abhat Kotria	12.00

A	B	C	D	E	F	G	H=G/C	I	J	K	L
9	Capital City Saddu Ph I & Vimal Khemka (224+64)	288	31.50	CGHB/ EE/ Div-3/ Khemka-I/ 05.06 2010	417.60	431.99	1.49997	101 / 2010-11 / 24.09.2010	14.10.2010	Amit Jain	167.03
10	Capital City Saddu Ph II	192	31.50	EE/ Div-3/ RP Real-2 & Vimal Khemka/ 12.04 2010	278.40	298.89	1.55672	97 / 2010-11 / 29.07.2010	29.07.2010	K K Constrction	160.00
11	Gold Brick Labhandi Gr I	224	31.50			331.50	1.47991		29.05.2010	Vinod Pandey	147.75
12	Gold Brick Labhandi Gr II	256	31.50	EE/ Div-3/ BSUP/ Gold Brick 2/ 18.02 2010	371.20	378.11	1.47699	89 / 2010-11 / 17.05.2010	29.05.2010	Vinod Pandey	195.95
13	Gold Brick Labhandi Gr III	256	31.50	EE/ Div-3/ BSUP/ Gold Brick 3/ 18.02 2010	371.20	377.12	1.47313	90 / 2010-11 / 17.05.2010	29.05.2010	Vinod Pandey	188.56
14	Gold Brick Labhandi Gr IV	256	31.50	EE/CGHB/ Div-3/ Gold 4/ 05.06.2010	371.20	381.18	1.48898	101 / 2010-11 / 29.07.2010	27.10.2010	SR Construction	180.11
15	Gold Brick Labhandi Gr V	224	31.50	EE/ Div-3/ Gold Brick 5/ 12.04.2010	324.80	344.74	1.53902	102 / 2010-11 / 29.07.2010	15.07.2010	Yash Construction	100.47
		3360								**Total**	**2764.78**

	₹ in lakh	(31.5-25.37) sqm=Cost of 6.13 sqm	₹ 0.25 lakh
Avg Cost of 1 DU of 31.5 sqm	1.40	Cost for 544 DU	₹ 1.36 crore
Cost of unit sqm	0.04		

Appendix-1.29

(Referred to in paragraph 1.3.8.3(b)(i); page no 79)

Statement showing loss of interest amounting to ₹ 7.57 crore against inadmissible mobilization advance of ₹ 22.20 crore to the contractor

(amount in ₹)

Sl.No.	Advance Installment	RA Bill	Date of payment	Days	Amount	Gross Amount of Bill	Recovery of mobilisation advance @11% of Bill Amount	Recoverable Mob. Adv.	Interest @14%
A	B	C	D	E	F	G	H	I	J=I*14%*E /365
1	1st		22/10/2008	16	111496000	111496000	0	111496000	684249
2	2nd		7/11/2008	339	111496000	222992000	0	222992000	28995069
3		1st	12/10/2009	82	222992000	22242017	2446622	220545378	6936605
4		2nd	2/1/2010	28		35274138	3880155	216665223	2326925
5		3rd	30/1/2010	39		29071175	3197829	213467394	3193238
6		4th	10/3/2010	40		30212854	3323414	210143980	3224127
7		5th	19/4/2010	43		33253066	3657837	206486143	3405607
8		6th	1/6/2010	34		34329360	3776230	202709913	2643559
9		7th	5/7/2010	38		27332024	3006523	199703390	2910745
10		8th	12/8/2010	42		34177606	3759537	195943854	3156575
11		9th	23/9/2010	30		28790882	3166997	192776857	2218254
12		10th	23/10/2010	35		22503448	2475379	190301477	2554732
13		11th	27/11/2010	55		29841209	3282533	187018944	3945331
14		12th	21/1/2011	49		12625713	1388828	185630116	3488829
15		13th	11/3/2011	0		24708251	2717908	182912208	0
16		14th	11/3/2011	33		26121169	2873329	180038880	2278848
17		15th	13/4/2011	57		62577804	6883558	173155321	3785697
18		16th	9/6/2011	0		23864758	2625123	170530198	0
19		17th				23513720	2586509	**167943689**	0
Total							**55048311**		**75748393**

Appendix-1.30

(Referred to in paragraph 1.3.8.3(b)(ii); page no 79)

Statement showing loss of interest amounting to ₹ 1.06 crore against payment of inadmissible mobilization advance of ₹ 3.75 crore the contractor

(amount in ₹)

Sl.No.	Advance Installment	RA Bill	Date of payment	Days	Amount	Gross Amount of Bill	Recovery of mobilisation advance @10% of Bill Amount	Recoverable Mob. Adv.	Interest @14%
A	B	C	D	E	F	G	H	I	J=(I*14%*E)/365
1	1st		16/10/2008	47	28490000	28490000	0	28490000	513601
2	2nd		2/12/2008	333	10000000	38490000	0	38490000	4916175
3		1st	31/10/2009	91	38490000	6515616	651562	37838438	1320717
4		2nd	30/1/2010	45		12906000	1290600	36547838	630826
5		3rd	16/3/2010	74		28141500	2814150	33733688	957482
6		4th	29/5/2010	37		62079554	6207955	27525733	390639
7		5th	5/7/2010	48		19055000	1905500	25620233	471693
8		6th	22/8/2010	32		36055500	3605550	22014683	270208
9		7th	23/9/2010	65		32611500	3261150	18753533	467554
10		8th	27/11/2010	48		40284100	4028410	14725123	271104
11		9th	14/1/2011	72		32529250	3252925	11472198	316821
12		10th	27/3/2011	17		29491250	2949125	8523073	55575
13		11th	13/4/2011	0		20497500	2049750	**6473323**	0
Total							**32016677**		**10582394**

Appendix-1.31

(Referred to in paragraph 1.3.8.3(d); page no 80)

Statement showing non-recovery of ₹ 17.96 lakh as liquidated damages from the defaulting contractor for delay in execution of work of Drilling of 400/200mm GPTW

(amount in ₹)

Sl. No	Agt. No.	Estimated Cost	Tender *per cent* (above)	Agt. No./W.O date	Estimated Cost	Tender *per cent*	Tender Cost	Stipulated period in months *	Amount minus cost of GI Pipe	Diff. of tender *per cent*	Amt .Recoverable from defaulting contractor
A	B	C	D	E	F	G	H	I	J	K	L=J*K%
1	36 DL/ 07-08	272000	226	4DL/ 09-10	560000	341	2469600	3	233018	115	267970.7
2	37 DL/ 07-08	272000	229	5DL/ 09-10	560000	341	2469600	3	238377	112	266982.24
3	33DL/07-08	476000	220	6DL/ 09-10	840000	341	3704400	3	310474	121	375673.54
4	35DL/07-08	340000	219	7DL/ 09-10	700000	341	3087000	3	333229	122	406539.38
5	34DL/07-08	476000	220	8DL/ 09-10	980000	341	4321800	3	396050	121	479220.5
					3640000						**1796386.36**

* excluding rainy season

Appendix-1.32

(Referred to in paragraph 1.4.9; page no 95)

Details of allotment process run for test checked FPS (Shop-ID 391001001)

	Allotment for					Date of Processing
Sl. No.	**Month**	**Year**	**Scheme_ID**	**No_of-Cards**	**Allotment (in quintal)**	**(YYYY-MM-DD)**
1	1	2008	1001	71	21.3	2009-07-12 15:48:00.000
2	2	2008	1001	71	24.85	2007-12-12 10:41:31.000
3	3	2008	1001	71	24.85	2008-02-15 11:11:05.000
4	4	2008	1001	71	24.85	2008-02-15 12:13:49.000
5	5	2008	1001	71	24.85	2008-03-25 16:21:55.000
6	6	2008	1001	71	14.2	2008-04-15 16:21:28.000
7	7	2008	1001	71	14.2	2008-05-26 16:27:23.000
8	8	2008	1001	71	14.2	2008-06-17 10:54:57.000
9	9	2008	1001	30	9	2008-07-25 12:09:56.000
10	10	2008	1001	33	9.9	2008-08-18 14:55:44.000
11	11	2008	1001	21	6.3	2008-10-01 12:51:57.000
12	12	2008	1001	21	6.3	2008-11-11 11:11:47.000
13	1	2009	1001	28	8.4	2008-03-12 16:42:27.000
14	2	2009	1001	26	7.8	2008-12-23 11:19:24.000
15	3	2009	1001	26	7.8	2009-01-27 10:47:36.000
16	4	2009	1001	26	7.8	2009-02-16 11:16:23.000
17	5	2009	1001	28	8.4	2009-03-18 15:48:57.000
18	6	2009	1001	28	8.4	2009-04-06 10:46:57.000
19	7	2009	1001	28	8.4	2009-05-02 11:49:47.000
20	8	2009	1001	28	8.4	2009-05-27 11:28:50.000
21	9	2009	1001	28	6.44	2009-07-27 13:14:08.000
22	10	2009	1001	28	6.44	2009-09-10 16:08:06.000
23	11	2009	1001	28	6.44	2009-09-30 13:05:58.000
24	12	2009	1001	28	6.44	2009-10-16 14:02:19.000
25	1	2010	1001	28	6.44	2009-11-23 14:45:46.000
26	2	2010	1001	28	6.44	2009-12-24 15:00:16.000
27	3	2010	1001	28	6.44	2010-02-01 11:09:32.000
28	4	2010	1001	28	6.44	2010-02-03 15:27:16.000
29	5	2010	1001	28	6.44	2010-03-08 16:51:04.000
30	6	2010	1001	28	6.44	2010-04-16 11:44:10.000
31	7	2010	1001	28	6.44	2010-05-13 11:03:27.000
32	8	2010	1001	28	6.44	2010-06-16 11:14:00.000
33	9	2010	1001	28	6.44	2010-06-14 11:32:17.000
34	10	2010	1001	24	5.52	2010-08-19 10:59:01.000
35	11	2010	1001	24	5.52	2010-09-14 15:09:24.000
36	12	2010	1001	24	5.52	2010-10-25 13:23:53.000
37	1	2011	1001	19	4.37	2010-11-23 15:57:31.000

1.	2.	3.	4.	5.	6.	7.
38	2	2011	1001	18	4.14	2010-12-29 16:50:01.280
39	3	2011	1001	0	0	2011-01-22 15:07:38.217
40	1	2008	1013	71	3.55	2009-07-12 15:48:00.000
41	2	2008	1013	71	0	2007-12-12 10:41:32.000
42	3	2008	1013	71	0	2008-02-15 11:11:19.000
43	4	2008	1013	71	0	2008-02-15 12:13:49.000
44	5	2008	1013	71	0	2008-03-25 16:21:55.000
45	6	2008	1013	71	10.65	2008-04-15 16:21:28.000
46	7	2008	1013	71	10.65	2008-05-26 16:27:24.000
47	8	2008	1013	71	10.65	2008-06-17 10:54:58.000
48	9	2008	1013	30	1.5	2008-07-25 12:09:57.000
49	10	2008	1013	33	1.65	2008-08-18 14:55:45.000
50	11	2008	1013	21	1.05	2008-10-01 12:51:58.000
51	12	2008	1013	21	1.05	2008-11-11 11:11:51.000
52	1	2009	1013	28	1.4	2008-03-12 16:42:28.000
53	2	2009	1013	26	1.3	2008-12-23 11:19:25.000
54	3	2009	1013	26	1.3	2009-01-27 10:47:37.000
55	4	2009	1013	26	1.3	2009-02-16 11:16:24.000
56	5	2009	1013	28	1.4	2009-03-18 15:48:57.000
57	6	2009	1013	28	1.4	2009-04-06 10:46:58.000
58	7	2009	1013	28	1.4	1900-01-01 00:00:00.000
59	8	2009	1013	28	1.4	2009-05-27 11:28:51.000
60	9	2009	1013	28	3.36	2009-07-27 13:14:10.000
61	10	2009	1013	28	3.36	2009-09-10 16:08:07.000
62	11	2009	1013	28	3.36	2009-09-30 13:06:00.000
63	12	2009	1013	28	3.36	2009-10-16 14:02:21.000
64	1	2010	1013	28	3.36	2009-11-23 14:45:48.000
65	2	2010	1013	28	3.36	2009-12-24 15:00:18.000
66	3	2010	1013	28	3.36	2010-02-01 11:09:37.000
67	4	2010	1013	28	3.36	2010-02-03 15:27:17.000
68	5	2010	1013	28	3.36	2010-03-08 16:51:10.000
69	6	2010	1013	28	3.36	2010-04-16 11:44:12.000
70	7	2010	1013	28	3.36	2010-05-13 11:03:28.000
71	8	2010	1013	28	3.36	2010-06-16 11:14:00.000
72	9	2010	1013	28	3.36	2010-06-14 11:32:18.000
73	10	2010	1013	24	2.88	2010-08-19 10:59:04.000
74	11	2010	1013	24	2.88	2010-09-14 15:09:26.000
75	12	2010	1013	24	2.88	2010-10-25 13:23:55.000
76	1	2011	1013	19	2.28	2010-11-23 15:57:33.000
77	2	2011	1013	18	2.16	2010-12-29 16:50:01.280
78	3	2011	1013	0	0	2011-01-22 15:07:38.217

*** Scheme-Id = 1001 Indicates Rice BPL Yellow Scheme Scheme-Id = 1013 Indicates Wheat BPL Yellow Scheme**

Appendix-1.33

(Referred to in paragraph 1.4.10; page no 96)

Statement showing sub allotment of Kerosene in Janjgir District

Year	2009					2010												2011
Month	7	8	9	10	12	1	2	3	4	5	6	7	8	9	10	11	12	1
Per ration card allotment of Kerosene as per Government order	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Per ration card Sub-Allotment of Kerosene as per District Level	2.7	2.7	2.7	2.7	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.83
Difference	0.3	0.3	0.3	0.3	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17

Appendix-1.34

(Referred to in paragraph 1.4.13; page no 98)

Mismatch between online stock and actual stock

Distribution Centre	Month/Year	Name of Commodity	Closing Balance of Manual Stock	Closing Balance of Computerised Stock	Difference
KARPAWAND	4 / 2011	RICE PARBOILED GRADE 'A'	314.18	260.77	53.41
KARPAWAND	4 / 2011	RICE PARBOILED COMMON	1726.62	1780.03	-53.41
KARPAWAND	4 / 2011	RAW RICE GRADE 'A'	36886.57	36906.51	-19.94
KONGDAGAON	4 / 2011	RICE PARBOILED COMMON	39949.41	39973.83	-24.42
KONGDAGAON	4 / 2011	RICE PARBOILED GRADE 'A'	35830.79	36606.19	-775.40
KONGDAGAON	4 / 2011	RICE PARBOILED COMMON	4244.87	4094.96	149.91
KONGDAGAON	4 / 2011	RAW RICE GRADE 'A'	44338.63	44380.32	-41.69
KONGDAGAON	4 / 2011	WHEAT	550.61	637.96	-87.35
KONGDAGAON	4 / 2011	SUGAR	271.85	345.25	-73.40
KONGDAGAON	4 / 2011	AMRIT SALT	3831.10	3828.00	3.10
CHAMPA	3 / 2011	RAW RICE COMMON BPL	1747.67	1758.69	-11.02
CHAMPA	3 / 2011	RAW RICE COMMON AAY	115.50	6.40	109.10
CHAMPA	3 / 2011	RAW RICE COMMON MDM	47.50	184.88	-137.38
CHAMPA	3 / 2011	RAW RICE COMMON DAL-BHAT	38.70	18.85	19.85
BISHRAMPUR	2 / 2011	SUGAR	20398.53	14282.93	6115.60
AMBIKAPUR	9 / 2010	RICE PARBOILED COMMON	2631.47	3169.32	-537.85
AMBIKAPUR	9 / 2010	RICE PARBOILED GRADE 'A'	9065.24	12839.03	-3773.79
AMBIKAPUR	9 / 2010	RAW RICE COMMON	15205.74	21569.54	-6363.80
AMBIKAPUR	9 / 2010	RAW RICE GRADE 'A'	96580.63	93469.21	3111.42
AMBIKAPUR	9 / 2010	WHEAT	11542.87	12414.20	-871.33
AMBIKAPUR	9 / 2010	SUGAR	367.32	681.76	-314.44
AMBIKAPUR	9 / 2010	AMRIT SALT	3165.95	3311.82	-145.87

KUSHMI	9 / 2010	RICE PARBOILED COMMON	0.00	202.88	-202.88
KUSHMI	9 / 2010	RICE PARBOILED GRADE 'A'	436.35	2234.15	-1797.80
KUSHMI	9 / 2010	RAW RICE COMMON	780.80	-341.48	1122.28
KUSHMI	9 / 2010	RAW RICE GRADE 'A'	173.08	-624.77	797.85
KUSHMI	9 / 2010	WHEAT	249.72	-37.11	286.83
KUSHMI	9 / 2010	AMRIT SALT	351.75	351.55	0.20
RAMANUJGANJ	9 / 2010	RICE PARBOILED COMMON	0.00	501.20	-501.20
RAMANUJGANJ	9 / 2010	RICE PARBOILED GRADE 'A'	96.40	3882.32	-3785.92
RAMANUJGANJ	9 / 2010	RAW RICE COMMON	7197.13	6088.14	1108.99
RAMANUJGANJ	9 / 2010	RAW RICE GRADE 'A'	9074.17	10116.77	-1042.60
RAMANUJGANJ	9 / 2010	WHEAT	4497.42	4527.41	-29.99
RAMANUJGANJ	9 / 2010	SUGAR	204.15	-46.58	250.73
RAMANUJGANJ	9 / 2010	MAHAMAYA SALT	177.49	NOT INCLUDED IN STOCK	177.49
VADFANNAGAR	9 / 2010	RICE PARBOILED COMMON	4869.69	5174.30	-304.61
VADFANNAGAR	9 / 2010	RICE PARBOILED GRADE 'A'	4771.45	8190.77	-3419.32
VADFANNAGAR	9 / 2010	RAW RICE COMMON	9085.43	10959.20	-1873.77
VADFANNAGAR	9 / 2010	RAW RICE GRADE 'A'	2097.48	305.93	1791.55
VADFANNAGAR	9 / 2010	WHEAT	431.04	480.82	-49.78
VADFANNAGAR	9 / 2010	SUGAR	94.35	100.12	-5.77
VADFANNAGAR	9 / 2010	RICE SEIZE	5.50	NOT INCLUDED IN STOCK	5.50
VADFANNAGAR	9 / 2010	WHEAT SEIZE	1.50	NOT INCLUDED IN STOCK	1.50
SANAWAL	9 / 2010	RICE PARBOILED COMMON	0.00	497.96	-497.96
SANAWAL	9 / 2010	RICE PARBOILED GRADE 'A'	572.33	1723.38	-1151.05
SANAWAL	9 / 2010	RAW RICE COMMON	3647.28	3463.25	184.03
SANAWAL	9 / 2010	RAW RICE GRADE 'A'	5378.62	5956.03	-577.41
SANAWAL	9 / 2010	WHEAT	990.56	1569.95	-579.39
SANAWAL	9 / 2010	AMRIT SALT	509.64	642.31	-132.67

SURJAPUR	9 / 2010	RICE PARBOILED COMMON	0	620.66	-620.66
SURJAPUR	9 / 2010	RICE PARBOILED GRADE 'A'	564.31	4704.66	-4140.35
SURJAPUR	9 / 2010	RAW RICE COMMON	26680.04	26397.75	282.29
SURJAPUR	9 / 2010	RAW RICE GRADE 'A'	57069.72	58950.56	-1880.84
SURJAPUR	9 / 2010	WHEAT	4610.08	4622.58	-12.50
SURJAPUR	9 / 2010	SUGAR	203.12	214.43	-11.31
SURJAPUR	9 / 2010	AMRIT SALT	3918.79	3922.65	-3.86
SURJAPUR	9 / 2010	MAHAMAYA SALT	277.42	NOT INCLUDED IN STOCK	277.42

Appendix-1.35

(Referred to in paragraph 1.4.13.3; page no 99)

Stock of Pala bags

Distribution centre	Commodities	Year	No. of Pala Bags
Kondagaon	Rice	2010-11	626
Jagdalpur	Rice	2009-10	1669
Champa	Rice	2010-11	1400
Champa	Wheat	2010-11	13
Champa	Sugar	2010-11	17
Akaltra	Rice	2009-10	3795
Akaltra	Wheat	2009-10	205

Appendix-1.36

(Referred to in paragraph 1.4.14.1; page no.101)

Incomplete information filled in Ghoshnapatra and absence of Signature by FPS owner and countersignature of food inspector

गोस्वामी फोटो स्टेट, ब [illegible]

शासकीय उचित मूल्य की दुकान

ग्राम का नाम / वार्ड का नाम [illegible] विकासखंड का नाम [illegible]

दुकान का शाप आई. डी. [illegible] जिला [illegible] (छ.ग.)

घोषणा - पत्र

प्रमाणित किया जाता है कि माह [illegible] के दौरान साविप्र एवं अन्य योजनाओं के लिए उचित मूल्य की दुकान में स्कंध की उपलब्धता / विक्रय एवं बचत स्कंध की स्थिति निम्नानुसार है :-

क्र.	योजनाओं के नाम	प्रारंभिक स्कंध	माह में प्राप्त मात्रा	कुल स्कंध	माह में विक्रय	विक्रय से प्राप्त राशि	माह के अंत में उचित मूल्य की दुकान में शेष स्कंध
1.	चांवल ए. पी. एल.						
2.	चांवल बी. पी. एल.		[illegible]	[illegible]			[illegible]
3.	चांवल अन्त्योदय		23 [illegible]	23 [illegible]			
4.	चांवल अन्नपूर्णा		0.2 [illegible]	[illegible]			
5.	चांवल छात्रावास						
6.	अन्नपूर्णा दालभात						
7.	केसरिया 35 किग्रा.		6.5 [illegible]	6.5 [illegible]			
8.	केसरिया 10 किग्रा.		2.1 [illegible]	2.1 [illegible]			
9.	स्लेटी 35 किग्रा.		29 [illegible]	[illegible]			
10.	मध्यान्ह भोजन						
11.	एस.जी.आर.वाय.						
12.	पूरक पोषण आहार	[illegible]	30 [illegible]	30 [illegible]			
13.	ग्रामीण ग्रेन बैंक						
14.	चॉवल अन्य योजना						
15.	योग						
16.	गेहूँ ए. पी. एल. [illegible]						
17.	गेहूँ बी. पी. एल.		11.6 [illegible]	11.6 [illegible]			
18.	गेहूं छात्रावास [illegible]		3.20 [illegible]	3.20 [illegible]			
19.	योग		2.6 [illegible]	2.6 [illegible]			
20.	शक्कर						----
21.	नमक		3.44	3.44			[illegible]
22.	केरोसिन		5.57	5.57			
23.	सोयाबिन तेल		1000 [illegible]	1000 [illegible]			

मैं घोषणा करता हूं कि उपरोक्तानुसार घोषित जानकारी सत्य है। माह में विक्रय से प्राप्त राशि रुपये .... मेरे द्वारा नागरिक आपूर्ति निगम के प्रदाय केन्द्र ......[illegible]...... के प्रभारी के पास जमा करा दी गई है। उक्त जानकारी यदि त्रुटि / भ्रामकपूर्ण पायी जाती है तो इसके लिए मैं पूर्णतः जिम्मेदार रहूंगा तथा इसके लिए मेरे विरुद्ध छत्तीसगढ़ सार्वजनिक वितरण प्रणाली (नियंत्रण) आदेश 2004 एवं आवश्यक वस्तु अधिनियम 1955 के अभियोजन के अंतर्गत कार्यवाही की जा सकती है।

हस्ताक्षर संचालक (राशन दुकानदार)

पूरा नाम ----------------------

दिनांक ----------------------

[illegible]

हस्ताक्षर सरपंच/सचिव

पूरा नाम --- ग्राम पंचायत मोथीडीह वि. खं. बेमेतरा, जि. दुर्ग (छ.ग.)

