

CHAPTER IV

4.1 Fraudulent drawal/misappropriation/embezzlement/losses/overpayments

FOREST DEPARTMENT

4.1.1 *Fraudulent expenditure on Physical Verification of Saw Mills*

Irregular orders issued by the Conservator of Forest, without approval of higher authorities and budget provisions for physical verifications of saw mills led to fraudulent payment of Rs.2.29 crore

Section 7 of “MP Kashtha Chiran (Viniyaman) Adhiniyam, 1984”, (as adopted), provided for inspection of saw mills¹ by the Licensing authority or any person authorized by him. The Divisional Forest Officers (DFO) are the designated licensing authorities.

Scrutiny of records (April 2005) in the office of the Conservator of Forest, Raipur Circle (CF) revealed that expenditure of Rs.2.29 crore was booked through labour payment vouchers for physical verification of licensed saw mills from April 2003 to February 2004. The verification was conducted between December 2002 and February 2004. This verification involved spreading, measuring and restacking total physical stock of logs available in the verified saw mills by labourers and reconciliation of the number and volume of logs with the stock registers maintained by saw mills. The amounts utilized for this activity were drawn as Forest Advance by the Flying Squad and adjusted through labour payment vouchers. The flying squad functioned from the office of CF, Raipur and consisted of a Range Officer-in-charge and five forest guards.

It was observed that while inspection of saw mills was required to be carried out by DFOs as per departmental instructions, a similar activity involving huge expenditure was incurred on the authority of the CF, Raipur. The maximum financial powers delegated to CF for any item of works expenditure was Rs.5 lakh and it was beyond his powers to authorize this activity of more than Rs.2 crore. There was no budgetary allocation or accounting head available for the verification and the proposal for this expenditure should have gone for clearance to the Finance Department after approval of competent authority and framing of estimate. All these stages were bypassed and the unauthorized expenditure without any budgetary allotment was concealed by booking under the head “State Trading in Timber”(STT). The detailed

¹ *Saw Mill is that plant and machinery in which wood is sawn through mechanical and electrical power. Licenses for the activity of purchasing logs from the Forest Department and sawing and selling wood are issued by DFOs. The saw mills maintain monthly registers indicating receipt, sawing and disposal of wood and have to submit accounts to the DFOs (Licensing authority).*

instructions issued (1989) by the Department showing items of expenditure to be adjusted under the head STT did not include expenditure on physical verification of saw mills.

CF, Raipur issued orders to DFO, Udanti division (June 2003) and DFO, Mahasamund division (August 2003) instructing them to make payments for all bills submitted by the flying squad of Raipur forest circle. The orders did not specify the nature of activities for which bill would be submitted by flying squad. Since the flying squad was under the administrative control of CF, Raipur circle, the expenditure incurred by it was normally debit to the circle office. However it booked the expenditure for physical verification of saw mills in all the five divisions and Conservator office, Raipur.

The five² forest divisions and the CF office issued 48 cheques amounting to Rs.2.91 crore to Range Officer, Flying Squad, during the period from April 2003 to March 2004. This included 36 cheques amounting to Rs.2.77 crore drawn in violation of Forest Department instructions (October 2003) which provided for a maximum limit of Rs.1.5 lakh on cheques to be issued per day to Range Officers for expenditure on works and second cheque was to be issued only when unutilised amount from earlier cheque was less than Rs.20,000. The 36 cheques drawn in excess of prescribed limits included 15³ cheques issued for amounts more than Rs 10 lakh and the highest cheque was for Rs. 13.98 lakh, issued by DFO, Udanti.

In view of the large number of irregularities noticed, the monthly accounts of CF, Raipur and the five divisions were reviewed and 727 vouchers were identified pertaining to physical verification of saw mills amounting to Rs.2.29 crore and paid during the period April 2003 to February 2004.

Scrutiny of the vouchers revealed that the labour payments were made to gang men through an acquittance roll. Each gang man had accepted payment on behalf of a group of labourers provided by him. It was observed that for most vouchers the signatures of gang men at two different places in the same voucher were different. There were also a few cases where there was a difference in spelling in signatures affixed at two different places in the same voucher. Moreover, all the vouchers had been admitted and passed for payment by the five DFOs and Conservator of Forest, Raipur without the due verification and certification by the Sub Divisional Officer (SDOs) of the divisions concerned. This was in violation of Departmental instructions (June 1990) which prescribed that all vouchers were to be submitted by Range Officer to SDO for verification; the SDO would inspect the work done as shown in the vouchers and certify that work had been verified and found to be satisfactory and the vouchers were fit for payment. DFO would then pass the voucher on the basis of certification of SDO. Thus, one level of scrutiny was deliberately by passed only in respect of saw mill vouchers in all the offices. All other vouchers of these offices were certified by SDOs.

² Udanti, Mahasamund, Dhamtari, Raipur General and Raipur East.

³ 10 Cheques issued by DFO Udanti, four by DFO, Dhamtari and one by DFO, Raipur East.

An electronic compilation and analysis of the vouchers showed that while majority of the saw mills were located within the jurisdiction of Raipur division, most of the vouchers for the verification of saw mills were booked in Udanti and Mahasamund divisions. Udanti incurred an expenditure of Rs.1.08 crore (47 per cent of the total expenditure) for verification of saw mills under the jurisdiction of Raipur, Mahasamund and Dhamtari divisions and not a single voucher was for verification of saw mills under its own jurisdiction.

The statistical information compiled from the vouchers showed an astounding scale of activities purportedly supervised by only six members of the flying squad. A total of 727 physical verifications had been conducted in 200 days. This involved spreading, measuring and restacking 2.63 lakh cubic meters of wood consisting of 28.32 lakh logs which was done by 13,844 labourers using 2.95 lakh mandays under 4300 gang men. An average of 70 labourers were engaged daily in each saw mill. On 33 days, more than 15 saw mills had been simultaneously verified in a day at different locations. Maximum of 28 mills were verified in a single day. Hundred verifications were started on Sunday. Eight verifications were conducted on 15 August 2003, four on 2 October 2003 and three on 1 November 2003 (Chhattisgarh State day-State wide holiday). This was a physically impossible task and gave further indications of fraud. The TA bills of the flying squad personnel were also scrutinized for comparison and cross verification. It was observed that for the period from July, 2003 to February, 2004, all the six squad members had submitted absolutely identical TA bills showing same journeys and same destinations. The locations visited by all the squad members as per TA bills were generally different from the locations of saw mills which were purportedly being verified on those days which was another indication of fraud. During this period when they were engaged in the aforementioned level of supervision, they had also traveled a total of 2.87 lakh Kms on 244 days on various modes of conveyance such as Government jeep, taxi, motorcycle etc.

