

## CHAPTER III

### COMPLIANCE AUDIT

#### WATER RESOURCES DEPARTMENT

### 3.1 NABARD Assisted Rural Infrastructure Development Fund (RIDF) For Irrigation Project

#### 3.1.1 Introduction

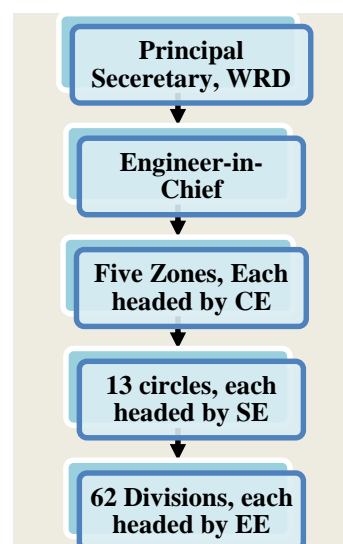
Water Resources Department (WRD) is the principal water conservation agency of the Government of Chhattisgarh (GoCG) which is responsible for utilisation of water resources for irrigation purposes of the State. The WRD performs following functions/activities in the State:-

- Collection of hydrological data for 'planning' of water resources.
- Evaluating and 'preparing programme for utilisation' of surface and subsurface (ground) water resources of the State.
- Carrying out surveys, design, construction and maintenance and modernisation of multipurpose major, medium and minor irrigation projects. Project includes dams, barrages, tanks, anicuts and check dams etc.
- Implementation of irrigation schemes and flood control works.

Rural Infrastructure Development Fund (RIDF) was instituted in the year 1995-96 in National Bank for Agriculture and Rural Development (NABARD). This fund was initially created for giving support to the State Government for quick completion of ongoing medium and minor irrigation projects, soil conservation; water shed management and other forms of rural infrastructure. Under RIDF, incomplete irrigation projects are financed as a 'last mile approach' to facilitate completion of the projects delayed on account of budgetary constraints.

#### 3.1.2 Organisational Setup

The WRD, GoCG is headed by the Principal Secretary/Secretary while the Engineer-in-Chief (E-in-C) is the Head of the Department (HoD) and has overall supervisory power over all the activities of the department. The E-in-C is also responsible to the Government for proper functioning of the department. The administrative hierarchy of the department comprises Zones/Basins, Circles and Divisions under the charges of the Chief Engineers (CEs), Superintending Engineers (SEs) and Executive Engineers (EEs) respectively. The EEs execute all the schemes/activities of the department, including the projects financed under RIDF at the level of Divisions.



### **3.1.3 Audit Scope and Methodology**

Total 24<sup>1</sup> units out of 39 units responsible for execution of NABARD assisted RIDF irrigation projects under WRD, were selected for Compliance Audit. The Compliance Audit was conducted during April to December 2022, covering the period of 2019 to 2022. Audit test checked 39 agreements/works sanctioned by NABARD during phase XIV (2008-09) to XXVII (2021-22), which were being executed / completed during the period of 2019-20 to 2021-22. Further, joint physical verification of three works along with the departmental officials was also conducted. The draft report was forwarded to the State Government in June 2023. Reply is awaited as of December 2024.

### **3.1.4 Audit Objectives**

The Compliance Audit was conducted to assess whether:-

- Planning, execution and maintenance of projects were done properly;
- Funds were released and utilised for timely completion and maintenance of projects and
- Targeted irrigation potential and water storage was created and utilised.

### **3.1.5 Audit Criteria**

Irrigation projects executed through NABARD assisted RIDF were evaluated with reference to the following audit criteria:

- Conditions stipulated in NABARD sanction orders and Handbook on RIDF (2014-15).
- Works Department Manual;
- Detailed Project Report (DPR) of works and Final Irrigation Reports (FIR);
- Environment Impact Assessment (EIA) Notification 2006;
- CWC guidelines 2010 for approval of Irrigation projects;
- Land Acquisition Act 2013;
- Forest (Conservation) Act 1980 and
- Circulars/orders issued by the Department/State Government.

### **3.1.6 Flow of Fund under NABARD assisted irrigation projects**

The E-in-C is the budget controlling officer and is responsible for planning, obtaining administrative approval from the Government and utilisation of the funds. Irrigation projects under RIDF are funded through sanctioning loan to the State Government from NABARD.

Irrigation projects under RIDF are eligible for loan up to 95 *per cent* of the project cost by NABARD and remaining share is provided by the State Government. The Finance Department, GoCG was entrusted as the nodal agency for financing of irrigation projects under RIDF. Clause 8 of RIDF

---

<sup>1</sup> (20 executing units, 03 supervisory units and one apex unit)

handbook provides that a request for drawal of funds is to be made by the Finance Department (Nodal Department) of the State Government and accordingly, NABARD provides fund on 'reimbursement basis' except for the initial 20 *per cent* of the project loan given as 'mobilisation advance'. NABARD shall disburse the loan amount on submission of statement of expenditure incurred on execution of works by the implementing agency. RIDF loans shall be repaid by the State Government in accordance with the repayment schedule prescribed by the NABARD. At present as per the RIDF Guidelines (September 2021), loan is to be repaid in equal annual installments within seven years from the date of drawal, including a grace period of two years. The rate of interest applicable for this loan is Bank Rate minus 1.5 *per cent* (as on the date of disbursement).

### 3.1.7 Physical and Financial Progress

The year-wise position of allocation and expenditure of WRD as a whole and that of NABARD assisted projects under the Department during the period from 2019-20 to 2021-22 is given in *Table 3.1.1*.

**Table 3.1.1: Allotment and expenditure incurred by department during the period 2019-20 to 2021-22**

(in ₹ crore)

Year	Budgetary allocation and Expenditure for WRD		Budgetary allocation and expenditure for NABARD			
	Allotment	Expenditure	Allotment	Per cent of allocation under NABARD against total budget	Expenditure	Per cent of expenditure
2019-20	2,133.73	1,092.64	700.00	35	200.87	29
2020-21	2,096.95	1,124.58	697.31	35	177.54	25
2021-22	2,031.72	1,013.96	699.06	36	157.03	22
<b>Total</b>	<b>6,262.40</b>	<b>3,231.18</b>	<b>2,096.37</b>	<b>35</b>	<b>535.44</b>	<b>26</b>

(Source: Information provided by E-in-C office)

It is evident from the above table that during the last three years (2019-20 to 2021-22) about 35-36 *per cent* of total budgetary allocation of the department was made for NABARD assisted projects. Further, expenditure against the total allocation under NABARD ranged between 22 and 29 *per cent*. Thus, Department had incurred expenditure of only ₹ 535.44 crore (26 *per cent*) against the total allotment of ₹ 2,096.37 crore under NABARD head during the last three years. Further, only 15 projects (25 *per cent*) have been completed and 45 projects remained incomplete out of 60 projects sanctioned under RIDF during the period 2019-20 to 2021-22 which have been discussed in subsequent paragraphs. The phase wise status of total projects sanctioned and completed, as per the monthly progress report of March 2022 provided by the Department is given in *Table 3.1.2*.

**Table 3.1.2: Status of NABARD assisted RIDF Irrigation Projects  
(as of March 2022)**

Phase No. (Year)	No. of projects sanctioned	Projects completed	Incomplete projects (per cent)	NABARD's share	State Govt.'s share
XVIII (2012-13)	02	02	00 (00)	8.12	0.47
XIX (2013-14)	19	15	04 (21)	69.55	2.48
XX (2014-15)	21	16	05 (24)	684.82	38.93
XXI (2015-16)	19	13	06 (32)	205.80	11.40
XXII (2016-17)	19	15	04 (27)	183.63	9.74
XXIII (2017-18)	17	06	11 (65)	174.40	12.09
XXIV (2018-19)	28	12	16 (57)	317.12	22.25
XXV (2019-20)	32	13	19 (59)	214.08	11.02
XXVI (2020-21)	21	2	19 (90)	119.24	6.28
XXVII (2021-22)	7	0	7 (100)	63.36	3.33
<b>Total</b>	<b>185</b>	<b>94</b>	<b>91</b>	<b>2,040.12</b>	<b>117.99</b>

(Source: Information provided by E-in-C office)

As evident from the above table only 51 *per cent* of the projects sanctioned during the phase XVIII (2012-13) to XXVII (2021-22) could be completed and the remaining projects are incomplete, as of March 2022. Further, during scrutiny of records at divisional level, audit scrutinised four agreements/works and one agreement/work sanctioned under NABARD phase XIV (2008-09) and XVI (2010-11) respectively. Thus, Audit test checked total 39 numbers of works/agreements (Completed: 23, Incomplete Final: 06, Incomplete/ongoing: 10) in the selected divisions, which has been discussed in subsequent paragraphs.

### **3.1.7.1 Non-maintenance of project-wise details of loan and its repayment**

Clause 8 of Notebook of RIDF stipulates that loan was to be repaid in equal annual installments within seven years from the date of drawal, including a grace period of two years. Interest is payable during the grace period also. The interest should be paid at the end of each quarter of the financial year. The interest on RIDF loan was to be computed at the bank rate prevalent at the time of disbursement minus 1.5 *per cent* points. Further, clause 9 of Annexure VI, stipulates that each drawal of funds would be deemed as a separate loan for the purpose of repayment of loan.

Scrutiny of records at NABARD regional office, Naya Raipur revealed that against the loan of ₹ 396.68 crore sanctioned by NABARD during the period 2019-22, Finance Department had claimed reimbursement of ₹ 272.40 crore for 60 projects, of which 45 projects/works were still incomplete. However, against this claim, NABARD reimbursed only ₹ 272.18 crore during the year 2019-20 to 2021-22. Details are shown in **Table 3.1.3**.

**Table 3.1.3: Details of loan sanctioned by NABARD and loan repayment by the State Government***(₹ in crore)*

Year	Loan sanctioned by NABARD	Claim made by the Finance Department including mobilisation advance	Reimbursed by NABARD including mobilisation advance	Loan repayment by State Government	
				Principal amount	Interest amount
2019-20	214.08	167.19	153.85	Not maintained either by NABARD or by Finance Department (Nodal Agency)	Not maintained either by NABARD or by Finance Department (Nodal Agency)
2020-21	119.24	83.28	89.97		
2021-22	63.36	21.93	28.36		
<b>Total</b>	<b>396.68</b>	<b>272.40</b>	<b>272.18</b>		

*(Source: Information provided by NABARD Regional office, Raipur)*

Audit further observed that project-wise information and records related to repayment of loan and interest paid by the Government had not been maintained by the Finance Department. On requisition of the project-wise information and records of loan, its repayment and interest by Audit, the Finance Department stated (December 2022) that records would be obtained from Regional Office NABARD, Raipur. However, Audit sought (December 2022) this information and records from NABARD, Regional office, Raipur, which had disbursed the loan, but the same was not furnished by them. Thus, Audit could not ascertain the actual position of amount repaid against the loan sanctioned by NABARD as well as the amount of outstanding loan and interest paid for each project by GoCG to NABARD.

Reply is awaited at the Government level (December 2024).

## Audit findings

### 3.1.8 Planning, Execution and Maintenance of Projects

#### 3.1.8.1 Award of work before land acquisition process leading to non-completion of work

As per clause 22 (b) of Annexure-III of Handbook of RIDF, State Government should ensure completion of all processes including land acquisition, if any, in respect of obtaining necessary clearances from the concerned authorities at the earliest in order to enable timely completion of the sanctioned projects.

The Ministry of WRD, GOCG issued directions (December 2013) that no work should be commenced until forest clearance is obtained and land acquisition had been done. Accordingly, Engineer-in-Chief, WRD (January 2014) had also issued order and circulated to all CEs for compliance of above directions.

Audit found in four divisions that tender was floated for six works with Probable Amount of Contract (PAC) amounting to ₹ 40.63 crore (*Appendix 3.1.1*) during the year 2016-20 without completion of land acquisition process. Further, due to non-completion of land acquisition process and related issues, all six works were delayed and could not be completed as on date of audit.

Reply is awaited at the Government level (December 2024).

**3.1.8.2      *Wasteful expenditure of ₹ 2.06 crore on head work due to non-execution of canal work***

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

GoCG accorded (September 2007) Administrative Approval (AA) of ₹ 2.30 crore for the Kalhamar Diversion Scheme in Kota block of Bilaspur district under minor irrigation scheme (Tribal area) NABARD for creation of Irrigation Potential (IP) of 262 hectare (ha) subject to the condition of obtaining technical sanction and initiating process for payment of compensation for private land affected, before commencement of work. As per the preliminary estimates based on which AA was accorded, the scheme involved construction of head work and canal work with an estimated cost of ₹ 1.88 crore and ₹ 42.51 lakh respectively. Technical Sanction (TS) of ₹ 2.27 crore for the head work was given (February 2008) by the Superintending Engineer, WR Circle, Bilaspur. The Head work for construction of concrete weir and canal sluice gate was awarded to a contractor at cost of ₹ 2.05 crore which was completed (May 2009) with an expenditure of ₹ 2.06 crore.

Audit observed that despite obtaining AA for the project, survey for the canal was not conducted and detailed estimates for canal work were not prepared and technical sanction was obtained for head work only. The commencement of head work by the Division without technical sanction for the complete project and ensuring availability of land for canal indicates part execution of project in deviation to the provision of works manual.

After introduction of new Schedule of Rates (SOR) in 2010, proposal of revised AA was submitted in 2013 which was sanctioned by the Government in August 2016 with AA of ₹ 7.58 crore. Audit, however, noticed that before according revised AA, detailed estimates were prepared without conducting detailed command area and canal survey for canal work. The tentative alignment of canal was fixed on the basis of preliminary survey. The technical sanction of the detailed estimates was also not obtained. This indicated casual approach of the Department in taking up the project as the detailed survey

required for canal work was not done and the work was not technically sanctioned even after the lapse of eight years from approval of revised AA.

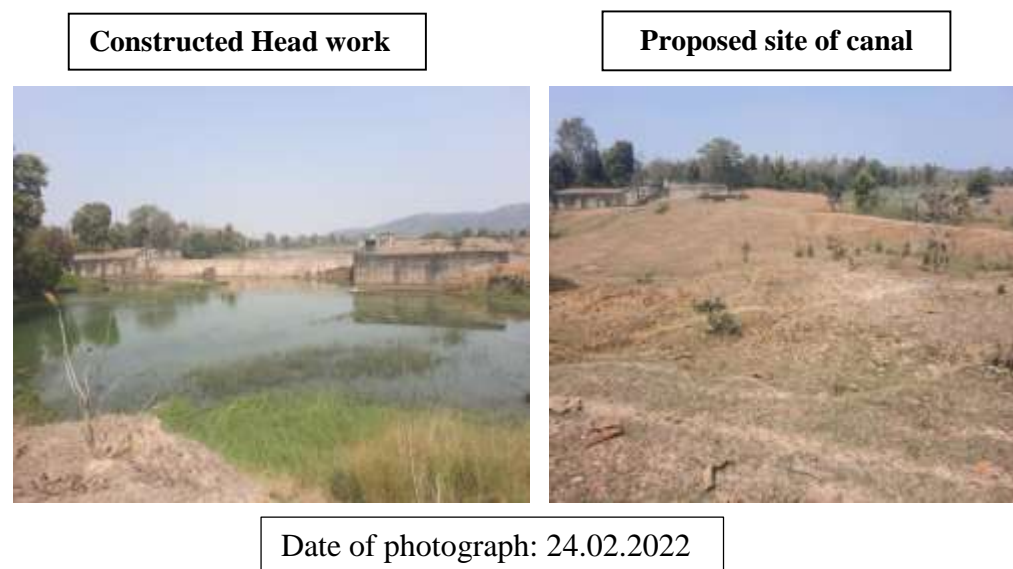
Audit further noticed that villagers opposed to give their land because alignment of canal passed through high cutting reach and the command area was also far away from their land due to which no irrigation facility would be available to the farmers. It was further stated (2016) in the complaint that in the same village, construction of two canals with overlapping command area was proposed by the Department under different diversion schemes. Further, Land Acquisition Officer (LAO), Kota Bilaspur informed (July 2016) EE, WRD, Division Pendra that land proposed to be acquired for the construction of canal of Kalhamar Diversion Scheme had already been acquired for the construction of canal under another diversion scheme namely, Sildaha Diversion Scheme, in which excavation of 20-30 feet had been done by WRD, Kharang Division three years ago, and instructed EE to conduct an investigation in this regard and submit a report within three days. However, no documentary evidence of conducting investigation or submission of investigation report to LAO was found in the records provided to Audit.

Audit further noticed that technical sanction of ₹ 2.75 lakh for survey for realignment of canal was approved by SE, Bilaspur in February 2022. Accordingly, realignment of canal was proposed and estimates were prepared as per the survey report, however, the CE, Hasdeo proposed (December 2023) irrigation through pipe canal due to overlapping of command area with the Sildaha diversion scheme, proximity of proposed canal with the Champi River, and increase in the cost of project. However, the project is still incomplete.

Thus, due to lackadaisical approach of the Department in conducting detailed survey and preparation of detailed estimates, the work of canal was not taken up simultaneously with head work. Further, due to overlapping of command area with Sildaha diversion scheme in which canal work had already been taken up, the Kalhamar diversion scheme remained incomplete. This indicates lack of planning in execution of various diversion schemes by the Department due to which expenditure of ₹ 2.06 crore incurred on construction of head work remained wasteful as the structures remained idle since last 15 years and the objective of creating irrigation potential of 262 ha could not be achieved.



**Photograph 3.1.1 and 3.1.2: Photograph of constructed head and proposed site of canal**



EE, Pendra Division in its reply stated (February 2022) that after obtaining revised AA, Sub-Divisional Officer (SDO) along with other technical officials commenced detailed survey of command area of canal and found that in some portion of the command area, another canal was under construction by Kharang WR Division Bilaspur for Sildaha Diversion scheme. Further, villagers of three affected villages had also raised objection against construction of proposed canal during hearing for land acquisition under clause 15 of the Act. After considering above circumstances, a proposal of new survey for realignment of canal has been submitted (January 2022) by the Division. Further, EE replied (June 2024) that new survey report was prepared along with index map showing command area of the scheme and a gist of survey report was provided to audit which was duly signed by CE (December 2023).

Reply is not acceptable as audit had sought detailed survey report along with alignment of canal, command area, contour diagram but division provided only gist of survey report in single page along with index map showing command area of the scheme but other vital documents viz alignment and line diagram of canal, contour diagram and detailed survey report were not prepared.

Reply indicates ill planning of diversion scheme without detailed survey due to which multiple diversion schemes with the same command area were being executed by the Department. Further execution of head work without ensuring availability of land for canal resulted in unfruitful expenditure of ₹ 2.06 crore in construction of head work.

Reply is awaited at the Government level (December 2024).

**3.1.8.3      *Irregularities and delay in execution of Arpa Bhaisajhar project.***

GoCG accorded (June 2012) AA of ₹ 606.43 crore (including cost of private and Forest land acquisition, escalation and other items viz Plantation,



miscellaneous etc. which were ancillary items) for Arpa Bhaisajhar Barrage Project, a major project for irrigating 25,000 ha of *kharif* crops in 92 villages of Bilaspur district. Subsequently, the estimates of ₹ 372.75 crore for construction of the head work and canal work of the project were approved (February 2013) by Chief Engineer, Hasdeo Basin WRD, Bilaspur for tender purpose only on lump sum basis. This project was sanctioned by NABARD under phase XX (2014-15) with loan amount of ₹ 417.49 crore and the remaining fund of ₹ 188.94 crore was to be provided by GoCG.

The work was awarded (September 2013) after issue of NIT at a contract value of ₹ 326.45 crore and stipulated period of completion of 36 months i.e. up to September 2016. Total payment of ₹ 317.59 crore<sup>2</sup> has been made to the contractor till date of audit (August 2023). The work of construction of 147 meter barrage has been completed (November 2018) at a cost of ₹ 65.25 crore while the work of control room of Barrage was incomplete. The contractor was sanctioned Extension of Time (EoT) till December 2023 without penalty for execution of work of the project on eight occasions during September 2016 to December 2023. It was observed that the contractor was sanctioned EoTs on first five occasions (September 2016 to July 2021) on the grounds of delay in forest (23 April 2015) and environment clearance (08 May 2015), covid and land acquisition related issues as the work was awarded to contractor by the Department before obtaining these statutory clearance. Subsequently, three EoT were also granted by the Department up to December 2023. Audit noticed that last payment for work done up to 95<sup>th</sup> RA bill was made to the contractor in May 2021 and time extension up to December 2023 was granted. After December 2023, neither any progress of work was made nor was any time extension sought by the contractor. However, Department has also not taken any action to get the pending work done by the contractor. The work of construction of canal was incomplete with construction of only 329.46 km<sup>3</sup> length out of the designed length of 386.90 km as per the DPR approved by Central Water Commission (CWC), with an expenditure of ₹ 252.34 crore. Under the project, IP of 13,500 ha (54 *per cent*) was created against the designed IP of 25,000 ha for *kharif* crops. As per the contract, the contractor was required to complete the work without any escalation for extra item/enhanced quantities to create IP of 25,000 ha against which IP of 13,500 (54 *per cent*) for *kharif* crop was created.

Thus, the project remained incomplete and the designed IP was not achieved due to non-completion of canal work even after lapse of more than 10 years from the commencement of work.

The other irregularities noticed and reasons for delay in this project are detailed in the succeeding paragraph:

**(a) Commencement of work before obtaining required statutory clearances and approval of project by CWC**

As per the guidelines for appraisal of the projects issued (2010) by the CWC, Detailed Project Reports (DPRs) submitted by State Governments are subject to techno-economic scrutiny by the CWC.

<sup>2</sup> 95<sup>th</sup> RA bill paid vide voucher no. 34 DL/May 2021

<sup>3</sup> Earth work completed for 329.46 km, out of which CC lining executed in 54.25 km only

Clause 2.3 of the guidelines stipulates that the preliminary reports should be quickly scrutinised in the office where they are submitted. However, once a report is found acceptable, “In Principle” consent of CWC for DPR preparation shall be communicated from the office of the Chief Engineer, Project Appraisal Organisation (PAO), CWC after examination and clearance by a Screening Committee. The time schedule for according “In Principle” consent of CWC for preparation of DPR is within 18 weeks.

Further, clause 2.6 stipulates that the project authorities should ensure that all necessary actions are taken to obtain clearances such as forest clearance, environment impact assessment for environment clearance from the concerned Ministries well in time after due appraisal and DPR is submitted along with these clearances, whenever required. Moreover, clause 3.2 stipulates that the clearances obtained in respect of Environment Impact Assessment, Forest, R&R Plans, etc. should also be appended with DPRs and implied costs should be duly accounted in the estimate.

Audit observed that division had submitted (November, 2011) preliminary reports of the project to CWC and accordingly CWC had conveyed (February 2012) ‘In-principle’ approval for preparation of DPR subject to compliance of the observations on hydrology aspects, irrigation planning aspects and inter-state aspects.

Audit noticed that initial DPR of the Arpa Bhaishajhar project was prepared and submitted to the State Government (March 2012) by CE, Hasdeo Basin, WRD, Bilaspur and the same was forwarded to Director, CWC (September 2013). In February 2013, CE, WR Department approved the estimate of Arpa Bhaishajhar Barrage viably for ₹ 372.75 crore for tender purpose only on lump sum basis. However, even before submission of DPR to CWC for techno-economic approval, the Department invited tender (May 2013) and work order was issued on 13 September 2013 to contractor who executed two items<sup>4</sup> of work and made payment of 1<sup>st</sup> Running Account (RA) Bill amounting to ₹ 5.54 crore was made to the contractor on 15 May 2014. Thereafter, payment of work done valuing ₹ 128.94 crore was made to contractor up to September 2016.

Details of statutory clearances required to be obtained before the commencement of work are given below:-

- **Forest Clearance:-** Division, Kota submitted (November 2011) a proposal for clearance of 442.35 ha of forest land required for the project to District Forest Officer (DFO), Bilaspur and the same was registered<sup>5</sup> (January 2012) by the Forest department. After examination of the proposal of State Government, Minister of Environment, Forest and Climate Change (MoEF & CC) New Delhi, accorded (December 2014) in-principal approval for diversion of 442.350 ha<sup>6</sup> of forest land subject to compliance of certain conditions and thereafter accorded (April 2015) final approval under section 2 of Forest

---

<sup>4</sup> Item No. F-1-1 and F-3-1

<sup>5</sup> Case No. 2012/04

<sup>6</sup> 141.885 ha of Reserved Forest, 242.377 ha of Protected Forest and 58.088 ha of Revenue Forest

(Conservation) Act, 1980. Thus, it took more than three years to comply with the necessary requirements for forest clearance and obtain final approval from MoEF & CC New Delhi.

- **Environmental clearance:-** Division, Kota sent proposal (September 2012) to MoEF & CC, GoI, New Delhi for environmental clearance and on the basis of recommendation by Environment Appraisal Committee (EAC), MoEF & CC had accorded (February 2013) clearance for pre-construction activities at the proposed site and also issued Term of Reference (TOR), for preparation of final Environment Impact Assessment (EIA) report as per prevailing EIA notification which was valid for two years from the date of issue of this letter. Accordingly, Division submitted (February 2015) the final EIA report within the valid period of TOR after which final environment clearance was accorded (May 2015) by EAC.
- **No Objection Certificate (NOC) from Tribal Department:-** Assistant Director, Tribal Department Bilaspur had issued NOC for construction of Arpa Bhainsajhar Project on 29 April 2015.
- **Inter-state clearance:-** CWC had granted Inter-state clearance dated 13 July 2016.

Thus, the execution of work was commenced without obtaining required statutory clearances viz forest clearance, environment clearance, NOC from Tribal Department and inter-state clearance and obtaining techno-economic approval of DPR by CWC which resulted in violation of clause 2.6 of CWC guidelines.

Audit further observed that the cost estimate of project was revised from ₹ 606.43 crore (September 2013) to ₹ 1141.90 crore (June 2016) due to increase in the cost of land acquisition, compensation for forest clearances etc. Consequently, GoCG had accorded (July 2016) revised AA of ₹ 1141.90 crore for the project after which the proposal was finally accepted on 06 October 2016 by the advisory committee of CWC.

On being pointed out, Engineer-in-Chief (July 2024) accepted the audit observation and stated that Preliminary Project Report (PPR) of Arpa Bhaisajhar Project was forwarded (November 2011) to CWC New Delhi by CE, WRD, Hasdeo Basin, Bilaspur and CWC, Project Appraisal (Central) Directorate had given (February 2012) 'In-principle' approval of the project for preparation of DPR but it was mistakenly considered as final approval and tender was invited without CWC techno economical sanction. Further, MoEF had granted approval for environment clearance and forest clearance in the year 2015. Thus, instructions of CWC were violated mistakenly and would not be repeated in future and points of audit observation would be complied.

Reply is awaited at the Government level (December 2024).

#### **(b) Delay in Land Acquisition (LA) process**

Land acquisition is one of the major steps in any irrigation project. According to section 4 to 11A of Land Acquisition Act, 2013, whenever, it appears to the appropriate Government that land in any area is required or likely to be

required for any public purpose, a notification to that effect along with details of the land to be acquired in rural and urban areas shall be published.

Clause 2.1.3.4 of the contract document stipulates that contractor has to prepare temporary land acquisition cases for borrow area and the area for any other construction activities required, if any. Further, the contractor had to prepare permanent land acquisition cases (Private land, Govt. land) as well as property compensation cases if any, for area required for disposal of excavated materials and submit it to WRD for onward submission to Revenue Department, including arrangement of land on temporary basis for all construction activities.

Scrutiny of records revealed that the Division invited the tender and awarded the work to a contractor (September 2013) with scheduled date of completion up to September 2016 and the work was also commenced by the contractor before the receipt of environment clearance (23 April 2015) and forest clearance (08 May 2015). However, the preliminary notification for proposed acquisition of land as required under section of Land Acquisition Act, 2013 was first published by the Government in August 2015 and thereafter up to July 2023 for 156 cases of land acquisition.

It was observed that the contractor was sanctioned EoTs on first five occasions (13.09.2016 to 30.06.2021) on the same grounds of delay in land acquisition and environmental clearance while the EoTs on sixth and seventh occasions were sanctioned on the grounds of delay in forest and environment clearance, land acquisition and lockdown due to Covid-19 in 2019-20 and 2020-21. The contractor had submitted total 159 LA cases out of which award was passed by Revenue Department for 156 cases and three cases were still pending as on June 2023. Thus even after the lapse of 10 years from the award of work, the land acquisition process was yet to be completed.

Further, Audit observed that initially 495 ha of private land was required for construction of 180 km length of canal including distributaries as per the estimates approved (February 2013) by CE for tendering purpose. However, as per the final DPR approved (October 2016) by CWC, the length of canal increased to 386.90 km from 180 km and consequently the area of private land to be acquired for construction of canal also increased from 495 ha to 1012.60 ha. Accordingly, the cost of acquisition of land also increased. Division had paid ₹ 572.92 crore to LAO for acquisition of 955.175 ha private land out of which 943.403 ha had been acquired and compensation of ₹ 380.05 crore had been paid to affected cultivators while acquisition of 11.383 ha land was pending. Thus delay in processing of land acquisition cases resulted in delay in execution of project.

On being pointed out, Engineer-in-Chief had not furnished any specific reply.

Reply is awaited at the Government level (December 2024).

(c) ***Excess payment of ₹2.83 crore to contractor due to non-execution of 'canal crossing bridge under the railway track' despite it being included in the scope of work***

As per clause 2.1.3.11 of lump sum contract for Barrage work of Arpa Bhaisajhar Project, the detailed scope of canal work included construction of

Aqueducts and Escape, Railway crossing, Road crossing, Crossing regulator cum cross regulator, Escapes, *Nalla* diversion, if required, Falls, distributaries and minor & minor heads, metering flumes etc. designed and executed as per W.R.D circulars; relevant Indian Standard (IS) code, Indian Roads Congress (IRC) publication etc. Escapes were to be provided as per design requirement of main canal, suitable escape channel were to be provided to let water escape to nearby *nalla* and this work was required to be executed by the contractor as mentioned under scope of work.

Audit observed that South East Central Railway (SECR), Bilaspur had demanded ₹ 5.30 lakh for right of way leave charges to grant necessary permission for construction of a canal crossing bridge<sup>7</sup> under the project and accordingly division had deposited the same. Further, SECR prepared estimate of ₹ 3.00 crore for construction of a canal crossing bridge<sup>8</sup> under the project and demanded Kota, Division to deposit ₹ 6.00 lakh at the rate of two *per cent* for preparation of plan & estimate of the work with the condition that amount of charges could change after preparation of final estimate. So, initially Division deposited<sup>9</sup> (July 2016) ₹ 6.00 lakh and later Division deposited (September 2016) ₹ 2.71 crore as per final estimate submitted by SECR. The details of payment made to SECR by the Division are given in **Table 3.1.4**.

**Table 3.1.4: Details of payment made to SECR by Division**

S. No.	Cheque No./ demand draft No.	Date	Amount (in ₹)
1.	A568419	13.06.2016	529846
2.	567625	08.06.2017	600000
3.	108369	27.09.2016	27140120
<b>Total payment made</b>			<b>28269966</b>

(Source: Information provided by Divisional office)

Audit further observed the above mentioned work was included in the scope of the work as per lump sum contract executed with the contractor and its cost was included in the contract value of the work. However, this work was executed by SECR separately for which the Division made payment of ₹ 2.83 crore directly to SECR on their demand. As this work was included in the scope of lump sum contract of the project so, the cost of execution of this work was required to be deducted from the payment made to the contractor against the lump sum contract of this project. However, Department did not take any action to deduct or recover the cost of this work and this resulted in excess payment of ₹ 2.83 crore to contractor.

On being pointed out, Engineer-in-Chief, Water Resources Department (July 2024) accepted the audit observation and stated that construction of canal crossing bridge on Railway track at RD 7843 m of main canal was within the scope of the contract and the same was to be executed by the contractor through Railway Department. But, due to non-execution of above

<sup>7</sup> No. 10AK at Km. 743/08-10 between Kalmitra-Kargi Road station on Bilaspur-Katni section

<sup>8</sup> No. 10AK at Km. 743/08-10 between Kalmitra-Kargi Road station on Bilaspur-Katni section

<sup>9</sup> vide Cheque No. 567625 dated 08.07.2016

work by the contractor, the above work was executed by the Department through SECR, Bilaspur and payment was made to the same agency. E-in-C further stated that in compliance to audit observation, department had directed the contractor (September 2023) to deposit ₹ 2.76 crore. In case of non-deposit, it would be recovered from the Security Deposit (SD) of contractor and intimated to the Audit.

However, E-in-C had directed the contractor to deposit only ₹ 2.76 crore while total payment of ₹ 2.83 crore was made to SECR. Thus, recovery of ₹ 6.56 lakh (₹ 28269966- ₹ 27613890) was also required to be made from the contractor.

Reply is awaited at the Government level (December 2024).

**(d) Excess payment of ₹64.46 lakh to contractor due to non-execution of 'shifting and reinstallation of HT and LT electric lines' despite it being included in the scope of work**

As per clause 2.1.3.13 of lump sum contract for Arpa Bhaisajhar Barrage Project, the detailed scope of canal work included shifting and reinstallation of High Tension (HT) and Low Tension (LT) electric lines, Telephone line, Water supply line and any other facility in way of work etc. and obtaining necessary permission thereof where required etc. So, the contractor was required to execute the above work along with other works of construction of canal.

Audit observed that the work of shifting of 33 Kilovolt (KV), 11 KV & LT Line from newly constructed canal at various locations under Sakri, Gariyari Chakarbhatta D/C was executed by the Chhattisgarh State Power Distribution Corporation Limited (CSPDCL), Bilaspur. On the basis of demand note of ₹ 64.46 lakh of CSPDCL, Division made payment of ₹ 64.46 lakh to CSPDCL for this work. The details of payment made by Division to CSPDCL are shown in **Table 3.1.5**.

**Table 3.1.5: Details of payment made to CSPDCL by division**

*(Amount in ₹)*

S. No.	Details of demand note issued by CSPDCL		Details of payment made by Division	
	Demand No./ Date	Amount	Voucher. No./ Date	Amount
1.	6054/24.01.2017	1401495	32/16.03.2017	1401495
2.	6357/27.02.2018	2265600	13/08.03.2018	2265600
3.	2965/22.08.2019	1174128	56/23.08.2019	1174128
4.	8618/22.02.2019	1604423	45/23.02.2019	1604423
<b>Total</b>		<b>6445646</b>		<b>6445646</b>

*(Source: Information provided by Divisional office)*

Audit observed that the shifting of HT/LT electric wire and obtaining necessary permission thereof from the respective Department was included in the scope of work under the lump sum contract. Therefore, the cost of execution of this work was required to be deducted from the payment made to the contractor against the lump sum contract of this project. However,

Department did not take any action to deduct/adjust or recover the cost of shifting of electric line of ₹ 64.46 lakh from the contractor.