दिनांक ----------------------

Appendix-2.1

(Referred to in paragraph 2.1.1; page 108)

Statement showing excess payment made on purchase of Helicopter

Amount payable as per first proposal				**Payment made to the firm as per NIT**			
Schedule of payment as on	**US dollars**	**Prevailing exchange rate ₹ per dollar**	**Value in ₹**	**Schedule of payment as on**	**US dollars**	**Prevailing exchange rate ₹ per dollar**	**Value in ₹**
A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
29.03.07	1,00,000	43.7	43,70,000	**20.10.07**	19,71,000	39.83	7,85,00,003
				Commission	-	-	1,610
May/June 2007 (Within 60 days)	16,37,500	42.18	6,90,69,750	**05.11.07**	9,26,800	39.37	3,64,88,116
				Commission	-	-	1,610
September 2007	43,87,500	40.94	17,96,24,250	**05.11.07**	36,72,200	39.37	14,45,74,514
				Commission	-	-	1,610
Total	**61,25,000**	**-**	**25,30,64,000**	**Total**	**65,70,000**		**25,95,67,463**

Appendix-2.2

(Referred to in Paragraph 2.1.3 (a); page no 110)

Statement showing excess payment of ₹ 39.16 lakh due to over section execution beyond the dimension of drawing

Sl.No.	Block	MB No	Page No.	Name of item	Quantity executed	Quantity admissible as per drawing/ revised TS	Excess quantity	Rate in ₹	Inadmissible payment
	E	1689	10_11	Execution in all type of soil (0-1.5 mt) 11.Annexure-B	6830.608	2717.927	4112.681	70	287887.67
2	E	1689	10_12	Execution in all type of soil (1.5-3mt)	6665.573	2455.275	4210.298	71	298931.158
3	E	1689	10_13	Execution in all type of soil (3-4.5 mt)	4327.1	818.43	3508.67	72	252624.24
4	B	1689	22_23	Execution in all type of soil (0-1.5 mt)	6782.53	2717.927	4064.603	70	284522.21
5	B	1689	22_24	Execution in all type of soil (1.5-3 mt)	6618.31	2455.275	4163.035	71	295575.485
6	B	1689	22_25	Execution in all type of soil (3-4.5 mt)	3302.245	818.43	2483.815	72	178834.68
7	C	1689	50_51	Execution in all type of soil (0-1.5 mt)	6790.007	2717.927	4072.08	70	285045.6
8	C	1689	50_52	Execution in all type of soil (1.5-3 mt)	6623.009	2455.275	4167.734	71	295909.114
9	C	1689	50_53	Execution in all type of soil (3-4.5 mt)	3229.333	818.43	2410.903	72	173585.016
10	A	1689	77	Execution in all type of soil (0-1.5 mt)	4019.428	799.127	3220.301	70	225421.07
11	A	1689	77	Execution in all type of soil (1.5-3 mt)	3916.896	608.48	3308.416	71	234897.536
12	A	1689	77	Execution in all type of soil (3-4.5 mt)	1407.428	202.83	1204.598	72	86731.056
13				Excavation of hard rock	1665.04	0	1665.04	174.4	290299.724
14		1689		Excavation of hard rock	5379.04	1554.295	3824.745	189.7	725592.374
				Total	**67556.55**	**21139.628**	**46416.92**		**3915856.93**

Appendix-2.3

(Referred to in Paragraph 2.1.3 (a); page no 110)

Statement showing excess payment of ₹ 94.40 lakh due to excess filling owing to over section excavation of foundation

Sl. No.	Block	MB No.	Page No.	Name of item	Quantity executed	Total quantity	Deduct quantity of plinth filling	Quantity admissible as per drawing /revised TS	Excess quantity	Rate in ₹	Excess payment
1	E	1689	104_05	Providing and filling in plinth with sand / crusher dust	16393.9	7599.006	1908.816	6886.058	9507.82	290	2757268.38
2	B	1689	104_06	Providing and filling in plinth with sand / crusher dust	15876.4	7599.006	1908.816	6368.546	9507.82	290	2757268.38
3	C	1689	104_07	Providing and filling in plinth with sand / crusher dust	15817.4	7599.006	1908.816	6309.567	9507.82	290	2757268.38
4	A	1689	104_08	Providing and filling in plinth with sand / crusher dust	8736.02	2242.59	1785.12	4708.309	4027.71	290	1168035.9
				Total	**56823.7**	**25039.608**	**7511.568**	**17528.04**	**39295.6**		**9439841.04**

Appendix-2.4

(Referred to in Paragraph 2.1.3(b); page no 111)

Statement showing excess payment of ₹ 1.66 crore due to wrong application of rate in form work of RCC

Sl. No.	No of lifts above 4mt	Height from plinth level	Add extra on basic rate of RCC			Quoted / admissible rate	Rate paid	Excess rate paid	Quantity	Excess payment
			Add extra = basic rate(1770) x 0.20%	Add extra =rate per lift x No. of lift	Add 9.66 % above SOR					
1	1	4.5	--	--	--	100	100	0	118.333	0
2	2	5	--	--	--	100	200	100	84.206	8420.6
3	3	5.5	--	--	--	100	300	200	84.378	16875.6
4	4	6	--	--	--	100	400	300	84.768	25430.4
5	5	6.5	--	--	--	100	500	400	134.557	53822.8
6	6	7	--	--	--	100	600	500	71.878	35939
7	7	7.5	--	--	--	100	700	600	2525.367	1515220
8	8	8	--	--	--	100	800	700	55.542	38879.4
9	9	8.5	--	--	--	100	900	800	119.332	95465.6
10	10	9	--	--	--	100	1000	900	75.99	68391
11	11	9.5	--	--	--	100	1100	1000	100.5	100500
12	12	10	--	--	--	100	1200	1100	99.91	109901
13	13	10.5	--	--	--	100	1300	1200	134.254	161104.8
14	14	11	--	--	--	100	1400	1300	75.99	98787
15	15	11.5	--	--	--	100	1500	1400	2005.224	2807314
16	16	12	--	--	--	100	1600	1500	749.798	1124697
17	17	12.5	--	--	--	100	1700	1600	142.9	228640
18	18	13	--	--	--	100	1800	1700	89.13	151521
19	19	13.5	--	--	--	100	1900	1800	82.03	147654
20	20	14	--	--	--	100	2000	1900	112.99	214681
21	21	14.5	--	--	--	100	2100	2000	135.97	271940
22	22	15	--	--	--	100	2200	2100	69.74	146454
23	23	15.5	--	--	--	100	2300	2200	1716.566	3776445
24	24	16	--	--	--	100	2400	2300	1806.478	4154899
25	25	16.5	--	--	--	100	2500	2400	76.332	183196.8
26	26	17	--	--	--	100	2600	2500	50.682	126705
27	27	17.5	--	--	--	100	2700	2600	13.002	33805.2
28	28	18	--	--	--	100	2800	2700	40.448	109209.6
29	29	18.5	--	--	--	100	2900	2800	68.888	192886.4
30	30	19	--	--	--	100	3000	2900	8.888	25775.2
31	31	19.5	--	--	--	100	3100	3000	57.98	173940
32	32	20	--	--	--	100	3200	3100	60.92	188852
33	33	20.5	3.54	116.82	128.10	128.10	3300	3172	52.23	165668.1
34	34	21	3.54	120.36	131.99	131.99	3400	3268	0.66	2156.889
35	35	21.5	3.54	123.9	135.87	135.87	3500	3364	1.28	4306.088
36	36	22	3.54	127.44	139.75	139.75	3600	3460	1.33	4602.132
37	37	22.5	3.54	130.98	143.63	143.63	3700	3556	1.62	5761.315
38	38	23	3.54	134.52	147.51	147.51	3800	3652	16.83	61471.33
			Non scheduled item							**16631319**

Appendix-2.5

(Referred to in Paragraph 2.1.3(c); page no 112)

Statement showing excess payment of ₹ 92.47 lakh due to wrong application of rate in form work of rectangular beams, lintels, cantilever and walls

Sl. No	No of lifts above 4mt	Height from plinth level	Quan tity	Quo-ted rate/ SOR rate	Add 9.66 %	Paid Rate ₹	Excess rate paid ₹	Excess amount ₹	Quantity of add extra	With held qty.	Balance qty.	Admissible rate ₹	Paid Rate ₹	Excess rate paid ₹	Excess amount ₹	Withheld amount ₹	Total excess payment ₹
a	*b*	*c*	*d*	*e*	*f*	*g*	*h=g-f*	*i=hxd*	*j*	*k*	*l=j-k*	*n*	*o*	*p=o-n*	*q=lxo*	*r=kxn*	*s=oxj*
0	0	4.0	1185	100	0	100	0.00	0	0	0	0	0	0	0	0	0	0
1	1	4.5	496.4	120	131.59	200	68.41	33962	496.46	496.46	0.00	0	340	340	0	168796	168796
2	2	5.0	79.64	120	131.59	200	68.41	5448	79.64	0.00	79.64	0	340	340	27078	0	27078
3	3	5.5	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
4	4	6.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
5	5	6.5	571.4	120	131.59	200	68.41	39088	571.40	0.00	571.40	0	340	340	194276	0	194276
6	6	7.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
7	7	7.5	1123	120	131.59	200	68.41	768680	11236.7	6663.92	4572.7	0	340	340	1554745	2265732	3820478
8	8	8.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
9	9	8.5	270.6	120	131.59	200	68.41	18515	270.66	270.66	0.00	0	340	340	0	92023	92023
10	10	9.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
11	11	9.5	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
12	12	10.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
13	13	10.5	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
14	14	11.0	0	120	131.59	200	68.41	0	0.00	0.00	0.00	0	340	340	0	0	0
15	15	11.5	1110	120	131.59	300	168.41	1870595	11107.5	7895.99	3211.5	0	340	340	1091921	2684636	3776557
16	16	12.0	0	120	131.59	300	168.41	0	0.00	0.00	0.00	0	340	340	0	0	0
17	17	12.5	56.48	120	131.59	300	168.41	9512	56.48	56.48	0.00	0	340	340	0	19203	19203
18	18	13.0	0	120	131.59	300	168.41	0	0.00	0.00	0.00	0	340	340	0	0	0
19	19	13.5	0	120	131.59	300	168.41	0	0.00	0.00	0.00	0	340	340	0	0	0
20	20	14.0	10.74	120	131.59	300	168.41	1809	10.74	10.74	0.00	0	340	340	0	3652	3652
21	21	14.5	0	120	131.59	300	168.41	0	0.00	0.00	0.00	0	340	340	0	0	0
22	22	15.0	0	120	131.59	300	168.41	0	0.00	0.00	0.00	0	340	340	0	0	0
23	23	15.5	1061	120	131.59	400	268.41	2848240	10611.6	8463.72	2147.8	0	340	340	730280	2877666	3607946
24	24	16.0	0	120	131.59	400	268.41	0	0.00	0.00	0.00	0	340	340	0	0	0
25	25	16.5	0	120	131.59	400	268.41	0	0.00	0.00	0.00	0	340	340	0	0	0
26	26	17.0	39.8	120	131.59	400	268.41	10683	39.80	39.80	0.00	0	340	340	0	13532	13532
27	27	17.5	0	120	131.59	400	268.41	0	0.00	0.00	0.00	0	340	340	0	0	0
28	28	18.0	157.0	120	131.59	400	268.41	42159	157.07	157.07	0.00	0	340	340	0	53404	53404
			3463					**5648690**	34638.0	24054.84					**3598299**	8178644	11776943
																9246989	
									Total excess payment=5648690+3598299 = 9246989								

Appendix-2.6

(Referred to in paragraph 2.1.4(ii); page no 114)

Statement showing the 'nil' rated items

(in ₹)

Sl No.	Item No	Description of item	Quan-tity	Unit	Estimated rate	Amount	Rate quoted by L1 firm (M/s EPIL Ltd)	Rates quoted by L2 firm (M/s Nagarjuna Const. Co)
1.	1.9	Const. of grease trap	2	Each	860	1,720	Nil	--
2.	4.7	P/f gun metal dial type	2	Each	9180 + 744	56,536	Nil	3162
3.	4.8	P/f skid mounted SRC	1	Each	540000	5,40,000	Nil	442500
4.	4.9	Supply assembly execution	1	Each	35410	35,410	Nil	29500
5.	5.0	Sewage treatment plant	1	Set	2000000	20,00,000	Nil	18290000
6.	8.0	High Musk Supply	2	No.	700000	14,00,000	Nil	--
7.	1.1	Supply, installing	2	Set	346600	6,93,200	Nil	501500
		Total				**47,26,866**	Nil	

Appendix-2.7

(Referred to in Paragraph 2.1.4 (iv); at page 116)

Statement showing excess payment on account of wrong application of lifting rate of the item of RCC M 25

Height	Quantity	Rate paid	Amount	Rate payable	Amount	Excess
Height 4.5 to 5	893.64	1070	956191	5.15	4602.23	951588.77
Height 5 to 5.5	2026.05	1605	3251805	10.30	20868.28	3230936.72
Height 5.5 to 6	107.58	2140	230228	15.45	1662.16	228565.84
Height 6 to 6.5	151.92	2675	406397	20.60	3129.63	403267.37
Height 6.5 to 7	13.32	3210	42753	25.75	342.99	42410.01
Height 7 to 7.5	63.02	3745	236017	30.90	1947.38	234069.62
Height 7.5 to 8	112.40	4780	481068	36.05	4051.98	477016.02
Height 8 to 8.5	77.49	4815	373095	41.20	3192.42	369902.58
Height 9 to 9.5	36.16	5855	212802	51.50	1862.24	210939.76
Height 12.5 to 13	4.07	9095	37035	87.55	356.50	36678.50
Height 13 to 13.5	17.41	9630	167658	92.70	1613.91	166044.09
Height 13.5 to 14	24.65	10165	250567	97.85	2412.00	248155.00
Height 17 to 17.5	7.60	13910	105285	133.90	1017.10	104267.90
Height 17.5 to 18	25.23	14445	364445	139.05	3508.23	360936.77
Height 18 to 18.5	51.84	14980	776518	144.20	7474.90	769043.10
Height 18.5 to 19	83.36	15515	1293268	149.35	12449.22	1280818.78
Height 19 to 19.5	12.41	16050	199116	154.50	1916.73	197199.27
Height 19.5 to 20	12.41	16585	205754	159.65	1980.62	203773.38
Height 20 to 20.5	12.41	17120	212391	164.80	2044.51	210346.49
Height 20.5 to 21	8.68	17655	153316	169.95	1475.85	151840.15
Height 21 to 21.5	10.35	18190	188267	175.10	1812.29	186454.72
Height 21.5 to 22	9.76	18725	182756	180.25	1759.24	180996.76
Height 22 to 22.5	7.64	19260	147223	185.40	1417.20	145805.80
Height 22.5 to 23	6.20	19795	122689	190.55	1181.03	121507.97
Height 23 to 23..5	5.04	20330	102463	195.70	986.33	101476.67
Height 23.5 to 24	3.65	20865	76157	200.85	733.10	75423.90
Height 24 to 24.5	1.87	21400	39975	206.00	384.81	39590.19
Height 24.5 to 25	1.08	21935	23690	211.15	228.04	23461.96
Height 25 to 25.5	0.52	22470	11752	216.30	113.12	11638.88
Height 25.5 to 26	0.23	23005	5374	221.45	51.73	5322.27
Total			**12534010**		**86575.77**	**10769479.23**

***Note :** As per SOR item no.10, page 24, the per unit lifting rate of RCC M25 was 0.20 per cent of ₹2300, that is equivalent to ₹4.60. On addition of 11.95 tender percentage, per unit rate of lifting of concrete becomes ₹5.15 per cum.*

Appendix-2.8

(Referred to in paragraph 2.1.4(iv) at page 116)

Statement showing excess payment on account of wrong application of lifting rate of the item of form work.

Height	Quantity	Rate paid	Amount	Rate payable	Amount	Excess
Height 4.5 to 5	6455.60	128	826317	16.79	108389.52	717927.48
Height 5 to 5.5	13592.88	192	2609719	33.58	456448.91	2153270.09
Height 5.5 to 6	542.67	256	138925	50.37	27334.49	111590.51
Height 6 to 6.5	806.86	328	264651	67.16	54188.99	210462.01
Height 6.5 to 7	73.20	384	28109	83.95	6145.14	21963.86
Height 7 to 7.5	214.35	448	96029	100.74	21593.62	74435.38
Height 7.5 to 8	560.01	512	286725	117.53	65817.98	220907.02
Height 8 to 8.5	677.45	576	390214	134.32	90995.62	299218.38
Height 9 to 9.5	197.53	704	139061	167.90	33165.29	105895.71
Height 14 to 14.5	221.66	1344	297916	335.80	74434.77	223481.23
Height 17 to 17.5	68.71	1664	114332	436.54	29994.23	84337.77
Height 17.5 to 18	76.35	1728	131926	453.33	34609.93	97316.07
Height 18 to 18.5	177.27	1792	317671	470.12	83339.11	234331.89
Height 18.5 to 19	306.11	1856	568131	486.91	149045.59	419085.41
Height 19 to 19.5	55.95	1920	107432	503.70	28184.03	79247.97
Height 19.5 to 20	55.95	1984	111013	520.49	29123.50	81889.50
Height 20 to 20.5	55.95	2048	114594	537.28	30062.97	84531.03
Height 20.5 to 21	39.11	2112	82596	554.07	21668.57	60927.43
Height 21 to 21.5	69.00	2176	150144	570.86	39389.34	110754.66
Height 21.5 to 22	65.07	2240	145748	587.65	38236.03	107511.97
Height 22 to 22.5	50.96	2304	117412	604.44	30802.26	86609.74
Height 22.5 to 23	41.32	2368	97846	621.23	25669.22	72176.78
Height 23 to 23..5	33.16	2432	80645	638.02	21156.74	59488.26
Height 23.5 to 24	24.33	2496	60735	654.81	15933.49	44801.51
Height 24 to 24.5	12.45	2560	31880	671.60	8363.43	23516.57
Height 24.5 to 25	7.20	2624	18901	688.39	4958.47	13942.53
Height 25 to 25.5	3.48	2688	9354	705.18	2454.03	6899.97
Height 25.5 to 26	1.55	2752	4266	721.97	1119.05	3146.95
Total			**7342292**		**1532624.33**	**5809667.67**

Note: As per SOR item no.3, page 14, the per unit staging rate of form work was ₹ 15 sqm, On addition of 11.95 tender percentage, the per unit rate of staging becomes ₹ 16.79 per sqm.

Appendix-2.9

(Referred to in paragraph 2.1.4(v); page no 117)

Statement showing excess payment of ₹ 1.25 crore due to inclusion of Non-SOR items in the value of work done.

Sl. No	Month	RA Bill No	Value of R taken	Value of non SOR item	Value of R was to be taken	Compo-nent	Base Index	Index-base index	Differ-ence	Payment made	Payment to be made	Difference
1	Mar-07	12	38496766	10689570	27807196	Cement	191.2	210.7	19.5	333726	241059	92667
7	Aug-07	19	40657515	19691383	20966132	Cement	191.2	215.6	24.4	441023	227426	213598
12	Oct-07	21	75948281	35707715	40240566	Cement	191.2	220	28.8	972392	515214	457178
17	Dec-07	4	21820603	19252603	2568000	Cement	191.6	219.7	28.1	272017	32013	240004
22	Feb-08	9	15960924	13392924	2568000	Cement	191.2	220.9	29.7	210739	33906	176833
27	Mar-08	23	71340640	14847050	56493590	Cement	191.2	221	29.8	945114	748422	196692
				0							**Total**	**1376973**
3	Mar-07	12	38496766	10689570	27807196	Steel	243.7	266.7	23	308827	223074	85753
8	Aug-07	19	40657515	19691383	20966132	Steel	243.7	267.5	23.8	337506	174044	163462
13	Oct-07	21	75948281	35707715	40240566	Steel	243.7	277.6	33.9	898010	475803	422207
18	Dec-07	4	21820603	19252603	2568000	Steel	243.7	278.8	35.1	267139	31439	235700
23	Feb-08	9	15960924	13392924	2568000	Steel	243.7	281.7	38	211546	34036	177510
28	Mar-08	23	71340640	14847050	56493590	Steel	243.7	337.7	94	2338989	1852211	486779
				0							**Total**	**1571411**
1	Mar-07	12	38496766	10689570	27807196	Labour	123	136	13	1210457	874344	336113
2	Aug-07	19	40657515	19691383	20966132	Labour	123	143	20	1966766	1014215	952551
3	Oct-07	21	75948281	35707715	40240566	Labour	123	149	26	4776097	2530575	2245522
4	Dec-07	4	21820603	19252603	2568000	Labour	123	142	19	1002772	118013	884759
5	Feb-08	9	15960924	13392924	2568000	Labour	123	142	19	733489	118013	615476
6	Mar-08	23	71340640	14847050	56493590	Labour	123	148	25	4313789	3416025	897764
				0							**Total**	**5932184**
4	Mar-07	12	38496766	10689570	27807196	POL	34.21	36.45	2.24	214259	154764	59494
9	Aug-07	19	40657515	19691383	20966132	POL	34.21	36.45	2.24	226284	116690	109595
14	Oct-07	21	75948281	35707715	40240566	POL	34.21	36.45	2.24	422700	223964	198736
19	Dec-07	4	21820603	19252603	2568000	POL	34.21	36.45	2.24	121445	14293	107153
24	Feb-08	9	15960924	13392924	2568000	POL	34.21	36.45	2.24	88833	14293	74540
29	Mar-08	23	71340640	14847050	56493590	POL	34.21	36.45	2.24	397055	314422	82633
				0							**Total**	**632151**
5	Mar-07	19	38496766	10689570	27807196	Other exp.	199	209.8	10.8	621558	448967	172591
10	Aug-07	19	40657515	19691383	20966132	Other exp.	199	213.8	14.8	899573	463889	435684
15	Oct-07	21	75948281	35707715	40240566	Other exp.	199	215.2	16.2	1839361	974570	864791
20	Dec-07	4	21820603	19252603	2568000	Other exp.	199	216.15	17.15	559454	65840	493614
25	Feb-08	9	15960924	13392924	2568000	Other exp.	199	219.9	20.9	498699	80237	418462
30	Mar-08	23	71340640	14847050	56493590	Other exp.	199	225.8	26.8	2858286	2263434	594852
											Total	**2979993**
											Grand Total	**12492711**

Appendix-2.10

(Referred to in paragraph 2.1.5; page no 118)

Statement showing excess payment on purchase of computers

(Amount in ₹)

Sl. No	Supply order No. & date	No. of sets to be supplied	Name of firm (M/s)	Rate per set as per CSIDC	Suppliers Bill No. & date	Total payment actually made at CSIDC rates	Cost of computers as per DGS&D Rates	Excess amount paid by purchasing at CSIDC rate
1	2	3	5	4	6		8	9
1.	300 dt. 14.07.08	500 (HP Brand)	P.S. Associate Raipur	32232.26	98-99 & 100 dt 20.10.08	1,61,16,130	1,32,99,990	28,16,140
2.	344 dt. 14.08.08	1000 (HCL Brand)	Mitshree Infotech Raipur	32232.26	112 dt. 30.10.08	3,22,32,260	2,66,00,000	56,32,260
3.	346 dt. 14.08.08	1000 (Wipro Brand)	Mini Infotech Raipur	32232.26	142 dt. 04.12.08	3,22,32,260	2,66,00,000	56,32,260
					TOTAL	**8,05,80,650**	**6,64,99,990**	**1,40,80,660**

Appendix-2.11

(Referred to in paragraph 2.1.6; page no 119)

Statement showing excess payment of ₹ 37.78 lakh due to erroneous calculation of escalation

Component			Steel				Other Material				Cement			
Escalation formula			(X1-X0)*QX		Vs=0.85xPs/100x R1x(S1-S0)/S0		Vm=0.75xPm/100x R1x(M1-M0)/M0		Vm=0.85xPm/100x R1x(M1-M0)/M0		(Y1-Y2)*QY		Vc=0.85xPc/100x R1x(C1-C0)/C0	
Sl. No.	Month	Net Value of work = R1	Paid		Payable		Paid		Payable		Paid		Payable	
			Base rate(X0)=238.0		Base Index(S0)= 255.1		Base Index(M0)=212.30		Base Index(M0)=212.3		Base Index(C0)=172		Base Index(C0)=211.9	
			S1	Vs	S1	Vs	M1	Vm	M1	Vm	C1	Vc	C1	Vc
1	Oct-07	1036755		0	258.3	1105	215.20	2655	215.20	4213	185	0	220	3369
2	Dec-07	1280563	255.00	21486	258.3	1365	216.40	4637	216.40	7357	185	39611	219.7	4007
3	Mar-08	2463342	457.50	554764	317.7	51382	225.30	28717	225.50	45565	185	73099	221	8992
4	May-08	1891987	437.00	216392	330.1	49448	231.10	31413	231.10	52128	188	26288	222.4	8334
5	Jun-08	1378787	-	0	330.1	34456	237.40	30505	237.40	48496	200	21228	221.7	5420
6	Jul-08	999025	462.66	141064	335.8	26863	240.0	24351	240.00	38779	205	27885	222	4047
7	Aug-08	704597	457.66	248990	335.8	20291	241.2	17984	241.20	30560	205	28809	223.3	3451
8	Oct-08	1033975	405.00	299879	336.2	29292	239.0	24382	239.00	40557	205	42009	225.2	5783
9	Dec-08	1157001	347.00	239344	326.1	28554	229.80	17882	229.70	29430	200	42700	222.5	5132
10	Feb-09	2840406	348.50	378742	282	25011	228.20	39887	227.60	59827	197	98400	223.6	13096
11	Mar-09	979736	353.50	150357	282	8782	228.20	13758	228.20	21829	219	50384	225.4	5306
12	Apr-09	1425791	359.00	88242	282	12699	231.50	24025	231.50	38120	235	33768	227.9	9093
13	Jun-09	1434448	351	51933	282	12857	235.0	28758	235.00	45630	236	27712	229.4	10070
14	Sep-09	3258053	351	395646	302.2	51131	242.60	87187	242.70	138793	220	124416	227.5	20388
15	Mar-10	2889049	351	297122	299.1	42356	250.10	96449	253.40	166392	245	137459	218.1	7185
16	Mar-10	4269745	351	149600	299.1	62598	250.10	142542	253.40	245913	245	215934	218.1	10619
Total				**3233561**		**458190**		**615132**		**1013589**		**989702**		**124292**

Vs=Increase or decrease in the cost of work during the month under consideration due to changes in the rate of steel; Ps=Percentage of steel component of the work; S1=All India Average Wholesale price index for Steel (Bar & Rods) for the month under consideration; S0= All India Average Wholesale price index for Steel (Bar & Rods) on the date of inviting Tender; X0=Price of Steel prevalent on the operative date; X1=Price of Steel operative during the period; QX=Total quantity of Steel used during the period.

Other material:-Vm=Increase or decrease in the cost of work during the month under consideration due to changes in the rate of other materials; Pm=Percentage of other materials component of the work; M1=All India Wholesale price index for other materials for the month under consideration; M0=All India Wholesale price index for other materials on he date of inviting Tender;

Cement:- Vc=Increase or decrease in the cost of work during the month under consideration due to changes in the rate of Cement.; Pc=Percentage of Cement component of the work; C1=All India Average Wholesale price index for cement for the month under consideration; C0= All India Average Wholesale price index for cement on the date of inviting Tender. Y0=Price of cement prevalent on the operative date, Y1=Price of cement operative during the period; QY=Total quantity of cement used during the period.

