

CHAPTER III

FINANCIAL REPORTING

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2018-19.

3.1 Outstanding Utilisation Certificates (UCs)

The financial rules stipulate that where grants-in-aid (GIA) are given for specific purposes, departmental officers concerned should obtain Utilisation Certificates (UCs) from grantees, which, after verification, should be forwarded to Accountant General (A&E) on or before 30 September of the following year to ensure that the funds have been fully utilised for the intended purposes.

Audit test-check revealed that a total of 534 UCs amounting to ₹ 7,019.33 crore were outstanding as of 31 March 2019, out of which 477 UCs amounting to ₹ 6,172.50 crore were outstanding even as of 30 December 2019 in different Departments against the GIA bills drawn up to 2018-19.

The position of outstanding UCs against GIAs released to different Departments as of 30 December 2019 is given in **Table 3.1**.

Table 3.1: Year-wise position of UCs pending

Grant-In-Aid released	UC* due	Utilisation Certificates outstanding as of December 2019 (₹incrore)		
		Delay	Number	Amount
Up to 2016-17	Up to September 2017	More than two years	45	66.98
2017-18	September 2018	More than one year	221	2,293.12
During 2018-19	September 2019	03 months	211	3,812.40
Total			477	6,172.50

(Source: information compiled by the Office of the AG (A&E))

* Grants where the sanction order specifies that the UC should be sent to Accountant General (A&E).

The major head-wise position of UCs pending is given in **Appendix 3.1**.

Pendency in submission of UCs mainly pertains to Urban Administration (₹ 2,165.67 crore, 227 UCs), Housing (₹ 2,047.55 crore, 19 UCs), Compensation & Assignment to Local Bodies (₹ 1,674.79 crore, 140 UCs).

Non-receipt of UCs against GIA indicates failure of the departmental officers to comply with the rules and procedures to ensure timely submission of utilisation of the grants for the intended purposes. Pendency of UCs is fraught with the risk of misappropriation of funds and fraud.

Recommendation: The State Government should ensure that internal control mechanism of the Department to watch timely submission of UC is put in place without further delay and all pendencies are reviewed before release of fresh grant.

3.2 Abstract Contingent Bills and Detailed Contingent Bills

The financial rules require that amount drawn through Abstract Contingent (AC) bills are adjusted promptly through timely submission of Detailed Contingent (DC) bills.

The details of submission of DC bills against the AC bills drawn are shown in the following **Table 3.2**.

Table 3.2: Status of submission of Detailed Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	Opening balance of unadjusted AC bills		AC bills drawn during the year		DC bills submitted during the year		Outstanding DC bills	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2016-17	303	645.86	1,317	3,556.39	1,505	4,177.06	115	25.19
2017-18	115	25.19	1,387	3,846.56	1,342	3,738.80	160	132.95
2018-19	160	132.95	911	1,304.50	783	1,252.80	288	184.65

(Source: Finance Account 2018-19 and information compiled by the office of the AG (A&E))

As of 31 March 2019, 288 DC bills worth ₹ 184.65 crore were pending, out of which 40 DC bills (₹ 115.08 crore) and 248 DC bills (₹ 69.57 crore) pertain to the year 2017-18 and 2018-19 respectively. Department-wise pendency of AC bills upto 2018-19 mainly pertain to Co-operative Department (₹ 170.36 crore), Village Industry Department (₹ 5.95 crore), Industries Department (₹ 4.89 crore) and Social Security & Welfare (₹ 1.32 crore). Prolonged non-submission of supporting DC bills renders the expenditure under AC bills opaque. There was increase of 80 per cent in number of outstanding DC bills and 38.89 per cent in amount of outstanding DC bills though the total number (34 per cent) and amount (66 per cent) of AC bills drawn decreased over the previous year.

However as of 16 January 2020, 178 DC bills worth ₹ 7.38 crore were pending, out of which 29 DC bills amounting to ₹ 0.97 crore were pending for the year 2017-18 and 149 DC bills amounting to ₹ 6.41 crore were pending for the year 2018-19 as detailed in **Appendix – 3.2**.

Non-submission of DC bills within the prescribed time not only breaches financial discipline but also increased the possibility of wastage/misappropriation/malfeasance etc.

Recommendation: The Finance Department should ensure that all Controlling Officers adjust all AC bills within the prescribed period.

3.3 Status of Placement of Separate Audit Reports of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs), out of which audit of only four Autonomous Bodies have been entrusted to the Comptroller & Auditor General of India. The status of entrustment of audit,

rendering of accounts to audit and issuance of Separate Audit Reports as on December 2019 is given in the following table.