On being pointed out, Engineer-in-Chief (July 2024) accepted the audit observation and stated that shifting and reinstallation of HT and LT electric lines was within the scope of contract and the same was to be executed by the contractor but due to non-execution of same by contractor, department got this work executed through Regional Account Officer (RAO), CSPDCL, Bilaspur and payment was made to the same agency. E-in-C further stated that in compliance to audit observation, department had directed the contractor (September 2023) to deposit the same amount. In case of non deposit of the said amount, it would be recovered from the SD of contractor and intimated to Audit.

Reply is awaited at the Government level (December 2024).

**(e) Undue benefit due to application of enhanced rates of agriculture land in LA award.**

Market rate guidelines for land are issued by the Inspector General of Registration (Central Valuation Board) Chhattisgarh every year. Guidelines issued for the year 2018-19 stipulated that market price of double crop land would be 25 per cent more than that of single crop land.

Scrutiny of *Khasra* wise details of LA cases related to Chakarbhatha branch canal at Sakri village related to Arpa Bhaisajhar project revealed that in five cases LA award for acquisition of land was prepared by considering the land as double crop land instead of single crop land despite these lands being mentioned as single crop lands in the online land records (P-II). This resulted in excess payment of compensation to the farmers. Details of these five cases are given in **Table 3.1.6**.

**Table 3.1.6: Details of excess payment of compensation by considering land as double crop instead of single crop land**

(Amount in ₹)

Khasra No.	Area (Ha)	Award was to be calculated/paid				Compensation Calculated by the Department for payment		
		Type of Land/Crop	Market rate/Ha	Rate derived <sup>10</sup>	Award amount (2) x (5)	Type of Land/Crop	Actual award amount	Excess Award (8)-(6)
1	2	3	4	5	6	7	8	9
18/29	0.194	Single	1,75,00,000	3,78,00,000	73,33,200	Double	91,66,500	18,33,300
18/35	0.320	Single	1,75,00,000	3,78,00,000	1,20,96,000	Double	1,51,20,000	30,24,000
19/4	0.433	Single	1,75,00,000	3,78,00,000	1,63,67,400	Double	2,04,68,624	41,01,224
40/4	0.887	Single/Other approach road	2,20,00,000	4,75,20,000	4,21,50,240	Double/Other approach road	5,26,66,397	1,05,16,157
42/26	0.474	Single Crop	1,75,00,000	3,78,00,000	1,79,17,200	Double	2,23,81,579	44,64,379
<b>Total:</b>					<b>9,58,64,040</b>		<b>11,98,03,100</b>	<b>23939060</b>

(Source: Information provided by LAO office Kota, Bilaspur)

<sup>10</sup> Market Rate/Ha. as per single crop + interest for 16 months at the rate of 12 per cent + 100 per cent Solatium (Market rate per ha.)



From the above table it is evident that in five cases, the rates of compensation payable to farmers were calculated by considering the land as double crop i.e. rate applied was 25 *per cent* more than the normal rates mentioned in market rate guidelines issued by Central Valuation Board for single crop irrigated/non irrigated lands despite the fact that the lands were mentioned as single crop land in P-II which is the land record of revenue department. Thus, erroneous application of the market rate guidelines resulted in undue benefit of ₹ 2.39 crore paid as compensation to the farmers.

SDO (Revenue) and LA Officer Kota, District Bilaspur in its reply stated (October 2023) that a joint investigation committee set up by the Collector has investigated the matter and the investigation report has been sent to Water Resources Department and Commissioner, Bilaspur for further necessary action.

Reply has to be seen in light of the fact that the investigation report did not mention the application of enhanced rates of agriculture land in computing compensation payable to farmers after LA award.

Reply is awaited at the Government level (December 2024).

#### **3.1.8.4 Construction of Rehar anicut in Surajpur District**

##### **(a) Construction of Rehar Anicut without ensuring its utility led to wasteful expenditure of ₹ 28.02 crore**

Government of Chhattisgarh (GoCG) accorded (December 2007) AA of ₹ 16.88 crore for construction of diversion scheme over Rehar River in Surajpur block for providing water for generation of 1,500 Megawatt (MW) electricity as well as for irrigation facility of 1,250 ha of cultivable land on the condition that the expenditure would be met from the deposit money of Chhattisgarh State Electricity Board (CSEB) which will be adjusted from water charge on the supply of water to proposed thermal power plant. The estimated cost of ₹ 16.88 crore included head work (₹ 14.35 crore) and canal work (₹ 2.53 crore). The EE of Surajpur Division conducted survey for the proposed canal and observed non availability of command area for irrigation on both sides of canal due to large volume of cutting of earthwork for canal work near the river. As per the survey report, the diversion scheme was not appropriate/feasible for the selected site. The SE, Shyam Barnai Project Circle, Ambikapur informed (2008) CE Hasdeo Basin Bilaspur that the command area of 1250 ha mentioned in the AA could not be achieved even after construction of proposed canal, but supply of water for generation of electricity was also proposed in the project, therefore construction of anicut would be appropriate instead of diversion scheme. The CE (CSEB) in June 2008 also suggested CE, Hasdeo basin, Bilaspur for not constructing the diversion scheme on the ground of high cost of supply of water. However, GoCG accorded revised AA of ₹ 27.06 crore (July 2009) for the diversion/anicut scheme removing the condition of cost bearing by CSEB. This project was later financed from NABARD which sanctioned (March 2011) this project with funding of ₹ 26.67 crore.

The revised TS of ₹ 24.63 crore for weir construction was accorded (August 2009) by the CE, Hasdeo Basin, Bilaspur under diversion/anicut scheme. The work was awarded (December 2009) to contractor with contract

amount of ₹ 17.08 crore and stipulated period of completion of 21 months. During execution of work, extension of time was sanctioned on seven occasions to the contractor by the competent authority on several grounds such as lack of fund, non-availability of labourers, villagers' agitations, incidental rain, delay in supplementary sanction at government level etc. The work was completed (March 2018) and final bill was paid in August 2019 with total expenditure of ₹ 28.02 crore.

Scrutiny of records of the CE, Hasdeo Ganga Basin, WRD, Ambikapur revealed that the above scheme was designed originally for water supply to thermal power project for generation of 1500 MW electricity being constructed by the CSEB and for irrigation of 1250 hectare land through canal. However, CSEB refused (June 2008) to take water from the scheme due to very high cost of construction. Despite being aware of the fact that project was not feasible for irrigation through canal due to high cutting/hilly area, the department went ahead with the project with NABARD financing for construction of weir (head work) without canal and payment was made to contractor for total work done of ₹ 28.02 crore.

However, the constructed structure was neither being used to supply water to any power plant or industry nor was any command area for irrigation available nearby. Thus, the constructed structure served no purpose and hence the expenditure incurred remained wasteful. Further, joint physical verification of the anicut conducted (December 2022) by Audit revealed that the structure has partially sunk in the water and was in dilapidated condition, as evident from the photographs given below.

**Photograph 3.1.3 and 3.1.4 : Damaged structure and gate of Rahar anicut**



Date of photograph: 07.12.2022

**(b) Execution of concrete work with lower specifications**

It was also observed that the Plain Cement Concrete (PCC) and Reinforced Cement Concrete (RCC) works executed in the construction of anicut were of lower specification as the acceptable criteria of comprehensive strength of M-10 and M-20 concrete was not adhered to, as mentioned below:

➤ ***Execution of PCC and RCC work with lower grade of concrete***

The structures of irrigation related works (like anicuts, barrage, diversion scheme) are exposed to moderate environment, which is explained by Indian Standard 456:2000 code read with Table-3 as an environment, where concrete surfaces settled from severe rain or concrete is continuously under water or concrete is in contact or buried under non-aggressive soil/ground water. In such environmental condition, the minimum grade for PCC & RCC should be M-15 & M-25 respectively, as prescribed in IS code under clause 6.1.2 read with Table 5. However for construction of anicut, 29321.04 cum of PCC (M-10) work amounting to ₹ 5.97 crore and 6644.26 cum of RCC (M-20) amounting to ₹ 1.90 crore was executed by the contractor. Thus, against requirement of M-15 and M-25 for PCC and RCC works respectively, lower grade of concrete works were executed in contravention to the standards given in IS 456:2000.

➤ ***Non-Compliance to the standard compressive strength requirement in execution of concrete work***

IS Code 456:2000 provides that acceptable criteria of comprehensive strength of execution of M-10 and M-20 should be 130 kg/cm<sup>2</sup> and 240 kg/cm<sup>2</sup> respectively. Scrutiny of test reports of M-10 and M-20 concrete grades of work executed by the contractor revealed that the comprehensive strength achieved for these grades ranged from 102.22 kg/cm<sup>2</sup> to 104.44 kg/cm<sup>2</sup> and 233.33 kg/cm<sup>2</sup> to 237.77 kg/cm<sup>2</sup> respectively, which were below their respective acceptable criteria and the department did not monitor the execution of work as per standards. Thus, execution of below specification work of cement concrete work compromised the quality of structure as evident from the fact that the structures of weir and pier were found damaged in May 2021, after completion of work. The CE, Hasdeo Ganga Basin, Ambikapur, in the investigation report of damaged structure has mentioned that due to foundation settlement under gate no. 4, 5, 6 and 7, weir body and pier of structure got damaged.

On this being pointed out, the EE (December 2022) replied that due to heavy rainfall the pier, diaphragm wall and structural gate were damaged. EE further stated that an estimate amounting to ₹ 18.66 crore for repairing of damaged headwork of anicut/diversion scheme was sent (September 2022) to the GoCG, WRD which was not sanctioned by the competent authority till September 2023.

However, the average rainfall data of Surajpur during 2018 to 2021 do not support the reply of EE. Further, SE in the investigation report mentioned that damage in weir body wall and pier was due to foundation settlement and boiling of water and also observed non-execution of the construction work as per the approved design while CE attributed the damage to settling of foundation. This indicates lack of monitoring/supervision of construction work by the WRD.

Thus, injudicious decisions of Department to construct Rehar anicut without ensuring its utility and with substandard concrete work resulted in wasteful expenditure of ₹ 28.02 crore.

Reply is awaited at the Government level (December 2024).

### 3.1.8.5 Non-maintenance of Annual Inspection Register

As per clause 8.016 of Works Department Manual, the annual/periodical inspection of irrigation works is to be carried out by various officers (CE/SE/EE/AE) and as per clause 8.017, a four yearly programme of inspection works shall be framed by the inspecting officer indicating the work to be inspected year-wise and the results of annual/periodical inspection of Irrigation works should be recorded by the inspecting officer in the Annual Inspection Register maintained at the division level.

Scrutiny of records in all 19 selected divisions revealed that no such records related to the annual/periodical inspection of irrigation works carried out by various officers (CE/SE/EE/AE), were maintained. Thus, due to non-maintenance of annual inspection Register, Audit could not ensure that the periodical inspections were being done by the competent technical authority for analysing the required maintenance and repairs of the asset created through the NABARD assisted loan.

Reply is awaited at Government level (December 2024).

### 3.1.8.6 Achievement of Irrigation Potential

The main deliverable of an irrigation project is the creation and utilization of contemplated Irrigation Potential (IP). IP created is the total area which can be irrigated from a project after its completion. Targets were set in each project for creation of IP in the Detailed Project Report. Achievement of these targets was crucial for meeting the overall objectives of projects.

The objective of availing loan from NABARD was to complete the incomplete/new projects and to create IP. The position of phase wise targets fixed vis-a-vis creation of IP in respect of NABARD assisted RIDF loan for irrigation projects, is shown in **Table 3.1.7**.

**Table 3.1.7: Phase wise targets and achievements of IP creation proposed under NABARD (as on 31 March 2022)**

Phase	No. of projects sanctioned	Projects completed	Incomplete projects	Targeted IP (ha)	Created IP (ha)	Percentage of creation against Targeted IP
XVIII (2012-13)	02	02	00	813	813	100
XIX (2013-14)	19	15	04	7957	5882	74
XX (2014-15)	21	16	05	77940	54728	70
XXI (2015-16)	19	13	06	17252	12879	75
XXII (2016-17)	19	15	04	71383	70728	99
XXIII (2017-18)	17	06	11	8041	2365	29
XXIV (2018-19)	28	12	16	15489	3283	21
XXV (2019-20)	32	13	19	13750	1281	09
XXVI (2020-21)	21	2	19	7980	31	00
XXVII (2021-22)	7	0	7	1914	00	00
<b>Grand Total</b>	<b>185</b>	<b>94</b>	<b>91</b>	<b>222519</b>	<b>151990</b>	<b>68</b>

(Source: Information provided by E-in-C office)

It can be seen from the above table that target had been achieved only in phase XVIII (2012-13) and XXII (2016-17).

Scrutiny of test checked 39 agreements/works<sup>11</sup> executed by 20 divisions related to creation of IP revealed that IP of only 142 ha (07 per cent) had been created against the targeted IP of 1953 ha in three completed works out of 23 completed works. Further, six works were finalized incompletely due to delay in LA process and only 2450 ha (30 per cent) of IP was created against the targeted IP of 8277 ha. Audit further found that in nine out of ten incomplete works IP of 15268 ha (54 per cent) was created against the targeted IP of 28499 ha. The details are shown in **Table 3.1.8**.

**Table 3.1.8: Short/Non creation of IP due to delay in LA process**

(IP in ha. and Exp. in ₹ crore)						
No. of works	Expenditure	Designed IP	IP created	Non/short creation of IP	IP Created (in per cent)	Status of work
<b>Nil/short creation of irrigation potential due to delay in LA process and other technical issues</b>						
09	344.02	28499	15268	13231	54	Incomplete due to LA process, statutory clearances, covid-19 pandemic etc.
Incomplete finalization of work due to non completion of LA process and non execution of key components of canal						
06	36.00	8277	2450	5827	30	Incomplete Final
<b>Nil/Short creation of IP even after completion of works/agreements</b>						
03	40.12	1953	142	1811	07	Completed

(Source: Information provided by divisional office)

It is evident from the above table that nine works remained incomplete due to delay in LA process, statutory clearances, covid-19 pandemic etc and delay ranged from 32 months to nine years and three months and this led to blockade of funds of ₹ 344.02 crore. Further, total expenditure of ₹ 36 crore was incurred on six works and these works were incomplete due to delay in LA process and non execution of key component of canal and other technical issues. Audit further found that three works were completed after incurring expenditure of ₹ 40.12 crore but targeted IP was not created due to irregular sanction of the project without ensuring availability of land for construction of canal and other land issues. (**Appendix 3.1.2**).

Reply is awaited at the Government level (December 2024).

### **3.1.9 Conclusion**

NABARD assisted RIDF Fund was created with objective for giving support to the State Government for quick completion of ongoing and incomplete projects. Audit observed that out of 60 projects sanctioned during the period 2019-20 to 2021-22 through NABARD assisted Rural Infrastructure Development Fund, only 15 projects were completed and 45 projects remained incomplete as of March 2022.

Audit test checked 39 works and observed that 15 works were still incomplete due to various reasons viz. delay in Land Acquisition (LA), slow progress of work during covid-19 and overlapping of command area in canal networks

<sup>11</sup> Completed : 23, Incomplete Final: 06, Incomplete: 10

and other issues etc. There was short/non-creation of Irrigation Potential (IP) of 17,715 ha (48 *per cent*) against the designed/proposed IP of 36,776 ha due to delay in completion of projects.

In contravention of GoCG's order (December 2013), four divisions of WRD had floated tender for six works with Probable Amount of Contract (PAC) amounting to ₹ 40.63 crore during 2016-20 and also commenced the execution of work without completing the land acquisition process and all these works remained incomplete as of (June 2024) due to delay in land acquisition related issues. For the Kalmahar Diversion scheme, due to non-execution of canal work, an expenditure of ₹ 2.06 crore incurred on construction of head work was rendered wasteful as the structures were not put to use since the last 15 years and the objective of creating irrigation potential of 262 ha could not be achieved. Construction of weir (head work) without canal for the diversion scheme over Rehar River in Surajpur block without ensuring its utility led to wasteful expenditure of ₹ 28.02 crore.

In Arpa Bhaisajhar Major project, Audit observed that work was commenced before obtaining required statutory clearances viz forest clearance, environment clearance, inter-state clearance and approval of DPR by CWC. Further, due to delay in land acquisition process the project remained incomplete, with construction of only 329.46 km length of canal having been completed out of the designed length of 386.90 km as per the DPR approved by the CWC. Further, the designed Irrigation Potential (IP) was not achieved due to non-completion of the canal work even after lapse of more than 10 years from commencement of the work.

### **3.1.10 Recommendations**

1. *Efforts should be made to complete the irrigation projects timely to achieve designed irrigation potential of the project.*
2. *Technical sanction of Head work and canal work should be accorded as a whole after conducting detailed survey to assess/ensure availability of land for canal work before taking up the project.*
3. *All statutory clearances should be obtained before commencement of construction work to avoid delay in execution of project.*

## **AGRICULTURE DEVELOPMENT, FARMER WELFARE AND BIOTECHNOLOGY DEPARTMENT**

### **3.2 Bringing Green Revolution to Eastern India**

#### **3.2.1 Introduction**

Bringing Green Revolution to Eastern India (BGREI) programme was initiated in 2010-11 by Government of India to address the constraints limiting the productivity of "rice based cropping systems" in the seven States<sup>12</sup> of eastern India. The goal of this programme was to promote improved crop production technologies of major crops and to harness the water potential for enhancing rice production in eastern India.

Initially, BGREI comprised three broad categories of interventions, namely (i) block demonstrations (ii) asset building activities such as construction of check dam, minor irrigation tank and other water resources development works, and (iii) site specific activities for facilitating petty works such as construction/renovation of irrigation channels/electricity for agricultural purposes in a cluster approach for convenience and cost effectiveness. During 2013-14, post-harvest management was included as an intervention for providing marketing support to farmers for their produces. BGREI was implemented as a sub-scheme of *Rashtriya Krishi Vikas Yojana* (RKVY). In the year 2021-22, GoI subsumed the BGREI sub-scheme with the National Food Security Mission (NFSM) for the period 2021-25.

#### **3.2.2 Organisational Set-up**

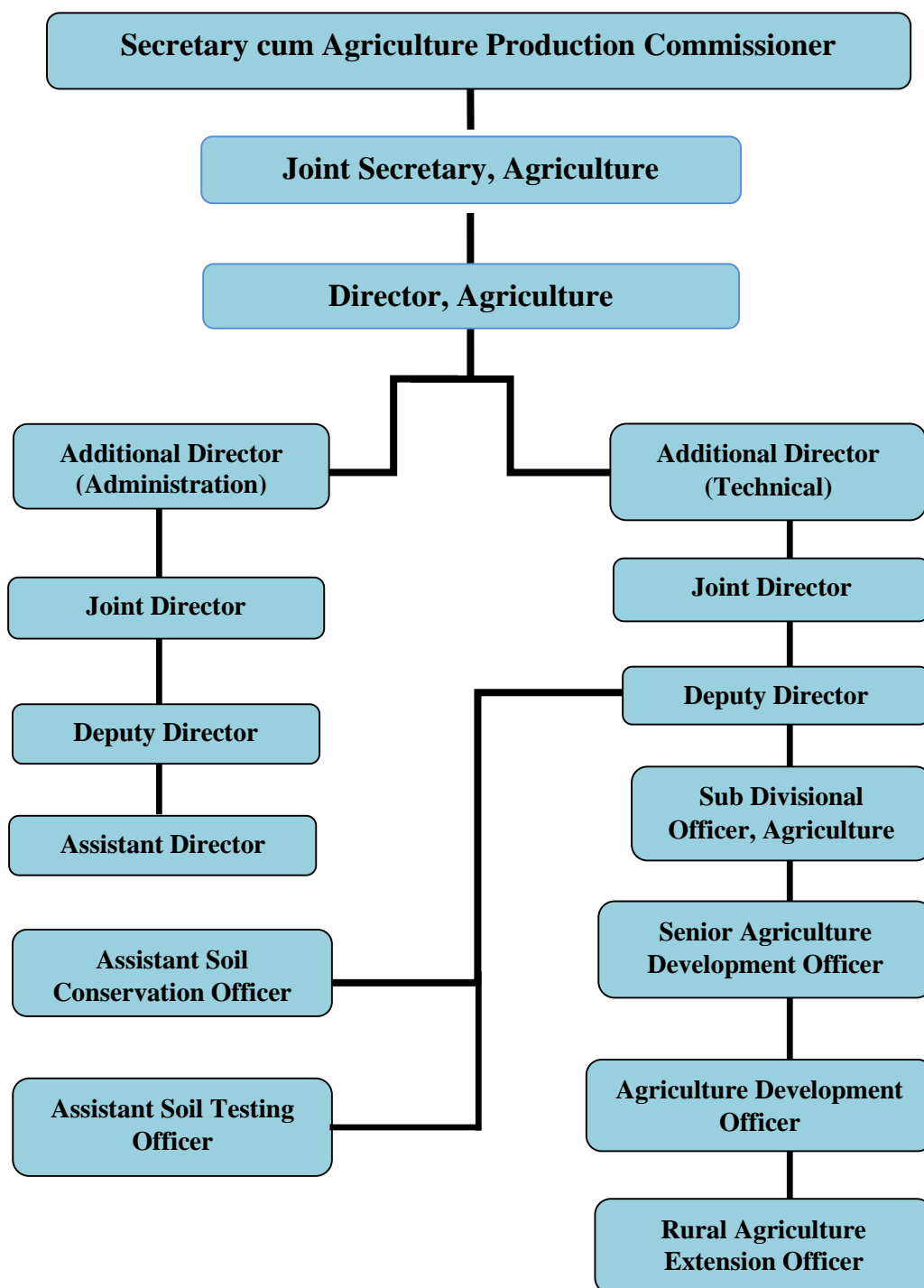
The BGREI scheme is implemented by the Agriculture Department under the overall control of Additional Chief Secretary/Principal Secretary/Secretary/Joint Secretary at the State level, who acts as the Chief Controlling Officer while the Director, Agriculture is the functional head of the Department at State level. The Director, Agriculture is assisted by Additional Directors, Agriculture (ADAs), Joint Directors, Agriculture (JDAs) at divisional level and Deputy Directors, Agriculture (DDAs) at district level. The flow chart showing organisational set up of the Department is given in **Chart 3.2.1**:

---

<sup>12</sup> Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh and West Bengal



Chart 3.2.1 : Organisational set-up of Agriculture Department



### **3.2.3 Audit Objectives**

The Compliance audit of BGREI was taken up with the objective of assessing:-

- Whether BGREI scheme was being implemented in a planned manner in compliance to the scheme guidelines of Government of India;
- Whether different interventions under the scheme such as block demonstration, asset building, site specific activities and marketing support including post-harvest management were executed efficiently and effectively;
- Whether funds were released, accounted for and utilized by the department, economically and monitoring/evaluation of the scheme have been done.

### **3.2.4 Audit criteria**

The audit findings were benchmarked against the following criteria:

- BGREI Scheme Guidelines 2015;
- Instructions issued by Central Government and State Government from time to time;
- Minutes of State Steering Committee, District Steering Committee, State Action Plan (SAP), District Action Plan (DAP);
- Annual Monitoring report of Technical backstopping by Central Rice Research Institute (CRRI)/State Agriculture Universities (SAUs)/Indian Council of Agriculture Research (ICAR), Report of National Level Monitoring Team (NLMT), Annual Progress Report;
- Impact Evaluation Report and Evaluation Studies by State level agencies, Comprehensive State Agricultural Plan.

### **3.2.5 Scope of Audit**

The Compliance Audit of BGREI was conducted covering the period of 2017-22. The scheme was functional in 14 out of the 28 districts in the State. Eight<sup>13</sup> out of 14 districts were selected through Simple Random Sampling without Replacement (SRSWOR) method. Apart from Directorate, Agriculture, Audit covered the implementing unit of Deputy Director, Agriculture (DDA) and Assistant Soil Conservation office (ASCO) in the selected districts for compliance audit. The draft report was forwarded to the State Government in February, 2023. The reply of the Government on report was received in June, 2023. The replies of the State Government had been suitably incorporated in the Report.

---

<sup>13</sup> Dhamtari, Balod, Kanker, Balarampur, Kondagaon, Jagdalpur, Surajpur and Durg

## Audit findings

### 3.2.6 State Action Plan

#### 3.2.6.1 Preparation of State Action Plan

According to para 9 of BGREI guidelines, the provision for implementation of scheme will be made annually under RKVY on the basis of action plan approved by GoI. Further, as per para 4.2.1 of the guidelines, the State Steering Committee (SSC) will meet every quarter and finalise the State Action Plan (SAP) in consultation with ICAR/ SAUs and other stake holders for implementation of BGREI.

During the period 2017-22, the SAP was prepared every year for onward submission to GoI, except in the year 2021-22, as detailed in **Table 3.2.1**.

**Table 3.2.1: Details of SAP proposal, approval and SSC meetings**

Year	Date of submission of SAP to GoI	Date of Approval of SAP by GoI	Date of meeting of SSC
2017-18	6.9.2017	25.10.2017	14.11.2017
2018-19	24.5.2018	06.06.2018	30.05.2018
2019-20	21.5.2019	29.05.2019	04.02.2020
2020-21	19.6.2020, 24.08.2020	23.06.2020, 28.08.2020	-
2021-22	-	-	-

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

As evident from above table, only three meetings of SSC were held during the five year period of 2017-22 instead of quarterly meetings. Further, the meetings were held after submission of SAP to the GoI which indicates that SAP was not discussed/finalised in SSC before submitting it to GoI. Moreover, in 2020-21 no meeting of SSC was conducted. Thus, various measures needed for finalisation of plan such as review of district wise physical and financial progress, review of technical backstopping by CRRI/ICAR/SAU and involvement of all the stake holders as envisaged in the guidelines were not carried out due to delay/not conducting the prescribed number of meetings of SSC before sending the plan to GoI.

Scrutiny of approved action plan revealed that targets included in the SAP decreased over the period of 2017-21, as detailed in **Appendix 3.2.1**.

- Physical target of demonstration area of rice was decreased by 51 per cent<sup>14</sup> from 49136 hectare to 24157 hectare during the period 2018-21.
- Allocation/ Provision of fund for stress tolerant varieties in demonstration ranged from seven to 27 per cent against the norms of 30 per cent prescribed in the BGREI guidelines.
- Targets approved by the GoI in various interventions under BGREI such as production of seeds, distribution of seeds, nutrient management and asset building decreased by 60 per cent, 68 per cent, 33 per cent

<sup>14</sup> (Physical target of 2017-18-physical target of 2020-21) \*100/Physical target of 2017-18=(49136-24157)\*100/49136=51 per cent

and 82 *per cent* respectively from the year 2017-18 to 2020-21, as detailed in **Appendix 3.2.1**.

Government replied (June 2023) that targets for both Central and State sponsored schemes were given final shape during the review meetings conducted by Director/Secretary, Agriculture and achievements were reviewed time and again. Targets for demonstrations were fixed on the basis of recommendation of districts during review meetings within norms and ceilings fixed by the GoI. It further stated that Vice Chancellor nominated in the SSC represented the SAU and thus required stakeholders were involved at the SSC level.

The reply is not tenable because records indicating receipt of district level proposals were not available. Further, it was also observed that SAP was finalised in the review meeting conducted by Secretary with the district level officials without involving all stakeholders of SSCs as envisaged in the guidelines.

### **3.2.7 Programme implementation**

The programme consisted of a bouquet of four broad categories of interventions, *viz*; (i) Block demonstrations of rice and wheat (ii) Asset building activities consisting of water conservation and utilization (iii) Site specific activities for facilitating the petty works such as construction/renovation of irrigation channels/electric power supply for agriculture purposes and (iv) Post-harvest management.

#### **3.2.7.1 Block Demonstration**

Block demonstration is one of the major components/intervention under the scheme with 40 *per cent* allocation of fund. The various types of demonstrations for rice included System of Rice Intensification (SRI), Direct Seeded Rice (DSR), Hybrid Rice Technology, Line transplanting, Stress Tolerant varieties and improved package of practices. Status of targets and achievement under the various types of demonstration are provided in **Appendix 3.2.2**. At least 30 *per cent* of total rice demonstration was required to be conducted under cropping system based approach.

##### **3.2.7.1(i) Decrease in rice area demonstration**

The position of physical and financial target and achievement of rice and wheat area demonstration under BGREI scheme in the State during the period 2017-21 is as detailed in **Table 3.2.2**.

**Table 3.2.2: Target and achievement of demonstration of rice and wheat in the State during 2017-21**

Year	Rice				Wheat			
	Physical target	Physical achievement	Financial target	Financial achievement	Physical target	Physical achievement	Financial target	Financial achievement
	(in hectare)		(₹ in crore)		(in hectare)		(₹ in crore)	
2017-18	49136	49136	44.42	44.42	6620	5533	4.97	3.62
2018-19	25205	25205	26.53	26.53	9211	9211	8.29	8.29
2019-20	28679	28579	31.58	31.58	10961	10961	9.86	9.86
2020-21	24157	24159	27.54	18.16	9561	9561	8.60	7.75
2021-22	0	0	0	0	0	0	0	0

(Source: Data provided by the department and compiled by Audit)

It is clear from the above table that physical target of demonstration area of rice decreased from 49,136 hectare in the year 2017-18 to 24,157 hectare (51 *per cent*) in the year 2020-21. The financial outlay for rice was also reduced from ₹ 44.42 crore to ₹ 27.54 crore (38 *per cent*) during this period. Further, it was observed that there was 66 *per cent* increase in demonstration area of wheat in 2019-20 in comparison to 2017-18. Similarly, the financial allocation for wheat demonstration was increased over the years during 2017-20. No allocation was made under the scheme during the year 2021-22.

Government replied (June 2023) that expenditure was made as per intervention wise sanctions provided by order of GoI.

However, the physical targets and financial outlays were generally decreased over the years which indicates that rice demonstration was not given adequate priority under the scheme by the Department.

### **3.2.7.1(ii) Selection of beneficiaries without prioritisation of SCs and women farmers**

According to para 12 of BGREI guidelines regarding criteria for identification of areas and beneficiaries, the allocation of funds will be made for General, Special Component Plan (SCP) for scheduled castes (SCs) and Tribal Sub Plan (TSP) for scheduled tribes (STs) as per the proportion of these categories in state population. Besides, at least 33 *per cent* of the funds will be earmarked for small and marginal farmers and at least 33 *per cent* of fund provision will be made for women farmers.

Accordingly, selection of beneficiaries under the scheme is required to be done in the respective categories (General, SC, ST and Women farmers) in the same ratio as mentioned in the guidelines regarding fund allocation.

Further, as per para 14.3 of the guidelines, the size of each cluster demonstration of rice and wheat will be at least 100 hectare (ha). For each participating farmer, at least 0.4 hectare area will be included in demonstration which should not exceed two hectares.

In the eight selected districts, Audit observed that total 68,828 farmers with total area of 54,225 hectares of land were selected for block demonstration, as detailed in **Table 3.2.3**.

**Table 3.2.3: Details of beneficiaries selected for block demonstration in the selected districts during 2017-21**

District	Total farmers selected (in nos.)	Total area (in ha.)	Total SC farmers (in nos.) (per cent)	Area (in ha.)	Total ST farmers (in nos.) (per cent)	Area (in ha.)	Total women farmers (in nos.) (per cent)	Area (in ha.)
Dhamtari	9620	9209	543(5.64)	532.35	3252(33.8)	2901.71	790(8.21)	639.16
Kanker	5750	3500	325(5.65)	175.00	2651(46.1)	1750.00	522(9.07)	315.00
Balod	5929	6350	443(7.47)	468.00	1981(33.41)	1893.00	626(10.55)	520.00
Kondagaon	2746	2300	30(1.09)	23.40	1992(72.54)	1680.00	305(11.1)	268.45
Jagdalpur	2160	2700	-	-	1684(77.96)	2106.00	276(12.77)	220.80
Balrampur	17938	15166	145(0.8)	86.00	15787(88)	12542.00	280(1.56)	229.00
Surajpur	20090	9700	581(2.89)	278.00	9235(51.48)	4385.00	236(1.17)	262.00
Durg	4595	5300	328(7.13)	387.30	364(7.92)	398.10	336(7.31)	269.00
<b>Total</b>	<b>68828</b>	<b>54225</b>	<b>2395(3.47)</b>	<b>1950.05</b>	<b>36946(53.67)</b>	<b>27655.81</b>	<b>3371(4.89)</b>	<b>2723.41</b>

(Source: Data provided by the department and compiled by Audit)

The above table indicates that only 4.8 *per cent* women farmers were selected for demonstration. Further, representation of scheduled caste farmers in the scheme was only 3.5 *per cent* which was not in proportion to their representation (13 *per cent*) in the total population.

Thus, it is evident from the above table that the prescribed allocation for scheduled caste and women farmers could not be achieved due to the lower participation of scheduled caste and women farmers.

The data relating to small and marginal farmers was not provided by the department. So, in the absence of data, Audit could not ascertain that the required 33 *per cent* of total funds were allocated to small and marginal farmers, as per the scheme guidelines.

Government replied (June 2023) that the scheme was being implemented after approval of gram panchayats. Practically it was not feasible that 30 *per cent* small, marginal and women farmers hold cultivable land in 100 hectare cluster demonstration. Therefore, it was mere coincidence that small, marginal and women beneficiaries' representation in cluster demonstration was not in proportion to prescribed percentages.

Fact remains that schedule caste and women farmers were not adequately represented under the scheme. Further, data of small and marginal farmers taken up for demonstration was also not maintained by the department.

### **3.2.7.1(iii) Coverage under Stress Tolerant Varieties and cropping system based approach**

Para 14.1 of the guideline provides various types of demonstrations for rice such as System of Rice Intensification (SRI), Direct Seeded Rice (DSR), Hybrid Rice Technology, Line Transplanting, Stress Tolerant Varieties and Improved Package of Practices (variety, nutrient management, integrated pest management etc.). Out of funds earmarked for rice demonstrations, 30 *per cent* will be allocated for the promotion of stress tolerant varieties.