Statement showing excess payment of ₹ 37.78 lakh due to erroneous calculation of escalation

Component			POL				Labour			
Escalation formula			Vf=0.75xPf/100x R1x(F1-F0)/F0		Vf=0.85xPf/100x R1x(F1-F0)/F0		VL=0.75xPL/100x R1x(L1-L0)/L0		VL=0.85xPL/100x R1x(L1-L0)/L0	
Sl	Month	Net Value of work (after adjustment of advances)= R1	Paid		Payable		Paid		Payable	
			Base Index(F0)=34.14		Base Index(F0)=34.14		Base Index(L0)=137		Base Index(L0)=137	
			F1	Vf	F1	Vf	L1	VL	L1	Vl
1	Oct-07	1036755	34.14	0	34.14	0	145	15892	137	0
2	Dec-07	1280563	34.14	0	34.14	0	142	12268	137	0
3	Mar-08	2463342	35.52	4667	35.52	8464	148	51919	139	12219
4	May-08	1891987	35.52	3585	35.52	6798	149	43500	141	17187
5	Jun-08	1378787	38.89	10790	38.89	16306	151	36985	142	14970
6	Jul-08	999025	37.98	6320	37.98	9551	153	30627	146	20502
7	Aug-08	704597	37.98	4458	37.98	7214	156	25650	147	16386
8	Oct-08	1033975	37.98	6542	37.98	10363	158	41604	151	32954
9	Dec-08	1157001	37.98	7320	37.98	11540	155	39903	151	36695
10	Feb-09	2840406	37.98	20501	37.98	26678	159	119732	151	98513
11	Mar-09	979736	35.34	2906	35.34	2927	160	41299	151	29785
12	Apr-09	1425791	35.94	4201	35.94	6350	162	68297	154	52303
13	Jun-09	1434448	35.94	4254	35.94	6429	168	85203	158	65414
14	Sep-09	3258053	36.60	13205	36.60	19955	186	305888	170	233474
15	Mar-10	2889049	39.47	25371	39.47	38339	198	337670	170	207031
16	Mar-10	4269745	39.47	37496	39.47	56661	198	499046	170	305972
	Total			**151616**		**227575**		**1755483**		**1143405**
Escalation actually Paid			**(3233561+615132+989702+151616+1755483)**					**6745494**		
Escalation Payable			**(458190+1013589+124292+227575+1143405)**					**2967051**		
Excess Escalation paid			**(6745494 - 2967051)**					**3778443**		

POL:-Vf=Increase or decrease in the cost of work during the month under consideration due to changes in the rate of fuel & lubricants; Pf=Percentage of fuel & lubricant component of the work; F1=Official retail price of High speed Diesel at the existing consumer pumps of IOC at nearest centre for the 15th day of the month under consideration; F0= Official retail price of High speed Diesel at the existing consumer pumps of IOC at nearest centre on the date of inviting tender;
Labour:-VL=Increase or decrease in the cost of work during the month under consideration due to changes in the rate of labour; PL=Percentage of labour component of the work; L1=Consumer price index for industrial workers at the town nearest to the site of work for the month under consideration; L0= Consumer price index for industrial workers at the town nearest to the site of work on the date of inviting Tender.

Appendix-2.12

(Referred to in paragraph 2.1.7; page no 120)

Detailed statement showing excess expenditure on medicine purchase

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Sl. No.	Medicine name	Supply order					Supplier Name	Actual quantity supplied	Cost of material	Tax levied	Actual amount paid	Approved rate (2008-09) of medicine as per tender	Cost of material as per tender rates	Excess expend-iture
		No.	Date	Quantity	Rate	Packing								
1	2	2	3	8	7	6	4		9			10	11	12
1	Amoxicillin Cap or tab 250mg	68	14.05.10	1514000	114.00	10X10	Hindustan Antibiotics Ltd.	1514000	1725960.00	86298.00	1812258.00	92.00	1392880.00	419378.00
		100	14.05.10	1514000		10X10	Bengal Chemicals & Pharmaceuticals limited	565300	644442.00	32222.10	676664.10		520076.00	156588.10
		124	14.05.10	1514000		10X10	Karnatka Drugs & Pharmaceuticals	1513600	1725504.00	86275.20	1811779.20		1392512.00	419267.20
		136	14.05.10	1514000		10X10	Karnatka Drugs & Pharmaceuticals	1514000	1725960.00	86298.00	1812258.00		1392880.00	419378.00
		178	14.05.10	1514000		10X10	Indian Drugs & Pharmaceuticals Limited,	904000	1030560.00	51528.00	1082088.00		831680.00	250408.00
		Total		**7570008**				**6010900**	**6852435.00**	**342621.30**	**7195047.30**		**5530039.00**	**1665031.30**
2	Cetrzine Tablet 10 mg	200	20.05.10	1137500	23.5	10x10	Karnatka Drugs & Pharmaceuticals	1137500	267312.50	13365.63	280678.13	15.69	178473.75	102204.38
		214	20.05.10	1137500		10x10	Hindustan Antibiotics Ltd.	1137500	267312.50	13365.63	280678.13		178473.75	102204.38
		244	20.05.10	1137500		10x10	Rajasthan Drugs & Pharmaceuticals Limited,	1137500	267312.50	13365.63	280678.13		178473.75	102204.38
		286	20.05.10	1137500		10x10	Indian Drugs & Pharmaceuticals Limited,	455000	106925.00	5346.25	112271.25		71389.50	40881.75
		Total		**4550000**				**3867500**	**908862.50**	**45443.13**	**954305.63**		**606810.75**	**347494.88**
3	Ciprofloxacin Tab 500mg	62	14.05.10	867200	186	10X10	Hindustan Antibiotics Ltd.	867200	1612992.00	80649.60	1693641.60	135	1170720.00	522921.60
		106	14.05.10	867200		10X10	Bengal Chemicals & Pharmaceuticals limited	470600	875316.00	43765.80	919081.80		635310.00	283771.80
		130	14.05.10	867200		10X10	Karnatka Drugs & Pharmaceuticals	839700	1561842.00	78092.10	1639934.10		1133595.00	506339.10
		160	14.05.10	867200		10X10	Rajsthan Drugs & Pharmaceuticals	867200	1612992.00	80649.60	1693641.60		1170720.00	522921.60
		174	14.05.10	867200		10X10	Indian Drugs & Pharmaceuticals Limited,	219600	408456.00	20422.80	428878.80		296460.00	132418.80
		Total		**4336000**				**3264300**	**6071598.00**	**303579.90**	**6375177.90**		**4406805.00**	**1968372.90**

1	2	2	3	8	7	6	4		9			10	11	12
4	Diclofenac Injection 25mg/ml	258	20.05.10	431666	2.7	3 ML amp	Karnatka Drugs & Pharmaceuticals	412666	1114198.20	55709.91	1169908.11	1.64	676772.24	493135.87
		374	21.05.10	215833		3 ML amp	Hindustan Antibiotics Ltd.	86300	233010.00	11650.50	244660.50		141532.00	103128.50
		Total		**647499**				**498966**	**1347208.20**	**67360.41**	**1414568.61**		**818304.24**	**596264.37**
5	Diclofenac Tab 50 mg	82	14.05.10	991660	18	10X10	Hindustan Antibiotics Ltd.	991600	178488.00	8924.40	187412.40	13.53	134163.48	53248.92
		108	14.05.10	991660		10X10	Bengal Chemicals & Pharmaceuticals limited	0	0.00	0.00	0.00		0.00	0.00
		116	14.05.10	991660		10X10	Karnatka Drugs & Pharmaceuticals	0	0.00	0.00	0.00		0.00	0.00
		152	14.05.10	991660		10X10	Rajsthan Drugs & Pharmaceuticals	800000	144000.00	7200.00	151200.00		108240.00	42960.00
		182	14.05.10	991660		10X10	Indian Drugs & Pharmaceuticals Limited,	972200	174996.00	8749.80	183745.80		131538.66	52207.14
		Total		**6253298**				**3761732**	**3191900.40**	**159595.02**	**3351495.42**		**2010550.62**	**1340944.80**
6	Doxycycline Capsule 100mg (Hydrochloride)	212	20.05.10	1508000	62.5	10x10	Karnatka Drugs & Pharmaceuticals	1407300	879562.50	43978.13	923540.63	60	844380.00	79160.63
		238	20.05.10	754000		10x10	Rajasthan Drugs & Pharmaceuticals Limited,	754000	471250.00	23562.50	494812.50		452400.00	42412.50
		288	20.05.10	754000		10x10	Indian Drugs & Pharmaceuticals Limited,	745800	466125.00	23306.25	489431.25		447480.00	41951.25
		Total		**3016000**				**2907100**	**1816937.50**	**90846.88**	**1907784.38**		**1744260.00**	**163524.38**
7	Fluconazole Capsule 150 mg	294	20.05.10	519333	183	10x10	Hindustan Antibiotics Ltd.	287000	525210.00	26260.50	551470.50	119.6	343252.00	208218.50
		348	21.05.10	259666		10x10	Rajasthan Drugs & Pharmaceuticals Limited,	259670	475196.10	23759.81	498955.91		310565.32	188390.59
		Total		**778999**				**546670**	**1000406.10**	**50020.31**	**1050426.41**		**653817.32**	**396609.09**
8	Metronidazole Injection 500mg	380	21.05.10	236500	11.6	100-ml vial	Hindustan Antibiotics Ltd.	236500	2743400.00	137170.00	2880570.00	7	1655500.00	1225070.00
9	Norfloxacine Tab 400mg	76	14.05.10	374400	83	10X10	Hindustan Antibiotics Ltd.	310752	257924.16	12896.21	270820.37	78	242386.56	28433.81
		96	14.05.10	374400		10X10	Bengal Chemicals & Pharmaceuticals limited	0	0.00	0.00	0.00		0.00	0.00
		128	14.05.10	374400		10X10	Karnatka Drugs & Pharmaceuticals	310752	257924.16	12896.21	270820.37		242386.56	28433.81
		158	14.05.10	374400		10X10	Rajsthan Drugs & Pharmaceuticals	310752	257924.16	12896.21	270820.37		242386.56	28433.81
		172	14.05.10	374400		10X10	Indian Drugs & Pharmaceuticals Limited,	242194	201021.02	10051.05	211072.07		188911.32	22160.75
		Total		**2108500**				**1410950**	**3718193.50**	**185909.68**	**3904103.18**		**2571571.00**	**1332532.18**
		Grand Total		**29496804**				**22504618**	**27650941.20**	**1382546.61**	**29033478.81**		**19997657.93**	**9035843.88**

Appendix-2.13

(Referred to in paragraph 2.1.8; page no 122)

Statement showing wasteful expenditure on plantation of Jatropha plants

Sl. No.	Name of implementing agency	Name of District	Year of plantation	Area of plantation in Hectares	No. of plants	Mortality of plants	No. of plant survived	As on	% of survi-val	Total expenditure in ₹	Expenditure on dead plants in ₹	Quantity of seeds produced	Reasons for mortality
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Asstt. Dir. Horticulture	Janjgir Champa	2007-08	68	170000	160500	9500	Dec-10	5.59	2051533	1936889	0	Source of water dried due to excessive heat in summer outbrack of fire
2	Dy. Dir. Agriculture	Durg	2005-06	25.5	63743	37245	26498	Mar-08	41.57	664083	388023	0	Lack of irrigation, no protection from cattle and lack of proper care by farmers
3	Dy. Dir. Agriculture	Durg	2006-07	874.21	2510816	2305349	205467	Between April 2010 and March 2011	8.18	4352331	3996168	0	
4	Dy. Dir. Agriculture	Durg	2007-08	1169.56	2923900	2640053	283847		9.71	5720024	5164734	0	
5	SDO, Agriculture	Mahasamund	2006-07	56.96	142400	110360	32040	Jun-09	22.50	1424000	1103600	50 kgs	lack of irrigation facilities and excessive heat in summer
6	SDO, Agriculture	Mahasamund	2007-08	103.40	258500	200337	58163	Jun-09	22.50	1235500	957510		
7	Asstt. Conservation Officer, Dharmajaygarh	Raigarh	2006-07	418.54	1046380	734320	312060	Jul-10	29.82	10510000	7375622	0	lack of irrigation facilities and excessive heat in summer
8	CEO Janpad Panchayat	Durg	2006-07	50.85	127125	127125	0	April-May 2010	0.00	753600	753600	0	In the 2nd and 3rd year funds not allotted for security and maintenance
9	CEO Janpad Panchayat, Khairagarh	Rajnandgaon	2005-06	15.80	39500	19750	19750	Aug-10	50.00	371656	185828	0	For want of proper up keep by Gram panchayat
10	CEO,Zila Panchayat, (DFO, Raigarh)	Raigarh	2006-07	526.00 & along 142 kms	1958250	827130	1131120	Dec-10	57.76	21154321	8935209	0	Due to biotic pressure
11	CEO,Zila Panchayat, (DFO, Raigarh)	Raigarh	2007-08	1895.18 & along 1401 kms	8633244	3352821	5280423	Dec-10	61.16	65162390	25306574	0	
				5204	**17873858**	**10514990**	**7358868**		**41.17**	**113399438**	**56103757**		

Appendix-2.14

(Referred to in paragraph 2.2.2(a); page no 126)

Statement of pending recoveries on account of non-deduction on one *per cent* cess for contribution towards Labour Welfare Fund

Sl. No	Name of the Division	Agreement No. with date/year	Payments made to contractors	Value of work done (` in crore)	Recoverable amount @ one *per cent* (` in lakh)
Public Health Engineering Department					
1	EE,PHE, Kanker	50,51DL of 97-98, 6,11,40 DL of 99-200, 1 to 62 DL of 2000-01, 1 to 77 DL of 2001-02, 1 to 67 DL of 2002-03, 1 to 56 DL of 2003-04, 2 to 27 DL of 2004-05, 1 to 31 DL of 2005-06, 1 to 98 DL 2006-07, 1 to 35 DL of 2007-08	2000 to May 2008	7.45	7.45
2	EE, PHED Project Dn. No.2, Raipur	1, 74 DL of 2007-08	April 08 & May 2008	3.7	3.7
3	EE, PHED, Project Dn., Bhilai	6 DL of 1994-95; 1 to 9 DL of 2005-06; 1,2,3,5,8,9,10,12,13,14,15 DL of 2006-07; 3,5,6,7,10,11,12,13,15,16,17,18,19,20,21 DL of 2007-08	2005-06 to May 2008	0.83	0.83
4	EE,PHE, Mahasamund	1-57,265,798,836 DL 2000-01,113,114 DL of 2001-02,	2000 to 2002	7.42	7.42
5	EE,PHE, Project Dn. Bilaspur	1DL to 15 DL of 2003-04, 1Dl to 45 DL of 2004-05, 1 DL to 37 DL of 2005-06, 3DL, 4DL,8DL,11DL, 15DL, 16DL, 20DL, 21DL, 24DL, 26to 27DL of 2006-07, 3DL, 5DL to 10Dl, 12DL,13DL,18DL, 24DL, 28DL to 30DL, 38DL of 2007-08, 1DL to 3DL of 2008-09	2003-04 to May 2008	17.53	17.53
6	EE,PHE, Kabirdham	37 works during 2001-02 to May 2008	2001-02 to May 2008	27.17	27.17
7	EE,PHED, Raipur	1 to 4, 6, 8 to 12, 14, 15 18 to 25, 29, 30, 32 to 39 to 44, 46 to 64, 66, 69 to 71, 73, 75 to 96, 98,100 to 108, 110 to 113, 115 to 145, 147, 149 to 153, 155 to 158, 160 to 164 to 175, 177 to 183, 186, 187 DL of 2000-01; 1, 3 to 51, 53 to 77, 83 to 88, 93 to 106, 110 to 113, 115 to 120, 122 to 150, 152, 153, 166, 167 DL of 2001-02; 5, 7, 10, 14,15, 19 to 23, 31 to 34, 36 to 38, 40, 41 43 to 50, 52 to 56, 74 to 123, 182 DL of 2002-03; 1 to 31, 46 to 51, 57 , 58, 69, 81 to 83, 94 to 125, 127 to 129, 132 to 191, 194, 196 to 222 DL of 2003-04; 1, 5 to 7, 9 to 35, 39 to 43, 47 to 70, 74 to 135, 139 to 147, 149 to 151, 155 to 160, 163 to 171 DL of 2004-05; 1 to 5, 8 to 10, 12 to 16, 18 to 20, 22 to 25, 27 to 54, 57, 59, 61 to 63, 66 , 67, 69 to 77, 81, 83 to 98, 100 to 116, 118 to 120, 125 to 128, 133 to 151, 154, 160 to 173, 177 to 197, 199 to 206, 210 to 223, 225, 226, 228, 229, 235 to 242, 245 to 250, 252 to 264 DL of 2005-06; 1 to 47, 49, 51 to 103, 106, 109 to 123, 126 to 180, 183 to 200, 204 to 215, 217, 220, 222 to 238, 240 to 248, 250 to 261 DL of 2006-07; 1 to 30, 32 to 46, 48 to 79, 81 to 86, 88 to 92, 94, 96 to 125, 128, 130 to 211, 218 to 227 DL of 2007-08	2000-01 to May 2008	91.17	91.17
8	EE, PHED., Bilaspur	51 to 86, 88 to 90, 92 to 100, 102 DL of 2000-01; 5, 6, 8 to 14, 16, 18 to 21, 24 to 26, 29 to 45, 47 to 49, 51 to 64, 66 to 74, 76 to 88, 90 to 125, 128 to 129, 131 to 138, 140 to 183 DL of 2001-02; 1 to 33, 35, 36 38 to 40, 43 to 46, 48, 51 to 56, 59 to 66, 68 to 70, 72, 73 to 78 to 88, 90, 92, 93, 95 to 101, 103, 105 to 162 DL of 2002-03; 1 to 3, 5, 6, 8 to 212 DL of 2003-04; 1 to 19 DL of 2004-05; 1 to 138 DL of 2005-06; 1 to 82 DL of 2006-07; 1 to 84 DL of 2007-08; 1 to 14 DL of 2008-09	January 2001 to May 2008	13.9	13.9
9	EE, PHED, Dantewada	41 of 2002-03; 05, 15, 22, 51, 56 of 2005-06; 11 of 2006-07; 15, 16, 19 of 2007-08	April 2002 to March 2008	43.48	43.48
		TOTAL		**212.65**	**212.65**
Public Works Department					
1	EE, PWD (B&R) Kanker	30,33,55,162DL of 2000-01;23,24,29,62,76,91,92,115,126,139,151,156,197to 199, 202, 209, 214, 215, 230, 233, 239, 240, 242, 251, 255, 265, 269, 272, 274, 277 DL of 2001-02; 1 to 6, 8, 10 to 19, 23 to 26, 30 to 36, 38 to 47, 49 to 56, 58, 60, 62 to 65, 67 to 71, 74,78 to 82, 85, 86, 92 to 102, 104 to 106, 108, 110, 113, 115 to 118, 123 to 125, 127, 131, 132, 180 DL of 2002-03; 1 to 17,19 to 24, 26 to 37, 39, 44 to 84, 95 to 97, 102 to 104, 107,109 to 114 DL of 2003-04; 1 to 5, 7 to 12, 14,16, 19 to 26, 28 to 40, 43, 44, 46 to 48, 50, 51, 53 to 56, 58, 59, 61 to	2000 to May 2008	66.17	66.17

		66, 69 to 72, 75 to 78, 80 to 83, 85 to 90, 92, 93, 96, 97, 99 to 108, 113 to 116, 118 to 120, 122 to 124, 127 to 140, 142 to 148, 150 to 154, 156 to 158, 160 to 163, 165 DL of 2004-05; 3, 5 to 10, 12, 15, 17, 18, 20, 21, 27 to 33, 35, 37, 39 to 49, 51, 52, 55, 57, 59 to 63, 65, 67, 69 to 72, 74 to 76, 79, 80, 85, 87, 91, 92, 95 to 100, 103, 105, 113, 115 to 118, 121 to 127, 129 to 131, 133 to 135, 137, 138, 141, 144 to 146, 148 to 150, 152, 154 to 160, 162 to 164, 166 to 168 170 to 172 DL of 2005-06; 1, 4, 5, 7 to 9, 11, 12, 15 to 19, 21 to 27, 30, 32, 34 to 37, 40 to 42, 45, 47, 48, 52, 54 to 56, 61, 63 to 67, 69, 75, 76, 85 to 88, 90, 91 DL of 2006-07; 1 to 3, 5 to 7, 12 to 14, 21,33 to 36, 59,70 to 72, 74, 87, 89, 91 to 96, 102, 104, 107, 108, 121, 122 DL of 2007-08; 7 DL of 2008-09			
2	EE, PWD Baloda Bazar, (Raipur)	1 to 15, 18 to 21, 32 to 41, 45 to 66, 69 to 72 74 to 78, 80 to 87, 89 to 93, 96, 98 to 108, 116 to 156, 158 to 170 DL of 2004-05; 1 to 18, 21 to 38, 40 to 80, 82, 84, 86, 88, 90 to 94, 96 to 101, 103, 104, 107 to 109, 112, 117, 118, 120 to 139 DL of 2005-06; 1-49, 52 to 65, 67 to 83, 85 to 128, 130 to 193, 195 to 207, 209 to 213, 215, 216, 221 to 271 DL of 2006-07; 1, 3 to 28, 30 to 38, 40 to 58, 60 to 63, 65, 67 to 72, 76, 77, 81, 83, 85 to 91, 93 to 96, 102,104 to 119, 121 to 124, 126 to 130, 133 to 148, 150 to 160, 162 to 164, 166, 169 to 173, 175 to 200, 202, 203, 208, 211, 212, 214, 218 to 224, 227, 228,230 to 247, 249 to 266 DL of 2007-08; 1 to 17 & 19 DL of 2008-09 (May)	2004-05 to May 2008	114.67	114.67
3	EE, PWD Kondagaon	76 to 81,90 DL of 2000-01; 116,295,296 DL of 2001-02; 39, 186 ,189 DL of 2002-03; 48, 98 , 99, 115,116,118 to 123,126,129,132,133,137 to 139, 141 to 144, 147 to 149,152, 156,158 DL of 2003-04; 2,4,7,12 to 14,16 ,34, 65, 72 to 74, 92 DL of 2004-05; 4, 21, 22, 25, 27, 28, 31, 37, 38, 53, 60, 71, 72, 80, 93, 134 DL of 2005-06; 4, 5, 8, 9, 38, 42, 48, 49, 60, 61, 64, 80, 99, 91, 104, 123, 124, 129, 140, 144, 146, 150, 152, 154, 160, 165, 185 DL of 2006-07; 13, 21, 41, 58, 59, 72 to 74, 87, 89 to 91, 94 to 96, 104, 108, 112, 114, 115, 122 to 124, 131 to 134, 158, 159, 168, 170, 171, 173, 174, 178 to 180, 183, 185, 188, 197, 198, 230 DL of 2007-08; 2 to 6, 8, 9 to 12, 16 DL of 2008-09(Upto May)	2000 to May 2008	105.38	105.38
4	EE, PWD (B&R) Kondagaon	Payment made to contractors for various works	April 2001 to March 2011	229.89	229.89
5	EE, PWD (B&R) North Bastar Dn-1, Jagdalpur	01, 135, 185, 160, 125, 02, 156, 186, 183, 103, 77, 52 of 2007-08	April 2007 to March 2008	19.71	19.71
6	EE, PWD (B&R) North Bastar Dn-2 Jagdalpur	DL awaited (11 works)	2007-08& May, 08	9.05	9.05
7	EE, National Highway Dn. Jagadalpur	DL awaited (124 works)	2001-02 to 2007-08	34.19	34.19
8	EE, PWD (Bridge Conts.) Dn. Jagdalpur	DL awaited (144 works)	2001-02 to 2007-08	77.05	77.05
9	EE, PWD, B&R Mahasamund	418 DL of 2004-05, 15,64,132 DL of 2006-07, 3,38,166,177,200 DL of 2007-08	April 2004 to May 2008	149.81	149.81
10	EE, PWD (Bridge) Dn.Bilaspur	1 to 22 DL of 2001-02; 1 to 175 DL of 2002-03; 1 to 45 DL of 2003-04; 1 to 67 DL of 2004-05; 1 to 98 DL of 2005-06; 1 to 85 DL of 2006-07; 1 to 50 DL of 2007-08	2001-02 to 2007-08	248.99	248.99
11	EE, PWD, B&R Mahasamund {ADB project}	2007-08 {112.51}(₹ In lakh)	2007-08 to May 2008	1.13	1.13
12	EE, PWD, Dn.3, Raipur {ADB project}	2005-06 {500}2006-07 {4663.87}2007-08 {1176.44} (₹ in lakh)	2004-05 to May 2008	63.4	63.4
13	EE, PWD Dn. Khairagarh {ADB project}	2006-07 {110.42}2007-08 {1482.85}(₹in lakh)	2006-07 to May 2008	15.93	15.93
14	EE, PWD, B&R Rajnandgaon	1, 47, 49, 64 to 68 DL of 2001-02; 2, 8, 26, 34 45, 46 , 81 to 83 92, 126 DL of 2002-03; 1, 7, 9, 33, 41, 55 , 56, 67, 72, 82 to 86, 90, 96, 97, 104, 107 to 111, 130 to 132 DL of 2003-04; 26, 82, 85, 86, 91 to 96, 100, 107, 110, 114, 116, 117, 119, 126, 127, 130 to 132, 135 to 137, 141, 143, 146, 148 DL of 2004-05; 1 to 3, 5, 8, 12 to 14, 17 to 23, 26, 43, 66, 71, 80, 85, 86, 88, 90 to 94, 100, 105, 106, 109, 111 to 113 DL of 2005-06; 2 to 4, 8, 39, 60, 67, 70 to 73, 78, 103, 107, 108, 112, 116, 117, 131, 136, 137 DL of 2006-07; 11, 35, 44, 64, 70, 85, 102, 117, 141, 150, 152, 156, 159, 167, 176, 187, 189, 190, 192, 194, 200, 203, 218, 220, 226, 229 DL of 2007-08	April 2001 to March 2008	91.97	91.97