Table: 3.3 Position of submission of accounts

Sl. No.	Name of the Body	Section	Period of entrustment	Year to which accounts rendered	Status of SAR	Delay in rendering of accounts (in months)
01	CAMPA Fund, Chhattisgarh State	20(1) of DPC Act, 1971	2014-15 onwards	2016-17	Information regarding placing of SAR in State Legislature is awaited.	18 (2017-18) 06 (2018-19)
02	Chhattisgarh State & District Legal Services Authority	19(2) of DPC Act, 1971	2009 and onwards	2012-13 to 2014-15	SAR issued to the State Government.	42 (2015-16) 30 (2016-17) 18 (2017-18) 06 (2018-19)
03	Chhattisgarh State Housing Board	19(3) of DPC Act, 1971	2007-08 to 2011-12	2007-08 to 2011-12	SAR issued to the State Government. Information regarding placing of SAR in State Legislature is awaited.	Not entrusted 2011-12 onwards

The audit of accounts of Chhattisgarh Real Estate Regulatory Authority under Section 19 (2) of the C&AG's (DPC) ACT, 1971 was entrusted on 05.03.2019. The audit will commence after more than three years following the enactment of Real Estate (Regulation and Development), Act, 2016 (March, 2016) i.e. from the financial year 2019-20.

Recommendation: Government should ensure timely submission of accounts of the Autonomous Bodies to audit.

3.4 Delay in finalisation of accounts of Public Sector Undertakings

The Companies Act, 2013 stipulates that the annual financial statements of companies are to be finalised within six months from the end of the relevant financial year, i.e. 2018-19 by September end. Failure to do so may attract penal provisions under which every officer of the concerned defaulting Company shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 5,00,000 or with both. **Table 3.4** below provides the details of progress made by Public Sector Undertakings (PSUs) in finalisation of accounts as of 31st December 2019.

Table 3.4: Position relating to finalisation of accounts of PSUs

Sl. No.	Particulars	Working	Non-working	Total
1	Number of PSUs	28	3	31
2	Number of PSUs having accounts in arrears	18	2	20
3	Number of accounts in arrears	25	3	28
4(a)	Number of PSUs with arrears more than six years	Nil	Nil	Nil
4(b)	Number of accounts in arrears in the above PSUs	Nil	Nil	Nil
5(a)	Number of PSUs with arrears between two to five years	4	1	5
5(b)	Number of accounts in arrears in the above PSUs	11	2	13
6(a)	Number of PSUs with arrears up to one year	14	1	15
6(b)	Number of accounts in arrears in the above PSUs	14	1	15
7	Extent of arrears (numbers in years)	1 to 4	1-2	1 to 4

(Source: Data compiled from information furnished by the company)

The State Government provided budgetary support (grants & subsidies) and accepted liability (guarantee) for ₹ 12,789.88 crore in nine PSUs during the period for which their accounts were in arrears up to 31 March 2019. These PSUs have not finalised their accounts for the last one to four years in gross violation of the provisions of the Companies Act, as given in **Appendix 3.3**. However, no budgetary support had been extended to the non-working PSUs. Due to non-finalisation of accounts, the C&AG has been unable to discharge the responsibilities with regard to certification of accounts of these PSUs as required under CAG's DPC Act, 1971 and the Companies Act.

The above position reflects the failure of the concerned administrative departments and specifically of the Finance Department to ensure that the defaulting companies comply with the relevant Acts.

Recommendation: *The Finance Department should review the cases of all PSUs that are in arrears of accounts to ensure that the accounts are made current within a reasonable period. Finance Department should review continued financial support in all cases where accounts continue to be in arrears.*

3.4.1 Dividend not declared by PSUs

The State Government had not formulated any dividend policy under which PSUs are required to pay a minimum return on the paid-up share capital contributed by the State Government. As per their latest finalised accounts, 12 PSUs earned an aggregate profit of ₹ 981.76 crore. Only two PSUs i.e. Chhattisgarh *Rajya Van Vikas Nigam* Limited and Chhattisgarh State Warehousing Corporation proposed dividend for the year 2018-19 of ₹ 2.33 crore (out of which ₹ 2.25 crore and ₹ 0.08 crore pertains to GoCG & GoI respectively) and ₹ 0.81 crore (distributed between CoCG and GoI on 50:50 basis) respectively. The major profit earning PSUs which did not declare dividend were Chhattisgarh State Power Generation Company Limited (profit: ₹ 671.82 crore) and Chhattisgarh State Power Transmission Company Limited (profit: ₹ 106.83 crore).