CF, Raipur, furnished a list of 523 licensed saw mills in the jurisdiction of Raipur Forest Circle. Out of these, 269 saw mills were stated to have been physically verified by the Flying Squad. Comparison of these lists with the vouchers showed glaring discrepancies. Payment was made for 132 saw mills which did not figure in the list of 269 saw mills and 36 vouchers were for saw mills which did not appear even in the exhaustive list of 523 licensed saw mills in the circle. Payments were also made for two saw mills which were stated to have been closed in a separate list furnished by the DFO. Mahasamund. It was thus established that the vouchers did not tally with any of the other records such as TA bills, list of verified mills etc.

From the above mentioned facts it was evident that key controls were deliberately violated to defraud the Government of Rs.2.29 crore. Irregular orders were issued for physical verification by the CF without budget provision and approval of higher authorities and enormity of expenditure was deliberately concealed by splitting over six offices and booking expenditure irregularly under the head STT. Cheques were issued far in excess of prescribed limit, vouchers were passed without certification by SDOs, there were large number of vouchers with indication of forgery. Locations

mentioned in the labour payment vouchers did not tally with those mentioned in the TA Bills for the same dates. It was also ascertained that at the end of this activity costing Rs. 2.29 crore, not a single case of discrepancy in the physical stock of the saw mills purported to have been inspected by the six member flying squad from December 2002 to February 2004 was reported.

The Government accepted (October 2005) all the audit observations and stated that the orders of the CF to start this activity on such a large scale was not as per rules and no prior approval of either headquarters or Government was sought for conducting the physical verification without any budget provision. It was further stated that the CF violated rules in issuing instructions to his subordinate DFOs to issue cheques to the flying squad and that the issue of cheques by five DFOs in excess of the prescribed limit was in open violation of rules. It was also accepted that there were major discrepancies in labour payment vouchers and TA bills of flying squad and the scale of work purported to have been done by the flying squad did not stand scrutiny. The State Government, however, did not mention about the action that they propose to take for fixing the responsibility.

4.2 Excess payment/ Infructuous/wasteful expenditure

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

4.2.1 Infructuous expenditure on foundation stone laying ceremony, construction of boundary wall and consultancy fees

Infructuous expenditure of Rs.87.48 lakh on foundation stone laying ceremony, construction of boundary wall and consultancy fees due to non-establishment of Medical College, Raigarh and blocking of funds to the tune of Rs.5.50 crore

In pursuance of a decision to establish a Medical College in Raigarh district (December 2001), Chhattisgarh Government allotted (July 2002) 25 acres of land in village Lohar Singh (Raigarh) and sanctioned (July 2003) Rs. one crore to the State Public Health and Family Welfare (PH & FW) Department for starting work under the aegis of Chhattisgarh *Arogya Chikitsa Shikshan Evam Anusandhan Samiti* Raipur⁴ (Registered Society) for construction work.

⁴ Hence to be referred as society

Establishment of Medical College Rules notified by the Medical Council of India under the provisions of Indian Medical Council Act, 1956, stipulate that prior permission of the Central Government for setting up any Medical College is essential. This is to ensure that all prescribed criteria for establishing an institute of Medical Education are complied with.

Test-check of records of the Chief Medical and Health Officer (CMHO), Raigarh (March 2004) and Director, Medical Education, Raipur (DME) (May 2005) revealed that the State Government incurred an expenditure of Rs.6.10 lakh on foundation stone laying ceremony, (June 2003), and Rs.31.90 lakh on construction of boundary wall. An advance payment of Rs.49.48 lakh was paid to the consultants (August 2003) by the Society without even getting the approval from the Central Government.

The proposal for the establishment of Medical College, Raigarh was forwarded to the Central Government in August 2003, which was rejected in December 2003 due to non fulfillment of the basic criteria of availability of an attached 300 bedded hospital with necessary infrastructural facilities in the campus of the proposed Medical College. Moreover, in August 2003, a supplementary grant of Rs.5 crore was sanctioned for the construction of Medical College. Despite the rejection of proposal by Government of India (GOI), this amount was drawn and deposited in Society's bank account on 31 March 2004. No revised proposal for setting up college with necessary requirements at alternative site has been forwarded to GOI (September 2005).

In reply the Government admitted the fact (August 2005) about non fulfillment of basic condition and stated that the constructed boundary wall can be utilised for alternative purpose. Further, no decision with regard to shifting the site of Medical College has yet been taken at Government level and thus, the entire expenditure of Rs.87.48 lakh was infructuous. Besides Rs.5.50 crore out of total amount of Rs.6 crore is also lying unutilised in the Society's bank account resulting in blocking of funds.

PUBLIC WORKS DEPARTMENT

4.2.2 *Extra cost due to application of extra layer*

Extra cost due to application of extra layer of BM as LBM Rs.34.87 lakh

Ministry of Road Transport and Highways (MORT&H) approved (May 2002) an estimate of Rs.1.89 crore for Improvement of Riding Quality Pavement (IRQP) in km 90 to 99 of NH-200. The estimate provided 50 mm thick Bituminous Macadam (BM) on entire road surface with 10 *per cent* extra for profile correction with total thickness of BM 55 mm (3619 cum) subject to condition that no change in the scope of work and change in specification will be undertaken without prior approval. The work was awarded (July 2002) to a contractor at a cost of Rs.1.65 crore (21.10 *per cent* below SOR).

Scrutiny of third running bill (paid in November 2003) in Office of the Executive Engineer, (EE), PWD, National Highway (NH) Division, Bilaspur revealed that an item of BM shown as Lean Bituminous Macadam (LBM) was executed (2598.75 cum.) in the thickness of 50 to 60 mm, for improvement of compacted base course and rebuilding of crust of the road though this was not provided in the estimate approved by MORT&H. As per specifications of Indian Road Congress for preparation of base for bituminous courses on worn-out Water Bound Macadam (WBM) or badly damaged Black Topped road, WBM was to be provided. Thus, the Department should have executed base course using WBM as provided in MORT&H specifications instead of laying extra layer of LBM. By laying the extra layer at the rate of Rs.2144 per cubic meter instead of WBM at the rate of Rs.443 per cubic meter, there was extra cost of Rs.34.87⁵ lakh to the Government.