15	EE, PWD Bridge, Raipur	1, 10, 13 to 16 of DL 2000-01; 18, 26, 27, 31, 32, 40 DL of 2002-03; 3,4, 6 to 9, 16 to 19, 21, 22, 25 to 29, 32, 34, 42, 44, 63, 65 DL of 2003-04; 4, 7, 10, 11, 14 to 16, 23, 26, 28, 30, 32, 39 to 41, 44 to 46 54, 57, 62, 63, 70, 72, 74 DL of 2004-05; 1 to 4, 7, 8, 10, 18, 19, 22, 23, 26, 29, 31, 34, 36, 39, 41, 45 DL of 2005-06; 1, 6, 9, 16, 22, 23, 28, 31 DL of 2006-07; 6, 9, 16, 19, 20, 22, 25, 28, 29 DL of 2007-08	April 2000 to March 2008	160.88	160.88
16	EE, PWD(B&R), Balod, Durg	55 of 2004-05; 88, 80, 54,06 of 2005-06;2, 3,4, 10, 21, 23, 35, 46, 49, 53, 56, 57,67,75,81,84, 85,87, 88, 90, 96, 103, 104, 106, 107, 109, 51GE of 2006-07;1, 4,9,11,12,14,15,17,18,19,22, 27, 28, 29, 30, 31, 34, 35, 36, 37, 41, 44, 45, 46, 47, 48, 49, 50, 5 0, 51, 52, 53, 57, 58, 60, 61, 62, 65, 66, 67, 69, 70, 74, 75, 76, 79, 81, 82, 83, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 99, 100, 101, 102, 103, 105, 106, 107, 108, 111, 113, 116, 117, 121, 122, 123, 124, 125, 127, 128, 129, 131, 132, 133, 134, 136, 137, 138, 139, 140, 142, 143, 144, 145, 161, 13GE, 5GE, 6GE, 9GE of 2007-08;	April 2004 to March 2008	47.00	47.00
17	EE, PWD(B&R), South Bastar Dn., Dantewada	4 works of 2001-02; 18 works of 2002-03; 20 works of 2003-04, 65 works and 511 of 2004-05, 49 works and 186, 193 of 2005-06; 54 works and 169, 167, 225, 183, 211, 164, 210, 166 of 2006-07; 16 works and 180, 175, 165, 193, 74, 176 of 2007-08	April 2001 to March 2008	81.24	81.24
	-	**TOTAL**	-	**1516.46**	**1516.46**
Panchayat and Rural Development Department					
1	EE, PMGSY, KANKER	1,3 DL of 2001-02, 2-5 DL of 2002-03, 2,3,4, DL of 2003-04, 1,2,4,5,6,7,9,10,11 DL of 2004-05, 4 to 11, 13 DL of 2005-06, , 2 DL of 2006-07, 1 to9 DL of 2007-08; 7 DL of 2008-09	April 2002 to May 2008	127.53	127.53
2	EE, PMGSY PIU-I Dhamtari	151, 190DL of 2001-02; 2 to 7 DL of 2003-04; 8 to 13 DL of 2004-05; 21, 28, 29, 31, 32, 33, 41 DL of 2005-06; 43 DL 2006-07; 41, 44, 45,47, 48 to 53 of 2007-08	April 2001 to May 2008	144.02	144.02
3	EE, PMGSY Saraipali, Mahasamud	1 to 4 DL of 2001-02; 2 DL of 2003-04; 1 to 4, 6 DL 2004-05; 1 to 5, 7,8, 9,10,12, 13, 14, 15 DL of 2005-06; 1,2,6 DL of 2006-07; 1to 6 DL of 2007-08	2001-02 to May 2008	155.74	155.74
4	EE cum-Member Secretary, (PMGSY) PIU-I, Bilaspur	1 to 5 DL of 2001-2002, 1,2 DL of 2003-2004; 1 to 11 & 13,14 DL 2004-05; 1 to 16, 18 to 21 DL 2006-07; 1 to 5,6, 7,8,11 DL of 2007-08	Nov. 2001 to May 2008	253.5	253.5
5	EE, PMGSY, Gariabandh	2 DL of 2000-01; 7,8 DL of 2002-03; 1,4 DL of 2003-04; 1 DL of 2004-05; 1,3,4,11,12,14,17 DL of 2005-06; 1 to 3 DL of 2006-07; 1,4,5,6,10,11 DL of 2007-08	2000 to May 2008	203.9	203.9
6	EE PIU-1 PMGSY Raipur	10 DL of 2004-2005, 3 , 11 & 14 DL of 2005-2006, 1 , 2 & 4 DL of 2006-2007, 9 DL of 2007-2008	April 2004 to May 2008	87.88	87.88
7	EE, PMGSY, Raigarh	1 to 4 DL of 2001-02; 2 to 5 DL of 2003-04; 1 to 10 DL of 2004-05; 1 to 8, 10 to 12 DL of 2005-06; 1 to 10 DL of 2006-07; 1 to 3 DL of 2007-08	April 2001 to May 2008	245.15	245.15
8	EE, PMGSY, PIU No. 1 Durg	1 to 5 DL of 2001-02; 1,2 DL of 2003-04; 1 to 5 DL of 2004-05; 1 to 9, 11 DL of 2005-06; 1 to 4 DL of 2006-07; 1 to 10 DL of 2007-08	2001-02 to May 2008	250.72	250.72
9	EE, RES, Dhamtari	198 of 2000-01; 45, 24, 98, 116, 161, 162 of 2001-02; 26, 28, 29, 30, 31, 32, 33, 35, 100, 111, 116, 117, 122, 124, 127, 130 of 2002-03;19, 20, 92, 94, 95, 96, 97, 98, 101, 102, 103, 127 of 2003-04; 1, 15, 54, 63, 158, 161, 162, 181, 193, 196, 224, 225, 258 of 2004-05; 90, 149, 181 of 2005-06; 1, 3, 30, 203, 204, 205, 206 of 2006-07; 14, 15, 16, 17, 163, 164, 165, 166, 227, 228, 229, 353, 395, 458, 674, 676, 677, 678, 679, 680, 681, 682, 683, \684, 685, 686, 688, 689, 690, 691, 692, 693, 772, 773, 774, 1505, 2042 to 2055 of 2007-08	April 2000 to March 2008	11.70	11.70
10	EE, RES, Dn. 1, Ambikapur	1 to 5,8 to 16 DL of 2001-02;1 to 14 DL of 2002-03;1 to 3 DL of 2004-05;1 to 27 DL of 2005-06;29 to 31,34,36,38 to 56,60,62 to 67 DL of 2006-07;1 to 16DL of 2007-08;1 DL of 2008-09	November 2000 to May 2008	16.77	16.77
11	EE, RES, Korba	11 to 38DL of 2000-01;1 to 36DL of 2001-02;1 to 16DL of 2002-03;1,2,64DL of 2003-04;1,2,48,51 to 59,69 to 95, 98 to 100DL of 2004-05;1 to 10,15 to 69,71 to 74, 77,78 to 157,159 to 183DL of 2005-06;1 to 117, 120,130, 132,133DL of 2006-07;1 to 105,107 to 131DL of 2007-08;1 to 37DL of 2008-09;	November 2000 to May 2008	21.1	21.1
12	EE, RES, Janjgir	1 to 9 DL of 2001-02;1 to17 DL of 2002-03;1 to 4 DL of 2003-04;1 to 12 DL of 2004-05;1 to 5 DL of 2005-06;1 to 3,5 to 23 DL of 2006-07;1,3 to 11,13,16 to 26 DL of 2007-08;	November 2000 to May 2008	9.98	9.98
13	EE, RES, Kondagaon	9 to 13,19,23 DL of 2000-01;24 to 27, 34 to 36, 38 to 40, 42 to 48 DL of 2001-02; 1,2, 4 to 9,14 DL of 2002-03;1 to 7 DL of 2003-041,2 of 2004-05;1 to 8,10,15 to 21,26,27 DL of 2005-06;1 to 4,9 to 11,14,17 to 21,29,31,33,34,35,37 to 42 DL of 2006-07;17 to 21,23 to 25, 29 to 31, 37,38,40 to 48,51 to 53,56 of 2007-08;1 to 16 of 2008-09	November 2000 to May 2008	16.09	16.09
14	EE, RES, Balod	1 to 5DL of 2001-02; 1 to 22,24DL of 2002-03, 1 to 59,64 to 91DL of 2003-04, 1 to 15,25 to 30, 32 to 45DL of 2004-05; 1 to 23, 26 to 36DL of 2005-06;1 to 28DL of 2006-07, 1 to 15DL of 2007-08	November 2000 to May 2008	11.01	11.01
15	EE, RES, Baikunthpur, Koria	1DL of 2000-01;1 to 6,7,10 to 20,28,29,33DL of 2002-03;1 to 18DL of 2003-04;1 to 23DL of 2004-05; 1 to 40DL of 2005-06; 1 to 12DL of 2006-07; 3 to 9,11 to 13,15 to 45,51 to 59,61 to 68,70DL of 2007-08; 1 to 7,10 to 15DL of 2008-09	November 2000 to May 2008	13.56	13.56

16	EE, RES Dantewada	63,64,66 to 68,89DL of 2000-01;3 to 7,9 to 11DL of 2001-02;1 to 3,6DL of 2002-03,1 to 4,9,15,16,19 to 22,24 to 32,34,37,38,40,42 to 49,51,52DL of 2003-04;13DL of 2004-05;9,10,12,17DL of 2005-06;1, 6,7,11,12,14,15,17,20 to 26DL of 2006-07	November 2000 to May 2008	5.05	5.05
		TOTAL		**1573.70**	**1573.70**
	Water Resources Department				
1	EE, WRD, Kanker	1,7 to 12 DL of 2001-02; 2,5,7 to 9,15,20,21 DL of 2002-03, 1,3,4,10,11,14,16 DL of 2004-05; 14,15 DL of 2005-06; 1,7,18,21,22 DL of 2006-07; 1,18,19,20 DL of 2007-08; 41 to 43, 64,65 DL of 2008-09	2001-02 to May 2008	1.97	1.97
2	EE, WRD, Tandula Dn. Durg	32 DL of 2004-05,7,15,30 & 32 DL of 2005-06,1,2,3,4,6,7,9 to 13, 15 DL of 2006-07,1,2,3,5,6,7,8 10 to 17, 20 to 32, 34 to 43 DL of 2007-08	April 2004 to May 2008	35.36	35.36
3	EE, Kharkhara-Mohdipat Project Dn, Durg	8 of 2001-02; 4, 8, 9 of 2002-03; 1, 8, 9 of 2003-04; 1, 11 to 16, 28 to 32, 41, 44, 45 of 2004-05; 1, 6, 7, 16 to 20, 23, 24, 27, 28, 29 of 200506; 1, 9, 24 of 2006-07; 9, 13, 15, 17, 22, 23, 24, 25, 26 of 2007-08	April 2001 to March 2008	119.88	119.88
4	EE, MJP, Dishnet Div. No. 3, Tilda	1 to 4,5,7,9,11,12,13,14,17,18,20 to 25 DL of 2002-03, 1,6,12 to 16,18 to 26, 28 to 34 DL of 2003-04, 1,4,10 to 13,15 to 18, 20,21,22,26 DL of 2004-05, 1,7,8,15,24,26,27,30,31,32,38,39,40,41,43,44,46,48 DL of 2005-06, 3, 5 to 28 DL of 2006-07, 1 to 9 and 13 DL of 2007-08	June 2008 to March 2011	43.52	43.52
5	EE, Maniyari WRD, Mungeli	3,4,7,9,10,11,19,20 DL of 2001-02, 2,3,4,5,7,9 to 20,24,25,28 DL of 2002-03, 35,36,39 DL of 2004-05, 4,5,10 to 17,35,36,37 DL of 2005-06, 1,2,3,4,5,9,29 DL of 2006-07, 1,5,6,7,12 to 24 DL of 2007-08	April 2001 to May 2008	67.02	67.02
6	EE, WRD, Pendra Road, Bilaspur	1 to 19 DL of 2001-02; 1 to 23 DL of 2002-03; 1 to 27, 40, 41 DL of 2003-04; 1 to 33 DL of 2004-05; 1 to 16 DL of 2005-06; 1 to 7 DL of 2006-07; 1 to 10 DL of 2007-08	April 2000 to May 2008	77.9	77.9
7	EE, Water Management Division No-2 Baloda Bazar	4 &5 DL of 2004-2005, 1 & 4 DL of 2006-2007, 1, 2 , 4, 5 & 9to 12 DL of 2007-2008	April 2004 to May 2008	0.33	0.33
8	EE, Minimata Bango Canal Div.5, Kharasia	6 DL of 2000-01; 2,6,7,9 to 21 DL 2001-02;1,4 to 8,13 to 22,24 to 31, 33,35 to 37 DL of 2002-03; 1,8,9,16,20 to 22,25,26,28 DL of 2003-04; 3 DL of 2004-05; 31 to 33,35 DL of 2005-06; 1 DL of 2006-07; 2 to 5 DL of 2007-08; 1 to 6 DL of 2008-09	2000 to May 2008	38.82	38.82
9	EE, WRD, Gariabandh	1,2,4 DL of 2000-01; 1 to10 DL of 2001-02; 1,3 to 6,7 DL of 2002-03; 1,3 to 9, 11 DL of 2003-04; 1 to 5,6,7 to 14 DL of 2004-05; 1,3,5,8,10 DL of 2005-06; 1,2,4,5,6,7,8 DL of 2006-07; 2,6,7,8 DL of 2007-08;1 DL of 2008-09	2000 to May 2008	21.08	21.08
10	EE, WRD, Dhamtari	1,2 DL of 2000-01; 1 to 4 DL of 2001-02; 1 to 8 DL of 2002-03; 1 to 17 DL of 2003-04; 1 to 4 DL of 2004-05; 1,2 DL of 2005-06; 1to 4 DL of 2006-07; 1 to 7 DL of 2007-08; 1 to 9 DL of 2008-09	2001 to May 2008	38.18	38.18
11	EE, WRD, Mahasamund	5 to 9 DL of 2001-02; 1 to 5 DL of 2002-03; 1 to 8 DL of 2003-04, 1 to 13 DL of 2004-05; 1 to 15 DL of 2005-06; 1 to 10 DL of 2006-07; 1 to 14 DL of 2007-08; 1 to 6 DL of 2008-09	Feb. 02 to May 2008	46.08	46.08
12	EE, MRP, Dam Division No-2 Rudri, Dhamtari	1 to 21 DL of 2002-03; 1 to 18 DL of 2003-04; 1 to 18 DL of 2004-05; 1 to 12 DL of 2005-06; 1 to 9 DL of 2006-07; 1 to 6 DL of 2007-08; 1 to 3 DL of 2008-09	2002-03 to May 2008	27.22	27.22
13	EE, WRD, Kasdol (Raipur)	22 DL of 82-83; 1 DL of 89-90, 14 DL of 99-2000;1,2 3,18,31,34,35,36,37,38,39,41 to 45 DL of 2000-01; 2 to 14 DL of 2001-02; 1 to 9,19 DL of 2002-03;1 to 22 DL of 2003-04; 1 to 7 DL of 2004-05; 1 to 5 DL of 2005-06; 1 to 8 DL of 2006-07; 1 to 4 DL of 2007-08; 1,3 DL of 2008-09	99-2000 to May 2008	21.87	21.87
14	EE, WRD, MRP Dn. Phase 2, Raipur	1 to 3 DL of 2002-03; 2 DL of 2003-04; 1 DL of 2005-06; 1 to 5, 7 DL of 2006-07; 2,3 DL of 2007-08; 1 DL of 2008-09	2002-03 to May 2008	98.85	98.85
15	EE,WRD, (Rajnandgaon)	7 of 2007-08	April 2007 to March 2008	7.19	7.19
16	EE,WRD, Chhuikhadan (Rajnandgaon)	3,4,6,DL of 2001-02, 1 to 4, 6 DL of 2002-03, 1 to 4, 6 to 11, 17 DL of 2003-04, 1,2,17 DL of 2004-05, 1 to 5 DL of 2005-06, 1 to 4, 6 to 9 DL of 2006-07, 1 to 9 DL of 2007-08	2001 to May 2008	13.77	13.77

17	EE, E/M Dn Raigarh	14 DL of 1987-88; 6 DL of 1988-89; 27 DL of 1990-91; 31 DL of 1991-92; 1,9 DL of 1995-96; 1 to 9, 31, 41 DL of 2001-02; 1, 5 to 9,21,41 DL of 2002-03; 3, 6 to 8, 17, 31 DL of 2003-04; 1 DL of 2004-05; 1, 8, 9, 11 to 13, 101 DL of 2006-07, 1 to 8, 10 DL of 2007-08	April 2000 to May 2008	3.64	3.64
18	EE, WRD, Raipur	1 DL of 2000-01; 1, 2 DL of 2001-02; 1 to 9 DL of 2002-03; 1 to 14 b DL of 2003-04; 1 to 31 DL of 2004-05; 1 to 38 DL of 2005-06; 1 to 10 DL of 2006-07; 1 to 14 DL of 2007-08	April 2000 to May 2008	29.46	29.46
19	EE, WRD, Kondagaon Dn.	Total amount paid to contractors for various works	April 2001 to May 2008	8.92	8.92
		TOTAL	-	**701.06**	**701.06**
	Chhattisgarh State Electricity Board				
1	EE o/o ED (O & M) CSPDCL, Raipur	{33 KV Line(KM) 5545.3}; {33/11KV S/S No. 340}; {11 KV Line (KM) 13899.36}; {11/0.4 KV S/s No.22801}; {LT Line (KM) 38463.48}	2001-02 to 2008-09	1388.06	1388.06
2	CG Housing Board Rajnandgaon	20, 21, 28, 29,DL of 2006-07; 22 to 27, 31 to 36 DL of 2007-08, 37 to 46, 48 to 62 DL of 2008-09	January 2007 to March 2011	3.58	3.58
3	EE CGHB Dn-II Raipur	1, 3 to5 8 to 11, 20,25, 29 DL of 2004-05, 6,7,15,17,18,20,53,56,60,61,63,67 DL of 2005-06,5,10,24,27,29,30 56,76,80,81,87,93,94 DL of 2006-07,34,42,122,123,127,129,131 & 132 DL of 2007-08,137 DL of 2008-09	January 2001 to May 2008	6.8	6.8
4	EE CGHB Capital Project Dn-Raipur	51 DL of 2006-07	November 2000 to May 2008	5.45	5.45
		TOTAL		**1403.89**	**1403.89**
	Naya Raipur Development Authority				
1	General Manager, NRDA, Raipur	472 DL of 2002-03, - DL of 2005-06, 01 to 03 DL of 2007-08	August 2002 to May 2008	440.65	440.65
		TOTAL		**440.65**	**440.65**
		GRAND TOTAL		**5848.41**	**5848.41**

Appendix-2.15

(Referred to in paragraph 2.2.2(b); page no 126)

Statement of pending recoveries on account of non-deduction on one *per cent* for contribution towards Labour Welfare Fund

Sl. No	Name of the Division	Agreement No. with date/year	Payments made to contractors	Value of work done (₹ in crore)	Recoverable amount @ one *per cent* (₹ in lakh)
		1. Public Health Engineering Department			
1	EE,PHE, Kanker	1 to 36 DL of 2010-11	June 2008 to March 2010-11	1.26	1.26
2	EE, PHED Project Div.No.2, Raipur	1, 64, 65, 72, 73, 74, 75 DL of 2007-08; 18, 19, 21, 23, 24, 42, 43, 55 DL of 2008-09; 16 DL of 2009-10	June 08 to March 2010	49.68	49.68
3	EE, PHED, Project Div., Bhilai	8 DL of 2008-09; 3,5 DL of 2009-10	June 08 to March 2011	0.1	0.1
4	EE,PHE,Mahasa-mund	9,54DL of 2006-07,18,22,34 DL of 2007-08,1,40-47,51,53,63,65,75-77 DL of 2008-09,1 DL 2009-10	June 2008 to March 2010-11	9.53	9.53
5	EE,PHE, Project Div. Bilaspur	6DLtp10DL, 13DL to 16 DL, 18 DL to 25 DL, 27DL, 32DL to 38 DL of 2008-09, 01DL to 12 DL of 09-10, 01 DL to 4 DL, 6 DL, 11 DL of 2010-11	June 2008 to March 2010-11	13.91	13.91
6	EE,PHED, Dn. Durg	106 DL of 2002-2003, 86 DL of 2005-2006 , 57 DL & 94 DL of 2006-2007, 28 DL & 30 DL of 2007-2008, 1 DL to 4 DL , 11 DL to 14 DL, 20 DL, 27 DL , 28 DL, 30 DL , 31 DL, 35 DL, 42 DL to 44 DL, 52 DL, 61 DL , 87 DL, 88DL, 90 DL , 93 DL, 98 DL, 99 DL to 103 DL , 105 DL, 133 DL, 143 DL, 159 DL, 164 DL, 168 DL & 941 DL of 2008-2009, 5 DL, 24 DL to 29 DL, 32 DL, 37 DL, 39 DL, 45 DL , 49 DL , 60 DL , 67 DL of 2009-2010	June 2008 to June 2010	6.32	6.32
7	EE,PHED, Dn. Dhamtari	44,46,47,49,62 DL of 07-08 36,38,39,46,101,117,159,161,222,229 to 233 DL of 08-09 14,15 DL of 09-10	June 2008 to June 2010	9.67	9.67
8	EE, PHED, Janjgir Champa	29,54,73,77,83,92,93,154 DL of 2005-06; 6, 9, 13, 15, 16, 19, 22, 32, 33, 36, 38, 40, 44, 46, 51-53, 88, 90-92, 98 DL of 2006-07; 9-11,15 to 17, 22, 23, 24, 30, 33, 34, 37, 38, 39, 49, 50, 51, 56, 58, 60, 62, 69, 73, 75, 76, 78, 79, 80, 81, 87, 88, 95, 96, 97, 99, 100 to 104, 109 to 111, 113 to 115, 117, 120, 122 to 127, 134, 135, 138, 139, 141, 148, 150, 151, 155, 156, 158, 159, 171, 172, 174, 176, 177, 178, 180, 181, 201, 202, 209, 210, 211, 212, 214, 215, 218, 221 to 225, 227, 230 to 234, 268, 274, 275, 286, 287 DL of 2007-08; 2, 3, 4, 5, 8 to10, 15, 17, 18, 21 to 30, 31 to 37, 39, 54, 55, 83, 85, 87, 89, 90, 94 to 108, 123, 127, 129 to 159, 161 to 179, 183 to 187, 190, 192, 193, 194, 196 to 200, 202, 204, 206, 208, 210, 212, 215, 216, 218 to 225, 227 to 230, 232 to 235, 237 to 242, 244, 245, 249, 261 to 267, 269 to 274, 276, 283 to 291, 300, 302, 305 to 311, 314 to 322 DL of 2008-09; 2, 13 to 17, 19, 20, 22, 30 to 34, 42 to 45, 47 to 51, 53, 54, 63, 71, 72, 77, 84, 93, 94, 97, 98, 100, 109, 110, 120, 127, 132, 139 to 144, 149, 153, 154, 156, 161, 164, 165, 176 DL of 2009-10; 10 & 18 DL of 2010-11	June 08 to March 2011	29.91	29.91
9	EE, PHED, Raigarh	2,67,69,108,114,119,132,142,143,146,151,152,178,211,236,244,327,331,335,337,340,341,362,363,402,409,425,426,460,461,462,464 DL of 2008-09; 41 DL of 2009-10	Jan.09 to March 2011	5.04	5.04
10	EE,PHE, Kabirdham	Total amount paid to contractors for various works	June 2008 to March	20.78	20.78
11	EE,PHED, Raipur	1 to 36, 39 to 64, 67 to 70, 72 to 76, 79 to 155, 157 to 266, 269 to 273, 275 to 279, 282, 286 to 290, 292 to 294, 296 to 303, 305 to 337 DL of 2008-09; 1 to 6, 8 to 22, 25, 27 to 32, 34 to 36, 38 to 66, 68, 71 to 78, 83 to 116 DL of 2009-10; 1 to 9, 13 to 20, 22, 23, 27 to 36, 41, 42, 45, 47 to 58, 61 to 69, 74, 82, 86, 93 to 95, 101, 104, 105, 107, 109 to 112, 114, 116, 118, 121, 122, 126 to 129, 132, 139, 145, 146, 150, 153 to 170 DL of 2010-11	June 2008 to March 2010-11	74.12	74.12
12	EE,PHED, Jagdalpur	132 DL of 2005-06; 87, 115 DL of 2007-08; 2,74, 77, 87, 151, 154 DL of 2008-09; 1, 41, 70, 83 87. 101 DL of 2009-10	June 2008 to March 2010	4.05	4.05
13	EE, PHED, Dantewada	42, 43, 46 of 2008-09; 03, 13, 17, 40, 41, 46, 48, 51 of 2009-10; 30, 09 of 2010-11	April 2008 to March 2011	2.59	2.59
		TOTAL		**226.96**	**226.96**