Recommendation: The State Government should formulate a dividend policy for return on its investments as share capital and ensure that profit earning PSUs declare dividend in terms of the policy.

3.5 Reporting of cases of losses and defalcation, etc.

Rules 22 and 23 of the CGFC Vol.-I, provide that each and every case of loss, misappropriation and defalcation of public fund will have to be reported to the Accountant General. Further, Rule 24 of the Code provides that any serious loss of immovable property such as buildings, roads and bridges caused by fire, flood, storm, earthquake or any other natural calamity should be reported to the Accountant General. This is followed by detailed investigation by the departments and report thereof citing reasons for such losses and measures/action taken to stop their recurrence.

As of 31st March 2019, a total of 2,061 cases amounting to ₹ 125.49 crore pending in various departments of the State Government, was awaiting conclusive investigation and settlement. The department-wise and category-wise break-up of pending cases is given in *Appendix-3.4*. Year-wise analysis of cases is shown in *Appendix-3.5*. The age-profile of the pending cases and the number of cases pending in each category viz. theft and loss are summarised in **Table: 3.5**.

Table 3.5: Profile of losses and defalcation, etc.

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the case	Number of cases	Amount involved
0 – 5	285	45.17	Theft	135	0.54
5 – 10	507	60.02	Loss of property/material	1,855	119.54
10 – 15	309	9.04	Defalcation	71	5.41
15 – 20	179	2.58			
20 – 25	227	4.82			
25 & above	554	3.86			
Total	2,061	125.49	Total pending cases	2,061	125.49

(Source: Cases reported by the departments of the State Government)

Out of 2,061 cases, Forest Department and School Education Department had 431 and 38 cases respectively which were pending for more than 25 years. First Information Reports were lodged in 349 cases out of 2,061 cases.

Further, it was also observed that in 16 cases, various departments had recovered ₹ 6.43 lakh during 2018-19 as detailed in *Appendix-3.6*.

Recommendation: The State Government should expedite completion of departmental action as warranted, and strengthen internal control systems to prevent/reduce recurrence of such cases.

3.6 Personal Deposit Accounts

As per subsidiary Rule 543 of the State Treasury Code, the State Government is authorised to open Personal Deposit (PD) Accounts, wherein funds are drawn from the Consolidated Fund (by debiting expenditure head) to be utilised for specific purposes. The PD accounts are kept in Treasuries in the name of the Administrator of the accounts under Major Head 8443-Civil Deposits -106 Personal Deposit.

The details of PD accounts operated in the State during the period 2015-19 are shown in the following **Table 3.6**

Table 3.6: Year-wise Details of PD Accounts

(₹ in crore)

Year	Opening Balance as on 1 st April		Addition during the year/receipts		Closed during the year/Disbursements		Closing Balance as on 31 st March	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2015-16	312	1,630.82	05	669.18	25	603.54	292	1,696.46
2016-17	292	1,696.46	08	918.64	19	722.63	281	1,892.47
2017-18	281	1,892.47	02	643.80	20	779.27	263	1,757.00
2018-19	263	1,757.00	02	508.61	34	374.51	231	1,891.10

(Source: Finance Accounts of the respective years)

From **Table 3.6**, it can be seen that during 2015-16 to 2018-19, a total of 17 PD accounts were opened and 98 accounts were closed. Further, as of 31 March 2019, 231 PD accounts were in operation and the closing balance of PD accounts was ₹ 1,891.10crore.

Further, the State Government drew an amount of ₹ 0.50 crore from several Major Heads during March 2019 and deposited the same in PD accounts, the details of which are shown in **Appendix-3.7**. Such transfers at the end of the financial year indicate that the transfers were done to prevent lapse of budgetary provision.

3.6.1 Funds relating to Land Acquisition kept in PD Accounts

Out of total closing balance of ₹ 1,891.10crore, ₹1,637.42 crore pertaining to Land Acquisition has been kept in Personal Deposit account due to non-disbursement of amount to the concerned beneficiaries relating to land acquisition. The treasury wise details of undisbursed funds pertaining to Land Acquisition are given in **Appendix-3.8**.

The matter was brought to the notice of the Office of Director, Pension & Treasury Accounts, Chhattisgarh, and Raipur. However, reply is awaited (January 2020).