Further, State should conduct at least 30 *per cent* of total rice demonstrations under cropping system-based approach. This entails those demonstrations to be conducted in cropping sequence on same plot of land to utilise rice fallow areas through cultivation of wheat/coarse cereals/pulses/oilseeds as second crop. The approved rate of assistance for stress tolerant varieties was ₹ 7,500 per hectare for the year 2017-18 and ₹ 9,000 per hectare for the period 2018-21.

The year wise fund allocation under demonstration of stress tolerant varieties is as given in **Table 3.2.4**.

**Table 3.2.4: Details of fund allocation under stress tolerant demonstration**

(₹ in crore)

Year	Norms for assistance (₹ per hectares) (1)	Financial allocation under Cluster demonstration (2)	Stress tolerant varieties	
			Financial allocation (3)	Per cent w.r.t column 2
2017-18	7500	44.42	11.25	25.21
2018-19	9000	26.53	1.89	7.12
2019-20	9000	31.58	8.55	27.07
2020-21	9000	27.53	3.6	13.08
<b>Total</b>		<b>130.06</b>	<b>25.29</b>	<b>19.44</b>

(Source: Information provided by the department)

It is clear from the above table that the allocation made for stress tolerant varieties during the period was in the range of 7-27 *per cent* which was less than the norms of 30 *per cent* stipulated in the guidelines.

**Cropping system based approach:** Scrutiny of records in the eight selected districts revealed that during the period 2017-21 rice demonstration under cropping system based approach ranged from 5.56 to 27.27 *per cent* on 15 occasions out of 20 in five districts, namely Dhamtari, Balrampur, Surajpur, Balod and Durg, as detailed in **Appendix 3.2.3**. Thus, the norms of minimum 30 *per cent* of rice demonstration under cropping system based approach were not followed in five checked districts though at the State level, Department achieved the target for cropping system based approach.

Government (June 2023) did not provide any specific reply regarding stress tolerant varieties and cropping system-based approach.

Thus, norms specified in the guidelines regarding demonstration of stress tolerant varieties and cropping system based approach were not followed by the Department.

### 3.2.7.2 *Production and distribution of hybrid seeds*

#### 3.2.7.2(i) *Shortfall in production of Hybrid seeds*

As per para 16 of BGREI guidelines “Assistance will be provided to National Seed Corporation (NSC)/ State Seed Corporation/Private companies authorised by State for production of seed of varieties which were prevalent in last 10 years, at farmer’s fields within the State. This assistance at the rate of ₹ 2,000 per quintal for high yielding varieties (HYVs) and ₹ 10,000 per quintal for hybrid seeds would be provided under the scheme.



The targets and achievements of seed production varieties less than 10 years old is as detailed in **Table 3.2.5**.

**Table 3.2.5: Seed production of varieties less than 10 years old**

Year	Components	Target		Achievement till March of the same year	
		Physical (in Quintal)	Financial (₹ in crore)	Physical (in Quintal)	Financial (₹ in crore)
2017-18	Hybrid Rice ₹ 5000 per quintal or 75 per cent	3000	1.50	0	0.00
	Certified seeds rice ₹ 1000 per quintal or 75 per cent	40525	4.05	30051	2.41
2018-19	Hybrid Rice ₹ 10000 per quintal or 75 per cent	500	0.50	100	0.00
	Certified seeds rice ₹ 2000 per quintal or 75 per cent	14080	2.82	31343	2.61
2019-20	Hybrid rice ₹ 10000 per quintal or 75 per cent	360	0.36	0	0.00
	Certified seed ₹ 2000 per quintal or 75 per cent	17940	3.59	53689	3.13
2020-21	Hybrid rice ₹ 10000 per quintal or 75 per cent	0	0.00	0	0.00
	Certified seeds ₹ 2000 per quintal or 75 per cent	17210	3.44	34133	1.90

(Source: Information provided by the department)

During 2017-21, only 100 (2.5 per cent) quintals of hybrid rice seeds were produced against the target of 3,860 quintals and production of hybrid rice was nil in four out of five years. In the year 2020-21, the target of hybrid seeds reduced to zero which indicates lack of initiative by the Department. Further it was noticed that production of certified seeds was given more priority than hybrid seeds even though the productivity of hybrid seeds was more in comparison to certified seeds.

Government replied (June 2023) that since the production of hybrid seeds is highly technical, therefore farmers hesitate to take up production of hybrid seeds. However, HYVs seeds of State (certified seeds) were more popular among farmers; therefore, certified seeds were produced in accordance with demand.

Reply is not acceptable as the GoI, while approving the State action plan, emphasised (June 2020) on the production of hybrid seed. However, the Department and implementing agency i.e. (Chhattisgarh Rajya Beej evam Krishi Vikash Nigam Limited) did not take necessary initiative to achieve target for growing hybrid varieties of seeds in farmer's fields.

### **3.2.7.2 (ii) Distribution of Hybrid seeds**

As per para 15 of the guidelines, seed producing agencies such as NSC/State Seed Corporation/SAU/ICAR institutes/Private companies authorised by State will distribute seeds of rice and wheat in identified districts for the varieties which are not older than 10 years. The assistance on HYVs seed of hybrid rice will be ₹ 100 per kg or 50 per cent of the cost, whichever is less. Further, it was instructed by GoI in the allotment order for the year 2020-21 that preference should be given for distribution of Hybrid rice seeds.

(a) ***Short achievement in distribution of hybrid seeds to farmers under BGREI***

The physical and financial progress of distribution of seeds of varieties less than 10 years old during 2017-21 is as detailed in **Table 3.2.6**.

**Table 3.2.6: Seed distribution of varieties less than 10 years old**

Year	Components	Target		Achievement	
		Physical (in Quintal)	Financial (₹ in crore)	Physical (in Quintal)	Financial (₹ in crore)
2017-18	Hybrid Rice ₹ 5000 per quintal or 50 per cent	5000	2.50	5000	2.50
	Certified seeds rice ₹ 1000 per quintal or 50 per cent	86050	8.61	86050	8.61
2018-19	Hybrid Rice ₹ 10000 per quintal or 50 per cent	4632	4.63	1667	1.21
	Certified seeds rice ₹ 2000 per quintal or 50 per cent	10000	2.00	54188	5.42
2019-20	Hybrid rice ₹ 10000 per quintal or 50 per cent	2000	2.00	613	0.61
	Certified seeds ₹ 2000 per quintal or 50 per cent	29480	5.90	67610	7.28
2020-21	Hybrid rice ₹ 10000 per quintal or 50 per cent	1284	1.28	1085	0.46
	Certified seeds ₹ 2000 per quintal or 50 per cent	28000	5.60	40279	3.54

(Source: Information provided by the department)

It is clear from the above table that the targets fixed for distribution of hybrid seeds were not achieved during the period 2017-21 except in the year 2017-18. However, the quantity of certified seeds distributed during the period 2017-21 was 62 per cent more than the target fixed for that component. In 2018-19, distribution of certified seeds exceeded the target fixed. Thus, distribution of certified seeds was given preference over the hybrid seeds even though the crop cutting results show higher yield in hybrid seed demonstration in comparison to certified seeds.

Government replied (June 2023) that certified seeds were supplied more than the target due to higher demand of certified seeds in comparison to hybrid seeds. Further, due to increase in awareness among farmers towards hybrid seeds, they also purchased hybrid seeds not only through departmental schemes but also from their own resources.

Reply is not acceptable as the targets allocated for distribution of hybrid seeds were not achieved in the years 2018-21 even though it was instructed by GoI to give more preference for distribution of hybrid seeds. Further, as evident from the reply despite demand of hybrid seeds as farmers purchased the same from their own resources, the Government could not achieve the target of distribution of hybrid seeds.

(b) ***Irregular purchase of hybrid seeds from private firms instead of authorised agencies without ensuring quality***

The department while allocating the targets every year for implementation of the scheme in the district issued instructions that all the purchase of seeds should be made from Beej Nigam/MARKFED/ Primary Co-operative

Societies timely so that the seeds are provided to the farmers before sowing season after conducting necessary quality tests.

Scrutiny of records in office of DDA Surajpur and Jagdalpur revealed that during the period 2018-21, the two districts had purchased 502 quintals and 147 quintals of hybrid seeds of rice respectively from private local firms in violation of the above instructions for which subsidy payment of ₹ 0.61 crore was made to the firm/farmers. The quality of hybrid seeds purchased from private firms was not verified before distribution of seeds to the farmers.

Government replied (June 2023) that since Beej Nigam, Jagdalpur and Surajpur informed that agency authorised by the Government i.e. Chhattisgarh Rajya Beej evam Krishi Vikas Nigam Limited did not agree to supply the hybrid seeds, therefore the purchases were made from registered private firm at local level.

The reply indicates that the purchase and distribution of hybrid seeds in accordance with the norms was not ensured due to purchase of seeds from private firm without ensuring necessary quality tests.

### **3.2.7.3 Asset Building**

#### **3.2.7.3(i) Inadequate expenditure in asset building leads to non-fulfillment of technological advancement in agricultural implements**

Para 13.1 of scheme guidelines stipulates that 20 *per cent* of the total funds allocated for various interventions should be made for asset building interventions (farm machinery and irrigation devices). The details of fund allocation and expenditure incurred on Asset building during the period 2017-21 are as detailed in **Table 3.2.7**.

**Table 3.2.7: Detail of fund allocation and expenditure for asset building**

(₹ in crore)

Year	Total allocation under the scheme	Allocation on Asset building	Expenditure on Asset building (Achievement)	Percentage of allocation on Asset building to total allocation	Percentage of expenditure on Asset building to total allocation
<b>Rice</b>					
2017-18	111.05	21.01	15.10	18.92	13.60
2018-19	65.30	9.95	9.95	15.23	15.23
2019-20	78.95	11.85	11.85	15.01	15.01
2020-21	68.84	10.32	9.69	14.99	14.08
<b>Total</b>	<b>324.14</b>	<b>53.13</b>	<b>46.59</b>	<b>16.39</b>	<b>14.37</b>
<b>Wheat</b>					
2017-18	7.25	1.45	0.08	20	1.08
2018-19	16.58	3.32	3.32	20	20.00
2019-20	19.73	3.95	3.95	20	20.00
2020-21	17.21	3.44	0.58	20	3.37
<b>Total</b>	<b>60.77</b>	<b>12.16</b>	<b>7.93</b>	<b>20.01</b>	<b>13.05</b>
<b>Grand Total</b>	<b>384.91</b>	<b>65.29</b>	<b>54.52</b>	<b>16.96</b>	<b>14.16</b>

(Source: Data provided by the department and compiled by audit)

It is clear from the above table that allocations for asset building under the rice intervention component were not made according to the norms of 20 *per cent*

during the period 2017-21. Although the average fund utilisation was 87 *per cent*, the expenditure incurred for asset building out of the total allocation under the scheme ranged between 13 to 15 *per cent* during 2017-21 which was less than the desired allocation of 20 *per cent* as per guidelines. For wheat the allocations were made in accordance to the norms of 20 *per cent* during the period 2017-21. However, the average fund utilisation against the allocated fund was 65 *per cent*, expenditure incurred out of the total allocation was 1.08 *per cent* and 3.37 *per cent* in the years 2017-18 and 2020-21 respectively which was far below than the prescribed norms.

Government replied (June 2023) that GoI had approved from time to time, the proposals of State Government relating to reduction of expenditure on asset building and increase in expenditure on site-specific activities and SAPs were approved accordingly.

Reply is not acceptable as allocation of funds for asset building intervention in none of the reviewed years (except 2017-18 for rice) did not meet the criteria and even this allocation could not be fully utilized by the Department.

### **3.2.7.3(ii) *Distribution of manual implements instead of advanced technology-based power operated implements***

As per para 18 of BGREI Guidelines, the Asset Building Intervention will include assistance for farm machineries and implements like cono-weeder, manual/power sprayer etc. as per norms.

Under the new arrangement of distribution through Chhattisgarh Agriculture-mechanisations and micro irrigation Monitoring Process System (CHAMPS) (April 2017), farmers who want to avail the benefit of the scheme are required to register themselves or with the help of agriculture officials and through registered manufacturing company/distributor/authorised representatives in the website of Beej Vikas Nigam through online mode. Further, department was responsible to achieve the targets prescribed for purchase of agricultural implements through CHAMPS.

Scrutiny of records in the office of the Director, Agriculture revealed that against the total financial allocation of ₹ 11 crore made during 2017-21 for purchase and distribution of power operated implements such as Seed drills, Rotavater, self-propelled paddy transplanter, Power Knapsack sprayer, Power weeder, Paddy thresher, Multi crop thresher, Laser land leveler, Power tiller, self-propelled Reaper, MB Plough, Leveler Blade etc. to the farmers, expenditure of only ₹ 0.88 crore (8 *per cent*) was incurred for this purpose whereas in the same period expenditure of ₹ 3.61 crore (70 *per cent*) more than total target was incurred for manually operated implements such as Cono-weeders, Manual Sprayer in respect of rice as detailed in **Table 3.2.8**.

**Table 3.2.8: Distribution of Power and Manual implements**

Year	Power Operated				Manually Operated			
	Target		Achievement		Target		Achievement	
	Physical (in Nos.)	Financial (₹ in crore)	Physical (in Nos.)	Financial (₹ in crore)	Physical (in Nos.)	Financial (₹ in crore)	Physical (in Nos.)	Financial (₹ in crore)
2017-18	5192	9.51	36	0.06	50000	3.00	94602	5.67
2018-19	0	0	0	0	17800	0.95	37990	2.19
2019-20	872	0.85	872	0.73	7750	0.78	7550	0.74
2020-21	503	0.64	231	0.09	3795	0.40	2325	0.14
<b>Total</b>	<b>6567</b>	<b>11.00</b>	<b>1139</b>	<b>0.88</b>	<b>79345</b>	<b>5.13</b>	<b>142467</b>	<b>8.74</b>

(Source: Data provided by the department and compiled by audit)

Thus, the manually operated implements were given precedence over the power operated ones and so manually operated implements were distributed more in numbers, as detailed in **Appendix 3.2.4**, which was against the policy of the Department to encourage farmers to purchase the power operated agricultural implements through CHAMPS.

Further, test check of eight selected districts revealed that DDAs had not achieved the targets given for purchase of agriculture implements. Out of the target-of ₹ 8.92 crore fixed for purchasing of agriculture implements such as Conoweeder, manual knapsack sprayer, power sprayer etc. in respect of rice expenditure of only ₹ 1.95 crore (22 *per cent*) was incurred. Thus, there was a shortfall of ₹ 6.97 crore (78 *per cent*) in purchase of equipment at the district level.

Government replied (June 2023) that farmers were distributed manual/power operated equipments from other schemes besides BGREI. Further, as per new system (CHAMPS) power operated machines were to be distributed through Beej Vikas Nigam through online registrations but owing to less application received through online mode, manual operated machines were distributed through District offices. Further, 80 *per cent* of the farmers in the State were small and marginal and they show less interest in power operated machines.

However, the department did not achieve the target for distribution of power operated implements as only eight *per cent* of expenditure was incurred on the purchase of power operated implements.

### **3.2.8 Lesser expenditure on Post Harvest Management and Marketing facilities**

As per para no. 13.1 of BGREI guidelines, five *per cent* of the total funds allocated for implementation of scheme should be earmarked for Marketing Support and Post Harvest Management. Further, as per para no. 20 of the guidelines, under the marketing support component, assistance will be provided for activities that would help in enhanced procurement, creation of storage facility, marketing and value addition. These activities will include promotion/ creation of primary processing facilities (drying, grading, par-boiling of paddy and bagging etc) including farm level storage, institution building, linkage for procurement operations/ marketing.

Audit scrutiny revealed that the State Government had allocated funds of ₹ 15.23 crore under marketing support and post harvest management during 2017-21. The details of fund allocation and expenditure incurred on marketing support and post harvest management is as detailed in **Table 3.2.9**:

**Table 3.2.9: Fund allocation and utilisation under Marketing Support and Post Harvest Management**

(₹ in crore)

Year	Total fund allocated under the scheme as per SAP	Fund allocated under Marketing support as per SAP	Percentage of fund allocated as per SAP	Expenditure incurred under Marketing support	Percentage of Expenditure w.r.t allocated funds
2017-18	118.30	5.55	4.69	5.55	100
2018-19	81.88	2.30	2.80	1.07	46.52
2019-20	98.68	3.94	3.99	1.79	45.43
2020-21	86.05	3.44	4.00	1.22	35.47
2021-22	0	0	0.00	0	0
<b>Total</b>	<b>384.91</b>	<b>15.23</b>	<b>3.96</b>	<b>9.63</b>	<b>63.23</b>

(Source: Data provided by the department and compiled by Audit)

Audit observed that:

- Out of total fund of ₹ 384.91 crore allocated for the scheme under approved SAP during the period 2017-22, only ₹ 15.23 crore (3.96 per cent) was allocated for Marketing support and Post harvest. Thus, there was short allocation of ₹ 4.01 crore (1.04 per cent) for marketing support and post-harvest management activities.
- Against the allocated fund of ₹ 15.23 crore, an expenditure of ₹ 9.63 crore was incurred on Marketing support and Post harvest management activities during the period 2017-22 which was only 2.5 per cent of total funds allotted against the norms of five per cent prescribed in the guidelines.
- Out of the allocated fund of ₹ 15.23 crore for marketing activities, an expenditure of ₹ 9.63 crore was incurred by the department. Of which, Department had transferred funds of ₹ 9.27 crore (96 per cent) to Chhattisgarh Rajya Sahakari Bank (Apex Bank) during the period 2017-22 on their proposal for construction of godowns for storage of seeds and fertilizers for Cooperative Societies. The remaining funds of ₹ 2.28 crore (15 per cent) were allotted to the district offices for the purchase of mini rice mills which was directly related to post harvest management activities during the period 2017-22.
- Out of ₹ 2.28 crore allotted to the district office for purchase of 182 mini rice mills during the period 2017-22, the districts could spend only ₹ 0.36 crore on purchase of 130 mini rice mills due to non-release of remaining funds.

Thus, the department did not adequately develop Post Harvest Management and Marketing facilities in the state under the scheme as lesser than five per cent of total funds allocated were earmarked for this purpose.

Government replied (June 2023) that out of target for construction of 85 godowns given to Apex Bank during the period 2017-21, construction of 68 godowns were completed and the societies are utilising them for their requirement. Constructions of 17 godowns were not yet started due to non-revalidation of allotment.

The reply is not tenable because the allotment on post-harvest management and marketing facilities did not meet the specified percentage as stipulated in the guidelines.

### **3.2.9 Status of Production/Productivity under the scheme**

#### **3.2.9.1 Status of productivity under the scheme**

The goal of this programme is to enhance rice production in eastern India adopting latest crop techniques. The area taken under demonstration, production and corresponding productivity for rice and wheat under BGREI scheme in the State during the period 2017-21 is as detailed in **Table 3.2.10**.

**Table 3.2.10: Status of productivity under BGREI scheme**

Year	Area under BGREI in thousand hectare	Production in thousand metric ton	Productivity kg/hectare	Percentage increase in productivity
<b>RICE</b>				
2016-17	1914.28	4381.98	2289	-
2017-18	1915.00	2635.32	1376	(-)39.89
2018-19	1971.57	3807.41	1931	40.33
2019-20	1967.04	4248.30	2160	11.85
2020-21	1951.33	4721.56	2420	12.03
<b>WHEAT</b>				
2016-17	88.61	135.37	1528	-
2017-18	83.05	116.87	1407	(-) 7.91
2018-19	88.43	148.57	1680	19.40
2019-20	98.21	111.12	1131	(-)32.67
2020-21	128.92	217.17	1685	48.98

(Source: Data provided by the department)

It is clear from the above table that at the State level production of rice and wheat increased marginally during 2017-21 under the scheme. Further, productivity of rice decreased during the year 2017-18 while productivity of wheat decreased in the years 2017-18 and 2019-20 in comparison to previous years. District level productivity of rice in five<sup>15</sup> out of 14 districts decreased ranging between 0.47 per cent and 16.04 per cent over the years 2017-18 to 2020-21, as detailed in **Appendix 3.2.5**.

Further, even after implementation of BGREI scheme in the State, the productivity of rice and wheat (kilogram per hectare) was far below the national productivity of these crops, as detailed in **Table 3.2.11**.

<sup>15</sup> Mahashamund, Janjgir-Champa, Sarguja, Surajpur and Kondagaon



**Table 3.2.11: Productivity of rice and wheat in comparison to national average**

Year	Name of Crops	Area (in thousand ha.)	Production (thousand metric tonnes)	Yield per hectare (National Average) (in kg/ha.)	Productivity (State) (in kg/ha.)	Shortfall in productivity (in kg/ha.)	Percentage shortfall in productivity than National Average
2017-18	Rice	3711.48	4725.54	2576	1967	609	23.64
	Wheat	162.66	221.37	3368	1361	2007	59.59
2018-19	Rice	3817.00	6963.89	2638	1824	814	30.85
	Wheat	166.33	278.12	3533	1672	1861	52.67
2019-20	Rice	3876.13	7755.32	2722	2001	721	26.48
	Wheat	181.60	207.28	3440	1141	2299	66.83
2020-21	Rice	3903.92	8946.30	2717	2292	425	15.64
	Wheat	227.06	368.27	3521	1622	1899	53.93
2021-22	Rice	3899.34	8347.99	-	2141	-	-
	Wheat	219.68	274.88	-	1251	-	-

(Source: Economic survey 2021-22 and data based on estimate provided by department)

It can be seen from above table that there was shortfall in productivity of rice (kilogram per hectare) in Chhattisgarh in comparison to national productivity which ranged between 15 and 30 *per cent* and 52 and 67 *per cent* for rice and wheat respectively during the period 2017-21. Therefore, status of productivity was not encouraging in comparison to national average in the State.

Government replied (June 2023) that the objective of the scheme was to increase productivity of the agricultural land with improved technologies and high yielding inputs. Since majority area of the State depends on rain-based cultivation, the output or productivity of the cultivation gets affected by heavy rain and draught. Further, irrigation of agricultural land in the State is done by the flow of water from one agricultural land to another, and therefore the inputs used by farmers to increase productivity get washed away with the flow of water thereby affecting productivity.

Reply is not acceptable as the high yield hybrid seed varieties were not given allocative priority and to resist climatic stress, stress tolerant variety were not provided as prescribed in the guidelines by the State Government to enhance the productivity.

### 3.2.10 Financial Management

BGREI is a Centrally Sponsored Scheme with funding ratio of 60:40 between GoI and States respectively and funds were released through budget of the State Government. The SAP of each State would be finalised/approved by GOI in consultation with the State. The action plans approved by GOI will be required to be approved by State Level Sanctioning Committee (SLSC). The details of requirement of funds as per approved SAPs, fund received as Central and State share and expenditure incurred during the period 2017-22 are given in **Table 3.2.12**.

### 3.2.10.1 Financial Outlay and expenditure

The availability and utilisation of funds under BGREI scheme during the period 2017-22 are as detailed in **Table 3.2.12**.

**Table 3.2.12: Position of financial outlay and expenditure**

(₹ in crore)

Year	Approved financial outlay as per SAP		Opening balance	Central share released in the year	State share released in the year	Total availability in the year	Total Expenditure	Closing Balance	Percentage of fund utilization
	Central	State							
2017-18	70.98	47.32	31.09	59.26	39.51	129.86	110.3	19.56	84.94
2018-19	49.13	32.75	19.56	56.49	37.66	113.71	54.31	59.40	47.76
2019-20	59.21	39.47	59.40	63.57	42.38	165.35	97.51	67.84 <sup>16</sup>	58.97
2020-21	51.63	34.42	61.74	37.07	24.71	123.52	112.98	10.54	91.47
2021-22	0.00	0.00	10.54	0.00	0	10.54	7.16	3.37	67.93
<b>Total</b>				<b>216.39</b>	<b>144.26</b>		<b>382.26</b>		

(Source: Data provided by the department and compiled by Audit)

Audit observed that:

- The department could utilise 47 - 91 *per cent* of the funds available in the respective years during the period 2017-22.
- Out of the funds released for the year 2017-18, ₹ 6.10 crore (Central and State share) could not be utilised till 2020-21 and it was adjusted against the funds released for year 2020-21 resulting in curtailment of ₹ 6.10 crore from the financial outlay sanctioned for the year 2017-18.
- The unutilised amount of ₹ 3.37 crore<sup>17</sup> was still lying with the State Government at the end of the financial year 2021-22.
- GoI did not release the central share of ₹ 14.56 crore as per financial outlay approved for the year 2020-21. Accordingly, the GoCG also had not released its matching share of ₹ 9.70 crore. Thus, there was a short release of ₹ 24.26 crore under the scheme during 2020-21.
- During the year 2021-22, GoI did not provide any allocation under the scheme due to subsuming of BGREI scheme with National food Security Mission (NFSM).
- In the eight test checked districts, it was found that during the period 2017-22, the districts could utilise only 69 to 88 *per cent* of the funds allocated to them.

Thus, the department did not completely utilise the allotted funds for various interventions during the period 2017-22 which had resulted in curtailment of financial outlay by GoI and lapse of funds which adversely affected the implementation of scheme in the state.

Government replied (June 2023) that delay in release of funds by GoI resulted in short execution of interventions and timely completion of works.

<sup>16</sup> Closing balance 2019-20 ₹ 67.84 crore - ₹ 6.10 crore (withdrawn Funds by GoI from the unspent balance of 2017-18) = ₹ 61.74 crore

<sup>17</sup> ₹ 3.37 crore (Unspent balance of ₹ 1.22 crore pertains to 2018-19 and ₹ 2.15 crore pertains to 2019-20)

Reply is not acceptable as the department did not utilise the allotted funds despite availability of funds and unspent funds were still lying at the end of each financial year. Due to delay in submission of utilisation certificates by the department, funds from GoI got delayed.

### **3.2.10.2 Irregular expenditure of ₹ 0.68 crore on office expenses against GoI orders**

GoI had allowed (October 2017) the State to utilise one *per cent* of the total financial outlay for the year 2017-18 on Monitoring and Evaluation of the scheme.

Scrutiny of records revealed that according to the above orders the department had made a provision for one *per cent* of the total allocation on “Contingency” amounting to ₹ 1.18 crore in the revised SAP for the year 2017-18 which was approved by SLSC. Out of ₹ 1.18 crore sanctioned for expenditure on “Contingency” in the year 2017-18, only ₹ 99.95 lakh was released for the purpose in the year 2018-19. Out of the released amount an expenditure of ₹ 41.51 lakh was incurred by the department in 2018-19, ₹ 55.91 lakh in 2019-20 and ₹ 2.54 lakh in 2020-21. Out of the total expenditure, ₹ 32.25 lakh was incurred (September-November 2018) for monitoring and evaluation of BGREI scheme and the balance expenditure of ₹ 67.70 lakh was incurred on office expenses such as purchase of stationery, printer toner etc. in violation of the above orders, thus was irregular.

Government replied (June 2023) that GoI had approved expenditure from the head ‘Contingency’ in the SAP and accordingly expenditure was incurred on ‘Monitoring and Evaluation,’ Workshops and Administrative expenses.

The reply is not acceptable as SLSC in its meeting had approved funds for hiring experts for monitoring and evaluation of the scheme not for office expenses for which funds were allocated through normal budget of the department.

### **3.2.10.3 Irregular release of subsidy amount of ₹ 0.42 crore for purchase of micro-nutrient and soil ameliorants to private firm**

As per para 17.1 and 17.2 of the scheme guidelines, assistance will be provided for purchase of micro-nutrients/plant protection measures at the rate of ₹ 500 per hectare or 50 *per cent* of the cost whichever is less.

The State government vide its order dated April 2010 prescribed the procedure of grant of subsidy to farmers for purchase of Micro-nutrients and soil ameliorants according to their needs. As per the order, the farmers were allowed to purchase micro-nutrients from local registered dealers and claim subsidy besides through cooperative agencies such as MARKFED, NAFED, IFFCO and KRIBHKO. The order emphasised that micro nutrients would not be purchased by the Department and subsidy amount was to be transferred to the bank account of the beneficiaries only instead of registered private vendors.

Audit observed that in the year 2017-18, Deputy Director, Agriculture Surajpur had purchased micro-nutrient and soil ameliorants directly from private firms and distributed to farmers and made subsidy payment of

₹ 0.42 crore to the private firm. Thus, instead of allowing farmers to purchase micro-nutrient from registered dealers, the DDA purchased it directly from private agencies and transferred the amount of assistance to the private agencies instead of farmers. This was in contravention to the orders issued by the State Government.

Government replied (June 2023) that explanation was called for from DDA Surajpur. After receipt of reply, action will be taken in accordance to merit and the same will be intimated separately to Audit in due course.

### **3.2.11 Governance, Monitoring and Evaluation**

#### **3.2.11.1 Inordinate delay in submission of Utilisation Certificates**

As per the sanction order for release of Central share by GoI under the scheme the State Government/Nodal Implementing agency was required to report on funds utilisation<sup>18</sup> and submit the utilisation certificate in the prescribed proforma at the end of the financial year in which the grant was released.

The position of utilisation of fund and submission of Utilisation certificate during the period 2017-21 is as detailed in **Table 3.2.13**.

**Table: 3.2.13: Delay in utilisation of funds and submission of UCs**

(₹ in crore)

Year	Prescribed date of submission of UCs to GoI as per the orders	Date of submission of final UCs to GoI	Amount Released	Expenditure incurred	Delay in submission of UCs to GoI (in months)
2017-18	1.4.2018	27.05.2021	118.30	112.20	38
2018-19	1.4.2019	28.04.2023	81.88	80.66	49
2019-20	1.4.2020	27.05.2021	98.68	96.54	14
2020-21	1.4.2021	28.04.2023	61.79	61.79	25

(Source: Data provided by the department and compiled by Audit)

It is clear from the above table that the department could not utilise the funds allotted for the scheme in that specific year which were utilised in subsequent years. As a result there were inordinate delays ranging from 14 to 49 months in submission of final utilisation certificates of respective years to GoI during the period 2017-21.

Government (June 2023) did not furnish any comments on the audit observation.

#### **3.2.11.2 Monitoring Teams at state and district level**

According to Para 5.1 of the scheme guidelines, National Level Monitoring Teams (NLMTs) will be constituted for each State for monitoring the activities of the program. The team will visit the States at least once in a crop

<sup>18</sup> Fifty per cent of the Annual allocation will be released as first installment to the state by GoI upon receipt of the minutes of SLSC approving implementation of new projects/old ongoing projects during the current financial year. The release of second and final installment of fifty per cent would be considered upon 100 per cent Utilisation Certificate of the funds released upto the previous financial year, Utilization of 60 per cent funds released in first installment and submission of performance report.

season and will submit the report to Agriculture Production Commissioner of the State. Further, according to Para 5.2, a District Level Monitoring Team (DLMT) will be set up under the chairmanship of the District Agriculture Officer. The team will visit thrice in a crop season i.e. one before sowing, another in mid of season; and third at harvesting time to check the crop cutting experiments and will submit the report to Director of Agriculture of respective State.

Scrutiny of records revealed that although NLMTs were formed in the State, however, the required visit of the team and submission of report to Agriculture Production Commissioner (APC) once in a crop season was not carried out except in the year 2017-18. Similarly, information about the visit of DLMT in a crop season before sowing, mid of season and harvesting time and submission of report to Director of Agriculture was not found in records.

Government replied (June 2023) that the progress of different schemes and targets were reviewed by the Agricultural production Commissioner at the State level from time to time. At the district level every scheme of the department including BGREI was reviewed by the Collector in weekly meetings.

Reply is not acceptable as frequency of monitoring team's visit was not as per the BGREI guidelines.

### 3.2.12 Conclusion

GoI subsumed the BGREI sub-scheme with the National Food Security Mission (NFSM) for the period 2021-25. The meetings of the State Steering Committee (SSC) were not held as per the prescribed frequency for finalisation of the State Action Plan (SAP) by involving all stake holders. The physical target of demonstration area of rice decreased by 51 *per cent* during the period 2018-21. The fund allocation for stress tolerant varieties during 2017-21 was less than the prescribed norms of 30 *per cent* and ranged between 7-27 *per cent*. The production of certified seeds was given more priority than hybrid seeds even though the productivity of hybrid seeds was more in comparison to certified seeds. Despite demand of hybrid seeds and farmers purchasing them from their own resources, the Government could not achieve the target for distribution of hybrid seeds during 2017-21 except 2017-18.

Scrutiny of records at the offices of DDA Surajpur and Jagdalpur revealed that during 2018-21, the two districts had purchased 502 quintals and 147 quintals of hybrid seeds of rice respectively from private local firms, without verifying the quality of seeds purchased and subsidy payment of ₹ 0.61 crore was made to the firm/farmers.

The expenditure incurred for asset building out of the total allocation under the scheme ranged between 13 to 15 *per cent* during 2017-21 which was less than the desired allocation of 20 *per cent* as per guidelines. More expenditure was incurred on manual implements instead of advanced technology based power operated implements. The department did not adequately develop post harvest management facilities and marketing support to fetch good prices for their products as envisaged in the scheme as lesser than five percent was allocated for marketing support and post harvest management. During the period

2017-21 the production of rice and wheat increased by 8 and 60 *per cent* respectively, however, the overall productivity of Chhattisgarh for rice and wheat was less than the national average by 16 *per cent* and 54 *per cent* respectively. The department could utilise 47-91 *per cent* of the funds available during the period 2017-22. Non utilization of funds within the financial year led to short release of GoI and State Share of ₹ 24.26 crore in the year 2020-21. No funds were allocated in the year 2021-22. The final utilisation certificates were submitted to GoI with a delay ranging from 14 to 49 months during the period 2017-21. Monitoring at state level, district level was not in accordance with prescribed norms.