On this being pointed out in audit, the Executive Engineer (EE) stated (January 2005) that the revised estimate submitted to MORT&H in March 2003 by Chief Engineer NH & Bridge Zone Raipur had included the additional work. Chief Engineer NH & Bridge Zone Raipur has replied (July 2005) that the sanction is awaited. Full payment for execution of LBM has been made although sanction of MORT&H is pending for last two year (October 2005). Reply confirms the objection that the work was executed against the norms and in violation of agreement.

The matter was reported to the Government (May 2005), reply has not been received (October 2005).

4.2.3 *Extra expenditure of Rs.1.58 crore on tack coat*

Extra cost of Rs.1.36 crore due to use of costlier paving bitumen for tack coat and irregular payment of Rs.22 lakh on tack coat between freshly laid bituminous courses.

Specifications of Ministry of Road Transport and Highways (MORT&H) provide that a single coat of low viscosity liquid bituminous material is to be applied as tack coat to an existing road surface preparatory to another bituminous construction over it. The binder used for tack coat shall be a bituminous emulsion or cut back as specified in the contract. The schedule of rates (SOR) issued by Engineer-in-Chief, (E-in-C) Madhya Pradesh PWD (effective from June 2000 and adopted by GOCG) provided rates for tack coat using bituminous emulsion and much costlier paving bitumen.

Test check of records of Executive Engineer (EE), PWD (B&R), Raipur-III and Balod Divisions revealed that 48 agreements for various roads i.e., State Highway Roads (13), Major District Roads (19), other District Roads (8) and Village Roads (8) were executed between 2001 to 2004 for renewal and strengthening of the roads in which costlier paving bitumen was used for tack coat instead of emulsion. The estimate did not carry any specific justification

⁵ *LBM at the rate of Rs.2144 per cum (-) WBM at rate of Rs.443 per cum = Rs 1701.
The executed quantity of LBM 2598.75 M³ X Rs. 1701(-) 21.10% = Rs.34, 87,754*

for using the costlier item. This resulted in avoidable extra expenditure of Rs.1.36 crore, as detailed in **Appendix 4.1**.

The EE Balod division stated (December 2004) that bitumen had more binding characteristics and properties than emulsion and was advantageous in reducing stripping of bitumen film from aggregates and could withstand stress of higher wheel load, which in turn gave more longevity to roads. The EE Raipur division stated (July 2004) that the works were executed as per approved estimates, site conditions and prevailing practice in the state.

The E-in-C replied (September 2005) that as per specifications binder used for tack coat should be bitumen emulsion but bitumen was used because tack coat of bitumen emulsion was required to be left for curing until all volatiles evaporated before subsequent construction could take place. Thus, that traffic was to be withheld for hours or diversion of road was to be provided as per specification.

The reply on technical superiority of bitumen was not acceptable because MORT&H specifications were devised after taking into account these technical factors and it provided for only emulsion as tack coat. It was also observed that in new SOR (April 2005), prepared by the GOCG there was no item of tack coat with paving bitumen.

MORT&H specifications also provide that the tack coat on a freshly laid bituminous course can be dispensed with, if subsequent bituminous course is overlaid the same day without opening it to traffic. The SOR of PWD, MP effective from 1 June 2000 also provides that in case the application of tack coat is found necessary for the subsequent bituminous course due to extraordinary condition of traffic, prior permission of the Chief Engineer (CE) should be obtained in writing. In violation of these norms the Executive Engineers of the two divisions allowed tack coat on the freshly laid Bituminous Macadam (BM) before laying the next course of Semi Dense Bitumen Concrete (SDBC)/Mix Seal Surface (MSS) on 11 road works without prior approval of the CE. This resulted in extra cost of Rs.21.91 lakh as detailed in **Appendix4.2**.

The EE, Raipur and E-in-C, PWD (CG) Raipur replied that road width of various roads, in which the bituminous work done, were single lane road having width 3 m to 3.65 m and there was no facility to divert the traffic and the work could not be taken up in the half of the width of road and the cost of diversion road would be Rs.7 lakh per KM. No reply had been received from the EE, Balod Division.

The reply of EE and E-in-C justifying unnecessary application of tack coat on grounds of narrow road width was not acceptable as even while laying initial bituminous course the road was closed to traffic and traffic was redirected through shoulders. Hence further closing for a few more hours to overlay the next course on the same day was possible to avoid extra expenditure and violation of specifications. Also, where application of tack coat was absolutely necessary, prior permission of CE should have been obtained as provided in

SOR. Execution of tack coat on freshly laid bituminous course without prior sanction of CE in 11 road works led to avoidable extra expenditure of Rs.21.91 lakh.

The matter was referred to the Government (January 2005); reply had not been received (November 2005).

4.2.4 *Extra cost due to superfluous provision in estimate*

Unwarranted profile corrective course (PCC) and superfluous provision in estimates led to extra cost of Rs.43.58 lakh
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Specifications for road and bridge works issued by the Ministry of Road Transport and Highways (MORT&H) stipulate that a Profile Corrective Course (PCC) for correcting the existing pavement profile shall be laid in varying thickness as indicated in drawings/contract. For freshly laid Water Bound Macadam (WBM) or Bituminous Macadam (BM) courses, the finished road surface is to be provided with wearing course, and there remains no requirement of any PCC between the freshly prepared surface and subsequent wearing courses.

The Executive Engineer (EE), PWD B/R Division, Mahasamund awarded two works for conversion of WBM to Black Top (BT) (July, November 2002) and one work for BT renewal (March 2002) to three different contractors at rates varying from 15.80 *per cent* to 31.86 *per cent* above Schedule of Rates (SOR). Time allowed for completion of the works ranged between four to 10 months including rainy season. Final payment to these contractors for Rs.3.08 crore was made between February and April 2004.

Test check (August 2004) revealed that in one of the roads for conversion for WBM to BT (Bagbahara-Jhalap road), an item of 20 mm thick Open Graded Premix Carpet (OGPC) including PCC as an integral part of carpet was provided as wearing course over the freshly laid WBM surface of the road, although the agreement did not include this. Thus, the payment on account of PCC on a newly laid uniform WBM surface was contrary to the agreement as well as MORT&H specification, which resulted in extra cost of Rs.20.56 lakh.

On this being pointed out in audit the EE stated that excessive quantity of OGPC was provided for camber correction in view of the heavy traffic on this road which connects to National Highways and the total expenditure was within the estimated cost.

The reply was not acceptable because camber correction should have been done during laying of fresh WBM course and not subsequently through use of costlier OGPC. Also OGPC with PCC was not included in the approved estimate and was against specifications.