3.6.2 Inoperative PD accounts

The PD accounts can be opened with the approval of the Finance Department. Accountant General's consent is not required as per the existing rules. PD Accounts, which are inoperative for three years continuously should be closed by the Treasury Officer by giving notice to the Administrator of the PD account and action for transfer of balance amount as Revenue deposit credit to Government Account should be initiated.

During test-check of records it was revealed that out of a total number of 231 PD accounts, 20 PD accounts having a total balance of ₹ 3.47crore remained in-operative for more than three years but no action has been taken for closing these accounts by the concerned Treasuries.

On this being pointed out, the respective Treasury accepted the fact and stated that action will be taken for closing the inoperative PD accounts after communicating with the concerned departments.

Non transfer of unspent balances lying in the PD accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

Recommendation: *The Finance Department is required to review all PD accounts and ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund.*

3.7 Classification between Revenue & Capital

Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Capital expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities.

The Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-Aid prescribes that the Grants-in-Aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only in cases specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, can these be debited to Capital head of account in the Financial Statements of the Government.

Further, Rule 30 of Government Accounting Rule 1990 and Para 324 of Chhattisgarh Financial Code-Volume-I states the criteria for determining whether expenditure should be classified under heads of Capital Section or Revenue Section of the Consolidated Fund.

Expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. Expenditure on a temporary asset or expenditure on Grants-in-Aid to local bodies or institutions for the purposes of creating assets which will belong to these local bodies or institutions cannot ordinarily be classifiable as capital expenditure, and shall not, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General be debited to Capital head of account.

During 2018-19, Government of Chhattisgarh made budget provision and classified Grant-in-aid of ₹ 1,998.74 crore provided for creation of capital assets under Capital Section without obtaining the concurrence of the Accountant General. Further, Payment of Professional Services of ₹ 3.95crore, Maintenance Work of ₹ 0.21crore and Office Expenses of ₹ 0.85 crore have been booked under Capital Major Heads instead of Revenue Major Heads. Details are given in **Appendix 3.9**.

3.8 Impact on Revenue Surplus and Fiscal Deficit

The impact of incorrect booking/accounting of expenditure and revenue resulted in overstatement of revenue surplus by ₹ 3,057.79 crore and understatement of fiscal deficit to the tune of ₹ 1,054.04 crore as depicted in the Finance Accounts and is given in **Table 3.7**.

Table 3.7: Details of Revenue Surplus and Fiscal Deficit

(₹ in crore)

Particulars	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
Grants-in-Aid booked under Capital Section instead of Revenue(Para no. 1(v) of the Notes to the Accounts, Volume-I Finance Accounts)	1,998.74	0.00	0.00	0.00
Office Expenses booked under Capital Section(Para no. 1(v) of the Notes to the Accounts, Volume-I Finance Accounts)	0.85	0.00	0.00	0.00
Professional service Expenditure booked under Capital Section instead of Revenue(Para no. 1(v) of the Notes to the Accounts, Volume-I Finance Accounts)	3.95	0.00	0.00	0.00
Maintenance Expenditure booked under Capital Section instead of Revenue(Para no. 1(v) of the Notes to the Accounts, Volume-I Finance Accounts)	0.21	0.00	0.00	0.00
Expenditure on pension not included in the accounts (Para no. 2(iv) of the Notes to the Accounts, Volume-I Finance Accounts)	399.82	0.00	0.00	399.82
Non transfer of Grants-in-Aid of State Disaster Response Fund (Para no. 3(viii)(I)(a)(i) of the Notes to the Accounts, Volume-I Finance Accounts)	139.00	0.00	0.00	139.00
Short Contribution to Sinking Fund(Para no.3(viii)(I)(b)(i) of the Notes to the Accounts, Volume-I Finance Accounts)	164.54	0.00	0.00	164.54
Non Transfer of Infrastructure Development Cess(Para no. 3(viii)(I)(b)(iv)(a) of the Notes to the Accounts, Volume-I Finance Accounts)	165.87	0.00	0.00	165.87
Non Transfer of Environment Cess(Para no.3(viii)(I)(b)(iv)(b) of the Notes to the Accounts, Volume-I Finance Accounts)	165.87	0.00	0.00	165.87
Non Transfer of Grants-in-Aid of Central Road Fund(Para no.3(ix) of the Notes to the Accounts, Volume-I Finance Accounts)	14.02	0.00	0.00	14.02
Non adjustment of Advance from Contingency Fund(Para no.3(xi) of the Notes to the Accounts, Volume-I Finance Accounts)	4.92	0.00	0.00	4.92
Total (Net) Impact	3,057.79	0.00	0.00	1,054.04

In view of the above, the revenue surplus and fiscal deficit of the State which are ₹ 683.76 crore and ₹ 8,292.23 crore would actually be revenue deficit of ₹ 2,374.03 crore and fiscal deficit of ₹ 9,346.27 crore respectively due to overstatement of revenue surplus by ₹ 3,057.79 crore and understatement of fiscal deficit to the tune of ₹ 1,054.04 crore.