		2. Public Works Department			
1	EE, PWD (B&R) Kanker	108 DL of 2003-04; 36,73,81,89,90,142 DL of 2005-06; 14, 43, 44, 62, 70, 73, 82, 93, 95, DL of 2006-07; 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 37, 39, 42, 51, 57, 60, 61, 62, 64, 75, 76, 77, 78, 79, 80, 81, 82, 83, 86, 88, 97, 98, 99, 100 ,10 1,1 06, 107, 109, 111, 113, 116, 118, 120, DL of 2007-08; 1, 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 24, 28, 29, 23, 25, 26, 31, 32, 33, 34, 35, 36, 37, 38, 40, 42, 43, 44, 45,46, 47, 50, 51, 52, 54, 57, 58, 61, 62, 63, 64, 67, 68, 69, 70, 73, 75, 76, 77, 82, 84, 85, 86, 87, 88,90,92,93, 94, 95, 96, 97, 98, 99, 101, 102, 103, 104, 105, 108, 109, 112, 114, 116, 117, 118, 119, 120, 122, 123, 124, 126, 127 DL of 2008-09; 1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,23,24,25,26,28,29,30,31,32,33, 34, 35, 36, 37, 38, 39, 40, 41, 47, 48, 131, DL of 2009-10; 6, 9, 10, 12, 13, 28, 30, 31, 33, 34, 35, 36, 38, 65, 67, 69, DL of 2010-11	June 2008 to March 2011	58.18	58.18
2	EE, PWD Baloda Bazar, (Raipur)	18,20,21,22,23 to 31, 34 to 40, 44, 48, 50,51, 55 to 63, 65 to 69, 71, 74 to 78, 83 to 99, 101 to 103, 106 to 108, 110 to 115, 117 to 121, 124 to 129, 131, 132 to 141, 144 to 165, 168, 170 to 178, 182, 184, 186, 188 to 217, 221 to 243 DL of 2008-09; 1, 2,3,5, 6,7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 41, 45, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 DL of 2009-10; 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 24, 25, 26, 28, 29, 30, 31, 32 to 36, 38, 39, 40, 42, 43, 44, 46, 47, 49, 53	June 2008 to March 2011	68.55	68.55
3	EE, PWD Konda- gaon	93,94,105,106,107,116,117,121,123,124,125,129,131 DL of 2008-09; 2, 19, 34, 35, 40, 41, 42, 43, 58, 63, 64,65, 66,67, 69,71,73,74,75 DL of 2009-10; 1,11 DL of 2010-11	June 2008 to March 2011	126.6	126.6
4	EE, PWD (B&R) North Bastar Dn-1, Jagdalpur	76, 94, 79, 99, 100, 01, 16, 72, 95, 98, 74, 82, 15, 09, 111 of 2008-09; 31, 75 of 2009-10	April 2008 to March 2010	5.34	5.34
5	EE, PWD (B&R) North Bastar Div.2 Jagdalpur	72 works	2008-09 to March, 2011	11.26	11.26
6	EE, National Highway Div. Jagadalpur	DL awaited (32 works)	June 2008 to March, 2011	4.06	4.06
7	EE, PWD (Bridge Conts.) Div. Jagdalpur	DL awaited (19 works)	2008-09 to March, 2011	48.04	48.04
8	EE,PWD (E/M), Durg	14 DL of 2006-2007, 5DL, 7DL, 11 DL to 13 DL, 31 DL, 61 DL , 117 DL & 201 DL of 2007-2008, 8 DL, 11DL, 12 DL, 16 DL, 20 DL, 23DL, 25 DL 29 DL , 34 DL, 38 DL, 76 DL, 9 DL, 80 DL, 81 DL, 84 DL to 87 DL, 89 DL, 101 DL, 103 DL, 105 DL, 106 DL, 107 DL , 108DL, 110 DL, 119DL, 120 DL to 125 DL, 127 DL , 128 DL, 130 DL, 131 DL, 133 DL, 135 DL, 140 DL, 141DL, 143 DL to 150 DL , 152 DL to 157 DL, 159 DL of 2008-2009, 76 DL, 187 DL, 209 DL to 211 DL, 213 DL to 215 DL, 217 DL, 218 DL, 219 DL, 220 DL, 222 DL & 223 DL of 2009-2010 DL	June 2008 to February 2010	2.07	2.07
9	EE,PWD, Bridge Construction Dn. Rajnandgaon	1DL to 17 DL of 2008-2009, 1 DL to 4 DL, 7 DL & 8 DL of 2009-2010, 2 DL, 5 DL & 6 DL of 2010-2011	June 2008 to August 2010	27.98	27.98
10	EE, PWD, Bemetara Dn. Bemetara	85 DL of 2005-2006, 71 DL 92DL & 93 DL of 2006-2007 , 10 DL, 13 DL, 17 DL , 19 DL, 20 DL ,39 DL, 43 DL, 62 DL, 63 DL, 65 DL, 75 DL 87 DL, 91 DL to 93 DL, 98 DL to 102 DL of 2007-2008, 1 DL to 4 DL , 6 DL, 7 DL, 17 DL of 2008-2009	June 2008 to July 2010	18.84	18.84
11	EE, PWD (Bridge) Dn. Raigarh	55,79 DL of 06-07 1,6,11,12,16,18,19,28 DL of 07-08 1,5,6,14 to 17 DL of 08-09 4 DL of 09-10 3 DL of 10-11	June 2008 to November 2010	55.25	55.25
12	EE, PWD (B&R) Gariabandh (Raipur)	1 to 87 DL of 2007-08; 1 to 180 DL of 2008-09; 1 to 109 DL of 2009-10; 1 to 77 DL of 2010-11; 1 to 3 DL of 2011-12	June 2008 to March 2011	45.83	45.83
13	EE, PWD (B&R) Dn No. 2 Bilaspur	84, 141,143, 205, 206, 212, 214, 254, 277 DL of 2006-07; 1 to 3, 13 to 15, 20, 24, 34, 35, 46, 67, 78, 100, 103, 105, 107, 111, 112, 117, 122, 129, 134, 136, 146, 154, 160, 162 to 164, 171, 177, 179, 180, 187, 188, 190, 192, 193, 197, 199, 210, 220 to 223, 226, 232, 239, 246, 248, 251, 282, 306, 311, 319 to 321, 340, 342, 343, 351, 352, 360 DL of 2007-08; 1,2, 4 to 15, 17, 19 to 26, 31, 33 to 45, 47 to 80, 82 to 131 DL of 2008-09;	May 2008 to March 2011	42.32	42.32
14	EE, PWD, Dn.2, Raipur	5,23,26,34,50,113,123,142,150,152 DL of 2008-09; 8,19,25,68 DL of 2009-10; 1,2 DL of 2010-11	June 2008 to March 2011	29.68	29.68
15	EE, PWD, B&R Mahasamund	418 DL of 2004-05, 15, 64, 132 DL of 2006-07, 3, 38, 166, 177, 200 DL of 2007-08, 8, 14, 26,44,94, 119, 181,185 DL of 2008-09, 4, 6, 9,11-13, 15, 16, 18-24, 26, 28-35, 37, 39-44 DL of 2009-10	2004-05 to March 2011	109.95	109.95
16	EE, PWD (Bridge) Dn.Bilaspur	1 to 25 of DL 2008-09; 1 to 13 DL of 2009-10; 1 to 7, 10 to 14 DL of 2010-11	2008-09 to March 2011	63.23	63.23
17	EE, PWD, B&R Mahasamund {ADB	2008-09 {2371.32}; 2009-10{1260.44}(₹ in lakh)	2008-09 to March 2011	36.31	36.31

	project}				
18	EE, PWD, Dn.3, Raipur {ADB project}	2008-09 {497.77} 2009-10 {22291.97}2010-11{25655.48}(₹ in lakh)	2008-09 to March 2011	484.46	484.46
19	EE, PWD Dn. Khairagarh {ADB project}	2008-09 {1749.75} 2009-10{386.64)(₹ in lakh)	2008-09 to March 2011	21.37	21.37
20	EE, PWD, Dn.Vidhan Sabha, Raipur	16 DL of 2006-07; 12, 71, 85, 114, 119 DL of 2007-08; 7, 14, 24, 98, 102, 142, 149, 150 DL of 2008-09; 13, 14, 21,26, 34, 36, 55, 62, 63, 76, 77 81, 84 DL of 2009-10; 2, 51, 54 DL of 2010-11	April 2010 to March 2011	30.62	30.62
21	EE, PWD, B&R Rajnandgaon	Total amount paid to contractors for various works	April 2001 to March 2011	116.29	116.29
22	EE, PWD, B&R Balod, Durg	120, 38, 102, 55, 118, 70, 107, 105, 52, 125, 48, 19, 98, 109, 110, 116, 50, 107. 118, 122, 124, 106, 46, 12, 195, 119, 120,118, 130,27, 5,101, 102, 28, 128, 123, 126, 121, 125, 86, 91, 116, 123, 18, 11, 130, 13, 128, 129, 127, 69, 121, 17, 82, 110, 54, 114, 33, 131, 125, 107, 113, 112, 104, 43, 30, 21, 100, 66, 117, 124, 127, 89, 90, 111, 10, 40, 46, 88, 85, 45, 128, 129, 121, 126, 20, 49, 64, 160, 06, 83, 84, 99, 75, 03, 122, 5GE, 88, 4, 45, 87, 108, 81, 124, 115, 49, 41, 63, 68, 71, 131, 78, 44, 42, 12GE, 72, 123, 131, 126, 3GE, 7GE, 120, 118 of 2008-09; 23, 15, 11, 221, 17, 14, 18, 19, 19, 26, 27, 28, 29, 30, 20, 7, 4, 19GE, 24, 12GE, 18GE, 20GE, 21GE, 5GE, 27GE, 22GE, 17GE, 28GE, 5, 10GE,7GE, 23GE, 22, 9, 20GE, 25GE, 15GE, 18GE, 11GE, 13GE, 16GE,14GE, 28, 29, 30, 3, 5, 6, 9, 12, 10, 13, 16, 2, 8, 4, 15, 23, 2, 7, 1, 1DL,6GE, 1GE, 3GE, 2GE, 1GE, 2GE, 8GE, 4GE, 9GE, 9n of 2009-10; 10, 12, 13, 02, 03, 05, 03, 02, 22, 20, 24, 26, 18, 12, 16, 29, 3, 30, 31, 1, 3GE, 24, 1, 19, 19GE, 4GE, 12GE, 1GE, 15GE, 5GE, 3GE of 2010-11	June 2008 to March 2011	106.29	106.29
23	EE, PWD(B&R), South Bastar Dn., Dantewada	29 works and 35, 31, 21, 03, 02, 36, 42 of 2008-09; 40 works of 2009-10; 26 works of 2010 (upto August)	1April 2008 to August 2010	19.49	19.49
		TOTAL		**1532.01**	**1532.01**
		3.Panchayat and Rural Development Department			
1	EE PIU-1 PMGSY, Kawardha	1 to 4, 6 & 13 DL of 2004-05, 16 , 18 , 21 , 22 DL of 2005-06, 1 to 5, 7 to 11 , 13 , 14, 20 & 25 DL of 2006-07, 1 to 3 , 8 to 10 , 13 to 25 DL of 2007-08, 1 to 3 , 22 & 25 DL of 2008-09	June 2008 to February 2010	148.19	148.19
2	EE, PMGSY, Kanker	13 DL of 2004-05,7 to 12 DL of 2008-09, 10,13 to 19 DL of 2008-09	June 2008 to March 2011	46.41	46.41
3	EE, PMGSY PIU-I Dhamtari	45,47,49 to 54 DL of 07-08 54 DL of 08-09; 56 DL of 2010-11	June 08 to March 2010	22.49	22.49
4	EE, PMGSY Saraipali, Mahasamund	1,2,3,4 DL of 2008-09; 1,3,4 DL of 2010-11	June 2008 to March 2011	9.78	9.78
5	EE cum-Member Secretary, (PMGSY) PIU-I, Bilaspur	1 DL to 11DL of 2007-2008, 1DL to 3 DL of 2008-2009	June 2008 to March 2010	3.99	3.99
6	EE, PMGSY, Gariabandh	1,2,3,4 DL of 2006-07; 4,5,6,8,9,10,11DL of 2007-08; 1,4 DL of 2008-09	June 2008 to March 2009	5.54	5.54
7	EE PIU-1 PMGSY Rajnandgaon	32 DL & 35 DL of 2005-06, 3DL, 4DL, 5DL 8DL, 38DL to 46 DL of 2006-07, 1 DL to 3 DL, 12 DL to 14 DL, 16 DL, 17DL, 22 DL, 51 DL to 53 DL & 55DL to 61 DL of 2008-09	June 2008 to July 2010	128.59	128.59
8	EE, PIU-1 PMGSY Raipur	10 DL of 2004-05, 3 DL, 11DL & 14 DL of 2005-06, 1 DL, 2DL & 4DL of 2006-07, 9 DL of 2007-08	June 2008 to May 2010	147.44	147.44
9	EE PIU-1 PMGSY Jagdalpur	30 DL, 33DL & 37 DL of 2004-05, 1 DL, 4 DL, 48 DL & 49 DL of 2006-07, 1 DL to 12 DL, 16 DL to 26 DL, 28 DL, 50 to 54 DL, 59 DL, 62 DL to 69 DL & 75 DL of 2007-08, 1DL to 7 DL, 10 DL, 13 DL to 21 DL, 67 DL, 72 DL, 73 DL, 76 DL to 81 DL of 2008-09	June 2008 to March 2009	139.67	139.67
10	EE PIU-1 PMGSY Ambikapur	24 DL of 2005-06, 7DL, 5 DL of 2006-07, 1DL to 9 DL, 14 DL & 40 DL to 47 DL of 2007-08, 1 DL to 5DL, 10 DL, 11DL, 13 DL & 21DL of 2008-09	June 2008 to March 2009	193.62	193.62
11	EE, PMGSY PIU-I Janjgir Champa	4 of 2005-06, 1to10 of 2007-08 1,2,4 to 8 of 2008-09	June 2008 to Jan 2011	24.03	24.03
12	EE, PMGSY Dantewara	6,8&9 of 2005-06, 2,3,5 to 9 of 2006-07, 1 to 13 of 2007-08, 1 to 13 of 2008-09, 2 of 2010-11	June 2008 to Feb. 2011	22.89	22.89
13	EE, PMGSY Baloda Bazar, Raipur	1,2,4,7,8,9,10 DL of 2007-08	June 2008 to March 2011	11.32	11.32

14	EE, PMGSY,Raigarh	1,2 DL of 2008-09	June 2008 to March 2009	8.66	8.66
15	EE, PMGSY, PIU No. 1 Durg	1 to 5 DL of 2008-09	June 2008 to March 2011	45.55	45.55
16	EE, RES, Dhamtari	02, 03, 7064 of 2008-09; 297, 323, 350, 270, 303, 304, 131, 129, of 2009-10	April 2009 to March 2010	2.57	2.57
17	EE, RES, Dn-1, Ambikapur	2 to 4DL of 2008-09; 1,3,6,7 to 10 DL of 2009-10	June 2008 to September 2011	0.19	0.19
18	EE, RES Korba	38 to 76 , 78 to 84, 86 to 97, 99 to 106DL of 2008-09; 1 to 29, 37,43,45 to 53 , 55 to 62DL of 2009-10; 1 to 7, 9 to 36, 38 to 73 DL of 2010-11	June 2008 to October 2011	4.82	4.82
19	EE, RES Kanker	1,6,7,10-13, 16-20,22,23,25-30, 33-47 DL of 2008-09; 11-13,15-21,23-30,32-36,43,46-49,51-55,66-82,87-89,95,101 DL of 2009-10		4.26	4.26
20	EE,RES Janjgir	2 to 5,8 to 18,20,22 to 26,28 DL of 2008-09; 1,3 to 8,11,12,14,15DL of 2009-10; 1 to 21,35 to 40,61 to 63,83,84,95 to 109 DL of 2010-11; 16 to 23,38 to 44 DL of 2011-12	June 2008 to September 2011	10.6	10.6
21	EE, RES Dantewada	1,2,3,7DL of 2009-10; 1,5,6,14DL of 2008-09; 38,39 7DL, 7,41 to 43DL of 2007-08; 13,21,22,23,26DL of 2006-07; 1 to 8, 13DL of 2010-11; 12DL of 2005-06	June 2008 to March 2011	0.24	0.24
22	EE, RES Kondagaon	18 to 21,24,27,29 to 32,34 to 37, 40 to 44, 49, 50,52 to 55,57,58,59,62,63,65,1 to 19,21 to 25,31 to 39,41 to 49,52 to 59,65,66 of 2008-09; 1 to 3,9,10,11,13,16,17,19 to 28,31,32,34,35,40,46,68 to 74, 77 to 85 90 to118 DL of 2010-11, 1 to 14 of 2011-12	June 2008 to September 2011	3.86	3.86
23	EE, RES Balod	1 to 5DL of 2008-09; 1o to 46DL of 2009-10; 1 to 3,5 to 17DL of 2010-11; 1 to 4DL of 2011-12	June 2008 to August 2011	0.84	0.84
24	EE, RES, Baikunthpur, Koria	8,9, 16 to 39DL of 2008-09; 17,1,27,20,29,37,26,18,38,33,35,44,19,42,21,28,16,15,40,22,13DL of 2009-10,21,20,25,5,7,22,23,3,32,1,8,12,16,14,30,37,39,36,17,12,40,41,42,13,54,56,52,53,46,45,49,11,55,15,35,51,57,58,48,47,43,59,38,23,18DL of 2010-11; 3,16,6,14,18,7,19,50,20,17,21,22,24,2,27,30,1,4,26,13DL of 2011-12	June 2008 to August 2011	0.64	0.64
25	EE,RES Abhanpur	53,61,63,80,81,82,89,99,103DL of 2009-10;47,56,64,66 to 68,70,72 to 78,84,89,90,91,92,93,95,98,101,102,104,105,106,112,115,116,118,142 DL of 2010-11' 113,113,114DL of 2011-12; 51,69,97DL of 2008-09	June 2008 to June 2011	1.01	1.01
26	EE,RES Mahasamund	Various agreements	June 2008 to June 2011	2.93	2.93
		TOTAL		**990.13**	**990.13**
		4. Water Resources Department			
1	EE, WRD Division Dharamjaygarh	5 DL & 13DL of 2004-2005, 3 DL, 5 DL & 31 DL of 2005-2006, 1DL to 3 DL, 10 DL to 12 DL, 14 DL & 16 DL of 2006-2007, 1DL to 6 DL, 8 DL to 16 DL & 18 DL to 23DL of 2008-2009, 1DL to 22 DL of 2009-2010	June 2008 to June 2010	33.62	33.62
2	EE, Water Management Division No-1 Raipur	21 DL & 25 DL of 2003-04, 9 DL & 17 DL of 2004-05, 17DL & 18 DL of 2005-06, 2 DL, 11DL, 16 DL, 25 DL & 27 DL of 2006-07, 1 DL, 6 DL, 7DL &8DL of 2007-08, 1DL, 3DL to 8 DL, 10 DL to 16 DL of 2008-09, 1 DL to 17 DL, 19 DL, 20 DL, 24 DL, 25DL of 2009-10, 1 DL to 3 DL of 2010-11	June 2008 to June 2010	114.56	114.56
3	EE, WRD -1 Ambikapur.	1DL &3 DL of 2006-07, 1 DL, 2DL & 4 DL of 2007-08, 1DL, 2DL to 6 DL, 8 DL to 16 DL of 2008-09, 1DL & 2DL, 4 DL & 5 DL & 7 DL of 2009-10	June 2008 to July 2010	25.81	25.81
4	EE, WRD, Kanker	68,70,72,73,74 DL of 2008-09; 28,29,30,33,38,59,60 DL of 2009-10; 21,30 DL of 2010-11	June 2008 to March 2011	1.62	1.62
5	EE, Kharkhara-Mohdipat Project Dn, Durg	2, 3, 9, 10, 14, 15, 16, 20, 23, 25 of 2008-09; 2, 3, 5, 6, 7, 8, 10 of 2009-10; 1 of 2010-11	April 2008 to August 2010	22.42	22.42
6	EE, WRD, Tandula Dn. Durg	8 to 13 DL of 2000-01; 1 to 19 DL of 2001-02, 1 to 25 DL of 2002-03; 6 to 40 DL of 2003-04; 1 to 51 DL of 2004-05; 1 to 32 DL of 2005-06; 1 to 16 DL of 2006-07; 1 to 43 DL of 2007-08; 1 to 35 DL of 2008-09; 1 to 14 DL of 2009-10; 1 to 5 DL of 2010-11	January 2001 to March 2011	339.35	339.35
7	EE, MJP, Dishnet Div. No. 3, Tilda	7 to 26 DL of 2008-09; 1 to19 DL of 2009-10; 1 to 3 DL of 2010-11	June 2008 to March 2009	86.55	86.55
8	EE, Maniyari WRD, Mungeli	20 of 2001-02, 10,11,14 to 17 & 37 of 2005-06, 1,3 to 5 & 9 of 2006-07, 1,5,6,7,12 to24 of 2007-08, 1,3 to 12, 19 to20 of 2008-09, 1&5 of 2009-10	June 2008 to Jan. 2011	20.83	20.83
9	EE, WRD, Raigarh	1,14 DL of 2006-07; 1,9 DL of 2007-08;1,6,7,8,9,11,12,13,14,16 DL of 2008-09;1,2,5 to 7 DL of 2009-10	June 2008 to March 2011	18.79	18.79
10	EE, WRD,Pendra Road,	1 to 14 DL of 2008-09; 1 to 9 DL of 2009-10, 1 to 7 DL of 2010-11	June 2008 to March	34.71	34.71

	Bilaspur		2011		
11	EE, Water Management Dn-2 Baloda Bazar	4DL &5DL of 2004-2005, 1DL & 4DL of 2006-2007, 1DL, 2 DL, 4DL, 5DL & 9to 12 DL of 2007-2008, 1 to 12 DL of 2008-2009, 1 DL to 6 DL of 2009-2010	June 2008 to March 2010	10.77	10.77
12	EE WRD, Marwahi, Bilaspur	12 &14 of 2005-06, 4 0f 200607, 1,2,3,6 to 9 &13 of 2007-08, 1,3,11 of 2008-09, 1,6 of 2009-10, 7 of 2010-11	June 2008 to Dec.2010	1.19	1.19
13	EE, Sutiapat project Kabirdham	2 DL of 2006-07; 1, 2 DL of 2007-08; 4, 5, 6, 10, 11 DL of 2008-09; 1, 3, 5 DL of 2009-10	June 2008 to Dec.2010	36.02	36.02
14	EE, Minimata Bango Canal Div.5, Kharasia	8,13,14,17 to 23 DL 2008-09; 6 DL of 2009-10; 1to 11 & 15 to 21 DL of 2010-11	June 2008 to March 2011	13.57	13.57
15	EE, WRD, Gariabandh	1 to 15 DL of 2009-10; 3 DL of 2010-11	June 2008 to March 2011	32.19	32.19
16	EE, WRD, Dhamtari	10,11,12 DL of 2008-09; 1 to 9 DL of 2009-10; 1 to 5 DL of 2010-11	June 2008 to March 2011	41.65	41.65
17	EE, WRD, Mahasamund	7 to 9, 16 to 20 DL of 2008-09; 1 to 9 DL of 2009-10	June 2008 to March 2011	9.91	9.91
18	EE, MRP, Dam Division No-2 Rudri, Dhamtari	1 to 18 DL of 2008-09; 1 to 11 DL of 2009-10; 1 to 12 DL of 2010-11	June 2008 to March 2011	18.06	18.06
19	EE, WRD, Kasdol (Raipur)	1,3,4,6 DL of 2008-09; 1,2,4,5,6,7 DL of 2009-10; 1,2,4,5,10 DL of 2010-11	June 2008 to March 2011	8.66	8.66
20	EE, E&M (HEMM) Division Rudri, Dhamtari	3 DL of 2008-2009, 1 to 4 DL of 2009-10	June 2008 to July 2010	0.24	0.24
21	EE, WRD, MRP Dn. Phase 2, Raipur	1,2,4 to 7 DL of 2008-09; 1 to 4 DL of 2009-10; 1 to 7 DL of 2010-11	June 2008 to March 2011	4.79	4.79
22	EE, E&M, Light Machinery Tube-well & Gate WRD, Raipur	12,13 of 2008-09, 1to4,11, 14 to 17 of 2009-10, 2to 10, 13 & 14	June 2008 to March 2011	0.84	0.84
23	EE, E&M, Light Machinery Tube-well & Gate WRD, Durg	14,15,16,20,25 DL of 07-08 1,3,5 to 8,20,21,23 to 26 DL of 08-09 1 to 4,8,9,11,20 to 23 DL of 09-10	June 2008 to March 2011	4.03	4.03
24	EE, E&M, Light Machinery Tube-well & Gate WRD, Bilaspur	1 DL of 1999-00; 2 DL of 2000-01; 1, 2 DL of 2001-02; 1, 2 to 6 DL of 2002-03; 1 to 8 DL of 2003-04; 1 to 4 DL of 2004-05; 1 to 8 DL of 2005-06, 2 to 7, 9 to 14 DL of 2006-07; 1 to 7 DL of 2007-08; 1 to 5, 8 to 13 DL of 2008-09; 1, 2, 4, 5, 7 DL of 2009-10; 2, 3, 7, 23 to 25 DL of 2010-11	June 2008 to March 2011	5.02	5.02
25	EE, (WRD) Div. Kawardha	22,17,21, DL of 2007-08; 2, 3, 5, 6, 7, 9, 11, 21, 22, 23, 26, 28, 34, 35, 45, 46, 56, 64, 66, 74, 87, 95, 97, 107, 108, DL of 2008-09; 1, 2, 3, 4, 6, 7, 11, 14, 15, 16, 19, 20, 21, 22, 23, 24, 29, 35, 38, 39, 40, 41, 61 DL of 2009-10; 17, 27, 28, 34, 54, 55, 57, 58, 60, 64, 65, 66, 67 DL of 2009-10; 1, 2, 3, 4, 6, 7, 8, 9, 10, 25, 26, 27, 29, 24, 25, 32, 33, 35, 36, 58, 61, 63 DL of 2010-11	June 2008 to March 2011	24.16	24.16
26	EE, (WRD) Div. Kharang, Bilaspur	50 DL of 2004-05; 15 DL of 2005-06; 7,37,38,46,48,50,56,58,59,60,76 DL of 2006-07; 6 to 8,11,13 to 16,18,19,24,25,27,28 to 47,49 DL of 2007-08; 1 to 5 ,7 to 10, 13 to 48,51,122 to 125 DL of 2008-09; 2 to 4,6 DL of 2009-10	June 2008 to March 2011	88.27	88.27
27	EE,WRD, (Rajnandgaon)	10, 13, 15, 16, 17 of 2008-09; 1, 2, 3, 5,6, 7, 8, 9, 10, 16, 17 of 2009-10; 01, 02, 04 of 2010-11	April 2008 to March 2011	26.17	26.17
28	EE,WRD, Chhuikhadan, Rajnandgaon	1,2,3, 5 to 10, 13 to 15 DL 2008-09, 1 to 8 DL of 2009-10,	June 2008 to March 2011	7.51	7.51
29	EE, Kelo Project of Survey Div., Raigarh	4 DL of 2006-07, 7,9,11 DL of 2007-08; 1,4,9,10,11 DL of 2009-10; 1,2,3,5,6,7 DL of 2010-11	2010-2011	71.85	71.85
30	EE, Kelo Project, Kharasia (Raigarh)	6 DL of 06-07; 1,2,5,6 DL of 07-08; 1,2 DL of 2008-09	June 2008 to March 2011	4.33	4.33
31	EE, E/M Dn Raigarh	1 to 8, 10 DL of 2007-08 1 to 5, 7, 8 , 10 , 61 DL of 2008-09; 1, 21 DL of 2009-10	April 2000 to March 2011	0.23	0.23

32	EE, WRD, Raipur	1, 2, 3, 6 DL of 2008-09; 1,5 DL of 2009-10; 1 Dl of 2010-11	June 2008 to March 2011	3.75	3.75
33	EE, WRD, Kondagaon Dn.	Total amount paid to contractors for various works	June 2008 to June 2011	21.88	21.88
		TOTAL		**1133.35**	**1133.35**
		5. Chhattisgarh Housing Board			
1	CG Housing Board, Durg	75 & 81 of 2008-09	June 2008 to March 2011	299.52	299.52
2	CG Housing Board, Rajnandgaon	65 to 72, 75, 78 to 80, 83, 87, 91, 92 DL of 2009-10; 93, 96 to 115DL of 2010-11	June 2008 to March 2011	9.18	9.18
3	EE CGHB Dn-II Raipur	3,5,6,10,11,17,60,63 DL of 2005-06,56,81,93,94 DL of 2006-07, 34,42,45,122,123,127,129,131,132 DL of 2007-08, 1 to 9,12 to 15, 18 to 21,137 143,146 DL of 2008-09,8,10,11,13 DL of 2009-10, 1 to 4, 6 to 10, 13, 15to 17,20,21 DL of 2010-11,2,3 DL of 2011-12.	June 2008 to March 2011	160.19	160.19
4	EE CGHB Capital Project Dn-Raipur	8 to 14, 18 to 20, 22 DL of 2008-09, 26,27 DL of 2009-10, 29 DL of 2010-11	June 2008 to March 2011	128.27	128.27
		TOTAL		**597.16**	**597.16**
		Chhattisgarh Rural Roads Development Authority			
1	EE-cum-Member Secretary, Unit No.6, CGRRDA, Jagdalpur	72, 76, 74, 73, 78, 77 of 2008-09	April 2008 to October 2008	10.72	10.72
2	EE-cum-Member Secretary, Unit No.2 CGRRDA, Jashpur	1 to 4,24 DL of 2008-09, 1 to 6, 24 DL of 2009-10, 1 to 7, 9DL of 2010-11, 7 to 10 DL of 2011-12	June 2008 to December 2010	24.16	24.16
		GRAND TOTAL		**4514.49**	**4514.49**