In the other two works, renewal of Sankra-Paraswami-Laripur and Basana-Pithampur road, the technical sanction for WBM to BT work included item of OGPC with PCC as an integral part in the approved estimates. This was

contrary to MORT&H specifications. The contractors executed WBM/BM items and OGPC with PCC as an integral part of carpet, resulting in extra cost of Rs.23.01 lakh.

On this being pointed out, the CE stated that in respect of Sankra-Paraswani-Laripur road, after providing WBM course, wearing course could not be laid immediately as the road was required to be kept open for drying upto three months and consequently road was damaged due to heavy rainfall and traffic. As such the above item was included in the estimates. In respect of Basana-Pithampur road, the Department replied that the work was executed as per approved estimate and due to heavy traffic on the road more BT thickness had been executed.

The replies were not tenable as the estimates had been prepared in violation of MORT & H norms. Further, as the work of Sankra-Laripur road was done in open season (July to February), three months drying time was not required and wearing course should have been laid simultaneously with WBM course. Moreover any loss in WBM layer was to be recouped with WBM and not with PCC.

The matter was referred to Government (November 2004); reply had not been received (November 2005).

4.2.5 *Extra cost due to adoption of higher specification*

Extra cost of Rs.1.06 crore was incurred due to adoption of higher specification in road construction

The Engineer-in-Chief (E-in-C) PWD issued orders (13 September 2002) that the NABARD assisted road works be executed with 50 mm Bituminous Macadam (BM) and 20 mm Mix Seal Surface (MSS) or Semi-Dense Bituminous Concrete (SDBC) by doing crust design as per Indian Road Congress (IRC) specification. It also directed that the earlier estimates of thinner crust were also to be revised as per above directions and work were to be executed after approval.

Audit Scrutiny of records of two PWD (B&R) divisions⁶ revealed that the original estimates for two road works provided for Open Graded Premix Carpet (OGPC) with Seal Coat. The divisions submitted supplementary estimates, which included provision for BM with MSS or SDBC but this was done without revising the crust design as per IRC specification. The works were then executed (November and December 2004) without obtaining approval of competent authority resulting in extra cost of Rs.1.06⁷ crore.

On this being pointed out in audit, Executive Engineers stated that the work of higher specification was executed according to the Government order dated 22 February 2003 and in anticipation of sanction.

⁶ EE, PWD B&R Division Bemetara and Kawardha division

⁷ EE, PWD B&R Dn Bemetara Rs.38.65 lakh and Kawardha Rs.66.88 lakh

The replies were not acceptable. As the GOCG orders dated 22 February 2003 provided that higher specification be adopted as per necessity. This "necessity" was adherence to IRC-37 specification for crust design which specifies use of BM with SDBC in roads when justified by high CVPD⁸ load and high CBR⁹ of soil, which was not followed in the instant case. Instructions subsequently issued by E-in-C (May and June 2003) stated that the crust design as per IRC specification should be invariably done based on CVPD and CBR and for roads where use of BM with MSS or SDBC is not indicated as per specification, OGPC with Seal Coat should be used.

Thus, the divisions executed the works in violation of instructions and the competent authority had not sanctioned the revised estimates as of September 2005.

The matter was reported to the Government (May and June 2005), reply had not been received (October 2005).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

4.2.6 Irregular expenditure under SGRY

Irregular expenditure of Rs.68.17 lakh booked under *Sampoorna Gramin Rozgar Yojana (SGRY)*

Sampoorna Gramin Rozgar Yojana (SGRY), a centrally sponsored scheme, was launched (September 2001) by the Government of India (GOI) with primary objectives of providing additional labour employment, food safety and to improve the nutrition level of the rural people.

The guidelines of SGRY and instructions of Government of Chhattisgarh, Panchayat and Rural Development Department provided that labour intensive works were to be given priority and expenditure on labour and materials was to be maintained in the ratio of 60:40. Works comprising large material component were not to be sanctioned/executed unless additional funds required to meet out the larger components of materials like cement, steel etc., were provided from other sources/other programme. Execution of works through contractors was totally prohibited.

Test-check of records (July 2004) of Executive Engineer, Rural Engineering Services (EE), Raigarh and scrutiny of sanctions of works (June 2005) under SGRY issued by CEO District Panchayat, Raigarh revealed that 27 works (25 'reinforcement cement concrete slab culverts', one 'godown and one pachri'¹⁰) comprising large material component were sanctioned. The total expenditure

⁸ CVPD:-Commercial Vehicle per day.

⁹ CBR: - California Bearing Ratio which is an input for crust design and depends on type of soil

¹⁰ Pachri means Ghat- the bathing place on the bank of river.

on the above works was Rs.1.3 crore. As per norms, a maximum of Rs.51.61 lakh should have been spent on materials. However, an amount of Rs.77.58 lakh (60.13 *per cent*) was incurred on material component. Thus Rs.25.97 lakh was irregularly incurred on materials. Had this amount been incurred on wages at the prevailing rate of Rs.52.66 per person per day as per norms, additional employment of 49,311 man days would have been generated.

In response to the audit observation, CEO, District Panchayat, Raigarh, however, stated (June 2005) that in an individual work the wage and material ratio (60:40) could not be maintained and in certain cases the ratio goes upto 30:70 but this ratio (60:40) should be considered for the district as a whole.

The reply indicated that the CEO took a considered decision to sanction works which had high material component. Thus, the objectives of the scheme were knowingly flouted and the targeted beneficiary group was deprived of gainful employment and wages of Rs.25.97 lakh.

SGRY guidelines prohibit the use of contractors as coverage of focus groups among rural poor like women, SC/ST, marginal farmers, agricultural labourer etc., can not be ensured if work is done through contractors. Also contractor who work on profit basis are likely to employ skilled labourer who may not be local and use machines which will defeat the purpose of SGRY.

Test check of records (March 2005) of the office of the Chief Executive Officer, Janpad Panchayat, Sukma (Dantewara) revealed that in violation of SGRY guidelines, nine construction works (seven RCC slab culverts, one Water Bound Macadam (WBM) road and one *Nistar* tank¹¹) involving expenditure of Rs.42.20 lakh during 2002-04 were awarded to contractors on verbal orders of CEO, Zila Panchayat, Dantewada. Payments in form of cash or food grain were made to contractors after attestation by Sub-Engineer, RES, and contractor was to further disburse them to labourers. However there was no check by the Department to identify the beneficiaries and ensure requisite payment. Thus the entire expenditure of Rs.42.20 lakh was irregular.