### **3.2.13      *Recommendations***

1.      *Utilisation of high yielding technique such as stress tolerant varieties and hybrid seeds varieties is to be promoted for increasing the production of rice and wheat.*
2.      *Cropping system based approach should be followed for bringing rice fallow areas under cultivation to increase the income of the farmers.*
3.      *To support post-harvest management and ensure marketing support, the construction of storage facilities at farm level and provision for linkage of procurement operations/marketing should be extended to the farmers.*

## AGRICULTURE DEVELOPMENT, FARMER WELFARE AND BIOTECHNOLOGY DEPARTMENT

### 3.3 Implementation of Mission for Integrated Development of Horticulture and Procurement

#### 3.3.1 Introduction

Mission for Integrated Development of Horticulture (MIDH) is a Centrally Sponsored Scheme for the holistic growth of the horticulture sector covering fruits, vegetables, root & tuber crops, mushrooms, spices, flowers, aromatic plants, coconut, cashew, cocoa and bamboo. Under this scheme, Government of India (GoI) contributes 60 *per cent* of total outlay for developmental programmes and 40 *per cent* share is contributed by the State Government. MIDH scheme was implemented in 19 districts of Chhattisgarh State from the year 2014 which was extended to one more district in the year 2020. Thus, currently this scheme is implemented in 20<sup>19</sup> out of 33 districts of the State. Production and Distribution of planting material, vegetable seed production, establishment of new gardens, horticulture mechanisation, creation of water sources, protected cultivation, organic farming, integrated post-harvest management and creation of market infrastructure are the major activities being carried out under MIDH in the Chhattisgarh State. The area covered under horticulture crops was 8.35 lakh hectares (ha) which is 14.62 *per cent* of total agriculture land (57.12 lakh ha) and 5.95 *per cent* of the total geographical area (140.45 lakh ha) of the State.

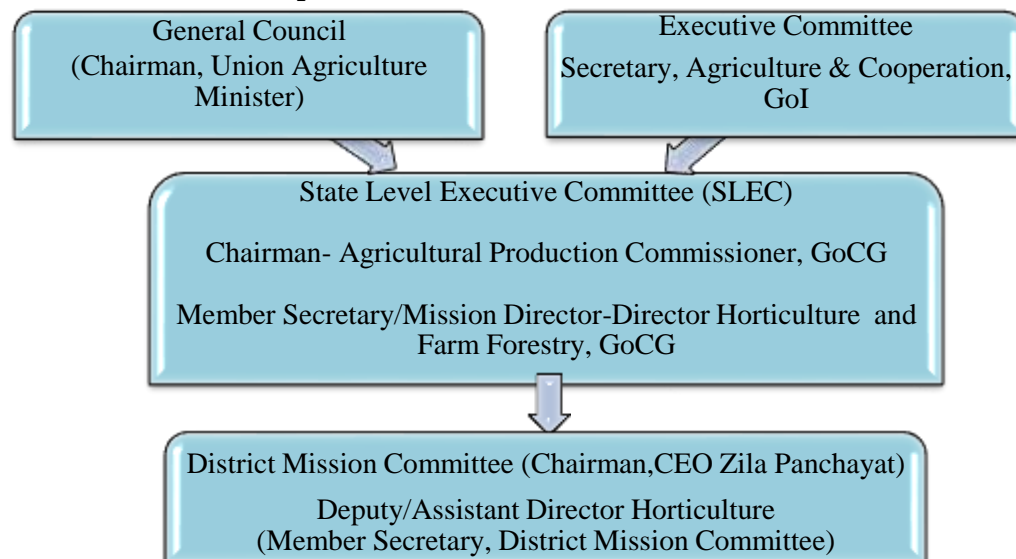
#### 3.3.2 Organisational Structure

The Mission has a General Council (GC) at the National level under the Chairmanship of Union Agriculture Minister for providing overall direction and guidance. The State Level Executive Committee (SLEC) headed by the Agricultural Production Commissioner (APC) oversees the implementation of the programmes at the State level. In Chhattisgarh State, Director, Horticulture and Farm-Forestry (DHFF) who is member secretary of SLEC acts as the Mission Director and is responsible for implementing the Mission programs through the District Mission Committees. At the District level, the District Mission Committee (DMC) headed by the Chief Executive Officer (CEO) of Zila Panchayat is responsible for project formulation, implementation and monitoring. District Horticulture Officer [Deputy Director, Horticulture (DDH)/Assistant Director, Horticulture (ADH)] are Member Secretary of DMC, who are responsible for implementation of various schemes of the department.

<sup>19</sup> Balod, Baloda Bazar, Balrampur, Bastar (Jagdalpur), Bemetara, Bilaspur, Durg, Gariyaband, Gaurela-Pendra-Marwahi, Jashpur, Kabirdham, Kondagaon, Korba, Korea, Mungeli, Raigarh, Raipur, Rajnandgaon, Sarguja, Surajpur.



**Structure and composition of MIDH at the National/State/District level**



*(Source: Information provided by Mission Director SHM & MIDH Guidelines)*

### **3.3.3 Audit Objectives**

The Compliance Audit of the MIDH scheme was conducted with the objective to assess whether:

- planning for the scheme was effective and adequate,
- budget provision, release and utilisation of funds were adequate and effective,
- selected schemes were implemented as per the guidelines issued and norms fixed by the Government,
- procurement was done as per the scheme guidelines as well as in consonance with the Chhattisgarh Store Purchase Rules.

### **3.3.4 Audit criteria**

The audit criteria for the Compliance Audit were derived from the following sources-

- MIDH Operational Guidelines, April, 2014 issued by GoI.
- Guidelines of Sub Mission of Agriculture Mechanisation (SMAM) Scheme 2020-21
- Chhattisgarh Financial Code, Chhattisgarh Treasury Code, 2002 and Chhattisgarh Store Purchase Rules 2002 (As Modified in year 2020)
- Circulars and notifications issued by Government/Department.

### **3.3.5 Coverage and Methodology of Audit**

The period of coverage for audit was three years from 2019-20 to 2021-22. Compliance Audit was conducted during April 2022 to December 2022 and covered seven<sup>20</sup> out of 20 districts which were selected on the basis of Simple Random Sampling Without Replacement (SRSWOR) method. The office of

<sup>20</sup> Balod, Bemetara, Durg, Korba, Mungeli, Raipur, Rajnandgaon.

the Director, Horticulture and Farm Forestry, Raipur at State level and offices of DDH/ADH in seven districts were covered in the Compliance Audit. The draft report was forwarded to the State Government in May, 2023. Reply is awaited as of (December 2024).

## Audit Findings

### 3.3.6 Planning

According to para 4.8 of MIDH guidelines and Agriculture Department GOCG order (December 2014), a base-line survey and feasibility studies for distinct areas/clusters (District, sub-District, or a group of Districts) to determine status of horticultural production, potential and demand required are to be conducted by State level Agency to assess/tailor the assistance accordingly. Further, as per para 5.1 of guidelines, a perspective/strategic plan would be prepared by the State that would form the basis of preparation of Annual Action Plan (AAP).

Scrutiny of records in the office of DHFF, Raipur revealed that a Perspective Plan for the period 2017-18 to 2021-22 was prepared on the basis of baseline survey conducted during 2014-15, and submitted (April 2017) to Department of Agriculture Cooperation and Farmers Welfare, Government of India (DAC&FW). However, for the next Perspective Plan, provision was made for base line survey in AAP (2017-19) but the same was not conducted, as of January 2023. Audit noticed various discrepancies in the preparation of AAP which have been detailed in **Table 3.3.1**.

**Table 3.3.1: Targets in perspective plan and in AAP (2017-18 to 2021-22)**

Sl. No.	Item	Unit	Target in Perspective Plan	Total target in AAPs (2017-18 to 2021-22)	Total target in revised AAPs (2017-18 to 2021-22)	Actual achievement
<b>Activity/item-wise variation in targets and achievement</b>						
1	Hi-Tech Nursery	Number	27	22	21	16
2	Promotion of Integrated Pest management (IPM)	Hectare	14500	1000	1000	1000
3	Organic Farming	Hectare	25000	0	0	0
4	Organic Certification	Number	500	0	0	0
5	Community Tank	Number	101	70	79	96
6	Power Tiller (8 hp & above)	Number	850	100	100	22
7	Power Tiller (Below 8 hp)	Number	0	1415	2331	1315
8	Power Sprayer	Number	0	2760	7843	4290
9	Power Weeder	Number	0	1200	0	2239
10	Pulveriser	Number	0	186	0	647
11	Pack House	Number	390	2100	2499	2479

Sl. No.	Item	Unit	Target in Perspective Plan	Total target in AAPs (2017-18 to 2021-22)	Total target in revised AAPs (2017-18 to 2021-22)	Actual achievement
<b>Activity/item-wise variation in targets and achievement</b>						
12	Preservation Unit	Number	802	3468	5187	4707
13	Small Solar Cold Storage	Number	337	0	0	0
14	Vegetable and Fruit Processing Unit	Number	8	0	0	0
15	Centre of Excellence	Number	1	1	0	0

*(Information furnished by Department and compiled by audit.)*

Under the MIDH guidelines, key activities such as establishment of Centre of Excellence (CoEx) and cold chain infrastructure, organic farming and certification were envisaged to improve productivity and quality. Audit noticed that above mentioned activities though planned in perspective plan were either not included in Annual Action Plan or not taken up for implementation, contrary to guidelines resulting in non-achievement of targeted activities. Under IPM component, the target of 14,500 ha under the perspective plan was revised as 1,000 ha in annual plan indicating deviation from the perspective plan.

Besides, funds were spent by DDH/ADH under mechanization component on activities such as pulveriser which were neither included in the Perspective Plan nor included in the AAP indicating deviations from the planned activities.

On being pointed out in audit, the DHFF replied (January 2023) that GoI had not provided any approval for the adoption and certification component of organic farming since 2019-20. Further, a proposal will be prepared and sent to the Government of India (GoI) for Centre of Excellence.

Reply is not acceptable as proposals for adoption and certification component of organic farming as targeted under the perspective plan were not included in AAP 2017-22 for approval by GoI and only carryover work from previous perspective plan was done.

Reply of Government is awaited (December 2024).

### **3.3.7 Financial Management**

#### **3.3.7.1 Release and utilisation of Central and State share**

The components of the MIDH were executed utilising the GoI and GoCG funds. The funding requirement under the scheme was shared by GoI and GoCG in the ratio of 60:40 during 2019-20 to 2021-22. At the commencement of each financial year, GoI communicated the tentative financial outlay for that year to SHM. Accordingly, the State Government submits the AAP to GoI for approval and release of funds. The sanctioned Central and State share of funds were released to SHM every year. Requirement of funds as per the

approved AAPs, funds released by GoI and GoCG and expenditure incurred by SHM during the period of 2019-22 are indicated in **Table 3.3.2**.

**Table 3.3.2: Sanction and Release of fund**

(₹ in crore)

Year	Fund proposed in AAP	AAP Approved by GoI	Fund Released by GoI	Fund Released by State Govt.			Short Release of fund	Expenditure incurred	Percent of expenditure vis-à-vis AAP
		Total	GoI Share	GoI share	GoCG share	Total			
2019-20	205.00	191.79	112.11	110.84	73.90	184.74	7.05	149.39	77.89
2020-21	215.66	215.66	107.48	105.45	70.30	175.75	39.91	173.35	80.38
2021-22	167.01	146.91	66.47	45.47	30.32	75.79	71.12	75.79	51.59
<b>Total</b>	<b>587.67</b>	<b>554.36</b>	<b>286.07</b>	<b>261.76</b>	<b>174.51</b>	<b>460.59</b>	<b>93.77</b>	<b>398.53</b>	<b>71.89</b>

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

It is evident from the above table that the funds released by the GoI decreased gradually every year against the approved AAP during the period 2019-2022. Further, the State Government did not release the full amount received from the GoI and its matching State share in the same year, as shown in above table. Outlay of ₹ 215.66 crore was sanctioned by the GoI in the AAP of the year 2020-21. However, only ₹ 175.75 crore was released till the end of the financial year. In the year 2021-22, against the total outlay of ₹ 146.91 crore sanctioned in AAP, funds of only ₹ 75.79 crore (51.89 per cent) were released which were fully utilised. Against the GoI share, funds of ₹ 66.47 crore were released out of which ₹ 35 crore was released by GoI on the last day of financial year. Remaining GoI share of ₹ 21.00 crore and matching GoCG share of ₹ 14.00 crore were released (27 April 2022) in the next financial year.

On being pointed out in audit, DHFF replied (February 2023) that the third installment of ₹ 35.00 crore was sanctioned (30 March 2022) by GoI but the same was not reflected in the account of the State Government till 31 March 2022.

Reply of Government is awaited (December 2024).

### 3.3.7.2 Non-adjustment of temporary advances

As per Supplementary Rule 53 of Chhattisgarh Treasury Code, 2002, temporary advance should be adjusted within three months from the grant of advance.

Scrutiny of records of DHFF revealed that temporary advances were given by the DDOs to their subordinate officers in the MIDH implementing districts to meet the expenditure for various purposes like horticulture exhibitions, labour payment, organisation of various training programs, minor works etc. It was however, observed that against these advances ₹ 5.36 crore (**Appendix-3.3.1**) was outstanding for adjustment at the end of the financial year 2021-22. Out of this, ₹ 3.87 crore was outstanding for more than three months ranging from six months to three years and ₹ 1.49 crore was outstanding for more than three years. Audit further noticed that on 58 occasions, advance of ₹ 45 lakh was given on the last day of the financial year to avoid lapsing of funds. It was also noticed that new advances were given to the same employee without adjusting

the advances given previously. Moreover, 29 advances amounting to ₹ 12 lakh were outstanding in respect of officials that were transferred and five advances amounting ₹ 19 lakh were outstanding due to the official getting retired or absconding. This indicates ineffective financial and internal control mechanism in the Department. In the absence of adjustment of these advances with supporting vouchers, expenditure cannot be vouched safe by Audit and possibility of misappropriation and loss to Government cannot be ruled out.

On being pointed out by audit, the Department recovered ₹ 3.49 crore and replied (October 2023) that it had issued instructions to ensure compliance of the Finance Code regarding grant of temporary advance and to initiate disciplinary proceedings in case of non-compliance. It further stated that a proposal has been sent to the Government to initiate action against the district officers who did not comply with the instructions given by the Directorate.

However, temporary advances of ₹ 1.87 crore are still unadjusted.

Reply of Government is awaited (December 2024).

### **3.3.8 Scheme implementation**

#### **3.3.8.1 Non-achievement of target for area expansion of horticulture crops**

The Mission aims for the holistic growth of the horticulture sector covering fruits, vegetables, spices, flowers etc. and increase in the overall coverage of area under horticulture. The position of total area covered by horticulture crops and productivity in the State are provided in **Table 3.3.3**.

**Table 3.3.3: Area and Production of horticulture crops**

*(Area in hectare and production in lakh metric ton)*

Types of crops	2019-20			2020-21			2021-22		
	Area	Production	Productivity <sup>21</sup>	Area	Production	Productivity	Area	Production	Productivity
Fruits	2,26,876	25.10	11.06	2,22,955	24.92	11.18	2,23,689	24.82	11.09
Vegetables	5,25,147	71.59	13.63	4,89,271	68.68	14.03	4,93,373	68.70	13.93
Spices	55,376	3.55	6.40	67,756	4.49	6.63	67,723	4.65	6.87
Flowers	13,493	0.76	5.64	13,089	2.30	17.56	12,836	2.51	19.53
M&A*	8,957	0.59	6.60	3,520	0.22	6.30	5,305	0.33	6.29
Plantation Crops	31,754	0.39	1.24	31,799	9.67	30.40	31,895	10.40	32.61
<b>Total</b>	<b>8,61,603</b>	<b>101.98</b>		<b>8,28,390</b>	<b>110.28</b>		<b>8,34,821</b>	<b>111.41</b>	

*(Source: Information furnished by Department and compiled by audit.)*

*\*M&A: Medicinal and Aromatic Plants*

It can be seen from the above table that the total area covered by horticulture crops in the State decreased from 8,61,603 hectare in 2019-20 to 8,34,821 hectare in 2021-22. Audit also noticed that total area targeted for expansion of horticulture crops under MIDH scheme under the Annual Plan was not achieved fully against the target, which is detailed in **Table 3.3.4**.

<sup>21</sup> Productivity = total production/total area.

**Table 3.3.4: Target and achievement of area expansion***(area in ha)*

Type of crop	2019-20		2020-21		2021-22		Total		Per cent of Achievement
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	
Fruits	4,032	3,663	3,042	2,909	4,933	4,300	12,007	10,872	90.55
Vegetables	10,289	9,396	6,690	6,153	6,250	6,063	23,229	21,612	93.04
Spices	4,162	4,162	2,950	2,776	3,300	3,155	10,412	10,093	96.94
Flowers	1,450	1,363	1,215	1,210	1,608	1,548	4,273	4,121	96.44
M&A*	100	36	100	40	100	0	300	76	25.33
Plantation crop	1500	1475	675	657	600	136	2775	2268	81.73
<b>Total</b>	<b>21,533</b>	<b>20,095</b>	<b>14,672</b>	<b>13,745</b>	<b>16,791</b>	<b>15,202</b>	<b>52,996</b>	<b>49,042</b>	

*(Source: Information furnished by Department and compiled by audit.)**\*M&A: Medicinal and Aromatic Plants*

It is evident from the above table that during the period of 2019-22, the department could not completely achieve the target of area expansion. While the total achievement of area expansion in respect of fruits, vegetables, spices and flowers were more than 90 *per cent*, the area expansion of Medicinal and Aromatic plants were only 25 *per cent* of their respective targets.

DHFF replied (October 2023) that the achievement of area expansion against the target was an average of 93.14 *per cent* however, the achievement of area expansion of aromatic plants was less because the amount of assistance for planting these crops is only ₹ 12,000 per hectare while the cost is very high. A recommendation has been sent to the Government of India (GoI) to increase the amount.

Reply of Government is awaited (December 2024).

### 3.3.8.2 Shortage of Human Resources

Availability of sanctioned human resources is a pre-requisite for successful implementation and monitoring of schemes/programmes by a department. The officer and staff working in Directorate of Horticulture were engaged for implementation of the MIDH scheme. The status of shortage of technical staff *i.e.*, field functionary of Horticulture Department in the State as well as in selected districts, as of March 2022 is given in **Table 3.3.5**.

**Table 3.3.5: Human Resource position***(Strength in numbers)*

Post	State level			Test checked districts		
	Sanctioned	PIP	Shortage (In per cent)	Sanctioned	PIP	Shortage (In per cent)
DDH/ ADH	36	33	08	7	7	0
SHDO	117	71	39	29	17	41
HDO	93	54	42	18	16	11
RHEO	624	472	24	132	116	12

*(Source: Information furnished by Department and compiled by audit)*

SHDO-Sr. Horticulture Development Officer; HDO-Horticulture Development Officer; RHEO-Rural Horticulture Extension Officer. PIP-Person-in-position

The shortfall of DDH/ADH, SHDO, HDO and RHEO at the State level as of March 2022 was 08, 39, 42 and 24 *per cent* respectively. In the test checked districts, the shortfall of 41, 11 and 12 *per cent* was observed in the manpower

strength of SHDO, HDO and RHEO respectively. The highest shortfall was in the cadre of HDO and SHDO at State and district level respectively.

There are 20,551 villages in the State, in which only 472 RHEOs were engaged. In this way each RHEO has to handle farmers of 44 villages on an average at a time.

MIDH guidelines (Para 7.33) envisage that farmers, entrepreneurs, field level workers and officers will be trained under the human resource development programme. A program will be launched at the State level and outside the State to train farmers to adopt high yielding varieties of crops and provide proper training on farming systems, exposure visits in latest technologies to farmers and study tours of technical staff/field functionaries within the States and outside India.

The details of physical and financial progress of various trainings imparted to the beneficiaries/farmers during the year 2019-20 to 2021-22 are given in following **Table 3.3.6**.

**Table 3.3.6: Details of Training imparted during 2019-21**

Type of training		Physical (in numbers)			Financial (in ₹ lakh)		
		Target as per AAP	No. of participant trained	Shortfall (per cent)	Target as per AAP	Actual expenditure	Shortfall (per cent)
Training for Gardener		2,600	2,551	49 (2)	426.92	418.87	8.05 (2)
Training of farmers	a) Within the State	10,538	8,756	1,782 (17)	316.14	238.49	77.65 (25)
	b) Outside the state	351	351	0	24.57	24.57	0
Exposure visit of farmers		229	229	0	16.03	16.02	0
Training /study tour of technical staff/ field functionaries		14,050	7	14,043 (96)	42.15	0.02	42.13 (96)
<b>Total</b>		<b>27,768</b>	<b>11,894</b>		<b>825.81</b>	<b>697.97</b>	

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

It is evident from the above table that there was the highest shortfall in achievement of target of training/study tours proposed for the technical staff/field officers of the Department. SHM did not utilise funds allotted for training of departmental officials during 2019-20 to 2021-22. Out of the approved outlay of ₹ 42.15 lakh for training of staff, only ₹ 0.02 lakh was spent. Thus, SHM did not initiate steps for imparting training and conducting study tours for the field staff despite proposal in the AAP.

DHFF replied (October 2023) that the Directorate has sent a proposal to the Government to approve additional post structure. Filling of vacant posts and creation of additional posts will enable implementation of horticulture schemes and technical guidance to farmers, effectively in the State. Due to the outbreak of Covid pandemic, lockdown situation and requirement of maintaining social distance, all types of social events were prohibited, and movement was also restricted, hence, tour-training related activities were not conducted during the period. Due to this, the achievement of targets in these components has been affected.



The reply about tour-training related activities is not acceptable as the target of training of Departmental officials (14,050) was set only for the year 2019-20 against which only seven officials were trained during the year before Covid period.

Reply of Government is awaited (December 2024).

### 3.3.8.3 *Irregular construction of shade net house*

According to para 7.25 of MIDH guidelines, activities like construction of shade net house, green house, plastic mulching etc., would be promoted under protected cultivation. As per cost norms mentioned in Annexure V of MIDH guidelines, 50 *per cent* subsidy of the total cost (₹ 710 per square meter) is payable to a beneficiary for a maximum area of 4000 square meters for construction of shade net house (Tubular Structure). Thus, a beneficiary is entitled to a maximum subsidy of ₹ 14.20 lakh at the rate of ₹ 355 per square metre (sqm). For this purpose, on behalf of the DHFF, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (Beej Nigam) entered into a Rate Contract (RC) with four<sup>22</sup> vendor firms/company for Dome Shaped Shade Net House (Tubular Structure) at the rate of ₹ 710 per sqm.

#### **Sample structure of Dome Shape Shade Net House for illustration**



During scrutiny of records in the seven selected districts, Audit observed that:

- (a) In seven test checked districts, an expenditure of ₹ 20.98 crore towards subsidy was incurred for construction of 208 shade net houses during 2019-22 (**Appendix 3.3.2**). Audit observed that the payment of subsidy at the rate of 50 *per cent* of rate approved in RC was made to beneficiaries by the ADH/DDH on the basis of inspection report of field functionaries such as Principal Investigator (PI), PFDC<sup>23</sup>, IGKV<sup>24</sup> and certificate of satisfaction from the beneficiaries on installation of shade net.

<sup>22</sup> M/s Kishan Agrotech, M/s M.B. Enterprises, M/s Annabhumi Greentech, M/s Kheti Biotech

<sup>23</sup> PFDC, - Precision Farming Development Centre,

<sup>24</sup> IGKV - Indira Gandhi Krishi Vishwavidyalaya

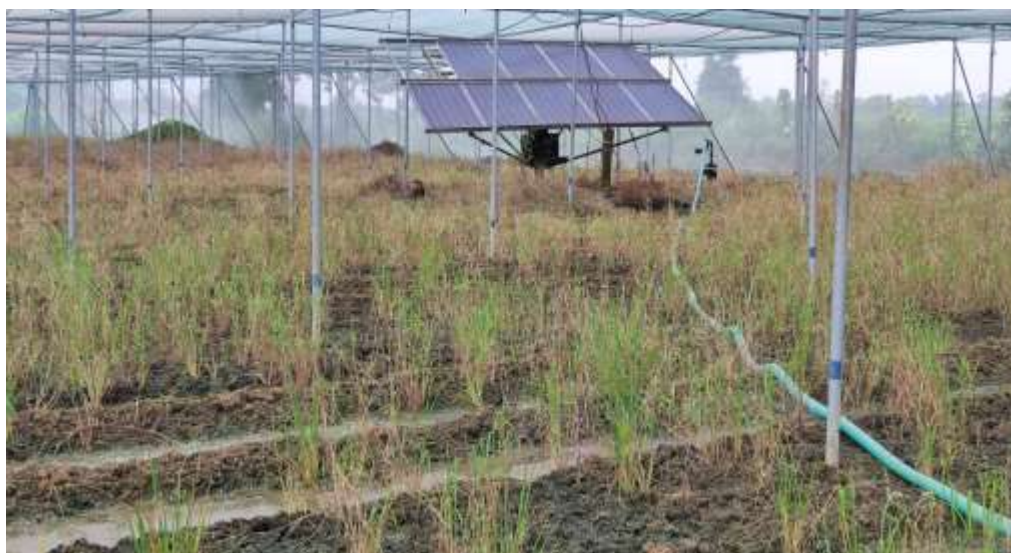
During physical verification in test checked districts, all 36 shade net houses verified by Audit in farmers' fields were found flat shaped instead of being dome-shaped. The entire amount was paid by the farmers for the structure built at the rate of ₹ 710/sqm to the vendor and the department gave subsidy at the rate of ₹ 355/sqm to farmers for domed shade net house. The beneficiary and field functionaries were unaware of technical specifications of shade net house to be installed by the vendor as the same was not provided to them along with RC. As a result, the beneficiaries and the Department could not ascertain if the installation of shade net house by the vendor was as per the approved technical specifications for RC entered by the Beej Nigam. In open market, the rate of flat shape shade net house was approximately ₹ 300 to ₹ 500 per sqm i.e. 50 to 70 per cent of determined cost of dome shape shade net.

(b) Joint physical verification of 36 shade net houses installed under the scheme was carried out by the audit team along with officials of concerned ADH/DDH in which the following shortcomings were noticed.

- In nine structures, built-up area was smaller in size ranging from 650-2425 sqm as against the size mentioned in the claimed bills. This resulted in excess payment of subsidy of ₹ 30.00 lakh, as detailed in **Appendix 3.3.3**.
- Irrigation system was not working in 24 cases,
- Ante room was not built by using double doors in 17 cases,
- The side support column was not found in structures while the amount was billed for the item.
- Shade net houses were found to be used for activities other than horticulture.



(Fish Tank under Shade net house located at Pikridih, Block:Tilda, District: Raipur, 08.09. 2022)



*(Paddy cultivation and installation of solar pump under shade net house located at Jaraud, Block Dharsiwa, District Raipur, 07.09.2022)*

DHFF replied (October 2023) that as per the guidelines, subsidy can be provided for either dome shape or flat shape shade net. Flat shape shade net has been constructed as per the choice of the farmers. The copy of RC was issued by the Beej Nigam to DHFF and to all DDH/ADH and was also uploaded on the online portal. It further stated that the concerned district officers were directed to recover the excess payment amount from the farmers in six out of nine cases pointed out by Audit in which shade net houses were built in smaller area. Besides, a letter was being sent for administrative action against the subsidy sanctioning officers and other concerned officials as well as the representative of PFDC. Apart from this, the process of blacklisting the vendor company for departmental work is being started. Further, the department does not agree with the statement of audit that if separate rates are obtained for flat shape shade net, shade net will be made at 50 to 70 per cent of the cost as the separate estimates have not been prepared for domed and rectangular shed net houses by the Nodal Agency of GoI.

The reply regarding cost difference in shade net is not acceptable as the vendor constructed the Flat Shape Shade Net House structure but charged rate of Dome Shape from the beneficiaries. Although guidelines provided for both type of structure but Beej Nigam had executed rate contract with vendor only for dome shaped structure and payment of subsidy was also made accordingly. However, no rate analysis was done for flat type structure by Beej Nigam. Although the cost of flat shaped structure is less than the dome shaped structure as per prevalent market rates, however, in the absence of rate analysis, Audit could not ascertain the actual cost difference between the two structures. Further RC issued to field office and uploaded on website by Beej Nigam did not include the specifications of shade net on which RC was finalised due to which the field functionaries were unable to match the specification with actual work executed by the vendor during physical verification.

Reply of Government is awaited (December 2024).

#### **3.3.8.4        *Irregular payment of subsidy for Naturally Ventilated Green House structure***

As per the rate norms prescribed in the operational guideline of MIDH, 50 *per cent* subsidy of the total cost at the maximum rate of ₹ 844 per sqm is payable to a beneficiary for a maximum area of 4,000 sqm for green house naturally ventilated structure. Thus, a maximum of ₹ 16.88 lakh subsidy can be provided to a beneficiary. As per the guidelines issued (June 2012) by the GoCG for implementation of scheme, the scheme will be implemented in the private land of the farmers. DHFF has clarified (March 2024) that private land means land owned by the farmer and as such mentioned in the land revenue records viz. B-I form.

During scrutiny of records of DDH Durg, Audit noticed that subsidy of ₹ 99.52 lakh was disbursed in 2019-20 for Naturally Ventilated Green House structures to seven beneficiaries. Out of this, subsidy of ₹ 76.42 lakh was given to five members of one family for construction of five Green House structures. However, the land against which subsidy claimed was located in Mahmara village of Durg district and owned by one beneficiary belonging to the family. Audit observed from the application forms that same Khasra numbers (65, 71 and 76) were mentioned in the application forms of five beneficiaries while as per the land record (B-I form), khasra numbers 65, 71 and 76 were registered in the name of only one of the beneficiaries. This indicates that the excess benefit of subsidy was availed in the name of different members of one family against single piece of land.

During joint physical verification (October 2021) of the site of construction, it was found that all the five Green House structures were installed together and were being operated and maintained as a single unit. Since a beneficiary was entitled for a maximum subsidy amount of ₹ 16.88 lakh for a maximum of 4,000 square meters, additional subsidy of ₹ 59.54 lakh was irregularly claimed and paid in the name of family members even though the owner of the land was same.

The DHFF stated (October 2023) that the contention of the then DDH that there is a provision to give benefits under the scheme to all categories of farmers, which includes one doing farming on the agricultural land as a landowner, inherited farmer, government lessee or any person doing farming on other's land, was not accepted by the Department and hence a proposal has been sent to the Government (August 2023) to take disciplinary action against him.

Fact remains that as of December 2024 no action has been taken to recover the excess amount of subsidy.

Reply of Government is awaited December 2024.

#### **3.3.8.5        *Excess disbursement of subsidy for low-cost Preservation Unit***

As per operational Guideline of MIDH under the component "Integrated Post Harvesting Management", assistance of 50 *per cent* of total cost of the preservation unit, at a maximum cost of ₹ 2.00 lakh should be provided to the beneficiaries for installation of preservation unit. The DHFF prescribed

(November 2012) requirement and costing for preservation unit in which a 10 ft X 15 ft civil structure was to be made along with 20 kg capacity Solar and Electrical dryer technology. DHFF in December 2018 decided the specification and design of preservation unit (solar Dryer 25 kg). On behalf of the SHM, Beej Nigam entered into (November 2020) an RC with some supplier firms to supply “Preservation Unit 25 kg Solar operated with Electric Backup system” at the rate of ₹ 1.12 lakh.

During scrutiny of records of test checked districts, it was found in seven DDHs/ADHs that a total of 480 preservation units were established and a subsidy of ₹ 4.80 crore was provided to the beneficiary farmers (*Appendix 3.3.4*). Audit noticed that on the basis of beneficiary’s undertaking for establishment of preservation unit (construction of 10 ft X 15 ft civil structure, Electric wiring, water pipe line and water storage tank etc.) and purchase bill of solar dryer costing ₹ 1.00 lakh each provided by the vendor, subsidy was released by the Department. However, to verify the claim of beneficiary, physical verification of facility was not conducted by the ADH/DDH of the Department for submission of verification report as required in the guidelines before release of subsidy. However, during joint physical verification (October 2021-September 2022) of 20 preservation units conducted by Audit, no civil construction for preservation unit was found at the site visited by Audit and Departmental officials. Further scrutiny of vouchers revealed that farmers produced purchase bill of 20 kg solar dryer instead of prescribed 25 kg solar dryer.

Since the cost of ₹ 2.00 lakh per unit included the cost of both the solar dryer and the shed house, therefore grant of subsidy of ₹ 1.00 lakh against the cost of preservation unit only that too of lower specification without ensuring construction of civil structure was against the guidelines and therefore, irregular.

On this being pointed out, the DHFF replied (October 2023) that it has been clearly mentioned in the instructions issued by Directorate for establishment of the Preservation unit that shade unit constructed at the farmer's level would be adjusted as the farmer's share and the remaining subsidy would be used for purchase of preservation unit as per the specifications approved by the Beej Nigam. The subsidy has been paid as per the rules after the farmers purchased a preservation unit of 20 kg capacity approved from the Beej Nigam and submitted the bill for the subsidy. Instructions are being circulated from the Directorate to the district officers to pay subsidy to the farmers only after physical verification of the shade unit constructed as per the specifications in future.

Reply is not acceptable as the specification of 25 kg solar dryer was approved by the DHFF itself and Beej Nigam also entered into RC for 25 kg solar dryer. But the department accepted the vouchers for 20 kg solar dryer at the rate of ₹ 1.00 lakh each which was not as per the specification prescribed by the Department. Further, the shade structure was not found built at any site during joint physical verification and the department could not provide any evidence of construction of shade unit indicating that full subsidy of ₹ 1.00 lakh per unit was released without ensuring the establishment of preservation unit with all components.



Reply of Government is awaited (December 2024).

### **3.3.8.6 Providing lower rate of subsidy for Cold Storage to the beneficiaries of Scheduled area**

As per para 5.4 of Guidelines of MIDH, Credit linked back-ended subsidy at the rate of 35 *per cent* of the project cost in general areas and 50 *per cent* of the project cost in scheduled areas at a maximum cost of ₹ 4.00 crore per unit was to be paid under Post Harvest Management for construction/extension of Cold-storage units.

Audit observed that the Perspective Plan for period 2017-22, set target for establishment of 50 Cold storage units. AAP for the same period included target of 50 Cold storage units while 40 Cold storage units were established.

During the audit period 2019-22, a total of 29 Cold storage units were established in the state and ₹ 41.20 crore was paid as subsidy to the beneficiaries. Out of these 29 units, eight Cold storage units were established in the Scheduled areas.

DHFF did not made any provision in AAP for establishment of cold storage unit in Scheduled area during 2019-21 due to which two cold storage units established in 2019-20 and one cold storage unit established in 2020-21 got only 35 *per cent* subsidy applicable for General areas as against the 50 *per cent* subsidy applicable for Scheduled areas.

It is also pertinent to mention here that AAP for year 2021-22 included target for establishment of five cold storage unit in Scheduled area and 50 *per cent* subsidy to five beneficiaries was paid accordingly.

Thus, three cold storage units located in Scheduled Areas did not get subsidy at the rate of 50 *per cent* as per the norms and were deprived of the intended benefit amounting to ₹ 1.80 crore, under the scheme as detailed in **Table 3.3.7**.