Appendix-2.16

(Referred to in paragraph 2.3.1; page no 130)

Statement showing blockage of funds due to execution of work without obtaining clearance of forest land

Sl. No	Name of work	District	Year of sanction	Total road length (KMS)	Length under Forest Area (KMS)	Work stopped since	Status of executed work (in Kms)	Amount paid (₹ in lakh)	Letter No seeking permission of Forest Deptt./Status
1	Badedongar Road to Kongur	Bastar	2001-02	19.00	19.00	04/ 2006	E/W= 14 KM	30.20	work cancelled
2	Kodagaon Narayanpur Marg to Malakot	Bastar	2001-02	6.20	6.20	-do-	upto WBM in some stretches	55.84	10741 dt.30-10-06
3	Kodagaon Umarlkot R.D. 15 Kms to Kulijhar	Bastar	2004-05	6.00	6.00	-do-	upto WBM in some stretches	63.83	10741 dt.30-10-06
4	Bedama Aamabeda to Binjhe	Bastar	2001-02	7.70	1.00	04/ 2004	E/W 7.70 KM, GSB 5.2 Kms	27.21	10741 dt.30-10-06
5	Bedama Aamabeda to Khetarpal	Bastar	2001-02	2.75	2.75	-do-	upto WBM in some stretches	19.59	10741 dt.30-10-06
6	Kerlapal to Badesatti	Dantewada	2000-01	21.50	21.50	-do-	WBM/BT in some stretches	67.72	1426 dt.22-8-06
7	Katekalyan to Gokhpal VIA Badegudra	Dantewada	2003-04	28.80	28.80	-do-	upto WBM	21.62	1424 dt.22-8-06
8	Gudse to Pujaripara	Dantewada	2004-05	2.00	2.00	-do-	Earthen Road	20.02	1424 dt.22-8-06
9	Badegudra to Chhotegudra	Dantewada	2004-05	6.00	6.00	-do-	Earthen Road	83.93	1424 dt.22-8-06
10	Garhmiri (Mundapara) Road KM 1.50 to Putmarkapara	Dantewada	2004-05	3.30	3.30	-do-	Earthen Road	65.53	1424 dt.22-8-06
11	Burgum to Permapara	Dantewada	2004-05	3.60	3.60		Earthen Road	36.97	1424 dt.22-8-06
12	Gadiras Jirampal Fulbagdi Rd KM 6.00 to Dabbaras	Dantewada	2004-05	1.50	1.50		Earthen Road	9.45	1426 dt.22-8-06
13	Antagarh Aamabeda Nawagaon to Sarandi	Kanker	2004-05	16.00	16.00	01/2006	Earthen Road	133.57	26 dt 25-8-06
14	Kotadol to Murkil	Koriya	2004-05	24.73	14.0	04/ 2006	upto WBM	82.57	740 dt 22-1-07
15	Manpur to Tohe	Rajnandgaon	2003-04	6.00	2.80		WBM /BT in some stretches	107.98	10995 dt 10-11-06
16	Chouki Mohla to Kandadi	Rajnandgaon	2003-04	6.00	3.00		WBM /BT in some stretches	108.35	10995 dt 10-11-06
17	Kandri to Bhavanipur	Surguja	2001-02	11.09	5.50	04/ 2006	upto WBM G-III	200.68	10213 dt 3-10-06
18	Chando to Kurdih	Surguja	2001-02	5.30	1.10	-do-	WBM /BT in some stretches	82.75	10213 dt 3-10-06
19	Kusmi to Ghutradih	Surguja	2003-04	8.50	1.40	-do-	upto WBM	63.33	10213 dt 3-10-06
20	Ratasili Surbena to Chandadandi	Surguja	2003-04	14.50	1.40	-do-	upto WBM	110.64	10213 dt 3-10-06
21	Chando to Karchachhawari	Surguja	2003-04	9.38	1.10		WBM /BT in some stretches	83.21	10213 dt 3-10-06
22	Narbadapur Patelpara to Parpatiya Bhandarpara	Surguja	2004-05	30	5		WBM /CC in some stretches	507.95	10213 dt 3-10-06
23	Sarbhanja Tibeti Camp to Sagawn Sewarpara	Surguja	2004-05	10	3		upto WBM	183.01	10213 dt 3-10-06
24	Kundpan Sunderpur Road to Gudah	Surguja	2004-05	4	2		upto WBM	88.27	10213 dt 3-10-06
				253.85	**157.95**			**2254.22**	

Appendix 2.17

(Referred to in paragraph 2.3.2, page no 131)

Statement showing list of equipment lying idle in store in ITIs

Sl. no	Details of machine/equipments	Make/ Model	Name of firm	Supply order no	Date	Quan-tity	Amount paid (₹)	Date of receipt of machine	Status of equipment	Department's reply	Place
1	Electric Furnaces with thermo couple	Power-tronics	-do-	DET/ 1095	9.2.07	2	1950000	29.10.07	Not installed due to non-availability of 60 KW , 3 phase electric power, cable connection for indoor operation.	Department stated that action for providing proper electric supplies will be intimated.	Bhilai
2	Bench Type Drilling Machine	AARPEE RPD-15B	-do-	DET/ 5895	29.8.09	2	183800	28.12.09	Purchased for ITI, Patan but lying idle at ITI, Bhilai	Action is being taken to start the equipment	Patan
3	Pillar type Drilling Machine	AARPEE RPD-25	-do-	DET/ 5895	29.8.09	2	217338	28.12.09	Purchased for ITI, Patan but lying idle at ITI, Bhilai	Due to non-availability of building, the trade is not operational. Action is also being taken to start the equipment	Patan
4	Exhaust gas analyzer (4 gases with engine) i/c other item (LMV trade)	Indus PEA 20S	Shikhar Agencies, Raipur	DET/ 5701	24.8.09	4	207000	15.2.10	Lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli
5	Cold storage Plant with controls and accessories	Modtech	-do-	DET/ 6907	22.10.09	3	3160080	8.4.10	Not being utilized, lying idle	Department stated that the supplier has been asked to repair the technical deficiencies and leakage of the valves.	Durg(1), Ambikapur(2)
6	Conductivity type level sensor based indicating system	Anshuman	-do-	DET/ 6884	21.10.09	2	1258202	6.4.10	Equipment has been installed but not being utilized	Department stated that the equipment is not working due to non-availability of software.	Koni
7	Ultrasonic level measurement system for liquid level control	Anshuman	-do-	DET/ 6884	21.10.09	2	1387617	6.4.10	Equipment has been installed but not being utilized	Department stated that the equipment is not working due to non-availability of software.	Koni
8	Submerged Arc welding machine-800 AMP	ADOR Fontech/ Tornado M1000	M/s Robust Business Solution, Raipur	DET/ 6908	21.10.09	1	837000	13.4.10	Lying idle due to want of accessories.	Department stated that procurement of accessories is under process.	Dondi Lohara
9	Seam Welding machine 25 kva	Kirpekar	-do-	DET/ 6912	21.10.09	2	1729038	15.4.10	Lying idle due to want of accessories.	Department stated that procurement of accessories is under process.	Baloda bazar(1), Dondi Lohara(1)
10	Spot Welding	Kirpekar	-do-	DET/ 6912	21.10.09	5	1963109	15.4.10	Lying idle due to want of accessories.	Department stated that procurement of accessories is under process.	Baloda bazar(1), Dondi Lohara(1)
11	Tools & equipments for fitter, welder and LMV trade		Tools International, Raipur	ITI/ 5715	24.8.09	25	204511	30.4.10	Not being utilized, lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli
12	Tools & equipments for, welder trade		New Raj Electricals, Jabalpur	DET/ 5716	26.2.10	16	83000	30.4.10	Not being utilized, lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli
13	Tools & equipments for fitter, welder and LMV trade		Tools International, Raipur	ITI/ 1233	26.2.10	19	105696	30.4.10	Not being utilized, lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli
14	Machines/Equipments for Diesel Mechanic Trade	Aztec/Basant	M/s Bits & Bytes computers, Raipur	DET/ 8979	19.2.08	27	1200308	13.10.08	Not yet utilized	The equipments taken back by supplier on 27-6-11 for replacement.	Baloda Bazar
15	Micro meter (9 different equipment) for BBBT	Indian Tool Instruments	M/s Technocrat Enterprises, Raipur	DET/ 6904	21.10.09	40	738420	13.5.10	Not yet utilized	The equipments taken back by supplier on 27-6-11 for replacement.	Baloda Bazar
16	Instruments for fitter, trade		M/s Trade India Center, Raipur	DET/ 2010	21.6.10	19	110014		Not being utilized, lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli

17	Misc. item for, fitter, LMV. weldingTrade		Shakti stores Raipur	DET/			36466		Not being utilized, lying idle	Equipment lying idle in store as only electrical and computer trade was being operated in the ITI	Mungeli
18	Spray Outfit		Technova Industrial Park, Durg	ITI/ 2153, 2154	24.8.09	3	898510	24.12.09	Not installed	The supplier is being directed to install the equipment early to commence the training.	Ambikapur
19	Air compressor Two stage	New Anucool	M/s New Anucool Engineers, Kolhapur	DET/ 6910	21.10.09	5	815000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
20	Cut section of Rotary hermetic compressor approx 1.5 tons	New Anucool	-do-	DET/ 6910	21.10.09	1	72900	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
21	Cut section of screw compressor approx 1.0 Tons	New Anucool	-do-	DET /6910	21.10.09	1	162600	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
22	Cut section of Semi-hermetic screw compressor approx 1 ton	New Anucool	-do-	DET/ 6910	21.10.09	1	221900	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
23	Dry Nitrogen cylinder of 5 to 7 cu. ft. capacity filled and double stage regulator, 10mm approx. hose pipe	New Anucool	-do-	DET/ 6910	21.10.09	7	357000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
24	Pressure testing tank with lightening arrangements with high pressure gauges	New Anucool	-do-	DET/ 6910	21.10.09	5	1250000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
25	Shell and tube type chiller 1.0 ton capacity	New Anucool	-do-	DET/ 6910	21.10.09	3	315000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
26	Shell and tube type condenser 1.0 ton capacity	New Anucool	-do-	DET/ 6910	21.10.09	2	165000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
27	Thermoelectric refrigerator	New Anucool	-do-	DET/ 6910	21.10.09	2	144000	22.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
28	Testing Machine for calibration, testing of electrical starter, relay	--	M/s Bits & Bytes computers, Raipur	ITI/A MB/ 2147	4.8.09	1	344760	5.3.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
29	All geared Head SS & SC Lathes, Distance between centres: 1500, swing over Bed: 500	AARPEE KRS-25C/ 150	M/s R.P. Engg Co., Batala	DET/ 1224	26.2.10	2	911769	28.12.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
30	Bench Type Drilling Machine	AARPEE RPD-15B	-do-	DET/ 1224	26.2.10	2	183800	28.12.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
31	Pillar type Drilling Machine	AARPEE RPD-25	-do-	DET/ 1224	26.2.10	2	217338	28.12.10	Not installed and not working	Department stated that due to lack of space in the office building, the equipment has not been installed	Ambikapur
							21431176				

Appendix-2.18

(Referred to in paragraph 2.4.1; page no 132)

Department wise details of outstanding inspection reports and paragraphs as on 31 March 2011

Sl. No.	Department	IRs	Paras
1	Water Resource Department	497	1807
2	Public Health Engineering	153	549
3	Public Works Department	277	1107
4	PMGSY	41	249
5	Agriculture	106	288
6	Cooperation	107	366
7	Employment /Training & Manpower	75	227
8	Fisheries	25	66
9	Food and Civil Supplies	25	106
10	General Admn.	205	708
11	Handicrafts	25	61
12	Higher Education	68	206
13	Horticulture	44	211
14	Industries	20	136
15	Information & Public relation	28	65
16	Jail	25	87
17	Labour	13	22
18	Law & justice	33	76
19	Panchayat	327	1654
20	Police	92	265
21	Public Health & family Welfare	175	867
22	RES	71	377
23	School Education	345	864
24	Sericulture	25	82
25	Town & Country planning	14	88
26	Tribal	135	505
27	Veterinary	41	186
28	Weight & Measurement	7	14
29	Women & Child Welfare	171	569
30	Miscellaneous	96	482
	Total	**3234**	**12290**

Appendix-2.19

(Referred to in paragraph 2.4.1; page no 132)

Department wise details of outstanding Inspection Reports and paragraphs as on 31 March 2011

Sl. No.	Department	Total IRs issued during 2008-09, 2009-10 and 2010-11	Total pending IRs of 2008-09, 2009-10 and 2010-11	Cases of Non-receipt of first reply
1	Water Resource Department	31	31	21
2	Public Health Engineering	17	17	13
3	Public Works Department	27	27	15
4	PMGSY	9	9	8
5	Agriculture	25	25	17
6	Cooperation	9	9	4
7	Employment /Training & Manpower	28	28	21
8	Fisheries	17	17	13
9	Food and Civil Supplies	5	5	5
10	General Admn.	26	26	12
11	Handicrafts	3	3	3
12	Higher Education	15	15	12
13	Horticulture	10	10	2
14	Industries	9	9	8
15	Information & Public Relation	6	6	3
16	Jail	8	8	6
17	Labour	2	2	1
18	Law & justice	6	6	1
19	Panchayat	34	34	24
20	Police	15	15	9
21	Public Health & family Welfare	36	36	27
22	RES	10	10	3
23	School Education	54	54	35
24	Sericulture	7	7	4
25	Town & Country planning	1	1	0
26	Tribal	34	34	13
27	Veterinary	18	18	15
28	Weight & Measurement	1	1	1
29	Women & Child Welfare	47	47	34
30	Miscellaneous	12	12	10
	Total	**522**	**522**	**340**

Appendix- 3.1

(Referred to in paragraph 3.1; page no 134)

Statement showing the details of State Plan Schemes and Central Sector/Centrally sponsored schemes

State Plan Scheme

1. *Kisan Samridhi Yojana*
2. Seed distribution Scheme
3. Minor irrigation
4. Micro-minor irrigation
5. *Shakhambari*
6. Soil conservation
7. *Krishak Samagra Vikas Yojna*
8. Machine and tractor scheme etc.
9. Chhattisgarh State Krishak Welfare council
10. State Land Use Board
11. Incentive scheme for *Janjagaran Abhiyan* of refugees
12. Information and communication for agriculture production
13. State level training Academy
14. Assistance for Chhattisgarh State Marketing Federation
15. *Rashtriya Krishi Bima Yojna*
16. *Khalihan Bima Yojna*
17. *Mousamadharit Phasal Bima Yojna*
18. *Balram Krishi Yantriki Karan Protsahan Yojna*
19. Farmers training and tour
20. Grant-in-aid to Non-Government Organisation
21. Establishment of Soil Testing Laboratory (Bastar)
22. Grant for Low-lift
23. Grant to Indira Gandhi *Krishi Vishwa Vidyalaya.*

Central Sector/Centrally Sponsored Scheme

1. Macro Management Schemes (ICDP- Rice, Wheat and Cereals, National Watershed Development Project for rainfed areas (NWDPRA), State Land Use Board (SLUB), Promotion of Agriculture Mechanisation Among farmers)
2. ISOPOM Schemes (Pulse, Oilseed and Maize)
3. Agriculture Technical Management Agency (ATMA)
4. Subsidy on Sprinkler sets for irrigation
5. Rastriya Krishi Vikas Yojna (RKVY).
6. National Food Security Mission (NFSM)
7. Demonstration of newly developed implements on the field of farmers
8. Production of high quality seeds
9. Agrisnet Scheme
10. *Rashtriya Jaivik Kheti Yojna*
11. Publicity of Post harvesting agriculture implements

Appendix-3.2

(Referred to in paragraph 3.6.1; page no 137)

Statement showing Component wise details of Central sector and centrally sponsored Schemes

Name of Major Component	Name of Scheme			
	MMA	ISOPOM	RKVY	NFSM
Seed Component				
Purchase of breeder seeds	Yes	Yes	No	Yes
Production of foundation seeds	Yes	Yes	No	Yes
Production and distribution of certified	Yes	Yes	No	Yes
Demonstration of latest seed varieties	Yes	Yes	No	Yes
Distribution of seed minikits	Yes	Yes	No	Yes
Plant protection and micro nutrients				
Integrated Nutrient/Pest Management (INM/IPM) including gypsum/lime	Yes	Yes	No	Yes
Plant protection equipments (sprayers)	Yes	Yes	No	Yes
Irrigation devices				
Distribution of Sprinkler/Drip irrigation	No	Yes	No	Yes
Assistance for pump sets, tube wells/shallow tube wells and its recharge	Yes	No	Yes	No
Farm Mechanization				
Assistance for Tractors and tractor	Yes	No	Yes	Yes
Distribution of small implements	Yes	No	No	Yes
Trainings				
Trainings to farmers and staff	Yes	Yes	Yes	Yes
Soil and water conservation				
Construction of minor irrigation tanks	No	No	Yes	No
Watershed projects	Yes	No	No	No
Infrastructure development (construction of godown, lab etc)	No	Yes	Yes	No
Organic farming (vermi composts)	No	No	Yes	No

(Source: Compiled from the information provided by the department)

Appendix- 3.3

(Referred to in paragraph 3.6.3; page no 138)

Funds released under NFSM and ISOPOM

(₹ in lakh)

Districts	Amount released under ISOPOM (Pulses) and NFSM (Pulses)					
	2007-08		2008-09		2009-10	
	ISOPOM	NFSM	ISOPOM	NFSM	ISOPOM	NFSM
Raipur	25.79	80.17	38.30	386.79	15.85	368.65
Durg	56.90	18.50	91.11	948.53	86.29	47.73
Rajnandgaon	21.76	20.60	28.28	193.27	9.11	200.39
Kabirdham	23.63	4.24	47.16	253.62	3.16	203.67
Bilaspur	34.92	23.30	33.99	658.52	6.43	154.38
Surguja	30.60	11.94	35.55	558.63	17.12	128.78
Raigarh	10.82	32.59	8.58	188.24	4.97	115.40
Jashpur	8.11	4.26	8.47	166.00	6.08	14.05
Korba	0.00	0.00	0.00	0.00	0.00	0.00
Koriya	0.00	0.00	0.00	0.00	0.00	0.00
Dantewada	0.00	0.00	0.00	0.00	0.00	0.00
Total	**212.53**	**195.6**	**291.44**	**3353.6**	**149.01**	**1233.05**

(Source: Expenditure statement of the schemes)

Appendix-3.4

(Referred to in paragraph 3.7.2; page no 139)

Details of outstanding Temporary advances on March 2011

(₹ In lakh)

	2006-07		2007-08		2008-09		2009-10		2010-11		Total
Name of District	**T**	**O**	**T**	**O**	**T**	**O**	**T**	**O**	**T**	**O**	**Out-standing**
Ambikapur	411.24	389.16	22.26	21.1	10.1	10.1	36.71	36.71	5.00	5.00	462.07
Jagdalpur	0.7	0.7	21.85	21.85	67.65	67.07	13.12	13.12	19.51	19.51	122.25
Bilaspur	0.5	0.5	0.2	0.2	10.15	10.15	18.56	18.56	75.65	75.65	105.06
Raipur	0.58	0.58	15.98	8.93	19.91	5.11	49.491	15.81	78.45	63.68	94.11
Janjgir	0.24	0.24	0.62	0.62	0.78	0.78	29.95	29.95	3.81	3.81	35.40
Kawardha	0.76	0	3.98	3.98	2.27	2.27	5.35	5.35	5.56	5.56	17.16
Grand Total	**414.02**	**391.18**	**64.89**	**56.68**	**110.86**	**95.48**	**153.18**	**119.50**	**187.98**	**173.21**	**836.05**

(T-Total advance given in the year; O-Outstanding at the end of the year)

(Source: Information collected from test checked DDAs)

Appendix- 3.5

(Referred to in paragraph 3.7.4; page no 140)

Statement showing details of outstanding AC bills for want of DC bills

(₹in lakh)

Name of Office	Period of drawal of AC bills	Total amount drawn on AC Bills	Amount adjusted in DC bills	Amount pending for DC Bills
ASCO, Raipur	12/2010 to 02/2011	618.99	512.37	106.62
ASCO, Gariyaband	05/2007 to 07/2010	763.06	763.06	Nil
ASCO, Kabirdham	03/2007	59.43	Nil	59.43
ASCO, Kondagaon	03/2007 to 06/2008	247.16	180.06	67.10
ASCO, Jagdalpur	06/2006 to 08/2007	151.43	Nil	151.43
ASCO, Baloda bazar	07/2009 to 01/2011	84.23	54.21	30.02
TOTAL		**1924.3**	**1509.70**	**414.60**

(Source: Information collected from ASCOs)

Appendix- 3.6

(Referred to in paragraph 3.8.2.3(b) page no 148)

Year wise details of Breeder seeds purchased in respect of Pulses, Oil seeds and Maize

(Quantity in Quintal)

	Maize		Pulse		Oilseeds	
Year	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
2006-07	18.0	3.8	190	122.46	325	188.47
2007-08	20.00	1.66	230	199.72	380	408.51
2008-09	10.00	0.20	170	115	380	177.00
2009-10	5.00	00	50	79.68	300	188.00
2010-11	8.7	1.66	NA	NA	100	74.62
Total	**61.70**	**7.32**	**640**	**516.86**	**1485**	**1036.6**

(Source: Information collected from Directorate and compiled)

Year wise details of Foundation seeds produced in respect of Pulses, Oilseeds and maize

(Quantity in Quintal)

	Maize		Pulse		Oilseeds	
Year	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
2006-07	360	20.28	3550	532.96	4000	842
2007-08	400	129.00	3900	281.78	4400	798.58
2008-09	800	12.00	1650	260.00	5450	735
2009-10	25	09.00	500	372.98	2000	230.50
2010-11	75	75.80	NA	NA	2500	817.41
Total	**1660**	**246.08**	**9600**	**1447.72**	**18350**	**4423.49**

(Source: Information collected from Directorate and compiled)

Year wise details of Certified seeds produced in respect of Pulses, Oilseeds and maize

(Quantity in Quintal)

	Maize		Pulse		Oilseeds	
Year	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
2006-07	100	851.62	5000	1080.48	3000	4930.01
2007-08	2000	926.64	5500	737.91	6000	7012.98
2008-09	1000	639.25	7200	6228.00	19000	19726.00
2009-10	300	551.80	7000	5147.02	20000	34061.00
2010-11	585	318.46	NA	NA	41000	40000.05
Total	3985	3287.77	24700	13193.41	89000	105730.04

(Source: Information collected from Directorate and compiled)

Year wise details of Certified seeds produced in respect of Pulses, Oilseeds and maize

(Quantity in Quintal)

	Maize		Pulse		Oilseeds	
Year	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
2006-07	400	27.95	12000	2890.21	35000	22042.54
2007-08	450	500.92	13200	5219.08	40000	20021.61
2008-09	600	243.00	7000	2054	40000	35775.00
2009-10	250	454.00	2500	4908.51	48000	55743.05
2010-11	627	190.50	NA	NA	60000	60016.60
Total	**2327**	**1416.37**	**34700**	**15071.80**	**223000**	**193598.80**

(Source: Information collected from Directorate and compiled)

Appendix –3.7

(Referred to in paragraph 3.8.3.2; page no 150)

Details of MITs not handed over to panchayats

Year	No of MITs sanctioned	No of MITs completed	MITs transferred	No of MITs not handed over	Expenditure incurred on MITs not transferred (₹ in lakh)
2007-08	94	93	45	48	555.87
2008-09	94	91	39	52	690.44
2009-10	75	74	26	48	713.05
2010-11	93	85	31	54	984.99
Total	**356**	**343**	**141**	**202**	**2944.35**

(Source: Information provided by the department)

Appendix-3.8

(Referred to in paragraph 3.8.4.2; page no 151)

Details of excess assistance paid from RKVY

(In Rupees)

Name of the implements	Maximum assistance payable as per MMA guidelines	Assistance payable under RKVY	State Share	Actual assistance paid from RKVY	Excess Assistance paid under RKVY	No of Implements distributed	Total Excess Assistance paid under RKVY
Power Tiller	45000	45000	25000	70000	25000	575	14375000
Rotavator	20000	20000	10000	30000	10000	224	2240000
Power Thresher	12000	12000	12000	24000	12000	514	6168000
Reeper	40000	40000	40000	80000	40000	376	15040000
							37823000

(Source: Information provided by the department

Appendix-3.9

(Referred to in paragraph 3.8.8.2; page no 155)

Statement showing details of employees attached in other departments

District	Name of Unit	Designation	No. of employees attached	Office in which attached	Period of attachment	Expenditure incurred(in lakh ₹) on pay and allowances during the period of attachment
Kabirdham	DDA	Assistant Statistical Officer	01	Commissioner, Land Records	08/2010 to 03/2011	NA
		Peon	01	CEO, Zila Panchayat	09/2000 to 03/2011	NA
Raipur	DDA, Fertilizer Quality Control laboratory	Peon	01	Mantralaya	04/2006 to 03/2011	NA
	DDA, Tissue culture Lab	Agriculture Development Officer	02	Mantralaya	12/2000 to 03/2011	NA
	Joint Director	Assistant Grade-II	04	Mantralaya	12/2000 to 03//2011	36.46
	SDO, Raipur	RAEO	01 01	Zila Panchayat, CG SC/ST Development Authority, Raipur	04/2006 to 03/2011 06/2009 to 03/2011	6.33 3.32
	CG Training Academy, Raipur	Assistant Gr-III	01	Mantralaya	08/2007 to 03/2011	NA
Janjgir-Champa	SDO, Janjgir	Peon Peon	01 01	Collectorate, Janjgir Tehsil office,	05/2006 to 03/2011 09/2006 to 03/2011	5.10 4.64
Jagdapur	DDA, Jagdalpur	Assistant Gr-III	01	CEO, Zila Panchayat	06/2003 to 03/201	9.00
Bilaspur	DDA, Bilaspur	Driver	02	Collectorate	09/200 to 03/2011 10/2008 to 03/2011	12.56 4.61
TOTAL						**82.02**