In reply to the audit observation CEO, Janpad Panchayat, Sukma stated (March 2005) that RCC slab works were sanctioned by District Panchayat, Dantewara and the works were executed through contractors at the prevailing CSR in order to complete the works as early as possible.

The reply of the CEO was not acceptable as the funds for the scheme were provided primarily for generating employment for the poorest of poor and not for early completion of works through contractors.

The matter was reported to the Government (January 2005), reply has not been received (October 2005).

4.2.7 Unfruitful expenditure on plantation

¹¹ *Nistar* tank is used to meet the daily needs of water other than drinking of local population and animals.

Irregular selection of site, improper irrigation and non-protection of plants led to low survival of plants and unfruitful expenditure of Rs.26.54 lakh

Watershed development activities under Drought Prone Area Programme (DPAP) and Integrated Wasteland Development Programme (IWDP) included afforestation to increase the productivity of degraded/wastelands and provide fuel, fodder and a viable source of income to the local people. As envisaged in the guidelines the afforestation work was to be taken up at sites where adequate amount of water was available.

The Government fixed (October 1986) the minimum survival percentage for plantations as 40 *per cent* based on soil and climatic conditions, and any survival percentage below this would be treated as unsuccessful.

Test-check of records of Watershed Development Projects, Zila Panchayat (ZP), Durg, Jagdalpur, Korba and Raipur (March 2005 to June 2005) revealed that 56 watershed committees undertook plantation at a cost of Rs.54.43 lakh. The survival percentage was below the prescribed percentage of 40 *per cent* due to improper selection of site, non provision of choukidars and lack of irrigation facilities. This resulted in loss to the Government of Rs.26.54 lakh as detailed below:

(Rs. in lakh)

Name of District	Name of Programme	Number of water-shed committees	Year of Plantation	Total No. of Plants planted	No. of plants survived	Percentage of survival	Total expenditure	Loss ¹² due to low survival of plants
Durg	IWDP	17	2002-04	20771	3636	0 - 36	1.32	0.79
Jagdalpur	DPAP	12	2002-04	250923	69289	7 - 39	14.48	6.10
Korba	DPAP	17	2002-04	16889	3651	0 - 38	7.25	3.35
Raipur	IWDP	10	2002-03	32984	6117	0 - 20	31.38	16.30
Grand Total		56		321567	82693		54.43	26.54

(*) Loss = 40 - Actual percentage of survival of plants x cost of plantation
40 percent

On being pointed out in audit, Chief Executive Officer (CEO), ZPs, Jagdalpur and Korba stated that necessary instructions were being issued to ensure proper protection of plants and CEO, ZP, Raipur stated that the areas where plantation was carried out were handed over to beneficiaries as per Government instructions who did not ensure proper care. CEO Zila Panchayat Durg stated that low survival was due to termites, water shortage and damage by livestock. The replies of the CEOs showed that they were doing very little to ensure survival of the plantations. A mid-term evaluation of watershed development programme by the State Government (February 2005) on the direction of Government of India had also indicated that the nature of soil in which plants were planted was hard moorum and rocky strata, which required constant care, protection and irrigation for the survival of plants. This indicated that improper site selection also contributed to low survival.

Thus the expenditure of Rs.26.54 lakh incurred on plantation was unfruitful and the basic objective of the programme to increase the productivity of

¹² Loss calculated by considering 40 per cent survival as 100 per cent performance

degraded/wastelands and provide fuel, fodder and a viable source of income to the local people was also defeated.

The matter was reported to the Government (August 2005); their reply had not been received (November 2005).

WATER RESOURCE DEPARTMENT

4.2.8 *Extra cost due to adoption of costlier specification*

Adoption of costlier specifications in contravention of technical circular resulted in avoidable extra cost of Rs.55.37 lakh

Technical circular issued (January 1984) and specifications for canal lining (December 1995) by the Engineer-in-Chief, Water Resources Department provided that the bed and side slopes of channels carrying more than 3 Cubic meter per second (cumecs) discharge should be lined with cast in situ M-100 strength (normal mix 1:3:6) concrete. The thickness of concrete slab should be 75 mm upto a water depth of 3.0 m and 100 mm beyond the depth of 3.0 m. The project report of Mahanadi Reservoir Project also envisaged canal lining with cast in situ M-100 grade concrete.

Four item rate contracts were executed during November 2002 to July 2004 for lining work of Mahanadi Main Canal in sections where the discharge ranged from 12 to 80 cumecs.

Instead of providing recommended cast in situ concrete, the lining was done with costlier pre cast concrete (PCC) slabs of 500 x 500 x 60 mm. Adoption of costlier specification in contravention of technical circular resulted in avoidable extra cost of Rs.55.37 lakh (as detailed in **Appendix-4.3**).

On this being pointed out in audit, the Executive Engineer, (EE) MRP Dam Dn.No.2, Rudri stated that lining with pre cast cement concrete slab was done to provide continuity with earlier type of lining and achieving similar aesthetic sense of lining. EE, MRP Dam Dn.No.2, Rudri also projected other advantages of PCC such as mass production at site, lower shrinkages, cracking etc. The reply was not convincing as the lining was to be done as per technical circular. Also the specifications indicated that in situ slabs were better equipped to handle higher pressure than smaller PCC slabs and less likely to crack. Earlier violation of specification should not be the basis for continuing with further violation. The technical grounds as to why cast in situ slabs could be used between adjoining P.C.C stretches were not explained. Mere aesthetic reasons could not justify incurring extra cost and violation of specifications when other divisions were doing the lining work as per specifications¹³.

¹³ *Executive Engineer Water Management Division No.2 Baloda Bazar*

The matter was reported to Government (July 2005) and reply had not been received (November 2005).

4.2.9 Extra cost due to injudicious foreclosure of agreement.

Injudicious foreclosure of agreement and award of work to another contractor led to extra cost of Rs.1.56 crore
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As per Forest (Conservation) Act, 1980, de-reservation of forestland is strictly prohibited without prior permission of Government of India, Ministry of Environment and Forest.

The work for "construction of aqueduct at RD 9420 M of Kharsia Branch Canal" estimated to cost Rs.2.66 crore was awarded (December 1999) to contractor 'A' at a cost of Rs.2.25 crore on an item rate (15.69 *per cent* below USR-1998) by the Executive Engineer (EE) Hasdeo Canal Division No-5, Kharsia and was to be completed within 15 months including the intervening rainy season.