**Table 3.3.7: Statement indicating establishment of Cold-Storage**

(₹ in lakh)

Sl. No.	Year	Name of unit	Location	Scheduled Area	Nature of Work	Total Cost	Cost norms	Eligible Subsidy as per guidelines	Actual Subsidy paid	Less subsidy paid
1	2019-20	Prakash Cold Storage	Jagdalpur	Yes	New cold storage	467.93	400	200	140	60
2	2019-20	Krishna Cold Storage	Jashpur	Yes	New cold storage	407.16	400	200	140	60
3	2020-21	Shubham Cold Storage	Raigarh	Yes	New cold storage	499.20	400	200	140	60
<b>Total</b>										<b>180</b>

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

On this being pointed out, DHFF replied (October 2023) that as no target was approved by the GoI for the Scheduled Area under the Post Harvest Management Component in the year 2019-20 and 2020-21, 35 *per cent*

subsidy payable for the General Area was paid on the applications received from the Scheduled Area after obtaining consent of the applicants.

The reply is not acceptable as the department did not include any proposal for the scheduled areas in the AAP of the year 2019-20 and 2020-21 and GoI accorded sanction in accordance with the proposal sent by the GoCG. Thus, the beneficiaries of the scheduled areas could not get the intended benefits of the scheme at the prescribed rate.

Reply of Government is awaited (December 2024).

### 3.3.8.7 *Non creation of Market Infrastructure*

Apart from providing post-harvest facilities, creation of market linkage is crucial in reducing post-harvest losses. As per clause 7.54 of the MIDH Guidelines under the component of “creation of market infrastructure” assistance will be provided as credit linked back ended subsidy for setting up wholesale markets, rural markets/apni mandis and retail markets. The details of physical and financial progress under the component of creation of market infrastructure during 2019-20 to 2021-22 provided by the Department are given in the **Table 3.3.8**:

**Table 3.3.8: Physical financial progress of Market Infrastructure created during 2019-22**

(₹ in lakh)

S. No	Component	Physical (no)		Financial		Per cent shortfall	
		T	A	T	A	Physical	Financial
1	Rural Markets/ Apni mandies/ Direct markets	40	40	400.00	400.00	0	0
2	Retail Markets /outlets (environmentally controlled)	27	10	141.75	52.50	63	63
3	Static/Mobile Vending cart/platform with cool chamber	70	7	10.50	1.50	90	86
4	Functional Infrastructure for Collection, Sorting/ grading, packing units etc.	5	5	30.00	30.00	0	0

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

T:Target, A: Achievement

It is evident from the above table that the Department could not achieve the target with respect to Retail Markets/outlets and Static/Mobile Vending Cart/platform with cool chamber. Against a target of 27 retail markets and 70 Static/Mobile Vending cart/platform with cool chamber during 2019-22, SHM extended subsidy to only 10 Retail Markets/outlets and seven Static/Mobile Vending cart/platform with cool chamber and the shortfall ranged from 63 to 90 per cent.

Though the DHFF in progress report depicted the target for creation of market infrastructure such as rural markets and collection sorting/packaging units as fully achieved but audit noticed that the above facilities were not yet constructed/established. Audit scrutiny revealed that during 2019-20, an advance of ₹ 2.27 crore under the scheme was given to Mandi Board for 15 Gramin Haat bazar, nine retail markets and five Collection/sorting/grading/ packaging units. Similarly, in the year 2020-21, an advance of ₹ 2.5 crore was



provided to Mandi Board for construction of 25 rural markets in the state. The notice inviting tender was floated by Mandi Board in June 2021 for construction of the markets. Audit however, observed that though as per the guidelines subsidy under the component of market infrastructure was to be provided as credit linked back end subsidy, Department paid the entire amount of subsidy as an advance to Mandi Board. Further, the status of completion of market infrastructure by the Mandi Board against the above subsidy was not available with the Department.

On being pointed out, the DHFF replied (October 2023) that as per provisions of the guidelines and after the receipt of approval from SLEC, assistance has been provided to Mandi Board for the establishment of 40 rural markets, nine retail markets and five Collection, sorting/grading, packing units against which construction work is in progress.

Reply is not acceptable as the full subsidy was given as an advance to Mandi Board and target against creation of market infrastructure had been shown as achieved without completion of the construction work.

Reply of Government is awaited (December 2024).

**3.3.8.8 *Undue and Injudicious favor to supplier firms led to excess and avoidable expenditure***

***a. Supply of Rotary Tiller***

According to rule 4.3.3 of CG Store Purchase Rules 2002, as amended in 2020, to ensure adequate competition and comparison in the open tender, it will be necessary that at least three original manufacturers or their authorised representatives participate in the tender process. In order to select the item of proper quality, it is necessary that the sample of the item to be supplied should be obtained.

Under the MIDH guidelines, subsidy of ₹ 0.50 lakh (50 per cent of cost) to SC/ST/Women and small and marginal farmers was payable to beneficiary against the cost of ₹ 1 lakh prescribed for power tiller (below 8hp). As per the GoCG order (June 2012 and February 2019) for implementation of the NHM/MIDH, Beej Nigam was to register the company through tendering process for the supply of materials under the scheme.

Accordingly, Beej Nigam published Notice Inviting Tender (NIT) (August 2020) for Horticulture Mechanisation equipment and entered RCs with six<sup>25</sup> supplier firms. As per the NIT issued by the Beej Nigam, bidder must be self-manufacturer/producer of the quoted item. Further, valid test report from authorised Government agency was mandatory for Power Tiller.

Beej Nigam vide its letter (November 2020) informed all the district offices providing a copy of RC entered into with two supplier firms<sup>26</sup> for purchase of Power Tiller (below 8 BHP) at the rate of ₹ 95,200. During test check of records provided by DHFF (January 2023), Audit noticed that seven bids were received, out of which, only two bids were technically qualified for power

---

<sup>25</sup> M/s Annabhummi Greentech Pvt. Ltd. Bhilai, M/s Jai Gurudev Agro Raipur, M/s Kishan Agrotech, Durg, M/s Lakshya Technocrats India Pvt. Ltd. Raipur, M/s J M Enterprises Bhilai and M/s Varun Engineering Raipur

<sup>26</sup> M/s Kishan Agrotech, Durg and M/s J M Enterprises Bhilai.

tiller. Out of the two qualified bidders, only one supplier firm (M/s Kishan Agrotech) had submitted a test report for its product Rotary Tiller Make/Model- Krishi Kraft along with other required and mandatory documents. Beej Nigam also entered RC with another supplier firm M/s J. M. Enterprises which did not submit the required valid test report for its power tiller. During scrutiny of records of district offices, it was found that M/s J.M. Enterprises supplied the same Rotary Tiller for which the RC was executed with M/s Kishan Agrotech which indicates that the supplier firm i.e. M/s J.M. Enterprises was not a self-manufacturer/producer.

Further, M/s Kishan Agrotech produced test report from SRFMTTI<sup>27</sup> GoI for Rotary Tiller “Model-Krishi Kraft KC-PWP-7HP” and “KC-RT-10KAMA”. The testing agency (SRFMTTI) certified that the manufacturer of the item was a manufacturing company from District Chongqing, China. Thus, the supplier firm M/s Kishan Agrotech produced false declaration certificate for being a manufacturer of that item. Beej Nigam without conducting due diligence accepted the declaration certificate and entered RC with supplier firm for the product which was manufactured and imported from China in violation of the terms and conditions mentioned in NIT. This indicates that Beej Nigam did not comply with its own eligibility criteria for selection of supplier. Further the condition of self-manufacturer prescribed in the NIT also restricted competition as authorised representatives/dealers were not allowed to participate.

As per the physical and financial progress report provided by DHFF, subsidy of ₹ 6.57 crore was distributed for 1315 Rotary Tillers in the year 2019-20 and 2020-21. Moreover, scrutiny of records in selected districts revealed that the rotary tiller was supplied at the rate of ₹ 1.00 lakh each to farmers by the vendors registered through RCs instead of ₹ 95,200 as approved in RC. The ADH/DDH paid the subsidy of ₹ 50,000/unit against the bill produced. The acceptance of higher rates resulted in charging higher rates of ₹ 4,800/per unit from farmers and consequent excess payment of subsidy of 2,400/unit (50 *per cent*) by the department. Thus, undue benefit of ₹ 4800 per unit was availed by the supplier firms due to non-compliance to the rate approved in RC.

On being pointed out by audit, the DHFF replied (October 2023) that the objection is related to Chhattisgarh Rajya Beej evam Krishi Vikas Nigam (Beej Nigam), hence a letter has been written to the Managing Director, Beej Nigam, Raipur to take necessary action against the concerned firm as per rules in this regard.

Reply is not acceptable, as the ADH/DDH were required to restrict the amount of subsidy up to 50 *per cent* of the cost of item as per the approved rates in RC executed between the vendor and Beej Nigam.

Reply of Government is awaited (December 2024).

#### ***b. Supply of Power Weeder***

During test check of records in the Directorate of Horticulture, Audit noticed that GoI approved inter component changes in the AAP 2020-21 and allocated

<sup>27</sup> SRFMTTI - Southern Region Farm Machinery Training and Testing Institute

(30 March 2021) revised target (from 1040 to 3465) under Horticulture mechanization. Accordingly, target for distribution of 1,530 power weeders with unit cost of ₹ 1.26 lakh was set (30 March 2021) by the DHFF for various districts of the State. A supplier firm M/s Kishan Agrotech was also registered by the Department of Agriculture on the same day (30 March 2021) for supply of Power Weeder at the rate of ₹ 1.26 lakh on the basis of application from the vendor without any tendering process.

As per the physical and financial progress report of the year 2020-21, total 1453 Power Weeders were supplied against the target of 1530, all of which were purchased at the rate of ₹ 1.26 lakh/unit and 50 *per cent* of the cost i.e. ₹ 0.63 lakh each was provided as subsidy by the department.

During the audit of selected district offices, it was noticed that the abovementioned supplier firm supplied the Power Weeder at the rate of ₹ 1.26 lakh/unit as per the Registration certificate. However, the same firm also supplied the same product as rotary tiller at the rate of ₹ 1 lakh per unit under the rate contract for a period of one year (November 2020 to November 2021) with the Beej Nigam at the rate of ₹ 95,200/unit as discussed in previous para. Audit further noticed that SRFMTTI as well as Beej Nigam and Joint director, Agriculture Engineering (State Level testing laboratory for Agriculture Equipment) have clarified (March 2023) that Rotary Tiller and Power Weeder were identical and considered the same.

Thus, the same item (Make-Krishi Craft and model number-KC-WP-7PE) was supplied by the supplier firm under two different names at two different rates to farmers.

Further, scrutiny of records revealed that the supplier firm produced commercial test report issued from NRFMTTI<sup>28</sup> Hisar, Haryana for their product 'Power Weeder [Make-Krishi Craft] Model No- KC-WP-7PE' manufactured by M/s Chongqing Amm Machinery Manufacturing Co. Ltd. District Chongqing, China. On detailed analysis of the test report, it was found that this product was not successful in the commercial test. During the test, many corrective instructions were given by the testing agency though its compliance was not ensured. A total of 14 such adverse comments including lack of information about critical parameters were made in the commercial test report (February 2020) and the company was asked to take corrective action. No records regarding corrective measures and re-testing the product were available from the Agriculture Department. However, the Commissioner Agriculture registered the firm in March 2021 without ensuring compliance to the comments and recommendation made in the testing report.

Thus, favor to supplier firm led to undue benefit of ₹ 30,800/unit (₹ 1,26,000 - ₹ 95,200) to supplier firm as well as supply of sub-standard power weeder to farmers. This also resulted in extra burden of subsidy of ₹ 2.24 crore<sup>29</sup> due to selection of item with higher rate.

On being pointed out by audit, the DHFF replied (October 2023) that before giving subsidy on machines purchased by farmers under agricultural

---

<sup>28</sup> NRFMTTI - Northern Region Farm Machinery Training and Testing Institute.

<sup>29</sup> Total excess payment by farmers = 1453 x ₹ 30,800 i.e. ₹ 4,47,52,400, excess subsidy paid by the department = ₹ 4,47,52,400/2 i.e. ₹ 2.24 crore

mechanisation, it is ensured that those machines were registered by the Directorate of Agriculture, Chhattisgarh. Registration certificate for the sale of power weeders in the State was obtained by M/s Kisan Agrotech from the Directorate of Agriculture, Chhattisgarh. On the basis of the above certificate, the subsidy amount was paid by the district officers after the farmers submitted the bill for the purchase of power weeder. Thus, there was no irregularity in the disbursement of subsidies by the district officers.

Reply is not acceptable as the the supplier firm was selected by the department and the rate of power weeder was decided without competitive tendering process resulting in supply of same item at higher rate. This also indicates lack of necessary inspection and monitoring by the Department in supplying of material under Horticulture mechanization component.

Reply of Government is awaited (December 2024).

### c. *Supply of Pulveriser*

According to the cost norms and pattern of assistance in SMAM, subsidy up to 60 per cent of the total cost for SC, ST, small and marginal farmers and women farmers (maximum ₹ 0.60 lakh) and for other beneficiaries up to 50 per cent of the total cost (Maximum ₹ 0.50 Lakh) was to be provided.

During test check of records provided by DHFF, it was found that there was no provision for Pulveriser in Perspective Plan for the period 2017-18 to 2021-22. Accordingly, no provision was made for Pulverisers in the AAP for the period 2017-18 to 2020-21. Also, the Pulveriser component was not a part of MIDH Guidelines 2014. However, the Director fixed the target for distribution of a new component 'Pulveriser' in various districts of the State (30 March 2021).

Audit noticed that Beej Nigam vide its letter (November 2020) informed all the district offices that it had entered into rate contract with five supplier firms<sup>30</sup> for purchase of Mini Pulveriser: Motor HP 3, Feed size 10 mm at the rate of ₹ 83,898+ GST (5 per cent) i.e. ₹ 88,093.

Scrutiny of records of selected districts revealed that during the years 2020-21 and 2021-22, the supplier firms supplied the Mini Pulverisers at rate of ₹ 1.20 lakh per unit which was higher than the rates fixed in the rate contract i.e., ₹ 88,093 per unit. The higher rates were accepted by the ADH/DDH which paid the maximum subsidy of ₹ 60,000 per unit. Due to acceptance of higher rates the beneficiary farmers had to pay ₹ 31,907 extra per unit in which department also paid excess subsidy at the rate of ₹ 7,144<sup>31</sup> per unit. Further, no action was taken by the ADH/DDH or any other authority to ensure that the farmers purchased the materials at the rate prescribed in RC. Hence, lack of proper monitoring of the supply of materials to farmers resulted in extension of undue benefit of ₹ 31,907 per unit to supplier firms.

On being pointed out by audit, the DHFF replied (October 2023) that the objection is related to Chhattisgarh Rajya Beej evam Krishi Vikas Nigam

<sup>30</sup> M/s Annabhumi Greentech Pvt. Ltd. Bhilai, M/s Jai Gurudev Agro Raipur, M/s Kishan Agrotech, Durg, M/s Lakshya Technocrats India Pvt. Ltd. Raipur and M/s J M Enterprises Bhilai.

<sup>31</sup> ₹ 7144 = ₹ 60,000 – ₹ 52856 (60 per cent of ₹ 88,093)

(Beej Nigam), hence a letter has been written to the Managing Director, Beej Nigam, Raipur to take necessary action against the concerned firm as per rules in this regard.

The reply is not acceptable as Beej Nigam had entered into an RC with supplier firms while the department accepted rates higher than the rate mentioned in RC. Thus, the department should recover the excess amount given to the supplier firm.

This indicates that the items under Horticulture mechanization were being supplied on the basis of maximum amount of subsidy admissible under the MIDH/SMAM guidelines instead of supplying the items to farmers at competitive rate decided through tendering resulting in undue favor to supplier at the cost of Government money/subsidy.

Reply of Government is awaited (December 2024).

### **3.3.9 Conclusion**

Against the objective to increase the overall coverage of area under horticulture, total horticulture area decreased from 8.62 lakh hectare in 2019-20 to 8.35 lakh hectare in 2021-22. The target prescribed for area expansion under the MIDH scheme could not be fully achieved during the period of audit. Audit noticed deviation from the planned activities resulting in under-achievement of targeted activities under the scheme. Key activities such as Centre of Excellence, Cold Chain Infrastructure, Organic Farming and Certification though planned in the perspective plan of 2017-22 were not made part of AAP and thus were not taken up for implementation.

Deficiencies in implementation of scheme at various levels were noticed during audit such as irregular disbursement of subsidy in construction of shade net house, excess payment of subsidy for Naturally Ventilated Green House structure, disbursement of subsidy for low-cost Preservation unit without ensuring the establishment of all components of preservation unit. The items under horticulture mechanization such as rotary tiller, power weeder and pulveriser were supplied based on maximum amount of subsidy admissible under the MIDH/SMAM guidelines instead at competitive rate decided through tendering which resulted in undue favour to supplier firms and excess burden of subsidy on Government.

### **3.3.10 Recommendations**

- 1. The Department should make effort to fully achieve the target prescribed under various components of MIDH scheme.*
- 2. The target mentioned in the AAP should be drawn from the Perspective Plan. The Department should prepare a clear roadmap for implementing every component of the scheme.*
- 3. The Department should streamline the system of procurement of agriculture equipment/material through competitive tendering and supply to farmers at economic cost without compromising the quality.*
- 4. The Department should develop a monitoring mechanism to ensure adherence to the rates and other terms of contract for making payment of subsidy.*

## **SKILL DEVELOPMENT, TECHNICAL EDUCATION AND EMPLOYMENT DEPARTMENT**

### **3.4 Skill Development Trainings under Chhattisgarh State Skill Development Authority**

#### **3.4.1 Introduction**

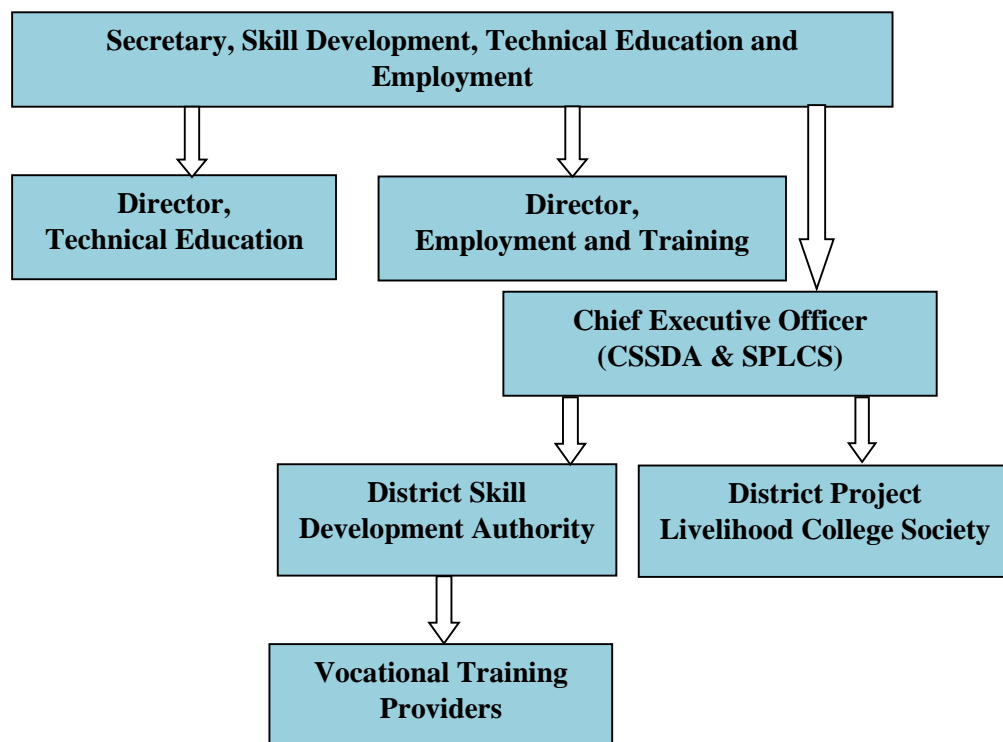
Chhattisgarh State Skill Development Mission (CSSDM) was constituted in 2011 and registered as society for providing skill development trainings in the State of Chhattisgarh. The Government of Chhattisgarh (GoCG) has set a target (May 2012) to train 1.25 crore working population as certified skilled technicians till the end of 2022 under CSSDM. After implementation of Chhattisgarh Right of Youth to Skill Development Act, 2013, the CSSDM stood dissolved and Chhattisgarh State Skill Development Authority (CSSDA) had been formed for enhancing the skill training capacity in the State. The purpose of the skill development training is to enhance the capabilities of people to get gainful employment/ self-employment opportunities to upgrade their living standards.

The District Skill Development Authorities (DSDAs) are the district level implementing agencies to monitor and supervise the skill development trainings rendered by Vocational Training Providers (VTPs) registered in the district. The VTPs are the skill development training centers where the youth obtain the vocational training as per their choice and eligibility within a time frame. The trainees would get certificates in relevant training courses conducted by a VTP after having been examined and declared successful by a third-party assessor on completion of skill development training.

In Chhattisgarh, CSSDA imparts the skill development training courses through *Mukhya Mantri Kaushal Vikas Yojana* (MMKVY) (State scheme) and *Pradhan Mantri Kaushal Vikas Yojana* (PMKVY) (Centrally sponsored and State managed scheme). In December 2021, MMKVY trainings were being provided in 111 courses under 27 sectors through 132 Government and 61 Private VTPs. The 27 Livelihood College Societies were imparting skill trainings in 706 courses in 36 sectors under MMKVY and PMKVY.

#### **3.4.2 Organisational structure**

Chhattisgarh State Skill Development Authority functions under the administrative control of Secretary, Skill development, Technical Education, and Employment Department. It is responsible for preparation of guidelines/ policies in respect of conducting skill development trainings. The Director, Employment and Training is the Budget Controlling Officer (BCO) of the CSSDA. The CSSDA/State Project Livelihood College Society (SPLCS) is the nodal agency for conducting skill development trainings under MMKVY and PMKVY since its inception. The organisational structure of CSSDA/SPLCS is as given below:



The Chief Executive Officer (CEO) is the executive head of CSSDA and SPLCS and assisted by Additional CEO, Joint CEOs, Managers and Joint Director (Finance) at State level. There are 27 Assistant Directors (AD) of District Skill Development Authorities (DSDAs) and 27 Principals/Assistant Project Officers (APOs) of Livelihood College Societies. The ADs/Principals /APOs assist the CEO for providing the skill development trainings through private/Government VTPs at district level.

### **3.4.3 Audit objectives**

Audit objectives for the Compliance Audit of Skill Development Trainings conducted under CSSDA were to assess whether:

- The target of making the young population as certified skilled technicians were achieved to enable them to get employment/self employment.
- Adequate infrastructure facilities and skilled trainers were available in the training Institutes,
- The funds were utilised efficiently and economically in conducting trainings.

### **3.4.4 Audit criteria**

Audit findings were benchmarked against the:

- Chhattisgarh Treasury Code and CG Store Purchase Rules, 2002
- Chhattisgarh Right of Youth to Skill Development Act, 2013 (CGRYSD Act)
- Chhattisgarh State Skill Development Authority (Vocational Training Provider) Regulations, 2013.
- Instructions and Scheme guidelines issued by CSSDA



### 3.4.5 Scope and Audit Methodology

Compliance Audit covered the period from 2017-18 to 2021-22. During the Compliance Audit, records were examined in the office of CEO, CSSDA at state level and offices of the Assistant Director (AD), DSDA and Assistant Project Officer, Livelihood College (LC) at district level. Audit covered the registered VTPs under DSDAs for which grants were issued under MMKVY. During the process of audit, joint physical verification of VTPs was also conducted along with the departmental officials. Out of 28 districts of the State, seven districts<sup>32</sup> were selected based on Probability Proportional to Size Systematic Sampling. The draft report was forwarded to the State Government in February, 2023 and July, 2023. The reply of the Government on report was received in October, 2023. The replies of the State Government had been suitably incorporated in the Report.

### Audit findings

### 3.4.6 Planning and Implementation

#### 3.4.6.1 Preparation of Perspective Plans

As per section 11(c) of CGRYSD Act 2013, once in every five years, the CSSDA shall prepare and submit to the State Government, a perspective plan for skill development in the State having regard to macroeconomic growth trend, emerging technologies and demand for skilled human resources. The CEO is responsible for preparing the perspective plan of the Authority.

During scrutiny of records of CSSDA, it was observed that no perspective plan was prepared by the CSSDA during the audit period.

The State Government replied (October 2023) that the agreement for preparation of perspective plan for the period of 2022-27 was entered (May 2023) with M/s Merapath Education Limited.

The reply of the Government indicates that the five-year perspective plan was not prepared during the audit period.

#### 3.4.6.2 Availability of Vocational Training Providers

Department of Skill Development, Technical Education, Employment and Training, Government of Chhattisgarh issued new guidelines (August 2019) with the objective of better implementation of MMKVY, improvement in quality of skill development trainings on the basis of 100 *per cent* employability in the State. As per the new guidelines, all VTPs were required to be registered de-novo under revised norms of registration.

During test check of records of CSSDA, it was observed that after adoption (August 2019) of new guidelines, all the existing VTPs were de-registered and DSDAs started to register new VTPs. However, the process of registration of the new VTPs was very slow. As a result, only few VTPs could be registered as shown in **Table 3.4.1**.

<sup>32</sup> Balodabazar, Balrampur, Bilaspur, Jashpur, Korba, Sukma and Surajpur

**Table 3.4.1: Conducting of skill development trainings before and after change of guidelines**

Sl. No.	Year	Total registered VTPs	VTPs imparted training	No. of training batches	No. of trainees trained
1	2017-18	2157	1518	7317	133796
2	2018-19	2244	842	3383	62649
3	2019-20	2083	36	78	985
4	2020-21	189	0	0	0
5	2021-22	203	4	7	105

(Source: Data furnished by CSSDA)

From the above table it is evident that during 2017-20, maximum 2,244 VTPs were registered for providing trainings which declined to 203 in 2021-22. The Covid-19 pandemic and decline in number of registered VTPs during 2019-22 adversely affected the training programme.

CEO, CSSDA replied (December 2022) that due to Covid-19 pandemic trainings were affected and further stated that as per the new guidelines, registration fees, bank guarantee as security deposit were made mandatory for registration of new VTPs.

### 3.4.6.3 Shortfall in achievement of targets and placement of the trainees

#### (a) Mukhya Mantri Kaushal Vikas Yojna

The GoCG had set (May 2012) a target to train 1.25 crore working population as certified skilled technicians till the end of 2022 under *Mukhya Mantri Kaushal Vikas Yojna* (MMKVY) and made CSSDA (erstwhile CSSDM) the nodal agency to implement the same. During scrutiny of records of CSSDA, Audit observed that target for imparting skill development trainings was mentioned in the Annual Plan. The details of annual target and achievements for imparting training and placement of skilled youth under MMKVY from 2013-14 are shown in **Table 3.4.2**.

**Table 3.4.2: Statement showing year wise status of training and employment under MMKVY**

Year	Year-wise status of training and employment under MMKVY					
	Target	Enrolled	Passed in exam	Employed	Self-employed	Un-employed
2013-14	-	-	13564	1066	2361	10137
2014-15	195720	72409	39638	6413	8361	24864
2015-16	89364	90765	74564	15033	23970	35561
2016-17	116325	113683	103792	26589	30300	46903
2017-18	147416	153359	144193	39230	49558	55405
2018-19	110515	72621	77021	23052	21421	32548
2019-20	13389	1972	14110	4300	3461	6349
2020-21	11705	0	107*	57	3	47
2021-22	18920	136	689	300	62	327
2022-23	23685	6950	2624	1734	200	690
<b>Total</b>	<b>727039</b>	<b>511895</b>	<b>470302</b>	<b>117774</b>	<b>139697</b>	<b>212831</b>

(Source: Data furnished by CSSDA)

\*The candidates passed in 2020-21 were enrolled in previous years.

It is evident from the above table that during the period 2013-14 to 2022-23.

- CSSDA set very less target to train 7,27,039 (six *per cent*) candidates against the target of 1.25 crore set by the GoCG.
- Against the target to train 7,27,039 youth population as skilled technicians, the CSSDA could train only 4,70,302 trainees (65 *per cent*) in the entire State.
- 2,57,471 (55 *per cent*) out of 4,70,302 certified skilled youth were provided placement by the VTPs.
- As per guidelines of *Mukhyamantri Swa-rojgar Yojna* (MMSRY), 10 *per cent* loan should be provided to 01/02 certified selected trainees from each batch of 20/30 candidates subject to maximum loan of ₹ 2 lakhs to each trainee. For this budgetary provision of ₹ 661.00 lakh was made during 2018-22, out of which only ₹ 80 lakh was released during 2018-19 and transferred to respective districts. However, the districts did not utilise this fund for providing financial assistance to trained candidates under MMSRY to encourage self-employment and so, the whole fund of ₹ 80 lakh lapsed at the end of the financial year.

**(b) Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**

The Government of India approved (2016) the modified and improved version of PMKVY called as PMKVY-2.0 for the period of 2016-20 to impart skilling to 10 million youth of the country. The PMKVY has two components as Centrally Sponsored Centrally Managed (CSCM) where 75 *per cent* of the funds shall be utilized for skilling youth through National Skill Development Corporation (NSDC) and the Centrally Sponsored State Managed (CSSM) where 25 *per cent* of the funds shall be allocated to the States for implementation of the scheme. The CSSDA was the nodal agency to implement the PMKVY and Livelihood College Societies were registered as VTP for conducting PMKVY trainings. The targets and achievements during the period 2017-22 under PMKVY are as shown below in **Table 3.4.3**.

**Table 3.4.3: Progress of Pradhan Mantri Kaushal Vikas Yojna in Chhattisgarh State during 2017-22**

Year	Year-wise status of training and employment under PMKVY					
	Target	Enrolled	Passed in exam	Employed	Self-employed	Un-employed
2017-18	15980	666	315	151	48	116
2018-19		13046	7432	3172	1237	3023
2019-20		43	20	20	0	0
2020-21	1224	588	299	232	34	33
2021-22	300	878	415	275	0	140
<b>Total</b>	<b>17504</b>	<b>15221</b>	<b>8481</b>	<b>3850</b>	<b>1319</b>	<b>3312</b>

(Source: Data furnished by CSSDA)

It is evident from the above table that against the target of 17504, only 8481 (48 *per cent*) youth population were successfully qualified. Out of the qualified trainees, 3312 (39 *per cent*) could not be employed under PMKVY.

The State Government replied (October 2023) that the skill development trainings and placements declined due to Covid Pandemic during 2020-22 and the less number of VTPs were re-registered after adoption of new guidelines

(2019). At present there are 303 VTPs rendering the qualitative skill development trainings. It was further stated that applications were not received for seeking the loan under *Mukhya Mantri Kaushal Swa-rojgar Yojna (MMKSRY)*.

However, the Government should take necessary steps to achieve the targets of skill development training and employment for effective implementation of the scheme.

#### **3.4.6.4      *Non-recognition of skill development certificates for higher studies/public employment***

As per Section 11(1)(h) of CGRYSD Act 2013, it shall be the duty of the State Authority to recommend the State Government, one or more certificates or other awards pertaining to skill development which may be considered to be equivalent to awards such as degree, diploma certificates or eligibility qualifications as are recognized for the purpose of public employment or access to higher education.

During scrutiny of records of CSSDA, it was observed that the skill development certificates issued under the skill development programme were neither recognized as equivalent of any diploma or as eligibility qualifications nor given any preference for the purpose of employment or for access to higher education. Further, the proposal for recognition of the certificate given to trainees after completion of different courses was sent by CSSDA to the State Government in May 2021 however, official recognition from the Government is still pending.

The State Government replied (October 2023) that the matter regarding giving preference/priority to skill development certificate issued by CSSDA for appointment as skilled labour in government and private sectors is under consideration.

Reply is not acceptable as non-recognition of the certificates granted under skill development training programme (till October 2023) for the purpose of public employment even after lapse of more than nine years, affected the trainees and the purpose of getting employment and livelihood could not be achieved fully.

#### **3.4.6.5      *Irregularities in conducting skill development trainings***

##### **(a)      *Trainings conducted without biometric attendance***

As per the instruction (November 2013) of CSSDA, the bio-metric attendance of the trainees twice a day and its integration with the portal is mandatory. It was compulsory for students to have 80 *per cent* attendance for evaluation of trainees.

During scrutiny of records of selected 91 VTPs, it was observed that only seven<sup>33</sup> out of 91 VTPs had submitted biometric attendance while 65 VTPs submitted manual attendance instead of bio-metric attendance. It was further observed that 19 VTPs under DSDA Balrampur had not submitted either manual attendance or bio-metric attendance due to which prescribed

---

<sup>33</sup> Six VTPs in Surajpur and one VTP in Jashpur

attendance of 80 *per cent* required for evaluation of trainees could not be ensured by the VTPs.

The State Government replied (October 2023) that Collector cum President, DSDA Balrampur has been instructed to initiate action in respective cases under intimation to CSSDA. It was further stated that the payments for training and assessment were made on the basis of biometric attendance after adoption of new guidelines.

**(b) Vocational Trainings not provided to all applicants**

As per Section 3(1) and 4(1) of CGRYSD Act 2013, no youth shall be denied opportunity to get skilled in a vocation of choice from amongst the skills as notified by the State Authority. The District Authority shall identify a Vocational Training Provider and inform the applicant of the same within a maximum period of 90 days from the date of receipt of application.

During scrutiny of the records of CSSDA, it was observed that all the registered applicants who applied for vocational training were not provided trainings in compliance to section 4(1) of CGRYSD Act. The details of the candidates who applied for training and were allotted VTPs or were not allotted to VTPs are as shown in **Table 3.4.4**.

**Table 3.4.4: Statement showing the number of applicants allotted VTPs for skill development training during 2017-22**

Year	Applications received	No. of applicants allotted to VTPs	No of applicants not allotted to VTPs within the stipulated time of 90 days ( <i>per cent</i> )
2017-18	188863	143608	45255(24)
2018-19	101619	63564	38055(37)
2019-20	7935	1459	6476(82)
2020-21	164	0	164(100)
2021-22	2780	409	2371(85)
<b>Total:</b>	<b>301361</b>	<b>209040</b>	<b>92321(31)</b>

(Source: Data furnished by CSSDA)

From the above table it is evident that 3,01,361 candidates had applied for skill development trainings, out of them, 2,09,040 were allotted VTPs for getting training while remaining 92,321 (31 *per cent*) candidates were not allotted the VTPs within the stipulated time of 90 days. Thus, the provisions of the Act were not complied with due to which the youth of the state were deprived the benefit of skill development training under the MMKVY scheme.