(Source: Information provided by the department)

Appendix-3.10

(Referred to in paragraph 3.8.9.2; page no 156)

Statement showing details of Agricultural implements remaining undistributed

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
RAIPUR	Aarang	Battery sprayer	1	NO.	2360.00
RAIPUR	Dharsiva	Battery sprayer	4	NO.	9440.00
RAIPUR	Gariabandh	Battery sprayer	5	NO.	11800.00
		Battery sprayer Total			23600.00
RAIPUR	Raipur	Chillet Zinc	562.75		34890.50
		Chillet Zinc Total			34890.50
JANJGIR	Janjgir	Cycle Wheel Ho	1	NO.	410.00
JANJGIR	Malkharoud	Cycle Wheel Ho	1	NO.	410.00
		Cycle Wheel Ho Total			820.00
JANJGIR	Malkharoud	Cypar Medrim	22	LITRE	8030.00
		Cypar Medrim Total			8030.00
RAIPUR	Raipur	FOOT SPRAYER	926	NO.	1139452.26
RAIPUR	Aarang	FOOT SPRAYER	103	NO.	126793.00
RAIPUR	Dharsiva	FOOT SPRAYER	131	NO.	161261.00
RAIPUR	Dharsiva	FOOT SPRAYER	35	NO.	43085.00
RAIPUR	Abhanpur	FOOT SPRAYER	250	NO.	307750.00
RAIPUR	Tilda	FOOT SPRAYER	50	NO.	61550.00
RAIPUR	Tilda	FOOT SPRAYER	100	NO.	123100.00
RAIPUR	Tilda	FOOT SPRAYER	60	NO.	73860.00
RAIPUR	Tilda	FOOT SPRAYER	100	NO.	123100.00
RAIPUR	Mainpur	FOOT SPRAYER	40	NO.	49240.00
RAIPUR	Mainpur	FOOT SPRAYER	25	NO.	30775.00
RAIPUR	Gariabandh	FOOT SPRAYER	50	NO.	56550.00
RAIPUR	Chura	FOOT SPRAYER	60	NO.	73860.00
		Total FOOT SPRAYER			2370376.26

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
JANJGIR	Malkharoud	Hand Ho	28	NO.	1680.00
SURJUGA	Batoli	Hand Ho	50	NO.	3000.00
		Total Hand Ho			4680.00
SURJUGA	Sitapur	Hansiya	922	NO.	41490.00
SURJUGA	Batoli	Hansiya	982	NO.	44190.00
		Total Hansiya			85680.00
JANJGIR	Baminidih	Ligh Trap	2	NO.	9750.00
JANJGIR	Janjgir	Ligh Trap	2	NO.	9750.00
JANJGIR	Malkharoud	Ligh Trap	3	NO.	14625.00
RAIPUR	Raipur	Ligh Trap	11	NO.	53625.00
RAIPUR	Tilda	Ligh Trap	1	NO.	4875.00
		Total Ligh Trap			92625.00
JANJGIR	Janjgir	Low Lift Pump	5	NO.	3875.00
RAIPUR	Raipur	Low Lift Pump	1	NO.	350.00
SURJUGA	Sitapur	Low Lift Pump	2	NO.	1974.00
SURJUGA	Mainpat	Low Lift Pump	1	NO.	987.00
SURJUGA	Lundra	Low Lift Pump	10		9870.00
		Total Low Lift Pump			17056.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
RAIPUR	Raipur	Microraizer	1061	Packet	99468.75
RAIPUR	Aarang	Microraizer	322	kg	30187.50
RAIPUR	Abhanpur	Microraizer	325	kg	30468.75
RAIPUR	Dharsiva	Microraizer	145	Packet	18125.00
RAIPUR	Mainpur	Microraizer	200	kg	25050.00
RAIPUR	Gariabandh	Microraizer	315	Packet	29531.00
		Total Microraizer			232831.00
JANJGIR	Malkharoud	Monocromefas	25	LITRE	6400.00
		Total Monocromefas			6400.00
JANJGIR	Akaltara	Plough	16	NO.	16640.00
JANJGIR	Akaltara	Plough	20	NO.	10400.00
JANJGIR	Malkharoud	Plough	21	NO.	10920.00
RAIPUR	Dhabra	Plough	25	NO.	
JANJGIR	Malkharoud	Plough	58	NO.	48720.00
JANJGIR	Shakti	Plough	80	NO.	0.00
RAIPUR	Dhabra	Plough	19	NO.	
RAIPUR	Ambikapur	Plough	8	NO.	6600.00
JANJGIR	Shakti	Plough	20	NO.	0.00
		Total Plough			93280.00
JANJGIR	Malkharoud	Seed Treatment Drum	4	NO.	3460.00
KAWARDHA	Kawardha	Seed Treatment Drum	5	NO.	4675.00
JANJGIR	Shakti	Seed Treatment Drum	1	NO.	0.00
KAWARDHA	Kawardha	Seed Treatment Drum	5	NO.	4675.00
RAIPUR	Raipur	Seed Treatment Drum	4	NO.	3900.00
		Total Seed Treatment Drum			16710.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in `
RAIPUR	Aarang	Sprayer	34	NO.	19108.00
SURJUGA	Ambikapur	Sprayer	113		58082.00
SURJUGA	Ambikapur	Sprayer	3	NO.	1686.00
SURJUGA	Mainpat	Sprayer	2	NO.	1124.00
KAWARDHA	Kawardha	Sprayer	4	NO.	2248.00
RAIPUR	Dharsiva	Sprayer	23	NO.	12926.00
RAIPUR	Aarang	Sprayer	57	NO.	32034.00
RAIPUR	Abhanpur	Sprayer	13	NO.	7306.00
RAIPUR	Abhanpur	Sprayer	94	NO.	52828.00
SURJUGA	Ambikapur	Sprayer	15	NO.	8430.00
SURJUGA	Ambikapur	Sprayer	2		1124.00
RAIPUR	Aarang	Sprayer	2	NO.	1124.00
RAIPUR	Aarang	Sprayer	32	NO.	17984.00
RAIPUR	Aarang	Sprayer	22	NO.	12364.00
RAIPUR	Aarang	Sprayer	100	NO.	56200.00
RAIPUR	Aarang	Sprayer	32	NO.	17984.00
RAIPUR	Aarang	Sprayer	100	NO.	56200.00
RAIPUR	Dharsiva	Sprayer	88	NO.	49456.00
RAIPUR	Dharsiva	Sprayer	29	NO.	16298.00
RAIPUR	Dharsiva	Sprayer	96	NO.	53952.00
RAIPUR	Aarang	Sprayer	10	NO.	5620.00
RAIPUR	Aarang	Sprayer	47	NO.	26414.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
RAIPUR	Aarang	Sprayer	100	NO.	56200.00
RAIPUR	Abhanpur	Sprayer	113	NO.	63506.00
RAIPUR	Abhanpur	Sprayer	200	NO.	112400.00
RAIPUR	Abhanpur	Sprayer	100	NO.	56200.00
RAIPUR	Tilda	Sprayer	72	NO.	40464.00
RAIPUR	Tilda	Sprayer	200	NO.	112400.00
RAIPUR	Tilda	Sprayer	100	NO.	56200.00
RAIPUR	Tilda	Sprayer	10	NO.	5620.00
RAIPUR	Tilda	Sprayer	150	NO.	84300.00
RAIPUR	Tilda	Sprayer	150	NO.	84300.00
RAIPUR	Mainpur	Sprayer	100	NO.	56200.00
RAIPUR	Mainpur	Sprayer	50	NO.	28100.00
RAIPUR	Gariabandh	Sprayer	30	NO.	16860.00
SURJUGA	Chura	Sprayer	70	NO.	39340.00
RAIPUR	Chura	Sprayer	150	NO.	84300.00
RAIPUR	Chura	Sprayer	63	NO.	35406.00
RAIPUR	Chura	Sprayer	177	NO.	99474.00
SURJUGA	Sitapur	Sprayer	1	NO.	562.00
SURJUGA	Sitapur	Sprayer	1	NO.	562.00
JANJGIR	Baminidih	Sprayer	39	NO.	26091.00
RAIPUR	Raipur	Sprayer	10	NO.	23600.00
KAWARDHA	Kawardha	Sprayer	1	NO.	3050.00
KAWARDHA	Kawardha	Sprayer	3	NO.	2490.00
KAWARDHA	Kawardha	Sprayer	1	NO.	3050.00
RAIPUR	Aarang	Sprayer	7	NO.	5810.00
RAIPUR	Abhanpur	Sprayer	10	NO.	8300.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
RAIPUR	Abhanpur	Sprayer	7	NO.	5810.00
RAIPUR	Tilda	Sprayer	10	NO.	8300.00
RAIPUR	Mainpur	Sprayer	4	NO.	18880.00
RAIPUR	Chura	Sprayer	8	NO.	18880.00
JANJGIR	Akaltara	Sprayer	39	NO.	26091.00
JANJGIR	Janjgir	Sprayer	17	NO.	9554.00
JANJGIR	Malkharoud	Sprayer	40	NO.	26760.00
JANJGIR	Malkharoud	Sprayer	7	NO.	3934.00
RAIPUR	Raipur	Sprayer	3294	NO.	1851228.00
KAWARDHA	Kawardha	Sprayer	4	NO.	3320.00
KAWARDHA	Kawardha	Sprayer	26	NO.	14612.00
KAWARDHA	Pandaria	Sprayer	26	NO.	14612.00
KAWARDHA	Pandaria	Sprayer	3	NO.	1686.00
JANJGIR	Shakti	Sprayer	6		3372.00
RAIPUR	Mainpur	Sprayer	50	NO.	25675.00
RAIPUR	Mainpur	Sprayer	50	NO.	28100.00
SURJUGA	Batoli	Sprayer	8	NO.	3584.00
SURJUGA	Batoli	Sprayer	7		3598.00
SURJUGA	Batoli	Sprayer	2		1124.00
SURJUGA	Batoli	Sprayer	7	NO.	3934.00
SURJUGA	Batoli	Sprayer	6	NO.	3372.00
SURJUGA	Lundra	Sprayer	8		4496.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
SURJUGA	Lundra	Sprayer	7		3934.00
SURJUGA	Udaypur	Sprayer	70		39340.00
SURJUGA	Lakhanpur	Sprayer	1		514.00
SURJUGA	Lakhanpur	Sprayer	16		8992.00
SURJUGA	Lakhanpur	Sprayer	9		5058.00
SURJUGA	Lakhanpur	Sprayer	100		56200.00
SURJUGA	Mainpat	Sprayer	7	NO.	3934.00
		Total Sprayer			3814171.00
RAIPUR	Raipur	tricodruma	7605	Packet	105101.10
KAWARDHA	Pandaria	tricodruma	141	Packet	1948.62
RAIPUR	Abhanpur	tricodruma	1700	Packet	23494.00
RAIPUR	Abhanpur	tricodruma	900	Packet	12438.00
RAIPUR	Tilda	tricodruma	195	Packet	2694.90
RAIPUR	Tilda	tricodruma	1500	Packet	20730.00
RAIPUR	Tilda	tricodruma	115	Packet	1589.30
RAIPUR	Dharsiva	tricodruma	1280	Packet	17689.60
RAIPUR	Dharsiva	tricodruma	115	Packet	5980.00
KAWARDHA	Kawardha	tricodruma	141	Packet	13867.00
		Total Tricodruma			205532.52
JANJGIR	Janjgir	udawani pankha	1	NO.	742.00
JANJGIR	Malkharoud	udawani pankha	10	NO.	7420.00
SURJUGA	Lakhanpur	udawani pankha	1		1392.00
		Total Udawani pankha			9554.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
JANJGIR	Shakti	Weeder	10	NO.	6750.00
JANJGIR	Akaltara	Weeder	10	NO.	6750.00
JANJGIR	Janjgir	Weeder	10	NO.	6750.00
JANJGIR	Janjgir	Weeder	9	NO.	6075.00
JANJGIR	Malkharoud	Weeder	11	NO.	7425.00
RAIPUR	Raipur	Weeder	40	NO.	27000.00
RAIPUR	Dhabra	Weeder	9	NO.	6075.00
JANJGIR	Akaltara	Weeder	10	NO.	3720.00
JANJGIR	Akaltara	Weeder	10	NO.	6200.00
JANJGIR	Janjgir	Weeder	10	NO.	6200.00
JANJGIR	Janjgir	Weeder	16	NO.	4960.00
JANJGIR	Malkharoud	Weeder	7	NO.	2240.00
RAIPUR	Dhabra	Weeder	14	NO.	4480.00
		Total Weeder			94625.00
JANJGIR	Shakti	Vermi Bed	220	NO.	660000.00
SURJUGA	Batoli	Vermi Bed	40	NO.	120000.00
RAIPUR	Aarang	Vermi Bed	6	NO.	18000.00
JANJGIR	Malkharoud	Vermi Bed	74	NO.	222000.00
RAIPUR	Raipur	Vermi Bed	62	NO.	186000.00
RAIPUR	Tilda	Vermi Bed	21	NO.	63000.00
		Total Wormi Bed			1269000.00
RAIPUR	Aarang	zinc chillted	187.5	kg	562500.00
RAIPUR	Abhanpur	zinc chillted	375	kg	1125000.00
		Total zinc chillted			1687500.00

DISTRICT	SADO	Name of implements	Quantity	Unit	Amount in ₹
JANJGIR	Malkharoud	Zinc Edta	908	Packet	102849.16
RAIPUR	Raipur	Zinc Edta	1733	Packet	196296.91
RAIPUR	Tilda	Zinc Edta	600	Packet	67962.00
RAIPUR	Dharsiva	Zinc Edta	570	Packet	64563.90
RAIPUR	Dharsiva	Zinc Edta	203	Packet	22993.81
RAIPUR	Dharsiva	Zinc Edta	360	Packet	40777.20
RAIPUR	Mainpur	Zinc Edta	450	Packet	50971.50
RAIPUR	Gariabandh	Zinc Edta	300	Packet	33981.00
RAIPUR	Gariabandh	Zinc Edta	250	Packet	28317.50
JANJGIR	Baloud	Zinc Edta	1000	Packet	113270.00
JANJGIR	Baloud	Zinc Edta	20	Packet	2265.40
		Total Zinc Edta			724248.38
		Grand Total			**10791609.66**

(Information collected from the test checked SDO, Agriculture offices)

Appendix-4.1.1

(Referred to in paragraph 4.1.7; page no. 166)

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2011 in respect of Government companies and Statutory corporations

(Figures in column 5 (a) to 6(d) are ₹ in crore)

Sl. No	Sector & Name of the company	Name of the Department	Month and year of incorpo-ration	Paid-up capital				Loans outstanding at the close of 2010-11				Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees)
				State Govern-ment	*Central Govern-ment*	*Others*	*Total*	*State Govern-ment*	*Central Govern-ment*	*Others*	*Total*		
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**	**7**	**8**
A. Working Government Companies													
AGRICULTURE & ALLIED													
1	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	Agriculture	08.10.2004	0.50	-	-	0.50	-	-	-	-	-	165
2	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	Forest	22.05.2001	25.73	0.92	-	26.65	-	-	-	-	-	595
Sector wise total				**26.23**	**0.92**	**-**	**27.15**	**-**	**-**	**-**	**-**	**-**	**760**
FINANCE													
3	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	Social Welfare	19.07.2004	5.00	-	0.00[1]	5.00	-	-	-	-	-	7
Sector wise total				**5.00**	**-**	**0.00**	**5.00**	**-**	**-**	**-**	**-**	**-**	**7**
INFRASTRUCTURE													
4	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	Finance	26.02.2001	4.20	-	-	4.20	-	-	-	-	-	5
5	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	Commerce & Industries	16.11.1981	1.60	-	-	1.60	22.96	-	-	22.96	14.35:1 (14.34:1)	289
Sector wise total				**5.80**	**-**	**-**	**5.80**	**22.96**	**-**	**-**	**22.96**	**3.96:1 (3.96:1)**	**294**
MANUFACTURING													
6	Chhattisgarh Mineral Development Corporation Limited (CMDC)	Geology & Mining	07.06.2001	1.00	-	-	1.00	-	-	-	-	-	234
7	CMDC ICPL Coal Limited (CICL) (Subsidiary of CMDC)	Geology & Mining	11.04.2008	-	-	37.00	37.00	-	-	-	-	-	-
8	Chhattisgarh Sondiha Coal Company Limited (Subsidiary of CMDC)	Geology & Mining	30.12.2008	-	-	5.91[2]	5.91	-	-	-	-	-	-
9	CSPGCL AEL Parsa Collieries Limited (CSPGCL AELPCL)	Geology & Mining	06.12.2010			0.05	0.05						
Sector wise total				**1.00**		**42.96**	**43.96**	**-**	**-**	**-**	**-**	**-**	**234**

[1] Actual amount is ₹ 8,000

[2] This includes Share Application money and Advance towards Share Capital.

Sl No	Sector & Name of the company	Name of the Department	Month and year of incorporation	Paid-up capital				Loans outstanding at the close of 2010-11				Debt equity ratio for 2010-11 (previous year)	Manpower (No. of employees)
				State Government	*Central Government*	*Others*	*Total*	*State Government*	*Central Government*	*Others*	*Total*		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
POWER													
10	Chhattisgarh State Power Distribution Company Limited (CSPDCL) (Subsidiary of CSPHCL)	Energy	19.05.2003	-	-	1987.35♠	1987.35	185.34	-	119.08	304.42	0.15:1	-
11	Chhattisgarh State Power Generation Company Limited (CSPGCL) (Subsidiary of CSPHCL)	Energy	19.05.2003	-	-	1193.73 *	1193.73	180.53	-	4443.64	4624.17	3.87:1	
12	Chhattisgarh State Power Holding Company Limited (CSPHCL)	Energy	30.12.2008	0.05	-	-	0.05	-	-	-	-	-	16920[3]
13	Chhattisgarh State Power Trading Company Limited (CSPTr.CL) (Subsidiary of CSPHCL)	Energy	30.12.2008	-	-	0.05	0.05	-	-	-	-	-	-
14	Chhattisgarh State Power Transmission Company Limited (CSPTCL) (Subsidiary of CSPHCL)	Energy	19.05.2003	-	-	655.15*	655.15	-	-	-	-	-	-
Sector wise total				**0.05**		**3836.28**	**3836.33**	**365.87**	**-**	**4562.72**	**4928.59**	**1.28:1**	**16920**
SERVICES													
15	Chhattisgarh State Beverages Corporation Limited (CSBCL)	Commercial Tax	07.11.2001	0.15	-	-	0.15	-	-	-	-		51
16	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	Food, Civil Supplies & Consumer Protection	13.03.2001	0.90	-	0.00[4]	0.90	-	-	300.01	300.01	333.34:1 (815.73:1)	683
Sector wise total				**1.05**	**-**	**0.00**	**1.05**	**-**	**-**	**300.01**	**300.01**	**285.72:1 (699.20:1)**	**734**
Total A (All sector wise working Government companies)				**39.13**	**0.92**	**3879.24**	**3919.29**	**388.83**	**-**	**4862.73**	**5251.56**	**1.34:1 (54.31:1)**	**18949**

♠ This includes share application money and Deferred Capital contributions towards share capital

* This includes share application money

3 Pending allocation of manpower among the five power companies, total number of employees of the erstwhile CSEB is shown against CSPHCL

4 Actual amount is ₹ 7,000

Sl No	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital[1]				Loans[2] outstanding at the close of 2010-11				Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**	**7**	**8**
B. Working Statutory corporations													
POWER													
1.	Chhattisgarh State Electricity Board[5] (CSEB)	Energy	15.11.2000	-	-	-	-	-	-	-	-	-	-
Sector wise total				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
MISCELLANEOUS													
2.	Chhattisgarh State Warehousing Corporation (CSWC)	Food	02.05.2002	0.50	-	0.50	1.00	-	-	6.50	6.50	6.50:1	701
Sector wise total				**0.50**	**-**	**0.50**	**1.00**	**-**	**-**	**6.50**	**6.50**	**-**	**701**
Total B (All sector wise working Statutory Corporations)				**0.50**	**-**	**0.50**	**1.00**	**-**	**-**	**6.50**	**6.50**	**-**	**701**
Grand Total (A + B)				**39.63**	**0.92**	**3879.74**	**3920.29**	**388.83**	**-**	**4869.23**	**5258.06**	**1.34:1 (52.95:1)**	**19650**

5 CSEB was un-bundled into five companies (Sl. No. A-10 to 14 above) w.e.f. 1 January 2009 as per State Government Gazette Notification dated 19 December 2008. As per Transfer Scheme Rules, 2010 notified (31 March 2010) by State Government, all interests, rights, properties, liabilities, etc. of CSEB stand transferred to and vested with the State Government w.e.f. 1 January 2009. As such, CSEB did not virtually hold any assets, liabilities, etc. with effect from the said date. The name of CSEB has been included in the Chapter for reconciliation purpose as CSEB, having pendency in finalisation of accounts, is appearing under ***Appendix 4.1.2.***

Appendix-4.1.2

(Referred to in paragraph 4.1.15; page no. 169)

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to (11) are ₹ in crore)

No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment[6]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed[7]	Return on capital employed[8]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
A. Working Government Companies														
AGRICULTURE & ALLIED														
1.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	2004-06	2010-11	0.15	-	0.07	0.08	33.57	(-) 0.21	0.50	0.08	3.33	0.08	2.40
2.	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	2009-10	2010-11	24.87	-	0.41	24.46	39.43	2.13	26.65	71.10	99.65	24.46	24.55
Sector wise total				**25.02**	**-**	**0.48**	**24.54**	**73.00**	**1.92**	**27.15**	**71.18**	**102.98**	**24.54**	**23.83**
FINANCE														
3.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	2007-08	2010-11	0.64	0.04	0.01	0.59	0.64	Non-review	5.00	0.96	10.06	0.63	6.26
Sector wise total				**0.64**	**0.04**	**0.01**	**0.59**	**0.64**	**Non-review**	**5.00**	**0.96**	**10.06**	**0.63**	**6.26**
INFRASTRUCTURE														
4.	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	2005-06	2010-11	0.02	-	0.02	-	0.31	Non-review	4.20	(-) 0.86	2.44	-	-

[6] Impact of accounts comment includes the net impact of qualifications of statutory auditors and comments of CAG and is denoted by (+) increase in profit/decrease in loss (-) decrease in profit/increase in loss

[7] Capital employed represents net fixed assets (including capital work in progress) plus working capital except in case of finance companies/corporation where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposit and borrowing (including refinance)

[8] Return on capital employed has been worked out by adding profit and interest charged to profit and loss account

No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment[6]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed[7]	Return on capital employed[8]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
5.	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	2005-06	2010-11	10.30	2.84	0.20	7.26	66.68	(-) 2.09	1.60	(-) 35.61	31.83	10.10	31.73
Sector wise total				**10.32**	**2.84**	**0.22**	**7.26**	**66.99**	**(-) 2.09**	**5.80**	**(-) 36.47**	**34.27**	**10.10**	**29.47**
MANUFACTURING														
6.	Chhattisgarh Mineral Development Corporation Limited (CMDC)	2006-07	2010-11	(-) 1.06	-	0.07	(-) 1.13	3.10	(-) 0.36	1.00	(-) 2.82	1.10	(-) 1.13	-
7.	CMDC ICPL Coal Limited (CICL) (Subsidiary of CMDC)	2010-11	2011-12	-	-	-	-	-	-	37.00	NIL	35.68	-	-
8.	Chhattisgarh Sondiha Coal Company Limited (Subsidiary of CMDC)	2010-11	2011-12	(-) 0.02	-	-	(-) 0.02	-	Non-review	5.91	(-) 0.03	0.04	(-) 0.02	-
9.	CSPGCL AEL Parsa Collieries Limited (CSPGCL AELPCL)	2010-11	2011-12	-	-	-	-	-	-	0.05	-	-	-	-
Sector wise total				**(-) 1.08**	**-**	**0.07**	**(-) 1.15**	**3.10**	**(-) 0.36**	**43.96**	**(-) 2.85**	**36.82**	**(-) 1.15**	**-**
POWER														
10.	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	2008-09	2011-12	82.80	12.44	23.59	46.77	1149.44	(-) 1025.62	1987.35	55.84	2293.93	59.21	2.58
11.	Chhattisgarh State Power Generation Company Limited (CSPGCL)	2008-09	2011-12	(-) 78.26	49.15	46.08	(-) 173.49	371.04	1.53	1193.73	(-) 162.89	3213.48	(-) 124.35	-
12.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	First Account not finalized												

No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment[6]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed[7]	Return on capital employed[8]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
13.	Chhattisgarh State Power Trading Company Limited (CSPTr.CL)	2009-10	2011-12	1.86	-	-	1.86	4.39	Under finalisation	0.05	1.86	1.90	1.86	97.89
14.	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	2008-09	2011-12	5.20	10.77	28.21	(-) 33.78	56.64	Under finalization	655.15	(-)37.04	1069.26	(-) 23.00	-
Sector wise total				**11.60**	**72.36**	**97.88**	**(-) 158.64**	**1581.51**	**(-) 1024.09**	**3836.28**	**(-) 142.23**	**6578.57**	**(-) 86.28**	**-**
SERVICES														
15.	Chhattisgarh State Beverages Corporation Limited (CSBCL)	2008-09	2011-12	5.46	-	0.09	5.37	354.01	Non Review	0.15	6.96	7.06	5.37	76.06
16.	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	2008-09	2011-12	50.25	90.83	0.65	(-) 41.23	2699.94	Under finalization	0.90	(-) 81.24	277.75	49.60	17.86
Sector wise total				**55.71**	**90.83**	**0.74**	**(-) 35.86**	**3053.95**	**-**	**1.05**	**(-) 74.28**	**284.81**	**54.97**	**19.30**
Total A (All sector wise working Govt. companies)				**102.21**	**166.07**	**99.40**	**(-) 163.26**	**4779.19**	**(-) 1024.62**	**3919.24**	**(-) 183.69**	**7047.51**	**2.81**	**0.04**
B. Working Statutory Corporations														
POWER														
1.	Chhattisgarh State Electricity Board (CSEB)	2007-08	2010-11	770.43	187.79	125.63	457.01	3972.45	(-) 1878.74	23.12	2162.95	5969.56	644.80	10.80
Sector wise total				**770.43**	**187.79**	**125.63**	**457.01**	**3972.45**	**(-) 1878.74**	**23.12**	**2162.95**	**5969.56**	**644.80**	**10.80**
MISELLANEOUS														
2.	Chhattisgarh State Warehousing Corporation (CSWC)	2009-10	2010-11	23.52	0.01	1.67	21.84	52.39	-	1.00	72.95	103.76	21.85	21.06
Sector wise total				**23.52**	**0.01**	**1.67**	**21.84**	**52.39**	**-**	**1.00**	**72.95**	**103.76**	**21.85**	**21.06**