During test check of records, it was observed that the proposed aqueduct was situated on forest land, which had to be transferred to the Water Resources Department (WRD) before commencement of construction. Thus it was irregular to enter into a contract for construction of the aqueduct without obtaining requisite forest clearance. The contractor 'A' expressed his inability (January 2001) to complete the work in time due to non-acquisition of forest land by the Department. The Chief Engineer granted (June 2001) extension of time upto March 2002 as the forest land had not been acquired by the WRD.

The SDO (Forest), Janjgir-Champa Division also intimated (January 2002) the contractor that in the absence of forest clearance, continuance of work would be a violation of Forest conservation Act.

The Contractor 'A' was able to execute work upto only Rs.0.52 crore till the extended period of March 2002. The Forest clearance had not been obtained till then. The EE intimated this position (March 2002) to the Superintending Engineer (SE) who foreclosed the agreement (April 2002). In the order of foreclosure it was also directed that fresh tender may be called for the remaining work and concrete measures be adopted for obtaining forest clearance.

Accordingly, the Department initiated the process (May 2002) for re-tendering the remaining work estimated to cost Rs.2.15 crore although forest clearance was still pending. It was awarded within six months (October 2002) to Contractor 'B' at a cost of Rs.2.99 crore (39.21 *per cent* above SOR). The requisite forest clearance, which had caused foreclosure of previous agreement, had not been obtained till that time. The work was completed (April 2004) by the second contractor at a cost of Rs.3.29 crore and his final bill was paid in the same month. The foreclosure of the earlier contract and award of fresh contract resulted in extra cost of Rs.1.56 crore over the initial contracted cost.

In reply to the audit observation (June 2004) on loss due to irregular execution of work on forest land and awarding balance of work at higher rate, the Chief Engineer (CE) stated (February 2005) that due to objection of Forest Department, the first contract was terminated. It was also stated that only after intervention of Honorable Minister, Water Resource Department and Collector, Janjgir-Champa, the Forest Department allowed the construction work to continue though forest clearance was still pending. Work was completed in February 2004.

The reply of the CE was not acceptable as it did not explain why re-tendering was done for balance of work although the reasons for the termination of the first contractor i.e., lack of forest clearance, remained unchanged. It clearly indicated that the second contractor succeeded where the first failed solely due to executive intervention as all other conditions remained unchanged.

Besides, the construction of work in the forest land without obtaining clearance from GOI, Ministry of Environment and Forest was an infringement of the Forest Conservation Act.

The matter was referred to the Government (January 2005); reply had not been received (November 2005).

4.3 Violation of contractual obligations/ undue favour to contractors/ avoidable expenditure

REVENUE DEPARTMENT

4.3.1 Undue benefit to private firms and extra expenditure under the project-Computerisation of Land Records (BHUIYAN)

Undue benefit of Rs.1.17 crore to private firms on account of data updation and extra payment of Rs.61.78 lakh for unused and unwanted stationery

The scheme of Computerisation of Land Records a *cent per cent* Centrally Sponsored Scheme (CSS) was started (1998-99) in the erstwhile State of Madhya Pradesh by Commissioner, Land Records, (CLRMP). The primary task was to computerize the database of Khasra (P-II)¹⁴. In some districts which are now part of Chhattisgarh State, some initial data entry of Khasras was done departmentally. Subsequently, the District Collectors signed separate agreements with private firms (May-August 1999) for data entry, updation, final printouts and for final data CDs of Khasra as available in manual records for base year 1999. The Scheme was relaunched in Chhattisgarh (November 2002) as 'BHUIYAN' and Khasra entries were updated (base year 2002) before relaunch.

Scrutiny of records in the Office of the Collectors, Land Records in eight¹⁵, out of 16 districts of the State revealed the following:

Undue benefit to firms resulted in excess payment

The various agreements (May-August 1999) had rates ranging from Rs.2.11 to Rs.2.15 per new Khasra entry and Rs.1.80 per Khasra (uniform) for updation. The updation to base year 2002 was carried out under the same agreements by the same firms.

The payment for this work should have been made for the actual number of updations carried out. However, in four¹⁶ districts none of the Collectors were able to produce to audit any register containing statistics of actual updation. However, payments were made between April 2003 to January 2005 for updation of 100 *per cent* Khasra of base year 1999 to base year 2002 (September). Thus, the same firm which had been paid for the entire data entry and was again paid for updating all their own entries. This was irregular as in

¹⁴ It is the unique survey number of the land within tehsil also called as P-II.

¹⁵ Bastar, Bilaspur, Dantewara, Durg, Jashpur, Kanker, Raigrah and Raipur

¹⁶ Bastar, Bilaspur, Durg and Raipur

intervening period (1999-September 2002) the only updations in the Khasras would be due to mutations¹⁷.

Departmental communications (June/July 2003) indicated that mutations were usually in the range of six to seven *per cent* of total *khasras* per year and in any case should not exceed 10 *per cent*. The upper limit for percentage of updation would not exceed 40 *per cent* during the year 1999 to September 2002. The payment for updation of 100 *per cent* of original entries without verifying the actual updated entries resulted in an excess payment of Rs.1.17 crore as detailed in **Appendix-4.4**.

On this being pointed out, the concerned Collectors stated that the payment was made as per the instructions of CLRMP (June 2000) and Commissioner, Land Records, Chhattisgarh (CLRCG) (March 2004).

The reply was not acceptable. The instructions of CLRMP (June 2000) referred to updation of initial data entry made by Departmental staff for a few villages before the agreements. It pertained to the data entry for base year 1999 and could not be quoted to justify the subsequent payments for 100 *per cent* updation by firms of their own entries. The instructions of CLRCG (March 2004) read with earlier instructions (July 2003) indicated that payment should be made based on total survey numbers (Khasras) and agreed rate of updation and the updation in a district should not exceed six to seven *per cent* of total survey numbers.

Extra payment for stationery on final printouts

As per agreement, final printouts of Khasra was to be prepared by the firms in three part pre-printed stationery to be supplied by the Department. It was subsequently decided (March 2002/ April 2003) that the firms could also use their own stationery for which payment at Rs.1129 per packet (1000 sheets) was to be made. Three Khasras were required to be printed on each page to facilitate the *Patwaris*¹⁸ to record the future changes on the printouts.

Test-check of records, however, revealed that the final printouts were having on an average 10 Khasra entries per page instead of three entries whereas payment for stationery was made on the basis of three Khasra entries per page during the period from March 2003 to January 2005.