The State Government replied (October 2023) that the applicants who attended the counseling were provided the skill development training. During the year 2020-21 and 2021-22, the trainings were affected due to Covid-19.

The reply is not acceptable because counselling records were not provided to audit. In the absence of counselling records, it cannot be ascertained that all the applicants were invited for counseling for admission in VTPs.

**(c) Transfer of skill development trainings to other agencies by registered VTPs**

As per Schedule 2 of the CSSDA VTP Regulations, 2013, registered VTPs shall not entrust training to any other agency. As per new guidelines

(August 2019), the institutes have to deposit bank guarantee of ₹ 50,000 at DSDA for registration as VTP and if VTP engage Training Partner (TP), the bank guarantee will be obtained from TP.

During scrutiny of records of registered government VTPs like Executive Engineer, Rural Engineering Services (RES), under DSDA Bilaspur; District Jail, Jashpur, under DSDA, Jashpur; AD, Horticulture under DSDA Korba, and Government ITI, Bhatapara under DSDA Balodabazar in respective districts, it was observed that the registered VTPs entrusted/outsourced the training works to other agencies/Training Partners as discussed in succeeding paragraphs.

- In DSDA, Bilaspur, the Sub- Divisional Officer (SDO), RES, Bilaspur was registered as VTP for providing skill development trainings under MMKVY. The SDO, RES, Bilaspur during 2017-19 entrusted the training work to TP (Pratibha Skill Academy) in violation of the provisions of VTP regulations, 2013.

Further, it was observed that complaints were made (November 2017) by the officials of Janpad Panchayat, Belha and officials of Gram Panchayat, Sambalpuri village that the skill development of Mason training was conducted by the TP for only one or two days instead of prescribed schedule programme of 83 days<sup>34</sup>. The inspection report of Sub Divisional Officer, Rural Engineering Services also confirms that only eight out of 20 trainees in Sambalpuri village and only 11 out of 20 trainees in Kohraunda village were being trained at the site in Belha Block. It was mentioned by the SDO that the trainer at Kohraunda was untrained who just recorded the attendance and was not providing proper training to the students. Against these complaints, available records did not indicate any action taken or recovery effected from the TP.

- District Jail, Jashpur was registered as VTP under DSDA Jashpur for conducting trainings under MMKVY. The VTP conducted 17 skill development trainings under six<sup>35</sup> courses during 2016-19. As per Rule 225 of Jail Manual, the entries of all persons, materials, tools entering inside or exiting outside the jail should be made in the register available at the jail gate.

Scrutiny of records of VTP, District Jail, Jashpur revealed that an amount of ₹ 40.10 lakh was received during 2016-19 for conducting trainings in jail premises for prisoners. Out of ₹ 40.10 lakh funds received, expenditure of ₹ 39.89 lakh was incurred by District Jail, Jashpur towards skill development trainings of 313 prisoners and funds of ₹ 21,840 were lying in the bank account of District Jail, Jashpur since 2018-19. Audit noticed that the above expenditure of ₹ 39.89 lakh was incurred for making payment to various agencies<sup>36</sup> which provided trainers as well as tools/raw material/ equipment for

---

<sup>34</sup> Mason training course duration is 500 hours i.e 83 days at the rate of 6 hours per day

<sup>35</sup> Account Assistant using Tally, Assistant Electrician, Electrician Domestic, Mason, Mason General, Sewing Machine Operator

<sup>36</sup> Laxmi Traders, Mahamaya Agencies, Sai Enterprises, Gupta Enterprises, Kesari Infotech

conducting trainings within jail premises. However, the materials purchased were not found recorded in the jail gate register to confirm its entry inside the jail premises. Further scrutiny of bills/vouchers revealed that the bills had no TIN numbers. The report sent to Collector, Jashpur (June 2019) regarding irregularities in conducting of MMKVY trainings at district jail mentioned that the materials/tools supplying firms were not available at the address mentioned in the bills.

While accepting the audit observations, Jail Superintendent, District Jail, Jashpur stated (November 2022) that the items mentioned in the payment vouchers were not available in the jail and any construction work from the material purchased for mason training was not carried out in the jail premises.

- In Korba, the field offices of AD, Horticulture were registered as VTPs for providing training of Gardener, Landscaping and Floriculture course in their offices. The AD, Horticulture outsourced (January, 2017) the training work to the Training Partner (TP) i.e. M/s. Prakhar Foundation, Korba. Similarly, Government ITI, Bhatapara registered as VTP with DSDA, Balodabazar, outsourced the training work to TP Vidya Foundation in violation of the provisions of VTP Regulation.

Thus, there were instances where the registered VTPs outsourced/sub-contracted the work of conducting skill development trainings to other TP's in violation of the provisions of the CSSDA (VTP) Regulations, 2013.

The State Government replied (October 2023) that Collector cum President, DSDA Balodabazar, Korba, Bilaspur have been instructed to enquire the respective cases and initiate action under intimation to CSSDA. In respect of observation related to District Jail, Jashpur, Government stated that the role of Skill Development Authority is to conduct trainings and the fact presented in the observation pertains to District Jail, Jashpur.

The reply of the Government is not acceptable as irregularity pointed out by audit pertains to the funds provided for conducting trainings in District Jail, Jashpur under MMKVY, which indicated lack of monitoring of training programme by DSDA/CSSDA.

**(d) *Non-compliance of Central Motor Vehicle Rules while conducting the Driver cum Mechanic training.***

As per Rule 24 (3)(v) of Central Motor Vehicle Rules, 1989, driving schools and establishments should have own vehicle exclusively for purpose of imparting trainings and all such vehicles, except motorcycles, are fitted with dual control facility to enable the instructor to control or stop the vehicle.

During scrutiny of records related to driver cum mechanic training in seven test checked districts, it was observed that during 2016-19, training of Driver



cum Mechanic was imparted to 415<sup>37</sup> trainees in 27 batches in Livelihood College (LC) Surajpur, and Government ITI, Wadraf Nagar. The total expenditure of ₹ 105.03 lakh was incurred for conducting these trainings. All the trainees were trained on vehicles which were not fitted with dual control facility to enable the instructor to control or stop the vehicle which was against the norms of Central Motor Vehicle Rules.

The State Government replied (October 2023) that requirement of dual control facilitated vehicle for Driver cum Mechanic trainings under Modular Employable Skill course was not mentioned.

The reply of the Government is not acceptable as Rule 24(3)(v) of the Central Motor Vehicle Rules is applicable to any driving school or establishment which imparts training in driving motor vehicles.

### **3.4.7 Availability and Utilisation of Infrastructure facilities**

To bring uniformity and convergence in the skill training programs and with an objective to bring youth, including school dropouts, in the mainstream of the economy, Government of Chhattisgarh started (October 2012) Livelihood College (LC) at Naxal affected district of Dantewada as a government skill training center to provide short term employment-oriented residential and non-residential skill training as per the market demand. For providing short term employment-oriented skill training under MMKVY and PMKVY, the State Government decided to establish 27 LCs in the State. Further, to provide residential facilities, administrative approval for construction of 26 girls and 27 boys hostels were given during 2016-17 to 2021-22. As of March, 2023, construction of 26 girls and 22 boys hostels was completed. These LCs worked under State Project Livelihood College Society headed by CEO, CSSDA at State level and District Project Livelihood College headed by District Collector of respective district.

#### **3.4.7.1 Non-utilisation of hostel buildings and purchases made without requirement.**

As per section 4(1) of CGRYSD Act 2013, district authority shall make such arrangements for providing residential accommodation during the period of training as may be required.

During scrutiny of records in seven test checked districts, it was observed that residential/hostel facilities for skill development trainings were available in seven LCs, but hostels at LCs, Balodabazar, Bilaspur and Surajpur could not be utilised for residential training due to non-allotment of residential training batches during 2019-22. The details of the non-utilisation of the hostel buildings in three districts are as mentioned in **Table 3.4.5**.

---

<sup>37</sup> LC, Surajpur 235 trainees in 18 batches, Government ITI, Wadrafnager 180 trainees in nine batches.

**Table 3.4.5: Details of non-utilisation of hostel buildings during 2019-20 to 2021-22**

Hostels located at LC	Capacity of hostel (boys/girls)	Total expenditure (in ₹ lakh)	Month of possession of building	No. of unutilised months till 03/2023
Balodabazar	50 seater boys	216.52	06/2020	33
	50 seater girls		06/2020	33
Bilaspur	50 seater girls	135.17	06/2020	33
Surajpur	50 seater boys	110.42	07/2020	32
	50 seater girls	149.57	08/2019	44
	100 seater girls (CSR)	221.25	07/2019	43
<b>Total</b>		<b>832.93</b>		

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

From the above table it is evident that the expenditure of ₹ 832.93 lakh was incurred on construction of hostels, however, the hostels could not be used till March 2023 rendering the above expenditure idle. In Balodabazar and Surajpur, hostel items such as mattresses, cots, bedsheets and blankets amounting to ₹ 23.41 lakh<sup>38</sup> were purchased during 2017-18 even before the completion of the construction works of hostels.

It was further observed that in LC Balodabazar purchase of furniture, computer equipment etc. of ₹ 31.04 lakh was made by splitting the purchase order to avoid the tendering process as prescribed under the CG Store Purchase Rules 2022.

The State Government replied (October 2023) that residential trainings in non-Left Wing Extremism (LWE) districts were not permitted under the guidelines framed by CSSDA. The proposal for commencement of residential trainings in all LCs of the State is under consideration for the financial sanction of the Government. All the training programmes were halted due to Covid-19 during 2020-22, so other training related activities were also adversely affected. In respect of observation related to irregular purchase, Government stated that the instruction for necessary action was issued to District Collectors of the respective districts.

Reply of the Government confirms non-utilisation of hostel building rendering the expenditure incurred on the construction of the hostel buildings, unfruitful.

### 3.4.7.2 Non-utilisation of established labs

The Director, Employment and Training released (November 2015) funds of ₹ 60.00 lakh and State Project Livelihood College Society released (March 2018) ₹ 5.00 lakh to LC, Sukma for establishment of labs.

During scrutiny of records of Assistant Project Officer (APO), LC, Sukma, it was observed that lab equipment for four labs<sup>39</sup> amounting to ₹ 52.00 lakh were procured (October 2016) and remaining amount of ₹ 12.99 lakh was lying in savings bank account of the College till March, 2023.

<sup>38</sup> Balodabazar: ₹ 280664, Surajpur: ₹ 2060578

<sup>39</sup> Wooden Furniture lab, Plumber lab, AC/Refrigerator maintenance lab and Printer operator lab

It was further observed that though the lab equipment were procured for the above labs, only one batch<sup>40</sup> of training on Desk Top Publishing (DTP)/Print Publishing Assistant and carpenter wooden furniture course was conducted at printer operator lab and wooden lab respectively in LC Sukma during audit period. The remaining two labs could not be utilised for imparting skill development training. After adoption of new guidelines, only Plumber-General course was registered for which the lab equipment were procured. Thus, the equipment of the other three labs had remained idle for more than six years and only one batch training was imparted during 2017-23 in Printer Operator lab.

The State Government replied (October 2023) that 50 candidates were trained in Desk Top Publishing course and 30 candidates were trained in wooden lab during 2018 and at present, trainees were not taking interest in these trainings. Further, the plumbing and AC repairing labs could not be utilized due to lack of training partner.

Reply of the Government confirms that labs were not utilized fully and training courses were designed and labs were established without considering the interest/demand of the students towards the courses.

#### **3.4.7.3 Allotment of residential training courses to private VTP without ensuring proper infrastructure facility.**

(a) CSSDA on the recommendations of DSDAs, allots residential and non-residential trainings to registered VTPs after ensuring the availability of required infrastructure for conducting trainings. DSDA provides residential cost to VTPs for providing boarding and lodging facilities. In test checked districts, the status of allotment of residential and non-residential batches is shown at **Table 3.4.6**.

**Table 3.4.6: Status of residential trainings allotted to VTPs during 2016-17 to 2018-19.**

Name of the District	Total trainings conducted in the District	Residential Trainings conducted in District by		
		Private VTPs	Govt. VTPs	Total
Balodabazar	430	0	0	0
Balrampur	238	0	70	70
Bilaspur	817	0	13	13
Jashpur	1225	116	367	483
Korba	460	0	74	74
Sukma	235	0	34	34
Surajpur	577	0	96	96
<b>Total</b>	<b>3982</b>	<b>116</b>	<b>654</b>	<b>770</b>

(Source: Data furnished by DSDAs)

From the above table it is evident that in test checked districts, a total of 770 residential training courses were conducted by government and private VTPs. Out of this, 654 trainings were conducted by government VTPs and 116

<sup>40</sup> 20 students 04-10-2017 to 08-01-2018

residential trainings were conducted by only one private VTP at Jashpur i.e., *Savitri Mishra Shikshan Samiti*.

(b) During scrutiny of records of AD, DSDA Jashpur, it was observed that one private VTP (*Savitri Mishra Shikshan Samiti*) was registered (May 2016) for providing skill development training in the Jashpur district. The private VTP was paid ₹ 398.29 lakh during 2017-19 for imparting residential training to 2,075 candidates and non-residential trainings to 230 candidates.

Under the condition prescribed in the registration form, minimum space requirement for each classroom was 300 square feet and minimum space requirement for each trainee in classroom was 10 square feet. As per the registration documents, VTP had three classrooms with an area of 2,000 square feet. However, no residential/hostel area was shown in lay out plan of training centre submitted during registration. Thus, only 200 trainees at a time could be accommodated in the available space and number of classrooms of the VTP as per the norms. Test Batch Number (TBN) allotment report revealed that the batches were allotted by CSSDA to the VTP without considering space requirement and capacity of VTP for imparting training. The details of training provided by the VTP are shown in **Table 3.4.7**.

**Table 3.4.7: Enrolment of trainees for training at the institute in the common period**

Sl. No.	Period of different training batches imparted trainings			No of trainees trained (as per TBN)	Trainees trained in excess of capacity	Payments made for trainings beyond capacity (in lakh)
	From	To	No. of residential batches			
1	02-11-2016	22-12-2016	31	598	398	41.27
2	05-01-2017	17-02-2017	47	855	655	75.67
3	13-06-2017	03-08-2017	12	211	11	2.00
4	10-08-2017	14-10-2017	1	12	0	0
5	06-12-2017	15-02-2018	21	317	117	10.41
6	12-05-2018	09-08-2018	4	82	0	0
			<b>116</b>	<b>2075</b>	<b>1181</b>	<b>129.35</b>

(Source: Data obtained from DSDA Jashpur's portal and compiled by Audit)

From the above table, it is evident that VTP conducted residential training for 31 batches comprising a total of 598 students during November 2016 to December 2016. Out of which, training for 18 batches for 360 students started on 2 November 2016 against the maximum capacity of 200 students. Similarly, during February 2017 residential training for 47 batches comprising 855 students started which were far more than the capacity of the VTP. Minimum duration of residential training was 250 hours to 520 hours (six to eight hours per day) and there was no scope of providing training on double shift basis. Thus, training batches were allotted in non-compliance to space/infrastructure norms resulting in undue favour to VTP.

Audit scrutiny further revealed that in 30 cases, same students were provided training twice in the same or different courses during overlapping period. The name of student, father's name and photo of student were found same in these 30 cases as detailed in **Appendix 3.4.1**. No unique identity proof such as Aadhar Card, Ration Card of family etc of students were obtained to establish true identity.

The DSDA, Jashpur did not monitor the training programmes in VTP and did not exercise due diligence in scrutinizing the claims of VTP before making payment to avoid any false/double claim of payment.

(c) During scrutiny of records related to claims of residential cost of 2,075 trainees paid to *Savitri Mishra Shikshan Samiti* (VTP), it was observed that as per the registration documents of VTP, the VTP had no infrastructure for providing the residential facilities<sup>41</sup>. Scrutiny of the residential cost claim bills of ₹ 4.18 lakh made available to Audit, against the total payment of ₹ 159.55 lakh by DSDA, Jashpur revealed that the bills had no address or location details of the building used for providing residential accommodation to the trainees at or nearby training place. The address of service provider<sup>42</sup> mentioned in bills submitted for residential facility was of Korba instead of Jashpur. The remaining payment bills of residential cost were not made available to Audit and therefore Audit cannot vouchsafe the expenditure incurred against the hostel/residential facility. Thus without ensuring the availability of required infrastructure facilities including accommodation facilities at VTP, training batches for providing residential trainings to trainees were allotted and claims of residential cost were paid to VTP without scrutiny of supporting vouchers/bill.

The State Government replied (October 2023) that Collector cum President, DSDA Jashpur has been instructed to verify the fact of the issue and initiate action as per rules under intimation to CSSDA.

#### **3.4.8 Non-utilisation of funds allotted (Financial management)**

Directorate of Employment & Training released funds under the scheme head 7438-CSSDM and 8935- Livelihood College to CSSDA as establishment grant and to the District Collectors for conducting skill development trainings in the districts under the scheme head 7683-MMKVY and 7867-PMKVY. The allotment and expenditure of trainings under MMKVY, PMKVY and establishment grant during 2017-22 are as detailed in **Table 3.4.8**.

---

<sup>41</sup> Minimum space requirement per occupant is 35 sq.ft and minimum room size is 70sq.ft. One almirah with locking arrangement, chair, table per occupant. 1:10 toilet: inmate, for standalone toilet and 1:7 toilet: inmate, in case of bathroom plus toilet. Availability of First Aid kit and fire-fighting equipment. For security: Availability of security guards and CCTV recording facility at the entrance of both male and female facilities.

<sup>42</sup> As per the residential claim bills of VTP, Life Line Canteen & Restaurant, old bus stand, Korba provided the services for residential trainings.

**Table 3.4.8: Statement of Allotment and Expenditure under training head and establishment grant***(₹ in lakhs)*

Year	Establishment grant to CSSDA				Budget released to district					
	7438-CSSDM		8935-Livelihood College		Other heads under 8935 #24,25,28		7683-MMKVY (Training)		7867-PMKVY (Training)	
	Allot	Exp	Allot	Exp	Allot	Exp	Allot	Exp	Allot	Exp
2017-18	350	350	432.5	432.5	430	430	7550	7350	1320	1320
2018-19	250	250	680	680	0	0	4120	4120	0	0
2019-20	350	350	440	440	335	30	4021	4021	1406	1406
2020-21	280	280	316	316	1146	202.47	1640	0	1000	0
2021-22	50	50	485	485	230	120	1120	1120	0	0
<b>Total</b>	<b>1280</b>	<b>1280</b>	<b>2353.5</b>	<b>2353.5</b>	<b>2141</b>	<b>782.47</b>	<b>18451</b>	<b>16611</b>	<b>3726</b>	<b>2726</b>
<b>Savings</b>	<b>0</b>		<b>0</b>		<b>1358.53</b>		<b>1840</b>		<b>1000</b>	

(Source: Data furnished by the Director, Employment & Training and compiled by Audit)  
# 24-Repair and maintenance, 25-Material Supply, 28-Tools and Equipment

The funds under MMKVY and PMKVY were not utilized due to Covid-19 pandemic during 2020-21. The funds of ₹ 1,358.53 lakh under the heads of Repair and Maintenance, Material Supply and Tools and Equipment during 2019-20 to 2021-22 were not utilised by District Collector and were surrendered to Government through BCO at the end of each financial year. The reasons for non-utilisation of funds were not intimated to Audit.

#### **3.4.8.1 Accumulation of unutilized training funds with government VTPs**

Scrutiny of records of VTPs in test checked districts revealed that during 2017-22, 29 government VTPs incurred expenditure of ₹ 609.63 lakh against the funds received for skill development trainings (*Appendix 3.4.2*). Thus, there was saving of ₹ 238.24<sup>43</sup> lakh including accrued interest out of the funds allocated towards training cost during the period 2017-22. However, due to lack of provision for refund of unutilised amount in sanction issued by DSDA, unutilised amount of ₹ 238.24 lakh is lying in the bank account of VTPs. The possibility of misappropriation of the unused funds could not be ruled out if savings continue to remain accumulated in the bank accounts.

The State Government replied (October 2023) that the amount was paid to VTPs on the submission of their claims calculated as per payment norms of MMKVY and other training schemes. If the government department saves the training cost by utilizing their own resource such as own building, teaching and non-teaching staff, labs and other infrastructure, the expenditure of those savings will be governed by the rules and directions of the respective department.

The reply of the Government is not acceptable as DSDAs made the payment to the VTPs as per payment norms of MMKVY.

<sup>43</sup> ₹ 847.87 lakh - 609.63 lakh = 238.24 lakh



The Government should have issued specific directions regarding refund of unutilised funds at government VTPs.

### **3.4.9 Shortage of Manpower**

As per Section 14 (d) and (g) of CGRYSD Act 2013, it is the responsibility of CEO, CSSDA to recruit personnel on contract or otherwise, against approved posts for managing the administration of the state authority and district authorities and to act as the disciplinary authority in respect of all persons employed on contract or otherwise therein.

Scrutiny of records in CSSDA/SPLCS related to deployment of staff at DSDAs, Livelihood College Societies, girls and boys hostels thereunder revealed the working and vacant position of different cadres in the State as detailed in **Table 3.4.9**.

**Table 3.4.9: Statement showing the consolidated position of working and vacant position as of March 2017 and March 2022.**

Name of the office	Name of the posts	Staff position as of March 2017			Staff position as of March 2022		
		Sanctioned	Working	Vacant (%)	Sanctioned	Working	Vacant (%)
CSSDA	CEO, Addl. CEO, Joint CEO, Manager, E.A,O.A Driver, OH	22	14	8 (36)	22	13	9 (41)
SPLCS	Addl. CEO, JD (Finance), Dy. CEO, E A, O.A, O.H	13	5	8 (62)	13	7	6 (46)
DSDA	AD, DEO and AG-III, Peon	108	69	39 (36)	108	35	73 (68)
LC	Principal, APO, Acct, OA, OH, Cook and Sweeper	135	43	92 (68)	194	73	121(62)
	Girls hostels: HS	27	0	27 (100)	28	0	28(100)
	Boys Hostel:HS	0	0	0	27	0	27(100)

(Source: Information furnished by CSSDA and compiled by Audit)

**Note:** Acct: Accountant, JD: Joint Director, OA: Office Assistant, EA: Executive Assistant, HS: Hostel Superintendent, OH: Office Helper

From the above table, it was evident that during 2017-22, the vacancies under different posts in CSSDA and DSDAs increased from 36 to 41 *per cent* and 36 to 68 *per cent* respectively. Due to shortage of manpower at DSDAs, the monitoring of VTPs was affected. In SPLCS and LCs, though the working strength increased, the vacancy was still high as 46 and 62 *per cent* respectively as of March 2022. The sanctioned posts at boys and girls hostels were also not filled up despite availability of own buildings and other infrastructure facilities.

The State Government replied (October 2023) that the DSDAs and LC are being run with district employment officers as an additional charge.

The reply of the Government is silent over the vacancies of staff other than officers.



### 3.4.10 Conclusion

The Chhattisgarh State Skill Development Authority (CSSDA) had not prepared the perspective plan in compliance to provisions of the Act. During 2017-20, maximum 2,244 VTPs were registered for providing trainings which declined to 203 in 2021-22. This decline in the number of registered VTPs during 2019-22 adversely affected the training programme. CSSDA set very less target to train 7,27,039 (six *per cent*) candidates against the target of 1.25 crore as set by the Government of Chhattisgarh. Against the target to train 7,27,039 youth population as certified skilled technicians, the CSSDA could certify only 4,70,302 trainees (65 *per cent*) in the entire State. Against the target of 17,504, only 8481 (48 *per cent*) youth were successfully qualified and out of the qualified trainees, 3312 (39 *per cent*) could not be employed under PMKVY. None of the certificates provided under the skill development training programme by CSSDA were recognized by the State Government as eligibility qualification for the purpose of public employment.

Audit noticed deficiencies in monitoring and implementation of skill development training programme. Mandatory requirement of bio metric attendance was not fulfilled by the 84 test checked VTPs out of 91 VTPs registered for conducting training in selected districts as 71 *per cent* VTPs submitted manual attendance and 21 *per cent* VTPs did not submit attendance in any form (manual or bio metric). During the period 2017-18 to 2021-22, 3,01,361 candidates had applied for skill development trainings, however out of them, 2,09,040 were allotted VTPs while the remaining 92,321 (31 *per cent*) of the candidates who applied for skill development trainings could not be trained due to non-allocation of VTPs within the stipulated time of 90 days. There were instances of the registered government VTPs having transferred/outsourced the training works to other agencies/Training Partner in violation of CSSDA Regulation, 2013 without any monitoring mechanism which affected training quality. A large number of residential training batches were allotted to private VTP (*Savitri Mishra Shikshan Samiti*) at Jashpur without ensuring availability of required infrastructure facility including hostel accommodation and test check indicated that payment was made without scrutinizing supporting bills/vouchers for residential cost.

Expenditure of ₹ 832.93 lakh was incurred on construction of hostels at LCs Balodabazar, Bilaspur and Surajpur, however the hostels could not be utilized for residential training due to non-allotment of residential training batches during 2019-22. Plumbing and AC repairing labs could not be utilized due to lack of training partner. Funds under MMKVY and PMKVY were not utilized due to Covid-19 pandemic during 2020-21 and funds of ₹ 1,358.53 lakh under the heads of Repair and Maintenance, Material Supply and Tools and Equipment during 2019-20 to 2021-22 were not utilized by the District Collector and were surrendered to the Government through BCO at the end of each financial year. There was substantial shortage of manpower in different posts in CSSDA/SPLCS and DSDA/LCs which adversely affected the imparting of quality trainings and monitoring of VTPs.

#### **3.4.11 Recommendations**

1. *CSSDA should make concerted efforts to get recognition of the certificates granted under skill development courses for the purpose of ensuring their acceptance for higher studies or public employment, in line with the objectives of the National Skill Qualification Framework.*
2. *The recruitment of staff should be made at the earliest at DSDAs, LCs and Hostels in order to improve monitoring of VTPs for imparting quality training.*
3. *The Government may take steps to increase the number of registered VTP in order to achieve the target of certified skill technicians and to provide training to all applicants in the courses of their choice.*
4. *The Government should ensure proper monitoring of training imparted by private and Government VTPs to ensure transfer of required skill to the trainees/participants.*

## FOREST AND CLIMATE CHANGE DEPARTMENT

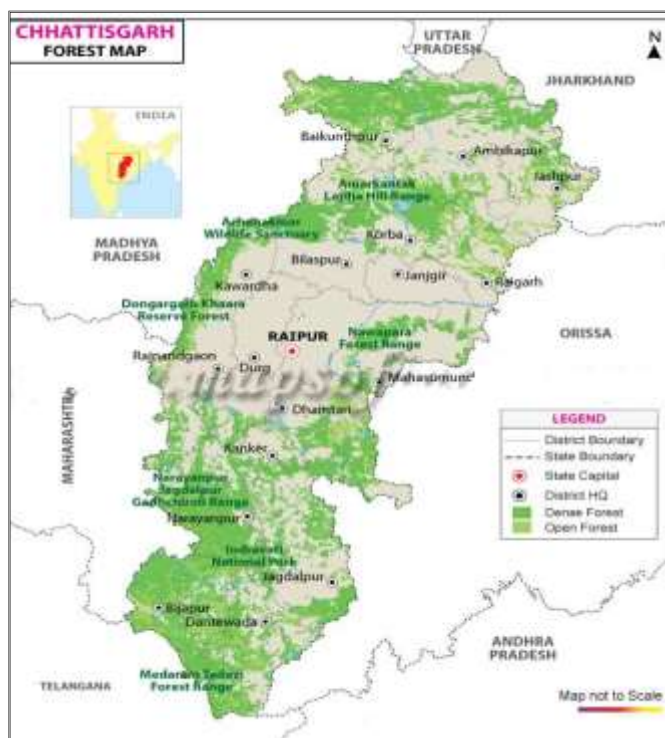
### 3.5 Implementation of Rehabilitation of Degraded Forest Work

#### 3.5.1 Introduction

Forests establish environmental stability and ecological balance by preserving and enhancing the forests of the State. The main objective of the Forest Policy is to increase forest cover through programs like agro-forestry and plantation in blank/understocked areas in districts with less forest cover and control land erosion and reduction of forest cover in the catchment areas of rivers and reservoirs so that the situation of flood and drought does not arise. Bringing the continuously falling ground water level back to optimal use level and reducing the rate of silt accumulation in water bodies.

The forests of Chhattisgarh State fall under two major forest types, i.e., Tropical Moist Deciduous Forest and the Tropical Dry Deciduous forest.

In Chhattisgarh, forest is spread over an area of 59,772 square kilometers (sq. km) which is 44.21 *per cent* of the total geographical area of the State (1,35,191 sq.km). Reserved, protected and un-classed forests constitute 43.13 *per cent*, 40.22 *per cent* and 16.65 *per cent* respectively of the forest area.



#### 3.5.2 Functions of the Department

The Department of Forest and Climate Change, GOCG is responsible for forestry work with the help of its field units.

The whole Forest area of the State is divided into Circles which are further divided into Divisions. Divisions are subdivided into 'Ranges'. The 'Compartment'<sup>44</sup> is the smallest unit of forest for its management and "Coupe" is a demarcated forest area where silvicultural<sup>45</sup> work is to be carried out.

<sup>44</sup> A territorial unit of forest permanently defined for purposes of administrative description and record.

<sup>45</sup> Silviculture is the art and science of controlling the establishment, growth, composition and quality of forest vegetation for the full range of forest resource objectives

The field units of the Department comprised six Regional Forest Circles<sup>46</sup> under which there are 34 Divisions and two Forest Working Plan Circles<sup>47</sup> under which there are six Working Plan Offices.

Divisions carry out various types of activities in the forests such as protection and improvement of forest, plantation of trees, marking of trees for felling, prevention of the forest from fire, felling, transportation of log and selling of forest produce while the Working Plan offices prepare the Working Plan for each division for a time period of ten years.

### **3.5.3 Organisational Setup**

The Forest and Climate Change Department functions under the overall control of Additional Chief Secretary (ACS) who is the Chief Controlling Officer of the Department at Government level. The Principal Chief Conservator of Forest (PCCF) is Head of the Department. The Additional PCCFs work under the supervision of PCCF. The PCCF is assisted by Chief Conservator of Forest (CCF) at circle level who is assisted by Divisional Forest Officer (DFO) at Division level. The Sub-Divisional Forest Officer (SDO) and the Range Officer are in charge of the SDO office and Range office respectively and work under the DFO.

The cadre wise sanctioned strength and person-in-position of the Department, as of July 2023, are given in **Table 3.5.1**.

**Table 3.5.1 : Details of sanctioned strength and person-in-position of the Department**

Sl. No.	Designation	Sanctioned Strength	Person in position	Number of posts vacant
1	PCCF	04	03	01
2	APCCF	13	07	06
3	CCF	14	08	06
4	CF	21	08	13
5	DFO	42	48	--
6	SDO/ACF	189	151	38
7	RO	491	252	239

(Source : Information furnished by the Forest Department)

It is evident from the above table that there were vacancies in the posts of SDO/ACF and RO on which the PCCF stated (August 2023) that the recruitment process for the post of SDO/ACF and RO is in progress.

### **3.5.4 Audit Objective**

Compliance Audit has been conducted to ascertain whether the prescriptions and schedules as envisaged in Working Plans (WPs) about Rehabilitation of Degraded Forest (RDF) works were being followed.

<sup>46</sup> Raipur, Durg, Bilaspur, Sarguja, Kanker and Jagdalpur

<sup>47</sup> Bilaspur and Raipur

### 3.5.5 Audit Criteria

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

- The Forest Conservation (FC) Act, 1980 and rules made thereunder;
- Chhattisgarh Forest Manual;
- Instructions/circulars issued by the Government/Department from time to time;
- Working Plans of divisions;
- Chhattisgarh Stores Purchase Rule 2002

### 3.5.6 Audit Scope and Methodology

The Forest and Climate Change Department of Chhattisgarh State consists of one apex unit<sup>48</sup>, six CCFs<sup>49</sup> and 34 Divisions. For the Compliance Audit, one apex unit and 12 territorial divisions<sup>50</sup> were selected based on Simple Random Sampling (SRS). During the course of audit, the records pertaining to Rehabilitation of Degraded Forest works executed during the period between 2019-20 and 2021-22 were scrutinised at PCCF office and 12 selected Forest Divisions offices headed by Divisional Forest Officers (DFOs). The draft report was forwarded to the State Government in June, 2023. The reply of the Government on the report was received in August, 2023. The replies of the State Government had been suitably incorporated in the Report.

### 3.5.7 Trend of expenditure in the Forest Department

The Government has made a specific plan budget under the scheme head viz., “2962, 2965 – Rehabilitation of Degraded Forest” for the improvement and growth of degraded forests in the State. During the period from 2019-20 to 2021-22, the position of budget provision and expenditure of the Department and its share on treatment of degraded forest is as given in **Table 3.5.2**.

**Table 3.5.2 : Position of provision and expenditure on RDF work**

(₹ in crore)

Year	Total budget Provision on planned work of the Department	Total expenditure on planned work	Treatment of RDF area (in ha.)	Allotment on RDF work	Expenditure on RDF Work	Percentage of total planned expenditure
2019-20	453.23	375.58	44693.36	109.62	109.62	29.19 %
2020-21	282.72	256.42	34329.77	78.81	78.81	30.73 %
2021-22	444.37	382.53	60097.18	137.61	137.61	35.97 %
<b>Total</b>	<b>1180.32</b>	<b>1014.53</b>	<b>139120.30</b>	<b>326.04</b>	<b>326.04</b>	<b>32.13 %</b>

(Source: Information furnished by the Department)

It is evident from the above table that between 2019-20 and 2021-22, Department had provisioned ₹ 1,180.32 crore and incurred ₹ 1,014.53 crore

<sup>48</sup> PCCF office

<sup>49</sup> Raipur Circle, Bilaspur Circle, Durg Circle, Sarguja Circle, Kanker Circle and Jagdalpur Circle

<sup>50</sup> Bijapur, Balrampur, Bastar, Balodabazar, Jashpur, Korba, Korja, Marwahi, Mahasamund Rajnandgaon, Surajpur, and South Kondagaon.

on total planned work. During this period, ₹ 326.04 crore (28 *per cent*) out of the total plan expenditure of ₹ 1,014.53 crore, was incurred on the treatment of degraded forest work. The share of outlay on treatment of RDF forests showed an increasing trend and the incurred expenditure ranged between 29.19 to 35.97 *per cent* of the total planned expenditure.