3.9 Booking under minor head – 800

Minor head – 800 relating to Other Receipt and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of minor head – 800 is to be discouraged, since it renders the accounts opaque and it does not disclose the schemes programmes, etc. to which it relates.

Scrutiny of Finance Accounts 2018-19 showed that ₹ 2,749.90 crore, constituting 4.22 *per cent* of the total revenue receipts (₹ 65,094.93 crore) recorded under 44 Major Heads, were classified under the minor head ‘800-Other Receipts’. Further, out of total receipt of ₹ 13,653.63 crore booked under 29 Major Heads of accounts (revenue receipts) ₹ 2,677.56 crore (19.61 *per cent*) was classified under ‘800-Other Receipts’. Receipts under the Minor Head ranged between 11 and 103 *per cent* of total revenue receipts under the respective major heads. Details are given in *Appendix-3.10*.

Similarly, expenditure of ₹ 1,033.96 crore, constituting 1.41 *per cent* of total expenditure ₹ 73,314.62 crore recorded under 47 major heads, was classified under the minor head ‘800-Other Expenditure’.

Audit also observed that out of the total expenditure of ₹ 1,740.33 crore booked under 13 Major Heads of accounts (revenue and capital), an amount of ₹ 953.50 crore, which constituted 54.79 *per cent* of total expenditure were classified under the minor head of account ‘800-Other Expenditure’. Such expenditure ranged between 11 *per cent* and 100 *per cent* of total expenditure under the respective major heads reflecting the incongruity of classification, as shown in *Appendix-3.11*.

Recommendation: *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head-800 and ensure that all such receipts and expenditure are in future booked under the appropriate head of account.*

3.10 Findings from Local Audit

Irregularities in financial reporting that were noticed during local audit are depicted below:

3.10.1. Parking of fund outside Government Account

The Chhattisgarh Treasury Code stipulates that amounts drawn from the Consolidated Fund of the State shall not be deposited in any bank without special sanction of the Government and the funds not required for immediate disbursement should be surrendered to the Government accounts.

During scrutiny of records of three DDOs, it was noticed that an amount of ₹ 0.85 crore of different schemes pertaining to the period 2015-19 was withdrawn from the treasury and parked in bank accounts as detailed in **Table 3.8**.

Table 3.8: Parking of funds outside Government Account

(₹ in crore)

Sl. No.	Name of the Department	Amount relates to	Year	Amount
1	O/o the Chief Executive Officer, Janpad Panchyat, Masturi, Bilaspur	Backward Regions Grant Fund (BRGF), Scheme	2015-19	0.50
2	O/o the Assistant Director, Sports and Youth Welfare, Rajnandgaon	Grameen Kshetra Khel Abhiyan Scheme	2017-18	0.24
3	O/o the Block Education Officer (BEO), Bolda, Kabirdham	Mid-day-Meal, Scholarship, Sports Fund	2018-19	0.11
Total				0.85

(Source: Information received from concerned Department)

The above table shows that the amount was neither utilised nor deposited back in Government account. The parking of funds out of Government accounts was against the canons of financial propriety.

Recommendation: Government should take necessary action to avoid parking of funds and take disciplinary action against the departmental officers who irregularly parked Government money outside the Government accounts.

3.10.2 Non-adjustment of Temporary Advances

The Chhattisgarh Treasury Code stipulates that advances should be adjusted by presenting detailed bills and vouchers within three months.

During scrutiny of records and information furnished by the various departments, it was revealed that as on 31 March 2019, 1,008 cases of advances aggregating to ₹16.15crore were pending for adjustment by various Departments, due to non-submission of adjustment vouchers during the same or subsequent financial year. Age-wise analysis of the advances pending is given in **Table 3.9**. The department-wise and year-wise details of advances are given in **Appendix- 3.12**.