When the matter was brought to the notice, the Collector, Dantewara stated (August 2003) that recovery would be made; the Collector, Raigarh stated (February 2005) that payments made to firm would be examined. The Collectors, Bastar, Bilaspur, Durg and Raipur stated (November 2004-February 2005) that the payment for stationery was released to firms as per CLRCG instructions (June 2002) wherein it was stated that generation of Khasra printouts per page was pre-defined in the software and the data entry

¹⁷ *Mutation is a process by which land transfer from present owner(s) to other(s) takes place due to Sale, Bhu-daan, Court decree, Phauti (Uttaradhikar), Bandhak (Bonded), Batwara, Will and Exchange deed.*

¹⁸ *Person who maintains land records in village(s).*

firms could not amend the software. The instructions also specified that even if more than three entries were printed payment was to be made on the basis of three entries per page.

The reply was not acceptable. If the software had pre-defined number of Khasra prints per page, the pre-defined number should have been ascertained from the software and stationery usage should have been calculated and paid for based on the pre-defined prints per page. There was no justification and no basis for adopting criteria of printing three Khasras per page when actual average was about 10. Due to issue of irregular instructions by CLRCG without verifying the actual number of entries generated per page by software, there was extra payment of Rs.55 lakh to firms for unused stationery. Moreover, the basic objective of obtaining three khasras entries per page was altogether defeated.

As per agreement, final printouts of Khatuani¹⁹(B-I) was also to be provided by the firms in three copies but CLRCG directed (July 2003) that only one copy of B-1 printouts could be obtained.

However, contrary to above instructions final printouts of B-I was obtained in three copies during the period from April 2004 to May 2004 in Bastar and Raipur districts for which payment was made to the firm at the rate of Rs.1129 per packet.

Due to lack of timely action by concerned Collectors, the directions of CLRCG were not communicated to firms and unnecessary final printouts of B-I were taken, which resulted in avoidable extra payment of Rs.6.78 lakh on account of stationery.

The matter was reported to the Government (August 2005); reply had not been received (October 2005).

4.4 Diversion/ misutilisation of funds

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

4.4.1 Misutilisation of programme funds to create Watershed Development Fund (WDF)

Irregular creation of Watershed Development Fund of Rs.1.27 crore

The guidelines for Watershed Development (Revised 2001) issued by Department of Land Resources, Ministry of Rural Development, the Government of India provided for various watershed development activities for benefit of selected villages.

¹⁹ This contains owner-wise information with records sorted in alphabetical order with serially allotted Khaata (account) numbers to owners, also called as B-I.

It was envisaged that Watershed Development Funds (WDF) should be created for repair and maintenance of common assets or for common use after completion of project period. The funds were to be created by contributions²⁰ from beneficiaries and would be handed over to local watershed committees after completion of the scheme.

Test check of records (April to June 2005) of Watershed Committees (WCs) under Zila Panchayat (ZP) Durg, Jagdalpur and Korba revealed that instead of collecting beneficiary contributions, scheme funds of Rs.1.27 crore were used to create WDF in the above districts by making 5 to 10 percent short payment of wages to labourers deployed in watershed development activities though the guidelines of the scheme provided that no payments were to be taken from labourers for creating WDF.

Consequently, the WDF were created in an irregular manner and the labourers were deprived of minimum wages in violation of Minimum Wages Act 1948 by a Government agency.

On this being pointed out Chief Executive Officer CEO, ZP, Jagdalpur and Korba accepted the facts and stated that in future contribution would be ensured from user groups / users only while (CEO), ZP, Durg intimated that reply would be submitted after obtaining information from Project Officers.

The matter was referred to the Government (August 2005); reply had not been received (October 2005).

PUBLIC HEALTH AND FAMILY WELFARE DEPARTMENT

4.4.2 Diversion of PMGY funds

Equipment worth Rs.39.88 lakh purchased under Pradhan Mantri Gramodaya Yojana was diverted to District Hospitals

Pradhan Mantri Gramodaya Yojana (PMGY) a *cent per cent* Centrally Sponsored Scheme (CSS) aimed to provide basic minimum services in rural areas. Guidelines on the health component of the scheme issued (July 2000) by the Ministry of Health and Family Welfare (Rural Health Division), the Government of India stipulated that funds were to be utilized for upgrading Primary Health Care by using (a) fifty *per cent* of funds on strengthening of existing and functioning primary health care institutions by procurement of drugs, essential consumables, contingencies for travel cost of ANMs,²¹ repair of essential equipment, repair/replacement of furniture and (b) fifty *per cent* for strengthening, repair and maintenance of infrastructure in sub centre, Primary Health Centres (PHCs) and in Community Health Centres (CHCs),

²⁰ Minimum 10% of the cost of construction of works on individual lands and 5% of the cost of construction for work on community lands/SC/ST/BPL owned land was to be made.

²¹ Auxiliary Nursing Midwife

provision of potable water supply, adequate toilet facilities and waste management.

Test check of records (April 2005) of Director, Health Services (DHS), Chhattisgarh, Raipur revealed that contrary to the above guidelines Rs.39.88 lakh received under PMGY in 2002-03 were utilised by DHS for purchase of high value equipment for upgradation of District Hospitals as detailed below:

Sl. No.	Description	Quantity	Unit price	Total Cost (Rs.)	Issued to District Hospitals
1.	X-ray machine 300 MA	1	5,72,045	5,72,045	Jashpur
2.	X-ray machine 500 MA	1	7,51,557	7,51,557	Dantewada
3.	Pulse Oximeter	10	85,627	8,56,270	Korba-3 Durg-2 Mahasamund-2 Kawardha-2 Dhamtari-1
4.	Cardiotocograph	5	2,03,867	10,19,335	Korba-3 Mahasamund-2
5.	Blood Gas Analyzer	1	7,88,888	7,88,888	Raipur
				39,88,095	

Thus, the objective of upgradation and strengthening of health infrastructure at PHC/CHC level to ensure that health facilities were available at doorsteps in rural areas was totally defeated by purchasing expensive equipment for District Hospitals.

The Government stated in reply (September 2005) that the villagers were mostly treated at district hospitals in the newly formed districts of Jashpur, Dantewara and Kawardha. The district hospitals were still not well equipped and only small amount of budget was utilised for the purchase of equipment. The reply was not acceptable as the equipment for the district hospitals should have been purchased out of regular budget of the Department.

Thus due to diversion of the PMGY funds to district hospitals the basic minimum services to be provided in rural sectors could not be extended.