### **3.5.8 Working Plan (WP)**

According to the National Forest Policy 1988, all the forests in the state are managed as per the working plan approved by the Government of India. It is necessary to prepare working plans as per the guidelines of National Forest Policy and National Working Plan Code. Sustainable management of forests of all the forest divisions of the state is done on the basis of the working plans approved by the Government of India.

The main basis of scientific management of forests is the working plan of the forest division. The working plan is an important document, which shows the present status of forest resources and biodiversity of the forest division. Based on the changing priority of forest management, regular revision of working plans is done at an interval of 10 years. The forest areas are divided into different working circles<sup>51</sup> (WC) on the basis of the vegetation status of different forest areas of divisions and accordingly, treatment of the areas are decided.

### **3.5.9 Rehabilitation of Degraded Forest (RDF)**

According to the WP of division, such forest area where density is less due to surrounding population, over grazing and bearing of pressure of *nistar*<sup>52</sup> supply is classified as degraded forest land. WP of the forest divisions provides the compartment-wise details of forest land including the status of vegetation, type and density of forest as well as availability of area for plantation. Accordingly, the compartments are grouped under different circles such as Special Cum Improvement Working Circle (SCI<sup>53</sup>), Improvement Working Circle (IWC<sup>54</sup>), Protection Working Circle (PWC<sup>55</sup>), Rehabilitation Working Circle (RWC) and Plantation Working Circle (PLWC) etc. As per the information furnished by the Department, total forest area of the 34 territorial divisions covered in the WP was 44,83,476 hectare of which area under RWC/PLWC for rehabilitation of degraded forest was 10,83,667.633 hectare (24.17 *per cent*).

---

<sup>51</sup> A forest area (forming the whole or part of a working plan area) organised with a particular object and under one silvicultural system and one set of working plan prescriptions. In certain circumstances working circle may overlap.

<sup>52</sup> Nistar means forest produce required for bonafide agriculture or domestic use.

<sup>53</sup> SCI - Selection cum Improvement Working circle has been formed for the management of best Sal and mixed forests and this WC has sal and mixed forests of medium and mature age.

<sup>54</sup> IWC - The main objective of forming this working circle is to create favorable conditions for proper growth of crops by doing silvicultural treatment of young forests.

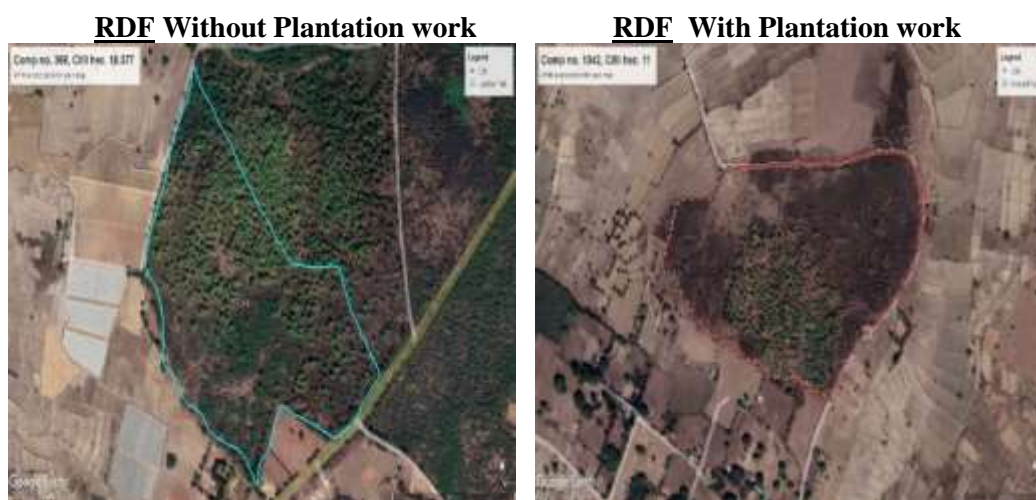
<sup>55</sup> PWC - In this WC, such forest areas which are around perennial rivers have been included and main objective of this WC is to provide protection to the forest area so that along with soil conservation, vegetation cover can be improved.



Rehabilitation of Degraded Forest (RDF) scheme is a State Plan scheme. Under this scheme, the forest department treats the area of degraded forest land as per prescription envisaged in the WP. The primary objective of this scheme is to convert the under stocked/blank forest areas into dense forest areas by treating the available root stock in the forest areas and plantation in the blank areas.

As per the Chhattisgarh Forest Manual, degraded forest land is treated by two methods, **first-** RDF without plantation where sufficient root stock is available in the under-stocked area. In such areas, there is no requirement of plantation, only adoption of available plants, Cut Back Operation<sup>56</sup> (CBO) of roots or plants, soil conservation work and protection of areas are taken up during the RDF work so that available roots or plants can grow. And, **secondly** – RDF with plantation; if more than 10 hectare (ha) blank area<sup>57</sup> is available at a place with insufficient root stock in RDF area, such area is to be treated by plantation, soil conservation work and protection of plantation area from fire, grazing and encroachment. PCCF has fixed (June 2017) the per-hectare norms for the treatment of RDF areas (RDF without plantation) and (RDF with plantation) at ₹ 23,673 and ₹ 1,44,015 respectively. Sample pictures depicting RDF works with and without plantations are illustrated in **Photograph 3.5.1**.

**Photograph 3.5.1: Picture of treated area where Rehabilitation of Degraded Forest work was done**



Compartment No. 368, C/III – 18.36 hectare Bastar Division (treatment year 21-22) (Satellite image date 03.06.2023)

Compartment No. 1342, C/III-11 hectare Bastar Division (treatment year 21-22) (Satellite image date 19.11.2022)

### 3.5.10 RDF treatment work not taken according to the set target in WP

As per the approved WP of 34 Divisions, 10,83,667.633 ha of forest area in Chhattisgarh was categorised as degraded forests, of which 1,19,560.515 ha area under various compartments of RDF and PLWC circle were to be taken up for rehabilitation during the period from 2019-22. The WP classifies these

<sup>56</sup> For establishment of regeneration these Cut Back Operations (weeding, cleaning, Pruning, climber cutting etc.) are performed

<sup>57</sup> A treeless area where for some reason very few trees are growing or none at all.



degraded forest areas as Rehabilitation of Degraded Forests (RDF) or Rehabilitation Working Circle (RWC) and Plantation Working Circle (PLWC) and prescribes treatments such as higher protection, natural as well as artificial regeneration and other assisting activities. Rehabilitation of these degraded forests and restoration of density and productivity of forests are to be done during the WP period.

Every year, the Additional Principal Chief Conservator of Forest (Development), Chhattisgarh provides budget allocation to the forest divisions on the basis of workable area available in the working circles selected for undertaking RDF work as per the approved WP. The target compiled by the APCCF (Development) from the divisions in the last three years from 2019-20 to 2021-22 and the details of the RDF work done by the divisions is shown in the following **Table 3.5.3**.

**Table 3.5.3: Details of target and achievement of treatment of RDF areas**

*(Area in hectare and ₹ in crore)*

Year	Target of RDF area in WP approved by GOI (RDF/PLWC working circle)	Treated RDF area without plantation work	Treated RDF area with plantation work	Total treated RDF area	Expenditure on RDF (with/ without plantation work)
2019-20	41250.99	38477.465	6215.895	44693.360	109.62
2020-21	44956.91	30917.931	3411.840	34329.771	78.81
2021-22	33352.615	54537.020	5560.160	60097.181	137.61
<b>Total</b>	<b>119560.515</b>	<b>123932.416</b>	<b>15187.895</b>	<b>139120.312</b>	<b>326.04</b>

*(Source: Information provided by PCCF)*

It can be seen from the above table that during the years 2019-20 and 2021-22 the rehabilitation of degraded forest area was undertaken in an area more than the targeted area specified in the WP for RDF work for these years. However, in the year 2020-21 the actual treatment work done was 76.36 *per cent* less than the annual target prescribed in WP. Thus, in the last three years, against the fixed target of 1,19,560.515 hectares, 1,39,120.312 hectares of degraded forests were treated, which was 116.36 *per cent* more than the fixed target.

Similarly, after observing the targets and achievements related to the RDF treatment work of the selected 12 divisions during the years 2019-20 to 2021-22, it was noticed that RDF treatment work was done by the divisions in 3,38,042.15 hectares against the target 3,61,246.02 hectares, which was 23,203.90 hectares less than the target. Hence, the treatment works were not done upto the targets set in the working plans of division.

On this being pointed out, the Government stated (August 2023) that funds are allocated by this office according to the approved working plans received from the forest divisions in the prescribed Forms 1 and 3. It was also stated that the reasons for treatment work of the degraded forests in areas more or less than the fixed target will be obtained from the forest divisions.

## Audit Findings

During the course of Compliance Audit, we observed several deficiencies in treatment of degraded forest which have been discussed in the succeeding paragraphs.

### 3.5.11 Rehabilitation of Degraded forest without plantation work

#### 3.5.11.1 *Blank areas of RDF not treated as per the prescribed method in forest manual/Working plans of division*

Rehabilitation of Degraded Forest without plantation work is carried out where sufficient root stock is available in the under-stocked area. As per para 11.5.2 of Forest Manual, in such degraded forest areas where there is sufficient root stock, coppice<sup>58</sup> will be obtained from the available root stock. Plantations will not be taken up in the area. As per para 11.5.3 of Forest Manual, for treatment of areas with insufficient root stock, coppice will be obtained from the available root stock and suitable species will be planted in the blank area<sup>59</sup>.

Audit observed that CCF released allotment of ₹ 156.09 crore to the 12 selected divisions for the treatment of 89,934.842 ha of degraded forests (without plantation) area in 1312 compartments and these 12 divisions incurred expenditure of ₹ 151.27 crore on the above said work in 89,934.842 ha area during the period 2019-22 as per details in **Appendix 3.5.1**.

Further scrutiny of vegetation status of total 1312 compartments revealed that in 114 compartments of six<sup>60</sup> divisions, as per the approved WP of divisions, blank area was 7312.73 ha and root stock area (*viral van*) was 5384.67 ha. The divisions took up RDF without plantation work in understocked area of 5384.67 ha where sufficient root stock was available as well as in 5964.67 ha of blank forest areas<sup>61</sup> and incurred expenditure of ₹ 18.87 crore. Out of the total expenditure, divisions incurred expenditure of ₹ 10.02 crore on RDF without plantation work in 5964.67 ha blank forest areas. As per the forest manual, insufficient root stock area should be treated by obtaining coppice from available root stock along with plantation work in blank area.

<sup>58</sup> Coppicing is a traditional method of woodland management which encourage the capacity of many species of trees to put out new shoots from their stump or roots if cut down

<sup>59</sup> A treeless area where for some reason very few trees are growing or none at all.

<sup>60</sup> Korba, Mahasamund, Jashpur, Balodabazar, Bastar and Bijapur.

<sup>61</sup> Out of the total 7312.73 hectare blank area of 114 compartments, Divisions carried out treatment work in 5964.67 hectare in blank area



*(Compartment No. P1370 of Jashpur Division having 10.73 ha blank area and 9.21 ha understocked area as per Working Plan of the division) (Satellite image date 26.09.2022)*

Therefore, RDF without plantation work undertaken in blank forest areas with expenditure of ₹ 10.02 crore was in deviation from the prescribed treatment for blank areas. Details are given in **Appendix 3.5.2**.

The State Government stated (August 2023) that before taking up RDF (without plantation) work by the divisions in due years, areas were surveyed and inspected by SDO and RO and it was found that root stock was available in the blank area. Due to availability of root stock in the blank area, RDF (without plantation) work was taken up.

The reply is not acceptable as the WP of the divisions and revised stock maps of compartments were prepared during survey and depicted availability of blank areas accordingly the blank forest areas were to be treated by RDF with plantation work. Further, Keyhole Markup Language (KML) file<sup>62</sup> of the blank areas required to confirm the availability of root stocks in blank areas of 114 compartments was neither attached with the Project reports nor was available in soft copy in divisions.

### **3.5.11.2      *Avoidable expenditure of ₹ 2.38 crore on RDF work carried out on unworkable area***

The details of workable and non-workable areas are submitted by the divisions every year to the Additional Principal Chief Conservator of Forest (APCCF), (Development), Chhattisgarh in the prescribed proforma for allocation of budget to the divisions. In this proforma the areas of forest village, encroachment, forest rights, prior plantation, proposed areas in FDA/MGNREGA/CAMPA/other central sector scheme and other areas ineligible due to other reasons etc. were included under the category of unworkable area while blank and under-stocked areas were categorised as workable areas. This was confirmed (July 2023) by APCCF that encroachment, proposed area in FDA/MGNREGA/CAMPA/other central

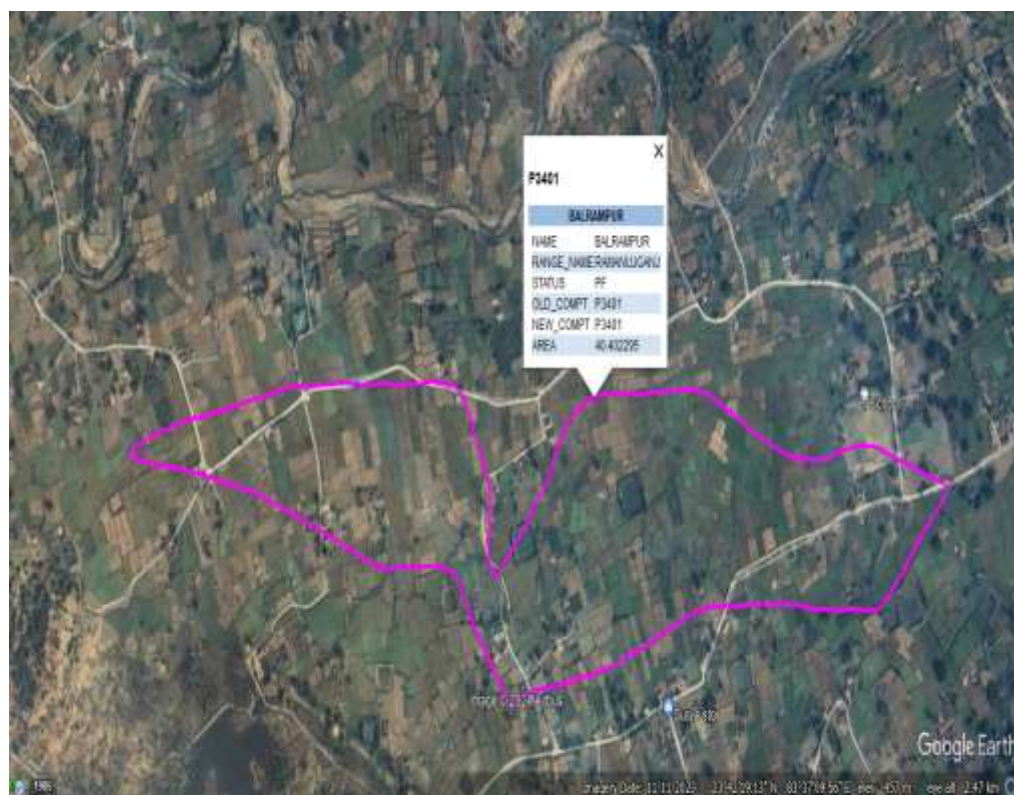
<sup>62</sup> Keyhole Markup Language (KML) files are Google Earth pro image files used to view and share information related to treated areas. These files store geographic data and content associated with Google Earth.

sector scheme was considered as unworkable and remaining area were considered as workable.

Audit observed that the divisions carried out RDF without plantation work in non-workable areas of the compartments, as discussed in succeeding paragraphs:

(a) ***Rehabilitation of Degraded Forest Work done in encroached area***

According to the WP, the encroached areas of the forests were to be retrieved by afforestation after clearing the encroachment through public cooperation and legal process and plantation of different species was to be done in the retrieved areas. In dense forests located around the encroached areas, treatments were to be done to encourage natural reproduction while keeping the root stock completely protected.



***{Image generated by Google Earth Pro from KML file of Compartment No. P3401 of Ramanujganj Range in Balrampur Forest Division depicting encroachment in the whole compartment where RDF work was claimed to be carried out by the Forest Department (Satellite image dated 11/11/2023)}***

It was observed that during the period 2019-22, DFO Balrampur division carried out RDF without plantation work in 18349.967 ha of 225 compartments with an expenditure of ₹ 32.92 crore. As per the approved WP of division, total workable area in 10 out of 225 compartments was 1601.38 ha. During 2019-22, funds were allotted for treatment of workable area of 1531.38 ha in the 10 compartments which included encroached area of 575.12 ha. However, the project report of the RDF works in encroached area of 10 compartments, did not contain any information about the measures taken to retrieve these areas from the encroachers. Further, stock maps of the above 10 compartments show that encroached areas were there. In spite of that the



division incurred an expenditure of ₹ 99.14 lakh for the treatment of the degraded forest without plantation work in 575.12 ha encroached area. Consequently, there was avoidable expenditure of ₹ 99.14 lakh due to taking up RDF works in encroached areas (**Appendix 3.5.3**).

On being pointed out, Government stated (August 2023) that according to the provisions of the working plan, the treatment work of degraded forests has been done by including the workable area and some encroachment-free areas.

Reply is not acceptable as 575.12 ha of 10 compartments were depicted as encroached areas in the approved WP of division as well as in the toposheet map of the compartments attached with project report. Further, the encroachment in these areas was also visible in the KML files (image of treatment sites by Google Earth Pro) of the compartments provided by the Division.

**(b) *Rehabilitation of Degraded Forest Work done in Vangram area***

APCCF (Development) clarified (July 2023) that unworkable area due to other reasons includes the river/*nalla*, forest path, forest village (*Vangram*), submergence area and rocky areas.

According to para no. 25.28 of Forest Manual, in view of the continuous requirement of labourers for forestry works in remote *vananchal*, labour camps were established in reserved and protected forests by the Forest Department. With a view to providing facilities to these workers, permission was given to do agriculture in some forest land and to build houses. Later these camps of forest workers were named as *Vangram*.



***(Compartment no. C/IX 254 of Bijapur Division in which department has claimed to perform RDF treatment in 60.942 ha area whereas this whole area has been categorised as VANGRAM in the Working Plan of Bijapur Division) (Satellite image dated 04.07.2023)***

It was observed that during the year 2019-22, Bijapur division carried out RDF without plantation work in 18923.721 ha of 104 compartments with an expenditure of ₹ 30.77 crore. Further scrutiny of the approved working plan of the division revealed that out of these 104 compartments, total area of seven compartments was 968.986 ha, of which 173.565 ha was classified as blank

and under stocked forest areas and the remaining 795.421 hectares was classified as “*Vangram*” under workable areas. However, the Project report of the compartments did not contain any information about when the *Vangram* areas were evacuated/removed from these seven compartments. Further, satellite image obtained through KML file of these compartments shows that *vangram* is situated there. Bijapur Division spent a total amount of ₹ 1.67 crores on carrying out RDF without plantation works in blank area of 173.565 hectares as well as in 795.421 ha of *Vangram* of workable area in these compartments. Since *Vangram* was occupied by the people for agriculture work with constructed houses, it was not possible to take up treatment of degraded forest work in such forest area which resulted in an avoidable expenditure of ₹ 1.39 crore on the treatment of RDF without plantation work in 795.421 ha *vangram* area. (*Appendix 3.5.4*).

On this being pointed out, Government stated (August 2023) that the expenditure has been considered suspicious wrongly by the audit by considering the *Vangram* as unworkable area, whereas according to the approved working plan, the *Vangram* has been placed in the workable area. Therefore, according to the approved working plan, the treatment work was done in the area of the *Vangram*.

Reply is not acceptable as APCCF (Development) in its reply (July 2023) to Audit has informed that *Vangram* is classified under unworkable area. Also from the KML files showing the images of the above six compartments, it was noticed that *Vangram* is still occupied by people as hutments and farming area is clearly visible in the images.

### **3.5.11.3 Excess expenditure due to non-adherence of the prescribed norms of construction of live hedges**

Principal Chief Conservator of Forest, Chhattisgarh, Raipur has fixed (November 2013) the scheduled rate for various works. As per the schedule rate of Department, 1.25 man-days for 100 running meter has been fixed for live hedge, reaching to the site and digging a pit, planting of castor, hawthorn, acacia, *jatropha* etc, in one line on the ridge of Cattle Proof Trench (CPT)<sup>63</sup>. And, as per the PCCF norms of RDF work, 3.50 man days for 130 running meter (2.69 mandays<sup>64</sup> for 100 running meter) was fixed for construction of live hedge, planting of castor, hawthorn, acacia, *jatropha* etc. in two lines along the side of fencing with RCC poles/barbed wires.

Audit found some irregularities in three divisions in the construction of live hedges as detailed below: -

- (a) Audit observed that during the period 2019-22, division had carried out CPT work in 9,90,732.53 running meters (RM) on the outer side of 85 RDF compartments where the RDF works were taken up. However, live hedge (digging pits, planting saplings etc.) in two lines of the ridge of CPT was constructed in 20,78,458.44 RM for which department spent an amount of ₹ 1.67 crore. Further, on scrutiny of the project

<sup>63</sup> CPT-Cattle proof trench is made in the size 1.5\*0.70\*0.75m by excavating a groove in the outer boundary of the treated area. And making a hedge from the dugout soil and thorny plants are planted so that cattle cannot enter the treated area.

<sup>64</sup>  $(3.5 \times 100 / 130) = 2.69$  man days

reports of the above 85 compartments it was noticed that live hedge work (planting, reaching the site and digging of pits in the ridge of CPT) was done by preparing the project at the rate of 3.5 man days instead of 2.5 man days (1.25 MD\*2 line). This resulted in excess expenditure of ₹ 93.87 lakh due to non-observance of prescribed norms of man days in the construction of live hedge (*Appendix 3.5.5*).

On this being pointed out Government stated (September 2023) that the live hedge work was done in two lines as per the norms set for RDF work by PCCF, it is not possible to get the work done on 2.5 man days. In this way, no extra expenditure was incurred in this.

- (b) Similarly, during the treatment of RDF work in Surajpur division from 2019-20 to 2021-22, CPT was constructed in 3,99,859.59 RM in 87 compartments. A two-line live hedge was to be constructed in the bund of this constructed CPT and as per norms ₹ 31.25 lakh was to be spent on construction of this live hedge. The division however spent ₹ 70.71 lakh on this. This resulted in excess expenditure of ₹ 39.46 lakh due to non-observance of prescribed norms of man days in construction of live hedge (*Appendix 3.5.6*).

On this being point out DFO, Surajpur stated (September 2023) that funds were spent by preparing the project report with 3.5 man days for making pits in two lines, transporting the plants to the site and planting on the bund of CPT.

Replies of Bijapur and Surajpur divisions are not acceptable as according to RDF norms, 3.5 man days for 130 running meter (2.69 mandays for 100 running meter) were applicable where Jatropa/Nagfani samplings are planted alongside the fencing with RCC poles/barbed wires whereas divisions undertook CPT work and Jatropa/Nagfani/Babul samplings were planted in the ridge of CPT. Hence, as per SOR of PCCF, 2.5 man days were to be applied for the above said work.

- (c) During scrutiny of the records of Koria and Jashpur divisions it was noticed that divisions had carried out the work of Cement concrete pole fencing in 4,42,896 running meters in 139 compartments during 2019-20 to 2021-22. As part of the treatment work prescribed for the treatment of degraded forests, a live hedge was to be constructed by planting castor, hawthorn, acacia, jatropa etc. in two lines along the 4,42,896 running meter fencing. Audit observed that the forest division had calculated the expenditure incorrectly for 9,24,268.95 RM of live hedge instead of 4,42,896 RM in 139 compartments by applying the wage rate of ₹ 300 to ₹ 323 per day for 2.69 man days per RM for hedging work in two lines. This resulted in excess expenditure of ₹ 38.99 lakh due to erroneous calculation of quantity<sup>65</sup>, as detailed in *Appendix 3.5.7*.

---

<sup>65</sup> Rate fixed by PCCF for hedging work in two lines on the edge of CPT was 2.5 man days, while calculating the expenditure, the department erroneously calculated the quantity by doubling it.



On this being pointed out that DFO stated (September 2023) that PCCF had decided the norms for RDF (without plantation) work. Accordingly, project report was prepared and live hedge work was done in two line in 3.5 man days. No excess expenditure was done.

Reply is not acceptable as 3.5 man-days per 130 RM was fixed by PCCF for hedging work in two lines not for work in one line. However, the division calculated the expenditure for live hedge by adopting 3.5 man days per 100 RM meant for two lines of live hedges but by doubling the constructed fencing area.

Thus, the area taken for calculation of expenditure was not correct.

#### **3.5.11.4 Excess expenditure of ₹1.11 crore on cleaning work**

According to the working plan, low density sparse and very open forests adjacent to populated areas are included in the RDF/PLWC working circle. Cleaning work of any area includes cutting of bushes in that area and in the areas not affected by soil erosion, lantana (weed) will be uprooted along with the root and the seeds will be sown by ploughing or hoeing the ground without harming reproduction of tree species and plants in any way. Stumps will be dressed and deformed plants will be pruned. If there are multiple copies of a stump, it will be necessary to keep two healthy copies and cut the rest in order to obtain good reproduction of the different available species.

As per the scheduled rate for various works fixed (November 2013) by Principal Chief Conservator of Forest, Chhattisgarh, Raipur, the schedule rate of **nine man days** per hectare was fixed for cleaning of the area: Cutting, dressing and cleaning of plants and stumps of useless/coppice species up to 20 cm round for areas with dense root stock and **five man days** per hectare was fixed for areas with under stocked root stock.

Scrutiny of records of two<sup>66</sup> divisions revealed that during the years 2019-20 to 2022-23, divisions had carried out the RDF (without plantation) work in 33891.58 ha of 519 compartments<sup>67</sup>. Further, during scrutiny of the project report and vouchers of the above work, it was seen that during the treatment work in total 14330.78 hectares pertaining to 186 out of 519 compartments, the division carried out cleaning work in 9088.27 hectares considering it as dense forest and in the remaining 1718.73 hectares as understocked forest by incurring an expenditure of ₹ 2.77 crore.

As per working plan, only understocked/ vacant/ open forest areas are included in the RDF/PLWC working circle. If forest area is dense then that area would be categorised in other working circles such as SCI/ IWC/ PWC etc. and so, it cannot be included in the circle of RDF/ PLWC. As per the working plan of divisions, these 186 compartments were categorised as RDF/PLWC working circle which means that there was no dense forest in these compartments. However, the department did the cleaning work at the rate of nine man days per hectare instead of five man days per hectare. This resulted in excess expenditure of ₹ 1.11 crore due to cleaning of the area by considering the

<sup>66</sup> Balrampur and Bastar

<sup>67</sup> Bastar – 294 compartments (15541.613 ha) + Balrampur – 225 compartments (18349.967 ha)

understocked forest area as dense forest area and using more man-days as detailed in **Appendix 3.5.8**.

On this being pointed out, the DFO Bastar stated (September 2023) that there was provision for dense/understocked forest area for cleaning work as per prescribed norms. Before getting the RDF work done, the area has been surveyed by the Range Officer and Sub-Divisional Officer. Dense root stock was present in the forest area, hence the area cleaning work was done as per the prescribed norms and approved SOR.

DFO Balrampur stated (August 2023) that since the norms were determined in the year 2017 and the work was done during the period 2020-2022, due to increase in the rates of wages/materials during the said period, it was not possible to get the work done in the entire area as per the norms prescribed for the work.

Reply is not acceptable as PCCF fixed the norm of five man days for cleaning work in understocked area. Those compartments which contain understocked/blank/open forest area are included in the RDF/PLWC working circle. Since these 188 compartments of the RDF/PLWC working circle were understocked/blank/open forest area, therefore, the work for cleaning the sparse forest area was to be done as per the stipulated five-man days.

### **3.5.12 Rehabilitation of Degraded forest with plantation work**

As per norms for RDF with plantation, if more than 10 ha blank area<sup>68</sup> is available at one place and root stock is not sufficient in RDF area, then area is to be treated by plantation, soil conservation work and protection of plantation area from fire, grazing and encroachment.

#### **3.5.12.1 Excess expenditure on bamboo plantation**

Principal Chief Conservator of Forests, Chhattisgarh fixed (June 2017) the norms of maximum expenditure per hectare<sup>69</sup> for the work of bamboo plantation from the first to the sixth year.

Audit observed (August 2022) that CCF, Raipur had released ₹ 1.77 crore (₹ 39,366 per ha) to the *Mahasmund* division during the period 2021-22 for field preparation (second year work) for bamboo plantation in 449.83 ha of 13 compartments. Against the allotment, the division incurred expenditure of ₹ 82.10 lakh on field preparation work for bamboo plantation in 87 ha of four<sup>70</sup> out of these 13 compartments. However, as per the norms fixed by PCCF for bamboo plantation, the maximum permissible expenditure for this in 87 ha was ₹ 34.25 lakh<sup>71</sup>. Thus, the division had incurred excess expenditure of ₹ 47.85 lakh on the work due to non-adherence of the prescribed norms of bamboo plantation.

---

<sup>68</sup> A treeless area where for some reason or the other very few trees are growing or none are growing at all or blank space left in the forest.

<sup>69</sup> Norms of Bamboo Plantation as per PCCF :- **First year**– ₹ 600 per ha, **Second year** - ₹ 39366 per ha, **Third year** - ₹ 16659 per ha, **Fourth year** ₹3870 per ha, **Fifth year**- ₹ 1800 per ha and **Sixth year**- ₹ 1819 per ha

<sup>70</sup> Four compartments = (C/X 36 -10 ha, C/X 70 -22 ha, C/X 35 – 15 ha and C/X 20 – 40 ha)

<sup>71</sup> ₹ 39,366 x 87

Similarly, division had also done third year work of bamboo plantation in 50 ha of two compartments<sup>72</sup> during 2021-22. The maximum permissible expenditure, as per norms at the rate of 16,659 per ha was ₹ 8.33 lakh<sup>73</sup>. However, the division incurred expenditure of ₹ 13.77 lakh resulting in excess expenditure of ₹ 5.44 lakh. Thus, due to non-compliance of the norms of bamboo plantation by the division, there was excess expenditure of ₹ 53.29 lakh on the works.

The State Government stated (August 2023) that a letter has been written to the Chief Conservator of Forests and the Divisional Forest Officer seeking their reply in the matter. Reply will be sent soon after receiving response from the divisions.

### 3.5.12.2 Unsuccessful plantation

According to Para No. 11.2.3 of Forest Manual 2020, after completion of plantation, the forest guard in charge of the plantation will calculate (every year during the month of October and March) the percentage of saplings that have remained alive. This would be done for a period of five years by counting the number of saplings that remain alive in the selected 20 *per cent* rows of planted saplings. The survival percentage, so arrived will be entered in the Plantation Journal and the plantation register of the forest division. According to Para 11.2.5 *ibid*, after three years of plantation, the success will be assessed according to the following criteria:-

Sl. No.	Type of plantation	Circle Name	Minimum survival percentage for successful plantation
1	Non-irrigated plantation (with cattle trenches)	All circles	more than 40 <i>per cent</i>
2	Non-irrigated, High tech plantation (with barbed wire fencing)	Bilaspur/Durg/Raipur	more than 60 <i>per cent</i>
		Jagdalpur/Kanker/Sarguja	more than 70 <i>per cent</i>
3	Irrigated Plantation	All circles	more than 85 <i>per cent</i>

(Source: Forest Manual 2020)

Further, as per para 11.2.6 of the Forest manual, the expenditure incurred on unsuccessful planting will be considered as financial loss to the Government which will have to be duly reported to the Accountant General and the Government. The amount of loss will be recovered from the responsible officers and employees.

The audit observations on the basis of scrutiny of records of plantation work under RDF work are discussed in the following paragraphs:

- (a) Audit observed in Mahasamund division that during the period 2019-22, under the treatment of RDF 5,31,428 saplings were planted in 1092.32 ha of 47 compartments with an expenditure of ₹ 2.22 crore. It was further observed that out of these 47 compartments, 55,000 saplings were planted in 85 ha of three compartments<sup>74</sup>. From the information provided by the division, Audit noticed that the

<sup>72</sup> C/X 281- 20 hectare and C/X 271 – 30 hectare

<sup>73</sup> ₹ 16,659 x 50 ha = ₹ 8,32,590

<sup>74</sup> C/VIII 40, C/III 144, C/IX 20

survival percentage of plants planted in these three compartments C/VIII 40, C/VIII 144 and C/IX 20 was 36.50 *per cent*, 44 *per cent* and 51.54 *per cent* respectively, as on September 2022 which was less than the minimum survival standard of 60 *per cent* prescribed for High-tech unirrigated plantation with barbed wire fencing.

On this being pointed out, Government stated (August 2023) that in compliance to the instructions received from the higher office and the orders issued from time to time, the casualty work of transplanting saplings has been done in place of dead plants. As of the month of January 2023, the survival percentage of plants planted in compartment number 40, 144 and 20 is 75, 95 and 50 respectively whose entry is recorded in the planting register.

The reply of the department is an admission of the fact that new plants were planted in place of the plants which had died. Along with this, the department also said that the survival percentage of the plants planted in compartment number 20 is 50 *per cent* which is regarded as unsuccessful plantation because it is less than the success rate (60 *per cent*) set by PCCF for successful plantation.

- (b) Audit observed that during the period 2019-22, CCF, *Sarguja* made total allotment of ₹ 54.14 lakh (work of 2nd, 3rd and 4th year) to *Balrampur* division for the work of mixed plantation in 40 ha of compartment number 2745. The forest division initiated the plantation work by planting 44,000 saplings and incurred expenditure of ₹ 54.14 lakh during the years 2019-22.

During the scrutiny of project report of compartment no. 2745, it was noticed that division had planted 44,000 plants (*teak, bija, shisham* and other saplings) in 40 ha area of this compartment during 2020. However, during Joint physical verification (January 2023) of the above said compartment with the Range officer, Rajpur, only 10-15 *per cent* of the saplings were found alive and the remaining 85-90 *per cent* of the saplings had died. The excessive mortality of saplings was mainly due to naturally grown plants which were hindering the growth of new plantations. As a result, the plant mortality rate was much higher than the prescribed norms of 30 *per cent*, indicating failure of the plantation.