No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comment[6]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed[7]	Return on capital employed[8]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
Total B (All sector wise working Statutory Corporations)				**793.95**	**187.80**	**127.30**	**478.85**	**4024.84**	**(-) 1878.74**	**24.12**	**2235.90**	**6073.32**	**666.65**	**10.98**
Grand Total (A + B)				**896.16**	**353.87**	**226.70**	**315.59**	**8804.03**	**(-) 2903.36**	**3943.36**	**2052.21**	**13120.83**	**669.46**	**5.10**

Note: 1. Company at serial number A-4 is functioning on 'no profit no loss' basis

Appendix-4.1.3

(Referred to in paragraph 4.1.10; page no.167)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2011

(Figures in column 3 (a) to 6 (d) are ₹in crore)

Sl. No	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year[9]				Guarantees received during the year and commitment at the end of the year[10]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commit-ment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	-	-	25.47	-	-	25.47	-	-	-	-	-	-
Sector wise total				**25.47**	**-**	**-**	**25.47**	**-**	**-**	**-**	**-**	**-**	**-**
FINANCE													
2.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	-	-	-	0.15 (0.10)	-	0.15 (0.10)	2.33	2.00	-	-	-	-
Sector wise total		**-**	**-**	**-**	**0.15 (0.10)**	**-**	**0.15 (0.10)**	**2.33**	**2.00**	**-**	**-**	**-**	**-**
INFRASTRUCTURE													
3.	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	-	-	-	(0.30)	-	(0.30)	-	-	-	-	-	-
4.	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	-	0.01	5.70	37.95	-	43.66	-	-	-	-	-	-
Sector wise total			**0.01**	**5.70**	**37.95 (0.30)**	**-**	**43.66 (0.30)**	**-**	**-**	**-**	**-**	**-**	**-**
MANUFACTURING													
5.	Chhattisgarh Mineral Development Corporation Limited (CMDC)	-	-	-	(24.00)	-	(24.00)	-	-	-	-	-	-
Sector wise total		**-**	**-**	**-**	**(24.00)**	**-**	**(24.00)**	**-**	**-**	**-**	**-**	**-**	**-**

9 Figures in bracket under column 4(a) to 4(d) indicate grants

10 Figures indicate total guarantees outstanding at the end of the year

Sl. No	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commit-ment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
SERVICES													
6.	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	-	-	198.75	95.02	-	293.77	-	-	-	-	-	-
Sector wise total				**198.75**	**95.02**		**293.77**	-	-	-	-	-	-
POWER													
7.	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	-	-	-	201.10 (78.49)	-	201.10 (78.49)	-	-	-	-	-	-
8.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	-	-	-	-	-	-	-	343.61	-	-	-	-
Sector wise total		**-**	**-**	**-**	**201.10 (78.49)**	**-**	**201.10 (78.49)**	**-**	**343.61**	**-**	**-**	**-**	**-**
Total A (All sector wise working Government companies)		-	**0.01**	**229.92**	**334.22 (102.89)**	**-**	**564.15 (102.89)**	**2.33**	**345.61**	**-**	**-**	**-**	**-**
B. Working Statutory Corporations													
MISELLANEOUS													
1.	Chhattisgarh State Warehousing Corporation (CSWC)	-	-	-	(8.92)	-	(8.92)	-	-	-	-	-	-
Sector wise total		**-**	**-**	**-**	**(8.92)**	**-**	**(8.92)**	**-**	**-**	**-**	**-**	**-**	**-**
Total B (All sector wise working Statutory Corporations)		**-**	**-**	**-**	**(8.92)**	**-**	**(8.92)**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A + B)		**-**	**0.01**	**229.92**	**334.22 (111.81)**	**-**	**564.15 (111.81)**	**2.33**	**345.61**	**-**	**-**	**-**	**-**

Appendix- 4.1.4

(Referred to in paragraph 4.1.24; page no.172)

Statement showing investments made by State Government in PSUs whose accounts are in arrears

(Figures in Column 4 and 6 to 9 are ₹ in crore)

Sl. No.	Name of the PSUs	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants	Others to be specified (subsidy)
1	2	3	4	5	6	7	8	9
	Working Companies/ Corporation							
1.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (CRBEKVNL)	2004-06	0.50	2006-07	-	-	1.00	-
				2007-08	-	-	1.00	0.20
				2008-09	-	-	-	0.35
				2009-10	-	-	-	-
				2010-11	-	-	-	-
2.	Chhattisgarh Rajya Van Vikas Nigam Limited (CRVVNL)	2009-10	26.65	2010-11	-	-	-	-
3.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	2007-08	5.00	2008-09	-	-	0.47	0.08
				2009-10	-	-	0.47	0.15
				2010-11	-	-	0.10	0.15
4.	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	2005-06	4.20	2006-07	-	-	-	-
				2007-08	-	-	0.25	-
				2008-09	-	-	0.25	-
				2009-10	-	-	0.30	-
				2010-11	-	-	0.30	-
5.	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	2005-06	1.60	2006-07	-	5.00	-	75.87
				2007-08	-	5.00	-	105.48
				2008-09	-	1.95	-	17.47
				2009-10	-	-	-	35.21
				2010-11	-	0.01	-	37.95
6.	Chhattisgarh Mineral Development Corporation Limited (CMDC)	2006-07	1.00	2007-08	-	-	41.17	-
				2008-09	-	-	-	-
				2009-10	-	-	58.52	-
				2010-11	-	-	24.00	-

(Figures in Column 4 and 6 to 9 are ₹ in crore)

Sl. No.	Name of the PSUs	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				
				Year	**Equity**	**Loans**	**Grants**	**Others to be specified (subsidy)**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
7	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	2008-09	1987.35	2009-10	-	-	46.00	150.10
				2010-11	-	-	78.49	201.10
8	Chhattisgarh State Power Generation Company Limited (CSPGCL)	2008-09	1193.73	2009-10	-	-	-	-
				2010-11	-	-	-	-
9.	Chhattisgarh State Power Holding Company Limited (CSPHCL)	First Account not finalised	0.05[11]	2009-10	0.05	440.66	100.80	100.00
				2010-11	-	-	-	-
10.	Chhattisgarh State Power Trading Company Limited (CSPTr.CL)	2009-10	0.05	2010-11	-	-	-	-
11.	Chhattisgarh State Power Transmission Company Limited (CSPTCL)	2008-09	655.15	2009-10	-	-	-	-
				2010-11	-	-	-	-
12.	Chhattisgarh State Beverages Corporation Limited (CSBCL)	2008-09	0.15	2009-10	-	-	-	-
				2010-11	-	-	-	-
13.	Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL)	2008-09	0.90	2009-10	-	500.00	-	1341.25
				2010-11	-	-	-	95.02
14.	Chhattisgarh State Electricity Board (CSEB)	2007-08	23.12	2008-09	-	-	-	29.50
15.	Chhattisgarh State Warehousing Corporation (CSWC)	2009-10	1.00	2010-11	-	-	8.92	-
	Total		**3900.45**		**0.05**	**952.62**	**362.04**	**2189.88**

[11] Investment extended during December 2008 (Company was incorporated on 30 December 2008) and included in 2009-10 as the Company had been preparing its first accounts for 15 months period up to March 2010

Appendix- 4.1.5

(Referred to in paragraph .4.1.15; page no.169)

Statement showing financial position of Statutory corporations

(₹ in crore)

Working Statutory Corporations			
1. Chhattisgarh State Electricity Board			
	2005-06	**2006-07**	**2007-08**
A. Liabilities			
Equity capital	23.12	23.12	23.12
Reserves and surplus	1413.92	1855.48	2335.92
Capital liabilities	1085.55	1701.57	2222.87
Loans and Advances	1034.20	809.06	764.95
Subsidy	585.73	1110.33	1232.50
Current liabilities and provisions	2486.12	2708.91	2776.20
Total A	**6628.64**	**8208.47**	**9355.56**
B. Assets			
Gross Block	2636.99	2867.30	5443.75
Less Depreciation	1325.41	1432.22	1557.84
Net Block	1311.58	1435.08	3885.91
Capital works-in-progress	1844.51	3231.76	1586.97
Investments	920.09	514.03	590.97
Deferred cost assets	1.01	1.07	0.11
Current Assets, loans and Advances	2544.39	3017.04	3282.88
Intangible Assets	7.06	9.49	8.72
Total B	**6628.64**	**8208.47**	**9355.56**
Capital employed	**3214.36**	**4974.97**	**5979.56**
2. Chhattisgarh State Warehousing Corporation			
A. Liabilities	**2007-08**	**2008-09**	**2009-10**
Paid up capital	1.00	1.00	1.00
Advances against Capital	-	-	-
Reserves and Surplus	65.29	79.04	100.48
Borrowings :			
Government	-	-	-
Others	2.30	0.41	1.94
Trade dues and current liabilities	30.66	43.20	74.11
Total A	**99.25**	**123.65**	**177.53**
B. Assets			
Gross Block	52.17	52.42	56.91
Less Depreciation	22.37	24.13	25.79
Net fixed assets	29.80	28.29	31.12
Capital work in progress	-	-	2.37
Current assets, loans and advances	69.45	95.36	144.04
Total B	**99.25**	**123.65**	**177.53**
Capital employed	**68.59**	**80.45**	**103.42**

Appendix-4.1.6

(Referred to in paragraph 4.1.15; page no.169)

Statement showing working results of Statutory corporations

(₹in crore)

A. Working Statutory corporations				
I.	**Chhattisgarh State Electricity Board**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
1	(a) Revenue receipts	3019.83	3134.64	3972.44
	(b) Subsidy/Subvention from Government	0.00	0.00	0.00
	Total (a+b)	**3,019.83**	**3,134.64**	**3972.44**
2	Revenue expenditure (net of expenses capitalised) including write-off of intangible assets but excluding depreciation and interest	2345.62	2441.73	3181.65
3	Gross Surplus (+)/Deficit(-) for the year (1-2)	674.21	692.91	790.79
4	Adjustments relating to previous years	19.01	(-)18.36	7.35
5	Final Gross Surplus(+)/Deficit(-) for the year (3+4)	693.22	674.55	798.14
6	Appropriations:			
	(a) Depreciation (less capitalised)	53.20	106.80	125.63
	(b) Interest on Government loans	132.85	63.01	75.44
	(c) Interest on others, bonds, advance, etc. and finance charges	106.18	103.55	200.90
	(d)Total interest on loans & finance charges (b+c)	239.03	166.56	276.34
	(e) Less: Interest capitalised	20.95	34.10	88.55
	(f) Net interest charged to revenue (d-e)	218.08	132.46	187.79
	(g) Total appropriations (a+f)	271.28	239.26	313.42
7	Surplus(+)/deficit(-) before accounting for subsidy from State Government {5-6(g)-1(b)}	421.94	435.29	484.72
8	Net Surplus(+)/Deficit(-) {5-6(g)}	421.94	435.29	484.72
9	Total return on capital employed	640.02	567.75	644.80
10	Percentage of return on capital employed	19.91	11.41	10.78
II.	**Chhattisgarh State Warehousing Corporation**			
		2007-08	**2008-09**	**2009-10**
1	**Income**			
	(a) Warehousing charges	28.17	36.76	46.58
	(b) Other Income	1.73	2.99	5.81
	Total (a+b)	**29.90**	**39.75**	**52.39**
2	**Expenses**			
	(a) Establishment charges	6.69	7.73	8.97
	(b) Other expenses	6.79	6.92	10.25
	Total (a+b)	**13.48**	**14.65**	**19.22**
3	Profit(+)/Loss(-) before tax (1-2)	16.42	25.10	33.17
4	Other appropriations	16.22	24.90	32.97
5	Amount available for dividend (3-4)	0.20	0.20	0.20
6	Dividend for the year	0.20	0.20	0.20
7	Total return on capital employed[11]	16.59	25.18	21.85
8	Percentage of return on capital employed	24.19	31.30	21.06

[11] This does not include prior period adjustment

Appendix – 4.2.1

(Referred to in paragraph 4.2.6 page no 181 and paragraph 4.2.6.1; page no 182)

Statement showing particulars of distribution network planned vis-à-vis achievement there against during 2006-07 to 2010-11

Sl. No.	Description	2006-07	2007-08	2008-09	2009-10	2010-11
(A)	**No. of Substations (of various categories)**					
i	At the beginning of the year	469	510	596	631	664
ii	Additions planned for the year	65	100	100	65	55
iii	Additions made during the year	41	86	35	33	27
iv	At the end of the year	510	596	631	664	691
v	Shortage in addition (ii – iii)	24	14	65	32	28
(B)	**HT Lines (in CKM)**					
i	At the beginning of the year	10521	11415	12526	13663	14170
ii	Additions planned for the year	1100	1200	1200	1200	700
iii	Additions made during the year	894	1111	1137	507	673
iv	At the end of the year	11415	12526	13663	14170	14843
v	Shortage in addition (ii – iii)	206	89	63	693	27
I	**LT Lines (in CKM)**					
i	At the beginning of the year	72036	80367	89577	1000599	110364
ii	Additions planned for the year	9000	8000	8000	10602	10300
iii	Additions made during the year	8331	9208	11022	9765	6549
iv	At the end of the year	80367	89577	100599	110364	116913
v	Shortage in addition (ii – iii)	669	(-)1208	(-)3022	837	3751
(D)	**Transformers Capacity (in MVA)**					
i	At the beginning of the year	2368	2653	2981	3231	3515
ii	Additions planned for the year	204	315	315	205	173
iii	Additions made during the year	285	328	250	284	203
iv	At the end of the year	2653	2981	3231	3515	3718
v	Surplus/shortage in addition	-81	-13	65	-79	- 30

Appendix – 4.2.2

(Referred to paragraph 4.2.6.4; page no 184)

Statement showing progress of installation of capacitor banks during 2006-07 to 2010-11

(in MVAR)

Year	Installed capacity at the beginning of the year	Targeted addition during the year	Actual addition during the year	Installed capacity at the close of the year	Percentage of shortfall in achievement of target
2006-07	18.80	60.00	49.40	68.20	17.67
2007-08	68.20	140.00	80.60	148.80	42.43
2008-09	148.80	200.00	164.40	313.20	17.80
2009-10	313.20	96.00	21.60	334.80	77.50
2010-11	334.80	60.00	15.20	350.00	74.67

Appendix – 4.2.3

(Referred to paragraph 4.2.8; page no 187)

Statement showing the progress of electrification under RGVVY Scheme during 2006-07 to 2010-11

Name of implementing agency	Name of district	Sanctioned provision				Work completed as reported by implementing agency				Report submitted by NHPC/NESCL for taking over				Taken over by CSPDCL				Balance for taking over			
		U/E villages	D/E villages	Elecfd. Villages	No. of BPL connection	U/E villages	D/E villages	Elecfd. Villages	No. of BPL connection	U/E villages	D/E villages	Elecfd. Villages	No. of BPL connection	U/E villages	D/E villages	Elecfd. Villages	No. of BPL connection	U/E villages	D/E villages	Elecfd. Villages	No. of BPL connection
NESCL	Bilaspur	0	0	1541	181458	0	0	630	109137	0	0	498	25662	0	0	440	24797	0	0	58	865
	Korba	8	12	592	66911	3	12	385	35071	3	12	352	18135	3	12	315	15347	0	0	37	2788
	Raigarh	20	2	1403	84002	12	0	238	28598	8	0	230	7791	8	0	183	5791	0	0	47	2000
NHPC	Kawardha	53	3	240	10021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Durg	0	0	582	12549	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Raipur	13	3	2083	72427	12	3	1485	68381	12	3	768	25798	12	3	676	25598	0	0	92	200
	Mahasamund	0	0	1106	11834	0	0	1106	11834	0	0	1081	10432	0	0	1078	10432	0	0	3	0
	Dhamtari	0	0	583	11264	0	0	577	10074	0	0	555	9653	0	0	554	9653	0	0	1	0
	Kanker	5	0	960	25880	1	0	468	17289	0	1	269	3735	0	1	225	3225	0	0	44	510
	Rajnandgaon	0	0	1551	13887	0	0	944	11789	0	0	477	7103	0	0	357	5951	0	0	120	1152
PGCIL	Surguja	1	114	1567	106937	67	7	0	8765	0	0	0	0	0	0	0	0	0	0	0	0
CSPDCL	Dantewada	6	79	839	54909	0	0	0	153	0	0	0	0	0	0	0	0	0	0	0	0
	Bastar	595	108	575	126215	0	0	0	1065	0	0	0	532	0	0	0	532	0	0	0	0
Total		**701**	**321**	**13622**	**778294**	**95**	**22**	**5833**	**302156**	**23**	**16**	**4230**	**108841**	**23**	**16**	**3828**	**101326**	**0**	**0**	**402**	**7515**
Percentages						**13.55**	**6.85**	**42.82**	**38.82**	**3.28**	**4.98**	**31.05**	**13.98**	**3.28**	**4.98**	**28.10**	**13.01**				

U/E villages = Un-electrified villages i.e. Un-electrified village is the village which do not fulfill all the four conditions stated in the definition for village electrification.
D/E villages = De-electrified villages i.e. De-electrified village refers to the villages already declared electrified but do not satisfy the revised definition stated in Para 4.2.10.
Electrified villages = Refers to the villages intended for intensive electrification i.e. the villages already electrified but some portion or the other is left out.

Appendix – 4.2.4

(Referred to in paragraph 4.2.9.3; page no.190)

Statement showing progress of installation of meters during 2006-07 to 2010-11

(In number)

Year	Meters installed at the opening of the year	Targeted for metering during the year	Actual meters installed during the year	Meters installed at the close of the year	Total no consumers	Percentage of achievement against the target	Percentage of achievement with respect to total no. consumers
2006-07	1485885	439725	388024	1873909	2482925	88.24	75.47
2007-08	1873909	407524	308512	2182424	2649061	75.70	82.38
2008-09	2182424	465416	553702	2736126	2821917	100.00	96.96
2009-10	2736123	84409	262339	2998462	3010348	100.00	99.61
2010-11	2998462	10348	304614	3303076	3304759	100.00	99.95

Appendix – 4.2.5

(Referred to in paragraph 4.2.10; page no 192)

Statement showing source-wise purchase of power during 2006-07 to 2010-11

(in Million Units/ Average Cost per Unit ₹)

Year	State Generation Utility	Central Sector	IPPs/CPPs	Others (Bio-mass, Co-generation, etc.)	Total (others)	Total Others + own Generation
2006-07	8750.46	2273.88	1557.19	697.44	4528.51	13278.97
	Own Gen.	1.54	2.04	4.01	2.09	
2007-08	9414.25	2974.36	2657.23	776.24	6407.83	15822.08
	Own Gen.	1.59	2.44	3.87	2.22	
2008-09	12358.82	4179.22	4451.60	-	8630.82	20989.64
	Own Gen.	1.65	2.65	-	2.17	
2009-10	12370.96	4791.57	1873.13	555.68	19591.34	19591.34
	1.44	1.65	2.97	3.06	1.68	
2010-11	12756.85	4175.27	1916.30	382.17	19230.59	19230.59
	1.44	1.96	2.92	3.00	1.73	

Appendix-4.2.6

(Referred to in paragraph 4.2.13.1; page no 201)

Statement showing loss on account of non meterisation of BPL consumers during 2006-07 to 2010-11

Year	No. of BPL consumers	Units Sold (in MUs)	Sales (₹ in crore)	Average Consumption (in Units)	Average Rate realised per unit (₹ per Unit)	Average Billing Rate (₹ per Unit)	Under billing (in ₹ per Unit)	Loss (₹ in crore)
(1)	(2)	(3)	(4)	(5) = (3)/(2)	(7) = (4)/(3)	(8)	(9) = (8)-(7)	(10) = (3)X(9)
2006-07	785187	318.03	35.99	405.04	1.13	1.57	0.44	13.99
2007-08	851824	386.95	50.09	454.26	1.29	1.57	0.28	10.83
2008-09	318170	368.46	37.60	1158.06	1.02	1.57	0.55	20.27
2009-10	100057	149.52	10.62	1494.35	0.71	1.57	0.86	12.86
							Loss	**57.95**

Appendix-4.2.7

(Referred to paragraph 4.2.14.2; page no 204)

Statement showing element of cross subsidy in tariff over the period 2006-07 to 2010-11

Sl. No		Category	Average unit rate ₹ / unit	ACOS ₹/ unit	% cross subsidy to ACOS	Average unit rate ₹ / unit	ACOS ₹/ unit	% cross subsidy to ACOS	Average unit rate ₹ / unit	ACOS ₹/ unit	% cross subsidy to ACOS	Average unit rate ₹ / unit	ACOS ₹/ unit	% cross subsidy to ACOS	Average unit rate ₹ / unit	ACOS ₹/ unit	% cross subsidy to ACOS
			2006-07			2007-08			2008-09			2009-10			2010-11		
1	LT	BPL	1.61	3.20	-49.69	1.57	2.98	-47.32	1.57	2.98	-47.32	**1.53**	**3.04**	**-49.67**	**1.53**	**3.04**	**-49.67**
2	LT	Domestic	1.80	3.20	-43.75	1.77	2.98	-40.60	1.77	2.98	-40.60	1.94	**3.04**	**-36.18**	1.94	**3.04**	**-36.18**
3	LT	Non-Dom	4.36	3.20	36.25	4.32	2.98	44.97	4.32	2.98	44.97	3.89	**3.04**	**27.96**	3.89	**3.04**	**27.96**
4	LT	Agri-metered	1.24	3.20	-61.25	0.83	2.98	-72.15	0.83	2.98	-72.15	0.79	**3.04**	**-74.01**	0.79	**3.04**	**-74.01**
5	LT	Agri-flat	0.82	3.20	-74.38	_	2.98	_	_	2.98	_	_	**3.04**	_	_	**3.04**	_
6	LT	Allied Agri	3.00	3.20	-6.25	_	2.98	_	_	2.98	_	_	**3.04**	_	_	**3.04**	_
7	LT	Industrial	3.98	3.20	24.38	3.72	2.98	24.83	3.72	2.98	24.83	3.68	**3.04**	**21.05**	3.68	**3.04**	**21.05**
8	LT	Pub utilities	1.88	3.20	-41.25	1.88	2.98	-36.91	1.88	2.98	-36.91	1.89	**3.04**	**-37.83**	1.89	**3.04**	**-37.83**
9	LT	Temporary	_	3.20	_	2.30	2.98	-22.82	2.30	2.98	-22.82	2.82	**3.04**	**-7.24**	2.82	**3.04**	**-7.24**
10	EHV	Rly traction	_	3.20	_	3.85	2.98	29.19	3.85	2.98	29.19	3.93	3.04	**29.28**	3.93	3.04	**29.28**
11	EHV	Heavy Ind	_	3.20	_	3.60	2.98	20.81	3.60	2.98	20.81	3.62	3.04	**19.08**	3.62	3.04	**19.08**
12	EHV	Steel ind	_	3.20	_	2.86	2.98	-4.03	2.86	2.98	-4.03	2.61	3.04	**-14.14**	2.61	3.04	**-14.14**
13	EHV	Coal mines, Cement industries & other EHV consumers	_	3.20	_	3.92	2.98	31.54	3.92	2.98	31.54	3.89	3.04	**27.96**	3.89	3.04	**27.96**

Appendix-4.2.7 (Continued)

(Referred to paragraph 4.2.14.2 page no 204)

Statement showing element of cross subsidy in tariff over the period 2006-07 to 2010-11

Sl. No		**Category**	**Average unit rate ₹ / unit**	**ACOS ₹/ unit**	**% cross subsidy to ACOS**	**Average unit rate ₹ / unit**	**ACOS ₹/ unit**	**% cross subsidy to ACOS**	**Average unit rate ₹ / unit**	**ACOS ₹/ unit**	**% cross subsidy to ACOS**	**Average unit rate ₹ / unit**	**ACOS ₹/ unit**	**% cross subsidy to ACOS**	**Average unit rate ₹ / unit**	**ACOS ₹/ unit**	**% cross subsidy to ACOS**
			2006-07			**2007-08**			**2008-09**			**2009-10**			**2010-11**		
14	HV	Rly traction	4.01	3.20	25.31	_	2.98	_	_	2.98	_	_	3.04	_	_	3.04	_
15		Coal mines and heavy ind	3.85	3.20	20.31	4.74	2.98	59.06	4.74	2.98	59.06	4.16	3.04	**36.84**	4.16	3.04	**36.84**
16		Cement fac	4.05	3.20	26.56	_	2.98	_	_	2.98	_	_	3.04	_	_	3.04	_
17		Steel ind	3.55	3.20	10.94	3.06	2.98	2.68	3.06	2.98	2.68	3.07	3.04	**0.99**	3.07	3.04	**0.99**
18		Oth HT ind	4.04	3.20	26.25	3.74	2.98	25.50	3.74	2.98	25.50	3.88	3.04	**27.63**	3.88	3.04	**27.63**
19		Ind with low load factor and start up power	4.63	3.20	44.69	4.62	2.98	55.03	4.62	2.98	55.03	4.29	3.04	**41.12**	4.29	3.04	**41.12**
20		Start up power	_	3.20	_	6.74	2.98	126.17	6.74	2.98	126.17	13.16	3.04	**332.89**	13.16	3.04	**332.89**
21		Bulk supply and resi	3.04	3.20	-5.00	2.93	2.98	-1.68	2.93	2.98	-1.68	2.81	3.04	**-7.57**	2.81	3.04	**-7.57**
22		General (Non resi)	4.47	3.20	39.69	4.35	2.98	45.97	4.35	2.98	45.97	4.27	3.04	**40.46**	4.27	3.04	**40.46**
23		Public Water works	2.40	3.20	-25.00	2.47	2.98	-17.11	2.47	2.98	-17.11	2.52	3.04	**-17.11**	2.52	3.04	**-17.11**
24		Irrigation	3.13	3.20	-2.19	_	2.98	_	_	2.98	_	_	3.04	_	_	3.04	_
25		Temporary	_	_	_	_	_	_	_	_	_	11.28	3.04	**271.05**	11.28	3.04	**271.05**

Figures in negative percentage indicate the fixation of tariff below the Average cost of supply.