Table 3.9: Age-wise analysis of Temporary Advance

(₹ in crore)

Sl. No.	Pendency	Period	Number of Advances	Amount
1	More than 10 years	Prior to 2007-08	182	0.11
2	More than 5 years and up to 10 years	2008-09 to 2012-13	54	0.64
3	More than 1 year and up to 5 years	2013-14 to 2017-18	705	15.01
4	Up to 1 year	2018-19	67	0.39
Total			1008	16.15

(Source: Information received from concerned Department)

The pendency involving a substantial amount of ₹ 16.15 crore, of which ₹ 15.01 crore pertained to the last five years only, indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of advances.

Recommendation: Government should take necessary steps for timely adjustment of Temporary Advances.

3.11 Building and Other Construction Workers' Welfare Cess

Labour Cess collected by Government Departments has been directly booked under MH-8443-Civil Deposit-108-Public Works Deposits without routing the same through the Consolidated Fund of Chhattisgarh, as required under Article 266 (1) of the Constitution of India. Further, since minor head-Public Works Deposits does not have any further sub-heads below it, it has not been possible to segregate the amounts paid to the Labour Welfare Board.

3.11.1 Year-wise receipt and utilisation of Labour Cess

Scrutiny of records of the Chhattisgarh Building and Other Construction Workers Welfare Board revealed that cess collected by various agencies were sent through cheques/drafts to the Board or deposited in the savings bank account of the Board opened for the purpose through District Labour Offices. The year-wise position of receipt and expenditure of cess for the period 2015-16 to 2018-19 is detailed in **Table 3.10**.

Table 3.10: Year-wise receipt and utilisation of Labour Cess

Year	Opening Balance	Receipts			Total fund available	Expenditure (including establishment charges)	Closing balance
		Registration charges and Other Receipt	Labour cess received in Board account	Interest on deposit			
2015-16	247.48	0.07	127.34	20.85	395.74	121.95	273.79
2016-17	273.79	0.15	172.71	19.76	466.41	183.92	282.49
2017-18	282.49	0.22	185.93	13.91	482.55	209.10	273.45
2018-19	273.45	0.95	199.71	19.99	494.10	193.57	300.53

(Source: information received from the CG Construction & Labour Welfare Board)

Out of the expenditure of ₹ 193.57 crore during 2018-19, the Board incurred expenditure of ₹ 166.98 crore (86 per cent) on welfare schemes, ₹ 18.86 crore (10 per cent) on activities such as seminars, workshops, meetings and tours for implementing welfare schemes and ₹ 7.73 crore (four per cent) on establishment charges.

The State Government has operated various schemes/activities like pensions, maternity benefits, advance for construction of houses, funeral assistance,

medical assistance, assistance for encouragement in sports for students, financial assistance for education/marriage/skill development, distribution of LPG gas connection and stove etc. for beneficiaries from the Building and Other Construction Workers' Welfare Fund (BOCWWF). Details of expenditure on these schemes during the period 2015-16 to 2018-19 are depicted in **Table 3.11**.

Table 3.11 Expenditure on schemes on available fund

Year	Avail-able fund (₹ in crore)	Schemes operated		Actual expen-diture on schemes (₹ in crore)	Registered workers at the end of the year	Workers covered	Percentage		
		No.	Allot-ment (₹ in crore)				Workers covered	Fund utilised against allot-ment	Fund utilised against avail-ability
2015-16	395.74	45	146.28	120.11	5,95,991	2,49,566	41.87	82.10	30.35
2016-17	466.41	36	273.13	180.83	10,13,018	9,57,190	94.49	66.21	38.77
2017-18	482.55	36	308.38	202.66	14,13,021	4,82,901	34.17	65.72	42.00
2018-19	494.10	27	342.51	166.98	19,17,281	9,92,847	51.78	48.75	33.79

(Source: information received from the CG Construction & Labour Welfare Board)

From the above table, it is evident that the Board could utilise only 33.79 per cent of available funds and only 52 per cent of registered workers were benefited under various schemes during 2018-19. On being enquired about the reason for non-utilisation of available funds, the Board replied that due to enforcement of the Code of Conduct for the State Legislative Assembly election in 2018, the funds could not be utilised.

Due to non-utilisation of funds amounting to ₹ 300.53 crore, registered workers were deprived of getting the benefits of various schemes.

Recommendation: The State Government should ensure maximum utilisation of funds by Chhattisgarh BOCW Welfare Board on welfare schemes implemented for registered workers.

3.12 Follow up on Audit report on State Finances


State Finances Audit report is being presented to the State Legislature from 2008-09 onwards. No discussion on the audit reports of State Finances has been done by Public Accounts Committee (PAC) of Chhattisgarh State Assembly till date.



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Countersigned



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Comptroller and Auditor General of India

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