On being pointed out, Government stated (August 2023) that Plantation work has been done in blank areas in which there was no root stock. The planting area was re-inspected on 04.07.2023 by a joint team of campus guard, range assistant, range officer and deputy forest officer, in which 78 *per cent* of the plants have been found alive and the growth of the plants is good.

Reply is not acceptable as in the joint physical verification done in the presence of Range officer, it was found that mortality of the plants was excessive and only 10 to 15 *per cent* of the saplings were alive which was certified by the Range officer. The present Google Image (KML file) of the said Compartment No. 2745 was sought from the Divisional Office, so that the condition of the plantation can be

assessed, but it was not provided to Audit and instead the physical verification report done by their staff was produced.

- (c) During audit scrutiny of inter circle monitoring and evaluation reports of the plantation sites at APCCF (Monitoring and Evaluation) for the year 2022-23, it was found that the survival percentage of plants in 30 compartments was less than the prescribed percentage, the details of which are given in **Appendix 3.5.9**.

During the period of 2015-22, mixed plantation work was carried out in 935.33 ha of 30 compartments of 12 divisions by planting 3,24,798 saplings with an expenditure of ₹ 10.85 crore. It is clear from monitoring and evaluation report of 2022-23 that only one to 63 *per cent* saplings were alive and remaining 99 to 37 *per cent* of saplings did not survive in these 30 compartments of 12 divisions. Thus, excessive mortality of the saplings over and above the prescribed norms of 30 *per cent* had resulted in unfruitful expenditure of ₹ 3.76 crore.

On this being pointed out, the PCCF stated (September 2023) that a letter has been written to forest divisions to take action against the responsible officer/employee while calculating the loss incurred in the unsuccessful plantation.

### **3.5.12.3      *Avoidable expenditure due to Plantation work carried out in unworkable area***

During scrutiny (August 2022) of WP, Compartment Histories, cashbook and payment vouchers in all test checked divisions, it was seen in *Mahasamund division* that the CCF, Raipur sanctioned (May 2021) ₹ 1.77 crore for the work of bamboo plantation in 449.83 hectare of 11 compartments of the *Mahasamund* division. Division carried out the bamboo plantation work in 449.83 ha of 11 compartments and incurred expenditure of ₹ 1.39 crore during the year 2021-22. In one (C/X 327) of these 11 compartments 25,844 saplings were planted in 64.61 ha by incurring expenditure of ₹ 14.75 lakh. As per the approved WP of the division, workable area of the compartment C/X 327 was shown as “*nil*” and 64.61 ha was shown as non-workable area. In spite of non-availability of workable area in this compartment, 25,844 bamboo saplings were planted in 64.61 ha at the cost of ₹ 14.74 lakh which was both avoidable and irregular.

On this being pointed out Government stated (August 2023) that the area of compartment number C/X 327 is 64.61 hectares. After matching with the working plan, 23.63 hectare area is already vacant in the said compartment. Blank area was found after site inspection by Range Officer and SDO *Saraipali* and the area has been selected for planting.

Reply is not acceptable as according to the approved WP of division, workable area of compartment was “*Nil*”, only non-workable area was available and it was clearly mentioned in the annexure of the WP that workable area is not available in the compartment for taking up of any type of treatment.

#### **3.5.12.4 Irregular purchase of material without following purchase rule**

According to Rule 3 of the Stores Purchase Rules 2002, the terms and conditions of rates of such items which are mentioned in Appendix 1 will be determined by the Chhattisgarh State Industrial Development Corporation (CSIDC) and these items can be purchased directly by the departments. Other items which are not mentioned in Appendix 1 shall be procured by the concerned Department in accordance with the procedure mentioned in Rule 4 of the Chhattisgarh Store Purchase Rule 2002. According to purchase rule 4.3.1 and 4.3.2, in which the estimated annual purchase amount is between ₹ 5001 to ₹ 50,000 purchase will be made by directly by contacting at least three suppliers under the limited tender system and if the estimated annual purchase amount is more than ₹ 50,000, the purchase will be done under open tender system respectively.

The PCCF had issued (March 2021) instructions that the cow dung, vermi compost, etc., used in all the plantation works are to be purchased from “*Gauthan*” established by the Government of Chhattisgarh (GoCG) at the rates prescribed by the Agriculture Development and Farmers Welfare and Biotechnology Department or else it can be purchased from other organisations by following the Chhattisgarh Store Purchase Rule 2002 after the “No Objection Certificate” is issued by the concerned District Agriculture Officer, only after getting the approval of the PCCF and the Chief of Forest Force.

In selected divisions of Balarampur and Mahasmund, Audit observed following shortcomings in purchase of materials:

- (a) During test check of the records of these two divisions<sup>75</sup>, it was observed that during the period 2020-22, ₹ 30.75 lakh was paid against purchase of seeds from two private firms<sup>76</sup> and Joint Forest Management Committee (JFMC), as detailed in **Appendix 3.5.10**. Further, scrutiny of the purchase files revealed that divisions purchased the seeds directly from the agencies by restricting the value of purchase into individual bill up to ₹ 50,000 each so as to avoid tendering process. Thus, the divisions did not follow Rule 4 or Rule 3 of Stores Purchase Rules while making annual purchase of same material of value more than Rupee Fifty thousand.

The State Government in its reply stated that (August 2023) Violation of Store Purchase Rule 2002 was found correct on examination, for which disciplinary action is being taken against DFO, Balrampur and clarification has been sought from the DFO, Rajnandgaon.

- (b) During scrutiny of vouchers of two divisions<sup>77</sup>, it was found that DFO and RO had purchased 6019.47 cum cow-dung/vermi compost costing ₹ 51.86 lakh from M/s *Durga Mahila Seva Sahayta Samuh, Gunchapali* and M/s *Meera Sales* instead of “*Gauthan*” established by the Government of Chhattisgarh. However, before procuring from

---

<sup>75</sup> Balrampur, Rajnandgaon

<sup>76</sup> M/s Kaushal Seeds and Kanha Agro Farm, Ambikapur

<sup>77</sup> Mahasamund and Rajnandgaon

other suppliers instead of “Gauthan” neither approval of PCCF nor NOC from the concerned District Agriculture Officer was obtained. Consequently, without complying with the purchase rules and instructions of PCCF, the division had incurred irregular expenditure of ₹ 51.86 lakh on purchasing cow dung (**Appendix 3.5.11**).

The State Government in its reply stated (August 2023) that clarification has been sought from DFO, Rajnandgaon and DFO, Mahasamund regarding purchase against the store purchase rules.

#### **3.5.12.5      *Plantation work taken up without testing of soil***

Principal Chief Conservator of Forest (PCCF), Chhattisgarh, Raipur issued (March 2015) directions to all DFOs that before undertaking plantation, soil of plantation sites should be tested so that appropriate species of plants can be selected for plantation according to the report of the soil. Sample of the soil is to be sent to the Director, Forest Research & Training Institute (FRTI), Raipur.

Audit observed that during the period 2019-22, five<sup>78</sup> out of 12 selected divisions had planted 9,54,498 saplings in 1089.04 ha of 44 compartments, as detailed in **Appendix 3.5.12**. The copies of soil sample collections sent to the FRTI and the soil test reports were neither available in the records of the divisions nor were provided to Audit on requisition. It is evident that the divisions neither took any soil sample from the plantation site nor did they send the sample to FRTI, Raipur thereby overlooking the instructions of the PCCF. It also meant that the saplings were selected and planted without ascertaining the nature of soil and nutrient content to ensure proper growth of saplings planted.

The State Government in its reply stated (August 2023) that soil testing was done at the local level and saplings were planted by DFO Rajnandgaon. Sample of soil was collected from every plantation site and sent to the FRTI, Raipur by DFO, South Kondagaon but reports were not received in time therefore those species of saplings were selected which were prescribed in norms. Sample was sent to Agricultural University for soil testing by DFO, Bastar but as the report was not received, available plants were planted. Soil samples were sent to the laboratories of various institutions by the RO of DFO, Mahasamund for soil testing.

Reply is not acceptable as divisions were required to send the soil sample to FRTI, Raipur as per rules, Further, the Divisions could not provide the soil testing report of FRTI/other agency to the audit. After cross verification of fact from FRTI, Raipur, it was stated (July 2023) that the Institute had not received the soil samples of the concerned compartments of the specified forest divisions for testing from the DFOs for the years 2019-20, 2020-21 and 2021-22.

#### **3.5.12.6      *Improper maintenance of Plantation Journal***

As per the provision (11.1.15) envisaged in Forest Manual, a Plantation Journal will be maintained for each plantation, containing all the basic

<sup>78</sup> Balodabazar, Bastar, Mahasamund, Rajnandgaon and South Kondagaon



information of the plantation area, details of sapling plants and expenditure on various activities of plantation. Every year species-wise average growth of the saplings planted will be calculated in the months of October and March and the same would be recorded in the Plantation Journal. A note after inspection of the plantations would be recorded by the officials in the Journal.

The PCCF had instructed (March 2013) that Beat Guard, Range Assistant, Range Officer, Sub Divisional Officer and DFO should carry out 100 *per cent*, 25 *per cent*, 10 *per cent*, 5 *per cent* and 2 *per cent* sapling count respectively every year during March and October and this should be continued up to four years of plantation. Further, evaluation of plantation shall be done by a team consisting of a CF, DFO, SDO and RO of other circles.

Audit observed that during the period 2019-22, total 63,02,670 saplings were planted in 5,729.70 ha of 148 compartments of 12 test-checked divisions by incurring expenditure of ₹ 53.65 crore (**Appendix 3.5.13**). During the period 2019-22 plantation work was done by the divisions in 148 plantation sites, out of which only 47 Plantation Journals were produced to Audit for scrutiny. Scrutiny of plantation journals revealed that sapling details such as height of plants for every year along with signature and date of RO/SDO/DFO were not entered in the Journal.

The Government stated (August 2023) that a letter has been written by APCCF (Development) instructing all the Forest Divisions to provide Plantation Journal to Audit after complete updating. However, the same has not been provided till date (June 2024).

### **3.5.13 Monitoring and evaluation**

Principal Chief Conservator of Forest, Chhattisgarh fixed (June 2017) the rate<sup>79</sup> of maximum expenditure per ha for the treatment of degraded forest land. According to the norms, the project report of RDF work is to be prepared for treatment of degraded forest for a period up to six years in which the aim of the sixth year work of RDF is to study the effect of treatment on the grid<sup>80</sup> previously inserted during the survey.

#### **3.5.13.1 Non-evaluation of RDF without plantation works as prescribed in the sixth year.**

In the 12 selected divisions 57,125.149 ha degraded forest areas were treated (from 1<sup>st</sup> year to 6<sup>th</sup> year) during the period 2014-22, the details of which are given in following **Table 3.5.4**.

---

<sup>79</sup> RDF (with mixed plantation work) – ₹ 1,47,090.04 per hectare (for six year project report), RDF (without plantation work) – ₹ 26747.45 per hectare (for six year project report).

<sup>80</sup> A Network composed of two sets of lines, each set drawn according to a definite pattern and intersecting the other in a specific geometric arrangement.

**Table 3.5.4: Detail of treatment of degraded forest work (I to VI year)***(₹ in crore)*

Evaluated year (6 <sup>th</sup> year) of RDF work	Treatment Period	Treated RDF area (in ha)	Allotment (First to Sixth year work)	Expenditure (First to Sixth year work)
2019-20 (VI year)	2014-15 to 2019-20	21567.493	39.14	38.41
2020-21 (VI year)	2015-16 to 2020-21	15980.314	30.56	29.12
2021-22 (VI year)	2016-17 to 2021-22	19577.342	49.25	48.37
<b>Total</b>	<b>2014-15 to 2021-22</b>	<b>57125.149</b>	<b>118.95</b>	<b>115.90</b>

*(Source: Information provided by the Department)*

Audit noticed that after completion of five years of treatment work of RDF in 57125.149 ha area, the maintenance, protection and evaluation work prescribed for the sixth year was to be done during the period 2019-20, 2020-21 and 2021-22. As per the norms, during survey of grid wise sample plots required to be plotted through GPS in 10 *per cent* of treated area, in sixth year study of regeneration in treated area needs to be undertaken in sample plot on the same grid plotted during the first year survey. Audit observed that the Divisions did not carry out the evaluation work in the sixth year as per the prescribed norms. Audit also observed that in the absence of proper evaluation, the department was not in a position to ascertain the results of RDF treatment work after five years of the treatment period even though the division had spent an amount of ₹ 115.90 crore on treatment work during this six year treatment period. Further, the higher authorities did not have any other mechanism for evaluation of treated RDF areas in order to assess the outcome of RDF works without plantation (*Appendix 3.5.14*).

On this being pointed out Government stated (August 2023) that DFO Korba, Marwahi, Rajnandgaon, Jashpur, Korla, South Kondagaon, Surajpur and Balrampur had done grid survey according to the prescribed norms in sixth year work. There is a good regeneration of plants after RDF work. DFO, Bastar stated that records have been prepared at the range level after comparative studies have been done by the RO and SDO. DFO, Bijapur stated that study of effectiveness of treatment in sixth year was not done as the amount was incurred on the maintenance work and DFO Balodabazar stated that explanation for not conducting the survey of the proposed work in the sixth year, has been sought from the concerned range officer.

The reply is not acceptable as the results of the study of the effect of the treatment on the previously placed grid, as per the norms of sixth year work, were not found in the documents provided to Audit along with the reply. Nine divisions<sup>81</sup> furnished only the status report of the treated area and did not present grid wise data/evaluation. Due to this, there is no clarity on changes between the vegetation status of the grid plotted in the sample plot taken at the time of commencing work and status of the grid plotted in the same sample plot after completion of the work. Two divisions (Bijapur and Balodabazar) have admitted that the effect of the treatment has not been studied.

<sup>81</sup> Korba, Marwahi, Rajnandgaon, Jashpur, Korla, South Kondagaon, Surajpur, Balrampur and Bastar

### 3.5.13.2 Non-Conversion of degraded forests into dense forests even after completion of treatment work

The objective of the rehabilitation program was to convert the area into a dense forest by doing restoration work in these compartments. Audit observed that out of 2003 old RDF/PLWC compartments, 1620 compartments were again included in the RDF/PLWC working circle of the current/ new working plan of these forest divisions, as detailed in **Table 3.5.5**.

**Table 3.5.5 : Details of number of Old RDF/PLWC compartments converted into another working circle of New WP**

Division Name	Old Working plan period	Number of old compartments existing in RDF /PLWC working circle of Previous WP	New Working Plan period	Number of old compartments existing again in RDF /PLWC working circle of new WP	Number of old RDF /PLWC compartments converted into another working circle (SCI,IWC,PWC) of new WP
Bastar Division	2005-06 to 2014-15	447	2019-20 to 2028-29	381	66
Balrampur Division	2003-04 to 2012-13 & 2007-08 to 2016-17	237	2015-16 to 2024-25 & 2018-19 to 2027-28	167	70
Surajpur Division	2007-08 to 2016-17 & 2010-11 to 2019-20	379	2020-21 to 2029-30	308	71
Jashpur Division	2003-04 to 2013-14	704	2020-21 to 2029-30	587	117
Koriya Division	2005-06 to 2014-15	236	2018-19 to 2027-28	177	59
<b>Total</b>		<b>2003</b>		<b>1620</b>	<b>383</b>

(Source: Working plan of Divisions)

It is clear from the above table that after treatment work of degraded forests in 2003 compartments, only 383 compartments (19.08 *per cent*) could be successfully converted into another working circle. As a result, these compartments were put in the SCI/ IWC/PWC<sup>82</sup> working circle of new WP of divisions while 1620 compartments (80.92 *per cent*) were re-included/rolled over in the same RDF/PLWC working circle in current WP of divisions.

Audit further noticed that as per the previous approved working plan of the above five forest divisions, the area of degraded forest is much more than the area as per the new working plan in three divisions<sup>83</sup>, as shown in **Table 3.5.6**.

<sup>82</sup> Special cum Improvement Circle/ Improvement Working Circle/ Protection Working Circle

<sup>83</sup> Bastar, Balrampur and Koriya

**Table 3.5.6 : Details of comparing the area of RDF/PLWC as per the approved working plan**

Division Name	Old Working plan period	Area of degraded forest as per Previous WP (in ha.)	New Working Plan period	Area of degraded forest as per New WP (in ha.)
Bastar Division	2005-06 to 2014-15	60109.369	2019-20 to 2028-29	76138.594
Balrampur Division	2003-04 to 2012-13 & 2007-08 to 2016-17	50367.822	2015-16 to 2024-25 & 2018-19 to 2027-28	93099.650
Surajpur Division	2007-08 to 2016-17 & 2010-11 to 2019-20	79656.202	2020-21 to 2029-30	76007.694
Jashpur Division	2003-04 to 2013-14	60155.900	2020-21 to 2029-30	53365.030
Koriya Division	2005-06 to 2014-15	50059.043	2018-19 to 2027-28	55006.250
<b>Total</b>		<b>300348.336</b>		<b>353617.218</b>

(Source: Working plan of Divisions)

It is clear from the above table that despite carrying out treatment work of degraded forest area in RDF/PLWC working circle of the five divisions, the degraded forest area increased by 53268.882 hectares. Thus, the objective to increase the forest density through treatment of degraded forest could not be achieved in respect of rolled over compartments in new Working Plan.

The reply of the State Government is awaited. DFO Balarampur and Surajpur stated (August 2023) that 10 years is not enough to convert the entire root stock area into dense forest, hence the compartments were included in the new WP in 10 years. DFO Jashpur and Koria stated (September 2023) that due to biotic pressure, encroachment and migration of elephants, the treated area could not be converted into dense forest, hence, it has again been placed in the RDF Working Circle in the new working plan. DFO Jagdalpur stated (July 2023) that forest area was inspected by DFO (Working Plan) Jagdalpur and after being found suitable for RDF working circle, the compartment has again been included in this working circle. It is clear from the above replies that the objective of rehabilitation of degraded forest work which is to convert the degraded forest area into dense forest, could not be achieved.

### 3.5.14 Conclusion

During the period 2019-22, the Department carried out the rehabilitation of degraded forest in 25 *per cent* more area (1,39,120.312 ha) than the area (1,19,560.515 ha) planned for the treatment. RDF without plantation work undertaken in blank forest areas with expenditure of ₹ 10.02 crore was in deviation from the prescribed treatment for blank areas. Expenditure of ₹ 99.14 lakh for treatment of the degraded forest without plantation work in 575.12 ha encroached area, led to avoidable expenditure of ₹ 99.14 lakh. Bijapur Division spent a total amount of ₹ 1.67 crore on carrying out RDF without plantation works in blank area of 173.565 hectares as well as in 795.421 ha of *Vangram* of workable area in these compartments. Since *Vangram* was occupied by the people for agricultural work with constructed houses, it was not possible to take up treatment of degraded forest work in such forest area which resulted in an avoidable expenditure of ₹ 1.39 crore.

There were instances of excess expenditure of ₹ 93.87 lakh and ₹ 39.46 lakh respectively having been incurred, due to non-adherence to prescribed norms of man days in construction of live hedges, besides excess expenditure of ₹ 38.99 lakh due to erroneous calculation of quantity. Excess expenditure of ₹ 1.11 crore was incurred due to cleaning of area by considering the understocked forest area as dense forest area and using more man-days.

In five out of 12 selected divisions, the plantation work was undertaken without testing of soil. Further, the plantation journals were not maintained properly in the six divisions. The evaluation of the RDF without plantation work was not done by the 10 divisions in the 6<sup>th</sup> year as per the prescribed norms. Moreover, after treatment work of degraded forests in 2003 compartments in test checked Divisions, only 383 compartments (19.08 *per cent*) could be successfully converted into dense forests and the remaining 1620 compartments (80.92 *per cent*) were rolled over in the same RDF/PLWC working circle in new WP of divisions which indicates non achievement of the desired result.

#### **3.5.15 Recommendations**

The Government may consider:

1. *Treatment of degraded forest as per the Working Plan approved by the Government of India and in accordance with prescribed method to ensure sustainable development of forest in the State.*
2. *Use of GPS and other advanced technology for preparation of compartment-wise/grid-wise KML (Keyhole Markup Language) files for carrying out the RDF work including survey and evaluation study and proper maintenance of records.*
3. *Ensuring strict compliance of all the norms fixed by the Department for carrying out the various components of RDF works, especially with respect to the cost and manpower norms.*
4. *Evolving an effective system of reporting and monitoring by the higher authorities to assess the outcome of the RDF without plantation work.*

### 3.6 Audit Paragraphs

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

#### PUBLIC WORKS DEPARTMENT

##### 3.6.1 Release of Additional Performance Security before completion of work

**Pre-mature release of Additional Performance Security by the Executive Engineer of the Surajpur Division to the contractor before the completion of work in violation of the special condition of the tender and consequent non-recovery of ₹ 1.44 crore including penalty from the contractor after termination of contract.**

Under the special conditions of the Notice Inviting Tender (NIT), a successful bidder was required to deposit Additional Performance Security (APS) to the extent of difference of '90 *per cent* of Probable Amount of Contract (PAC)' and 'bid amount' in the form of Fixed Deposit Receipt (FDR) in favour of Executive Engineer (EE) at the time of signing the agreement if the bid amount is unbalanced (10 to 20 *per cent* less than estimated cost) or seriously unbalanced (more than 20 *per cent* less than estimated cost). The FDR shall be released/returned along with the normal Security Deposit after completion of work. If the contractor fails to complete the work or left the work incomplete, the APS shall be forfeited by the department and the agreement shall be terminated and action shall be taken as per the clause 3 of the contract.

During examination of records (November 2019) in the office of the EE, Public Works Division (Building & Road), Surajpur, Audit noticed that administrative approval of ₹ 7.78 crore and Technical Sanction (TS) of ₹ 7.72 crore was accorded by the Government for the work of strengthening, renovation and widening of 10.20 Kms road from Nawapara to Bhatgaon. After tendering process, the work order<sup>84</sup> was issued (December 2017) to the contractor<sup>85</sup> for contract amount of ₹ 5.48<sup>86</sup> crore against PAC of ₹ 7.72 crore. According to the special conditions of contract, due to the imbalance bid, the contractor deposited APS of ₹ 1.47 crore in the form of Term Deposit Receipt (TDR) of the Central Bank of India. The scheduled time of completion of work was 12 months including rainy season i.e. up to 06 December 2018. As the work remained incomplete, five EoTs<sup>87</sup> (Extension of time) were granted by EE to the contractor up to December 2021. However, the entire amount of

<sup>84</sup> under agreement no.40/DL/2017-18

<sup>85</sup> M/s Rainbow Construction company

<sup>86</sup> At the rate of 29.04 *per cent* below SOR

<sup>87</sup> 06.12.2018 to 11.06.2019, 12.06.2019 to 31.12.2019, 01.04.2020 to 31.12.2020, 01.01.2021 to 31.04.2021, 01.05.2021 to 31.12.2021.

APS was released by the EE during April to July 2019 to the contractor before completion of work out of which ₹ 20 lakh was again deposited by the contractor in July 2019. The Division has made payment of ₹ 3.67 crore (till December 2021) to the contractor. The contractor stopped the work after December 2021 and show cause notice was issued (July 2022) to the contractor and the contract under clause 3 of the contract was terminated (August 2022) by the Department. The final measurement of work was recorded and an incomplete bill was prepared by the EE (December 2023) and the recovery of ₹ 1.44 crore was pending from the contractor as of January 2024.

Audit noticed that after the scheduled date of completion in December 2018, the contractor was sanctioned Extension of Time (EoT), five times with penalty latest up to December 2021 indicating delay in execution of work by the contractor. Despite slow progress of work and completion of only about 30 *per cent* of the work<sup>88</sup> by the contractor (May 2019), entire amount of APS was released by the EE, PWD during April to July 2019 in violation of special conditions of contract. The EE also delayed the issue of show cause notice till July 2022 even though no progress in work was made by the contractor after December 2021. In the termination order (August 2022), the contractor was given time of one month (September 2022) for measurement of work. Despite failure of the contractor to attend, final measurement was recorded and incomplete bill was prepared by the Division after a lapse of one year (December 2023), which further delayed the process of initiating recovery from the contractor. As a result, the recovery of ₹ 1.44 crore towards APS and penalty<sup>89</sup> was pending as of January 2024 from the contractor and the earnest money and security deposit were yet to be forfeited by the Division. Thus, the contractor was extended undue benefit by releasing APS before completion of work without safeguarding the financial interest of Government.

The matter was brought to the notice (January 2020 & August 2022) of the Department and Government. The Engineer-in-chief, PWD in its reply (January 2021) accepted that the EE was guilty of violation of terms of contract and stated that departmental inquiry has been initiated against the then Executive Engineer, PWD, Division Surajpur. It was further informed (February 2023) by the E-in-C, PWD that the case was forwarded to the Government with the recommendation to file the matter and the same was pending with the Government.

The reply of the Government is awaited as of April 2024.

---

<sup>88</sup> As per 6<sup>th</sup> RA bill (last paid bill before release of APS) total value of work done was ₹ 164.63 lakh which was about 30 *per cent* of the contract value (₹ 548.02 lakh)

<sup>89</sup> ₹ 16,82,655



### 3.6.2 Wasteful expenditure on incomplete Sky Walk

**The project of construction of Sky Walk was taken up hastily by GoCG and tenders for construction work were invited (December 2016) without obtaining administrative and technical sanction (March 2017) for the project. The work order was issued without completion of pre-tender stage work by the consultant which hindered the execution of work. Subsequent revision in the design and structure of Sky Walk by GoCG increased the cost of project and further delayed the completion of project. As a result, the project of Sky Walk remained incomplete without any utility rendering the expenditure of ₹ 36.82 crore incurred as wasteful.**

Government of Chhattisgarh (GoCG), Public Works Department (PWD) planned (2016-17) to construct a pedestrian over bridge (Sky Walk) at Shastri Chowk, Raipur with a view to separate the continuously increasing pedestrian traffic from vehicular traffic and to facilitate the road crossing of pedestrians.

A Request for Proposal (RFP) for the work of Detailed Engineering and Project Management Consultancy Services for the project of Sky Walk was invited (July 2016) by the Department. The estimated cost of Sky Walk was ₹ 20.00 crore. The GoCG accepted (September 2016) the rate of 2.50 *per cent* of work as cost for preparation of Detail Project Report (DPR) and 3.75 *per cent* of work as Project Management Consultancy (PMC) fee. The work was awarded (October 2016) to a Mumbai based Consultant firm with stipulated completion period of 12 months or till completion of project whichever is later. However, the administrative approval of ₹ 50 lakh for preparation of DPR/estimates etc. for Sky Walk project was accorded by the GoCG in December 2016.

As per the terms of RFP, the consultancy work was divided into three stages viz. pre-tendering, tendering and post tendering. Under pre-tendering stage, the Consultant was required to prepare a plan programme, cost estimate for removal, relocation and shifting of utility services and removal of encroachment and cutting of trees after conducting topography survey, sub-soil investigation and utilities investigations etc. and prepare a final report with drawings and detailed estimates. All pre-tender activities were to be completed within a period of 100 days from the date of start (13 October 2016) as per the agreement. However, pre-tender activities could not be completed by the consultant within the prescribed timelines. Audit noticed from the letter dated 06 April 2017 of Sub-Divisional Officer, PWD, Bridge Construction Sub-division to contractor that no subsoil investigation was done and no initiatives were taken by the Consultant for identification and removal of encroachment, and identifying the structure/utilities affecting the layout plan and detailing of sky walk structure and process of utility shifting. Further, work of proof checking of drawings etc. was also assigned by the consultant and completed by the third party in July 2017 only.

The Consultant submitted an inception report, draft report and final report in December 2016 to the Department containing scope, standards and methodology for carrying out the work and General Arrangement Drawings

(GAD)<sup>90</sup>. As per the final report submitted (December 2016) by the contractor, the various pre-tender stage activities were to be taken up after reconnaissance, inventory and topographic survey etc. for preparation and finalization of techno economic feasibility report and final DPR. However, the final DPR prepared by the Consultant and approved by the Department was not provided to Audit. On being requisitioned, only final report of December 2016 was provided to Audit.

As per clause 2.120 of Works Department Manual, no work will be commenced or liability incurred in connection with it, until administrative approval has been obtained and funds allotted. The Department published first NIT (No. 398) for construction of Sky Walk in December 2016 on the basis of final report submitted by the consultant without finalization of techno-feasibility report and DPR of the project. After that second NIT was published on 04 February 2017<sup>91</sup>. However, the administrative approval (₹ 49.09 crore) and technical sanction (₹ 35.30 crore plus ₹ 10.51 crore) for construction of Sky Walk at Shastri Chowk, Raipur was accorded by GoCG and the Department respectively in March 2017. Only one bid was found eligible and single financial bid of M/s G.S Express Pvt. Limited (Contractor) was accepted (07 April 2017) by the GoCG at item rate of ₹ 42.55 crore. The work order was issued (24 April 2017) to the Contractor with stipulated period of completion of eight months i.e. by January 2018.

Thus, NIT for construction of Sky Walk project was published without administrative approval and technical sanction of detailed estimates by the competent authority in gross violation of provisions of Works Department manual. The work was awarded by the Department prior to the preparation and approval of techno-feasibility report/detailed designs and drawings/survey/DPR of the project indicating undue haste in taking up the project.

Due to commencement of work without completion of pre-tender stage activities, the execution of work by the Contractor was interrupted due to delay in submission of utility shifting plan, detailed design and drawings and obtaining NOC from statutory authorities such as Municipal Corporation, CSEB/BSNL etc., by the consultant. As per contractor's letter (November 2017) to the EE, PWD the drawing and design of pier caps at nine locations and that of span of superstructure at eight locations were not provided by the consultant. Apart from these, detailed drawing and foundation details and location of staircase/ escalator/ lift were also not provided by the consultant to the contractor. The contractor had also listed out the hindrances caused due to overhead High-tension electrical lines, underground cable, electrical poles and transformers and boundary wall of Collectorate in this letter.

---

<sup>90</sup> drawings executable at site for elevated roads, Sky Walk, Drainage, Signage, Green Belt, Central Verge etc. and detailed structural designs, drawings, construction drawings for elevated roads, Sky Walk, including its components and sub-components such as foundation system, sub-structures, and arrangements, super-structures, bearing system, surface level roads, footpaths, service roads and other ancillary & related structures including the detailed design and drawings for complete drainage scheme, fixing arrangement for light fittings.

<sup>91</sup> Details of bids received in first call was not provided to Audit.

Moreover, during the execution of work, many structural changes<sup>92</sup> were proposed (October 2018) after nine months of expiry of stipulated time period of contract in the design of Sky Walk to improve the architectural view of the Sky Walk on the basis of directions given in the review meeting (April 2018) of GoCG (PWD, Ministry).

The Department sanctioned time extensions to the contractor thrice up to December 2018 without penalty due to delay in submission and finalization of design and drawings by the consultant, shifting of utilities such as pipe line, High Tension wires and modification in the hood structure, railing etc.

Due to changes proposed during execution of work, the cost estimates were revised from ₹ 49.09 crore to ₹ 77.10 crore and revised administrative approval was accorded by GoCG (December 2018). However, proposal for TS (₹ 50.68 crore) submitted by Superintendent Engineer, PWD, Bridge Circle, Raipur (March 2019) to Chief Engineer, was not approved.

Further, in a review meeting (March 2019), instruction was issued by the GoCG to stop the construction work of the Sky Walk in view of concerns raised by public representatives about structural design, utility and feasibility aspects. In pursuance of the order issued in review meeting, the EE, PWD, Bridge Division, Raipur stopped (April 2019) the work at about 70 per cent completion stage under clause 14 of NIT. Until then, up-to-date payment of ₹ 28.29 crore<sup>93</sup> was made to the contractor. The work is still incomplete (December 2024). Pending finalization of final bill by the Division, secured advance and mobilization advance of ₹ 2.83 crore was yet to be recovered/adjusted and the final amount if any due from/to the contractor could not be ascertained by Audit.

Thus, undue haste in tendering and commencement of construction of Sky Walk before completion of pre-tender stage work by the consultant and subsequent changes in the design and structure of the Sky Walk delayed the work and increased the cost of project which coupled with stoppage of work led to non-completion of the project. Further, due to lapses on the part of the Department and the Consultant, Department had to sanction time extension without penalty to the contractor thrice and it had to pay escalation charges of ₹ 1.30 crore to the contractor.

Moreover, the incomplete structure was getting damaged/rusted due to forces of weather, posing danger to the life of the public/passers-by. Due to incomplete work, the structure was neither used by pedestrian nor utilised for any alternate purpose, thus defeating the purpose for which the project was taken up. This resulted in wasteful expenditure of ₹ 36.82 crore<sup>94</sup> on the project.

<sup>92</sup> such as increasing the width of the pathway from 3 mt. to 3.75 mt, removal of all installed Deck Sheets of width three metre as per revised drawing of extended floor area, change in structure of roof and divider, provision of colored Heavy Duty vitrified tiles for walkway and stair instead of floor tiles/Chequered Terrezo tiles, provision of MS profile sheet for roofing instead of polycarbonate sheet, provision of two lifts and one additional staircase etc.

<sup>93</sup> Vide Vr. No. 14 dated 08.01.2019.

<sup>94</sup> Consultancy charges - ₹ 1.06 crore, Cost of work- ₹ 28.29 crore, Proof checking – ₹ 0.20 crore, Utility shifting and other expenditure- ₹ 7.27 crore



Date of photographs: 08.12.2022

On being pointed out, the GoCG, PWD stated (March 2024) that on the basis of DPR submitted by the consultant, NIT was called for the construction of Sky Walk and as per the necessity of work on the basis of review meetings, the higher officials had instructed to modify structural design. The Department further stated that construction work of Sky Walk had been stopped for time being in view of concerns raised by public representatives and two committees namely General Advisory Committee and Technical Advisory committee had been formed to examine these objections. Necessary action as would be decided by the Government based on the reports of the two committees, would be taken.

Reply of the GoCG that NIT was issued on the basis of DPR is not acceptable as NIT was issued before the completion of pre-tender stage activities and preparation of DPR by the Consultant. It is evident from the reply that various changes were proposed in the basic design and structure for aesthetic and other reasons during execution of work as an afterthought which indicates lack of planning before taking up the project. Fact remains that the project of Sky Walk could not be completed rendering the expenditure of ₹ 36.82 crore wasteful.