4.5 Regularity issues and other points

GENERAL ADMINISTRATION DEPARTMENT

4.5.1 Non recovery of pay advance

Non-recovery of pay advance of Rs.94.74 lakh by the State Government led to undue benefit to the Government servants.

Consequent to reorganisation of Madhya Pradesh State into Madhya Pradesh and Chhattisgarh, Government of Madhya Pradesh, General Administration Department (State re-organisation Cell), Mantralaya Bhopal issued a notification (October 2000) that the officials transferred from Madhya Pradesh (MP) to Chhattisgarh (CG), would get certain benefits. One of the benefits was a two months pay advance (Basic pay) which was to be recovered in twelve equal instalments.

Test-check of records of 23 units shown in the *Appendix-4.5* during August to December 2004 revealed that for 843 officials transferred to CG, pay advance to the tune of Rs.94.74 lakh had not been recovered so far (April 2005), as Secretary, GAD had issued orders (May 2001) deferring recovery of the pay advance till further orders. Subsequently (January 2004) orders were issued by GAD to recover pay advance from retiring employees either from pay before retirement or from Death cum Retirement Gratuity after retirement.

The Government intimated (July 2005) that recovery was deferred as it was felt that such recovery could be considered at the time of distribution of assets between States. It further stated (November 2005) that recovery was withheld after considering a request by the employees' association. The stand taken by the Government is incorrect. While payment of recovered amounts to MP may be considered at the time of distribution of assets the recovery is necessary as per rules governing pay advances and allowing the amounts to remain with the employees for over three years or upto their retirement amounts to violation of financial rules of the Government.

The total amount of such advances was not ascertainable as it involved all Departments of the Government. Requisite orders should be passed by the Government for immediate recovery of pay advances and the total amount recovered on this account should be intimated to audit.

SCHOOL EDUCATION DEPARTMENT

4.5.2 Faulty Implementation of Indira Sookhna Shakti Yojana

Payment of Rs 1.82 crore made to the firm, entrusted with the responsibility of imparting computer training programme under the Indira Sookhna Shakti Yojana was irregular as the implementation of the training programme was deficient and not in accordance with the terms of the agreement.

"Indira Sookhna Shakti Yojana" (ISSY), was launched in the State from the academic session 2001-02 to provide free computer education to all girl students studying in Class IX, X, XI and XII belonging to Scheduled Castes/Scheduled Tribes as well as girl students belonging to BPL families of other communities.

All India Society for Electronics and Computer Technology (AISECT), a private firm engaged by the Government of Madhya Pradesh for imparting computer education in the combined state was assigned (June 2001) the same task in Chhattisgarh through a fresh agreement drawn for a period of three years. The contract provided for payment of Rs.54 per student per month for providing computer education, infrastructure and training.

Test-check of records of four District Education Officers (DEOs) Ambikapur, Bilaspur, Mahasamund and Raigarh (January 2004 to March 2005) revealed that Rs.1.82 crore was paid to the AISECT during 2001-04. Payments were made by the respective DEOs on the basis of monthly bills submitted by the Principals in the prescribed format indicating only the number of students attended and name of the coordinator. Thus while making the payments the DEOs did not ensure the provisioning of required number of computers, internet facilities, number of instructors, numbers of students in each batch, duration of classes as required under the terms of the agreement. Scrutiny revealed the following deficiencies:

The agreement provided that five computers with peripherals were to be installed in each school with Internet connection at each center. It was observed that in all only 616 computers were installed (44 *per cent*) against 1405 computers required in 281 schools, and 32 of these schools had five computers each. None of the schools had the Internet facility. A complaint (November 2001) from the Principal, H.S.S, Sendri, Bilaspur to the firm also confirmed the installation of lesser number of computers as compared to students and training was not being imparted in accordance with the prescribed course. Other peripherals like printer, modem, UPS and projector were also not provided except in six schools in Ambikapur. No records were also available regarding the use of licensed software.

The agreement also provided that adequate number of qualified instructors for each batch of students was to be deployed by the contractor and the instructor

student ratio of 1:20 was to be maintained. During test check of records it was observed that in the test checked districts 111 instructors were engaged for imparting training to 18,997 students during a year. Thus, it was doubtful that the actual instructor student ratio was maintained as per the agreed ratio of 1:20. The information collected further revealed that as many as 10 instructors in Ambikapur and 17 in Bilaspur did not possess the computer qualification²² as specified in the agreement, which affected the quality of training.

The firm was to provide free training to 10 teachers/staff and free IT education to additional 10 *per cent* students selected by Heads of Institution in lieu of free use of space. It was seen that except in Bilaspur district no training was imparted to teachers/staff and to additional 10 *per cent* students.

Despite unsatisfactory performance in the execution of the training programme, the Principals of schools did not take any action to appraise the higher authorities of the shortcomings and the bills were prepared as a matter of routine and forwarded to the DEOs. The report of an inspection conducted (April 2004) by an independent body from Guru Ghasi Das University, Bilaspur and Ravishankar University, Raipur also indicated that the number of computers installed was less compared to the number of girl students. Training time overlapped the regular subject classes, which reduced the attendance of the students, and the standard of students was very low vis-à-vis the syllabus designed under the scheme.

Thus, payments aggregating to Rs.1.82 crore in the test checked districts made to the AISECT, although several deficiencies were persisting in implementation of the programme, were irregular.

Director of Public Instructions (DPI), Raipur stated (November 2005) that no reports on the unsatisfactory operation of practical and theoretical training, or inadequate number of computers, were received from DEOs and that the progress of the scheme was monitored in the meeting of the DEOs at Directorate level and no shortcomings were reported.

The reply of DPI was in contradiction to the replies of the DEOs (Ambikapur, Mahasamund and Raigarh), who admitted the irregularities but failed to inform the DPI and passed the responsibility of enforcing the provisions to the school Principals. The reply of DPI also contradicted his orders dated 29 June 2004 vide which show cause notice was served to AISECT shortly after expiry of the contract (14 June 2004) for recovery of all payments made to them on account of violation of contractual provisions.

The matter was brought to the notice of the Government (August 2005); reply had not been received (November 2005).

²² Graduate Engineer in Computer Science/Engineering/Applications/Information Technology or Master in Computer Applications (MCA) or BCA preferably with 1 year experience or PGDCA with preferably 1 year experience or Three year DCA/Engineering/Information Technology with preferably 2 year experience or 'B' Level DOE accredited Course or 'A' Level DOE accredited course with preferably 1 year experience or B.Sc. Computer Science with preferably 1 year experience.